

**ANNUAL FINANCIAL REPORT
ROANE COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2007



**ANNUAL FINANCIAL REPORT
ROANE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2007**

*DEPARTMENT OF AUDIT
JOHN G. MORGAN
Comptroller of the Treasury*

*DIVISION OF COUNTY AUDIT
RICHARD V. NORMENT
Assistant to the Comptroller*

*JAMES R. ARNETTE
Director*

*CLIFFORD TUCKER, CPA
Audit Manager*

*BRYAN BURKLIN, CPA, CGFM
Auditor 4*

*AMY HEMBREE, CPA
ANGIE COLLINS, CPA, CFE
CHRIS SIZEMORE
MICHAEL JARREAU, CFE
JENI PALADENI
State Auditors*

This financial report is available at www.comptroller.state.tn.us

ROANE COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		1
<u>INTRODUCTORY SECTION</u>		3
Roane County Officials		5
<u>FINANCIAL SECTION</u>		7
Independent Auditor's Report		9-11
Management's Discussion and Analysis		13-21
BASIC FINANCIAL STATEMENTS:		23
Government-wide Financial Statements:		
Statement of Net Assets	A	25-26
Statement of Activities	B	27-28
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	29-30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	31
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	32-33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	34
Proprietary Funds:		
Statement of Net Assets	D-1	35
Statement of Revenues, Expenses, and Changes in Net Assets	D-2	36
Statement of Cash Flows	D-3	37
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E-1	38
Statement of Changes in Fiduciary Net Assets	E-2	39
Notes to the Financial Statements		41-86
REQUIRED SUPPLEMENTARY INFORMATION:		87
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	F-1	89-91
Highway/Public Works Fund	F-2	92

	Exhibit	Page(s)
Schedule of Funding Progress – Pension Plan	F-3	93
Schedule of Funding Progress – Pension Plan – Discretely Presented Roane County Emergency Communications District	F-4	94
Notes to the Required Supplementary Information		95
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		97
Nonmajor Governmental Funds:		99-100
Combining Balance Sheet	G-1	101-102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	103-104
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Urban Services Fund	G-3	105
Solid Waste/Sanitation Fund	G-4	106
Ambulance Service Fund	G-5	107
Industrial/Economic Development Fund	G-6	108
Local Purpose Tax Fund	G-7	109
Special Purpose Fund	G-8	110
Drug Control Fund	G-9	111
District Attorney General Fund	G-10	112
Other Special Revenue Fund	G-11	113
Education Debt Service Fund	G-12	114
Major Governmental Funds:		115
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Debt Service Fund	H-1	117
Rural Debt Service Fund	H-2	118
Proprietary Funds:		119
Combining Statement of Net Assets	I-1	121
Combining Statement of Revenues, Expenses, and Changes in Net Assets	I-2	122
Combining Statement of Cash Flows	I-3	123-124
Fiduciary Funds:		125
Combining Statement of Fiduciary Assets and Liabilities – All Agency Funds	J-1	127
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	J-2	128-130
Component Unit:		
Discretely Presented Roane County School Department:		131
Statement of Activities	K-1	133
Balance Sheet – Governmental Funds	K-2	134
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	K-3	135

	Exhibit	Page(s)
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	K-4	136
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	K-5	137
Combining Balance Sheet – Nonmajor Governmental Funds	K-6	138
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	K-7	139
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	K-8	140-141
School Federal Projects Fund	K-9	142
Central Cafeteria Fund	K-10	143
School Transportation Fund	K-11	144
Extended School Program Fund	K-12	145
Miscellaneous Schedules:		147
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds – Primary Government and Discretely Presented Roane County School Department	L-1	149-151
Schedule of Bond and Interest Requirements by Year	L-2	152
Schedule of Notes Receivable	L-3	153
Schedule of Transfers – Primary Government and Discretely Presented Roane County School Department	L-4	154
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Roane County School Department	L-5	155
Schedule of Detailed Revenues – All Governmental Fund Types	L-6	156-165
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Roane County School Department	L-7	166-168
Schedule of Detailed Expenditures – All Governmental Fund Types	L-8	169-196
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Roane County School Department	L-9	197-211
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	L-10	212

	Page(s)
<u>SINGLE AUDIT SECTION</u>	213
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	215-217
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>	219-221
Schedule of Expenditures of Federal Awards and State Grants	223-224
Schedule of Audit Findings Not Corrected	225
Schedule of Findings and Questioned Costs	227-229
Auditee Reporting Responsibilities	231

Audit Highlights
Annual Financial Report
Roane County, Tennessee
For the Year Ended June 30, 2007

Scope

We have audited the basic financial statements of Roane County as of and for the year ended June 30, 2007.

Results

Our report on Roane County's financial statements is unqualified. Our audit resulted in no findings.

INTRODUCTORY SECTION

Roane County Officials

June 30, 2007

Officials

Mike Farmer, County Executive
Thomas Hamby, Road Superintendent
Dr. Toni McGriff, Director of Schools
Wilma Eblen, Trustee
Teresa Kirkham, Assessor of Property
Barbara Anthony, County Clerk
Angela Randolph, Circuit and General Sessions Courts Clerk
Shannon Conley, Clerk and Master
Sharon Brackett, Register
Jack Stockton, Sheriff
Alva Moore, Director of Accounts and Budgets

Board of County Commissioners

Troy Beets, Chairman	Jerry Goddard
George Bacon	James Harmon
Mike Hooks	Bobby Collier
Nadine Jackson	David Olsen
David Currier	Howard Rose
Benny East	Fred Tedder
James Brummett	Ray Cantrell
Chris Johnson	

Board of Education

Michael Taylor, Chairman	Tyler Overstreet
Everett Massengill	Daniel Holloway
Darrell Langley	Michael Miller
Sam Cox	Earl Nall
Wade McCullough	Franklin Mee

FINANCIAL SECTION



**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

April 11, 2008

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

To the County Executive 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, 2007, 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 1.4 percent and 1.8 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, and we did not audit the financial statements of the discretely presented Roane County Industrial Development Board, which represent 8.2 percent and 1.5 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Roane County Emergency Communications District and the Roane County Industrial Development Board, is based on the reports 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 reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Roane County, Tennessee, as of June 30, 2007, 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 April 11, 2008, 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.

The management's discussion and analysis on pages 13 through 21 and the budgetary comparison and pension information on pages 89 through 95 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. 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 and the General Debt Service Fund and the Rural Debt Service Fund, 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 and the General Debt Service Fund and the Rural Debt Service Fund, combining and individual fund financial statements of the Roane County School Department (a discretely presented component unit), and the 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/sb

**Roane County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2007**

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, 2007. 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 2007

Key financial highlights for 2007 are as follows:

In total, net assets of the primary government increased by \$3.2 million and net assets of the DPCU School Department increased by \$700,000. In the primary government, most of the negative unrestricted net assets balance (\$29.3 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 \$15 million in revenue or 59 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$10.3 million or 41 percent of total revenues of \$25.3 million. General revenues of the DPCU School Department were \$48.1 million.

Total assets of governmental activities in the primary government were \$53.2 million as net taxes receivable totaled \$12.7 million; cash totaled \$9.6 million; and capital assets, net of accumulated depreciation totaled \$28 million. Total assets in the DPCU School Department were \$81.7 million as taxes receivable totaled \$11.9 million; cash totaled \$9.6 million; and capital assets, net of accumulated depreciation totaled \$57.8 million.

The county had \$22.1 million in expenses related to governmental activities, with \$10.3 million of these expenses offset by program specific charges for services, grants, or contributions. General revenues (primarily property taxes of \$10.3 million) were adequate to provide current funding for these programs. The DPCU School Department had \$55.5 million in expenses related to governmental activities; \$8.1 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 \$26.8 million and property taxes and sales taxes of \$11.7 and \$6.3 million, respectively) were adequate to provide current funding for these programs.

Among major funds, the General Fund had \$11.4 million in revenues and \$13.3 million in expenditures. The Highway/Public Works Fund had \$3.3 million in revenues and \$2.9 million in expenditures. The General Debt Service Fund had \$1.4 million in revenues and \$2.4 million in expenditures. The Rural Debt Service Fund had \$2.1 million in revenues and \$1.8 million in expenditures. Fund balances for the General Fund and the General Debt Service Fund decreased by \$1.1 million and \$.6 million, respectively. Fund balances increased for the Highway/Public Works Fund and the Rural Debt Service Fund by \$.3 million each.

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 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 2007, the Statement of Net Assets and the Statement of Activities provide a broader picture of the financial activities during 2007. 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, 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 two proprietary funds, both internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the county’s various functions. Specifically, the Workers’ Compensation Fund and the Employee Dental Insurance Fund account for risk management activities related to workers’ compensation risks and dental insurance provided to county employees and their dependents. 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 \$3.9 million at the close of the most recent fiscal year. For the DPCU School Department, assets exceeded liabilities by \$68.8 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 2007, as well as a comparison to the prior year.

An additional portion of the county’s net assets, \$8.4 million, represents resources that are subject to external restrictions on how they may be used. In the DPCU School Department, \$2.6 million of net assets are subject to external restrictions.

Table 2 shows the changes in net assets for fiscal year 2007, 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

	Roane County Government		DPCU School Department	
	2007	2006	2007	2006
Assets:				
Current and Other Assets	\$ 25,276,260	\$ 23,046,115	\$ 23,931,475	\$ 20,505,415
Capital Assets	27,969,417	25,728,870	57,753,860	59,331,051
Total Assets	\$ 53,245,677	\$ 48,774,985	\$ 81,685,335	\$ 79,836,466
Liabilities:				
Long-term Liabilities Outstanding	\$ 43,309,107	\$ 45,280,284	\$ 142,666	\$ 146,338
Other Liabilities	13,880,258	10,591,063	12,734,687	11,558,265
Total Liabilities	\$ 57,189,365	\$ 55,871,347	\$ 12,877,353	\$ 11,704,603
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 16,998,609	\$ 14,473,359	\$ 57,741,352	\$ 59,315,543
Restricted	8,377,264	8,182,108	2,558,514	2,469,866
Unrestricted	(29,319,561)	(29,751,829)	8,508,116	6,346,454
Total Net Assets	\$ (3,943,688)	\$ (7,096,362)	\$ 68,807,982	\$ 68,131,863

Table 2

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

	Roane County Government		DPCU School Department	
	2007	2006	2007	2006
Revenues:				
Program Revenues:				
Charges for Services	\$ 6,580,644	\$ 5,826,758	\$ 1,823,606	\$ 1,859,257
Operating Grants and Contributions	2,871,058	3,346,049	5,651,241	4,605,631
Capital Grants and Contributions	802,377	904,152	581,577	419,817

Table 2Roane County Government and DPCU School Department Changes in Net Assets
Governmental Activities (Cont.)

	<u>Roane County Government</u>		<u>DPCU School Department</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues (Cont.):				
General Revenues:				
Property Taxes	\$ 10,312,826	\$ 9,435,525	\$ 11,669,568	\$ 10,858,390
Sales Taxes	588,433	555,959	6,316,889	5,768,115
Other Taxes	1,310,119	1,092,693	7,943	8,497
Grants and Contributions Not Restricted to Specific Programs	2,259,469	1,862,142	29,399,337	28,733,534
Unrestricted Investment Earnings	497,180	425,185	714,466	404,685
Gain on Disposal of Capital Assets	30,184	0	0	0
Other	10,430	1,241	1,399	3,323
Total Revenues	\$ 25,262,720	\$ 23,449,704	\$ 56,166,026	\$ 52,661,249
Expenses:				
General Government	\$ 1,439,711	\$ 1,269,271	\$ 0	\$ 0
Finance	1,383,966	1,338,040	0	0
Administration of Justice	1,189,257	1,145,391	0	0
Public Safety	3,728,191	3,888,970	0	0
Public Health and Welfare	5,150,542	4,954,309	0	0
Social, Cultural, and Recreation Services	118,735	114,529	0	0
Agriculture and Natural Resources	105,539	105,686	0	0
Other Operations	3,683,362	4,834,517	0	0
Highways	2,361,414	3,005,992	0	0
Education	438,839	289,165	55,489,907	54,389,939
Interest on Long-term Debt	1,745,349	1,914,996	0	0
Other Debt Service	765,141	261,206	0	0
Total Expenses	\$ 22,110,046	\$ 23,122,072	\$ 55,489,907	\$ 54,389,939
Increase (Decrease) in Net Assets	\$ 3,152,674	\$ 327,632	\$ 676,119	\$ (1,728,690)
Net Assets, July 1	(7,096,362)	(7,423,994)	68,131,863	69,334,094
Restatement of Beginning Net Assets	0	0	0	526,459
Net Assets, June 30	\$ (3,943,688)	\$ (7,096,362)	\$ 68,807,982	\$ 68,131,863

Public Health and Welfare of \$5.2 million, consisting primarily of the Ambulance Service's and Sanitation Department's operations, accounted for approximately 23 percent of the \$22.1 million total expenses for governmental activities. Of that \$22.1 million in governmental activities expenses, \$6.6 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 \$9.7 million. Approximately \$8.4 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 \$10.3 million. Approximately \$9.3 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 \$.5 million, while total fund balance was \$.9 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 three percent of total General Fund expenditures, while total fund balance represents seven percent of that same amount.

