

**ANNUAL FINANCIAL REPORT**  
**ROANE COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2006**

**Comptroller of the Treasury  
Department of Audit  
Division of County Audit  
Nashville, Tennessee**

**ANNUAL FINANCIAL REPORT  
ROANE COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2006**

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This financial report is available at [www.comptroller.state.tn.us](http://www.comptroller.state.tn.us)

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# ROANE COUNTY, TENNESSEE

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# ***Audit Highlights***

Annual Financial Report  
Roane County, Tennessee  
For the Year Ended June 30, 2006

## ***Scope***

We have audited the basic financial statements of Roane County as of and for the year ended June 30, 2006.

## ***Results***

Our report on the aggregate discretely presented component units is qualified because the financial statements did not include one component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

Our audit resulted in three findings and recommendations, which we have reviewed with Roane County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF ROAD SUPERINTENDENT**

- ◆ Time cards did not accurately reflect actual time worked.
- ◆ A Highway Department tractor was stored at an employee's residence.

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### **OFFICE OF REGISTER**

- ◆ Duties were not segregated adequately in the Office of Register.

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# INTRODUCTORY SECTION

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# Roane County Officials

## June 30, 2006

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### **Officials**

Kenneth Yager, County Mayor  
Thomas Hamby, Road Superintendent  
Dr. Toni McGriff, Director of Schools  
Wilma Eblen, Trustee  
Teresa Kirkham, Assessor of Property  
Dorothy Marshall, County Clerk  
Angela Randolph, Circuit and General Sessions Courts Clerk  
Shannon Conley, Clerk and Master  
Marlene Henry, Register  
David Haggard, Sheriff  
Alva Moore, Director of Accounts and Budgets

### **Board of County Commissioners**

Una Coffman, Chairperson	Jerry Goddard
George Bacon	James Harmon
Kent Calfee	Bobby Collier
Nadine Jackson	David Olsen
David Currier	Howard Rose
Benny East	Fred Tedder
Troy Beets	Don Wicks

### **Board of Education**

Darrell Langley, Chairperson	Tyler Overstreet
Everett Massengill	Michael Taylor
David High	Michael Miller
Sam Cox	Earl Nall
Wade McCullough	Franklin Mee

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## FINANCIAL SECTION

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**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841**

**INDEPENDENT AUDITOR'S REPORT**

December 19, 2006

Roane County Mayor and  
Board of County Commissioners  
Roane County, Tennessee

To the County Mayor and Board of County Commissioners:

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 Roane County, Tennessee, as of and for the year ended June 30, 2006, which collectively comprise Roane County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Roane County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Roane County Emergency Communications District, which represent 1.3 percent and 1.9 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented Roane County Emergency Communications District, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as

evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

The financial statements of the Roane County Industrial Development Board, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units' financial statements referred to above do not include amounts for the Roane County Industrial Development Board, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, based on our audit and the report of other auditors, and except for the effects of not including the financial statements of the Roane County Industrial Development Board, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Roane County, Tennessee, as of June 30, 2006, and the results of operations of the aggregate discretely presented component units for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Roane County, Tennessee, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2006, on our consideration of Roane County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., the county has reported the Endowment Fund as a private purpose trust fund. In previous years that fund had been reported as a permanent fund.

The management's discussion and analysis on pages 13 through 21 and the budgetary comparison information on pages 85 through 91 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Roane County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, the General Debt Service Fund, and the Rural Debt Service Fund, the combining and individual fund financial statements of the Roane County School Department (a discretely presented component unit), and miscellaneous schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, the General Debt Service Fund, and the Rural Debt Service Fund, the combining and individual fund financial statements of the Roane County School Department (a discretely presented component unit) and miscellaneous schedules, have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan  
Comptroller of the Treasury

JGM/yu

**Roane County, Tennessee  
Management's Discussion and Analysis  
For the Year Ended June 30, 2006**

This discussion and analysis of Roane County's financial performance provides an overall view of the county's financial activities for the year ended June 30, 2006. In addition, this discussion and analysis includes an overall view of the Discretely Presented Component Unit (DPCU) Roane County School Department. A separate set of financial statements is not issued for the Roane County School Department. The intent of this discussion and analysis is to look at the county's and the DPCU School Department's financial performance as a whole. Readers should also review the notes to the basic financial statements to enhance their understanding of the county's financial performance as well as the DPCU School Department's financial performance.

**FINANCIAL HIGHLIGHTS FOR FY 2006**

**Key financial highlights for 2006 are as follows:**

In total, net assets of the primary government increased by \$328,000 and net assets of the DPCU School Department decreased by \$1.7 million. In the primary government, most of the negative unrestricted net assets balance (\$29.7 million) is related to the fact that school buildings constructed with county debt are recorded as an asset for the DPCU School Department while the debt issued to fund those capital assets is recorded as a liability for the primary government. All net assets of the primary government and the DPCU School Department are related to governmental activities.

General revenues of the primary government accounted for \$13.4 million in revenue or 57 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$10.1 million or 43 percent of total revenues of \$23.5 million. General revenues of the DPCU School Department were \$45.8 million.

Total assets of governmental activities in the primary government were \$48.8 million as net taxes receivable totaled \$9.3 million; cash totaled \$11.2 million; and capital assets, net of accumulated depreciation totaled \$25.8 million. Total assets in the DPCU School Department were \$79.8 million as taxes receivable totaled \$10.7 million; cash totaled \$7.2 million; and capital assets, net of accumulated depreciation totaled \$59.3 million.

The county had \$23.1 million in expenses related to governmental activities, with \$10.1 million of these expenses offset by program specific charges for services, grants, or contributions. General revenues (primarily property taxes of \$9.4 million) were adequate to provide current funding for these programs. The DPCU School Department had \$54.4 million in expenses related to governmental activities; \$6.9 million of these expenses were offset by program specific charges for services, grants, or contributions. General revenues of the DPCU School Department (primarily Basic Education Program revenues of \$26.4 million and property taxes and sales taxes of \$10.9 and \$5.8 million, respectively) were adequate to provide current funding for these programs.

Among major funds, the General Fund had \$10.9 million in revenues and \$12.4 million in expenditures. The Ambulance Service Fund had \$2.3 million in revenues and \$2.6 million in expenditures. The Highway/Public Works Fund had \$3.2 million in revenues and \$2.8 million in expenditures. The General Debt Service Fund had \$.9 million in revenues and \$1.8 million in expenditures. The Rural Debt Service Fund had \$1.9 million in revenues and \$1.8 million in expenditures. Fund balances for the General Fund and the Ambulance Service Fund decreased by \$.4 million and \$.3 million, respectively. Fund balances increased for the Highway/Public Works Fund, the General Debt Service Fund, and the Rural Debt Service Fund by \$.3 million, \$.7 million, and \$.9 million, respectively.

### **Using this Annual Financial Report (AFR)**

This annual financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Roane County as a financial whole (and entire operating entity). The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and the Statements of Activities present an aggregate view of the entire county's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the county's most significant funds with all other nonmajor funds presented in total in one column. In the case of Roane County, the General Fund is by far the most significant fund. Other major funds include the Ambulance Service Fund, Highway/Public Works Fund, General Debt Service Fund, and the Rural Debt Service Fund. In the case of the DPCU School Department, the General Purpose School Fund is the only major fund.

### **Reporting the County as a Whole**

#### **Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the county and the DPCU School Department to provide programs and activities financially during 2006, the Statement of Net Assets and the Statement of Activities provide a broader picture of the financial activities during 2006. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the county's net assets and changes in those assets as well as those of the county's discretely presented component units. This change in assets is important because it tells the reader that, for the county and its discretely presented component units as a whole, whether their financial position has improved or diminished. The cause of this change may be the result of many factors, some financial, some not.

In the Statement of Net Assets and the Statement of Activities, the county reports its activities as governmental activities. The county's programs and services reported here include: general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; highways; and other operations.

These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues. For the DPCU School Department, its activities are also reported as governmental activities. The DPCU School Department's programs and services are reported there. These services are also funded primarily by taxes and intergovernmental revenues including federal and state grants and other shared revenues.

## **Reporting on the County's Most Significant Funds**

### **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. The county and its DPCU School Department, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the county and the DPCU School Department can be divided into three categories: governmental, proprietary, and fiduciary.

Fund financial reports provide detailed information about the county's major funds. The county uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the county's most significant funds. The county's major governmental funds are the General Fund, Ambulance Service Fund, Highway/Public Works Fund, General Debt Service Fund, and Rural Debt Service Fund. The DPCU School Department's major governmental fund is the General Purpose School Fund.

**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 the governmental funds is narrower than that of the government-wide 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.

The county and the DPCU School Department maintain many individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. Please refer to the Table of Contents to locate these statements.

**Proprietary Funds** – The county maintains one proprietary fund, an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the county’s various functions. Specifically, the Employee Dental Insurance Fund accounts for risk management activities related to dental insurance provided to county employees and their dependants. Please refer to the Table of Contents to locate these statements.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the county. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county’s own programs. The accounting used to report fiduciary funds is much like that used to report proprietary funds. Please refer to the Table of Contents to locate these statements.

**Notes to the Financial Statements** – The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. Please refer to the Table of Contents to locate these notes.

**Other information** – In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules. Please refer to the Table of Contents to locate these statements and schedules.

### **Government-wide Financial Analysis**

Net assets may serve over time as a useful indicator of a government’s financial position. In the case of the county, liabilities exceeded assets by \$7.1 million at the close of the most recent fiscal year. For the DPCU School Department, assets exceeded liabilities by \$68.1 million at the close of the most recent fiscal year.

A large portion of the county’s net assets reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The county uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The same holds true for the DPCU School Department. A large portion of its net assets reflects its investment in capital assets as described above.

Although the county’s and the DPCU School Department’s investment in 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 capital assets cannot be used to liquidate these liabilities.

Table 1 provides a summary of the county’s and the DPCU School Department’s net assets for 2006, as well as a comparison to the prior year.

An additional portion of the county’s net assets, \$8.2 million, represents resources that are subject to external restrictions on how they may be used. In the DPCU School Department, \$2.5 million of net assets are subject to external restrictions.

Table 2 shows the changes in net assets for fiscal year 2006, and a comparison to the changes in net assets of the prior year for the primary government and the discretely presented School Department.

Table 1

Roane County Government and DPCU School Department Net Assets  
Governmental Activities

	<u>Roane County Government</u>		<u>DPCU School Department</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Assets:				
Current and Other Assets	\$ 23,046,115	\$ 21,201,924	\$ 20,505,415	\$ 20,366,304
Capital Assets	25,728,870	25,244,873	59,331,051	61,118,212
Total Assets	<u>\$ 48,774,985</u>	<u>\$ 46,446,797</u>	<u>\$ 79,836,466</u>	<u>\$ 81,484,516</u>
Liabilities:				
Long-term Liabilities Outstanding	\$ 45,280,284	\$ 43,380,547	\$ 146,338	\$ 669,987
Other Liabilities	10,591,063	10,469,847	11,558,265	11,480,435
Total Liabilities	<u>\$ 55,871,347</u>	<u>\$ 53,850,394</u>	<u>\$ 11,704,603</u>	<u>\$ 12,150,422</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 14,473,359	\$ 15,550,801	\$ 59,315,543	\$ 61,100,704
Restricted	8,182,108	5,805,106	2,469,866	3,325,631
Unrestricted	(29,751,829)	(28,759,504)	6,346,454	4,907,759
Total Net Assets	<u>\$ (7,096,362)</u>	<u>\$ (7,403,597)</u>	<u>\$ 68,131,863</u>	<u>\$ 69,334,094</u>

Table 2

Roane County Government and DPCU School Department Changes in Net Assets  
Governmental Activities

	<u>Roane County Government</u>		<u>DPCU School Department</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 5,826,758	\$ 5,652,315	\$ 1,859,257	\$ 1,736,149
Operating Grants and Contributions	3,346,049	3,213,455	4,605,631	7,041,404
Capital Grants and Contributions	904,152	619,159	419,817	0
General Revenues:				
Property Taxes	9,435,525	9,234,840	10,858,390	10,311,717
Sales Taxes	555,959	533,319	5,768,115	5,379,895
Other Taxes	1,092,693	1,001,709	8,497	0
Grants and Contributions Not Restricted to Specific Programs	1,862,142	1,665,395	28,733,534	26,955,106
Unrestricted Investment Earnings	425,185	239,887	404,685	216,671
Other	1,241	31,133	3,323	120,204
<b>Total Revenues</b>	<b>\$ 23,449,704</b>	<b>\$ 22,191,212</b>	<b>\$ 52,661,249</b>	<b>\$ 51,761,146</b>
<b>Expenses:</b>				
General Government	\$ 1,269,271	\$ 1,250,401	\$ 0	\$ 0
Finance	1,338,040	1,279,845	0	0
Administration of Justice	1,145,391	1,065,267	0	0
Public Safety	3,888,970	3,565,057	0	0
Public Health and Welfare	4,954,309	4,662,507	0	0
Social, Cultural, and Recreation Services	114,529	108,831	0	0
Agriculture and Natural Resources	105,686	101,278	0	0
Other Operations	4,834,517	3,957,159	0	0
Highways	3,005,992	3,003,066	0	0
Education	289,165	273,934	54,389,939	51,678,709
Interest on Long-term Debt	1,914,996	1,833,532	0	0
Other Debt Service	261,206	878,305	0	0
<b>Total Expenses</b>	<b>\$ 23,122,072</b>	<b>\$ 21,979,182</b>	<b>\$ 54,389,939</b>	<b>\$ 51,678,709</b>
Increase (Decrease) in Net Assets	\$ 327,632	\$ 212,030	\$ (1,728,690)	\$ 82,437
Net Assets, July 1	(7,423,994)	(7,615,627)	69,334,094	69,251,657
Restatement of Beginning Net Assets	0	0	526,459	0
<b>Net Assets, June 30</b>	<b>\$ (7,096,362)</b>	<b>\$ (7,403,597)</b>	<b>\$ 68,131,863</b>	<b>\$ 69,334,094</b>

Public Health and Welfare of \$5 million, consisting primarily of the Ambulance Service's and Sanitation Department's operations, accounted for approximately 21 percent of the \$23.1 million total expenses for governmental activities. Of that \$23.1 million in governmental activities expenses, \$5.8 million was covered by direct charges to users of the services. A significant portion of those charges is for constitutional officers' fees and commission and for Ambulance Service patient charges.

## **Financial Analysis of the Government's Funds**

As noted earlier, the county and DPCU School Department use fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$10.9 million. Approximately \$9.7 million of this total constitutes unreserved fund balance, which is available for appropriation at the government's discretion within certain legal constraints and purpose restrictions. The remainder of fund balance is reserved to indicate that it is not available for new spending. In the DPCU School Department's governmental funds, combined ending fund balances were \$8.2 million. Approximately \$6.7 million of this total constitutes unreserved fund balance.

### **Financial Comparisons - Primary Government**

The General Fund is the chief operating fund of the county. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1.3 million, while total fund balance was \$2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 11 percent of total General Fund expenditures, while total fund balance represents 16 percent of that same amount.

The fund balance of the county's General Fund decreased by \$.4 million during the current fiscal year. This decrease is primarily due to operating expenditures exceeding operating revenues.

The fund balance of the Ambulance Service Fund decreased by \$.3 million, ending at \$.8 million.

The Highway/Public Works Fund continues to hold its own in terms of funding the needs of the department. Revenues exceeded expenditures and other uses by \$.3 million, bringing the ending fund balance to \$.6 million.

The General Debt Service Fund had a net increase of \$.75 million in fund balance, and the Rural Debt Service Fund finished with a fund balance of \$2.4 million, an increase of \$0.9 million.

Roane County's budgeting process is prescribed by Tennessee Code Annotated. Essentially the budget is the county's appropriations that are restricted by the amounts of anticipated revenues, therefore the county's plans and desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations can be adjusted accordingly.

**Proprietary funds.** The financial statements of the Internal Service Fund reflect the operations of the county's dental self-insured risk financing activities. These activities have been consolidated under the revenues and expenses for governmental activities on the government-wide financial statements.

### **Financial Comparison - DPCU School Department**

The General Purpose School Fund is the chief operating fund of the DPCU School Department. At the end of the current fiscal year, unreserved fund balance of the General Purpose School Fund was \$5.2 million, while total fund balance reached \$6 million. As a measure of the General Purpose School Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 12 percent of total General Purpose School Fund expenditures, while total fund balance represents 14 percent of that same amount.

### **Capital Asset and Debt Administration**

**Capital Assets.** The county's investment in capital assets for its governmental activities as of June 30, 2006, totals \$14.5 million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, improvements, equipment, roads, highways, and bridges. The DPCU School Department's investment in capital assets for its governmental activities as of June 30, 2006, totals \$59.3 million (net of accumulated depreciation and related debt). The Notes to the Financial Statements provide additional information on capital asset activity for the year.

**Long-term Debt.** At the end of the 2006 fiscal year, the county had total long-term debt obligations outstanding of \$45.3 million. Of this amount, all is backed by the full faith and credit of the county. The county maintains an A2 rating for Moody's and an A rating for Standard and Poor's for general obligation debt.

In addition to the debt noted above, county long-term obligations include compensated absences and landfill postclosure care costs. Additional information on the county's long-term obligations can be found in the Notes to the Financial Statements.

Interest and fiscal charges amounted to 9.4 percent of the total expenses for governmental activities.

### **Economic Factors and Next Year's Budgets and Rates**

The unemployment rate for the county is currently 5.7 percent compared to 6.4 percent a year ago. The state's average unemployment rate is currently 5.4 percent and the national average is 4.7 percent. Inflationary trends in the region compare favorably to national indices. All of these factors were considered in preparing the county's budget for the 2007 fiscal year. At the end of the 2006 fiscal year, unreserved fund balance in the General Fund was \$1.3 million. The county has budgeted to use \$370,571 of this fund balance for spending on fiscal year 2007.

## **Request for Information**

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the government's finances. For questions concerning any of the information provided in this report, please contact the Accounting and Budgeting Office at 200 East Race Street, Suite 1, Kingston, Tennessee 37763.

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Roane County, Tennessee  
Statement of Net Assets  
June 30, 2006

	Primary	Component Units	
	Government	Roane	Emergency
	Governmental	County	Communica-
	Activities	School	tions
		Department	District
<b><u>ASSETS</u></b>			
Cash	\$ 50,923	\$ 47,500	\$ 526,647
Equity in Pooled Cash and Investments	11,185,648	7,179,224	0
Accounts Receivable	781,423	108,616	60,032
Due from Other Governments	891,806	2,465,423	0
Property Taxes Receivable	9,843,637	11,308,059	0
Allowance for Uncollectible Property Taxes	(524,969)	(603,407)	0
Prepaid Items	35,117	0	10,034
Unamortized Debt Issuance Cost	782,530	0	0
Other Current Assets	0	0	1,065
Capital Assets:			
Assets Not Depreciated:			
Land	3,693,746	1,387,525	30,056
Construction in Progress	3,247	38,346	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	3,054,036	55,667,675	0
Other Capital Assets	2,268,787	2,237,505	456,068
Infrastructure - Roads, Streets, and Bridges	16,709,054	0	0
Total Assets	<u>\$ 48,774,985</u>	<u>\$ 79,836,466</u>	<u>\$ 1,083,902</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 389,491	\$ 1,102,751	\$ 4,892
Accrued Payroll	322,454	48,421	16,385
Accrued Interest Payable	277,254	0	0
Payroll Deductions Payable	311	5,426	175
Other Current Liabilities	93,607	0	0
Deferred Revenue - Property Taxes	9,055,233	10,401,667	0
Other Deferred Revenues	1,440	0	0
Unamortized Premiums on Debt	451,273	0	0
Noncurrent Liabilities:			
Due Within One Year	2,495,377	119,747	8,121
Due in More than One Year	42,784,907	26,591	0
Total Liabilities	<u>\$ 55,871,347</u>	<u>\$ 11,704,603</u>	<u>\$ 29,573</u>

(Continued)

Exhibit A

Roane County, Tennessee  
Statement of Net Assets

	Primary Government	Component Units	
	Governmental Activities	Roane County School Department	Emergency Communica- tions District
<u>NET ASSETS</u>			
Invested in Capital Assets, net of related debt	\$ 14,473,359	\$ 59,315,543	\$ 0
Invested in Capital Assets	0	0	483,874
Restricted for:			
Solid Waste	638,191	0	0
Industrial Development	658,337	0	0
Recycling	439,228	0	0
Highways	789,902	0	0
Debt Service	5,272,347	0	0
Health Department	175,050	0	0
Constitutional Officers' Data Processing Systems	148,371	0	0
Capital Projects	0	714,982	0
School Cafeterias	0	1,025,334	0
School Transportation	0	459,545	0
Federal Assistance Programs	0	152,582	0
Other Purposes	60,682	117,423	0
Unrestricted	<u>(29,751,829)</u>	<u>6,346,454</u>	<u>570,455</u>
Total Net Assets	<u>\$ (7,096,362)</u>	<u>\$ 68,131,863</u>	<u>\$ 1,054,329</u>

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

Exhibit B

Roane County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2006

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues				Primary Government	Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Roane County School Department	Emergency Communications District
<u>Primary Government:</u>							
Governmental Activities:							
General Government	\$ 1,269,271	\$ 858,010	\$ 18,000	\$ 210,000	\$ (183,261)	\$ 0	\$ 0
Finance	1,338,040	1,002,203	0	0	(335,837)	0	0
Administration of Justice	1,145,391	813,923	9,000	0	(322,468)	0	0
Public Safety	3,888,970	123,520	424,976	0	(3,340,474)	0	0
Public Health and Welfare	4,954,309	2,671,391	399,191	379,756	(1,503,971)	0	0
Social, Cultural, and Recreational Services	114,529	30,536	0	167,549	83,556	0	0
Agricultural and Natural Resources	105,686	0	6,897	0	(98,789)	0	0
Other Operations	4,834,517	0	442,159	0	(4,392,358)	0	0
Highways	3,005,992	33,056	1,931,222	146,847	(894,867)	0	0
Education	289,165	294,119	114,604	0	119,558	0	0
Debt Service:							
Interest	1,914,996	0	0	0	(1,914,996)	0	0
Other Debt Service	261,206	0	0	0	(261,206)	0	0
<b>Total Primary Government</b>	<b>\$ 23,122,072</b>	<b>\$ 5,826,758</b>	<b>\$ 3,346,049</b>	<b>\$ 904,152</b>	<b>\$ (13,045,113)</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Component Units:</u>							
Roane County School Department	\$ 54,389,939	\$ 1,859,257	\$ 4,605,631	\$ 419,817	\$ 0	\$ (47,505,234)	\$ 0
Emergency Communication District	800,057	874,543	127,624	10,000	0	0	212,110
<b>Total Component Units</b>	<b>\$ 55,189,996</b>	<b>\$ 2,733,800</b>	<b>\$ 4,733,255</b>	<b>\$ 429,817</b>	<b>\$ 0</b>	<b>\$ (47,505,234)</b>	<b>\$ 212,110</b>

(Continued)

Exhibit B

Roane County, Tennessee  
Statement of Activities

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Assets					
		Program Revenues			Primary Government	Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Roane County School Department	Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 5,149,117	\$ 10,858,390	\$ 0	
Property Taxes Levied for Solid Waste				314,158	0	0	
Property Taxes Levied for Industrial/Economic Development				180,819	0	0	
Property Taxes Levied for Recycling				225,789	0	0	
Property Taxes Levied for Highway				858,182	0	0	
Property Taxes Levied for Debt Service				2,707,460	0	0	
Local Option Sales Taxes				555,959	5,768,115	0	
Other Local Taxes				1,092,693	8,497	0	
Grants and Contributions Not Restricted to Specific Programs				1,862,142	28,733,534	0	
Unrestricted Investment Income				425,185	404,685	1,171	
Miscellaneous				1,241	3,323	1,869	
Total General Revenues				\$ 13,372,745	\$ 45,776,544	\$ 3,040	
Change in Net Assets				\$ 327,632	\$ (1,728,690)	\$ 215,150	
Net Assets, July 1, 2005				(7,423,994)	69,334,094	839,179	
Restatement for Long-term Liabilities				0	526,459	0	
Net Assets, June 30, 2006				\$ (7,096,362)	\$ 68,131,863	\$ 1,054,329	

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

Exhibit C-1

Roane County, Tennessee  
 Balance Sheet  
 Governmental Funds  
 June 30, 2006

	Major Funds					Nonmajor	Total
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>							
Cash	\$ 2,971	\$ 100	\$ 0	\$ 0	\$ 0	\$ 47,852	\$ 50,923
Equity in Pooled Cash and Investments	1,761,232	461,758	404,230	2,566,794	2,386,670	2,668,746	10,249,430
Accounts Receivable	222,401	345,437	32,604	99,777	0	81,204	781,423
Due from Other Governments	473,508	0	321,376	0	851	96,071	891,806
Due from Other Funds	47,995	0	3,244	46,489	0	3,201	100,929
Property Taxes Receivable	5,452,549	0	908,758	573,953	1,727,480	1,180,897	9,843,637
Allowance for Uncollectible Property Taxes	(290,952)	0	(48,492)	(30,626)	(91,977)	(62,922)	(524,969)
Prepaid Items	742	0	0	0	0	34,375	35,117
<b>Total Assets</b>	<b>\$ 7,670,446</b>	<b>\$ 807,295</b>	<b>\$ 1,621,720</b>	<b>\$ 3,256,387</b>	<b>\$ 4,023,024</b>	<b>\$ 4,049,424</b>	<b>\$ 21,428,296</b>

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable	\$ 70,488	\$ 7,382	\$ 5,864	\$ 2,140	\$ 0	\$ 303,617	\$ 389,491
Accrued Payroll	227,348	42,232	30,832	0	0	22,042	322,454
Payroll Deductions Payable	0	0	311	0	0	0	311
Due to Other Funds	2,863	0	0	0	0	98,066	100,929
Other Current Liabilities	93,607	0	0	0	0	0	93,607
Deferred Revenue - Current Property Taxes	5,015,503	0	835,917	527,948	1,589,432	1,086,433	9,055,233
Deferred Revenue - Delinquent Property Taxes	131,284	0	21,881	13,820	41,386	28,336	236,707
Other Deferred Revenues	115,631	0	167,944	0	422	62,254	346,251
<b>Total Liabilities</b>	<b>\$ 5,656,724</b>	<b>\$ 49,614</b>	<b>\$ 1,062,749</b>	<b>\$ 543,908</b>	<b>\$ 1,631,240</b>	<b>\$ 1,600,748</b>	<b>\$ 10,544,983</b>

Fund Balances

Reserved for Encumbrances	\$ 332,394	\$ 1,449	\$ 202,906	\$ 0	\$ 0	\$ 240,263	\$ 777,012
Reserved for Sexual Offender Registration	300	0	0	0	0	0	300
Reserved for Courtroom Security	8	0	0	0	0	0	8
Reserved for Courthouse and Jail Maintenance	26,265	0	0	0	0	0	26,265
Reserved for Computer System - Register	117,313	0	0	0	0	0	117,313
Reserved for Automation Purposes - Circuit Court	2,495	0	0	0	0	0	2,495
Reserved for Automation Purposes - General Sessions Court	22,357	0	0	0	0	0	22,357

(Continued)

Exhibit C-1

Roane County, Tennessee  
 Balance Sheet  
 Governmental Funds (Cont.)

	Major Funds					Nonmajor	Total
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service	Other Govern- mental Funds	
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>							
<u>Fund Balances (Cont.)</u>							
Reserved for Automation Purposes - Chancery Court	\$ 1,154	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,154
Reserved for Automation Purposes - Sheriff	5,052	0	0	0	0	0	5,052
Reserved for Other General Purposes	195,398	0	0	0	0	0	195,398
Unreserved, Reported In:							
General Fund	1,310,986	0	0	0	0	0	1,310,986
Special Revenue Funds	0	756,232	356,065	0	0	1,756,436	2,868,733
Debt Service Funds	0	0	0	2,712,479	2,391,784	379,667	5,483,930
Capital Projects Funds	0	0	0	0	0	72,310	72,310
Total Fund Balances	<u>\$ 2,013,722</u>	<u>\$ 757,681</u>	<u>\$ 558,971</u>	<u>\$ 2,712,479</u>	<u>\$ 2,391,784</u>	<u>\$ 2,448,676</u>	<u>\$ 10,883,313</u>
Total Liabilities and Fund Balances	<u>\$ 7,670,446</u>	<u>\$ 807,295</u>	<u>\$ 1,621,720</u>	<u>\$ 3,256,387</u>	<u>\$ 4,023,024</u>	<u>\$ 4,049,424</u>	<u>\$ 21,428,296</u>

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

Exhibit C-2

Roane County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets  
June 30, 2006

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 10,883,313
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,693,746	
Add: construction in progress	3,247	
Add: building and improvements, net of accumulated depreciation	3,054,036	
Add: other capital assets, net of accumulated depreciation	2,268,787	
Add: infrastructure, net of accumulated depreciation	<u>16,709,054</u>	25,728,870
(2) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		581,518
(3) Internal service funds are used by management to charge the cost of employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.		936,218
(4) Debt issuance costs are expensed when paid in the governmental funds. The unamortized portion of these charges is reflected on the statement of net assets.		782,530
(5) Interest costs of long-term debt are expensed when due in the governmental funds. Interest costs incurred as of the balance sheet date are accrued in the statement of net assets.		(277,254)
(6) Long-term liabilities, including other loans payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Add: notes payable	\$ 5,524,680	
Add: other loans payable	16,900,000	
Add: bonds payable	22,874,021	
Add: landfill closure/postclosure care cost	933,520	
Add: compensated absences	284,149	
Add: unamortized debt premiums	451,273	
Less: deferred charge on refunding (to be amortized as interest expense)	<u>(1,236,086)</u>	<u>(45,731,557)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ (7,096,362)</u>

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

Exhibit C-3

Roane County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2006

	Major Funds					Nonmajor	Total
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service	Other Govern- mental Funds	
<u>Revenues</u>							
Local Taxes	\$ 6,307,878	\$ 0	\$ 1,081,728	\$ 542,476	\$ 1,799,935	\$ 2,375,144	\$ 12,107,161
Licenses and Permits	398,566	0	0	0	0	0	398,566
Fines, Forfeitures, and Penalties	168,736	0	0	0	0	37,426	206,162
Charges for Current Services	121,745	2,011,645	0	0	0	577,100	2,710,490
Other Local Revenues	46,097	0	40,878	312,302	93,439	193,236	685,952
Fees Received from County Officials	1,998,635	0	0	0	0	0	1,998,635
State of Tennessee	683,576	0	2,021,836	0	0	535,913	3,241,325
Federal Government	1,182,600	300,000	72,105	0	0	0	1,554,705
Other Governments and Citizens Groups	36,836	0	0	80,583	0	103,200	220,619
<b>Total Revenues</b>	<b>\$ 10,944,669</b>	<b>\$ 2,311,645</b>	<b>\$ 3,216,547</b>	<b>\$ 935,361</b>	<b>\$ 1,893,374</b>	<b>\$ 3,822,019</b>	<b>\$ 23,123,615</b>
<u>Expenditures</u>							
Current:							
General Government	\$ 1,519,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,519,200
Finance	1,317,221	0	0	0	0	5	1,317,226
Administration of Justice	1,108,416	0	0	0	0	14,279	1,122,695
Public Safety	3,758,126	0	0	0	0	39,505	3,797,631
Public Health and Welfare	621,389	2,572,501	0	0	0	2,244,359	5,438,249
Social, Cultural, and Recreational Services	183,196	0	0	0	0	0	183,196
Agricultural and Natural Resources	103,924	0	0	0	0	0	103,924
Other Operations	3,706,787	0	0	0	0	1,127,730	4,834,517
Highways	37,304	0	2,757,209	0	0	0	2,794,513
Debt Service:							
Principal on Debt	0	0	0	784,831	885,000	225,000	1,894,831
Interest on Debt	0	0	0	825,829	856,642	39,222	1,721,693
Other Debt Service	0	0	0	151,886	37,868	51,276	241,030
Capital Projects	0	0	0	0	0	8,645	8,645
<b>Total Expenditures</b>	<b>\$ 12,355,563</b>	<b>\$ 2,572,501</b>	<b>\$ 2,757,209</b>	<b>\$ 1,762,546</b>	<b>\$ 1,779,510</b>	<b>\$ 3,750,021</b>	<b>\$ 24,977,350</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,410,894)	\$ (260,856)	\$ 459,338	\$ (827,185)	\$ 113,864	\$ 71,998	\$ (1,853,735)
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 402,000	\$ 0	\$ 0	\$ 998,000	\$ 0	\$ 2,200,000	\$ 3,600,000
Transfers In	820,264	0	0	917,697	1,310,000	148,000	3,195,961

(Continued)

Exhibit C-3

Roane County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds (Cont.)

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service	Other Govern- mental Funds	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Transfers Out	\$ (171,311)	\$ 0	\$ (123,622)	\$ (340,000)	\$ (480,264)	\$ (2,080,764)	\$ (3,195,961)
Total Other Financing Sources (Uses)	\$ 1,050,953	\$ 0	\$ (123,622)	\$ 1,575,697	\$ 829,736	\$ 267,236	\$ 3,600,000
Net Change in Fund Balances	\$ (359,941)	\$ (260,856)	\$ 335,716	\$ 748,512	\$ 943,600	\$ 339,234	\$ 1,746,265
Fund Balance, July 1, 2005	2,373,663	1,018,537	223,255	1,963,967	1,448,184	2,109,442	9,137,048
Fund Balance, June 30, 2006	\$ 2,013,722	\$ 757,681	\$ 558,971	\$ 2,712,479	\$ 2,391,784	\$ 2,448,676	\$ 10,883,313

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

Exhibit C-4

Roane County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 1,746,265
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,189,015	
Less: current year depreciation	(1,635,069)	
Less: net book value of asset disposals	<u>(69,949)</u>	483,997
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2005	\$ (549,548)	
Add: deferred delinquent property taxes and other deferred June 30, 2006	<u>581,518</u>	31,970
(3) The issuance of long-term debt (e.g., notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Less: other loan proceeds issued	\$ (3,600,000)	
Add: current year deferred debt issuance cost	44,570	
Add: principal payment on notes	62,891	
Add: principal payment on other loans	525,000	
Add: principal payment on bonds	<u>1,306,940</u>	(1,660,599)
(4) Governmental funds report the effect of issuance costs, and similar items related to long-term debt issuance when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This adjustment reflects debt issuance cost expensed during the year and recorded in the statement of activities.		
Add: amortization of debt issuance premiums	\$ 28,584	
Less: amortization of debt issuance costs	(64,746)	
Less: amortization of deferred amount on refunding	<u>(203,045)</u>	(239,207)
(5) 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.		
Change in accrued interest payable	\$ (18,842)	
Change in accrued leave	(30,523)	
Change in landfill postclosure care cost	<u>39,000</u>	(10,365)
(6) Internal service funds are used by management to charge the cost of dental benefits to individual funds. The net revenue/expense of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		<u>(24,429)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 327,632</u>

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

Exhibit D-1

Roane County, Tennessee  
Statement of Net Assets  
Proprietary Fund  
June 30, 2006

Governmental  
 Activities -  
 Internal  
 Service Fund  


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 Employee  
 Dental  
 Insurance  
 Fund  


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ASSETS

Current Assets:

Equity in Pooled Cash and Investments	\$ 936,218
Total Assets	<u>\$ 936,218</u>

NET ASSETS

Unrestricted	<u>\$ 936,218</u>
Total Net Assets	<u><u>\$ 936,218</u></u>

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

Exhibit D-2

Roane County, Tennessee  
Statement of Revenues, Expenses, and  
Changes in Net Assets  
Proprietary Fund  
For the Year Ended June 30, 2006

	Governmental Activities - Internal Service Fund
	<u>Employee Dental Insurance Fund</u>
<u>Operating Revenues</u>	
Self Insurance Premiums/Contributions	\$ 317,212
Total Operating Revenues	<u>\$ 317,212</u>
<u>Operating Expenses</u>	
Other Salaries and Wages	\$ 17,671
Medical and Dental Services	315,000
Handling Charges and Administration	43,245
Total Operating Expenses	<u>\$ 375,916</u>
Operating Income (Loss)	<u>\$ (58,704)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 34,275
Total Nonoperating Revenue (Expenses)	<u>\$ 34,275</u>
Change in Net Assets	(24,429)
Net Assets, July 1, 2005	<u>\$ 960,647</u>
Net Assets, June 30, 2006	<u>\$ 936,218</u>

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

Exhibit D-3

Roane County, Tennessee  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2006

	Governmental Activities - Internal Service Fund
	<u>Employee Dental Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from self insurance premiums	\$ 317,212
Payments for claims	(315,000)
Payments to employees	(17,671)
Payments for administrative costs	(43,245)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (58,704)</u>
<u>Cash Flows from Investing Activities</u>	
Investment income	\$ 34,275
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 34,275</u>
Net Increase (Decrease) In Cash	\$ (24,429)
Cash, July 1, 2005	<u>960,647</u>
Cash, June 30, 2006	<u><u>\$ 936,218</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>	
Operating Income (Loss)	\$ (58,704)
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (58,704)</u></u>
<u>Reconciliation of Cash with Net Assets</u>	
Equity in Pooled Cash and Investments	\$ 936,218
Cash, June 30, 2006	<u><u>\$ 936,218</u></u>

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

Exhibit E-1

Roane County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2006

	Private Purpose Trust Fund	
	<u>Endowment Fund</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 1,385,100
Equity in Pooled Cash and Investments	20,752	357,124
Accounts Receivable	0	1,626
Due from Other Governments	0	941,549
Property Taxes Receivable	0	649,283
Allowance for Uncollectible Property Taxes	0	(34,647)
Notes Receivable - Long-term	0	523,528
	<u>0</u>	<u>523,528</u>
Total Assets	<u>\$ 20,752</u>	<u>\$ 3,823,563</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 752	\$ 4,614
Accrued Payroll	0	2,346
Due to Other Taxing Units	0	1,546,469
Due to Litigants, Heirs, and Others	0	1,385,233
Due to Joint Ventures	0	20,414
Other Current Liabilities	0	864,487
	<u>0</u>	<u>864,487</u>
Total Liabilities	<u>\$ 752</u>	<u>\$ 3,823,563</u>
<u>NET ASSETS</u>		
Held in Trust for Scholarships	<u>\$ 20,000</u>	

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

Exhibit E-2

Roane County, Tennessee  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
For the Year Ended June 30, 2006

	Private Purpose Trust Fund <hr/> Endowment Fund
<u>ADDITIONS</u>	
Investment Income:	
Interest	\$ 752
Total Additions	<hr/> \$ 752
<u>DEDUCTIONS</u>	
Education:	
Scholarships	\$ 1,149
Total Deductions	<hr/> \$ 1,149
Change in Net Assets	\$ (397)
Net Assets, July 1, 2005	<hr/> 20,397
Net Assets, June 30, 2006	<hr/> <hr/> \$ 20,000

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

**ROANE COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2006**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Roane County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Roane County:

**A. Reporting Entity**

Roane County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Roane County (the primary government) 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.

**Blended Component Units** – There are no legally separate component units of Roane County that meet the criteria for being reported as part of the primary government by the blending method.

**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.

The Roane County School Department operates the public school system in the county, and the voters of Roane County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. Also, the School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Industrial Development Board of Roane County was organized to promote industrial development and provide additional job opportunities in Roane County and the surrounding counties in accordance with Title 7, Chapter 53, of Tennessee Code Annotated. The Industrial Development Board of Roane County is governed by a nine-member board of directors appointed by the Roane County Commission. During the year, Roane County provided \$269,975 to the Industrial Development Board to be applied toward operations of the board. The financial statements of the Industrial Development Board of Roane County were not available from other auditors in time for inclusion in this report.

The Roane County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Roane County, and the Roane County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Roane County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Roane County School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Industrial Development Board of Roane County were not available in time for inclusion, as previously mentioned. Complete financial statements of the Industrial Development Board of Roane County and the Roane County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Industrial Development Board of Roane County  
1209 N. Kentucky Street  
Kingston, Tennessee 37763

Roane County Emergency Communications District  
P.O. Box 236  
Rockwood, Tennessee 37854

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the 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. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Roane County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Roane County School Department 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 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.

Roane County issues all debt for the discretely presented Roane County School Department. Net debt issues of \$325,000 were contributed by the county to the School Department during the year ended June 30, 2006.

Separate financial statements are provided for governmental funds, the 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. 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 and fiduciary funds 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.

Fund financial statements of Roane County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Roane County only reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The internal service fund and the fiduciary funds in total are reported in single columns by fund type.

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 become 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 county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Roane County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting (except for agency funds which have no measurement focus). Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Roane County reports the following major governmental funds:

**General Fund** – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Ambulance Service Fund** – This fund accounts for transactions of the county’s Ambulance Department.

**Highway/Public Works Fund** – This fund accounts for transactions of the county’s Highway Department.

**General Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**Rural Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt issued for school purposes prior to the July 1, 2003, Harriman city school merger and repaid by governmental funds.

Additionally, Roane County reports the following fund types:

**Capital Projects Fund** – The Highway Capital Projects Fund is used to account for road construction and renovations of the county road system.

**Private Purpose Trust Fund** – The Endowment Fund is used to account for an endowment received by the county. The principal amount must remain intact while interest earned on the principal is to be expended for the benefit of scholarships for Roane County students.

**Internal Service Fund** – The Employee Dental Insurance Fund accounts for the self-insured employee dental program managed by the county for the primary government and the discretely presented School Department.

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received from the state to be forwarded to the various cities in Roane County, the city school system's share of educational revenues, and assets held in a custodial capacity for a joint venture and for an industrial revolving loan program. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Roane County School Department reports the following major governmental fund:

**General Purpose School Fund** – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Roane County School Department reports the following fund types:

**Special Revenue Funds** – These funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

**Capital Projects Fund** – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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. 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 nonoperating items. The county has one proprietary fund, an internal service fund. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's internal service fund are self-insurance premiums. Operating expenses for the internal service fund include dental claims and administrative charges.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

For purposes of the statement of cash flows, cash includes cash on deposit with the county trustee.

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 Treasurer's 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 Roane County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund, Rural Debt Service Fund, and the School Department's General Purpose School Fund. Roane

County and the Roane County School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. 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. Receivables and Payables**

Activity between funds for unremitted current collections or that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as due to/from other funds.

Long-term loans to entities outside the primary government, as reported in the agency fund financial statements, are reported as long-term notes receivable.

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.8 percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. 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, is reported as deferred revenue 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 with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 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. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements. Other current liabilities (\$93,607) reflected for the primary government on the statement of net assets represent amounts assessed by an insurance risk pool administrator. This liability is further discussed in Note V.A., Risk Management.

### **3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund 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, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), 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 \$5,000 or more and an estimated useful life exceeding five 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.

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

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

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Other Capital Assets	5-10
Infrastructure	10-100

**5. Compensated Absences**

It is the county's and School Department'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 Roane County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide statements for the county and its discretely presented component units. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

**6. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

**7. Net Assets and Fund Equity**

In the government-wide financial statements and the proprietary fund in the fund financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

On the Balance Sheet – Governmental Funds (Exhibit C-1), the account Reserve for Other General Purposes in the General Fund (\$195,398) consists primarily of unexpended Health Department grants.

As of June 30, 2006, Roane County had \$33,859,999 in outstanding debt for capital purposes of other entities (schools of \$23,590,026 and industrial purposes of \$10,269,973). This debt is a liability of Roane County; but the capital assets acquired are reported in the financial statements of the other entities. Therefore, Roane County has incurred a liability, significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative

management plans that are subject to change. The following table reflects designations on June 30, 2006:

<u>Entity/Fund</u>	<u>Purpose</u>	<u>Amount</u>
Roane County:		
General	Cash Management	\$ 500,000
Industrial/Economic Development	Cash Management	100,000
General Debt Service	Cash Management	300,000
Solid Waste/Sanitation	Cash Management	200,000
Ambulance Service	Cash Management	100,000
Other Special Revenue	Cash Management	100,000
Roane County School Department:		
General Purpose School Fund	Post-employment benefits	539,555

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

Discretely Presented Roane County School Department

Exhibit J-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

**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**

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide statement of activities.

Discretely Presented Roane County School Department

Exhibit J-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total

governmental funds with the change in net assets of governmental activities reported in the government-wide statement of activities.

### **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **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 funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

The county's budgetary basis of accounting is consistent with 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.

### **IV. DETAILED NOTES ON ALL FUNDS**

#### **A. Deposits and Investments**

Roane County and the Roane County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net assets represent nonpooled amounts held separately by individual funds.

## 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 equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

## Investments

**Legal Provisions.** Counties are authorized 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; 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 state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool 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 two percent below the fair value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2006, Roane County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Roane County and the discretely presented Roane County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	<u>\$ 12,112,966</u>
Total		<u><u>\$ 12,112,966</u></u>

**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 the maturities of certain investments as previously disclosed. Roane 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. Roane County has no investment policy that would further limit its investment choices. As of June 30, 2006, Roane County's investment in the State Treasurer's Investment Pool was unrated.

**B. Notes Receivable**

Notes receivable consists of industrial loans of \$523,528, that represent loans made from the Community Development – Agency Fund to local businesses.

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2006, was as follows:

Primary Government

**Governmental Activities:**

	Balance 7-1-05	Increases	Decreases	Balance 6-30-06
Capital Assets				
Not Depreciated:				
Land	\$ 3,693,746	\$ 0	\$ 0	\$ 3,693,746
Construction in Progress	95,622	793	(93,168)	3,247
Total Capital Assets				
Not Depreciated	\$ 3,789,368	\$ 793	\$ (93,168)	\$ 3,696,993

**Governmental Activities:**

	Balance 7-1-05	Increases	Decreases	Balance 6-30-06
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,035,897	\$ 97,261	\$ (66,350)	\$ 5,066,808
Roads and Bridges	21,917,580	885,294	0	22,802,874
Other Capital Assets	4,646,757	1,298,835	(151,391)	5,794,201
<b>Total Capital Assets Depreciated</b>	<b>\$ 31,600,234</b>	<b>\$ 2,281,390</b>	<b>\$ (217,741)</b>	<b>\$ 33,663,883</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,881,730	\$ 131,042	\$ 0	\$ 2,012,772
Roads and Bridges	5,212,311	881,509	0	6,093,820
Other Capital Assets	3,050,688	622,518	(147,792)	3,525,414
<b>Total Accumulated Depreciation</b>	<b>\$ 10,144,729</b>	<b>\$ 1,635,069</b>	<b>\$ (147,792)</b>	<b>\$ 11,632,006</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 21,455,505</b>	<b>\$ 646,321</b>	<b>\$ (69,949)</b>	<b>\$ 22,031,877</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 25,244,873</b>	<b>\$ 647,114</b>	<b>\$ (163,117)</b>	<b>\$ 25,728,870</b>

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

**Governmental Activities:**

General Government	\$ 82,808
Finance	24,230
Administration of Justice	13,662
Public Safety	233,537
Public Health and Welfare	298,478
Social, Cultural, and Recreational Services	12,201
Highways/Public Works	970,153
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 1,635,069</b>

Discretely Presented Roane County School Department

**Governmental Activities:**

	Balance 7-1-05	Increases	Decreases	Balance 6-30-06
Capital Assets				
Not Depreciated:				
Land	\$ 1,387,525	\$ 0	\$ 0	\$ 1,387,525
Construction in Progress	217,454	5,761	(184,869)	38,346
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 1,604,979</b>	<b>\$ 5,761</b>	<b>\$ (184,869)</b>	<b>\$ 1,425,871</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 75,474,640	\$ 252,134	\$ (44,141)	\$ 75,682,633
Other Capital Assets	5,787,228	548,231	(136,013)	6,199,446
<b>Total Capital Assets Depreciated</b>	<b>\$ 81,261,868</b>	<b>\$ 800,365</b>	<b>\$ (180,154)</b>	<b>\$ 81,882,079</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 18,157,774	\$ 1,857,586	\$ (402)	\$ 20,014,958
Other Capital Assets	3,590,861	473,650	(102,570)	3,961,941
<b>Total Accumulated Depreciation</b>	<b>\$ 21,748,635</b>	<b>\$ 2,331,236</b>	<b>\$ (102,972)</b>	<b>\$ 23,976,899</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 59,513,233</b>	<b>\$ (1,530,871)</b>	<b>\$ (77,182)</b>	<b>\$ 57,905,180</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 61,118,212</b>	<b>\$ (1,525,110)</b>	<b>\$ (262,051)</b>	<b>\$ 59,331,051</b>

Depreciation expense totaling \$2,331,236 was charged by the discretely presented Roane County School Department.

**D. Construction Commitments**

At June 30, 2006, the county had uncompleted construction projects of approximately \$110,970 in the Industrial/Economic Development Fund. Funding for these projects has been provided with capital outlay note proceeds.

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

The composition of interfund balances as of June 30, 2006, is as follows:

**Due to/from other funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 47,995
Highway/Public Works	General	553
Highway/Public Works	Nonmajor governmental	2,691
General Debt Service	Nonmajor governmental	46,489
Nonmajor governmental	General	2,310
Nonmajor governmental	Nonmajor governmental	891
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	266,879

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2006, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In	
	General Fund	General Debt Service Fund
General Fund	\$ 0	\$ 23,311
Highway/Public Works Fund	0	123,622
General Debt Service Fund	340,000	0
Rural Debt Service Fund	480,264	0
Nonmajor governmental funds	0	770,764
<b>Total</b>	<b>\$ 820,264</b>	<b>\$ 917,697</b>

Transfers Out	Transfers In	
	Rural Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 148,000
Nonmajor Governmental Fund	1,310,000	0
Total	\$ 1,310,000	\$ 148,000

**Discretely Presented Roane County School Department**

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 500,000
Nonmajor governmental funds	16,879	0
Total	\$ 16,879	\$ 500,000

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**F. Long-term Debt**

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds and public building authority loans have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 38 years for bonds, up to 12 years for notes, and up to 19 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements

decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2006, will be retired from the county's debt service funds.

Included in the county's outstanding debt as of June 30, 2006, is \$630,000 of bonded debt assumed from the City of Harriman as a result of the merger of the two school systems on July 1, 2003. This assumed debt will be retired from the Education Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2006, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-06
General Obligation Bonds	3 to 4.65%	\$ 1,700,000	\$ 1,345,000
Revenue and Tax Bonds	4.75	620,000	594,021
Rural School Bonds	4.1 to 4.65	775,000	775,000
Rural School Refunding Bonds	2 to 4.3	23,250,000	19,530,000
School Refunding Bonds	4.2 to 4.75	1,280,000	630,000
Capital Outlay Notes	3 to 5.25	5,827,000	5,524,680
Other Loans - Variable Rate	Variable	17,825,000	13,050,000
Other Loans - Fixed	1.6 to 5.85	4,475,000	3,850,000

Roane County has entered into various loan agreements with Public Building Authorities (PBAs) to finance various capital projects for the county and the discretely presented Roane County School Department. Under the loan agreements, the PBAs issued their revenue bonds and made the proceeds available for loan to Roane County. The following table summarizes loan agreements outstanding at June 30, 2006:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-06	Interest Type	Interest Rates as of 6-30-06	Other Fees on Variable Rate Debt
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Sevier County Public Building Authority (Series III-A-4)

Industrial Park	\$ 3,800,000	\$ 1,200,000	Variable	4.0 %	0.53 %
Landfill Closure	1,200,000	205,000	Variable	4.0	0.53

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-06	Interest Type	Interest Rates as of 6-30-06	Other Fees on Variable Rate Debt
<u>Blount County Public</u>					
<u>Building Authority (Series A-1-F)</u>					
Voting Machines	\$ 386,000	\$ 266,881	Variable	3.9 %	0.56 %
General Improvement Projects	450,000	313,050	Variable	3.9	0.56
School Buses	645,000	446,804	Variable	3.9	0.56
Retire Capital Outlay Notes	2,119,000	1,468,265	Variable	3.9	0.56
<u>Sevier County Public</u>					
<u>Building Authority (Series V-C-3)</u>					
Refunding	5,060,000	5,060,000	Variable	3.8	0.5
Health Facilities	565,000	565,000	Variable	3.8	0.5
<u>Sevier County Public</u>					
<u>Building Authority (Series B-3-A)</u>					
Industrial Park Refunding	3,640,000	3,132,301	Fixed	1.6 to 5.85	N/A
Industrial Park - Land	835,000	717,699	Fixed	1.6 to 5.85	N/A
<u>Blount County Public</u>					
<u>Building Authority (Series D-5-E)</u>					
Public Improvement-County	2,000,000	1,925,000	Variable	3.9	0.5
Public Improvement-Schools	1,600,000	1,600,000	Variable	3.9	0.5
Total		<u>\$ 16,900,000</u>			

The annual requirements to amortize all bonds, notes, and other loans outstanding as of June 30, 2006, including interest payments, are presented in the following table. Estimated interest payments of \$6,086,095 and estimated other fees of \$618,702 are included for the loan agreements. The Series III-A-4, A-1-F, V-C-3, and D-5-E carry variable interest rates that are functions of the Bond Market Association Index with the rates changing daily or weekly. Interest payments included in the table for the variable rate issues are computed based on the rates in effect at June 30, 2006. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with the variable rate loans.

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2007	\$ 1,252,277	\$ 952,676	\$ 94,177	\$ 229,395
2008	1,297,630	902,769	95,503	225,445
2009	1,243,001	856,457	50,000	221,455
2010	1,138,389	811,121	700,000	218,830
2011	1,183,796	771,504	750,000	182,080
2012-2016	6,580,817	3,135,053	3,835,000	372,565
2017-2021	7,979,409	1,528,121	0	0
2022-2026	1,841,638	170,742	0	0
2027-2031	103,474	73,226	0	0
2032-2036	131,151	45,549	0	0
2037-2040	122,439	11,622	0	0
<b>Total</b>	<b>\$ 22,874,021</b>	<b>\$ 9,258,840</b>	<b>\$ 5,524,680</b>	<b>\$ 1,449,770</b>

Year Ending June 30	Other Loans		
	Principal	Interest	Other Fees
2007	\$ 1,040,000	\$ 687,987	\$ 59,969
2008	1,080,000	649,571	58,235
2009	1,170,000	605,544	56,417
2010	665,000	555,172	54,490
2011	690,000	527,533	52,401
2012-2016	4,335,000	2,167,618	227,636
2017-2021	7,445,000	874,097	107,179
2022	475,000	18,573	2,375
<b>Total</b>	<b>\$ 16,900,000</b>	<b>\$ 6,086,095</b>	<b>\$ 618,702</b>

There is \$5,483,930 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$532, based on the 2000 federal census for residents living outside the Harriman and Oak Ridge school districts, \$50 for residents living inside the Harriman school district, and \$37 for residents living inside the Oak Ridge school district. Debt per capita, including bonds, notes, and other loans, totaled \$966, for residents living outside the Harriman and Oak Ridge school districts, \$484 for residents living inside the Harriman school district, and \$439 for residents living inside the Oak Ridge school district based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2006, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2005	\$ 24,180,961	\$ 5,587,571
Deductions	(1,306,940)	(62,891)
Balance, June 30, 2006	<u>\$ 22,874,021</u>	<u>\$ 5,524,680</u>
Balance Due Within One Year	<u>\$ 1,252,277</u>	<u>\$ 94,177</u>
	<u>Other</u>	<u>Compensated</u>
	<u>Loans</u>	<u>Absences</u>
Balance, July 1, 2005	\$ 13,825,000	\$ 253,626
Additions	3,600,000	167,568
Deductions	(525,000)	(137,045)
Balance, June 30, 2006	<u>\$ 16,900,000</u>	<u>\$ 284,149</u>
Balance Due Within One Year	<u>\$ 1,040,000</u>	<u>\$ 258,576</u>
	<u>Landfill</u>	
	<u>Postclosure</u>	
	<u>Care Costs</u>	
Balance, July 1, 2005	\$ 972,520	
Deductions	(39,000)	
Balance, June 30, 2006	<u>\$ 933,520</u>	
Balance Due Within One Year	<u>\$ 39,000</u>	

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2006	\$ 46,516,370
Less: Balance Due Within One Year	(2,495,377)
Less: Deferred Amount on Refunding	<u>(1,236,086)</u>
Noncurrent Liabilities - Due In More Than One Year - Exhibit A	<u>\$ 42,784,907</u>

Compensated absences will be paid from the employing funds. Landfill postclosure care costs will be paid by the Other Special Revenue Fund.

Defeasance of Prior Debt

In prior years, Roane County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2006, \$8,700,000 of the 2000 Rural School Series Bonds, with a call date of April 1, 2008, are considered defeased.

Discretely Presented Roane County School Department

Capital Outlay Notes

Capital outlay notes were issued to fund capital expenditures for asbestos abatement. Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Debt obligations outstanding were issued for original terms of 17 years for notes. These notes carry no interest rate and are repayable annually at \$2,000 until retired. Capital outlay notes outstanding as of June 30, 2006, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-06
Capital Outlay Note	0%	\$ 31,508	\$ 15,508

This capital outlay note is to be retired from the General Purpose School Fund of the discretely presented Roane County School Department.

The annual requirements to amortize the note outstanding as of June 30, 2006, is presented in the following table:

Year Ending June 30	Notes Principal
2007	\$ 2,000
2008	2,000
2009	2,000
2010	2,000
2011	2,000
2012-2015	5,508
Total	\$ 15,508

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Roane County School Department for the year ended June 30, 2006, was as follows:

	Notes	Compensated Absences
Balance, July 1, 2005	\$ 17,508	\$ 126,020
Additions	0	130,006
Deductions	(2,000)	(125,196)
Balance, June 30, 2006	<u>\$ 15,508</u>	<u>\$ 130,830</u>
Balance Due Within One Year	<u>\$ 2,000</u>	<u>\$ 117,747</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2006	\$ 146,338
Less: Balance Due Within One Year	<u>(119,747)</u>
Noncurrent Liabilities - Due In More Than One Year - Exhibit A	<u>\$ 26,591</u>

Compensated absences will be paid from the employing funds.

**G. Internal Financing**

In-lieu-of issuing debt with financial institutions, Roane County often chooses to internally finance various projects with idle county funds. These debt issues that will be repaid from the same fund in which the loan was obtained are reflected as operating transfers (not notes receivable) in the financial statements of this report. Internally reported notes receivable from idle funds loaned from debt service funds that will subsequently be paid by these debt service funds are reflected below:

Internally Reported Interfund Notes Receivable/Payable through Debt Service Funds

	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date
<u>General Debt Service Fund</u>					
General Capital Outlay	\$ 345,000	2	%	6-1-04	6-1-07
Industrial Development Projects	300,000	2		6-1-04	6-1-07
General Capital Outlay	411,000	2		6-1-05	6-1-08
Industrial Development Projects	54,000	2.5		6-1-05	6-1-08
General Capital Outlay	340,000	4.5		6-1-06	1-1-09
<u>Rural Debt Service Fund</u>					
School Vehicle Purchases	650,000	2		6-1-05	6-1-08
School Capital Projects	750,000	2		6-1-04	6-1-07

	Outstanding 7-01-05	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-06
<u>General Debt Service Fund</u>				
General Capital Outlay	\$ 303,600	\$ 0	\$ (303,600)	\$ 0
Industrial Development Projects	264,000	0	(264,000)	0
General Capital Outlay	411,000	0	(411,000)	0
Industrial Development Projects	54,000	0	(54,000)	0
General Capital Outlay	0	340,000	0	340,000
<u>Rural Debt Service Fund</u>				
School Vehicle Purchases	650,000	0	(650,000)	0
School Capital Projects	660,000	0	(660,000)	0

**H. Donor-restricted Endowments**

The county accounts for an endowment totaling \$20,000 in a private purpose trust fund, the Endowment Fund. The principal amount must remain intact while interest earned on the principal will be expended to county residents awarded educational scholarships. During the year ended June 30, 2006, interest earned totaled \$752.