The fund balance of the county's General Fund decreased by \$1.1 million during the current fiscal year. This decrease is primarily due to capital expenditures made during the year, for which the corresponding debt was not drawn down until subsequent to year end.

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 \$.8 million.

The General Debt Service Fund had a net decrease of \$.6 million in fund balance, and the Rural Debt Service Fund finished with a fund balance of \$2.7 million, an increase of \$.3 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 Funds reflect the operations of the county's dental and workers' compensation 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 \$7.2 million, while total fund balance reached \$8 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 16 percent of total General Purpose School Fund expenditures, while total fund balance represents 18 percent of that same amount.

Capital Assets and Debt Administration

Capital Assets. The county's investment in capital assets for its governmental activities as of June 30, 2007, totals \$17 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, 2007, totals \$57.7 million (net of accumulated depreciation and related debt). The Notes to the Financial Statements provide additional information on capital assets activity for the year.

Long-term Debt. At the end of the 2007 fiscal year, the county had total long-term debt obligations outstanding of \$43.1 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, net of a \$370,000 internal capital outlay note loaned to the DPCU School Department, amounted to 9.7 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 4.1 percent compared to 5.5 percent a year ago. The state's average unemployment rate is currently 4.3 percent and the national average is 4.4 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 2008 fiscal year. At the end of the 2007 fiscal year, unreserved fund balance in the General Fund was \$.5 million. The county has budgeted to add \$86,309 to this fund balance for fiscal year 2008.

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.

BASIC FINANCIAL STATEMENTS

Exhibit A

Roane County, Tennessee
Statement of Net Assets
June 30, 2007

	Primary Governmental Activities	Component Units		
		Roane County School Department	Emergency Communica- tions District	Industrial Development Board
<u>ASSETS</u>				
Cash	\$ 76,637	\$ 47,500	\$ 495,021	\$ 677,125
Equity in Pooled Cash and Investments	9,537,025	9,505,279	0	0
Accounts Receivable	859,094	121,998	60,678	31,092
Due from Other Governments	1,307,205	2,404,392	0	0
Property Taxes Receivable	13,143,851	12,346,693	0	0
Allowance for Uncollectible Property Taxes	(480,847)	(494,387)	0	0
Prepaid Items	856	0	9,156	0
Unamortized Debt Issuance Cost	832,439	0	0	0
Other Current Assets	0	0	1,065	0
Capital Assets:				
Assets Not Depreciated:				
Land	4,643,032	1,387,525	30,056	6,299,049
Construction in Progress	711,888	182,836	0	213,577
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	2,951,837	53,800,556	0	0
Other Capital Assets	2,259,846	2,382,943	670,453	226,411
Infrastructure - Roads, Streets, and Bridges	17,402,814	0	0	0
Total Assets	<u>\$ 53,245,677</u>	<u>\$ 81,685,335</u>	<u>\$ 1,266,429</u>	<u>\$ 7,447,254</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 277,473	\$ 1,219,638	\$ 3,850	\$ 0
Contracts Payable	140,803	0	0	0
Retainage Payable	24,647			
Accrued Payroll	351,675	49,160	0	0
Accrued Interest Payable	198,981	0	0	0
Payroll Deductions Payable	44,805	5,157	4,606	0
Due to Roane Alliance	0	0	0	283,853
Other Current Liabilities	96,815	0	0	100
Deferred Revenue - Property Taxes	12,322,370	11,460,732	0	0
Land Sale Deposits	0	0	0	45,000
Noncurrent Liabilities:				
Due Within One Year	2,851,120	77,587	11,803	0
Due in More than One Year (net of deferred amount on refunding and unamortized premiums on debt)	40,880,676	65,079	0	0
Total Liabilities	<u>\$ 57,189,365</u>	<u>\$ 12,877,353</u>	<u>\$ 20,259</u>	<u>\$ 328,953</u>

(Continued)

Exhibit A

Roane County, Tennessee
Statement of Net Assets (Cont.)

	Primary Government Governmental Activities	Component Units		
		Roane County School Department	Emergency Communica- tions District	Industrial Development Board
<u>NET ASSETS</u>				
Invested in Capital Assets, net of related debt	\$ 16,998,609	\$ 57,741,352	\$ 0	\$ 0
Invested in Capital Assets	0	0	696,824	6,739,037
Restricted for:				
Solid Waste	807,516	0	0	0
Industrial Development	708,375	0	0	0
Recycling	467,653	0	0	0
Highways	1,065,027	0	0	0
Debt Service	4,857,916	0	0	0
Schools Workers' Compensation	182,228	0	0	0
Constitutional Officers' Data Processing Systems	172,950	0	0	0
Capital Projects	0	662,067	0	0
School Cafeterias	0	1,236,377	0	0
School Transportation	0	554,232	0	0
Federal and State Assistance Programs	0	105,838	0	0
Other Purposes	115,599	0	0	0
Unrestricted	(29,319,561)	8,508,116	549,346	379,264
Total Net Assets	\$ (3,943,688)	\$ 68,807,982	\$ 1,246,170	\$ 7,118,301

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, 2007

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	Industrial Development Board
<u>Primary Government:</u>								
Governmental Activities:								
General Government	\$ 1,439,711	\$ 814,546	\$ 6,570	\$ 18,325	\$ (600,270)	\$ 0	\$ 0	\$ 0
Finance	1,383,966	1,060,862	11,964	0	(311,140)	0	0	0
Administration of Justice	1,189,257	1,093,553	14,000	0	(81,704)	0	0	0
Public Safety	3,728,191	124,131	164,296	70,707	(3,369,057)	0	0	0
Public Health and Welfare	5,150,542	2,887,452	389,752	111,326	(1,762,012)	0	0	0
Social, Cultural, and Recreational Services	118,735	54,177	0	107,145	42,587	0	0	0
Agriculture and Natural Resources	105,539	0	0	0	(105,539)	0	0	0
Other Operations	3,683,362	0	384,948	145,963	(3,152,451)	0	0	0
Highways	2,361,414	43,658	1,899,528	348,911	(69,317)	0	0	0
Education	438,839	502,265	0	0	63,426	0	0	0
Debt Service:								
Interest	1,745,349	0	0	0	(1,745,349)	0	0	0
Other Debt Service	765,141	0	0	0	(765,141)	0	0	0
Total Primary Government	\$ 22,110,046	\$ 6,580,644	\$ 2,871,058	\$ 802,377	\$ (11,855,967)	\$ 0	\$ 0	\$ 0
<u>Component Units:</u>								
Roane County School Department	\$ 55,489,907	\$ 1,823,606	\$ 5,651,241	\$ 581,577	\$ 0	\$ (47,433,483)	\$ 0	\$ 0
Emergency Communications District	838,258	1,000,146	14,551	10,000	0	0	186,439	0
Industrial Development Board	1,000,659	0	0	0	0	0	0	(1,000,659)
Total Component Units	\$ 57,328,824	\$ 2,823,752	\$ 5,665,792	\$ 591,577	\$ 0	\$ (47,433,483)	\$ 186,439	\$ (1,000,659)

(Continued)

Exhibit B

Roane County, Tennessee
Statement of Activities (Cont.)

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 Communica-tions District	Industrial Development Board
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 5,618,181	\$ 11,669,568	\$ 0	\$ 0
Property Taxes Levied for Solid Waste					351,426	0	0	0
Property Taxes Levied for Industrial/Economic Development					197,263	0	0	0
Property Taxes Levied for Recycling					246,178	0	0	0
Property Taxes Levied for Highways					935,356	0	0	0
Property Taxes Levied for Debt Service					2,964,422	0	0	0
Local Option Sales Taxes					588,433	6,316,889	0	0
Other Local Taxes					1,310,119	7,943	0	0
Grants and Contributions Not Restricted to Specific Programs					2,259,469	29,399,337	0	412,886
Unrestricted Investment Income					497,180	714,466	3,347	0
Gain on Disposal of Capital Assets					30,184	0	0	426,842
Miscellaneous					10,430	1,399	2,055	16,094
Total General Revenues					\$ 15,008,641	\$ 48,109,602	\$ 5,402	\$ 855,822
Change in Net Assets					\$ 3,152,674	\$ 676,119	\$ 191,841	\$ (144,837)
Net Assets, July 1, 2006					(7,096,362)	68,131,863	1,054,329	7,263,138
Net Assets, June 30, 2007					\$ (3,943,688)	\$ 68,807,982	\$ 1,246,170	\$ 7,118,301

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, 2007

	Major Funds				Nonmajor Funds	Total Govern- mental Funds
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 19,874	\$ 1,134	\$ 0	\$ 0	\$ 55,629	\$ 76,637
Equity in Pooled Cash and Investments	596,502	607,285	1,848,939	2,325,451	3,437,571	8,815,748
Accounts Receivable	284,948	12,328	121,389	0	440,429	859,094
Due from Other Governments	692,218	533,290	0	646	81,051	1,307,205
Due from Other Funds	56,807	3,519	170,822	370,000	4,882	606,030
Property Taxes Receivable	7,127,883	1,286,853	1,416,387	1,661,657	1,651,071	13,143,851
Allowance for Uncollectible Property Taxes	(263,297)	(45,999)	(41,970)	(70,381)	(59,200)	(480,847)
Prepaid Items	856	0	0	0	0	856
Total Assets	<u>\$ 8,515,791</u>	<u>\$ 2,398,410</u>	<u>\$ 3,515,567</u>	<u>\$ 4,287,373</u>	<u>\$ 5,611,433</u>	<u>\$ 24,328,574</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 197,468	\$ 13,843	\$ 2,140	\$ 196	\$ 62,613	\$ 276,260
Accrued Payroll	244,748	30,105	0	0	76,822	351,675
Payroll Deductions Payable	44,671	134	0	0	0	44,805
Contracts Payable	0	0	0	0	140,803	140,803
Retainage Payable	0	0	0	0	24,647	24,647
Due to Other Funds	4,026	120,060	0	0	481,944	606,030
Other Current Liabilities	96,415	0	0	0	400	96,815
Deferred Revenue - Current Property Taxes	6,676,155	1,209,449	1,354,582	1,531,265	1,550,919	12,322,370
Deferred Revenue - Delinquent Property Taxes	165,644	27,607	17,436	51,863	35,595	298,145
Other Deferred Revenues	214,169	172,959	0	304	62,413	449,845
Total Liabilities	<u>\$ 7,643,296</u>	<u>\$ 1,574,157</u>	<u>\$ 1,374,158</u>	<u>\$ 1,583,628</u>	<u>\$ 2,436,156</u>	<u>\$ 14,611,395</u>

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Other Govern- mental Funds	
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>						
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 168,011	\$ 21,057	\$ 0	\$ 0	\$ 411,679	\$ 600,747
Reserved for Sexual Offender Registration	425	0	0	0	0	425
Reserved for Courtroom Security	587	0	0	0	0	587
Reserved for Courthouse and Jail Maintenance	42,486	0	0	0	0	42,486
Reserved for Computer System - Register	122,241	0	0	0	0	122,241
Reserved for Automation Purposes - Circuit Court	1,930	0	0	0	0	1,930
Reserved for Automation Purposes - General Sessions Court	36,327	0	0	0	0	36,327
Reserved for Automation Purposes - Chancery Court	1,557	0	0	0	0	1,557
Reserved for Automation Purposes - Sheriff	10,895	0	0	0	0	10,895
Reserved for Capital Outlay	0	0	0	0	82,395	82,395
Reserved for Other General Purposes	26,800	0	0	370,000	0	396,800
Unreserved, Reported In:						
General Fund	461,236	0	0	0	0	461,236
Special Revenue Funds	0	803,196	0	0	2,474,664	3,277,860
Debt Service Funds	0	0	2,141,409	2,333,745	129,500	4,604,654
Capital Projects Funds	0	0	0	0	77,039	77,039
Total Fund Balances	<u>\$ 872,495</u>	<u>\$ 824,253</u>	<u>\$ 2,141,409</u>	<u>\$ 2,703,745</u>	<u>\$ 3,175,277</u>	<u>\$ 9,717,179</u>
Total Liabilities and Fund Balances	<u>\$ 8,515,791</u>	<u>\$ 2,398,410</u>	<u>\$ 3,515,567</u>	<u>\$ 4,287,373</u>	<u>\$ 5,611,433</u>	<u>\$ 24,328,574</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, 2007

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)		\$ 9,717,179
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 4,643,032	
Add: construction in progress	711,888	
Add: building and improvements net of accumulated depreciation	2,951,837	
Add: other capital assets net of accumulated depreciation	2,259,846	
Add: infrastructure net of accumulated depreciation	<u>17,402,814</u>	27,969,417
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		747,990
(3) Internal service funds are used by management to charge the cost of workers' compensation and employee dental benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		720,064
(4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (5,430,503)	
Less: other loans payable	(15,975,293)	
Less: capital leases payable	(78,822)	
Less: bonds payable	(21,621,744)	
Add: deferred amount on refunding	1,047,433	
Add: deferred charges - debt issuance costs	832,439	
Less: landfill closure/postclosure care costs	(894,520)	
Less: compensated absences payable	(355,658)	
Less: accrued interest on bonds, notes, other loans payable, and capital leases	(198,981)	
Less: other deferred revenue - premium on debt	<u>(422,689)</u>	<u>(43,098,338)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ (3,943,688)</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, 2007

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 6,857,406	\$ 1,018,714	\$ 586,573	\$ 1,936,209	\$ 2,730,042	\$ 13,128,944
Licenses and Permits	382,278	0	0	0	0	382,278
Fines, Forfeitures, and Penalties	184,529	0	0	0	51,194	235,723
Charges for Current Services	140,298	0	0	0	2,745,200	2,885,498
Other Local Revenues	45,141	57,576	277,869	159,437	199,941	739,964
Fees Received from County Officials	2,287,397	0	0	0	0	2,287,397
State of Tennessee	590,724	2,211,190	0	0	596,338	3,398,252
Federal Government	883,925	0	0	0	55,800	939,725
Other Governments and Citizens Groups	43,768	0	516,421	0	0	560,189
Total Revenues	<u>\$ 11,415,466</u>	<u>\$ 3,287,480</u>	<u>\$ 1,380,863</u>	<u>\$ 2,095,646</u>	<u>\$ 6,378,515</u>	<u>\$ 24,557,970</u>
<u>Expenditures</u>						
Current:						
General Government	\$ 1,449,715	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,449,715
Finance	1,385,601	0	0	0	97	1,385,698
Administration of Justice	1,165,057	0	0	0	17,899	1,182,956
Public Safety	3,859,295	0	0	0	16,470	3,875,765
Public Health and Welfare	716,252	0	0	0	4,532,708	5,248,960
Social, Cultural, and Recreational Services	227,040	0	0	0	0	227,040
Agriculture and Natural Resources	106,484	0	0	0	0	106,484
Other Operations	4,361,820	0	0	0	890,499	5,252,319
Highways	31,088	2,902,138	0	0	0	2,933,226
Debt Service:						
Principal on Debt	0	0	1,279,205	915,000	235,000	2,429,205
Interest on Debt	0	0	907,183	829,142	87,297	1,823,622
Other Debt Service	0	0	229,565	39,543	385,873	654,981
Total Expenditures	<u>\$ 13,302,352</u>	<u>\$ 2,902,138</u>	<u>\$ 2,415,953</u>	<u>\$ 1,783,685</u>	<u>\$ 6,165,843</u>	<u>\$ 26,569,971</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,886,886)</u>	<u>\$ 385,342</u>	<u>\$ (1,035,090)</u>	<u>\$ 311,961</u>	<u>\$ 212,672</u>	<u>\$ (2,012,001)</u>

(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	Highway / Public Works	General Debt Service	Rural Debt Service	Other Govern- mental Funds	
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 121,573	\$ 0	\$ 0	\$ 0	\$ 0	\$ 121,573
Other Loans Issued	0	0	115,293	0	0	115,293
Insurance Recovery	14,991	0	0	0	79,010	94,001
Transfers In	955,000	0	1,088,727	0	448,000	2,491,727
Transfers Out	(345,905)	(120,060)	(740,000)	0	(770,762)	(1,976,727)
Total Other Financing Sources (Uses)	<u>\$ 745,659</u>	<u>\$ (120,060)</u>	<u>\$ 464,020</u>	<u>\$ 0</u>	<u>\$ (243,752)</u>	<u>\$ 845,867</u>
Net Change in Fund Balances	\$ (1,141,227)	\$ 265,282	\$ (571,070)	\$ 311,961	\$ (31,080)	\$ (1,166,134)
Fund Balance, July 1, 2006	<u>2,013,722</u>	<u>558,971</u>	<u>2,712,479</u>	<u>2,391,784</u>	<u>3,206,357</u>	<u>10,883,313</u>
Fund Balance, June 30, 2007	<u>\$ 872,495</u>	<u>\$ 824,253</u>	<u>\$ 2,141,409</u>	<u>\$ 2,703,745</u>	<u>\$ 3,175,277</u>	<u>\$ 9,717,179</u>

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, 2007

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)		\$ (1,166,134)
(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	\$ 3,821,871	
Less: current year depreciation expense	(1,495,082)	
Less: net book value of asset disposals	<u>(86,242)</u>	2,240,547
(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, 2006	\$ (581,518)	
Add: deferred delinquent property taxes and other deferred June 30, 2007	<u>747,990</u>	166,472
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: other loan proceeds	\$ (115,293)	
Less: capital lease proceeds	(121,573)	
Add: change in premium on debt issuances	28,584	
Add: change in deferred debt issuance costs	49,909	
Add: principal payments on notes	94,177	
Add: principal payments on other loans	1,040,000	
Add: principal payments on bonds	1,252,277	
Add: principal payments on capital leases	42,751	
Less: change in deferred amount on refunding debt	<u>(188,653)</u>	2,082,179
(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.		
Change in accrued interest payable	\$ 78,273	
Change in compensated absences	(71,509)	
Change in landfill closure/postclosure care cost	<u>39,000</u>	45,764
(5) Internal service funds are used by management to charge the cost of workers' compensation and 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>(216,154)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 3,152,674</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 Funds
June 30, 2007

Governmental
 Activities -
 Internal
Service Funds

ASSETS

Current Assets:

Equity in Pooled Cash and Investments	\$ 721,277
Total Assets	<u>\$ 721,277</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 1,213
Total Liabilities	<u>\$ 1,213</u>

NET ASSETS

Unrestricted	<u>\$ 720,064</u>
Total Net Assets	<u><u>\$ 720,064</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 Funds
For the Year Ended June 30, 2007

	<u>Governmental Activities - Internal Service Funds</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 831,968
Total Operating Revenues	<u>\$ 831,968</u>
<u>Operating Expenses</u>	
Other Salaries and Wages	\$ 17,974
Medical Claims	386,847
Handling Charges and Administration	96,663
Workers' Compensation Insurance	59,892
Total Operating Expenses	<u>\$ 561,376</u>
Operating Income (Loss)	<u>\$ 270,592</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 28,254
Total Nonoperating Revenue (Expenses)	<u>\$ 28,254</u>
Income (Loss) Before Transfers	\$ 298,846
Transfers Out	<u>(515,000)</u>
Change in Net Assets	\$ (216,154)
Net Assets, July 1, 2006	<u>936,218</u>
Net Assets, June 30, 2007	<u><u>\$ 720,064</u></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 Funds
For the Year Ended June 30, 2007

	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities</u>	
Receipts from Self-Insurance Premiums	\$ 831,968
Payments for Claims	(385,634)
Payments to Employees	(17,974)
Payments for Administrative Costs	(96,663)
Payments to Insurers	(59,892)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 271,805</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	<u>\$ 28,254</u>
Net Cash Provided By (Used In) Investing Activities	<u>\$ 28,254</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	<u>\$ (515,000)</u>
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (515,000)</u>
Net Increase (Decrease) in Cash	\$ (214,941)
Cash, July 1, 2006	<u>936,218</u>
Cash, June 30, 2007	<u><u>\$ 721,277</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 270,592
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
Increase (Decrease) in Other Current Operating Liabilities	<u>1,213</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 271,805</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, 2007

	Private Purpose Trust Fund	Agency Funds
	<u>Endowment Fund</u>	<u>Funds</u>
<u>ASSETS</u>		
Equity in Pooled Cash and Investments	\$ 0	\$ 476,941
Cash	21,231	1,920,167
Accounts Receivable	0	1,170
Due from Other Governments	0	1,097,302
Property Taxes Receivable	0	682,743
Allowance for Uncollectible Property Taxes	0	(27,339)
Notes Receivable - Long-term	0	450,173
	<u>0</u>	<u>450,173</u>
Total Assets	<u>\$ 21,231</u>	<u>\$ 4,601,157</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,231	\$ 1,668
Due to Other Taxing Units	0	1,759,065
Due to Litigants, Heirs, and Others	0	1,920,167
Due to Joint Ventures	0	33,112
Other Current Liabilities	0	887,145
	<u>0</u>	<u>887,145</u>
Total Liabilities	<u>\$ 1,231</u>	<u>\$ 4,601,157</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, 2007

	Private Purpose Trust Fund
	<u>Endowment Fund</u>
<u>ADDITIONS</u>	
Investment Income:	
Interest	\$ 1,231
Total Additions	<u>\$ 1,231</u>
<u>DEDUCTIONS</u>	
Education:	
Scholarships	\$ 1,231
Total Deductions	<u>\$ 1,231</u>
Change in Net Assets	\$ 0
Net Assets, July 1, 2006	<u>20,000</u>
Net Assets, June 30, 2007	<u><u>\$ 20,000</u></u>

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, 2007

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 \$287,112 to the Industrial Development Board to be applied toward operations of the board.

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. 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 North 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.

Separate financial statements are provided for governmental funds, proprietary funds (internal service), and fiduciary funds. The internal service funds are 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 funds 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 reports two proprietary funds, both internal service funds. It has no enterprise funds to report.

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

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 Funds – These funds, The Employee Dental Insurance Fund and the Workers' Compensation Fund, account for the self-insured employee dental and workers' compensation programs 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 two proprietary funds, internal service funds, used to account for the self-insured employee dental and workers' compensation programs managed by the county for the primary government and the discretely presented School Department. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the county's internal service funds are self-insurance premiums. Operating expenses for the internal service funds include dental and workers' compensation claims, administrative charges, and excess risk workers' compensation insurance.

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 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 2.14 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 (\$96,815) reflected for the primary government on the statement of net assets represent primarily 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 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.

In the fund financial statements, governmental funds 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.

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 funds 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 government-wide statement of net assets (Exhibit A), the account restricted for Schools Workers' Compensation of \$182,228, represents the portion of the internal service funds net assets that are restricted by agreement to be used for claims and expenses related to the discretely presented Roane County School Department.

As of June 30, 2007, Roane County had \$31,859,367 in outstanding debt for capital purposes of other entities (schools of \$22,185,747 and industrial purposes of \$9,673,620). 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, 2007:

<u>Entity/Fund</u>	<u>Purpose</u>	<u>Amount</u>
Roane County:		
General	Cash Management	\$ 426,705
General	Roane County Park	34,531
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	Post-employment benefits	571,940

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 K-3 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 K-5 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 Executive, 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, 2007, 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.

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	\$ 15,511,970

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, 2007, Roane County's investment in the State Treasurer's Investment Pool was unrated.

B. Notes Receivable

Notes receivable consists of industrial loans of \$450,173, that represent loans made from the Community Development - Agency Fund to local businesses.