**I. Prior Year Restatements**

The government-wide Statement of Activities (Exhibit B) reflects the following restatements of beginning net assets:

Discretely Presented Roane County School Department

Beginning net assets have been increased by \$526,459 due to long-term liability corrections made by the Roane County School Department.

V. OTHER INFORMATION

A. Risk Management

Roane County has chosen to establish a self-insurance fund for risks associated with the employees' dental insurance plan. The self-insurance fund is accounted for as an internal service fund where assets are set aside for claim settlements.

All full-time employees of the primary government and the Roane County School Department are eligible to participate. A premium charge is allocated to each fund that accounts for full-time employees. This charge is based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. A reserve of \$936,218 existed in this fund at June 30, 2006. Liabilities of this fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The self-insurance fund establishes claim liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Employee Insurance - Dental

	Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2004-2005	\$ 176	\$	298,180	\$	(298,356)	\$	0
2005-2006	0		315,000		(315,000)		0

Roane County and the discretely presented Roane County School Department participate in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that were established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, Tennessee Code Annotated, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

In previous years, Roane County and several other counties, cities, and local government entities were members of the Local Government Insurance Cooperative (LOGIC) for their workers' compensation insurance. LOGIC obtained their excess coverage insurance from Reliance Insurance Company for their claims that exceeded specific amounts. Reliance Insurance Company is now in insolvency proceedings and is unable to pay the claims presented to them by LOGIC for the fiscal years 1996-97, 1997-98, and 1999-2000. The board of directors for LOGIC met on October 14, 2003, and approved a formal assessment of \$30,314 against Roane County for these outstanding claims unpaid by Reliance Insurance Company. Roane County was also assessed \$63,293 by LOGIC for insufficient premiums for the 2000-01 year. These amounts are reflected as current liabilities in the General Fund. The county is formally contesting these assessments as of the date of this report.

Roane County and the discretely presented Roane County School Department joined the Tennessee School Boards Risk Management Trust (TSB-RMT), which is a public entity risk pool established by the Tennessee School Boards Association, an association of member school districts. The county and the School Department pay an annual premium to the TSB-RMT for their workers' compensation coverage. The creation of the TSB-RMT provides for it to be self-sustaining through member premiums.

The county and the discretely presented Roane County School Department continue to carry commercial insurance for other risks of loss, including general liability, property, casualty, and environmental. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

**B. Accounting Changes**

The provisions of Governmental Accounting Standards Board (GASB) Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries became effective for the year ended June 30, 2006. GASB Statement No. 42 requires governments to report the effects of capital asset impairments in their financial statements when they occur rather than as a part of the ongoing depreciation expense for the capital asset or upon disposal of the capital asset. In addition, GASB Statement No. 42 clarifies and establishes accounting requirements for insurance recoveries. GASB Statement No. 42 had no effect on the financial statements for the year ended June 30, 2006, since no capital asset impairment and insurance recoveries occurred. However, it is reasonably expected that capital asset impairment and insurance recoveries may occur in subsequent years that will be subject to the provisions of Statement No. 42.

The provisions of GASB Statement No. 44, Economic Condition Reporting: The Statistical Section (an amendment of NCGA Statement 1) became

effective for the year ended June 30, 2006. GASB Statement No. 44 applies to the preparation of the statistical section. State and local governments may, but are not required to, prepare a statistical section to accompany basic financial statements. However, a statistical section is required to accompany a comprehensive annual financial report. Since Roane County is not presenting a comprehensive annual financial report, it has elected not to prepare a statistical section. A limited statistical section was presented in the prior year's report. GASB Statement No. 44 amends guidance related to the preparation of the statistical section. This statement improves the understandability and usefulness of statistical information by addressing the comparability problems that have developed in practice and by adding information from the new financial reporting model for state and local governments required by GASB Statement No. 34. GASB Statement No. 44 establishes the objectives of the statistical section and the five categories it contains: financial trends, revenue capacity, debt capacity, demographic and economic, and operating. It is reasonably expected that Roane County will prepare and present a statistical section in subsequent years that follows the requirements of GASB Statement No. 44.

The provisions of GASB Statement No. 46, Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement No. 34 became effective for the year ended June 30, 2006. GASB Statement No. 46 provides guidance to determine when net assets have been restricted to a particular use by the passage of enabling legislation and specifies how those net assets should be reported in financial statements when there are changes in the circumstances surrounding such legislation. The statement also requires governments to disclose in the notes to the financial statements the amount of net assets restricted by enabling legislation as of the end of the reporting period. Roane County had no net assets restricted by enabling legislation to disclose as of June 30, 2006. But it is reasonably expected that Roane County will be required to disclose net assets restricted by enabling legislation in subsequent years.

The provisions of GASB Statement No. 47, Accounting for Termination Benefits became effective for the year ended June 30, 2006. GASB Statement No. 47 provides accounting and reporting guidance for state and local governments that offer benefits such as early retirement incentives or severance to employees who are involuntarily terminated. Statement No. 47 specifies when governments should recognize the cost of termination benefits they offer in accrual basis financial statements. Roane County was not offering any termination benefits to employees as of June 30, 2006. But it is reasonably expected that Roane County will offer termination benefits in subsequent years subject to the accounting and reporting requirements of GASB Statement No. 47.

During the year, the county reported the Endowment Fund as a private purpose trust fund. In previous years that fund had been reported as a permanent fund. Due to the reclassification, the beginning net assets balance for governmental activities on Exhibit B and the beginning balance

for governmental funds on Exhibit C-1 do not agree with ending balances reported in the previous annual financial report. The balance in the fund as of July 1, 2005, was \$20,397.

**C. Subsequent Events**

The following officials left office on August 31, 2006:

<u>Office/Official</u>	<u>Successor</u>
County Mayor Kenneth Yager	Mike Farmer
County Clerk Dorothy Marshall	Barbara Anthony
Register Marlene Henry	Sharon Brackett
Sheriff David Haggard	Jack Stockton

**D. Contingent Liabilities**

The county is involved in several pending lawsuits. Based on letters from attorneys, management believes that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

**E. Landfill Closure/Postclosure Care Costs**

During the 1997-98 year, Roane County stopped accepting solid waste at the county's landfill (formerly operated by the now dissolved Roane County Solid Waste Authority) and contracted with Santec Environmental to transport and dispose of the county's solid waste. The county operates a number of convenience and recycling centers and transports construction and yard debris waste to the Rhea County landfill operated by Santec Environmental.

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. A postclosure care liability of \$933,520 is reported in noncurrent liabilities on the Statement of Net Assets at June 30, 2006. This amount represents an estimate of the cost of postclosure care for the remaining 24 years. This amount is based on what it would cost to perform all postclosure care in 2006. Actual cost may vary from the estimate due to inflation, changes in technology, or changes in regulations. The now dissolved Roane County Solid Waste Authority oversaw the landfill closure, which was completed during the 1999-2000 year. Closure costs were funded primarily through transfers from the county through the issuance of long-term debt. The county is

funding postclosure care costs by annual appropriations from the Other Special Revenue Fund.

**F. Jointly Governed Organization**

The County Commission is responsible for appointing three members to the board of directors of the Roane Alliance, Inc. The total number of board members fluctuates from 29 to 48 members. The remaining members are appointed by other entities or are ex-officio's from various organizations. The county's accountability for this organization does not extend beyond making these three appointments.

**G. Retirement Commitments**

**Plan Description**

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

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

## Funding Policy

Roane County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2006, was 6.86 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Roane County is established and may be amended by the TCRS Board of Trustees.

## Annual Pension Cost

For the year ended June 30, 2006, Roane County's annual pension cost of \$895,663 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2003, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Roane County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was ten years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

## Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-06	\$895,663	100%	\$0
6-30-05	845,765	100	0
6-30-04	644,241	100	0

## Schedule of Funding Progress

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b) - (a)	(a/b)	(c)	((b-a)/c)
6-30-05	\$24,881	\$26,285	\$1,404	94.66%	\$12,101	11.60%
6-30-03	21,561	23,143	1,582	93.16	10,193	15.52
6-30-01	19,314	21,152	1,838	91.31	9,081	20.24

### SCHOOL TEACHERS

#### Plan Description

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

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

## **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2006, was 5.5 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2006, 2005, and 2004, were \$1,342,970, \$1,311,593, and \$772,078, respectively, equal to the required contributions for each year.

### **H. Other Post-employment Benefits**

In addition to the retirement commitments described above, Roane County had adopted a policy to provide post-retirement health care benefits to all employees who qualify for retirement with the Tennessee Consolidated Retirement System (TCRS), are between the ages of 55 and 65, and have at least ten years of service with Roane County. Those retirees have the opportunity to maintain the same level of medical benefits they had as an active employee with the county paying the same share as active employees until they reach age 65. As of June 30, 2006, no employees were participating in this program.

The discretely presented Roane County School Department provides post-retirement health care benefits to professional and classified/support personnel age 55 or older who retire from the School Department with at least the last five years of service in the Roane County School Department and have a full 30 years of credited membership in the Tennessee Consolidated Retirement System. As of June 30, 2006, 19 individuals are participating in the program. The discretely presented Roane County School Department will continue to provide a percentage of insurance coverage to the retirees until age 65. During the year, expenditures of \$48,793 were recognized for participants in the program.

### **I. Office of Central Accounting**

Roane County operates under provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor and highway superintendent. These funds are maintained in the Office of Central Accounting, Budgeting, and Purchasing under the supervision of the director of finance.

### **J. Purchasing Laws**

Purchasing procedures for the Offices of County Mayor and Road Superintendent are governed by the County Purchasing Law of 1957, Section 5-14-101, et seq., Tennessee Code Annotated, (TCA). Purchasing procedures

for the Road Department are also governed by provisions of the Uniform Road Law, Section 54-7-113, TCA. These acts provide for a purchasing agent and require competitive bids on all purchases exceeding \$5,000 for the Office of County Mayor and \$10,000 for the Office of Road Superintendent. Chapter 477, Private Acts of 1933, and the County Purchasing Law of 1957 provide for School Department purchases to be made by the purchasing agent and for bids to be solicited on purchases exceeding \$5,000.

**VI. OTHER NOTE – DISCRETELY PRESENTED ROANE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

**A. Summary of Significant Accounting Policies**

**1. Reporting Entity**

The Roane County Emergency Communications District was established January 1, 1991, pursuant to the provisions of Chapter 867 of the Public Acts of 1984 of the State of Tennessee. The district provides local emergency telephone services and a primary emergency telephone number for residents and businesses of Roane County, Tennessee.

The district is considered a discrete component unit of Roane County, Tennessee, and is financially accountable to the County Commission of Roane County. The district is governed by a nine-member board of directors appointed by the Roane County Commission. The district's board has the authority to levy an emergency telephone service charge to be used to fund the operations of the district and to contract with local governments for their share of the costs to dispatch emergency calls. The district requires approval of the Roane County Commission to incur long-term debt.

The district began collecting telephone user fees as of January 1, 1991. The district completed mapping the emergency communications district and began operations March 1, 1995.

**2. Basis of Accounting**

The financial statements of the district are accounted for on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred.

The district complies with all relevant Governmental Accounting Standards Board (GASB) pronouncements issued subsequent to November 30, 1989, and does not follow any Financial Accounting Standards Board guidance issued subsequent to that date.

3. **Assets, Liabilities, and Net Assets**

a. **Cash and Cash Equivalents**

The district's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

b. **Receivables and Payables**

Accounts receivable consist of the service fees collected by Bell South, State of Tennessee wireless fees, and other phone service fees due to the district during each month. All fees are remitted to the district less a small collection fee; therefore, no provision is made for uncollectible accounts.

c. **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items when paid and expensed in the applicable future accounting period.

d. **Capital Assets**

Capital assets, which include land, buildings, communications equipment, furniture and fixtures, and transportation equipment are recorded at cost if purchased or constructed. These assets are depreciated using the straight-line method over the following estimated useful lives of the assets:

<u>Assets</u>	<u>Years</u>
Buildings	30-40
Communications Equipment	5-15
Furniture & Fixtures	5-10
Transportation Equipment	5

Maintenance and repairs are charged to operations as incurred; major renewals and betterments are capitalized. When capital assets are sold, the related costs and accumulated depreciation are removed from the respective accounts, and any gain or loss is charged or credited to operations.

e. **Intangibles**

Intangible assets are stated at cost and are amortized over 60 months using the straight-line method.

**f. Budget**

The district adopted an operating budget prepared on the modified accrual basis.

**g. Compensated Absences Payable**

It is the district's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The sick leave is accumulated at one-half day per month up to 240 hours. There is no liability for unpaid accumulated sick leave since it is the district's policy that, upon separation or retirement, employees do not receive any payment for unused sick time. Vacation leave is earned at a rate of one-half day per month through the six months probation period and one day per month thereafter. Employees are permitted to accrue vacation time up to a maximum of 160 hours.

**h. Fee Income**

Emergency telephone user service fees are recognized on the accrual basis. They are recorded when received, but allocated to the period for which the service providers collected them.

**i. Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

**B. Budgetary Information**

As required by state statutes, the district adopts an annual operating budget. Accounting principles used in developing data on a budgetary basis differ from those used in preparing financial statements in conformity with accounting principles generally accepted in the United States of America.

**C. Restricted Fund Accounts**

The Operations and Maintenance Fund was established per a bond agreement to supplement normal operations and maintenance, if necessary.

**D. Cash and Investments**

Cash on the balance sheet includes cash on hand and deposits with financial institutions including demand deposits and passbook savings. Investments are certificates of deposit and are carried at cost, which approximates market value. The district considers short-term, highly liquid investments with maturities of three months or less to be cash or cash equivalents. The carrying amounts of the district's deposits (cash and certificates of deposit) with financial institutions amounted to \$526,647 at June 30, 2006. The bank balances are summarized as follows:

	<u>2006</u>
Amounts insured with FDIC	\$ 200,000
Amounts insured by the State of Tennessee collateral pool	<u>328,941</u>
Total	<u>\$ 528,941</u>

Banks shall be fully insured by the Federal Depository Insurance Corporation (FDIC). In addition, accounts with balances in excess of FDIC insurance levels must participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. At June 30, 2006, all deposits of the district were either fully insured or held in financial institutions that participate in the Tennessee Bank Collateral Pool administered by the Treasurer's Office of the State of Tennessee.

State statutes authorize the district to invest in obligations of the federal government, federal agencies, state government, state investment pool, certificates of deposit, and other time deposits and repurchase agreements. The district's investment policies are in accordance with state law which outlines authorized investments for emergency communications districts in Tennessee Code Annotated, Section 5-8-301. The district's policy is to limit investments to certificates of deposit for a maximum length of three years. The district places no limit on the amount that the district may invest with any one issuer.

**E. Capital Assets**

A summary of capital assets as of June 30, 2006, follows:

	<u>2006</u>
Capital assets, not being depreciated	<u>\$ 30,056</u>
Capital assets, being depreciated:	
Beginning of year	\$ 706,432
Additions during the year	81,549
Retirements during the year	<u>0</u>
End of year	<u>\$ 787,981</u>
Less accumulated depreciation:	
Beginning of year	\$ 264,112
Current year depreciation	70,051
Retirements	<u>0</u>
End of year	<u>\$ 334,163</u>
Capital assets, being depreciated, net	<u>\$ 453,818</u>
Total capital assets	<u><u>\$ 483,874</u></u>

**F. Depreciation Expense**

Depreciation expense for the year ended June 30, 2006, is summarized as follows:

	<u>2006</u>
Building	\$ 10,988
Vehicle	4,438
Office Equipment	5,834
Communications Equipment	<u>48,791</u>
Total	<u><u>\$ 70,051</u></u>

**G. Intangibles**

The district's intangibles consist of the initial cost of mapping the district prior to March 1, 1995.

During 2001, the district acquired and implemented a new Computer Assisted Drawing system costing \$102,694. The system's cost will be amortized over five years using the straight-line method. Amortization expense totaled \$18,747 for the year ended June 30, 2006.

During 2006, a payment of \$2,500 was made for the first stage of upgrade on improvements for the GIS Mapping program. The system's cost will be

amortized over five years as each stage is completed using the straight-line method. Amortization expense totaled \$250 for the year ended June 30, 2006.

**H. Contract with Local Governments**

The district has entered into five contracts with local governments to provide 24-hour dispatching services. Each contract is payable on the first of each month for one-twelfth of the annual contract. Amounts of each contract for the year ended June 30, 2006, are as follows:

	<u>2006</u>
The City of Harriman	\$ 54,275
Roane County Ambulance Service	66,011
Roane County Sheriff's Department	88,015
The City of Kingston	35,208
The City of Rockwood	<u>41,072</u>
 Total	 <u><u>\$ 284,581</u></u>

**I. Retirement Plan**

**Plan Description**

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement Systems, 10<sup>th</sup> Floor, Andrew Jackson Building, Nashville, Tennessee 37243-0230 or accessed at [www.treasury.state.tn.us](http://www.treasury.state.tn.us).

### **Funding Policy**

Roane County Emergency Communications District requires employees to contribute five percent of earnable compensation. Roane County Emergency Communications District is required to contribute at an actuarially determined rate; the rate for fiscal year ended June 30, 2006, was 4.86 percent of annual covered payroll. The contribution requirements of plan members are set by state statute. The contribution requirement for Roane County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ended June 30, 2006, Roane County Emergency Communications District's annual pension cost of \$20,908 to TCRS was equal to Roane County Emergency Communications District's required and actual contributions. The required contribution was determined as part of July 1, 2005, actuarial valuation using the frozen initial liability actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period.

Roane County Emergency Communications District's unfunded actuarial liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 19 years.

**Trend Information**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-2006	\$ 20,908	100%	\$ 0
6-30-2005	20,533	100	0
6-30-2004	19,683	100	0

**Schedule of Funding Progress**

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b) – (a)	(a/b)	(c)	((b-a)/c)
6-30-05	\$270	\$481	\$211	56.13%	\$369	57.18%
6-30-03	178	229	51	77.73	324	15.74
6-30-01	109	137	28	79.56	244	11.48

**J. Risk Management**

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The district carries commercial general liability insurance coverage as well as workmens' compensation, fire and theft insurance, and employee fidelity bonds. The district has incurred no material uninsured losses in the last five years. There have been no reductions in insurance coverage.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,307,878	\$ 0	\$ 0	\$ 6,307,878	\$ 6,318,800	\$ 6,332,800	\$ (24,922)
Licenses and Permits	398,566	0	0	398,566	324,000	349,500	49,066
Fines, Forfeitures, and Penalties	168,736	0	0	168,736	177,250	178,250	(9,514)
Charges for Current Services	121,745	0	0	121,745	112,700	114,400	7,345
Other Local Revenues	46,097	0	0	46,097	27,000	38,300	7,797
Fees Received from County Officials	1,998,635	0	0	1,998,635	1,850,000	1,850,000	148,635
State of Tennessee	683,576	0	0	683,576	1,417,423	1,709,287	(1,025,711)
Federal Government	1,182,600	0	0	1,182,600	653,400	1,783,883	(601,283)
Other Governments and Citizens Groups	36,836	0	0	36,836	20,635	33,804	3,032
<b>Total Revenues</b>	<b>\$ 10,944,669</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10,944,669</b>	<b>\$ 10,901,208</b>	<b>\$ 12,390,224</b>	<b>\$ (1,445,555)</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 38,685	\$ 0	\$ 1,078	\$ 39,763	\$ 43,075	\$ 43,075	\$ 3,312
Board of Equalization	3,769	0	0	3,769	5,400	5,400	1,631
Beer Board	2,194	0	0	2,194	3,050	3,050	856
Budget and Finance Committee	4,543	0	0	4,543	10,400	8,000	3,457
Other Boards and Committees	37,338	0	0	37,338	35,000	37,400	62
County Mayor/Executive	169,888	0	0	169,888	172,474	172,474	2,586
County Attorney	80,414	0	0	80,414	80,414	80,414	0
Election Commission	502,606	(400)	8,291	510,497	237,100	545,887	35,390
Register of Deeds	176,740	(8,313)	3,218	171,645	190,491	190,491	18,846
Planning	134,448	0	700	135,148	146,265	146,265	11,117
County Buildings	283,664	(21,393)	27,274	289,545	291,781	312,929	23,384
Other General Administration	28,658	0	0	28,658	32,350	32,350	3,692
Preservation of Records	56,253	0	131	56,384	56,418	56,418	34

(Continued)

Exhibit F-1

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance</u>							
Accounting and Budgeting	\$ 241,049	\$ 0	\$ 0	\$ 241,049	\$ 244,218	\$ 244,218	\$ 3,169
Purchasing	106,223	(347)	171	106,047	106,736	106,736	689
Property Assessor's Office	358,143	(50,214)	25,883	333,812	375,274	375,274	41,462
Reappraisal Program	91,076	(3,273)	4,203	92,006	124,029	124,029	32,023
County Trustee's Office	170,294	0	0	170,294	195,612	195,612	25,318
County Clerk's Office	350,436	(4,970)	538	346,004	349,215	354,015	8,011
<u>Administration of Justice</u>							
Circuit Court	114,976	(546)	0	114,430	128,880	126,380	11,950
General Sessions Court	286,018	(208)	0	285,810	275,412	292,912	7,102
General Sessions Judge	285,366	0	0	285,366	280,193	291,723	6,357
Chancery Court	196,109	(855)	0	195,254	195,159	199,059	3,805
Juvenile Court	210,415	(800)	0	209,615	217,914	234,267	24,652
Other Administration of Justice	15,532	0	0	15,532	20,875	20,875	5,343
<u>Public Safety</u>							
Sheriff's Department	1,724,224	(2,004)	20,536	1,742,756	1,651,052	1,758,545	15,789
Jail	1,258,467	(17,881)	7,719	1,248,305	1,207,586	1,262,386	14,081
Fire Prevention and Control	184,500	0	0	184,500	184,500	184,500	0
Civil Defense	475,992	(129,963)	30,589	376,618	307,550	718,229	341,611
Rescue Squad	30,000	0	0	30,000	30,000	30,000	0
Other Emergency Management	13,655	(9,270)	0	4,385	12,925	4,525	140
County Coroner/Medical Examiner	55,655	0	0	55,655	34,900	55,725	70
Other Public Safety	15,633	0	0	15,633	4,500	18,500	2,867
<u>Public Health and Welfare</u>							
Local Health Center	275,959	(224)	1,260	276,995	313,721	367,863	90,868
Rabies and Animal Control	51,957	0	0	51,957	48,000	52,000	43
Maternal and Child Health Services	2,780	0	0	2,780	2,780	2,780	0

(Continued)

Exhibit F-1

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Dental Health Program	\$ 160,688	\$ 0	\$ 241	\$ 160,929	\$ 181,088	\$ 194,113	\$ 33,184
Appropriation to State	9,573	0	0	9,573	52,781	52,781	43,208
Other Local Welfare Services	89,670	0	0	89,670	89,670	89,670	0
Sanitation Management	30,762	0	0	30,762	39,026	39,026	8,264
<u>Social, Cultural, and Recreational Services</u>							
Libraries	17,000	(988)	0	16,012	19,300	19,300	3,288
Parks and Fair Boards	166,196	(1,295)	345	165,246	300,981	413,481	248,235
<u>Agriculture &amp; Natural Resources</u>							
Agriculture Extension Service	71,844	0	0	71,844	71,857	71,857	13
Soil Conservation	32,080	0	0	32,080	32,718	32,718	638
<u>Other Operations</u>							
Industrial Development	552,425	(2,797)	4,066	553,694	747,000	747,000	193,306
Veterans' Services	3,000	0	0	3,000	4,000	4,000	1,000
Employee Benefits	1,599,412	0	0	1,599,412	1,800,200	1,697,749	98,337
Miscellaneous	1,551,950	(387,437)	196,151	1,360,664	1,130,722	2,237,094	876,430
<u>Highways</u>							
Litter and Trash Collection	37,304	0	0	37,304	41,000	41,000	3,696
<b>Total Expenditures</b>	<b>\$ 12,355,563</b>	<b>\$ (643,178)</b>	<b>\$ 332,394</b>	<b>\$ 12,044,779</b>	<b>\$ 12,125,592</b>	<b>\$ 14,294,095</b>	<b>\$ 2,249,316</b>
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (1,410,894)	\$ 643,178	\$ (332,394)	\$ (1,100,110)	\$ (1,224,384)	\$ (1,903,871)	\$ 803,761
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 402,000	\$ 0	\$ 0
Other Loans Issued	402,000	0	0	402,000	0	402,000	0
Transfers In	820,264	0	0	820,264	480,264	820,264	0

(Continued)

Exhibit F-1

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Transfers Out	\$ (171,311)	\$ 0	\$ 0	\$ (171,311)	\$ (171,311)	\$ (171,311)	\$ 0
Total Other Financing Sources (Uses)	\$ 1,050,953	\$ 0	\$ 0	\$ 1,050,953	\$ 710,953	\$ 1,050,953	\$ 0
Net Change in Fund Balance	\$ (359,941)	\$ 643,178	\$ (332,394)	\$ (49,157)	\$ (513,431)	\$ (852,918)	\$ 803,761
Fund Balance, July 1, 2005	2,373,663	(643,178)	0	1,730,485	2,121,643	2,121,643	(391,158)
Fund Balance, June 30, 2006	\$ 2,013,722	\$ 0	\$ (332,394)	\$ 1,681,328	\$ 1,608,212	\$ 1,268,725	\$ 412,603

Exhibit F-2

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Ambulance Service Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 2,011,645	\$ 0	\$ 0	\$ 2,011,645	\$ 2,095,604	\$ 2,095,604	\$ (83,959)
State of Tennessee	0	0	0	0	300,000	0	0
Federal Government	300,000	0	0	300,000	0	300,000	0
Total Revenues	<u>\$ 2,311,645</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,311,645</u>	<u>\$ 2,395,604</u>	<u>\$ 2,395,604</u>	<u>\$ (83,959)</u>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 2,572,501	\$ (5,009)	\$ 1,449	\$ 2,568,941	\$ 2,654,665	\$ 2,721,865	\$ 152,924
Total Expenditures	<u>\$ 2,572,501</u>	<u>\$ (5,009)</u>	<u>\$ 1,449</u>	<u>\$ 2,568,941</u>	<u>\$ 2,654,665</u>	<u>\$ 2,721,865</u>	<u>\$ 152,924</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (260,856)</u>	<u>\$ 5,009</u>	<u>\$ (1,449)</u>	<u>\$ (257,296)</u>	<u>\$ (259,061)</u>	<u>\$ (326,261)</u>	<u>\$ 68,965</u>
Net Change in Fund Balance	\$ (260,856)	\$ 5,009	\$ (1,449)	\$ (257,296)	\$ (259,061)	\$ (326,261)	\$ 68,965
Fund Balance, July 1, 2005	<u>1,018,537</u>	<u>(5,009)</u>	<u>0</u>	<u>1,013,528</u>	<u>1,013,528</u>	<u>1,013,528</u>	<u>0</u>
Fund Balance, June 30, 2006	<u>\$ 757,681</u>	<u>\$ 0</u>	<u>\$ (1,449)</u>	<u>\$ 756,232</u>	<u>\$ 754,467</u>	<u>\$ 687,267</u>	<u>\$ 68,965</u>

Exhibit F-3

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,081,728	\$ 0	\$ 1,081,728	\$ 1,051,750	\$ 1,051,750	\$ 29,978
Charges for Current Services	0	0	0	1,200	1,200	(1,200)
Other Local Revenues	40,878	0	40,878	32,600	40,166	712
State of Tennessee	2,021,836	0	2,021,836	2,092,670	2,092,670	(70,834)
Federal Government	72,105	0	72,105	0	72,487	(382)
<b>Total Revenues</b>	<b>\$ 3,216,547</b>	<b>\$ 0</b>	<b>\$ 3,216,547</b>	<b>\$ 3,178,220</b>	<b>\$ 3,258,273</b>	<b>\$ (41,726)</b>
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 147,507	\$ 0	\$ 147,507	\$ 148,762	\$ 150,696	\$ 3,189
Highway and Bridge Maintenance	1,697,947	125,373	1,823,320	1,908,654	1,903,246	79,926
Operation and Maintenance of Equipment	373,759	0	373,759	302,744	380,274	6,515
Traffic Control	30,994	0	30,994	34,448	34,448	3,454
Other Charges	170,575	0	170,575	208,500	208,500	37,925
Employee Benefits	314,052	0	314,052	349,375	349,375	35,323
Capital Outlay	22,375	77,533	99,908	94,500	100,498	590
<b>Total Expenditures</b>	<b>\$ 2,757,209</b>	<b>\$ 202,906</b>	<b>\$ 2,960,115</b>	<b>\$ 3,046,983</b>	<b>\$ 3,127,037</b>	<b>\$ 166,922</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 459,338	\$ (202,906)	\$ 256,432	\$ 131,237	\$ 131,236	\$ 125,196
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (123,622)	\$ 0	\$ (123,622)	\$ (123,623)	\$ (123,623)	\$ 1
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (123,622)</b>	<b>\$ 0</b>	<b>\$ (123,622)</b>	<b>\$ (123,623)</b>	<b>\$ (123,623)</b>	<b>\$ 1</b>
Net Change in Fund Balance	\$ 335,716	\$ (202,906)	\$ 132,810	\$ 7,614	\$ 7,613	\$ 125,197
Fund Balance, July 1, 2005	223,255	0	223,255	195,099	195,099	28,156
<b>Fund Balance, June 30, 2006</b>	<b>\$ 558,971</b>	<b>\$ (202,906)</b>	<b>\$ 356,065</b>	<b>\$ 202,713</b>	<b>\$ 202,712</b>	<b>\$ 153,353</b>

**ROANE COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2006**

**BUDGETARY INFORMATION**

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 Roane 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, Board of Equalization, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the Roane County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The differences between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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Urban Services Fund – The Urban Services Fund is used to account for transactions of the Roane County Animal Shelter.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions of the Roane County Solid Waste Program other than landfill operations.