C. Capital Assets

Capital assets activity for the year ended June 30, 2007, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets				
Not Depreciated:				
Land	\$ 3,693,746	\$ 949,286	\$ 0	\$ 4,643,032
Construction in Progress	3,247	828,411	(119,770)	711,888
Total Capital Assets Not Depreciated	\$ 3,696,993	\$ 1,777,697	\$ (119,770)	\$ 5,354,920

Governmental Activities (Cont.):

Capital Assets Depreciated:

Buildings and

Improvements	\$ 5,066,808	\$ 30,238	\$ 0	\$ 5,097,046
Roads and Bridges	22,802,874	1,502,838	0	24,305,712
Other Capital Assets	5,794,201	630,868	(333,353)	6,091,716
Total Capital Assets Depreciated	\$ 33,663,883	\$ 2,163,944	\$ (333,353)	\$ 35,494,474

Less Accumulated

Depreciation For:

Buildings and

Improvements	\$ 2,012,772	\$ 132,437	\$ 0	\$ 2,145,209
Roads and Bridges	6,093,820	809,078	0	6,902,898
Other Capital Assets	3,525,414	553,567	(247,111)	3,831,870
Total Accumulated Depreciation	\$ 11,632,006	\$ 1,495,082	\$ (247,111)	\$ 12,879,977

Total Capital Assets

Depreciated, Net	\$ 22,031,877	\$ 668,862	\$ (86,242)	\$ 22,614,497
------------------	---------------	------------	-------------	---------------

Governmental Activities

Capital Assets, Net	\$ 25,728,870	\$ 2,446,559	\$ (206,012)	\$ 27,969,417
---------------------	---------------	--------------	--------------	---------------

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

Governmental Activities:

General Government	\$ 118,012
Finance	27,602
Administration of Justice	11,557
Public Safety	150,403
Public Health and Welfare	321,207
Social, Cultural, and Recreational Services	17,288
Highways/Public Works	849,013
Total Depreciation Expense - Governmental Activities	\$ 1,495,082

Discretely Presented Roane County School Department

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets				
Not Depreciated:				
Land	\$ 1,387,525	\$ 0	\$ 0	\$ 1,387,525
Construction in Progress	38,346	144,490	0	182,836
Total Capital Assets Not Depreciated	\$ 1,425,871	\$ 144,490	\$ 0	\$ 1,570,361
Capital Assets Depreciated:				
Buildings and Improvements	\$ 75,682,633	\$ 0	\$ 0	\$ 75,682,633
Other Capital Assets*	6,199,446	750,931	(145,732)	6,804,645
Total Capital Assets Depreciated	\$ 81,882,079	\$ 750,931	\$ (145,732)	\$ 82,487,278
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 20,014,958	\$ 1,867,119	\$ 0	\$ 21,882,077
Other Capital Assets*	3,961,941	605,493	(145,732)	4,421,702
Total Accumulated Depreciation	\$ 23,976,899	\$ 2,472,612	\$ (145,732)	\$ 26,303,779
Total Capital Assets Depreciated, Net	\$ 57,905,180	\$ (1,721,681)	\$ 0	\$ 56,183,499
Governmental Activities Capital Assets, Net	\$ 59,331,051	\$ (1,577,191)	\$ 0	\$ 57,753,860

*The other capital assets increases reflected above include \$42,578 in cost and accumulated depreciation for two fully depreciated vehicles transferred from the primary government to the School Department.

Depreciation expense was charged to functions of the discretely presented Roane County School Department as follows:

Governmental Activities:

Support Services	<u>\$ 2,430,034</u>
------------------	---------------------

D. Construction Commitments

At June 30, 2007, the county had uncompleted construction projects of approximately \$200,865 in the Industrial/Economic Development Fund and approximately \$70,000 in the General Fund. Funding for these projects is expected to be received from state grants.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2007, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 56,807
Highway/Public Works	General	406
Highway/Public Works	Nonmajor governmental	3,113
General Debt Service	Highway/Public Works	120,060
General Debt Service	Nonmajor governmental	50,762
Rural Debt Service	Nonmajor governmental	370,000
Nonmajor governmental	General	3,620
Nonmajor governmental	Nonmajor governmental	1,262
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	350,563
Nonmajor governmental	General Purpose School	171

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, 2007, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 197,905	\$ 148,000
Highway/Public Works Fund	0	120,060	0
General Debt Service Fund	440,000	0	300,000
Internal Service Funds	515,000		0
Nonmajor governmental funds	0	770,762	0
Total	\$ 955,000	\$ 1,088,727	\$ 448,000

Discretely Presented Roane County School Department

Transfers Out	Transfers In Nonmajor Governmental Funds
General Purpose School Fund	\$ 450,000

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. Capital Leases

On February 23, 2007, Roane County entered into a three-year lease-purchase agreement for data processing equipment. The terms of the agreement require total lease payments of \$121,573 plus interest of 5.6 percent. Roane County maintains title to the equipment during the term of the lease and has granted the lessor a first priority security interest in the equipment to secure payment of all lease payments and the performance of all other obligations. The lease payments were made from the General Debt Service Fund.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2007, were as follows:

Year Ending June 30	Governmental Funds
2008	\$ 42,752
2009	42,751
Total Minimum Lease Payments	<u>\$ 85,503</u>
Amount Representing Interest	<u>(6,681)</u>
 Present Value of Minimum Lease Payments	 <u><u>\$ 78,822</u></u>

G. 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 26 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, 2007, will be retired from the county's debt service funds.

Included in the county's outstanding debt as of June 30, 2007, is \$395,000 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, other loans, and capital leases outstanding as of June 30, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds	3 to 4.65%	\$ 1,700,000	\$ 1,250,000
Revenue and Tax Bonds	4.75	620,000	586,744
Rural School Bonds	4.1 to 4.65	775,000	775,000
Rural School Refunding Bonds	2 to 4.3	23,250,000	18,615,000
School Refunding Bonds	4.2 to 4.75	1,280,000	395,000
Capital Outlay Notes	3 to 5.25	5,827,000	5,430,503
Other Loans - Variable Rate	Variable	27,800,000	12,850,293
Other Loans - Fixed	1.6 to 5.85	4,475,000	3,125,000
Capital Lease	5.6	121,573	78,822

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, 2007:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-07	Interest Type	Interest Rates as of 6-30-07
<u>Sevier County Public Building Authority (Series III-A-4)</u>				
Industrial Park	\$ 3,800,000	\$ 1,200,000	Variable	3.8 %
Landfill Closure	1,200,000	205,000	Variable	3.8
<u>Blount County Public Building Authority (Series A-1-F)</u>				
Voting Machines	386,000	238,467	Variable	3.8
General Improvement Projects	450,000	279,925	Variable	3.8
School Buses	645,000	399,325	Variable	3.8
Retire Capital Outlay Notes	2,119,000	1,312,283	Variable	3.8
<u>Sevier County Public Building Authority (Series V-C-3)</u>				
Refunding	5,060,000	5,060,000	Variable	3.5
Health Facilities	565,000	565,000	Variable	3.5

Description (Cont.)	Original Amount of Loan Agreement	Outstanding Principal 6-30-07	Interest Type	Interest Rates as of 6-30-07
<u>Sevier County Public</u>				
<u>Building Authority (Series B-3-A)</u>				
Industrial Park				
Refunding	\$ 3,640,000	\$ 2,542,580	Fixed	1.6 to 5.85 %
Industrial Park - Land	835,000	582,420	Fixed	1.6 to 5.85
<u>Blount County Public</u>				
<u>Building Authority (Series D-5-E)</u>				
Public Improvement-County	2,000,000	1,875,000	Variable	3.8
Public Improvement-Schools	1,600,000	1,600,000	Variable	3.8
<u>Blount County Public</u>				
<u>Building Authority (Series D-10-B)*</u>				
Public Improvement-County	9,975,000	115,293	Variable	3.8
Total		<u>\$ 15,975,293</u>		

*At June 30, 2007, \$9,859,707 remains available for future draws under this loan agreement.

In addition to the debt issued during the year, on February 20, 2007, the county authorized an additional \$2,500,000 in loan agreements for the purpose of making a loan, jointly with Cumberland and Morgan counties to the Industrial Development Board of the counties of Cumberland, Morgan, and Roane, Tennessee, for expenditures related to a new industrial park. Of this amount, \$1,750,000 was issued on October 18, 2007. The remaining \$750,000 had not been issued as of the date of this report.

The annual requirements to amortize all bonds, notes, and other loans outstanding as of June 30, 2007, including interest payments and other loan fees, are presented in the following table. The Series III-A-4, A-1-F, V-C-3, D-5-E, and D-10-B 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, 2007. 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
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	1,229,223	729,427	800,000	142,705
2013-2017	6,838,284	2,856,341	3,035,000	229,860
2018-2022	8,267,536	1,173,609	0	0
2023-2027	85,602	91,098	0	0
2028-2032	108,497	68,203	0	0
2033-2037	137,518	39,182	0	0
2038-2040	92,268	6,453	0	0
Total	<u>\$ 21,621,744</u>	<u>\$ 8,306,164</u>	<u>\$ 5,430,503</u>	<u>\$ 1,220,375</u>

Year Ending June 30	Other Loans		
	Principal	Interest	Other Fees
2008	\$ 1,080,000	\$ 626,368	\$ 65,763
2009	1,170,000	582,671	64,029
2010	665,000	532,746	61,966
2011	690,000	505,775	59,296
2012	725,000	477,476	56,494
2013-2017	5,180,000	1,881,091	237,956
2018-2022	6,465,293	569,788	78,681
Total	<u>\$ 15,975,293</u>	<u>\$ 5,175,915</u>	<u>\$ 624,185</u>

There is \$4,604,654 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$504, based on the 2000 federal census for residents living outside the Harriman and Oak Ridge school districts, \$43 for residents living inside the Harriman school district, and \$35 for residents living inside the Oak Ridge school district. Debt per capita, including bonds, notes, other loans, and capital leases totaled \$920, for residents living outside the Harriman and Oak Ridge school districts, \$459 for residents living inside the Harriman school district, and \$418 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, 2007, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2006	\$ 22,874,021	\$ 5,524,680
Deductions	<u>(1,252,277)</u>	<u>(94,177)</u>
Balance, June 30, 2007	<u>\$ 21,621,744</u>	<u>\$ 5,430,503</u>
Balance Due Within One Year	<u>\$ 1,297,630</u>	<u>\$ 95,503</u>
	<u>Other</u>	<u>Capital</u>
	<u>Loans</u>	<u>Leases</u>
Balance, July 1, 2006	\$ 16,900,000	\$ 0
Additions	115,293	121,573
Deductions	<u>(1,040,000)</u>	<u>(42,751)</u>
Balance, June 30, 2007	<u>\$ 15,975,293</u>	<u>\$ 78,822</u>
Balance Due Within One Year	<u>\$ 1,080,000</u>	<u>\$ 38,338</u>
	<u>Landfill</u>	<u>Compensated</u>
	<u>Postclosure</u>	<u>Care Costs</u>
	<u>Care Costs</u>	<u>Absences</u>
Balance, July 1, 2006	\$ 933,520	\$ 284,149
Additions	0	391,248
Deductions	<u>(39,000)</u>	<u>(319,739)</u>
Balance, June 30, 2007	<u>\$ 894,520</u>	<u>\$ 355,658</u>
Balance Due Within One Year	<u>\$ 39,000</u>	<u>\$ 300,649</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 44,356,540
Less: Balance Due Within One Year	(2,851,120)
Add: Unamortized Premium on Debt	422,689
Less: Deferred Amount on Refunding	<u>(1,047,433)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 40,880,676</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, 2007, \$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, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
Capital Outlay Note	0%	\$ 31,508	\$ 12,508

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, 2007, is presented in the following table:

Year Ending June 30	Notes Principal
2008	\$ 12,508

Although the original requirements of the note specified annual payments of \$2,000 through year 2015, the Roane County School Department has retired this note subsequent to June 30, 2007.

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Roane County School Department for the year ended June 30, 2007, was as follows:

	<u>Notes</u>	<u>Compensated Absences</u>
Balance, July 1, 2006	\$ 15,508	\$ 130,830
Additions	0	179,871
Deductions	(3,000)	(180,543)
	<hr/>	<hr/>
Balance, June 30, 2007	\$ 12,508	\$ 130,158
	<hr/>	<hr/>
Balance Due Within One Year	\$ 12,508	\$ 65,079
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 142,666
Less: Balance Due Within One Year	<u>(77,587)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 65,079</u>

Compensated absences will be paid from the employing funds.

H. 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 transfers, or for loans to the School Department, as a contribution to the discretely presented School Department from the primary government's Education Debt Service Fund, (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 the Debt Service Funds

	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date
<u>General Debt Service Fund</u>					
General Capital Outlay	\$ 340,000	4.5	%	6-1-06	1-1-09
Industrial Development Projects	300,000	5		6-1-07	6-1-10
General Capital Outlay	440,000	4.75		6-1-07	6-1-10
<u>Education Debt Service Fund</u>					
School Vehicle Purchases	370,000	4.75		6-1-07	6-1-10

	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
<u>General Debt Service Fund</u>				
General Capital Outlay	\$ 340,000	\$ 0	\$ (40,800)	\$ 299,200
Industrial Development Projects	0	300,000	0	300,000
General Capital Outlay	0	440,000	0	440,000
<u>Education Debt Service Fund</u>				
School Vehicle Purchases	0	370,000	0	370,000

I. 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, 2007, interest earned totaled \$1,231.

V. OTHER INFORMATION

A. Risk Management

Roane County has chosen to establish two self-insurance funds for risks associated with the employees' dental insurance plan and risks associated with workers' compensation claims. The self-insurance funds are accounted for as internal service funds where assets are set aside for claim settlements. The county retains the risk of loss to a limit of \$350,000 per occurrence and approximately \$2,000,000 for all claims in any plan year for workers' compensation coverage. The county has obtained a stop/loss commercial insurance policy to cover claims beyond these limits. The workers' compensation fund was established during the current year, and settled claims have not yet exceeded the commercial insurance coverage.

All full-time employees of the primary government and the Roane County School Department are eligible to participate in the dental program. 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 \$368,880 existed in this fund at June 30, 2007. 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
2005-2006	\$ 0	\$ 315,000	\$ (315,000)	\$ 0
2006-2007	0	357,755	(357,755)	0

Workers' Compensation

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2005-2006	\$ 0	\$ 0	\$ 0	\$ 0
2006-2007	0	29,092	(27,879)	1,213

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 was 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 \$31,223 against Roane County for these outstanding claims unpaid by Reliance Insurance Company. Roane County was also assessed \$65,191 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.

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. Subsequent Events

As discussed in Note IV.G., on October 18, 2007, the county issued \$1,750,000 in loans with the Blount County Public Building Authority to finance costs associated with a new industrial park.

On December 26, 2007, Roane County entered into a three-year lease-purchase agreement for six vehicles for the Sheriff's Department. The lease had principal totaling \$123,302 and bears interest of 5.1 percent.

C. 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.

D. Changes in Administration

The following officials left office on August 31, 2006:

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

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 \$894,520 is reported in noncurrent liabilities on the Statement of Net Assets at June 30, 2007. This amount represents an estimate of the cost of postclosure care for the remaining 23 years. This amount is based on what it would cost to perform all postclosure care in 2007. 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. Joint Venture

During the year, Roane County entered into an interlocal agreement with Morgan and Cumberland counties to establish the Industrial Development Board of the Counties of Cumberland, Morgan, and Roane, Tennessee. Under the agreement, each county will be responsible for one-third of the entity's funding. Roane County provided no funding for the entity during the 2006-07 year. However, during the year as discussed in Note IV. G., the

County Commission authorized up to \$2,500,000 of other loans intended for loan to this entity. Subsequent to year end, \$1,750,000 of this amount was issued to finance costs associated with a new industrial park.

G. 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.

H. Retirement Commitments

Employees

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 <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, 2007, was 7.97 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, 2007, Roane County's annual pension cost of \$1,057,250 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2005, 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 Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$1,057,250	100%	\$0
6-30-06	895,663	100	0
6-30-05	845,765	100	0

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 <http://www.treasury.state.tn.us>.

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, 2007, was 6.13 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, 2007, 2006, and 2005, were \$1,538,992, \$1,342,970, and \$1,311,593, respectively, equal to the required contributions for each year.

I. 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, 2007, two employees were

participating in this program. During the year, expenditures of \$7,734 were recognized for participants in the 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, 2007, 38 individuals are participating in the program. The School Department will continue to provide a percentage of insurance coverage to the retirees until age 65. During the year, expenditures of \$101,815 were recognized for participants in the program.

J. 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 executive and road superintendent. These funds are maintained in the Office of Central Accounting, Budgeting, and Purchasing under the supervision of the director of finance.

K. Purchasing Laws

Purchasing procedures for the Offices of County Executive 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 Executive 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. On July 23, 2007, the Roane County Commission voted to increase the bid threshold to \$10,000 for purchases for all departments.

VI. OTHER NOTES – 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 BellSouth, 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 and 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. 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 totaled \$495,021 at June 30, 2007. The bank balances are summarized as follows:

	<u>2007</u>
Amounts insured with FDIC	\$ 164,049
Amounts insured by the State of Tennessee collateral pool	<u>360,170</u>
Total	<u><u>\$ 524,219</u></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, 2007, 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, 2007, follows:

	<u>2007</u>
Capital assets, not being depreciated	<u>\$ 211,690</u>
Capital assets, being depreciated:	
Beginning of year	\$ 787,979
Additions during the year	109,012
Retirements during the year	<u>0</u>
End of year	<u>\$ 896,991</u>
Less accumulated depreciation:	
Beginning of year	\$ 334,161
Current year depreciation	77,696
Retirements	<u>0</u>
End of year	<u>\$ 411,857</u>
Capital assets, being depreciated, net	<u>\$ 485,134</u>
Total capital assets	<u><u>\$ 696,824</u></u>

F. Depreciation Expense

Depreciation expense for the year ended June 30, 2007, is summarized as follows:

	<u>2007</u>
Building	\$ 11,405
Vehicle	4,438
Communications and Office Equipment	<u>61,853</u>
Total	<u>\$ 77,696</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. No amortization expense was incurred during 2007.

During 2007, a payment of \$1,972 was made for the second 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 \$538 for the year ended June 30, 2007.

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, 2007, are as follows:

	<u>2007</u>
The City of Harriman	\$ 55,903
Roane County Ambulance Service	67,991
Roane County Sheriff's Department	90,655
The City of Kingston	36,264
The City of Rockwood	<u>42,304</u>
Total	<u>\$ 293,117</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, 10th Floor, Andrew Jackson Building, Nashville, Tennessee 37243-0230 or accessed at <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, 2007, was 5.73 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, 2007, Roane County Emergency Communications District's annual pension cost of \$27,317 to TCRS was equal to the 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, 2006, was 18 years.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$ 27,317	100%	\$ 0
6-30-06	20,908	100	0
6-30-05	20,533	100	0

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.

VII. OTHER NOTES – DISCRETELY PRESENTED ROANE COUNTY INDUSTRIAL DEVELOPMENT BOARD

A. Organization

The Industrial Development Board of the county of Roane, Tennessee, is a non-profit corporation. It is incorporated under the provisions of the State of Tennessee, and is a component unit of the Roane County government and receives funding from various county funds. The function of the board is to attract and promote new industry for the county.

The board is appointed by the County Commission. In addition, the majority of the funding for the board is provided by the county. The board is held responsible by the county for fiscal and operational matters. The county can exercise oversight, as it deems necessary.

B. Summary of Significant Accounting Policies

1. Reporting Entity

The board is a component unit of the Roane County government, the primary government. It is made up of nine members appointed by the Roane County Commissioners of the primary government. The board's relationship with the primary government is to act as a conduit for industrial development. In addition, the board is a public corporation organized under and pursuant to the provisions of Title 7, Chapter 53, of Tennessee Code Annotated, designed to maintain and increase employment opportunities in the State of Tennessee by issuing revenue bonds, including revenue refunding bonds.

2. Basis of Accounting

The accompanying financial statements of the board have been prepared in conformity with generally accepted accounting principles (GAAP). The board applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict pronouncements of the Governmental Accounting Standards Board (GASB), in which case, GASB prevails.

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

a. **Cash and Cash Equivalents**

The board considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

b. **Estimates**

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

c. **Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the board as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at 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 assets or materially extend the assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Water Tanks/Waterlines	40
Furniture and Fixtures	10
Equipment	5

d. **Budget**

Formal budgetary integration is employed as a management control device during the year for the General Fund. The budget is adopted on a basis consistent with generally accepted accounting principles.

e. **Compensated Absences**

Compensated absences are earned at a rate of one day per month for both sick leave and vacation time. Upon termination or retirement all accumulated time is forfeited. On October 1, 2000, the employees of the board became employees of the Community Development Council, Inc., which changed its name in June 2001, to The Roane Alliance, Inc. Therefore, no accrual for compensated absences has been reflected in the financial statements.

C. **Cash**

State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of the deposits, less the amount as insured by federal deposit insurance. The collateral must be held by the board or its agent in the board's name, or by the Federal Reserve in the board's name.

At June 30, 2007, the carrying amount of the board's deposits was \$677,125. The board's bank balance at June 30, 2007, was fully covered by Federal Deposit Insurance Corporation insurance and through the bank's participation in the Tennessee Collateral Pool.

D. **Lease**

Beginning July 1, 2002, the board began paying annual rent, which includes utilities, of \$12,000. This agreement was renewed on January 1, 2006, for a five-year period ending December 31, 2011, with the rent set at \$1,000 per month.

E. **Land Lease**

The Industrial Development Board entered into a lease agreement with Dienamic Tooling Systems, Inc., on December 31, 2004. The lessee will pay to the board three payments of \$26,667 for the next three years as basic rent and \$1 a year until December 31, 2021. This lease has an option in Section 14.01 that gives the lessee the option to purchase the leased property at any time under Section 14.03 for \$1. In 2007, the Industrial Development Board received the final installment payment of \$26,667 from Dienamic Tooling Systems, Inc.

F. Capital Assets

Capital assets activity for the year ended June 30, 2007, was as follows:

Governmental Activities:

	Balance		Balance	
	7-1-06	Additions	Disposals	6-30-07
Capital Assets Not Depreciated:				
Land	\$ 6,488,332	\$ 110,473	\$ (299,756)	\$ 6,299,049
Legal/Start Up - Macedonia	213,577	0	0	213,577
Total Capital Assets Not Depreciated	<u>\$ 6,701,909</u>	<u>\$ 110,473</u>	<u>\$ (299,756)</u>	<u>\$ 6,512,626</u>
Capital Assets Depreciated:				
Water Tank	\$ 65,300	\$ 0	\$ 0	\$ 65,300
Furniture and fixtures	7,000	0	0	7,000
Office equipment	4,000	0	0	4,000
Improvements	180,558	0	0	180,558
Total Capital Assets Depreciated	<u>\$ 256,858</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 256,858</u>
Less Accumulated Depreciation For:				
Water tank	\$ 15,348	\$ 0	\$ 0	\$ 15,348
Furniture and fixtures	2,450	700	0	3,150
Office equipment	4,000	0	0	4,000
Improvements	3,760	4,189	0	7,949
Total Accumulated Depreciation	<u>\$ 25,558</u>	<u>\$ 4,889</u>	<u>\$ 0</u>	<u>\$ 30,447</u>
Total Capital Assets Depreciated, Net	<u>\$ 231,300</u>	<u>\$ (4,889)</u>	<u>\$ 0</u>	<u>\$ 226,411</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,933,209</u>	<u>\$ 105,584</u>	<u>\$ (299,756)</u>	<u>\$ 6,739,037</u>

Depreciation of \$4,889 was charged to the General Government function.

G. Economic Dependency

The board receives all of its operating funds from Roane County and its budget is set annually by Roane County.

H. Risk Management

The board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The board's risks of loss are covered by a commercial package insurance policy. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

I. Related Party Transactions

Roane County government is a related party of the board. Transfers totaling \$287,113 were received from the Roane County government for the fiscal year ending June 30, 2007.

J. Operating Agreement

The board has entered into a Joint Operating Agreement with the Roane County Chamber of Commerce, the Roane County Commission (Visitor's Bureau), and the Roane County Community Development Council known as the Roane Alliance. On October 1, 2001, the board's employees became employees of the Roane County Community Development Council, who changed their name to the Roane Alliance, Inc., in June 2001. As a result of the Joint Operating Agreement, the Roane Alliance receives a portion of the Industrial Development Board's annual budget to pay the following expenses:

- Salaries
- Payroll Tax Expense
- Health Insurance
- Property and Liability Insurance
- Expenses Related to Business Recruitment
- Auto Expenses for the Industrial Commissioner

Beginning July 1, 2005, the Industrial Development Board changed this agreement, and all funds were sent to the Industrial Development Board. The Roane Alliance paid the above noted expenses and billed the Industrial Development Board for its share.

K. Sale of Land

There were land sales during the year ending June 30, 2007, for \$726,598. The sales had a land cost of \$299,756. The Industrial Development Board submits all proceeds from the sales of land to the Roane County government.

L. Deferred Revenue

Deposits totaling \$45,000 for the year ending June 30, 2007, were received on land sales that were not completed until after year end. The Industrial Development Board completed the land sales in September 2007, receiving proceeds of \$776,250.