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for transactions relating to the promotion of tourism in Roane County and for certain industrial transactions of the county.

Local Purpose Tax Fund – The Local Purpose Tax Fund was established to account for transactions related to funding received for in-lieu-of tax payments from the U. S. Department of Energy.

Special Purpose Fund – The Special Purpose Fund is used to account for transactions related to the treatment of wastewater.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

District Attorney General Fund – The District Attorney General Fund is used to account for revenues received for the benefit of the Office of District Attorney General.

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for transactions related to the operations of the recycling center and transactions for postclosure care cost of the landfill.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register, and sheriff.

## **Debt Service Fund**

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Debt Service Funds are used to account for the accumulation of resources for, and the payment of long-term debt principal, interest, and related costs.

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Education Debt Service Fund – The Education Debt Service Fund is used to account for the accumulation of resources for, and the payment of debt principal, interest, and related costs of school related debt.

## **Capital Projects Fund**

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Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

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Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for road construction and renovations of the county road system.

Exhibit G-1

Roane County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2006

	Special Revenue Funds					
	Urban Services	Solid Waste / Sanitation	Industrial / Economic Development	Local Purpose Tax	Special Purpose	Drug Control
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200	\$ 0
Equity in Pooled Cash and Investments	79,100	698,917	748,194	15,962	207,919	9,059
Accounts Receivable	0	0	31,745	0	46,734	342
Due from Other Governments	0	62,254	0	0	0	0
Due from Other Funds	2,310	0	0	0	0	0
Property Taxes Receivable	0	332,501	191,318	0	0	0
Allowance for Uncollectible Property Taxes	0	(17,669)	(10,209)	0	0	0
Prepaid Items	0	0	0	0	34,375	0
Total Assets	\$ 81,410	\$ 1,076,003	\$ 961,048	\$ 15,962	\$ 289,228	\$ 9,401
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 3,280	\$ 119,502	\$ 126,728	\$ 0	\$ 46,822	\$ 115
Accrued Payroll	4,916	11,008	0	0	3,309	0
Due to Other Funds	0	1,300	0	0	544	0
Deferred Revenue - Current Property Taxes	0	306,002	175,983	0	0	0
Deferred Revenue - Delinquent Property Taxes	0	7,929	4,606	0	0	0
Other Deferred Revenues	0	62,254	0	0	0	0
Total Liabilities	\$ 8,196	\$ 507,995	\$ 307,317	\$ 0	\$ 50,675	\$ 115
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 0	\$ 3,865	\$ 123,873	\$ 0	\$ 0	\$ 1,000
Unreserved	73,214	564,143	529,858	15,962	238,553	8,286
Total Fund Balances	\$ 73,214	\$ 568,008	\$ 653,731	\$ 15,962	\$ 238,553	\$ 9,286
Total Liabilities and Fund Balances	\$ 81,410	\$ 1,076,003	\$ 961,048	\$ 15,962	\$ 289,228	\$ 9,401

(Continued)

Exhibit G-1

Roane County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds (Cont.)				Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	District Attorney General	Other Special Revenue	Constituentional Officers - Fees	Total	Education Debt Service	Highway Capital Projects	
<u>ASSETS</u>							
Cash	\$ 0	\$ 200	\$ 47,452	\$ 47,852	\$ 0	\$ 0	\$ 47,852
Equity in Pooled Cash and Investments	3,957	408,307	0	2,171,415	425,021	72,310	2,668,746
Accounts Receivable	0	1,840	543	81,204	0	0	81,204
Due from Other Governments	518	33,299	0	96,071	0	0	96,071
Due from Other Funds	0	891	0	3,201	0	0	3,201
Property Taxes Receivable	0	239,147	0	762,966	417,931	0	1,180,897
Allowance for Uncollectible Property Taxes	0	(12,761)	0	(40,639)	(22,283)	0	(62,922)
Prepaid Items	0	0	0	34,375	0	0	34,375
Total Assets	\$ 4,475	\$ 670,923	\$ 47,995	\$ 3,156,445	\$ 820,669	\$ 72,310	\$ 4,049,424
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 0	\$ 7,170	\$ 0	\$ 303,617	\$ 0	\$ 0	\$ 303,617
Accrued Payroll	0	2,809	0	22,042	0	0	22,042
Due to Other Funds	0	1,738	47,995	51,577	46,489	0	98,066
Deferred Revenue - Current Property Taxes	0	219,978	0	701,963	384,470	0	1,086,433
Deferred Revenue - Delinquent Property Taxes	0	5,758	0	18,293	10,043	0	28,336
Other Deferred Revenues	0	0	0	62,254	0	0	62,254
Total Liabilities	\$ 0	\$ 237,453	\$ 47,995	\$ 1,159,746	\$ 441,002	\$ 0	\$ 1,600,748
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 0	\$ 111,525	\$ 0	\$ 240,263	\$ 0	\$ 0	\$ 240,263
Unreserved	4,475	321,945	0	1,756,436	379,667	72,310	2,208,413
Total Fund Balances	\$ 4,475	\$ 433,470	\$ 0	\$ 1,996,699	\$ 379,667	\$ 72,310	\$ 2,448,676
Total Liabilities and Fund Balances	\$ 4,475	\$ 670,923	\$ 47,995	\$ 3,156,445	\$ 820,669	\$ 72,310	\$ 4,049,424

Exhibit G-2

Roane County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2006

	Special Revenue Funds					
	Urban Services	Solid Waste / Sanitation	Industrial / Economic Development	Local Purpose Tax	Special Purpose	Drug Control
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 672,727	\$ 349,579	\$ 726,053	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	0	22,653
Charges for Current Services	109,775	0	0	0	390,854	0
Other Local Revenues	5,745	0	80,000	0	0	4,094
State of Tennessee	0	415,000	60,384	0	0	0
Other Governments and Citizens Groups	0	0	0	0	0	0
<b>Total Revenues</b>	<b>\$ 115,520</b>	<b>\$ 1,087,727</b>	<b>\$ 489,963</b>	<b>\$ 726,053</b>	<b>\$ 390,854</b>	<b>\$ 26,747</b>
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Administration of Justice	0	0	0	0	0	0
Public Safety	0	0	0	0	0	39,505
Public Health and Welfare	267,104	1,031,748	0	0	512,513	0
Other Operations	0	0	802,730	0	0	0
Debt Service:						
Principal on Debt	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 267,104</b>	<b>\$ 1,031,748</b>	<b>\$ 802,730</b>	<b>\$ 0</b>	<b>\$ 512,513</b>	<b>\$ 39,505</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (151,584)	\$ 55,979	\$ (312,767)	\$ 726,053	\$ (121,659)	\$ (12,758)
<u>Other Financing Sources (Uses)</u>						
Other Loans Issued	\$ 0	\$ 0	\$ 500,000	\$ 0	\$ 0	\$ 0
Transfers In	148,000	0	0	0	0	0
Transfers Out	0	0	0	(720,000)	(50,764)	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 148,000</b>	<b>\$ 0</b>	<b>\$ 500,000</b>	<b>\$ (720,000)</b>	<b>\$ (50,764)</b>	<b>\$ 0</b>
Net Change in Fund Balances	\$ (3,584)	\$ 55,979	\$ 187,233	\$ 6,053	\$ (172,423)	\$ (12,758)
Fund Balance, July 1, 2005	76,798	512,029	466,498	9,909	410,976	22,044
<b>Fund Balance, June 30, 2006</b>	<b>\$ 73,214</b>	<b>\$ 568,008</b>	<b>\$ 653,731</b>	<b>\$ 15,962</b>	<b>\$ 238,553</b>	<b>\$ 9,286</b>

(Continued)

Exhibit G-2

Roane County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds (Cont.)				Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	District Attorney General	Other Special Revenue	Constitu - tional Officers - Fees	Total	Education Debt Service	Highway Capital Projects	
<b>Revenues</b>							
Local Taxes	0	\$ 226,491	\$ 0	\$ 1,974,850	\$ 400,294	\$ 0	\$ 2,375,144
Fines, Forfeitures, and Penalties	14,773	0	0	37,426	0	0	37,426
Charges for Current Services	0	74,634	1,837	577,100	0	0	577,100
Other Local Revenues	0	83,953	0	173,792	16,849	2,595	193,236
State of Tennessee	0	60,529	0	535,913	0	0	535,913
Other Governments and Citizens Groups	0	0	0	0	103,200	0	103,200
<b>Total Revenues</b>	<b>14,773</b>	<b>\$ 445,607</b>	<b>\$ 1,837</b>	<b>\$ 3,299,081</b>	<b>\$ 520,343</b>	<b>\$ 2,595</b>	<b>\$ 3,822,019</b>
<b>Expenditures</b>							
Current:							
Finance	0	\$ 0	\$ 5	\$ 5	\$ 0	\$ 0	\$ 5
Administration of Justice	12,447	0	1,832	14,279	0	0	14,279
Public Safety	0	0	0	39,505	0	0	39,505
Public Health and Welfare	0	432,994	0	2,244,359	0	0	2,244,359
Other Operations	0	0	0	802,730	325,000	0	1,127,730
Debt Service:							
Principal on Debt	0	0	0	0	225,000	0	225,000
Interest on Debt	0	0	0	0	39,222	0	39,222
Other Debt Service	0	0	0	0	51,276	0	51,276
Capital Projects	0	0	0	0	0	8,645	8,645
<b>Total Expenditures</b>	<b>12,447</b>	<b>\$ 432,994</b>	<b>\$ 1,837</b>	<b>\$ 3,100,878</b>	<b>\$ 640,498</b>	<b>\$ 8,645</b>	<b>\$ 3,750,021</b>
Excess (Deficiency) of Revenues Over Expenditures	2,326	\$ 12,613	\$ 0	\$ 198,203	\$ (120,155)	\$ (6,050)	\$ 71,998
<b>Other Financing Sources (Uses)</b>							
Other Loans Issued	0	\$ 100,000	\$ 0	\$ 600,000	\$ 1,600,000	\$ 0	\$ 2,200,000
Transfers In	0	0	0	148,000	0	0	148,000
Transfers Out	0	0	0	(770,764)	(1,310,000)	0	(2,080,764)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>\$ 100,000</b>	<b>\$ 0</b>	<b>\$ (22,764)</b>	<b>\$ 290,000</b>	<b>\$ 0</b>	<b>\$ 267,236</b>
Net Change in Fund Balances	2,326	\$ 112,613	\$ 0	\$ 175,439	\$ 169,845	\$ (6,050)	\$ 339,234
Fund Balance, July 1, 2005	2,149	320,857	0	1,821,260	209,822	78,360	2,109,442
Fund Balance, June 30, 2006	4,475	\$ 433,470	\$ 0	\$ 1,996,699	\$ 379,667	\$ 72,310	\$ 2,448,676

Exhibit G-3

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Urban Services Fund  
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 109,775	\$ 106,650	\$ 106,650	\$ 3,125
Other Local Revenues	5,745	11,500	12,000	(6,255)
Total Revenues	<u>\$ 115,520</u>	<u>\$ 118,150</u>	<u>\$ 118,650</u>	<u>\$ (3,130)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Rabies and Animal Control	\$ 267,104	\$ 278,422	\$ 278,922	\$ 11,818
Total Expenditures	<u>\$ 267,104</u>	<u>\$ 278,422</u>	<u>\$ 278,922</u>	<u>\$ 11,818</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (151,584)</u>	<u>\$ (160,272)</u>	<u>\$ (160,272)</u>	<u>\$ 8,688</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 148,000	\$ 148,000	\$ 148,000	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 148,000</u>	<u>\$ 148,000</u>	<u>\$ 148,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (3,584)	\$ (12,272)	\$ (12,272)	\$ 8,688
Fund Balance, July 1, 2005	<u>76,798</u>	<u>76,799</u>	<u>76,799</u>	<u>(1)</u>
Fund Balance, June 30, 2006	<u>\$ 73,214</u>	<u>\$ 64,527</u>	<u>\$ 64,527</u>	<u>\$ 8,687</u>

Exhibit G-4

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 672,727	\$ 0	\$ 0	\$ 672,727	\$ 671,600	\$ 671,600	\$ 1,127
State of Tennessee	415,000	0	0	415,000	415,000	415,000	0
Total Revenues	<u>\$ 1,087,727</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,087,727</u>	<u>\$ 1,086,600</u>	<u>\$ 1,086,600</u>	<u>\$ 1,127</u>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Convenience Centers	\$ 1,031,748	\$ (5,388)	\$ 3,865	\$ 1,030,225	\$ 1,057,835	\$ 1,087,835	\$ 57,610
Total Expenditures	<u>\$ 1,031,748</u>	<u>\$ (5,388)</u>	<u>\$ 3,865</u>	<u>\$ 1,030,225</u>	<u>\$ 1,057,835</u>	<u>\$ 1,087,835</u>	<u>\$ 57,610</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 55,979</u>	<u>\$ 5,388</u>	<u>\$ (3,865)</u>	<u>\$ 57,502</u>	<u>\$ 28,765</u>	<u>\$ (1,235)</u>	<u>\$ 58,737</u>
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (30,000)	\$ 0	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (30,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 55,979	\$ 5,388	\$ (3,865)	\$ 57,502	\$ (1,235)	\$ (1,235)	\$ 58,737
Fund Balance, July 1, 2005	<u>512,029</u>	<u>(5,388)</u>	<u>0</u>	<u>506,641</u>	<u>505,702</u>	<u>505,702</u>	<u>939</u>
Fund Balance, June 30, 2006	<u>\$ 568,008</u>	<u>\$ 0</u>	<u>\$ (3,865)</u>	<u>\$ 564,143</u>	<u>\$ 504,467</u>	<u>\$ 504,467</u>	<u>\$ 59,676</u>

Exhibit G-5

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Industrial/Economic Development Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 349,579	\$ 0	\$ 0	\$ 349,579	\$ 330,550	\$ 330,550	\$ 19,029
Other Local Revenues	80,000	0	0	80,000	0	107,000	(27,000)
State of Tennessee	60,384	0	0	60,384	136,836	136,836	(76,452)
<b>Total Revenues</b>	<b>\$ 489,963</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 489,963</b>	<b>\$ 467,386</b>	<b>\$ 574,386</b>	<b>\$ (84,423)</b>
<u>Expenditures</u>							
<u>Other Operations</u>							
Industrial Development	\$ 802,730	\$ (90,888)	\$ 123,873	\$ 835,715	\$ 680,044	\$ 1,576,116	\$ 740,401
<b>Total Expenditures</b>	<b>\$ 802,730</b>	<b>\$ (90,888)</b>	<b>\$ 123,873</b>	<b>\$ 835,715</b>	<b>\$ 680,044</b>	<b>\$ 1,576,116</b>	<b>\$ 740,401</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (312,767)	\$ 90,888	\$ (123,873)	\$ (345,752)	\$ (212,658)	\$ (1,001,730)	\$ 655,978
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 500,000	\$ 0	\$ 0	\$ 500,000	\$ 0	\$ 500,000	\$ 0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 500,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 500,000</b>	<b>\$ 0</b>	<b>\$ 500,000</b>	<b>\$ 0</b>
Net Change in Fund Balance	\$ 187,233	\$ 90,888	\$ (123,873)	\$ 154,248	\$ (212,658)	\$ (501,730)	\$ 655,978
Fund Balance, July 1, 2005	466,498	(90,888)	0	375,610	668,119	668,119	(292,509)
<b>Fund Balance, June 30, 2006</b>	<b>\$ 653,731</b>	<b>\$ 0</b>	<b>\$ (123,873)</b>	<b>\$ 529,858</b>	<b>\$ 455,461</b>	<b>\$ 166,389</b>	<b>\$ 363,469</b>

Exhibit G-6

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Local Purpose Tax Fund  
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 726,053	\$ 726,000	\$ 726,000	\$ 53
Total Revenues	\$ 726,053	\$ 726,000	\$ 726,000	\$ 53
Excess (Deficiency) of Revenues Over Expenditures	\$ 726,053	\$ 726,000	\$ 726,000	\$ 53
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (720,000)	\$ (720,000)	\$ (720,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (720,000)	\$ (720,000)	\$ (720,000)	\$ 0
Net Change in Fund Balance	\$ 6,053	\$ 6,000	\$ 6,000	\$ 53
Fund Balance, July 1, 2005	9,909	9,909	9,909	0
Fund Balance, June 30, 2006	\$ 15,962	\$ 15,909	\$ 15,909	\$ 53

Exhibit G-7

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Special Purpose Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 390,854	\$ 0	\$ 390,854	\$ 475,000	\$ 405,000	\$ (14,146)
Other Local Revenues	0	0	0	10,000	0	0
State of Tennessee	0	0	0	56,534	0	0
Total Revenues	<u>\$ 390,854</u>	<u>\$ 0</u>	<u>\$ 390,854</u>	<u>\$ 541,534</u>	<u>\$ 405,000</u>	<u>\$ (14,146)</u>
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Other Waste Collection	\$ 503,644	\$ 0	\$ 503,644	\$ 348,428	\$ 588,219	\$ 84,575
Recycling Center	8,869	(8,869)	0	0	0	0
Total Expenditures	<u>\$ 512,513</u>	<u>\$ (8,869)</u>	<u>\$ 503,644</u>	<u>\$ 348,428</u>	<u>\$ 588,219</u>	<u>\$ 84,575</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (121,659)</u>	<u>\$ 8,869</u>	<u>\$ (112,790)</u>	<u>\$ 193,106</u>	<u>\$ (183,219)</u>	<u>\$ 70,429</u>
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (50,764)	\$ 0	\$ (50,764)	\$ (50,764)	\$ (50,764)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (50,764)</u>	<u>\$ 0</u>	<u>\$ (50,764)</u>	<u>\$ (50,764)</u>	<u>\$ (50,764)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (172,423)	\$ 8,869	\$ (163,554)	\$ 142,342	\$ (233,983)	\$ 70,429
Fund Balance, July 1, 2005	410,976	(8,869)	402,107	401,409	401,409	698
Fund Balance, June 30, 2006	<u>\$ 238,553</u>	<u>\$ 0</u>	<u>\$ 238,553</u>	<u>\$ 543,751</u>	<u>\$ 167,426</u>	<u>\$ 71,127</u>

Exhibit G-7

Exhibit G-8

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 22,653	\$ 0	\$ 22,653	\$ 29,548	\$ 29,548	\$ (6,895)
Other Local Revenues	4,094	0	4,094	10,000	10,000	(5,906)
Total Revenues	\$ 26,747	\$ 0	\$ 26,747	\$ 39,548	\$ 39,548	\$ (12,801)
<u>Expenditures</u>						
<u>Public Safety</u>						
Sheriff's Department	\$ 39,505	\$ 1,000	\$ 40,505	\$ 43,500	\$ 43,500	\$ 2,995
Total Expenditures	\$ 39,505	\$ 1,000	\$ 40,505	\$ 43,500	\$ 43,500	\$ 2,995
Excess (Deficiency) of Revenues Over Expenditures	\$ (12,758)	\$ (1,000)	\$ (13,758)	\$ (3,952)	\$ (3,952)	\$ (9,806)
Net Change in Fund Balance	\$ (12,758)	\$ (1,000)	\$ (13,758)	\$ (3,952)	\$ (3,952)	\$ (9,806)
Fund Balance, July 1, 2005	22,044	0	22,044	22,044	22,044	0
Fund Balance, June 30, 2006	\$ 9,286	\$ (1,000)	\$ 8,286	\$ 18,092	\$ 18,092	\$ (9,806)

Exhibit G-9

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
District Attorney General Fund  
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 14,773	\$ 19,200	\$ 19,200	\$ (4,427)
Total Revenues	\$ 14,773	\$ 19,200	\$ 19,200	\$ (4,427)
<u>Expenditures</u>				
<u>Administration of Justice</u>				
District Attorney General	\$ 12,447	\$ 19,200	\$ 19,200	\$ 6,753
Total Expenditures	\$ 12,447	\$ 19,200	\$ 19,200	\$ 6,753
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,326	\$ 0	\$ 0	\$ 2,326
Net Change in Fund Balance	\$ 2,326	\$ 0	\$ 0	\$ 2,326
Fund Balance, July 1, 2005	2,149	2,150	2,150	(1)
Fund Balance, June 30, 2006	\$ 4,475	\$ 2,150	\$ 2,150	\$ 2,325

Exhibit G-10

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Other Special Revenue Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 226,491	\$ 0	\$ 0	\$ 226,491	\$ 223,300	\$ 223,300	\$ 3,191
Charges for Current Services	74,634	0	0	74,634	46,800	46,800	27,834
Other Local Revenues	83,953	0	0	83,953	63,396	63,396	20,557
State of Tennessee	60,529	0	0	60,529	139,681	139,681	(79,152)
Total Revenues	\$ 445,607	\$ 0	\$ 0	\$ 445,607	\$ 473,177	\$ 473,177	\$ (27,570)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Recycling Center	\$ 343,547	\$ (3,072)	\$ 111,525	\$ 452,000	\$ 513,212	\$ 513,212	\$ 61,212
Postclosure Care Costs	89,447	(4,384)	0	85,063	109,000	135,000	49,937
Total Expenditures	\$ 432,994	\$ (7,456)	\$ 111,525	\$ 537,063	\$ 622,212	\$ 648,212	\$ 111,149
Excess (Deficiency) of Revenues Over Expenditures	\$ 12,613	\$ 7,456	\$ (111,525)	\$ (91,456)	\$ (149,035)	\$ (175,035)	\$ 83,579
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 0	\$ 0
Other Loans Issued	100,000	0	0	100,000	0	100,000	0
Total Other Financing Sources (Uses)	\$ 100,000	\$ 0	\$ 0	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0
Net Change in Fund Balance	\$ 112,613	\$ 7,456	\$ (111,525)	\$ 8,544	\$ (49,035)	\$ (75,035)	\$ 83,579
Fund Balance, July 1, 2005	320,857	(7,456)	0	313,401	312,661	312,661	740
Fund Balance, June 30, 2006	\$ 433,470	\$ 0	\$ (111,525)	\$ 321,945	\$ 263,626	\$ 237,626	\$ 84,319

Exhibit G-11

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Education Debt Service Fund  
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 400,294	\$ 388,500	\$ 388,500	\$ 11,794
Other Local Revenues	16,849	0	12,500	4,349
Other Governments and Citizens Groups	103,200	0	103,200	0
Total Revenues	<u>\$ 520,343</u>	<u>\$ 388,500</u>	<u>\$ 504,200</u>	<u>\$ 16,143</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Contributions to Other Agencies	\$ 325,000	\$ 0	\$ 325,000	\$ 0
<u>Principal on Debt</u>				
Education	225,000	225,000	225,000	0
<u>Interest on Debt</u>				
Education	39,222	39,223	39,223	1
<u>Other Debt Service</u>				
Education	51,276	35,200	83,662	32,386
Total Expenditures	<u>\$ 640,498</u>	<u>\$ 299,423</u>	<u>\$ 672,885</u>	<u>\$ 32,387</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (120,155)</u>	<u>\$ 89,077</u>	<u>\$ (168,685)</u>	<u>\$ 48,530</u>
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 1,600,000	\$ 0	\$ 1,600,001	\$ (1)
Transfers In	0	103,200	0	0
Transfers Out	(1,310,000)	(168,000)	(1,310,000)	0
Total Other Financing Sources (Uses)	<u>\$ 290,000</u>	<u>\$ (64,800)</u>	<u>\$ 290,001</u>	<u>\$ (1)</u>
Net Change in Fund Balance	\$ 169,845	\$ 24,277	\$ 121,316	\$ 48,529
Fund Balance, July 1, 2005	209,822	208,600	208,600	1,222
Fund Balance, June 30, 2006	<u>\$ 379,667</u>	<u>\$ 232,877</u>	<u>\$ 329,916</u>	<u>\$ 49,751</u>

# Major Governmental Funds

## Debt Service Funds

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Debt Service Funds are used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

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General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the accumulation of resources for the retirement of bonds and notes issued for the construction and improvements of county schools prior to the Harriman city school merger on July 1, 2003.

Exhibit H-1

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 542,476	\$ 540,550	\$ 540,550	\$ 1,926
Other Local Revenues	312,302	140,000	90,000	222,302
Other Governments and Citizens Groups	80,583	0	50,000	30,583
Total Revenues	<u>\$ 935,361</u>	<u>\$ 680,550</u>	<u>\$ 680,550</u>	<u>\$ 254,811</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 689,831	\$ 664,151	\$ 689,831	\$ 0
Highways and Streets	95,000	172,400	95,000	0
<u>Interest on Debt</u>				
General Government	797,207	959,768	866,119	68,912
Highways and Streets	28,622	28,622	28,622	0
<u>Other Debt Service</u>				
General Government	151,886	109,682	159,306	7,420
Total Expenditures	<u>\$ 1,762,546</u>	<u>\$ 1,934,623</u>	<u>\$ 1,838,878</u>	<u>\$ 76,332</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (827,185)</u>	<u>\$ (1,254,073)</u>	<u>\$ (1,158,328)</u>	<u>\$ 331,143</u>
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 998,000	\$ 0	\$ 998,000	\$ 0
Transfers In	917,697	917,697	917,697	0
Transfers Out	(340,000)	0	(340,000)	0
Total Other Financing Sources (Uses)	<u>\$ 1,575,697</u>	<u>\$ 917,697</u>	<u>\$ 1,575,697</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 748,512	\$ (336,376)	\$ 417,369	\$ 331,143
Fund Balance, July 1, 2005	1,963,967	2,982,593	2,982,593	(1,018,626)
Fund Balance, June 30, 2006	<u>\$ 2,712,479</u>	<u>\$ 2,646,217</u>	<u>\$ 3,399,962</u>	<u>\$ (687,483)</u>

Exhibit H-2

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Rural Debt Service Fund  
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,799,935	\$ 1,828,050	\$ 1,828,050	\$ (28,115)
Other Local Revenues	93,439	35,000	35,000	58,439
Total Revenues	<u>\$ 1,893,374</u>	<u>\$ 1,863,050</u>	<u>\$ 1,863,050</u>	<u>\$ 30,324</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 0	\$ 885,000	\$ 0	\$ 0
Education	885,000	0	885,000	0
<u>Interest on Debt</u>				
General Government	0	856,642	0	0
Education	856,642	0	856,642	0
<u>Other Debt Service</u>				
General Government	37,868	60,500	60,500	22,632
Total Expenditures	<u>\$ 1,779,510</u>	<u>\$ 1,802,142</u>	<u>\$ 1,802,142</u>	<u>\$ 22,632</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 113,864</u>	<u>\$ 60,908</u>	<u>\$ 60,908</u>	<u>\$ 52,956</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 1,310,000	\$ 0	\$ 0	\$ 1,310,000
Transfers Out	(480,264)	(480,264)	(480,264)	0
Total Other Financing Sources (Uses)	<u>\$ 829,736</u>	<u>\$ (480,264)</u>	<u>\$ (480,264)</u>	<u>\$ 1,310,000</u>
Net Change in Fund Balance	\$ 943,600	\$ (419,356)	\$ (419,356)	\$ 1,362,956
Fund Balance, July 1, 2005	1,448,184	2,752,358	2,752,358	(1,304,174)
Fund Balance, June 30, 2006	<u>\$ 2,391,784</u>	<u>\$ 2,333,002</u>	<u>\$ 2,333,002</u>	<u>\$ 58,782</u>

# Fiduciary Funds

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Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Cities - Property Tax Fund – The Cities - Property Tax Fund is used to account for city property taxes collected by the Roane County trustee on behalf of the City of Midtown. The City of Midtown no longer exists and all funds collected by the trustee on their behalf have been submitted to the accountants handling the dissolution of the city.

City School - ADA - Oak Ridge Fund – The City School - ADA - Oak Ridge Fund is used to account for the Oak Ridge city school system's share of education revenues collected by the county which must be apportioned to the Oak Ridge school system on an average daily attendance basis. These collections are remitted to the Oak Ridge city school system on a monthly basis.

Joint Venture Fund – The Joint Venture Fund is used to account for transactions of the Judicial District Drug Task Force, a joint venture of the various law enforcement agencies of the Ninth Judicial District.