M. Other Matters

A deposit of \$5,000 was received from DEKD, LLC., a Tennessee Limited Liability Company, for a purchase and sale agreement of five acres in the Roane Regional Business and Technology Park for \$125,000. This agreement secures the right of first refusal on two additional five-acre tracts adjoining the first site. The sale was completed September 6, 2005, and the Industrial Development Board is financing \$112,500 of the sale. The note is without interest and payable upon the sale or lease of the real property securing the note. DEKD, LLC., plans to build speculative industrial buildings on the five-acre sites and when sold or leased the note will be paid off. In 2007, the Industrial Development Board received the remaining outstanding balance of \$112,500 due from DEKD, LLC.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,857,406	\$ 0	\$ 0	\$ 6,857,406	\$ 6,480,600	\$ 6,641,900	\$ 215,506
Licenses and Permits	382,278	0	0	382,278	373,500	373,550	8,728
Fines, Forfeitures, and Penalties	184,529	0	0	184,529	177,100	180,550	3,979
Charges for Current Services	140,298	0	0	140,298	123,100	133,250	7,048
Other Local Revenues	45,141	0	0	45,141	28,700	57,359	(12,218)
Fees Received from County Officials	2,287,397	0	0	2,287,397	1,974,000	2,024,000	263,397
State of Tennessee	590,724	0	0	590,724	1,504,064	1,058,035	(467,311)
Federal Government	883,925	0	0	883,925	779,392	1,300,327	(416,402)
Other Governments and Citizens Groups	43,768	0	0	43,768	23,620	38,520	5,248
Total Revenues	\$ 11,415,466	\$ 0	\$ 0	\$ 11,415,466	\$ 11,464,076	\$ 11,807,491	\$ (392,025)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 43,383	\$ (1,078)	\$ 0	\$ 42,305	\$ 46,575	\$ 46,685	\$ 4,380
Board of Equalization	4,206	0	0	4,206	5,400	5,400	1,194
Beer Board	3,086	0	0	3,086	3,050	4,450	1,364
Budget and Finance Committee	7,670	0	0	7,670	10,400	10,400	2,730
Other Boards and Committees	33,685	0	0	33,685	31,500	35,000	1,315
County Mayor/Executive	173,427	0	0	173,427	173,109	176,576	3,149
County Attorney	81,828	0	0	81,828	81,828	81,828	0
Election Commission	323,409	(8,291)	2,112	317,230	311,769	336,763	19,533
Register of Deeds	193,214	(3,218)	454	190,450	212,837	212,837	22,387
Planning	200,929	(700)	0	200,229	198,625	201,125	896
County Buildings	300,708	(6,773)	2,108	296,043	279,356	309,332	13,289
Other General Administration	24,097	0	0	24,097	26,350	26,350	2,253
Preservation of Records	60,073	(131)	0	59,942	60,833	60,833	891

(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 7/1/2006	Add: Encumbrances 6/30/2007	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	\$ 251,697	\$ 0	\$ 0	\$ 251,697	\$ 256,119	\$ 256,319	\$ 4,622
Purchasing	111,763	(171)	169	111,761	112,567	112,567	806
Property Assessor's Office	388,446	(25,883)	43,741	406,304	387,783	422,312	16,008
Reappraisal Program	96,181	(4,203)	6,770	98,748	122,380	122,380	23,632
County Trustee's Office	181,963	0	0	181,963	198,188	198,188	16,225
County Clerk's Office	355,551	(538)	1,230	356,243	376,659	376,659	20,416
<u>Administration of Justice</u>							
Circuit Court	118,511	0	302	118,813	132,751	134,051	15,238
General Sessions Court	267,468	0	302	267,770	280,912	282,212	14,442
General Sessions Judge	342,121	0	0	342,121	299,688	343,382	1,261
Chancery Court	199,859	0	750	200,609	199,456	201,256	647
Juvenile Court	223,432	0	3,400	226,832	236,567	238,767	11,935
Other Administration of Justice	13,666	0	0	13,666	20,875	20,875	7,209
<u>Public Safety</u>							
Sheriff's Department	1,847,707	(20,536)	2,858	1,830,029	1,777,772	1,864,463	34,434
Jail	1,453,007	(7,719)	9,346	1,454,634	1,252,128	1,508,428	53,794
Fire Prevention and Control	184,500	0	0	184,500	184,500	184,500	0
Civil Defense	312,706	(1,140)	0	311,566	468,611	496,841	185,275
Rescue Squad	30,000	0	0	30,000	30,000	30,000	0
Other Emergency Management	3,736	0	0	3,736	14,125	14,125	10,389
County Coroner/Medical Examiner	21,193	0	0	21,193	34,900	34,900	13,707
Other Public Safety	6,446	0	0	6,446	9,000	9,000	2,554
<u>Public Health and Welfare</u>							
Local Health Center	317,643	(1,260)	1,700	318,083	395,829	395,608	77,525
Rabies and Animal Control	50,430	0	0	50,430	55,000	55,000	4,570
Maternal and Child Health Services	2,780	0	0	2,780	2,780	2,780	0
Dental Health Program	165,970	(241)	0	165,729	197,803	198,024	32,295
Appropriation to State	51,881	0	0	51,881	52,781	52,781	900
Other Local Welfare Services	89,670	0	0	89,670	89,670	89,670	0
Sanitation Management	37,878	0	0	37,878	39,526	39,526	1,648

(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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 13,082	\$ 0	\$ 0	\$ 13,082	\$ 18,300	\$ 18,300	\$ 5,218
Parks and Fair Boards	213,958	(345)	70,000	283,613	354,298	354,298	70,685
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	74,980	0	0	74,980	74,981	74,981	1
Soil Conservation	31,504	0	0	31,504	32,727	32,727	1,223
<u>Other Operations</u>							
Industrial Development	407,603	(4,066)	1,747	405,284	423,580	444,580	39,296
Veterans' Services	3,000	0	0	3,000	4,000	4,000	1,000
Employee Benefits	1,727,530	0	0	1,727,530	1,937,200	1,927,200	199,670
Miscellaneous	2,223,687	(1,604)	21,022	2,243,105	1,132,024	3,143,571	900,466
<u>Highways</u>							
Litter and Trash Collection	31,088	0	0	31,088	41,000	41,000	9,912
Total Expenditures	\$ 13,302,352	\$ (87,897)	\$ 168,011	\$ 13,382,466	\$ 12,688,112	\$ 15,232,850	\$ 1,850,384
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (1,886,886)	\$ 87,897	\$ (168,011)	\$ (1,967,000)	\$ (1,224,036)	\$ (3,425,359)	\$ 1,458,359
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 121,573	\$ 0	\$ 0	\$ 121,573	\$ 0	\$ 121,573	\$ 0
Other Loans Issued	0	0	0	0	440,000	1,750,000	(1,750,000)
Insurance Recovery	14,991	0	0	14,991	0	14,991	0
Transfers In	955,000	0	0	955,000	515,000	955,000	0
Transfers Out	(345,905)	0	0	(345,905)	(303,153)	(345,905)	0
Total Other Financing Sources (Uses)	\$ 745,659	\$ 0	\$ 0	\$ 745,659	\$ 651,847	\$ 2,495,659	\$ (1,750,000)
Net Change in Fund Balance							
Fund Balance, July 1, 2006	\$ (1,141,227)	\$ 87,897	\$ (168,011)	\$ (1,221,341)	\$ (572,189)	\$ (929,700)	\$ (291,641)
	2,013,722	(87,897)	0	1,925,825	1,820,878	1,820,878	104,947
Fund Balance, June 30, 2007							
	\$ 872,495	\$ 0	\$ (168,011)	\$ 704,484	\$ 1,248,689	\$ 891,178	\$ (186,694)

Exhibit F-2

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,018,714	\$ 0	\$ 0	\$ 1,018,714	\$ 973,250	\$ 987,250	\$ 31,464
Other Local Revenues	57,576	0	0	57,576	33,000	48,000	9,576
State of Tennessee	2,211,190	0	0	2,211,190	1,977,000	2,002,680	208,510
Total Revenues	\$ 3,287,480	\$ 0	\$ 0	\$ 3,287,480	\$ 2,983,250	\$ 3,037,930	\$ 249,550
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 149,944	\$ 0	\$ 0	\$ 149,944	\$ 150,466	\$ 150,466	\$ 522
Highway and Bridge Maintenance	1,570,461	0	21,057	1,591,518	1,629,486	1,658,566	67,048
Operation and Maintenance of Equipment	361,480	0	0	361,480	367,630	373,030	11,550
Traffic Control	29,825	0	0	29,825	34,948	35,048	5,223
Other Charges	170,822	0	0	170,822	198,325	180,325	9,503
Employee Benefits	334,542	0	0	334,542	350,700	361,600	27,058
Capital Outlay	285,064	(202,906)	0	82,158	95,000	95,000	12,842
Total Expenditures	\$ 2,902,138	\$ (202,906)	\$ 21,057	\$ 2,720,289	\$ 2,826,555	\$ 2,854,035	\$ 133,746
Excess (Deficiency) of Revenues Over Expenditures	\$ 385,342	\$ 202,906	\$ (21,057)	\$ 567,191	\$ 156,695	\$ 183,895	\$ 383,296
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (120,060)	\$ 0	\$ 0	\$ (120,060)	\$ (120,060)	\$ (120,060)	\$ 0
Total Other Financing Sources (Uses)	\$ (120,060)	\$ 0	\$ 0	\$ (120,060)	\$ (120,060)	\$ (120,060)	\$ 0
Net Change in Fund Balance	\$ 265,282	\$ 202,906	\$ (21,057)	\$ 447,131	\$ 36,635	\$ 63,835	\$ 383,296
Fund Balance, July 1, 2006	558,971	(202,906)	0	356,065	348,286	348,286	7,779
Fund Balance, June 30, 2007	\$ 824,253	\$ 0	\$ (21,057)	\$ 803,196	\$ 384,921	\$ 412,121	\$ 391,075

Exhibit F-3

Roane County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2007

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((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

Exhibit F-4

Roane County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Roane County Emergency Communications District
June 30, 2007

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((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

ROANE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2007

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 are presented on the face of each budgetary schedule.

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

Nonmajor Governmental Funds

Special Revenue Funds

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.

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.

Ambulance Service Fund – The Ambulance Service Fund is used to account for transactions of the Roane County Ambulance Service.

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.

Special Revenue Funds (Cont.)

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

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.

Education Debt Service Fund – The Education 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 of school related debt.

Capital Projects Fund

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

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, 2007

	Special Revenue Funds						
	Urban Services	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Local Purpose Tax	Special Purpose	Drug Control
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 679	\$ 0	\$ 0	\$ 200	\$ 0
Equity in Pooled Cash and Investments	75,786	763,600	398,643	827,678	21,901	279,490	27,172
Accounts Receivable	0	0	335,062	37,049	0	59,314	0
Due from Other Governments	0	49,188	0	16,885	0	0	0
Due from Other Funds	3,620	0	0	0	0	0	0
Property Taxes Receivable	170,320	359,300	197,743	208,471	0	0	0
Allowance for Uncollectible Property Taxes	(3,645)	(14,345)	(4,232)	(8,348)	0	0	0
Total Assets	\$ 246,081	\$ 1,157,743	\$ 927,895	\$ 1,081,735	\$ 21,901	\$ 339,004	\$ 27,172
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 3,749	\$ 637	\$ 23,567	\$ 14,399	\$ 0	\$ 7,627	\$ 29
Accrued Payroll	5,214	12,452	51,368	0	0	4,239	0
Contracts Payable	0	0	0	140,803	0	0	0
Retainage Payable	0	0	0	24,647	0	0	0
Due to Other Funds	15	3,788	2,079	0	0	51,176	0
Other Current Liabilities	0	0	0	0	0	400	0
Deferred Revenue - Current Property Taxes	166,675	333,350	193,511	193,511	0	0	0
Deferred Revenue - Delinquent Property Taxes	0	9,878	0	5,812	0	0	0
Other Deferred Revenues	0	49,188	0	13,225	0	0	0
Total Liabilities	\$ 175,653	\$ 409,293	\$ 270,525	\$ 392,397	\$ 0	\$ 63,442	\$ 29
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 0	\$ 74,257	\$ 107,346	\$ 230,076	\$ 0	\$ 0	\$ 0
Reserved for Capital Outlay	0	0	0	82,395	0	0	0
Unreserved	70,428	674,193	550,024	376,867	21,901	275,562	27,143
Total Fund Balances	\$ 70,428	\$ 748,450	\$ 657,370	\$ 689,338	\$ 21,901	\$ 275,562	\$ 27,143
Total Liabilities and Fund Balances	\$ 246,081	\$ 1,157,743	\$ 927,895	\$ 1,081,735	\$ 21,901	\$ 339,004	\$ 27,172

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds (Cont.)</u>				<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
	<u>District</u>	<u>Other</u>	<u>Constitu-</u>	<u>Total</u>	<u>Fund</u>	<u>Projects</u>	
	<u>Attorney</u>	<u>Special</u>	<u>tional</u>			<u>Education</u>	<u>Highway</u>
	<u>General</u>	<u>Revenue</u>	<u>Officers -</u>		<u>Debt</u>	<u>Capital</u>	<u>Governmental</u>
			<u>Fees</u>		<u>Service</u>	<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>							
Cash	\$ 0	\$ 200	\$ 54,550	\$ 55,629	\$ 0	\$ 0	\$ 55,629
Equity in Pooled Cash and Investments	17,034	451,559	0	2,862,863	497,669	77,039	3,437,571
Accounts Receivable	0	9,004	0	440,429	0	0	440,429
Due from Other Governments	1,124	13,854	0	81,051	0	0	81,051
Due from Other Funds	0	1,262	0	4,882	0	0	4,882
Property Taxes Receivable	0	260,588	0	1,196,422	454,649	0	1,651,071
Allowance for Uncollectible Property Taxes	0	(10,435)	0	(41,005)	(18,195)	0	(59,200)
Total Assets	\$ 18,158	\$ 726,032	\$ 54,550	\$ 4,600,271	\$ 934,123	\$ 77,039	\$ 5,611,433
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 0	\$ 12,605	\$ 0	\$ 62,613	\$ 0	\$ 0	\$ 62,613
Accrued Payroll	0	3,549	0	76,822	0	0	76,822
Contracts Payable	0	0	0	140,803	0	0	140,803
Retainage Payable	0	0	0	24,647	0	0	24,647
Due to Other Funds	0	336	54,550	111,944	370,000	0	481,944
Other Current Liabilities	0	0	0	400	0	0	400
Deferred Revenue - Current Property Taxes	0	241,889	0	1,128,936	421,983	0	1,550,919
Deferred Revenue - Delinquent Property Taxes	0	7,265	0	22,955	12,640	0	35,595
Other Deferred Revenues	0	0	0	62,413	0	0	62,413
Total Liabilities	\$ 0	\$ 265,644	\$ 54,550	\$ 1,631,533	\$ 804,623	\$ 0	\$ 2,436,156
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 411,679	\$ 0	\$ 0	\$ 411,679
Reserved for Capital Outlay	0	0	0	82,395	0	0	82,395
Unreserved	18,158	460,388	0	2,474,664	129,500	77,039	2,681,203
Total Fund Balances	\$ 18,158	\$ 460,388	\$ 0	\$ 2,968,738	\$ 129,500	\$ 77,039	\$ 3,175,277
Total Liabilities and Fund Balances	\$ 18,158	\$ 726,032	\$ 54,550	\$ 4,600,271	\$ 934,123	\$ 77,039	\$ 5,611,433

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, 2007

	Special Revenue Funds						
	Urban Services	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Local Purpose Tax	Special Purpose	Drug Control
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 699,477	\$ 0	\$ 547,953	\$ 725,939	\$ 82,036	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	0	0	25,044
Charges for Current Services	98,407	0	2,101,278	0	0	431,899	0
Other Local Revenues	10,042	0	1,892	0	0	0	9,283
State of Tennessee	0	415,000	0	78,153	0	0	0
Federal Government	0	0	0	0	0	55,800	0
Total Revenues	\$ 108,449	\$ 1,114,477	\$ 2,103,170	\$ 626,106	\$ 725,939	\$ 569,735	\$ 34,327
<u>Expenditures</u>							
Current:							
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Administration of Justice	0	0	0	0	0	0	0
Public Safety	0	0	0	0	0	0	16,470
Public Health and Welfare	259,235	934,035	2,282,491	0	0	481,964	0
Other Operations	0	0	0	890,499	0	0	0
Debt Service:							
Principal on Debt	0	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0	0
Total Expenditures	\$ 259,235	\$ 934,035	\$ 2,282,491	\$ 890,499	\$ 0	\$ 481,964	\$ 16,470
Excess (Deficiency) of Revenues Over Expenditures	\$ (150,786)	\$ 180,442	\$ (179,321)	\$ (264,393)	\$ 725,939	\$ 87,771	\$ 17,857
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 79,010	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	148,000	0	0	300,000	0	0	0
Transfers Out	0	0	0	0	(720,000)	(50,762)	0
Total Other Financing Sources (Uses)	\$ 148,000	\$ 0	\$ 79,010	\$ 300,000	\$ (720,000)	\$ (50,762)	\$ 0
Net Change in Fund Balances	\$ (2,786)	\$ 180,442	\$ (100,311)	\$ 35,607	\$ 5,939	\$ 37,009	\$ 17,857
Fund Balance, July 1, 2006	73,214	568,008	757,681	653,731	15,962	238,553	9,286
Fund Balance, June 30, 2007	\$ 70,428	\$ 748,450	\$ 657,370	\$ 689,338	\$ 21,901	\$ 275,562	\$ 27,143

(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	
Revenues							
Local Taxes	\$ 0	\$ 244,671	\$ 0	\$ 2,300,076	\$ 429,966	\$ 0	\$ 2,730,042
Fines, Forfeitures, and Penalties	26,150	0	0	51,194	0	0	51,194
Charges for Current Services	0	113,087	529	2,745,200	0	0	2,745,200
Other Local Revenues	5,000	142,104	0	168,321	28,037	3,583	199,941
State of Tennessee	0	102,039	0	595,192	0	1,146	596,338
Federal Government	0	0	0	55,800	0	0	55,800
Total Revenues	\$ 31,150	\$ 601,901	\$ 529	\$ 5,915,783	\$ 458,003	\$ 4,729	\$ 6,378,515
Expenditures							
Current:							
Finance	\$ 0	\$ 0	\$ 97	\$ 97	\$ 0	\$ 0	\$ 97
Administration of Justice	17,467	0	432	17,899	0	0	17,899
Public Safety	0	0	0	16,470	0	0	16,470
Public Health and Welfare	0	574,983	0	4,532,708	0	0	4,532,708
Other Operations	0	0	0	890,499	0	0	890,499
Debt Service:							
Principal on Debt	0	0	0	0	235,000	0	235,000
Interest on Debt	0	0	0	0	87,297	0	87,297
Other Debt Service	0	0	0	0	385,873	0	385,873
Total Expenditures	\$ 17,467	\$ 574,983	\$ 529	\$ 5,457,673	\$ 708,170	\$ 0	\$ 6,165,843
Excess (Deficiency) of Revenues Over Expenditures	\$ 13,683	\$ 26,918	\$ 0	\$ 458,110	\$ (250,167)	\$ 4,729	\$ 212,672
Other Financing Sources (Uses)							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 79,010	\$ 0	\$ 0	\$ 79,010
Transfers In	0	0	0	448,000	0	0	448,000
Transfers Out	0	0	0	(770,762)	0	0	(770,762)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ (243,752)	\$ 0	\$ 0	\$ (243,752)
Net Change in Fund Balances	\$ 13,683	\$ 26,918	\$ 0	\$ 214,358	\$ (250,167)	\$ 4,729	\$ (31,080)
Fund Balance, July 1, 2006	4,475	433,470	0	2,754,380	379,667	72,310	3,206,357
Fund Balance, June 30, 2007	\$ 18,158	\$ 460,388	\$ 0	\$ 2,968,738	\$ 129,500	\$ 77,039	\$ 3,175,277

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 98,407	\$ 116,200	\$ 123,300	\$ (24,893)
Other Local Revenues	10,042	5,200	11,100	(1,058)
Total Revenues	<u>\$ 108,449</u>	<u>\$ 121,400</u>	<u>\$ 134,400</u>	<u>\$ (25,951)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Rabies and Animal Control	\$ 259,235	\$ 280,422	\$ 281,922	\$ 22,687
Total Expenditures	<u>\$ 259,235</u>	<u>\$ 280,422</u>	<u>\$ 281,922</u>	<u>\$ 22,687</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (150,786)</u>	<u>\$ (159,022)</u>	<u>\$ (147,522)</u>	<u>\$ (3,264)</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	\$ (2,786)	\$ (11,022)	\$ 478	\$ (3,264)
Fund Balance, July 1, 2006	<u>73,214</u>	<u>73,215</u>	<u>73,215</u>	<u>(1)</u>
Fund Balance, June 30, 2007	<u>\$ 70,428</u>	<u>\$ 62,193</u>	<u>\$ 73,693</u>	<u>\$ (3,265)</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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 699,477	\$ 0	\$ 0	\$ 699,477	\$ 679,500	\$ 692,200	\$ 7,277
State of Tennessee	415,000	0	0	415,000	415,000	415,000	0
Total Revenues	\$ 1,114,477	\$ 0	\$ 0	\$ 1,114,477	\$ 1,094,500	\$ 1,107,200	\$ 7,277
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Convenience Centers	\$ 934,035	\$ (3,865)	\$ 74,257	\$ 1,004,427	\$ 1,106,090	\$ 1,123,021	\$ 118,594
Total Expenditures	\$ 934,035	\$ (3,865)	\$ 74,257	\$ 1,004,427	\$ 1,106,090	\$ 1,123,021	\$ 118,594
Excess (Deficiency) of Revenues Over Expenditures	\$ 180,442	\$ 3,865	\$ (74,257)	\$ 110,050	\$ (11,590)	\$ (15,821)	\$ 125,871
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (17,000)	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (17,000)	\$ 0	\$ 0
Net Change in Fund Balance	\$ 180,442	\$ 3,865	\$ (74,257)	\$ 110,050	\$ (28,590)	\$ (15,821)	\$ 125,871
Fund Balance, July 1, 2006	568,008	(3,865)	0	564,143	563,242	563,242	901
Fund Balance, June 30, 2007	\$ 748,450	\$ 0	\$ (74,257)	\$ 674,193	\$ 534,652	\$ 547,421	\$ 126,772

Exhibit G-5

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 2,101,278	\$ 0	\$ 0	\$ 2,101,278	\$ 2,100,500	\$ 2,119,000	\$ (17,722)
Other Local Revenues	1,892	0	0	1,892	0	2,000	(108)
Total Revenues	\$ 2,103,170	\$ 0	\$ 0	\$ 2,103,170	\$ 2,100,500	\$ 2,121,000	\$ (17,830)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 2,282,491	\$ (1,449)	\$ 107,346	\$ 2,388,388	\$ 2,371,053	\$ 2,469,653	\$ 81,265
Total Expenditures	\$ 2,282,491	\$ (1,449)	\$ 107,346	\$ 2,388,388	\$ 2,371,053	\$ 2,469,653	\$ 81,265
Excess (Deficiency) of Revenues Over Expenditures	\$ (179,321)	\$ 1,449	\$ (107,346)	\$ (285,218)	\$ (270,553)	\$ (348,653)	\$ 63,435
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 79,010	\$ 0	\$ 0	\$ 79,010	\$ 0	\$ 78,100	\$ 910
Total Other Financing Sources (Uses)	\$ 79,010	\$ 0	\$ 0	\$ 79,010	\$ 0	\$ 78,100	\$ 910
Net Change in Fund Balance	\$ (100,311)	\$ 1,449	\$ (107,346)	\$ (206,208)	\$ (270,553)	\$ (270,553)	\$ 64,345
Fund Balance, July 1, 2006	757,681	(1,449)	0	756,232	756,233	756,233	(1)
Fund Balance, June 30, 2007	\$ 657,370	\$ 0	\$ (107,346)	\$ 550,024	\$ 485,680	\$ 485,680	\$ 64,344

Exhibit G-6

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 547,953	\$ 0	\$ 0	\$ 547,953	\$ 445,600	\$ 541,000	\$ 6,953
State of Tennessee	78,153	0	0	78,153	76,452	315,783	(237,630)
Total Revenues	\$ 626,106	\$ 0	\$ 0	\$ 626,106	\$ 522,052	\$ 856,783	\$ (230,677)
<u>Expenditures</u>							
<u>Other Operations</u>							
Industrial Development	\$ 890,499	\$ (123,873)	\$ 230,076	\$ 996,702	\$ 864,560	\$ 1,418,111	\$ 421,409
Total Expenditures	\$ 890,499	\$ (123,873)	\$ 230,076	\$ 996,702	\$ 864,560	\$ 1,418,111	\$ 421,409
Excess (Deficiency) of Revenues Over Expenditures	\$ (264,393)	\$ 123,873	\$ (230,076)	\$ (370,596)	\$ (342,508)	\$ (561,328)	\$ 190,732
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 300,000	\$ 0	\$ 0	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Total Other Financing Sources (Uses)	\$ 300,000	\$ 0	\$ 0	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Net Change in Fund Balance	\$ 35,607	\$ 123,873	\$ (230,076)	\$ (70,596)	\$ (342,508)	\$ (261,328)	\$ 190,732
Fund Balance, July 1, 2006	653,731	(123,873)	0	529,858	497,593	497,593	32,265
Fund Balance, June 30, 2007	\$ 689,338	\$ 0	\$ (230,076)	\$ 459,262	\$ 155,085	\$ 236,265	\$ 222,997

Exhibit G-7

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 725,939	\$ 726,000	\$ 726,000	\$ (61)
Total Revenues	\$ 725,939	\$ 726,000	\$ 726,000	\$ (61)
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 725,939	\$ 726,000	\$ 726,000	\$ (61)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (720,000)	\$ (726,000)	\$ (726,000)	\$ 6,000
Total Other Financing Sources (Uses)	\$ (720,000)	\$ (726,000)	\$ (726,000)	\$ 6,000
Net Change in Fund Balance	\$ 5,939	\$ 0	\$ 0	\$ 5,939
Fund Balance, July 1, 2006	15,962	15,962	15,962	0
Fund Balance, June 30, 2007	\$ 21,901	\$ 15,962	\$ 15,962	\$ 5,939