Community Development - Agency Fund – The Community Development - Agency Fund is used to account for transactions dealing with industrial development and housing and urban development operations of Roane County.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit I-1

Roane County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2006

	Agency Funds					Total
	Cities - Sales Tax	City School ADA - Oak Ridge	Joint Venture	Community Development - Agency	Constitu- tional Officers - Agency	
<u>ASSETS</u>						
Equity in Pooled Cash and Investments	\$ 0	\$ 2,277	\$ 15,514	\$ 339,333	\$ 0	\$ 357,124
Cash	0	0	0	0	1,385,100	1,385,100
Accounts Receivable	0	0	0	1,626	0	1,626
Due from Other Governments	875,289	54,267	11,993	0	0	941,549
Property Taxes Receivable	0	649,283	0	0	0	649,283
Allowance for Uncollectible Property Taxes	0	(34,647)	0	0	0	(34,647)
Notes Receivable - Long-term	0	0	0	523,528	0	523,528
Total Assets	<u>\$ 875,289</u>	<u>\$ 671,180</u>	<u>\$ 27,507</u>	<u>\$ 864,487</u>	<u>\$ 1,385,100</u>	<u>\$ 3,823,563</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 4,614	\$ 0	\$ 0	\$ 4,614
Accrued Payroll	0	0	2,346	0	0	2,346
Due to Other Taxing Units	875,289	671,180	0	0	0	1,546,469
Due to Litigants, Heirs, and Others	0	0	133	0	1,385,100	1,385,233
Due to Joint Ventures	0	0	20,414	0	0	20,414
Other Current Liabilities	0	0	0	864,487	0	864,487
Total Liabilities	<u>\$ 875,289</u>	<u>\$ 671,180</u>	<u>\$ 27,507</u>	<u>\$ 864,487</u>	<u>\$ 1,385,100</u>	<u>\$ 3,823,563</u>

## Exhibit I-2

Roane County, Tennessee  
Combining Statement of Changes in Assets and Liabilities - All Agency Funds  
For the Year Ended June 30, 2006

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 5,568,859	\$ 5,568,859	\$ 0
Due From Other Governments	899,287	875,289	899,287	875,289
Total Assets	\$ 899,287	\$ 6,444,148	\$ 6,468,146	\$ 875,289
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 899,287	\$ 6,444,148	\$ 6,468,146	\$ 875,289
Total Liabilities	\$ 899,287	\$ 6,444,148	\$ 6,468,146	\$ 875,289
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 4,562	\$ 0	\$ 4,562	\$ 0
Total Assets	\$ 4,562	\$ 0	\$ 4,562	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,562	\$ 0	\$ 4,562	\$ 0
Total Liabilities	\$ 4,562	\$ 0	\$ 4,562	\$ 0
<u>City School ADA - Oak Ridge Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 573	\$ 958,034	\$ 956,330	\$ 2,277
Due From Other Governments	53,180	54,267	53,180	54,267
Taxes Receivable	619,793	649,283	619,793	649,283
Allowance for Uncollectible Taxes	(33,054)	(34,647)	(33,054)	(34,647)
Total Assets	\$ 640,492	\$ 1,626,937	\$ 1,596,249	\$ 671,180
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 640,492	\$ 1,626,937	\$ 1,596,249	\$ 671,180
Total Liabilities	\$ 640,492	\$ 1,626,937	\$ 1,596,249	\$ 671,180
<u>Joint Venture - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 6,515	\$ 128,108	\$ 119,109	\$ 15,514
Due From Other Governments	7,963	11,993	7,963	11,993
Total Assets	\$ 14,478	\$ 140,101	\$ 127,072	\$ 27,507

(Continued)

## Exhibit I-2

Roane County, TennesseeCombining Statement of Changes in Assets and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Joint Venture - Agency Fund (Cont.)</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 177	\$ 4,614	\$ 177	\$ 4,614
Accrued Payroll	2,112	2,346	2,112	2,346
Due to Litigants, Heirs, and Others	0	133	0	133
Due to Joint Venture	12,189	127,932	119,707	20,414
Total Liabilities	\$ 14,478	\$ 135,025	\$ 121,996	\$ 27,507
<u>Community Development - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 281,372	\$ 71,883	\$ 13,922	\$ 339,333
Accounts Receivable	1,084	1,626	1,084	1,626
Notes Receivable (Long-term)	566,185	0	42,657	523,528
Total Assets	\$ 848,641	\$ 73,509	\$ 57,663	\$ 864,487
<u>Liabilities</u>				
Other Current Liabilities	\$ 848,641	\$ 73,509	\$ 57,663	\$ 864,487
Total Liabilities	\$ 848,641	\$ 73,509	\$ 57,663	\$ 864,487
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,181,362	\$ 10,863,129	\$ 10,659,391	\$ 1,385,100
Total Assets	\$ 1,181,362	\$ 10,863,129	\$ 10,659,391	\$ 1,385,100
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	1,181,362	10,863,129	10,659,391	1,385,100
Total Liabilities	\$ 1,181,362	\$ 10,863,129	\$ 10,659,391	\$ 1,385,100
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 293,022	\$ 6,726,884	\$ 6,662,782	\$ 357,124
Cash	1,181,362	10,863,129	10,659,391	1,385,100
Accounts Receivable	1,084	1,626	1,084	1,626
Due From Other Governments	960,430	941,549	960,430	941,549
Taxes Receivable	619,793	649,283	619,793	649,283
Allowance for Uncollectible Taxes	(33,054)	(34,647)	(33,054)	(34,647)
Notes Receivable (Long-term)	566,185	0	42,657	523,528
Total Assets	\$ 3,588,822	\$ 19,147,824	\$ 18,913,083	\$ 3,823,563

(Continued)

Exhibit I-2

Roane County, Tennessee

Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds (Cont.)</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 177	\$ 4,614	\$ 177	\$ 4,614
Accrued Payroll	2,112	2,346	2,112	2,346
Due to Other Taxing Units	1,544,341	8,071,085	8,068,957	1,546,469
Due to Litigants, Heirs, and Others	1,181,362	10,863,262	10,659,391	1,385,233
Due to Joint Venture	12,189	127,932	119,707	20,414
Other Current Liabilities	848,641	73,509	57,663	864,487
Total Liabilities	\$ 3,588,822	\$ 19,142,748	\$ 18,908,007	\$ 3,823,563

# Roane County School Department

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This section presents combining and individual fund financial statements for the Roane County School Department, a discretely presented component unit. The School Department uses a General Fund, four Special Revenue Funds, and a Capital Projects Fund.

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General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for cafeteria operations in each of the schools.

School Transportation Fund – The School Transportation Fund is used to account for student transportation and school bus maintenance.

Extended School Program Fund – The Extended School Program Fund is used to account for transactions related to the Before- and After-School Program.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

Exhibit J-1

Roane County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Roane County School Department  
June 30, 2006

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 40,000	\$ 7,500	\$ 47,500
Equity in Pooled Cash and Investments	5,188,865	1,990,359	7,179,224
Accounts Receivable	57,121	51,495	108,616
Due from Other Governments	1,602,867	862,556	2,465,423
Due from Other Funds	266,879	0	266,879
Property Taxes Receivable	11,308,059	0	11,308,059
Allowance for Uncollectible Property Taxes	(603,407)	0	(603,407)
Total Assets	<u>\$ 17,860,384</u>	<u>\$ 2,911,910</u>	<u>\$ 20,772,294</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 926,578	\$ 176,173	\$ 1,102,751
Accrued Payroll	11,662	36,759	48,421
Payroll Deductions Payable	1,537	3,889	5,426
Due to Other Funds	0	266,879	266,879
Deferred Revenue - Current Property Taxes	10,401,667	0	10,401,667
Deferred Revenue - Delinquent Property Taxes	272,271	0	272,271
Other Deferred Revenues	289,665	211,831	501,496
Total Liabilities	<u>\$ 11,903,380</u>	<u>\$ 695,531</u>	<u>\$ 12,598,911</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 721,717	\$ 148,467	\$ 870,184
Other Local Education Reserves	41,656	0	581,211
Reserved for Special Education - Grants to States	0	4,878	4,878
Other Federal Reserves	0	5,637	5,637
Unreserved, Reported In:			
General Fund	5,193,631	0	4,654,076
Special Revenue Funds	0	1,342,415	1,342,415
Capital Projects Funds	0	714,982	714,982
Total Fund Balances	<u>\$ 5,957,004</u>	<u>\$ 2,216,379</u>	<u>\$ 8,173,383</u>
Total Liabilities and Fund Balances	<u>\$ 17,860,384</u>	<u>\$ 2,911,910</u>	<u>\$ 20,772,294</u>

Roane County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Assets  
Discretely Presented Roane County School Department  
June 30, 2006

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit J-1)		\$	8,173,383
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,387,525	
Add: construction in progress		38,346	
Add: building and improvements, net of accumulated depreciation		55,667,675	
Add: other capital assets, net of accumulated depreciation		<u>2,237,505</u>	59,331,051
(2) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			773,767
(3) Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes	\$	(15,508)	
Less: compensated absences		<u>(130,830)</u>	<u>(146,338)</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 68,131,863</u>

Exhibit J-3

Roane County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Roane County School Department  
For the Year Ended June 30, 2006

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 15,199,316	\$ 1,450,000	\$ 16,649,316
Licenses and Permits	3,175	0	3,175
Charges for Current Services	12,483	1,843,599	1,856,082
Other Local Revenues	463,584	52,653	516,237
State of Tennessee	27,512,933	353,659	27,866,592
Federal Government	144,561	5,314,600	5,459,161
Other Governments and Citizens Groups	0	325,000	325,000
Total Revenues	<u>\$ 43,336,052</u>	<u>\$ 9,339,511</u>	<u>\$ 52,675,563</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 28,669,592	\$ 3,626,686	\$ 32,296,278
Support Services	13,394,257	2,903,540	16,297,797
Operation of Non-Instructional Services	0	3,322,412	3,322,412
Capital Outlay	181,459	0	181,459
Capital Projects	0	502,022	502,022
Total Expenditures	<u>\$ 42,245,308</u>	<u>\$ 10,354,660</u>	<u>\$ 52,599,968</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,090,744</u>	<u>\$ (1,015,149)</u>	<u>\$ 75,595</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 16,879	\$ 500,000	\$ 516,879
Transfers Out	(500,000)	(16,879)	(516,879)
Total Other Financing Sources (Uses)	<u>\$ (483,121)</u>	<u>\$ 483,121</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 607,623	\$ (532,028)	\$ 75,595
Fund Balance, July 1, 2005	5,349,381	2,748,407	8,097,788
Fund Balance, June 30, 2006	<u>\$ 5,957,004</u>	<u>\$ 2,216,379</u>	<u>\$ 8,173,383</u>

Exhibit J-4

Roane County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
Discretely Presented Roane County School Department  
For the Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit J-3)	\$	75,595
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between depreciation and capital outlays is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$	621,257
Less: current year depreciation		(2,331,236)
Less: net book value of asset disposals		(77,182)
		(1,787,161)
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Less: deferred delinquent property taxes and other deferred June 30, 2005	\$	(788,081)
Add: deferred delinquent property taxes and other deferred June 30, 2006		773,767
		(14,314)
<p>(3) The issuance of long-term debt (e.g., notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.</p>		
Add: principal payment on notes		2,000
<p>(4) 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.</p>		
Change in compensated absences		(4,810)
		(4,810)
Change in net assets of governmental activities (Exhibit B)	\$	(1,728,690)

Exhibit J-5

Roane County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Roane County School Department  
June 30, 2006

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Total	Education Capital Projects	
<u>ASSETS</u>							
Cash	\$ 0	\$ 5,000	\$ 0	\$ 2,500	\$ 7,500	\$ 0	\$ 7,500
Equity in Pooled Cash and Investments	9,715	940,952	262,391	62,319	1,275,377	714,982	1,990,359
Accounts Receivable	2,504	90	9,350	39,551	51,495	0	51,495
Due from Other Governments	510,542	121,242	211,831	18,941	862,556	0	862,556
<b>Total Assets</b>	<b>\$ 522,761</b>	<b>\$ 1,067,284</b>	<b>\$ 483,572</b>	<b>\$ 123,311</b>	<b>\$ 2,196,928</b>	<b>\$ 714,982</b>	<b>\$ 2,911,910</b>
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 103,300	\$ 41,950	\$ 24,027	\$ 6,896	\$ 176,173	\$ 0	\$ 176,173
Accrued Payroll	0	0	0	36,759	36,759	0	36,759
Payroll Deductions Payable	0	0	0	3,889	3,889	0	3,889
Due to Other Funds	266,879	0	0	0	266,879	0	266,879
Other Deferred Revenues	0	0	211,831	0	211,831	0	211,831
<b>Total Liabilities</b>	<b>\$ 370,179</b>	<b>\$ 41,950</b>	<b>\$ 235,858</b>	<b>\$ 47,544</b>	<b>\$ 695,531</b>	<b>\$ 0</b>	<b>\$ 695,531</b>
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 142,067	\$ 3,250	\$ 0	\$ 3,150	\$ 148,467	\$ 0	\$ 148,467
Reserved for Special Education - Grants to States	4,878	0	0	0	4,878	0	4,878
Other Federal Reserves	5,637	0	0	0	5,637	0	5,637
Unreserved	0	1,022,084	247,714	72,617	1,342,415	714,982	2,057,397
<b>Total Fund Balances</b>	<b>\$ 152,582</b>	<b>\$ 1,025,334</b>	<b>\$ 247,714</b>	<b>\$ 75,767</b>	<b>\$ 1,501,397</b>	<b>\$ 714,982</b>	<b>\$ 2,216,379</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 522,761</b>	<b>\$ 1,067,284</b>	<b>\$ 483,572</b>	<b>\$ 123,311</b>	<b>\$ 2,196,928</b>	<b>\$ 714,982</b>	<b>\$ 2,911,910</b>

Exhibit J-6

Roane County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Roane County School Department  
For the Year Ended June 30, 2006

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Total	Education Capital Projects	
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 0	\$ 1,450,000	\$ 0	\$ 1,450,000	\$ 0	\$ 1,450,000
Charges for Current Services	0	1,458,845	52,566	332,188	1,843,599	0	1,843,599
Other Local Revenues	0	24,265	27,078	0	51,343	1,310	52,653
State of Tennessee	0	41,010	280,000	32,649	353,659	0	353,659
Federal Government	3,650,912	1,645,112	0	18,576	5,314,600	0	5,314,600
Other Governments and Citizens Groups	0	0	325,000	0	325,000	0	325,000
<b>Total Revenues</b>	<b>\$ 3,650,912</b>	<b>\$ 3,169,232</b>	<b>\$ 2,134,644</b>	<b>\$ 383,413</b>	<b>\$ 9,338,201</b>	<b>\$ 1,310</b>	<b>\$ 9,339,511</b>
<u>Expenditures</u>							
Current:							
Instruction	\$ 3,626,686	\$ 0	\$ 0	\$ 0	\$ 3,626,686	\$ 0	\$ 3,626,686
Support Services	628,649	0	2,274,891	0	2,903,540	0	2,903,540
Operation of Non-Instructional Services	0	2,959,582	0	362,830	3,322,412	0	3,322,412
Capital Projects	0	0	0	0	0	502,022	502,022
<b>Total Expenditures</b>	<b>\$ 4,255,335</b>	<b>\$ 2,959,582</b>	<b>\$ 2,274,891</b>	<b>\$ 362,830</b>	<b>\$ 9,852,638</b>	<b>\$ 502,022</b>	<b>\$ 10,354,660</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (604,423)	\$ 209,650	\$ (140,247)	\$ 20,583	\$ (514,437)	\$ (500,712)	\$ (1,015,149)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500,000	\$ 500,000
Transfers Out	(16,879)	0	0	0	(16,879)	0	(16,879)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (16,879)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (16,879)</b>	<b>\$ 500,000</b>	<b>\$ 483,121</b>
Net Change in Fund Balances	\$ (621,302)	\$ 209,650	\$ (140,247)	\$ 20,583	\$ (531,316)	\$ (712)	\$ (532,028)
Fund Balance, July 1, 2005	773,884	815,684	387,961	55,184	2,032,713	715,694	2,748,407
<b>Fund Balance, June 30, 2006</b>	<b>\$ 152,582</b>	<b>\$ 1,025,334</b>	<b>\$ 247,714</b>	<b>\$ 75,767</b>	<b>\$ 1,501,397</b>	<b>\$ 714,982</b>	<b>\$ 2,216,379</b>

Exhibit J-7

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Roane County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 15,199,316	\$ 0	\$ 0	\$ 15,199,316	\$ 14,982,150	\$ 15,162,150	\$ 37,166
Licenses and Permits	3,175	0	0	3,175	3,000	3,000	175
Charges for Current Services	12,483	0	0	12,483	15,000	15,000	(2,517)
Other Local Revenues	463,584	0	0	463,584	145,000	295,000	168,584
State of Tennessee	27,512,933	0	0	27,512,933	27,445,030	27,426,935	85,998
Federal Government	144,561	0	0	144,561	80,000	120,195	24,366
<b>Total Revenues</b>	<b>\$ 43,336,052</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 43,336,052</b>	<b>\$ 42,670,180</b>	<b>\$ 43,022,280</b>	<b>\$ 313,772</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 22,246,990	\$ (560,272)	\$ 582,664	\$ 22,269,382	\$ 22,984,110	\$ 22,832,888	\$ 563,506
Alternative Instruction Program	251,287	(963)	1,068	251,392	285,890	285,890	34,498
Special Education Program	4,211,163	(292)	1,059	4,211,930	4,328,110	4,355,370	143,440
Vocational Education Program	1,960,152	(53,088)	2,447	1,909,511	1,954,170	1,954,170	44,659
<u>Support Services</u>							
Attendance	59,992	(1,498)	9,436	67,930	36,950	77,320	9,390
Health Services	249,365	(696)	0	248,669	299,240	299,240	50,571
Other Student Support	1,085,938	(7,024)	265	1,079,179	1,078,510	1,138,825	59,646
Regular Instruction Program	2,111,051	(25,995)	47,419	2,132,475	2,074,630	2,237,660	105,185
Alternative Instruction Program	511	0	1,489	2,000	2,000	2,000	0
Special Education Program	831,621	0	0	831,621	863,190	874,650	43,029
Vocational Education Program	132,475	(4,815)	0	127,660	133,690	132,690	5,030
Board of Education	783,581	(13,800)	14,350	784,131	865,440	880,440	96,309
Director of Schools	279,303	(3,370)	0	275,933	309,220	287,720	11,787
Office of the Principal	3,290,066	(3,663)	3,275	3,289,678	3,361,660	3,380,250	90,572
Fiscal Services	240,956	(4,675)	0	236,281	265,775	260,775	24,494

(Continued)

Exhibit J-7

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Roane County School Department  
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 3,413,734	\$ (30,588)	\$ 41,051	\$ 3,424,197	\$ 3,280,250	\$ 3,587,450	\$ 163,253
Maintenance of Plant	915,664	(22,687)	17,194	910,171	885,505	938,286	28,115
<u>Capital Outlay</u>							
Regular Capital Outlay	181,459	(6,628)	0	174,831	85,000	180,200	5,369
Total Expenditures	\$ 42,245,308	\$ (740,054)	\$ 721,717	\$ 42,226,971	\$ 43,093,340	\$ 43,705,824	\$ 1,478,853
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,090,744	\$ 740,054	\$ (721,717)	\$ 1,109,081	\$ (423,160)	\$ (683,544)	\$ 1,792,625
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 16,879	\$ 0	\$ 0	\$ 16,879	\$ 25,000	\$ 19,125	\$ (2,246)
Transfers Out	(500,000)	0	0	(500,000)	(603,200)	(500,000)	0
Total Other Financing Sources (Uses)	\$ (483,121)	\$ 0	\$ 0	\$ (483,121)	\$ (578,200)	\$ (480,875)	\$ (2,246)
Net Change in Fund Balance							
Fund Balance, July 1, 2005	\$ 607,623	\$ 740,054	\$ (721,717)	\$ 625,960	\$ (1,001,360)	\$ (1,164,419)	\$ 1,790,379
	5,349,381	(740,054)	0	4,609,327	4,651,916	4,651,916	(42,589)
Fund Balance, June 30, 2006							
	\$ 5,957,004	\$ 0	\$ (721,717)	\$ 5,235,287	\$ 3,650,556	\$ 3,487,497	\$ 1,747,790

Exhibit J-8

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Roane County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 3,650,912	\$ 0	\$ 0	\$ 3,650,912	\$ 3,889,514	\$ 4,572,847	\$ (921,935)
Total Revenues	\$ 3,650,912	\$ 0	\$ 0	\$ 3,650,912	\$ 3,889,514	\$ 4,572,847	\$ (921,935)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,045,301	\$ (240,940)	\$ 40,560	\$ 1,844,921	\$ 1,711,405	\$ 1,880,372	\$ 35,451
Special Education Program	1,389,793	(69,622)	8,998	1,329,169	1,371,037	1,874,128	544,959
Vocational Education Program	191,592	(1,160)	0	190,432	190,432	190,432	0
<u>Support Services</u>							
Other Student Support	29,757	(287)	1,201	30,671	35,000	41,900	11,229
Regular Instruction Program	317,661	(17,889)	2,979	302,751	286,180	401,191	98,440
Special Education Program	276,231	(1,498)	88,329	363,062	265,460	581,241	218,179
Vocational Education Program	5,000	0	0	5,000	5,000	5,000	0
Total Expenditures	\$ 4,255,335	\$ (331,396)	\$ 142,067	\$ 4,066,006	\$ 3,864,514	\$ 4,974,264	\$ 908,258
Excess (Deficiency) of Revenues Over Expenditures	\$ (604,423)	\$ 331,396	\$ (142,067)	\$ (415,094)	\$ 25,000	\$ (401,417)	\$ (13,677)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (16,879)	\$ 0	\$ 0	\$ (16,879)	\$ (25,000)	\$ (19,109)	\$ 2,230
Total Other Financing Sources (Uses)	\$ (16,879)	\$ 0	\$ 0	\$ (16,879)	\$ (25,000)	\$ (19,109)	\$ 2,230
Net Change in Fund Balance Fund Balance, July 1, 2005	\$ (621,302)	\$ 331,396	\$ (142,067)	\$ (431,973)	\$ 0	\$ (420,526)	\$ (11,447)
	773,884	(331,396)	0	442,488	442,489	442,489	(1)
Fund Balance, June 30, 2006	\$ 152,582	\$ 0	\$ (142,067)	\$ 10,515	\$ 442,489	\$ 21,963	\$ (11,448)

Exhibit J-9

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Roane County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,458,845	\$ 0	\$ 0	\$ 1,458,845	\$ 1,556,000	\$ 1,493,000	\$ (34,155)
Other Local Revenues	24,265	0	0	24,265	5,000	10,000	14,265
State of Tennessee	41,010	0	0	41,010	45,000	41,010	0
Federal Government	1,645,112	0	0	1,645,112	1,475,000	1,475,000	170,112
Total Revenues	\$ 3,169,232	\$ 0	\$ 0	\$ 3,169,232	\$ 3,081,000	\$ 3,019,010	\$ 150,222
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 2,959,582	\$ (3,120)	\$ 3,250	\$ 2,959,712	\$ 3,081,000	\$ 3,096,900	\$ 137,188
Total Expenditures	\$ 2,959,582	\$ (3,120)	\$ 3,250	\$ 2,959,712	\$ 3,081,000	\$ 3,096,900	\$ 137,188
Excess (Deficiency) of Revenues Over Expenditures	\$ 209,650	\$ 3,120	\$ (3,250)	\$ 209,520	\$ 0	\$ (77,890)	\$ 287,410
Net Change in Fund Balance	\$ 209,650	\$ 3,120	\$ (3,250)	\$ 209,520	\$ 0	\$ (77,890)	\$ 287,410
Fund Balance, July 1, 2005	815,684	(3,120)	0	812,564	812,564	812,564	0
Fund Balance, June 30, 2006	\$ 1,025,334	\$ 0	\$ (3,250)	\$ 1,022,084	\$ 812,564	\$ 734,674	\$ 287,410

Exhibit J-10

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Roane County School Department  
School Transportation Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,450,000	\$ 0	\$ 1,450,000	\$ 1,450,000	\$ 1,450,000	\$ 0
Charges for Current Services	52,566	0	52,566	50,000	50,000	2,566
Other Local Revenues	27,078	0	27,078	10,000	15,000	12,078
State of Tennessee	280,000	0	280,000	280,000	280,000	0
Other Governments and Citizens Groups	325,000	0	325,000	0	325,000	0
Total Revenues	<u>\$ 2,134,644</u>	<u>\$ 0</u>	<u>\$ 2,134,644</u>	<u>\$ 1,790,000</u>	<u>\$ 2,120,000</u>	<u>\$ 14,644</u>
<u>Expenditures</u>						
<u>Support Services</u>						
Transportation	\$ 2,274,891	\$ (3,106)	\$ 2,271,785	\$ 2,291,220	\$ 2,327,220	\$ 55,435
Total Expenditures	<u>\$ 2,274,891</u>	<u>\$ (3,106)</u>	<u>\$ 2,271,785</u>	<u>\$ 2,291,220</u>	<u>\$ 2,327,220</u>	<u>\$ 55,435</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (140,247)</u>	<u>\$ 3,106</u>	<u>\$ (137,141)</u>	<u>\$ (501,220)</u>	<u>\$ (207,220)</u>	<u>\$ 70,079</u>
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 325,000	\$ 0	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 325,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (140,247)	\$ 3,106	\$ (137,141)	\$ (176,220)	\$ (207,220)	\$ 70,079
Fund Balance, July 1, 2005	<u>387,961</u>	<u>(3,106)</u>	<u>384,855</u>	<u>384,854</u>	<u>384,854</u>	<u>1</u>
Fund Balance, June 30, 2006	<u>\$ 247,714</u>	<u>\$ 0</u>	<u>\$ 247,714</u>	<u>\$ 208,634</u>	<u>\$ 177,634</u>	<u>\$ 70,080</u>

Exhibit J-11

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Roane County School Department  
Extended School Program Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 332,188	\$ 0	\$ 0	\$ 332,188	\$ 320,000	\$ 320,000	\$ 12,188
State of Tennessee	32,649	0	0	32,649	70,000	45,000	(12,351)
Federal Government	18,576	0	0	18,576	0	25,000	(6,424)
<b>Total Revenues</b>	<b>\$ 383,413</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 383,413</b>	<b>\$ 390,000</b>	<b>\$ 390,000</b>	<b>\$ (6,587)</b>
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 362,830	\$ (3,020)	\$ 3,150	\$ 362,960	\$ 390,000	\$ 390,000	\$ 27,040
<b>Total Expenditures</b>	<b>\$ 362,830</b>	<b>\$ (3,020)</b>	<b>\$ 3,150</b>	<b>\$ 362,960</b>	<b>\$ 390,000</b>	<b>\$ 390,000</b>	<b>\$ 27,040</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 20,583	\$ 3,020	\$ (3,150)	\$ 20,453	\$ 0	\$ 0	\$ 20,453
Net Change in Fund Balance	\$ 20,583	\$ 3,020	\$ (3,150)	\$ 20,453	\$ 0	\$ 0	\$ 20,453
Fund Balance, July 1, 2005	55,184	(3,020)	0	52,164	52,164	52,164	0
<b>Fund Balance, June 30, 2006</b>	<b>\$ 75,767</b>	<b>\$ 0</b>	<b>\$ (3,150)</b>	<b>\$ 72,617</b>	<b>\$ 52,164</b>	<b>\$ 52,164</b>	<b>\$ 20,453</b>

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

Roane County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
Primary Government and Discretely Presented Roane County School Department  
For the Year Ended June 30, 2006

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-05	Issued During Period	Paid and/or		Outstanding 6-30-06
							Matured During Period		
<b><u>PRIMARY GOVERNMENT</u></b>									
<b><u>NOTES PAYABLE</u></b>									
<b><u>Payable through General Debt Service Fund</u></b>									
Various Capital Projects	\$ 2,500,000	5.25 %	4-1-00	4-1-12	\$ 2,420,000	\$ 0	\$ 20,000	\$ 2,400,000	
Energy Efficiency Improvements	292,000	3	10-17-00	11-15-07	132,571	0	42,891	89,680	
Various Public Works Projects	3,035,000	3.4	3-1-03	3-1-15	3,035,000	0	0	3,035,000	
Total Notes Payable					<u>\$ 5,587,571</u>	<u>\$ 0</u>	<u>\$ 62,891</u>	<u>\$ 5,524,680</u>	
<b><u>OTHER LOANS PAYABLE</u></b>									
<b><u>Payable through General Debt Service Fund</u></b>									
Industrial Park-Sevier Co. PBA - III-A-4	3,800,000	Variable	3-1-1998	6-1-17	\$ 1,200,000	\$ 0	\$ 0	\$ 1,200,000	
Landfill Closure-Sevier Co. PBA - III-A-4	1,200,000	Variable	3-1-1998	6-1-17	205,000	0	0	205,000	
Voting Machines-Blount Co. PBA - A-1-F	386,000	Variable	5-17-01	6-13-13	293,686	0	26,805	266,881	
General Improvement Projects-Blount Co. PBA - A-1-F	450,000	Variable	5-17-01	6-13-13	344,300	0	31,250	313,050	
School Buses-Blount Co. PBA - A-1-F	645,000	Variable	5-17-01	6-13-13	491,596	0	44,792	446,804	
Retire Capital Outlay Notes-Blount Co. PBA - A-1-F	2,119,000	Variable	5-17-01	6-13-13	1,615,418	0	147,153	1,468,265	
Refunding-Sevier Co. PBA - V-C-3	5,060,000	Variable	10-15-03	6-1-20	5,060,000	0	0	5,060,000	
Health Facilities-Sevier Co. PBA - V-C-3	565,000	Variable	10-15-03	6-1-20	565,000	0	0	565,000	
Industrial Park Refunding-Sevier Co. PBA - B-3-A	3,640,000	1.6 to 5.85	9-1-03	6-1-16	3,294,983	0	162,682	3,132,301	
Industrial Park Land-Sevier Co. PBA - B-3-A	835,000	1.6 to 5.85	9-1-03	6-1-16	755,017	0	37,318	717,699	
Public Improvement - Blount Co. PBA - D-5-E	2,000,000	Variable	12-28-05	6-1-22	0	2,000,000	75,000	1,925,000	
Total Payable through General Debt Service Fund					<u>\$ 13,825,000</u>	<u>\$ 2,000,000</u>	<u>\$ 525,000</u>	<u>\$ 15,300,000</u>	
<b><u>Payable through Education Debt Service Fund</u></b>									
Public Improvement - Blount Co. PBA - D-5-E	1,600,000	Variable	12-28-05	6-1-20	\$ 0	\$ 1,600,000	\$ 0	\$ 1,600,000	
Total Payable through Education Debt Service Fund					<u>\$ 0</u>	<u>\$ 1,600,000</u>	<u>\$ 0</u>	<u>\$ 1,600,000</u>	
Total Other Loans Payable					<u>\$ 13,825,000</u>	<u>\$ 3,600,000</u>	<u>\$ 525,000</u>	<u>\$ 16,900,000</u>	

(Continued)

Exhibit K-1

Roane County, Tennessee

Schedule of Changes in Long-term Notes, Other Loans, and Bonds

Primary Government and Discretely Presented Roane County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-05	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-06
<u>PRIMARY GOVERNMENT (Cont.)</u>								
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Bridge Refunding, Series 1999	\$ 500,000	4 %	1-1-1999	2-1-06	\$ 95,000	\$ 0	\$ 95,000	\$ 0
General Obligation, Series 2002	1,700,000	3 to 4.65	2-1-02	6-1-19	1,440,000	0	95,000	1,345,000
Water and Sewer Revenue and Tax, Series 2000	620,000	4.75	6-20-02	4-20-40	600,961	0	6,940	594,021
Total Payable through General Debt Service Fund					<u>\$ 2,135,961</u>	<u>\$ 0</u>	<u>\$ 196,940</u>	<u>\$ 1,939,021</u>
<u>Payable through Rural Debt Service Fund</u>								
Rural School Refunding, Series 1999	4,335,000	4 to 4.25	1-1-1999	6-1-11	\$ 2,380,000	\$ 0	\$ 490,000	\$ 1,890,000
Rural School, Series 2002	775,000	4.1 to 4.65	2-1-02	6-1-19	775,000	0	0	775,000
Rural School Refunding, Series 2004	18,915,000	2 to 4.3	3-9-04	5-1-22	18,035,000	0	395,000	17,640,000
Total Payable through Rural Debt Service Fund					<u>\$ 21,190,000</u>	<u>\$ 0</u>	<u>\$ 885,000</u>	<u>\$ 20,305,000</u>
<u>Payable through Education Debt Service Fund</u>								
School Refunding, Series 1998	(1) 1,280,000	4.2 to 4.75	7-1-03	2-1-09	\$ 855,000	\$ 0	\$ 225,000	\$ 630,000
Total Payable through Education Debt Service Fund					<u>\$ 855,000</u>	<u>\$ 0</u>	<u>\$ 225,000</u>	<u>\$ 630,000</u>
Total Bonds Payable					<u>\$ 24,180,961</u>	<u>\$ 0</u>	<u>\$ 1,306,940</u>	<u>\$ 22,874,021</u>
<u>DISCRETELY PRESENTED ROANE COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Purpose School Fund</u>								
EPA Asbestos Abatement Loan	31,508	0	10-6-1998	5-1-15	\$ 17,508	\$ 0	\$ 2,000	\$ 15,508
Total Notes Payable					<u>\$ 17,508</u>	<u>\$ 0</u>	<u>\$ 2,000</u>	<u>\$ 15,508</u>

(1) - This debt was assumed by the county in the Harriman City School merger, effective July 1, 2003.

Exhibit K-2

Roane County, Tennessee  
Schedule of Bond and Interest Requirements by Year

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2007	\$ 1,252,277	\$ 952,676	\$ 2,204,953
2008	1,297,630	902,769	2,200,399
2009	1,243,001	856,457	2,099,458
2010	1,138,389	811,121	1,949,510
2011	1,183,796	771,504	1,955,300
2012	1,229,223	729,427	1,958,650
2013	1,259,671	679,984	1,939,655
2014	1,310,141	629,114	1,939,255
2015	1,365,633	576,022	1,941,655
2016	1,416,149	520,506	1,936,655
2017	1,486,690	450,715	1,937,405
2018	1,562,258	377,297	1,939,555
2019	1,637,853	300,002	1,937,855
2020	1,608,477	233,078	1,841,555
2021	1,684,131	167,029	1,851,160
2022	1,774,817	96,203	1,871,020
2023	15,537	19,803	35,340
2024	16,291	19,049	35,340
2025	17,082	18,258	35,340
2026	17,911	17,429	35,340
2027	18,781	16,559	35,340
2028	19,692	15,648	35,340
2029	20,648	14,692	35,340
2030	21,651	13,689	35,340
2031	22,702	12,638	35,340
2032	23,804	11,536	35,340
2033	24,960	10,380	35,340
2034	26,171	9,169	35,340
2035	27,442	7,898	35,340
2036	28,774	6,566	35,340
2037	30,171	5,169	35,340
2038	31,636	3,704	35,340
2039	33,172	2,169	35,341
2040	27,460	580	28,040
<b>Total</b>	<b>\$ 22,874,021</b>	<b>\$ 9,258,840</b>	<b>\$ 32,132,861</b>

Exhibit K-3

Roane County, Tennessee  
Schedule of Notes Receivable  
For the Year Ended June 30, 2006

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-06
<u>Community Development - Agency Fund</u>						
Industrial Loan (Revolving)	Community Development Council of Roane County	\$100,000	3-9-00	3-9-15	4.75 %	\$ 66,939
Industrial Loan (Revolving)	Valley Communications	65,000	1-10-01	12-10-10	8.00	40,977
Industrial Loan (Revolving)	Scarbrough Funeral Home	30,000	7-5-01	7-5-08	5.75	18,849
Industrial Loan (Revolving)	Browder Hardware	100,000	6-13-02	6-13-17	3.75	78,310
Industrial Loan (Revolving)	Ivan's Restaurant	40,000	9-23-02	9-25-09	3.75	26,576
Industrial Loan (Revolving)	Understanding The Way	70,000	1-13-03	1-15-18	3.25	56,911
Industrial Loan (Revolving)	Dana Audio	50,000	2-26-03	4-23-10	3.25	38,030
Industrial Loan (Revolving)	Ideal Plumbing	100,000	1-29-04	3-1-14	3.04	79,274
Industrial Loan (Revolving)	Mary Gail's Place	32,500	9-30-04	9-30-11	4.00	29,680
Industrial Loan (Revolving)	Kiddie Korner Daycare & Preschool	100,000	12-15-04	1-15-14	5.00	<u>87,982</u>
Total Notes Receivable						<u>\$ 523,528</u>

Exhibit K-4

Roane County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Roane County School Department  
For the Year Ended June 30, 2006

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Primary Government</u>			
General	Urban Services	To provide funds for operations	\$ 148,000
General	General Debt Service	To provide funds for retirement of debt	23,311
Local Purpose Tax	General Debt Service	To provide funds for retirement of debt	720,000
Special Purpose	General Debt Service	To provide funds for retirement of debt	50,764
Highway/Public Works	General Debt Service	To provide funds for retirement of debt	123,622
General Debt Service	General	To reflect internal borrowing	340,000
Rural Debt Service	General	To transfer Department of Energy in-lieu-of tax payments previously designated for cash management	480,264
Education Debt Service	Rural Debt Service	To reimburse funds contributed in prior years to component unit	<u>1,310,000</u>
Total Transfers Primary Government			<u>\$ 3,195,961</u>
<u>Discretely Presented Roane</u> <u>County School Department</u>			
General Purpose School	Education Capital Projects	To provide funds for capital projects	\$ 500,000
School Federal Projects	General Purpose School	Indirect costs	<u>16,879</u>
Total Transfers Discretely Presented Roane County School Department			<u>\$ 516,879</u>

Exhibit K-5

Roane County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Roane County School Department  
For the Year Ended June 30, 2006

Official	Authorization of Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u> , and County Commission	\$ 84,412 (1)	\$ 50,000	RLI Insurance Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	67,152	100,000	"
Director of Schools	State Board of Education and Roane County Board of Education	113,400 (2)	50,000	Western Surety Company
Trustee	Section 8-24-102, <u>TCA</u>	61,048	1,115,200	Auto-Owners Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	61,048	50,000	Old Republic Surety Company
Director of Accounts and Budgets	County Commission	74,699 (3)	10,000	Western Surety Company
County Clerk	Section 8-24-102, <u>TCA</u>	61,048	50,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	61,048	50,000	Auto-Owners Insurance Company
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	62,858 (4)	50,000	Western Surety Company
Register	Section 8-24-102, <u>TCA</u>	61,048	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	67,671 (5)	25,000	RLI Insurance Company
Purchasing Agent	County Commission	44,929	10,000	Western Surety Company
Employee Blanket Bond				
Public Employee Dishonesty			250,000	Continental Insurance Company

(1) Includes \$6,737 salary supplement for serving as sanitation supervisor and \$305 for board and committee meetings.

(2) Includes incentive bonus of \$12,500 and chief executive officer supplement of \$1,000.

(3) Includes \$2,843 for board and committee meetings, \$846 for Workforce Network administration, and \$9,965 for insurance administration.

(4) Includes special commissioner fees of \$1,810.

(5) Includes law enforcement training supplement of \$519.

Exhibit K-6

Roane County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2006

	Special Revenue Funds							
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Local Purpose Tax	Special Purpose	Drug Control
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 4,859,827	\$ 0	\$ 296,911	\$ 0	\$ 170,501	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	170,331	0	11,643	0	6,171	0	0	0
Circuit/Clerk & Master Collections - Prior Years	102,731	0	11,909	0	3,721	0	0	0
Interest and Penalty	30,546	0	1,951	0	1,098	0	0	0
Pick-up Taxes	2,977	0	313	0	105	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	19,763	0	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	123,531	0	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	0	0	0	0	30,000	726,053	0	0
<u>County Local Option Taxes</u>								
Local Option Sales Tax	192,332	0	350,000	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	121,476	0	0	0
Litigation Tax - General	270,607	0	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	48,265	0	0	0	0	0	0	0
Business Tax	409,942	0	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>								
Bank Excise Tax	77,026	0	0	0	0	0	0	0
Wholesale Beer Tax	0	0	0	0	16,507	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0	0	0	0
Total Local Taxes	\$ 6,307,878	\$ 0	\$ 672,727	\$ 0	\$ 349,579	\$ 726,053	\$ 0	0
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 200,563	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>								
Beer Permits	5,051	0	0	0	0	0	0	0
Building Permits	192,952	0	0	0	0	0	0	0
Total Licenses and Permits	\$ 398,566	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 4,309	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-6

Roane County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds							
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Local Purpose Tax	Special Purpose	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Circuit Court (Cont.)</u>								
Officers Costs	\$ 9,744	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	0	0	0	0	7,542
Drug Court Fees	947	0	0	0	0	0	0	0
Jail Fees	2,407	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0
DUI Treatment Fines	909	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	468	0	0	0	0	0	0	0
Courtroom Security Fee	6	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	42,201	0	0	0	0	0	0	0
Officers Costs	61,301	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0	13,595
Drug Court Fees	881	0	0	0	0	0	0	0
Jail Fees	14,241	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0
DUI Treatment Fines	10,857	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	10,642	0	0	0	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Fines	2,766	0	0	0	0	0	0	0
Drug Control Fines	60	0	0	0	0	0	0	0
<u>Chancery Court</u>								
Officers Costs	5,434	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	1,561	0	0	0	0	0	0	0
<u>Courts in Other District Counties</u>								
District Attorney General Fees	0	0	0	0	0	0	0	0
<u>Judicial District Drug Program</u>								
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	0	1,516
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 168,736</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>22,653</b>

(Continued)

Exhibit K-6

Roane County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds							
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Local Purpose Tax	Special Purpose	Drug Control
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fees	0	0	0	0	0	0	0	0
Water Treatment Charges	0	0	0	0	0	0	357,224	0
Patient Charges	0	0	0	1,990,480	0	0	0	0
Past Due Collections - Ambulance	0	0	0	20,785	0	0	0	0
Other General Service Charges	900	109,775	0	0	0	0	0	0
Water Tap Sales	0	0	0	0	0	0	33,630	0
Service Charges	40	0	0	0	0	0	0	0
<u>Fees</u>								
Recreation Fees	30,536	0	0	0	0	0	0	0
Copy Fees	18,983	0	0	380	0	0	0	0
Telephone Commissions	11,520	0	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0	0	0
Data Processing Fee - Register	26,394	0	0	0	0	0	0	0
Data Processing Fee - Sheriff	5,052	0	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,320	0	0	0	0	0	0	0
<u>Other Charges for Services</u>								
Other Charges for Services	27,000	0	0	0	0	0	0	0
Total Charges for Current Services	\$ 121,745	\$ 109,775	\$ 0	\$ 2,011,645	\$ 0	\$ 0	\$ 390,854	\$ 0
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	9,897	0	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	0	0
Commissary Sales	10,682	0	0	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0	0	0	0
Commodity Rebates	372	0	0	0	0	0	0	0
Miscellaneous Refunds	863	0	0	0	0	0	0	0

(Continued)

Exhibit K-6

Roane County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds							
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Local Purpose Tax	Special Purpose	Drug Control
<u>Other Local Revenues (Cont.)</u>								
<u>Nonrecurring Items</u>								
Contributions & Gifts	\$ 520	\$ 5,745	\$ 0	\$ 0	\$ 80,000	\$ 0	\$ 0	4,094
<u>Other Local Revenues</u>								
Other Local Revenues	23,763	0	0	0	0	0	0	0
Total Other Local Revenues	\$ 46,097	\$ 5,745	\$ 0	\$ 0	\$ 80,000	\$ 0	\$ 0	4,094
<u>Fees Received from County Officials</u>								
<u>Fees-In-Lieu of Salary</u>								
County Clerk	\$ 351,413	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	71,606	0	0	0	0	0	0	0
General Sessions Court Clerk	319,135	0	0	0	0	0	0	0
Clerk and Master	215,183	0	0	0	0	0	0	0
Register	371,346	0	0	0	0	0	0	0
Sheriff	19,162	0	0	0	0	0	0	0
Trustee	650,790	0	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,998,635	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	0	0	0	0	0	0	0
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	16,380	0	0	0	0	0	0	0
<u>Public Works Grants</u>								
State Aid Program	0	0	0	0	0	0	0	0
Litter Program	37,305	0	0	0	0	0	0	0
<u>Other State Revenues</u>								
Income Tax	66,383	0	0	0	0	0	0	0
Beer Tax	17,212	0	0	0	0	0	0	0
Alcoholic Beverage Tax	55,182	0	0	0	0	0	0	0
Mixed Drink Tax	1,948	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	415,000	0	0	0	0	0
Contracted Prisoner Boarding	60,304	0	0	0	0	0	0	0

(Continued)

Exhibit K-6

Roane County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds							
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Local Purpose Tax	Special Purpose	Drug Control
<u>State of Tennessee (Cont.)</u>								
<u>Other State Revenues (Cont.)</u>								
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Petroleum Special Tax	0	0	0	0	0	0	0	0
Reappraisal Program Reimbursement	20,924	0	0	0	0	0	0	0
Registrar's Salary Supplement	18,000	0	0	0	0	0	0	0
Other State Grants	380,938	0	0	0	60,384	0	0	0
Other State Revenues	0	0	0	0	0	0	0	0
Total State of Tennessee	\$ 683,576	\$ 0	\$ 415,000	\$ 0	\$ 60,384	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>								
<u>Federal Through State</u>								
Adult Education State Grant Program	\$ 88,416	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Community Development	0	0	0	300,000	0	0	0	0
Job Training Partnership Act	442,159	0	0	0	0	0	0	0
Disaster Relief	0	0	0	0	0	0	0	0
Homeland Security Grants	259,625	0	0	0	0	0	0	0
Law Enforcement Grants	15,000	0	0	0	0	0	0	0
Other Federal through State	377,400	0	0	0	0	0	0	0
Total Federal Government	\$ 1,182,600	\$ 0	\$ 0	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Contributions	\$ 13,169	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other</u>								
Other	23,667	0	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 36,836	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 10,944,669	\$ 115,520	\$ 1,087,727	\$ 2,311,645	\$ 489,963	\$ 726,053	\$ 390,854	\$ 26,747

(Continued)

Exhibit K-6

Roane County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Funds			Capital Projects Fund	Total
	District Attorney General	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Highway Capital Projects	
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 0	\$ 213,157	\$ 0	\$ 809,971	\$ 511,628	\$ 1,670,242	\$ 374,354	\$ 0	\$ 8,906,591
Trustee's Collections - Prior Year	0	7,406	0	28,388	17,280	64,096	14,216	0	319,531
Circuit/Clerk & Master Collections - Prior Years	0	4,466	0	17,118	10,126	47,636	8,931	0	206,638
Interest and Penalty	0	1,331	0	5,091	3,129	11,421	2,532	0	57,099
Pick-up Taxes	0	131	0	496	313	1,308	261	0	5,904
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	0	0	19,763
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	0	0	123,531
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	0	0	756,053
<u>County Local Option Taxes</u>									
Local Option Sales Tax	0	0	0	0	0	0	0	0	542,332
Hotel/Motel Tax	0	0	0	0	0	0	0	0	121,476
Litigation Tax - General	0	0	0	0	0	0	0	0	270,607
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	0	48,265
Business Tax	0	0	0	0	0	0	0	0	409,942
Mineral Severance Tax	0	0	0	76,182	0	0	0	0	76,182
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	0	0	0	0	0	0	0	77,026
Wholesale Beer Tax	0	0	0	144,482	0	0	0	0	160,989
Interstate Telecommunications Tax	0	0	0	0	0	5,232	0	0	5,232
Total Local Taxes	\$ 0	\$ 226,491	\$ 0	\$ 1,081,728	\$ 542,476	\$ 1,799,935	\$ 400,294	\$ 0	\$ 12,107,161
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,563
<u>Permits</u>									
Beer Permits	0	0	0	0	0	0	0	0	5,051
Building Permits	0	0	0	0	0	0	0	0	192,952
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 398,566
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,309

(Continued)

Exhibit K-6

Roane County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Funds			Capital Projects Fund	Total
	District Attorney General	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Highway Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>Circuit Court (Cont.)</u>									
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,744
Drug Control Fines	0	0	0	0	0	0	0	0	7,542
Drug Court Fees	0	0	0	0	0	0	0	0	947
Jail Fees	0	0	0	0	0	0	0	0	2,407
District Attorney General Fees	1,990	0	0	0	0	0	0	0	1,990
DUI Treatment Fines	0	0	0	0	0	0	0	0	909
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0	468
Courtroom Security Fee	0	0	0	0	0	0	0	0	6
<u>General Sessions Court</u>									
Fines	0	0	0	0	0	0	0	0	42,201
Officers Costs	0	0	0	0	0	0	0	0	61,301
Drug Control Fines	0	0	0	0	0	0	0	0	13,595
Drug Court Fees	0	0	0	0	0	0	0	0	881
Jail Fees	0	0	0	0	0	0	0	0	14,241
District Attorney General Fees	3,104	0	0	0	0	0	0	0	3,104
DUI Treatment Fines	0	0	0	0	0	0	0	0	10,857
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	0	10,642
Courtroom Security Fee	0	0	0	0	0	0	0	0	2
<u>Juvenile Court</u>									
Fines	0	0	0	0	0	0	0	0	2,766
Drug Control Fines	0	0	0	0	0	0	0	0	60
<u>Chancery Court</u>									
Officers Costs	0	0	0	0	0	0	0	0	5,434
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	1,561
<u>Courts in Other District Counties</u>									
District Attorney General Fees	9,679	0	0	0	0	0	0	0	9,679
<u>Judicial District Drug Program</u>									
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	0	0	1,516
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 14,773</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 206,162</b>

(Continued)

Exhibit K-6

Roane County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Funds			Capital Projects Fund	Total
	District Attorney General	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Highway Capital Projects	
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Transfer Waste Stations Collection Charge	\$ 0	\$ 14,941	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,941
Solid Waste Disposal Fees	0	59,693	0	0	0	0	0	0	59,693
Water Treatment Charges	0	0	0	0	0	0	0	0	357,224
Patient Charges	0	0	0	0	0	0	0	0	1,990,480
Past Due Collections - Ambulance	0	0	0	0	0	0	0	0	20,785
Other General Service Charges	0	0	0	0	0	0	0	0	110,675
Water Tap Sales	0	0	0	0	0	0	0	0	33,630
Service Charges	0	0	0	0	0	0	0	0	40
<u>Fees</u>									
Recreation Fees	0	0	0	0	0	0	0	0	30,536
Copy Fees	0	0	0	0	0	0	0	0	19,363
Telephone Commissions	0	0	0	0	0	0	0	0	11,520
Constitutional Officers' Fees and Commissions	0	0	27	0	0	0	0	0	27
Special Commissioner Fees/Special Master Fees	0	0	1,810	0	0	0	0	0	1,810
Data Processing Fee - Register	0	0	0	0	0	0	0	0	26,394
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	5,052
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	1,320
<u>Other Charges for Services</u>									
Other Charges for Services	0	0	0	0	0	0	0	0	27,000
Total Charges for Current Services	\$ 0	\$ 74,634	\$ 1,837	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,710,490
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 312,302	\$ 93,439	\$ 16,849	\$ 2,595	\$ 425,185
Lease/Rentals	0	0	0	0	0	0	0	0	9,897
Sale of Materials and Supplies	0	0	0	5,640	0	0	0	0	5,640
Commissary Sales	0	0	0	0	0	0	0	0	10,682
Sale of Gasoline	0	0	0	27,416	0	0	0	0	27,416
Sale of Recycled Materials	0	83,923	0	0	0	0	0	0	83,923
Commodity Rebates	0	0	0	0	0	0	0	0	372
Miscellaneous Refunds	0	0	0	6	0	0	0	0	869

(Continued)

Exhibit K-6

Roane County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Funds			Capital Projects Fund	Total
	District Attorney General	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Highway Capital Projects	
<b>Other Local Revenues (Cont.)</b>									
<u>Nonrecurring Items</u>									
Contributions & Gifts	\$ 0	\$ 30	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,389
<u>Other Local Revenues</u>									
Other Local Revenues	0	0	0	7,816	0	0	0	0	31,579
<b>Total Other Local Revenues</b>	<b>\$ 0</b>	<b>\$ 83,953</b>	<b>\$ 0</b>	<b>\$ 40,878</b>	<b>\$ 312,302</b>	<b>\$ 93,439</b>	<b>\$ 16,849</b>	<b>\$ 2,595</b>	<b>\$ 685,952</b>
<u>Fees Received from County Officials</u>									
<u>Fees-In-Lieu of Salary</u>									
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 351,413
Circuit Court Clerk	0	0	0	0	0	0	0	0	71,606
General Sessions Court Clerk	0	0	0	0	0	0	0	0	319,135
Clerk and Master	0	0	0	0	0	0	0	0	215,183
Register	0	0	0	0	0	0	0	0	371,346
Sheriff	0	0	0	0	0	0	0	0	19,162
Trustee	0	0	0	0	0	0	0	0	650,790
<b>Total Fees Received from County Officials</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,998,635</b>
<u>State of Tennessee</u>									
<u>General Government Grants</u>									
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Solid Waste Grants	0	41,157	0	0	0	0	0	0	41,157
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	0	0	0	0	0	0	0	0	16,380
<u>Public Works Grants</u>									
State Aid Program	0	0	0	146,847	0	0	0	0	146,847
Litter Program	0	0	0	0	0	0	0	0	37,305
<u>Other State Revenues</u>									
Income Tax	0	0	0	0	0	0	0	0	66,383
Beer Tax	0	0	0	0	0	0	0	0	17,212
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	55,182
Mixed Drink Tax	0	0	0	0	0	0	0	0	1,948
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	0	415,000
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	60,304

(Continued)

Exhibit K-6

Roane County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Funds			Capital Projects Fund	Total
	District Attorney General	Other Special Revenue	Constitu- tional - Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Highway Capital Projects	
<u>State of Tennessee (Cont.)</u>									
<u>Other State Revenues (Cont.)</u>									
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 1,798,349	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,798,349
Petroleum Special Tax	0	0	0	41,758	0	0	0	0	41,758
Reappraisal Program Reimbursement	0	0	0	0	0	0	0	0	20,924
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	18,000
Other State Grants	0	19,372	0	25,882	0	0	0	0	486,576
Other State Revenues	0	0	0	9,000	0	0	0	0	9,000
Total State of Tennessee	\$ 0	\$ 60,529	\$ 0	\$ 2,021,836	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,241,325
<u>Federal Government</u>									
<u>Federal Through State</u>									
Adult Education State Grant Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 88,416
Community Development	0	0	0	0	0	0	0	0	300,000
Job Training Partnership Act	0	0	0	0	0	0	0	0	442,159
Disaster Relief	0	0	0	72,105	0	0	0	0	72,105
Homeland Security Grants	0	0	0	0	0	0	0	0	259,625
Law Enforcement Grants	0	0	0	0	0	0	0	0	15,000
Other Federal through State	0	0	0	0	0	0	0	0	377,400
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 72,105	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,554,705
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,583	\$ 0	\$ 103,200	\$ 0	\$ 196,952
<u>Other</u>									
Other	0	0	0	0	0	0	0	0	23,667
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,583	\$ 0	\$ 103,200	\$ 0	\$ 220,619
Total	\$ 14,773	\$ 445,607	\$ 1,837	\$ 3,216,547	\$ 935,361	\$ 1,893,374	\$ 520,343	\$ 2,595	\$ 23,123,615

Exhibit K-7

Roane County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Roane County School Department  
For the Year Ended June 30, 2006

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Education Capital Projects	Total
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 10,156,668	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,156,668
Trustee's Collections - Prior Year	276,389	0	0	0	0	0	276,389
Circuit/Clerk & Master Collections - Prior Years	213,569	0	0	0	0	0	213,569
Interest and Penalty	63,514	0	0	0	0	0	63,514
Pick-up Taxes	6,174	0	0	0	0	0	6,174
Payments in-Lieu-of Taxes - Local Utilities	179,166	0	0	0	0	0	179,166
<u>County Local Option Taxes</u>							
Local Option Sales Tax	4,295,342	0	0	1,450,000	0	0	5,745,342
<u>Statutory Local Taxes</u>							
Interstate Telecommunications Tax	8,494	0	0	0	0	0	8,494
<b>Total Local Taxes</b>	<b>\$ 15,199,316</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,450,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 16,649,316</b>
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 3,175	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,175
<b>Total Licenses and Permits</b>	<b>\$ 3,175</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,175</b>
<u>Charges for Current Services</u>							
<u>Education Charges</u>							
Tuition - Other	\$ 11,212	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,212
Lunch Payments - Children	0	0	964,407	0	0	0	964,407
Lunch Payments - Adults	0	0	101,066	0	0	0	101,066
Income from Breakfast	0	0	115,669	0	0	0	115,669
Special Milk Sales	0	0	31,952	0	0	0	31,952
A la carte Sales	0	0	232,684	0	0	0	232,684
Receipts from Individual Schools	1,271	0	0	52,566	0	0	53,837
Community Service Fees - Children	0	0	0	0	332,188	0	332,188
<u>Other Charges for Services</u>							
Other Charges for Services	0	0	13,067	0	0	0	13,067
<b>Total Charges for Current Services</b>	<b>\$ 12,483</b>	<b>\$ 0</b>	<b>\$ 1,458,845</b>	<b>\$ 52,566</b>	<b>\$ 332,188</b>	<b>\$ 0</b>	<b>\$ 1,856,082</b>
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 356,599	\$ 0	\$ 24,265	\$ 23,821	\$ 0	\$ 0	\$ 404,685
Lease/Rentals	3,000	0	0	0	0	0	3,000

(Continued)

Exhibit K-7

Roane County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Education Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>							
<u>Recurring Items (Cont.)</u>							
Sale of Recycled Materials	\$ 529	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	529
Miscellaneous Refunds	3,025	0	0	3,219	0	0	6,244
<u>Nonrecurring Items</u>							
Sale of Property	0	0	0	0	0	1,310	1,310
Damages Recovered from Individuals	4,363	0	0	38	0	0	4,401
Contributions & Gifts	997	0	0	0	0	0	997
<u>Other Local Revenues</u>							
Other Local Revenues	95,071	0	0	0	0	0	95,071
Total Other Local Revenues	\$ 463,584	\$ 0	\$ 24,265	\$ 27,078	\$ 0	\$ 1,310	\$ 516,237
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	32,649	\$ 0	32,649
<u>Public Safety Grants</u>							
Safe and Drug - Free Schools and Communities	43,748	0	0	0	0	0	43,748
<u>State Education Funds</u>							
Basic Education Program	26,123,791	0	0	280,000	0	0	26,403,791
School Food Service	0	0	41,010	0	0	0	41,010
Driver Education	14,375	0	0	0	0	0	14,375
Career Ladder Program	496,575	0	0	0	0	0	496,575
Career Ladder - Extended Contract	217,621	0	0	0	0	0	217,621
<u>Other State Revenues</u>							
State Revenue Sharing - T.V.A.	587,921	0	0	0	0	0	587,921
Other State Grants	28,902	0	0	0	0	0	28,902
Total State of Tennessee	\$ 27,512,933	\$ 0	\$ 41,010	\$ 280,000	\$ 32,649	\$ 0	\$ 27,866,592
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,213,811	\$ 0	\$ 0	\$ 0	1,213,811
Breakfast	0	0	431,301	0	0	0	431,301
USDA - Other	0	0	0	0	18,576	0	18,576
Vocational Education - Basic Grants to States	0	205,432	0	0	0	0	205,432
Title I Grants to Local Education Agencies	0	1,601,712	0	0	0	0	1,601,712
Innovative Education Program Strategies	0	23,967	0	0	0	0	23,967

(Continued)

Exhibit K-7

Roane County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>							
<u>Federal Through State (Cont.)</u>							
Special Education - Grants to States	\$ 41,830	\$ 1,247,280	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,289,110
Special Education Preschool Grants	0	58,500	0	0	0	0	58,500
Other Federal through State	35,234	514,021	0	0	0	0	549,255
<u>Direct Federal Revenue</u>							
Public Law 874 - Maintenance and Operation	67,497	0	0	0	0	0	67,497
Total Federal Government	\$ 144,561	\$ 3,650,912	\$ 1,645,112	\$ 0	\$ 18,576	\$ 0	\$ 5,459,161
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 0	\$ 0	\$ 0	\$ 325,000	\$ 0	\$ 0	\$ 325,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 325,000	\$ 0	\$ 0	\$ 325,000
Total	\$ 43,336,052	\$ 3,650,912	\$ 3,169,232	\$ 2,134,644	\$ 383,413	\$ 1,310	\$ 52,675,563

Exhibit K-8

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2006

General Fund

General Government

County Commission

Secretary(ies)	\$	1,923	
Board and Committee Members Fees		29,639	
Advertising		89	
Travel		6,964	
Other Supplies and Materials		70	
Total County Commission			\$ 38,685

Board of Equalization

Board and Committee Members Fees	\$	3,627	
Advertising		107	
Travel		35	
Total Board of Equalization			3,769

Beer Board

Board and Committee Members Fees	\$	2,030	
Advertising		164	
Total Beer Board			2,194

Budget and Finance Committee

Board and Committee Members Fees	\$	4,200	
Advertising		343	
Total Budget and Finance Committee			4,543

Other Boards and Committees

Board and Committee Members Fees	\$	37,338	
Total Other Boards and Committees			37,338

County Mayor/Executive

County Official/Administrative Officer	\$	77,370	
Assistant(s)		83,203	
In-Service Training		589	
Communication		60	
Dues and Memberships		535	
Maintenance & Repair Services - Office Equipment		119	
Printing, Stationery, and Forms		1,300	
Rentals		136	
Travel		6,299	
Premiums on Corporate Surety Bonds		175	
Other Charges		102	
Total County Mayor/Executive			169,888

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	42,734	
Other Charges		<u>37,680</u>	
Total County Attorney	\$		80,414

Election Commission

Supervisor/Director	\$	54,943	
Deputy(ies)		65,764	
Mechanic(s)		5,860	
Part-time Personnel		5,334	
Overtime Pay		402	
Election Commission		9,962	
Election Workers		29,857	
In-Service Training		5,209	
Advertising		6,896	
Communication		881	
Dues and Memberships		425	
Maintenance Agreements		1,090	
Maintenance & Repair Services - Equipment		1,369	
Printing, Stationery, and Forms		2,722	
Rentals		1,401	
Travel		3,449	
Other Contracted Services		5,262	
Data Processing Supplies		288	
Electricity		27	
Gasoline		27	
Library Books/Media		237	
Other Supplies and Materials		2,569	
Data Processing Equipment		534	
Office Equipment		598	
Voting Machines		<u>297,500</u>	
Total Election Commission			502,606

Register of Deeds

County Official/Administrative Officer	\$	61,048	
Deputy(ies)		83,018	
Part-time Personnel		8,952	
Communication		3	
Data Processing Services		2,141	
Dues and Memberships		567	
Maintenance Agreements		18,484	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Maintenance & Repair Services - Office Equipment	\$	74	
Printing, Stationery, and Forms		1,677	
Rentals		48	
Furniture and Fixtures		728	
Total Register of Deeds			\$ 176,740

Planning

Assistant(s)	\$	17,845	
Supervisor/Director		25,843	
Other Salaries & Wages		50,602	
Board and Committee Members Fees		7,924	
Other Per Diem & Fees		1,850	
Advertising		1,243	
Communication		1,762	
Contracts with Government Agencies		11,500	
Dues and Memberships		125	
Legal Notices, Recording, and Court Costs		807	
Maintenance Agreements		587	
Maintenance & Repair Services - Office Equipment		653	
Postal Charges		582	
Printing, Stationery, and Forms		1,145	
Travel		2,565	
Gasoline		3,432	
Uniforms		635	
Other Charges		265	
Data Processing Equipment		361	
Office Equipment		4,722	
Total Planning			134,448

County Buildings

Foremen	\$	53,097	
Custodial Personnel		63,954	
Advertising		113	
Communication		2,371	
Engineering Services		220	
Maintenance Agreements		10,916	
Maintenance & Repair Services - Buildings		4,785	
Maintenance & Repair Services - Equipment		10,357	
Maintenance & Repair Services - Vehicles		5,781	
Disposal Fees		1,632	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Custodial Supplies	\$	8,301	
Electricity		70,209	
Gasoline		4,984	
Natural Gas		18,295	
Water and Sewer		13,875	
Other Supplies and Materials		5,351	
Building Improvements		8,338	
Data Processing Equipment		1,085	
Total County Buildings			\$ 283,664

Other General Administration

In-Service Training	\$	2,663	
Data Processing Services		40	
Maintenance Agreements		11,713	
Maintenance & Repair Services - Office Equipment		145	
Data Processing Supplies		4,445	
Data Processing Equipment		9,652	
Total Other General Administration			28,658

Preservation of Records

Supervisor/Director	\$	29,764	
Temporary Personnel		6,998	
Part-time Personnel		14,058	
Maintenance Agreements		730	
Printing, Stationery, and Forms		1,368	
Electricity		2,335	
Other Charges		1,000	
Total Preservation of Records			56,253

Finance

Accounting and Budgeting

Supervisor/Director	\$	61,045	
Accountants/Bookkeepers		174,367	
In-Service Training		712	
Communication		83	
Dues and Memberships		990	
Maintenance Agreements		339	
Maintenance & Repair Services - Office Equipment		321	
Printing, Stationery, and Forms		1,204	
Travel		1,338	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Periodicals	\$	415	
Premiums on Corporate Surety Bonds		50	
Furniture and Fixtures		185	
Total Accounting and Budgeting			\$ 241,049

Purchasing

Supervisor/Director	\$	44,929	
Purchasing Personnel		55,333	
In-Service Training		2,009	
Advertising		1,333	
Communication		510	
Dues and Memberships		525	
Maintenance Agreements		678	
Printing, Stationery, and Forms		182	
Travel		674	
Premiums on Corporate Surety Bonds		50	
Total Purchasing			106,223

Property Assessor's Office

County Official/Administrative Officer	\$	61,048	
Assistant(s)		76,949	
Paraprofessionals		133,479	
Communication		3,437	
Contracts with Government Agencies		6,641	
Contracts with Private Agencies		50,200	
Dues and Memberships		1,531	
Maintenance & Repair Services - Office Equipment		7,349	
Printing, Stationery, and Forms		1,052	
Travel		9,619	
Other Supplies and Materials		1,017	
Data Processing Equipment		5,821	
Total Property Assessor's Office			358,143

Reappraisal Program

Data Processing Personnel	\$	29,997	
Paraprofessionals		37,456	
Part-time Personnel		7,106	
Communication		284	
Data Processing Services		6,540	
Maintenance Agreements		135	

(Continued)

Exhibit K-8

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Postal Charges	\$	1,238	
Rentals		500	
Travel		3,265	
Electricity		200	
Natural Gas		82	
Other Supplies and Materials		716	
Other Charges		284	
Data Processing Equipment		3,273	
Total Reappraisal Program			\$ 91,076

County Trustee's Office

County Official/Administrative Officer	\$	61,048	
Deputy(ies)		65,486	
Part-time Personnel		2,952	
Overtime Pay		73	
Advertising		685	
Communication		37	
Contracts with Government Agencies		11,986	
Dues and Memberships		592	
Maintenance Agreements		3,762	
Maintenance & Repair Services - Office Equipment		586	
Printing, Stationery, and Forms		2,262	
Rentals		76	
Data Processing Supplies		1,335	
Premiums on Corporate Surety Bonds		2,128	
Data Processing Equipment		15,875	
Office Equipment		1,411	
Total County Trustee's Office			170,294

County Clerk's Office

County Official/Administrative Officer	\$	61,048
Deputy(ies)		232,358
Part-time Personnel		19,159
Advertising		31
Communication		760
Dues and Memberships		582
Maintenance Agreements		15,561
Maintenance & Repair Services - Office Equipment		983
Printing, Stationery, and Forms		687
Rentals		136

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Travel	\$	1,937	
Periodicals		110	
Other Supplies and Materials		2,893	
Data Processing Equipment		14,191	
Total County Clerk's Office			\$ 350,436

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	61,048	
Deputy(ies)		46,046	
Part-time Personnel		876	
Communication		523	
Contracts with Private Agencies		175	
Dues and Memberships		120	
Maintenance Agreements		1,277	
Printing, Stationery, and Forms		2,071	
Rentals		48	
Travel		34	
Data Processing Equipment		1,967	
Office Equipment		791	
Total Circuit Court			114,976

General Sessions Court

Deputy(ies)	\$	245,983	
Part-time Personnel		8,434	
Communication		210	
Contracts with Private Agencies		802	
Contributions		1,546	
Dues and Memberships		432	
Maintenance Agreements		11,000	
Printing, Stationery, and Forms		3,963	
Periodicals		557	
Data Processing Equipment		12,713	
Office Equipment		378	
Total General Sessions Court			286,018

General Sessions Judge

Judge(s)	\$	207,302	
Assistant(s)		27,883	
Paraprofessionals		35,938	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Communication	\$	3,532	
Travel		8,911	
Data Processing Equipment		1,800	
Total General Sessions Judge			\$ 285,366

Chancery Court

County Official/Administrative Officer	\$	61,048	
Deputy(ies)		104,098	
Part-time Personnel		10,913	
Communication		66	
Dues and Memberships		552	
Maintenance Agreements		9,434	
Maintenance & Repair Services - Office Equipment		148	
Printing, Stationery, and Forms		3,135	
Rentals		113	
Travel		207	
Periodicals		59	
Other Supplies and Materials		1,127	
Premiums on Corporate Surety Bonds		275	
Data Processing Equipment		3,854	
Office Equipment		1,080	
Total Chancery Court			196,109

Juvenile Court

Supervisor/Director	\$	33,407	
Youth Service Officer(s)		83,338	
Attendants		2,587	
School Resource Officer		29,719	
Overtime Pay		10,231	
Communication		6,554	
Contracts with Private Agencies		2,957	
Dues and Memberships		675	
Licenses		773	
Maintenance Agreements		1,414	
Maintenance & Repair Services - Buildings		4,999	
Maintenance & Repair Services - Office Equipment		1,132	
Maintenance & Repair Services - Vehicles		3,252	
Medical and Dental Services		1,000	
Printing, Stationery, and Forms		3,884	
Rentals		76	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Travel	\$	9,226	
Other Contracted Services		5,119	
Electricity		1,823	
Gasoline		2,584	
Uniforms		1,401	
Premiums on Corporate Surety Bonds		275	
Other Charges		1,132	
Data Processing Equipment		1,528	
Office Equipment		1,329	
Total Juvenile Court			\$ 210,415

Other Administration of Justice

Jury and Witness Fees	\$	15,214	
Advertising		318	
Total Other Administration of Justice			15,532

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	67,152	
Assistant(s)		36,560	
Deputy(ies)		589,391	
Investigator(s)		139,973	
Sergeant(s)		126,484	
Salary Supplements		16,380	
Foremen		74,000	
Dispatchers/Radio Operators		54,817	
Secretary(ies)		59,801	
Part-time Personnel		24,945	
Overtime Pay		91,734	
In-Service Training		5,955	
Unemployment Compensation		178	
Communication		11,135	
Contracts with Government Agencies		89,615	
Dues and Memberships		2,150	
Licenses		138	
Maintenance & Repair Services - Office Equipment		59	
Maintenance & Repair Services - Vehicles		100,611	
Printing, Stationery, and Forms		1,755	
Rentals		136	
Tow-in Services		1,320	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Travel	\$	7,651	
Other Contracted Services		3,819	
Gasoline		105,888	
Law Enforcement Supplies		21,140	
Library Books/Media		344	
Periodicals		189	
Tires and Tubes		8,638	
Uniforms		7,390	
Other Supplies and Materials		3,071	
Premiums on Corporate Surety Bonds		900	
Other Self-Insured Claims		5,000	
Other Charges		1,197	
Data Processing Equipment		1,680	
Motor Vehicles		60,722	
Office Equipment		2,306	
Total Sheriff's Department			\$ 1,724,224

Jail

Assistant(s)	\$	36,560
Medical Personnel		3,284
Guards		584,678
Cafeteria Personnel		33,705
Part-time Personnel		26,824
Overtime Pay		78,738
In-Service Training		450
Unemployment Compensation		1,406
Communication		1,176
Laundry Service		3,637
Maintenance Agreements		22,600
Maintenance & Repair Services - Buildings		11,843
Maintenance & Repair Services - Equipment		3,036
Medical and Dental Services		151,437
Printing, Stationery, and Forms		2,167
Travel		2,932
Disposal Fees		1,500
Custodial Supplies		16,001
Drugs and Medical Supplies		83,025
Electricity		29,125
Food Preparation Supplies		2,895
Food Supplies		95,875

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Law Enforcement Supplies	\$	4,053	
Prisoners Clothing		11,591	
Uniforms		6,886	
Water and Sewer		16,959	
Other Supplies and Materials		3,506	
Data Processing Equipment		3,322	
Office Equipment		1,759	
Other Equipment		17,497	
Total Jail			\$ 1,258,467

Fire Prevention and Control

Contributions	\$	95,000	
Other Contracted Services		2,000	
Other Capital Outlay		87,500	
Total Fire Prevention and Control			184,500

Civil Defense

Supervisor/Director	\$	49,733	
Secretary(ies)		24,785	
Part-time Personnel		25,613	
In-Service Training		3,031	
Communication		9,886	
Dues and Memberships		165	
Licenses		581	
Maintenance Agreements		2,567	
Maintenance & Repair Services - Office Equipment		2,370	
Maintenance & Repair Services - Vehicles		2,287	
Postal Charges		395	
Rentals		61	
Travel		2,499	
Gasoline		10,627	
Instructional Supplies and Materials		4,494	
Office Supplies		2,661	
Small Tools		1,513	
Other Charges		168,158	
Communication Equipment		6,962	
Motor Vehicles		7,000	
Other Equipment		214	
Other Capital Outlay		150,390	
Total Civil Defense			475,992

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad

Contributions	\$	15,000	
Other Capital Outlay		15,000	
Total Rescue Squad			\$ 30,000

Other Emergency Management

In-Service Training	\$	325	
Communication		300	
Travel		768	
Data Processing Supplies		300	
Office Supplies		293	
Other Supplies and Materials		10,269	
Other Charges		1,400	
Total Other Emergency Management			13,655

County Coroner/Medical Examiner

Communication	\$	43	
Travel		26,475	
Premiums on Corporate Surety Bonds		50	
Other Charges		29,087	
Total County Coroner/Medical Examiner			55,655

Other Public Safety

Contracts with Private Agencies	\$	15,633	
Total Other Public Safety			15,633

Public Health and Welfare

Local Health Center

Assistant(s)	\$	47,299	
Social Workers		26,822	
Medical Personnel		34,016	
Maintenance Personnel		27,150	
Social Security		8,268	
State Retirement		7,273	
Life Insurance		122	
Medical Insurance		19,591	
Dental Insurance		684	
Unemployment Compensation		714	
Advertising		162	
Communication		5,577	
Dues and Memberships		410	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Maintenance Agreements	\$	4,376	
Maintenance & Repair Services - Buildings		3,121	
Maintenance & Repair Services - Equipment		1,125	
Postal Charges		1,539	
Printing, Stationery, and Forms		291	
Travel		6,701	
Disposal Fees		1,787	
Other Contracted Services		14,400	
Drugs and Medical Supplies		2,947	
Electricity		30,999	
Gasoline		280	
Natural Gas		23,730	
Office Supplies		2,336	
Water and Sewer		1,552	
Workers' Compensation Insurance		1,580	
Other Charges		651	
Other Equipment		456	
Total Local Health Center			\$ 275,959

Rabies and Animal Control

Other Charges	\$	51,957	
Total Rabies and Animal Control			51,957

Maternal and Child Health Services

Contributions	\$	2,780	
Total Maternal and Child Health Services			2,780

Dental Health Program

Assistant(s)	\$	19,183	
Medical Personnel		102,437	
Social Security		9,087	
State Retirement		8,438	
Life Insurance		82	
Medical Insurance		13,197	
Dental Insurance		554	
Maintenance & Repair Services - Buildings		1,500	
Postal Charges		1,500	
Travel		831	
Office Supplies		1,717	
Liability Insurance		904	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Dental Health Program (Cont.)

Workers' Compensation Insurance	\$	889	
Health Equipment		<u>369</u>	
Total Dental Health Program			\$ 160,688

Appropriation to State

Other Contracted Services	\$	<u>9,573</u>	
Total Appropriation to State			9,573

Other Local Welfare Services

Contributions	\$	<u>89,670</u>	
Total Other Local Welfare Services			89,670

Sanitation Management

Supervisor/Director	\$	29,370	
Advertising		160	
Travel		<u>1,232</u>	
Total Sanitation Management			30,762

Social, Cultural, and Recreational Services

Libraries

Contributions	\$	10,000	
Maintenance & Repair Services - Office Equipment		81	
Maintenance and Repair Services - Records		243	
Library Books/Media		5,688	
Furniture and Fixtures		<u>988</u>	
Total Libraries			17,000

Parks and Fair Boards

Assistant(s)	\$	22,025	
Supervisor/Director		23,968	
Part-time Personnel		20	
Communication		2,092	
Maintenance Agreements		240	
Maintenance & Repair Services - Buildings		18,113	
Maintenance & Repair Services - Equipment		1,902	
Maintenance & Repair Services - Vehicles		841	
Disposal Fees		1,284	
Custodial Supplies		697	
Diesel Fuel		762	
Electricity		6,517	

(Continued)

Exhibit K-8

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Gasoline	\$	2,639	
Propane Gas		975	
Water and Sewer		4,189	
Other Charges		67	
Other Capital Outlay		79,865	
Total Parks and Fair Boards			\$ 166,196

Agriculture & Natural Resources

Agriculture Extension Service

Communication	\$	289	
Contracts with Government Agencies		70,157	
Contributions		500	
Postal Charges		150	
Rentals		448	
Other Supplies and Materials		300	
Total Agriculture Extension Service			71,844

Soil Conservation

Supervisor/Director	\$	21,105	
Social Security		1,589	
State Retirement		1,428	
Life Insurance		29	
Medical Insurance		4,734	
Dental Insurance		195	
Contracts with Private Agencies		3,000	
Total Soil Conservation			32,080

Other Operations

Industrial Development

Assistant(s)	\$	249,426	
In-Service Training		59,060	
Social Security		19,495	
State Retirement		12,797	
Life Insurance		154	
Medical Insurance		29,265	
Dental Insurance		1,074	
Unemployment Compensation		3,356	
Advertising		4,085	
Communication		22	
Maintenance & Repair Services - Office Equipment		50	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development (Cont.)

Postal Charges	\$	851	
Travel		94,289	
Other Contracted Services		55,235	
Office Supplies		19,912	
Other Charges		910	
Other Equipment		2,444	
Total Industrial Development			\$ 552,425

Veterans' Services

Other Per Diem & Fees	\$	3,000	
Total Veterans' Services			3,000

Employee Benefits

Social Security	\$	379,744	
State Retirement		335,104	
Life Insurance		4,075	
Medical Insurance		746,131	
Dental Insurance		27,513	
Workers' Compensation Insurance		106,845	
Total Employee Benefits			1,599,412

Miscellaneous

Bank Charges	\$	837	
Communication		23,348	
Consultants		14,355	
Contracts with Government Agencies		26,880	
Dues and Memberships		10,689	
Maintenance Agreements		10,167	
Postal Charges		59,575	
Printing, Stationery, and Forms		4,299	
Drugs and Medical Supplies		1,364	
Duplicating Supplies		7,271	
Office Supplies		15,111	
Boiler Insurance		658	
Building and Contents Insurance		15,139	
Liability Insurance		166,348	
Refunds		3,992	
Trustee's Commission		141,559	
Vehicle and Equipment Insurance		65,625	
Other Self-Insured Claims		62,586	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Other Charges	\$ 71,243	
Building Improvements	30,825	
Other Construction	159,861	
Other Capital Outlay	<u>660,218</u>	
Total Miscellaneous		\$ 1,551,950

Highways

Litter and Trash Collection

Contributions	\$ 37,304	
Total Litter and Trash Collection		<u>37,304</u>

Total General Fund \$ 12,355,563

Urban Services Fund

Public Health and Welfare

Rabies and Animal Control

Supervisor/Director	\$ 37,457
Deputy(ies)	50,517
Attendants	20,281
Part-time Personnel	24,119
In-Service Training	3,077
Social Security	9,484
State Retirement	7,401
Life Insurance	115
Medical Insurance	20,514
Dental Insurance	781
Advertising	96
Communication	4,960
Licenses	470
Maintenance & Repair Services - Buildings	2,833
Maintenance & Repair Services - Equipment	643
Maintenance & Repair Services - Vehicles	4,151
Postal Charges	56
Printing, Stationery, and Forms	413
Travel	878
Disposal Fees	885
Other Contracted Services	18,228
Animal Food and Supplies	3,665
Custodial Supplies	2,434
Drugs and Medical Supplies	2,540

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Urban Services Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Electricity	\$	4,135	
Gasoline		6,874	
Natural Gas		23,677	
Uniforms		757	
Water and Sewer		2,085	
Other Supplies and Materials		1,089	
Building and Contents Insurance		842	
Liability Insurance		2,420	
Trustee's Commission		668	
Vehicle and Equipment Insurance		2,062	
Workers' Compensation Insurance		6,497	
Total Rabies and Animal Control			\$ 267,104

Total Urban Services Fund \$ 267,104

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Foremen	\$	6,737	
Clerical Personnel		3,598	
Part-time Personnel		226,430	
Overtime Pay		997	
Other Salaries & Wages		59,887	
Social Security		22,517	
State Retirement		4,923	
Life Insurance		62	
Medical Insurance		14,397	
Dental Insurance		586	
Communication		3,953	
Maintenance & Repair Services - Buildings		5,553	
Maintenance & Repair Services - Equipment		2,666	
Maintenance & Repair Services - Vehicles		2,107	
Postal Charges		495	
Disposal Fees		601,821	
Crushed Stone		1,338	
Electricity		8,747	
Fertilizer, Lime, and Seed		660	
Gasoline		2,778	
Road Signs		19	
Water and Sewer		197	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Other Supplies and Materials	\$	71	
Liability Insurance		2,420	
Trustee's Commission		13,985	
Vehicle and Equipment Insurance		2,062	
Workers' Compensation Insurance		22,155	
Other Charges		1,206	
Other Equipment		7,219	
Other Capital Outlay		12,162	
Total Convenience Centers			\$ 1,031,748

Total Solid Waste/Sanitation Fund

\$ 1,031,748

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	38,128	
Clerical Personnel		87,962	
Attendants		1,020,263	
In-Service Training		140	
Social Security		80,364	
State Retirement		75,945	
Life Insurance		809	
Medical Insurance		150,507	
Dental Insurance		5,291	
Unemployment Compensation		286	
Advertising		158	
Communication		9,949	
Contracts with Government Agencies		125,011	
Dues and Memberships		270	
Licenses		1,141	
Maintenance Agreements		10,178	
Maintenance & Repair Services - Buildings		3,097	
Maintenance & Repair Services - Equipment		6,225	
Maintenance & Repair Services - Vehicles		27,920	
Medical and Dental Services		2,365	
Postal Charges		8,494	
Printing, Stationery, and Forms		6,873	
Tow-in Services		125	
Travel		3,331	
Disposal Fees		7,152	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Custodial Supplies	\$	2,251	
Data Processing Supplies		1,600	
Diesel Fuel		47,365	
Drugs and Medical Supplies		85,155	
Electricity		11,015	
Gasoline		1,484	
Instructional Supplies and Materials		697	
Natural Gas		5,441	
Tires and Tubes		7,154	
Uniforms		8,763	
Water and Sewer		2,185	
In-Service/Staff Development		3,978	
Other Supplies and Materials		12,544	
Building and Contents Insurance		842	
Liability Insurance		51,620	
Trustee's Commission		24,229	
Vehicle and Equipment Insurance		25,319	
Workers' Compensation Insurance		92,902	
Building Improvements		4,600	
Communication Equipment		13,166	
Data Processing Equipment		2,060	
Furniture and Fixtures		1,568	
Motor Vehicles		77,357	
Health Equipment		21,478	
Other Equipment		395,744	
Total Ambulance/Emergency Medical Services			\$ 2,572,501

Total Ambulance Service Fund \$ 2,572,501

Industrial/Economic Development Fund

Other Operations

Industrial Development

Contracts with Other Public Agencies	\$	116,442	
Contributions		269,975	
Trustee's Commission		6,462	
Site Development		409,851	
Total Industrial Development			\$ 802,730

Total Industrial/Economic Development Fund 802,730

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Special Purpose Fund

Public Health and Welfare

Other Waste Collection

Assistant(s)	\$	65,440	
Supervisor/Director		37,597	
Overtime Pay		299	
Social Security		7,231	
State Retirement		7,113	
Life Insurance		108	
Medical Insurance		24,250	
Dental Insurance		684	
Advertising		848	
Communication		3,657	
Dues and Memberships		172	
Licenses		2,716	
Maintenance Agreements		7,648	
Maintenance & Repair Services - Buildings		1,070	
Maintenance & Repair Services - Equipment		54,737	
Maintenance & Repair Services - Vehicles		528	
Postal Charges		503	
Rentals		380	
Travel		1,479	
Disposal Fees		7,605	
Diesel Fuel		1,142	
Drugs and Medical Supplies		32	
Electricity		53,828	
Gasoline		2,765	
Uniforms		192	
Water and Sewer		2,198	
Building and Contents Insurance		842	
Liability Insurance		3,420	
Trustee's Commission		3,906	
Vehicle and Equipment Insurance		2,062	
Workers' Compensation Insurance		4,455	
Other Charges		4,705	
Other Capital Outlay		200,032	
Total Other Waste Collection			\$ 503,644

Recycling Center

Clerical Personnel	\$	8,869	
Total Recycling Center			8,869

Total Special Purpose Fund \$ 512,513

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Drug Control Fund

Public Safety

Sheriff's Department

In-Service Training	\$	125	
Communication		470	
Maintenance & Repair Services - Vehicles		900	
Veterinary Services		919	
Animal Food and Supplies		2,682	
Law Enforcement Supplies		4,479	
Other Supplies and Materials		5,075	
Trustee's Commission		265	
Motor Vehicles		24,590	
Total Sheriff's Department			\$ 39,505

Total Drug Control Fund \$ 39,505

District Attorney General Fund

Administration of Justice

District Attorney General

Rentals	\$	3,600	
Other Supplies and Materials		8,699	
Trustee's Commission		148	
Total District Attorney General			\$ 12,447

Total District Attorney General Fund 12,447

Other Special Revenue Fund

Public Health and Welfare

Recycling Center

Overtime Pay	\$	500	
Other Salaries & Wages		79,122	
Social Security		5,980	
State Retirement		4,951	
Life Insurance		89	
Medical Insurance		14,737	
Dental Insurance		586	
Advertising		573	
Communication		2,727	
Contracts with Private Agencies		7,588	
Dues and Memberships		165	
Licenses		75	
Maintenance Agreements		2,732	
Maintenance & Repair Services - Buildings		4,909	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Other Special Revenue Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Maintenance & Repair Services - Equipment	\$	13,917	
Maintenance & Repair Services - Office Equipment		419	
Maintenance & Repair Services - Vehicles		5,281	
Postal Charges		67	
Printing, Stationery, and Forms		77	
Travel		720	
Disposal Fees		90,763	
Asphalt - Hot Mix		1,566	
Crushed Stone		510	
Custodial Supplies		945	
Data Processing Supplies		149	
Diesel Fuel		25,186	
Electricity		7,921	
Food Supplies		886	
Office Supplies		484	
Propane Gas		562	
Tires and Tubes		3,123	
Uniforms		3,540	
Water and Sewer		2,132	
Other Supplies and Materials		3,988	
Building and Contents Insurance		842	
Liability Insurance		2,420	
Trustee's Commission		5,997	
Vehicle and Equipment Insurance		2,062	
Workers' Compensation Insurance		4,746	
Other Charges		1,766	
Other Equipment		38,744	
Total Recycling Center			\$ 343,547

Postclosure Care Costs

Engineering Services	\$	7,045	
Disposal Fees		4,548	
Contracts for Postclosure Care Costs		17,206	
Electricity		77	
Other Construction		60,571	
Total Postclosure Care Costs			<u>89,447</u>

Total Other Special Revenue Fund \$ 432,994

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 5	
Total County Clerk's Office		\$ 5

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 22	
Total Circuit Court		22

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 1,810	
Total Chancery Court		<u>1,810</u>

Total Constitutional Officers - Fees Fund		\$ 1,837
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 67,152	
Assistant(s)	40,560	
Foremen	1,896	
Secretary(ies)	30,845	
Temporary Personnel	60	
Dues and Memberships	2,872	
Legal Notices, Recording, and Court Costs	41	
Maintenance & Repair Services - Buildings	589	
Maintenance & Repair Services - Office Equipment	465	
Postal Charges	399	
Printing, Stationery, and Forms	250	
Travel	320	
Other Contracted Services	310	
Drugs and Medical Supplies	341	
Office Supplies	<u>1,407</u>	
Total Administration		\$ 147,507

Highway and Bridge Maintenance

Foremen	\$ 68,109
Equipment Operators	111,156
Truck Drivers	150,402
Laborers	191,646
Overtime Pay	28,526

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Contracts with Private Agencies	\$	5,972	
Asphalt - Hot Mix		1,023,467	
Concrete		247	
Crushed Stone		66,854	
Fertilizer, Lime, and Seed		508	
Pipe		29,839	
Road Signs		17,861	
Salt		1,291	
Sand		310	
Structural Steel		1,330	
Wood Products		36	
Other Supplies and Materials		393	
Total Highway and Bridge Maintenance			\$ 1,697,947

Operation and Maintenance of Equipment

Mechanic(s)	\$	87,444	
Overtime Pay		397	
Maintenance & Repair Services - Equipment		15,100	
Custodial Supplies		1,933	
Diesel Fuel		77,287	
Equipment and Machinery Parts		102,531	
Garage Supplies		2,724	
Gasoline		62,105	
Lubricants		2,951	
Tires and Tubes		11,579	
Uniforms		9,708	
Total Operation and Maintenance of Equipment			373,759

Traffic Control

Part-time Personnel	\$	19,448	
Traffic Control Equipment		11,546	
Total Traffic Control			30,994

Other Charges

Communication	\$	16,567	
Licenses		51	
Maintenance Agreements		4,721	
Disposal Fees		474	
Electricity		6,341	
Food Supplies		493	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Natural Gas	\$	7,819	
Water and Sewer		1,467	
Building and Contents Insurance		1,685	
Liability Insurance		48,499	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		40,176	
Vehicle and Equipment Insurance		41,229	
Other Self-Insured Claims		703	
Total Other Charges			\$ 170,575

Employee Benefits

Social Security	\$	59,494	
State Retirement		52,247	
Life Insurance		729	
Medical Insurance		137,560	
Dental Insurance		5,079	
Unemployment Compensation		3,930	
Workers' Compensation Insurance		55,013	
Total Employee Benefits			314,052

Capital Outlay

Motor Vehicles	\$	22,375	
Total Capital Outlay			22,375

Total Highway/Public Works Fund \$ 2,757,209

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	101,940	
Principal on Notes		62,891	
Principal on Other Loans		525,000	
Total General Government			\$ 689,831

Highways and Streets

Principal on Bonds	\$	95,000	
Total Highways and Streets			95,000

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 61,500	
Interest on Notes	231,732	
Interest on Other Loans	<u>503,975</u>	
Total General Government		\$ 797,207

Highways and Streets

Interest on Bonds	\$ 28,622	
Total Highways and Streets		28,622

Other Debt Service

General Government

Trustee's Commission	\$ 20,093	
Other Debt Issuance Charges	25,208	
Other Debt Service	<u>106,585</u>	
Total General Government		<u>151,886</u>

Total General Debt Service Fund \$ 1,762,546

Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 885,000	
Total Education		\$ 885,000

Interest on Debt

Education

Interest on Bonds	\$ 856,642	
Total Education		856,642

Other Debt Service

General Government

Other Contracted Services	\$ 2,325	
Trustee's Commission	<u>35,543</u>	
Total General Government		<u>37,868</u>

Total Rural Debt Service Fund 1,779,510

(Continued)

Exhibit K-8

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Education Debt Service Fund

Other Operations

Contributions to Other Agencies

Contributions	\$ 325,000	
Total Contributions to Other Agencies		\$ 325,000

Principal on Debt

Education

Principal on Bonds	\$ 225,000	
Total Education		225,000

Interest on Debt

Education

Interest on Bonds	\$ 39,222	
Total Education		39,222

Other Debt Service

Education

Contracts with Private Agencies	\$ 1,332	
Trustee's Commission	7,929	
Interest on Notes	22,653	
Other Debt Issuance Charges	19,362	
Total Education		<u>51,276</u>

Total Education Debt Service Fund		\$ 640,498
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Highway Capital Projects Fund

Capital Projects

Highway & Street Capital Projects

Highway Construction	\$ 8,645	
Total Highway & Street Capital Projects		<u>\$ 8,645</u>

Total Highway Capital Projects Fund		<u>8,645</u>
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Total Governmental Funds - Primary Government		<u>\$ 24,977,350</u>
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Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department  
For the Year Ended June 30, 2006

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 14,972,499	
Career Ladder Program	297,393	
Career Ladder Extended Contracts	165,424	
Homebound Teachers	8,080	
Educational Assistants	578,065	
Certified Substitute Teachers	17,218	
Non-certified Substitute Teachers	211,016	
Social Security	970,776	
State Retirement	883,910	
Life Insurance	11,414	
Medical Insurance	2,676,529	
Dental Insurance	74,393	
Unemployment Compensation	11,099	
Employer Medicare	227,036	
Other Fringe Benefits	138,514	
Other Contracted Services	155,624	
Instructional Supplies and Materials	243,111	
Textbooks	519,392	
Other Supplies and Materials	17,558	
Regular Instruction Equipment	67,939	
Total Regular Instruction Program		\$ 22,246,990

Alternative Instruction Program

Teachers	\$ 175,501	
Career Ladder Program	4,000	
Career Ladder Extended Contracts	240	
Educational Assistants	12,950	
Social Security	11,809	
State Retirement	10,748	
Life Insurance	144	
Medical Insurance	28,654	
Dental Insurance	976	
Employer Medicare	2,762	
Other Fringe Benefits	1,600	
Instructional Supplies and Materials	1,903	
Total Alternative Instruction Program		251,287

Special Education Program

Teachers	\$ 2,454,164	
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(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	39,999	
Career Ladder Extended Contracts		5,950	
Homebound Teachers		3,430	
Educational Assistants		405,199	
Certified Substitute Teachers		14,290	
Non-certified Substitute Teachers		25,310	
Social Security		177,472	
State Retirement		161,914	
Life Insurance		2,466	
Medical Insurance		482,375	
Dental Insurance		15,624	
Employer Medicare		41,505	
Other Fringe Benefits		21,520	
Other Contracted Services		315,918	
Instructional Supplies and Materials		24,736	
Textbooks		2,598	
Other Supplies and Materials		777	
Special Education Equipment		15,916	
Total Special Education Program			\$ 4,211,163

Vocational Education Program

Teachers	\$	1,294,001	
Career Ladder Program		17,916	
Career Ladder Extended Contracts		5,110	
Educational Assistants		14,004	
Certified Substitute Teachers		8,344	
Non-certified Substitute Teachers		9,885	
Social Security		81,829	
State Retirement		73,481	
Life Insurance		913	
Medical Insurance		226,784	
Dental Insurance		6,980	
Employer Medicare		19,137	
Other Fringe Benefits		10,800	
Other Contracted Services		6,054	
Instructional Supplies and Materials		81,582	
Textbooks		27,996	
Other Supplies and Materials		6,557	
Vocational Instruction Equipment		68,779	
Total Vocational Education Program			1,960,152

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	29,993	
Other Salaries & Wages		6,449	
Social Security		2,327	
State Retirement		2,059	
Life Insurance		12	
Medical Insurance		8,719	
Dental Insurance		156	
Employer Medicare		455	
Other Fringe Benefits		400	
Travel		1,136	
Other Contracted Services		3,616	
Other Supplies and Materials		2,872	
Attendance Equipment		1,798	
Total Attendance			\$ 59,992

Health Services

Medical Personnel	\$	172,878	
Social Security		10,141	
State Retirement		11,859	
Life Insurance		144	
Medical Insurance		24,380	
Dental Insurance		1,562	
Employer Medicare		2,372	
Dues and Memberships		251	
Travel		337	
Other Contracted Services		10,768	
Drugs and Medical Supplies		8,242	
Other Supplies and Materials		3,418	
In Service/Staff Development		2,386	
Other Charges		627	
Total Health Services			249,365

Other Student Support

Career Ladder Program	\$	18,493	
Guidance Personnel		762,426	
Career Ladder Extended Contracts		10,914	
Other Salaries & Wages		31,385	
Social Security		50,379	
State Retirement		45,704	

(Continued)

Exhibit K-9

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Life Insurance	\$	490	
Medical Insurance		97,477	
Dental Insurance		3,515	
Employer Medicare		11,782	
Other Fringe Benefits		6,360	
Evaluation and Testing		37,477	
Travel		1,912	
Other Charges		4,740	
Other Equipment		2,884	
Total Other Student Support			\$ 1,085,938

Regular Instruction Program

Supervisor/Director	\$	198,450	
Career Ladder Program		24,000	
Career Ladder Extended Contracts		8,204	
Librarians		698,719	
Education Media Personnel		137,805	
Instructional Computer Personnel		285,150	
Secretary(ies)		41,038	
Other Salaries & Wages		9,091	
Social Security		84,954	
State Retirement		80,324	
Life Insurance		878	
Medical Insurance		175,131	
Dental Insurance		5,068	
Employer Medicare		18,891	
Other Fringe Benefits		8,000	
Travel		4,595	
Other Contracted Services		55,248	
Library Books/Media		80,323	
Periodicals		398	
Other Supplies and Materials		45,492	
In Service/Staff Development		5,092	
Other Charges		7,115	
Other Equipment		137,085	
Total Regular Instruction Program			2,111,051

Alternative Instruction Program

Other Supplies and Materials	\$	511	
Total Alternative Instruction Program			511

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	71,483	
Career Ladder Program		3,083	
Psychological Personnel		252,601	
Clerical Personnel		31,774	
Other Salaries & Wages		301,591	
Social Security		35,941	
State Retirement		29,232	
Life Insurance		464	
Medical Insurance		86,114	
Dental Insurance		3,242	
Unemployment Compensation		379	
Employer Medicare		9,369	
Other Fringe Benefits		1,920	
Travel		4,363	
Other Supplies and Materials		65	
Total Special Education Program			\$ 831,621

Vocational Education Program

Supervisor/Director	\$	64,841	
Career Ladder Program		1,000	
Secretary(ies)		32,271	
Social Security		5,835	
State Retirement		5,838	
Life Insurance		43	
Medical Insurance		9,484	
Dental Insurance		391	
Employer Medicare		1,365	
Other Fringe Benefits		400	
Maintenance & Repair Services - Equipment		195	
Travel		5,032	
Other Supplies and Materials		5,780	
Total Vocational Education Program			132,475

Board of Education

Secretary to Board	\$	7,264	
Board and Committee Members Fees		22,743	
Social Security		1,668	
State Retirement		1,202	
Medical Insurance		4,879	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Employer Medicare	\$	390	
Payments to Retirees		48,793	
Audit Services		13,800	
Dues and Memberships		18,613	
Legal Services		87,890	
Travel		11,480	
Other Contracted Services		6,892	
Liability Insurance		110,276	
Premiums on Corporate Surety Bonds		255	
Trustee's Commission		277,333	
Workers' Compensation Insurance		149,207	
Liability Claims		3,993	
Other Self-Insured Claims		1,073	
Criminal Investigation of Applicants - TBI		192	
Refund to Applicant for Criminal Investigation		4,608	
Other Charges		11,030	
Total Board of Education			\$ 783,581

Director of Schools

County Official/Administrative Officer	\$	99,900	
Career Ladder Program		1,000	
Secretary(ies)		79,013	
Other Salaries & Wages		6,199	
Social Security		12,038	
State Retirement		12,164	
Life Insurance		86	
Medical Insurance		22,516	
Dental Insurance		586	
Employer Medicare		2,815	
Other Fringe Benefits		12,900	
Communication		3,329	
Dues and Memberships		3,636	
Postal Charges		4,691	
Travel		3,708	
Other Contracted Services		1,034	
Office Supplies		4,257	
Other Charges		4,685	
Administration Equipment		4,746	
Total Director of Schools			279,303

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$ 1,062,563	
Career Ladder Program	41,500	
Career Ladder Extended Contracts	43,130	
Assistant Principals	538,927	
Secretary(ies)	646,449	
Other Salaries & Wages	746	
Social Security	140,547	
State Retirement	135,657	
Life Insurance	1,629	
Medical Insurance	337,652	
Dental Insurance	10,370	
Employer Medicare	32,883	
Other Fringe Benefits	10,800	
Communication	132,639	
Dues and Memberships	255	
Travel	12,610	
Other Contracted Services	114,205	
In Service/Staff Development	1,676	
Other Charges	4,863	
Administration Equipment	20,965	
Total Office of the Principal		\$ 3,290,066

Fiscal Services

Supervisor/Director	\$ 67,993	
Accountants/Bookkeepers	95,516	
Other Salaries & Wages	20,540	
Social Security	11,120	
State Retirement	11,750	
Life Insurance	105	
Medical Insurance	16,892	
Dental Insurance	586	
Employer Medicare	2,601	
Travel	338	
Other Contracted Services	3,441	
Office Supplies	524	
Other Supplies and Materials	4,330	
In Service/Staff Development	115	
Other Charges	1,196	
Administration Equipment	3,909	
Total Fiscal Services		240,956

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Custodial Personnel	\$	83,047	
Social Security		5,127	
State Retirement		5,697	
Life Insurance		101	
Medical Insurance		19,515	
Dental Insurance		781	
Employer Medicare		1,199	
Janitorial Services		919,730	
Licenses		1,190	
Pest Control		19,080	
Rentals		13,812	
Disposal Fees		25,970	
Other Contracted Services		21,505	
Custodial Supplies		64,337	
Electricity		1,389,985	
Natural Gas		347,130	
Water and Sewer		193,992	
Other Supplies and Materials		24,802	
Boiler Insurance		7,321	
Building and Contents Insurance		148,240	
Other Charges		89,461	
Plant Operation Equipment		31,712	
Total Operation of Plant			\$ 3,413,734

Maintenance of Plant

Supervisor/Director	\$	54,962
Maintenance Personnel		364,969
Other Salaries & Wages		17,724
Social Security		26,593
State Retirement		28,979
Life Insurance		374
Medical Insurance		63,604
Dental Insurance		2,344
Employer Medicare		6,219
Communication		18,494
Maintenance & Repair Services - Buildings		51,810
Maintenance & Repair Services - Equipment		50,576
Other Contracted Services		23,691
Other Supplies and Materials		99,753

(Continued)

Exhibit K-9

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Other Charges	\$ 30,623	
Maintenance Equipment	8,833	
Other Equipment	<u>66,116</u>	
Total Maintenance of Plant		\$ 915,664

Capital Outlay

Regular Capital Outlay

Contributions	\$ 103,200	
Principal on Notes	2,000	
Furniture and Fixtures	19,941	
Maintenance Equipment	24,282	
Other Capital Outlay	<u>32,036</u>	
Total Regular Capital Outlay		<u>181,459</u>

Total General Purpose School Fund \$ 42,245,308

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,109,481	
Educational Assistants	156,748	
Certified Substitute Teachers	3,220	
Non-certified Substitute Teachers	12,415	
Social Security	78,099	
State Retirement	70,781	
Life Insurance	1,122	
Medical Insurance	235,368	
Dental Insurance	7,304	
Employer Medicare	18,240	
Other Fringe Benefits	10,320	
Instructional Supplies and Materials	145,544	
Regular Instruction Equipment	<u>196,659</u>	
Total Regular Instruction Program		\$ 2,045,301

Special Education Program

Teachers	\$ 2,528
Educational Assistants	323,549
Social Security	19,462
State Retirement	22,294

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	561	
Medical Insurance		82,831	
Dental Insurance		3,105	
Employer Medicare		5,308	
Tuition		11,628	
Other Contracted Services		673,000	
Instructional Supplies and Materials		5,092	
Textbooks		24,900	
Other Supplies and Materials		65,961	
Special Education Equipment		149,574	
Total Special Education Program			\$ 1,389,793

Vocational Education Program

Travel	\$	17,768	
Instructional Supplies and Materials		22,214	
Vocational Instruction Equipment		151,610	
Total Vocational Education Program			191,592

Support Services

Other Student Support

Evaluation and Testing	\$	700	
In Service/Staff Development		10,000	
Other Charges		19,057	
Total Other Student Support			29,757

Regular Instruction Program

Supervisor/Director	\$	37,390	
Secretary(ies)		17,962	
Other Salaries & Wages		26,996	
In-Service Training		6,428	
Social Security		5,418	
State Retirement		5,141	
Life Insurance		29	
Medical Insurance		4,879	
Dental Insurance		195	
Employer Medicare		1,281	
Consultants		2,794	
Travel		6,111	
Other Contracted Services		5,625	

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Supplies and Materials	\$	32,893	
In Service/Staff Development		160,944	
Other Equipment		3,575	
Total Regular Instruction Program			\$ 317,661

Special Education Program

Other Salaries & Wages	\$	100,934	
In-Service Training		36,150	
Social Security		8,493	
State Retirement		6,025	
Life Insurance		202	
Medical Insurance		22,668	
Dental Insurance		976	
Employer Medicare		1,754	
Travel		702	
Other Supplies and Materials		13,366	
In Service/Staff Development		47,639	
Other Equipment		37,322	
Total Special Education Program			276,231

Vocational Education Program

Travel	\$	5,000	
Total Vocational Education Program			5,000

Total School Federal Projects Fund \$ 4,255,335

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	42,406
Accountants/Bookkeepers		28,499
Clerical Personnel		26,000
Cafeteria Personnel		1,054,842
Social Security		71,408
State Retirement		50,868
Life Insurance		1,367
Medical Insurance		237,097
Dental Insurance		9,690
Unemployment Compensation		898

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Employer Medicare	\$	16,700	
Maintenance & Repair Services - Equipment		73,406	
Pest Control		5,760	
Transportation - Other than Students		21,606	
Travel		389	
Disposal Fees		14,955	
Other Contracted Services		3,120	
Food Preparation Supplies		92,978	
Food Supplies		1,151,005	
Office Supplies		962	
Other Supplies and Materials		8,497	
Workers' Compensation Insurance		31,388	
In Service/Staff Development		4,640	
Other Charges		2,256	
Food Service Equipment		8,845	
Total Food Service			\$ 2,959,582
Total Central Cafeteria Fund			\$ 2,959,582

School Transportation Fund

Support Services

Transportation

Supervisor/Director	\$	50,106
Mechanic(s)		92,212
Bus Drivers		666,720
Secretary(ies)		22,528
Other Salaries & Wages		123,152
Social Security		58,300
State Retirement		56,780
Life Insurance		609
Medical Insurance		117,795
Dental Insurance		4,297
Unemployment Compensation		1,199
Employer Medicare		13,635
Communication		4,472
Medical and Dental Services		8,364
Tow-in Services		2,385
Travel		50
Other Contracted Services		9,270

(Continued)

Exhibit K-9

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

School Transportation Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Diesel Fuel	\$	239,947	
Garage Supplies		11,626	
Gasoline		24,188	
Lubricants		8,307	
Tires and Tubes		24,955	
Vehicle Parts		96,105	
Other Supplies and Materials		5,750	
Vehicle and Equipment Insurance		71,144	
Workers' Compensation Insurance		44,509	
Other Charges		4,317	
Motor Vehicles		504,369	
Transportation Equipment		7,800	
Total Transportation			\$ 2,274,891

Total School Transportation Fund \$ 2,274,891

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries & Wages	\$	238,202	
Social Security		14,503	
State Retirement		9,823	
Life Insurance		200	
Medical Insurance		30,120	
Dental Insurance		1,353	
Employer Medicare		3,392	
Travel		7,384	
Other Contracted Services		4,537	
Food Supplies		24,228	
Other Supplies and Materials		16,996	
In Service/Staff Development		1,240	
Other Charges		10,852	
Total Community Services			\$ 362,830

Total Extended School Program Fund 362,830

(Continued)

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Roane County School Department (Cont.)

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$ 8,851	
Building Improvements	310,758	
Site Development	<u>182,413</u>	
Total Education Capital Projects		<u>\$ 502,022</u>

Total Education Capital Projects Fund \$ 502,022

Total Governmental Funds - Roane County School Department \$ 52,599,968

Exhibit K-10

Roane County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balances - City Agency Funds  
For the Year Ended June 30, 2006

	Cities - Sales Tax Fund	Cities - Property Tax Fund	City School ADA - Oak Ridge Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 0	\$ 551,088	\$ 551,088
Trustee's Collections - Prior Years	0	0	19,581	19,581
Circuit / Clerk and Master Collections - Prior Years	0	0	12,218	12,218
Interest and Penalty	0	0	3,533	3,533
Pick-up Taxes	0	0	354	354
Payments in-Lieu-of Taxes - Local Utilities	0	0	10,977	10,977
Local Option Sales Tax	5,533,013	0	328,317	5,861,330
Interstate Telecommunications Tax	0	0	394	394
Licenses	0	0	169	169
Other Local Revenue	0	0	56	56
<b>Total Cash Receipts</b>	<b>\$ 5,533,013</b>	<b>\$ 0</b>	<b>\$ 926,687</b>	<b>\$ 6,459,700</b>
<u>Cash Disbursements</u>				
Remittance of Revenues Collections	\$ 5,477,324	\$ 4,562	\$ 909,948	\$ 6,391,834
Trustee's Commission	55,689	0	15,035	70,724
<b>Total Cash Disbursements</b>	<b>\$ 5,533,013</b>	<b>\$ 4,562</b>	<b>\$ 924,983</b>	<b>\$ 6,462,558</b>
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ 0	\$ (4,562)	\$ 1,704	\$ (2,858)
Cash Balance, July 1, 2005	0	4,562	573	5,135
<b>Cash Balance, June 30, 2006</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,277</b>	<b>\$ 2,277</b>

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## **SINGLE AUDIT SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841

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

December 19, 2006

Roane County Mayor and  
Board of County Commissioners  
Roane County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Roane County, Tennessee, as of and for the year ended June 30, 2006, which collectively comprise Roane County's basic financial statements and have issued our report thereon dated December 19, 2006. Our report on the aggregate discretely presented component units' financial statements was qualified due to not including the financial statements of the Roane County Industrial Development Board, a discretely presented component unit, which was not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Roane County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to

significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Roane County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 06.01, 06.02, and 06.03.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Roane County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We have also noted certain other matters that we reported to the management of Roane County in separate communications.

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



John G. Morgan  
Comptroller of the Treasury

JGM/yu



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

December 19, 2006

Roane County Mayor and  
Board of County Commissioners  
Roane County, Tennessee

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Roane County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2006. Roane County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Roane County's management. Our responsibility is to express an opinion on Roane County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the auditing 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 Roane County's compliance with those requirements and

performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Roane County's compliance with those requirements.

In our opinion, Roane County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

#### Internal Control Over Compliance

The management of Roane County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Roane County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

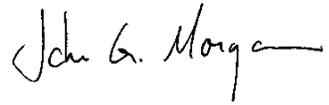
Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### Schedule of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Roane County, Tennessee, as of and for the year ended June 30, 2006, and have issued our report thereon dated December 19, 2006. Our report on the aggregate discretely presented component units' financial statements was qualified due to not including the financial statements of the Roane County Industrial Development Board, a discretely presented component unit, which was not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Grants is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan" with a long horizontal flourish extending to the right.

John G. Morgan  
Comptroller of the Treasury

JGM/yu

OTHER AUDITOR'S 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

For the Roane County Emergency Communications District

The Board of Directors  
Roane County Emergency Communications District  
Rockwood, Tennessee

We have audited the financial statements of the Roane County Emergency Communications District as of and for the year ended June 30, 2006, and have issued our report thereon. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the district's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the district's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the board of directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Roane County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2006

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Food Donation (Noncash Assistance)	10.550	N/A	\$ 206,845
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	431,301
National School Lunch Program	10.555	N/A	1,213,811
Summer Food Service Program for Children	10.559	N/A	18,576
Total U.S. Department of Agriculture			\$ 1,870,533
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG-05-11805-00	\$ 300,000
Total U.S. Department of Housing and Urban Development			\$ 300,000
U.S. Department of Justice:			
Direct Program:			
Public Safety Partnership and Community Policing Grants	16.710	N/A	\$ 15,000
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Formula Grant Program	16.579	N/A	10,618
Total U.S. Department of Justice			\$ 25,618
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
WIA Cluster:			
WIA Adult Program	17.258	(2)	\$ 135,463
WIA Youth Activities	17.259	(2)	99,895
WIA Dislocated Workers	17.260	(2)	110,574
Total U.S. Department of Labor			\$ 345,932
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	(2)	\$ 103,994
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	GG-05-11713-00	6,296
Total U.S. Department of Transportation			\$ 110,290
U.S. Department of Energy:			
Passed-through State Department of Military:			
Regional Economic Diversification Grant	81.502	GG-05-11655-00	\$ 15,000
Total U.S. Department of Energy			\$ 15,000
U.S. Department of Education:			
Passed-through State Department of Education:			
Adult Education - State Grant Program	84.002	(2)	\$ 75,304
Title I Grants to Local Educational Agencies	84.010	N/A	1,583,318
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,556,805
Special Education - Preschool Grants	84.173	N/A	88,470
Vocational Education - Basic Grants to States	84.048	N/A	205,432
Safe and Drug Free Schools and Communities - State Grants	84.186	(2)	42,682
State Grants for Innovative Programs	84.298	N/A	66
Education Technology State Grants	84.318	(2)	18,887
Rural Education	84.358	N/A	7,511
Improving Teacher Quality State Grants	84.367	N/A	482,571
Hurricane Education Recovery	84.938	N/A	35,234
Total U.S. Department of Education			\$ 4,096,280

(Continued)

Roane County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Election Assistance Commission:			
Passed-through State Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 210,000
Total U.S. Election Assistance Commission			\$ 210,000
U.S. Department of Health and Human Services:			
Passed-through East Tennessee Human Resources Agency:			
Temporary Assistance for Needy Families	93.558	(2)	\$ 109,339
Total U.S. Department of Health and Human Services			\$ 109,339
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
State Domestic Preparedness Equipment Support Program	97.004	(3)	\$ 305,377
Urban Areas Security Initiative	97.008	GG-06-12205-00	12,492
Disaster Grants - Public Assistance	97.036	(4)	72,105
Emergency Management Performance Grants	97.042	(2)	19,000
Total U.S. Department of Homeland Security			\$ 408,974
Total Expenditures of Federal Awards			\$ 7,491,966

<u>State Grants</u>		Contract Number	
Juvenile Services Program - State Children's Services Commission	N/A	(2)	\$ 9,000
Litter Program - State Department of Transportation	N/A	(2)	37,305
Families First/Adult Education - State Department of Education	N/A	(2)	6,170
Adult Education - State Department of Education	N/A	(2)	20,017
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	41,157
Waste Reduction Grant - State Department of Environment and Conservation	N/A	(2)	19,372
DGA Grant - State Department of Health	N/A	(2)	307,965
Child Care Assistance - State Department of Human Services	N/A	(2)	32,649
Pegasus Sewer Extension - State Department of Economic and and Community Development	N/A	(2)	60,384
Reappraisal Program - State Comptroller of the Treasury	N/A	(2)	20,924
Family Resource Center Grant - State Department of Education	N/A	(2)	28,902
Local Parks & Recreation Grant - State Department of Environment and Conservation	N/A	(2)	39,888
Highway Safety Grant - State Department of Transportation	N/A	(2)	25,882
Total State Grants			\$ 649,615

CFDA - Catalog of Federal Domestic Assistance  
N/A - Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.  
(2) Information not available.  
(3) Z-04-020139-02: \$23,678; Z-04-022487-01: \$150,341; Z-05-025202-00: \$131,351  
(4) Z-03-015846-02: \$65,705; Z-05-024744-01: \$6,400

Roane County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2006

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below is the finding from the Annual Financial Report for Roane County, Tennessee, for the year ended June 30, 2005, which has not been corrected.

**OFFICE OF REGISTER**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
05.02	222	Duties were not segregated adequately

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**ROANE COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2006**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements disclosed reportable conditions in internal control. None of the conditions were considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Roane County.
4. The audit disclosed no reportable conditions in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: the School Breakfast Program, the National School Lunch Program, and the Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Community Development Block Grants/State's Program (CFDA No. 14.228); the Help America Vote Grants (CFDA No. 90.401); and the Title I Grants to Local Educational Agencies (CFDA No. 84.010) were determined to be major programs.
8. A threshold of \$300,000 was used to distinguish between Type A and Type B federal programs.
9. Roane County did not qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written response of the road superintendent is quoted in this report. The Register offered an oral response to the finding and recommendation for her office; however, this oral response has not been included in this report.

### **OFFICE OF ROAD SUPERINTENDENT**

**FINDING 06.01**      **TIME CARDS DID NOT ACCURATELY REFLECT ACTUAL TIME WORKED**  
(Internal Control – Reportable Condition Under Government Auditing Standards)

The Highway Department's employee handbook states that employees are to accurately record actual hours worked on their time cards. Interviews with employees of the Roane County Highway Department revealed that an hour each day is taken for meal breaks. However, time cards filed in the Payroll Department reflected a 30-minute meal break each day.

### **RECOMMENDATION**

Time cards should accurately reflect actual hours worked.

### **MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT (DIRECT QUOTE)**

Time cards shall accurately reflect actual hours worked. Employees have been instructed to take meal breaks and all other authorized breaks on a timely schedule and according to employee handbook. Employees have been instructed to adjust time cards to reflect any interruption of actual work hours.

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**FINDING 06.02**      **A HIGHWAY DEPARTMENT TRACTOR WAS STORED AT AN EMPLOYEE'S RESIDENCE**  
(Internal Control – Reportable Condition Under Government Auditing Standards)

Over the winter months a Highway Department tractor that had a flat tire was stored at the residence of a department employee. Storing equipment away from the Highway Department garage greatly increases the risk of vandalism and theft. Storing equipment at an employee's residence gives the appearance of abuse and increases the risk that the equipment may be used for personal gain.

### **RECOMMENDATION**

Highway Department equipment should not be stored on private property.

MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT (DIRECT QUOTE)

Steps shall be taken to ensure that highway equipment is properly stored to decrease the risk of theft and misuse. Employees have been instructed to return equipment to the garage area immediately after equipment has been in use. Employees have been instructed to notify the road superintendent if equipment is in need of repair.

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**OFFICE OF REGISTER**

**FINDING 06.03**      **DUTIES WERE NOT SEGREGATED ADEQUATELY**  
(Internal Control – Reportable Condition Under Government Auditing Standards)

Duties were not segregated adequately among the official and employees in the Office of Register. The official and employees responsible for maintaining the accounting records were also involved in receipting, depositing, and/or disbursing funds. We realize that due to limited resources and personnel, management may not be able to properly segregate duties among employees. However, our professional standards require that we bring this matter to the reader's attention in this report.

**PART III, FINDINGS AND QUESTIONED  
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

**ROANE COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2006**

There were no audit findings relative to federal awards presented in the prior year's Schedule of Findings and Questioned Costs or the current year's Schedule of Findings and Questioned Costs.