Exhibit G-8

Roane County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 82,036	\$ 33,000	\$ 82,050	\$ (14)
Charges for Current Services	431,899	385,000	457,800	(25,901)
Federal Government	55,800	51,223	55,800	0
Total Revenues	<u>\$ 569,735</u>	<u>\$ 469,223</u>	<u>\$ 595,650</u>	<u>\$ (25,915)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Other Waste Collection	\$ 481,964	\$ 332,138	\$ 486,729	\$ 4,765
Total Expenditures	<u>\$ 481,964</u>	<u>\$ 332,138</u>	<u>\$ 486,729</u>	<u>\$ 4,765</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 87,771</u>	<u>\$ 137,085</u>	<u>\$ 108,921</u>	<u>\$ (21,150)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (50,762)	\$ (50,764)	\$ (50,764)	\$ 2
Total Other Financing Sources (Uses)	<u>\$ (50,762)</u>	<u>\$ (50,764)</u>	<u>\$ (50,764)</u>	<u>\$ 2</u>
Net Change in Fund Balance	\$ 37,009	\$ 86,321	\$ 58,157	\$ (21,148)
Fund Balance, July 1, 2006	238,553	233,753	233,753	4,800
Fund Balance, June 30, 2007	<u>\$ 275,562</u>	<u>\$ 320,074</u>	<u>\$ 291,910</u>	<u>\$ (16,348)</u>

Exhibit G-9

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 25,044	\$ 0	\$ 25,044	\$ 19,800	\$ 25,300	\$ (256)
Other Local Revenues	9,283	0	9,283	4,100	6,000	3,283
Total Revenues	\$ 34,327	\$ 0	\$ 34,327	\$ 23,900	\$ 31,300	\$ 3,027
<u>Expenditures</u>						
<u>Public Safety</u>						
Sheriff's Department	\$ 16,470	\$ (1,000)	\$ 15,470	\$ 21,000	\$ 22,000	\$ 6,530
Total Expenditures	\$ 16,470	\$ (1,000)	\$ 15,470	\$ 21,000	\$ 22,000	\$ 6,530
Excess (Deficiency) of Revenues Over Expenditures	\$ 17,857	\$ 1,000	\$ 18,857	\$ 2,900	\$ 9,300	\$ 9,557
Net Change in Fund Balance	\$ 17,857	\$ 1,000	\$ 18,857	\$ 2,900	\$ 9,300	\$ 9,557
Fund Balance, July 1, 2006	9,286	(1,000)	8,286	0	0	8,286
Fund Balance, June 30, 2007	\$ 27,143	\$ 0	\$ 27,143	\$ 2,900	\$ 9,300	\$ 17,843

Exhibit G-10

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 26,150	\$ 15,700	\$ 18,700	\$ 7,450
Other Local Revenues	5,000	0	5,000	0
Total Revenues	<u>\$ 31,150</u>	<u>\$ 15,700</u>	<u>\$ 23,700</u>	<u>\$ 7,450</u>
<u>Expenditures</u>				
<u>Administration of Justice</u>				
District Attorney General	\$ 17,467	\$ 14,700	\$ 18,000	\$ 533
Total Expenditures	<u>\$ 17,467</u>	<u>\$ 14,700</u>	<u>\$ 18,000</u>	<u>\$ 533</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 13,683</u>	<u>\$ 1,000</u>	<u>\$ 5,700</u>	<u>\$ 7,983</u>
Net Change in Fund Balance	\$ 13,683	\$ 1,000	\$ 5,700	\$ 7,983
Fund Balance, July 1, 2006	<u>4,475</u>	<u>0</u>	<u>0</u>	<u>4,475</u>
Fund Balance, June 30, 2007	<u>\$ 18,158</u>	<u>\$ 1,000</u>	<u>\$ 5,700</u>	<u>\$ 12,458</u>

Exhibit G-11

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 244,671	\$ 0	\$ 244,671	\$ 234,050	\$ 239,650	\$ 5,021
Charges for Current Services	113,087	0	113,087	74,150	109,250	3,837
Other Local Revenues	142,104	0	142,104	83,875	131,912	10,192
State of Tennessee	102,039	0	102,039	39,681	102,681	(642)
Total Revenues	\$ 601,901	\$ 0	\$ 601,901	\$ 431,756	\$ 583,493	\$ 18,408
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Recycling Center	\$ 529,267	\$ (807)	\$ 528,460	\$ 409,877	\$ 585,266	\$ 56,806
Postclosure Care Costs	45,716	0	45,716	67,000	67,000	21,284
Total Expenditures	\$ 574,983	\$ (807)	\$ 574,176	\$ 476,877	\$ 652,266	\$ 78,090
Excess (Deficiency) of Revenues Over Expenditures	\$ 26,918	\$ 807	\$ 27,725	\$ (45,121)	\$ (68,773)	\$ 96,498
Net Change in Fund Balance	\$ 26,918	\$ 807	\$ 27,725	\$ (45,121)	\$ (68,773)	\$ 96,498
Fund Balance, July 1, 2006	433,470	(807)	432,663	321,295	321,295	111,368
Fund Balance, June 30, 2007	\$ 460,388	\$ 0	\$ 460,388	\$ 276,174	\$ 252,522	\$ 207,866

Exhibit G-12

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 429,966	\$ 410,700	\$ 421,600	\$ 8,366
Other Local Revenues	28,037	12,500	22,000	6,037
Total Revenues	<u>\$ 458,003</u>	<u>\$ 423,200</u>	<u>\$ 443,600</u>	<u>\$ 14,403</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 235,000	\$ 235,000	\$ 235,000	\$ 0
<u>Interest on Debt</u>				
Education	87,297	117,210	117,210	29,913
<u>Other Debt Service</u>				
Education	385,873	20,000	390,000	4,127
Total Expenditures	<u>\$ 708,170</u>	<u>\$ 372,210</u>	<u>\$ 742,210</u>	<u>\$ 34,040</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (250,167)</u>	<u>\$ 50,990</u>	<u>\$ (298,610)</u>	<u>\$ 48,443</u>
Net Change in Fund Balance	\$ (250,167)	\$ 50,990	\$ (298,610)	\$ 48,443
Fund Balance, July 1, 2006	379,667	425,021	425,021	(45,354)
Fund Balance, June 30, 2007	<u>\$ 129,500</u>	<u>\$ 476,011</u>	<u>\$ 126,411</u>	<u>\$ 3,089</u>

Major Governmental Funds

Debt Service Funds

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.

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 586,573	\$ 557,100	\$ 570,100	\$ 16,473
Other Local Revenues	277,869	160,000	210,000	67,869
Other Governments and Citizens Groups	516,421	500,000	527,000	(10,579)
Total Revenues	<u>\$ 1,380,863</u>	<u>\$ 1,217,100</u>	<u>\$ 1,307,100</u>	<u>\$ 73,763</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,184,205	\$ 1,182,255	\$ 1,184,207	\$ 2
Highways and Streets	95,000	95,000	95,000	0
<u>Interest on Debt</u>				
General Government	882,123	1,035,797	1,020,497	138,374
Highways and Streets	25,060	25,060	25,060	0
<u>Other Debt Service</u>				
General Government	229,565	105,681	229,974	409
Total Expenditures	<u>\$ 2,415,953</u>	<u>\$ 2,443,793</u>	<u>\$ 2,554,738</u>	<u>\$ 138,785</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,035,090)</u>	<u>\$ (1,226,693)</u>	<u>\$ (1,247,638)</u>	<u>\$ 212,548</u>
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 115,293	\$ 0	\$ 115,293	\$ 0
Transfers In	1,088,727	1,045,975	1,088,727	0
Transfers Out	(740,000)	0	(740,000)	0
Total Other Financing Sources (Uses)	<u>\$ 464,020</u>	<u>\$ 1,045,975</u>	<u>\$ 464,020</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (571,070)	\$ (180,718)	\$ (783,618)	\$ 212,548
Fund Balance, July 1, 2006	<u>2,712,479</u>	<u>3,004,431</u>	<u>3,004,431</u>	<u>(291,952)</u>
Fund Balance, June 30, 2007	<u>\$ 2,141,409</u>	<u>\$ 2,823,713</u>	<u>\$ 2,220,813</u>	<u>\$ (79,404)</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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,936,209	\$ 1,851,500	\$ 1,894,000	\$ 42,209
Other Local Revenues	159,437	70,000	127,500	31,937
Total Revenues	<u>\$ 2,095,646</u>	<u>\$ 1,921,500</u>	<u>\$ 2,021,500</u>	<u>\$ 74,146</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 915,000	\$ 915,000	\$ 915,000	\$ 0
<u>Interest on Debt</u>				
Education	829,142	829,143	829,143	1
<u>Other Debt Service</u>				
General Government	39,543	61,500	61,500	21,957
Total Expenditures	<u>\$ 1,783,685</u>	<u>\$ 1,805,643</u>	<u>\$ 1,805,643</u>	<u>\$ 21,958</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 311,961</u>	<u>\$ 115,857</u>	<u>\$ 215,857</u>	<u>\$ 96,104</u>
Net Change in Fund Balance	\$ 311,961	\$ 115,857	\$ 215,857	\$ 96,104
Fund Balance, July 1, 2006	2,391,784	2,387,099	2,387,099	4,685
Fund Balance, June 30, 2007	<u>\$ 2,703,745</u>	<u>\$ 2,502,956</u>	<u>\$ 2,602,956</u>	<u>\$ 100,789</u>

Proprietary Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the county, or other governments, on a cost-reimbursed basis.

Employee Insurance - Dental Fund – The Employee Insurance - Dental Fund is used to account for the county’s self-insured dental insurance program. Premiums charged to the various county operating funds and employee payroll deductions are placed in this fund for the payment of dental claims of county employees.

Workers’ Compensation Fund – The Workers’ Compensation Fund is used to account for the county’s self-insured workers’ compensation program. Premiums charged to the various county operating funds are placed in this fund for the payment of claims.

Exhibit I-1

Roane County, Tennessee
Combining Statement of Net Assets
Proprietary Funds
June 30, 2007

	<u>Internal Service Funds</u>		
	Employee Insurance - Dental	Workers' Compensation	Total
<u>ASSETS</u>			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 368,880	\$ 352,397	\$ 721,277
Total Assets	<u>\$ 368,880</u>	<u>\$ 352,397</u>	<u>\$ 721,277</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 0	\$ 1,213	\$ 1,213
Total Liabilities	<u>\$ 0</u>	<u>\$ 1,213</u>	<u>\$ 1,213</u>
<u>NET ASSETS</u>			
Unrestricted	<u>\$ 368,880</u>	<u>\$ 351,184</u>	<u>\$ 720,064</u>
Total Net Assets	<u><u>\$ 368,880</u></u>	<u><u>\$ 351,184</u></u>	<u><u>\$ 720,064</u></u>

Exhibit I-2

Roane County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2007

	<u>Internal Service Funds</u>		
	Employee Insurance - Dental	Workers' Compensation	Total
<u>Operating Revenues</u>			
Self-Insurance Premiums	\$ 338,512	\$ 493,456	\$ 831,968
Total Operating Revenues	<u>\$ 338,512</u>	<u>\$ 493,456</u>	<u>\$ 831,968</u>
<u>Operating Expenses</u>			
Other Salaries and Wages	\$ 17,974	\$ 0	\$ 17,974
Handling Charges and Administration	43,375	53,288	96,663
Medical Claims	357,755	29,092	386,847
Workers' Compensation Insurance		59,892	59,892
Total Operating Expenses	<u>\$ 419,104</u>	<u>\$ 142,272</u>	<u>\$ 561,376</u>
Operating Income (Loss)	<u>\$ (80,592)</u>	<u>\$ 351,184</u>	<u>\$ 270,592</u>
<u>Nonoperating Revenues (Expenses)</u>			
Investment Income	\$ 28,254	\$ 0	\$ 28,254
Total Nonoperating Revenues (Expenses)	<u>\$ 28,254</u>	<u>\$ 0</u>	<u>\$ 28,254</u>
Income (Loss) Before Transfers	\$ (52,338)	\$ 351,184	\$ 298,846
Transfers Out	(515,000)	0	(515,000)
Change in Net Assets	<u>\$ (567,338)</u>	<u>\$ 351,184</u>	<u>\$ (216,154)</u>
Net Assets, July 1, 2006	936,218	0	936,218
Net Assets, June 30, 2007	<u>\$ 368,880</u>	<u>\$ 351,184</u>	<u>\$ 720,064</u>

Exhibit I-3

Roane County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2007

	<u>Internal Service Funds</u>		
	<u>Employee Insurance - Dental</u>	<u>Workers' Compensation</u>	<u>Total</u>
<u>Cash Flows from Operating Activities</u>			
Receipts for Self-Insurance Premiums	\$ 338,512	\$ 493,456	\$ 831,968
Payments for Claims	(357,755)	(27,879)	(385,634)
Payments to Employees	(17,974)	0	(17,974)
Payments for Administrative Costs	(43,375)	(53,288)	(96,663)
Payments to Insurers	0	(59,892)	(59,892)
Net Cash Provided By (Used In) Operating Activities	\$ (80,592)	\$ 352,397	\$ 271,805
<u>Cash Flows from Investing Activities</u>			
Interest on Investments	\$ 28,254	\$ 0	\$ 28,254
Net Cash Provided By (Used In) Investing Activities	\$ 28,254	\$ 0	\$ 28,254
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers to Other Funds	\$ (515,000)	\$ 0	\$ (515,000)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ (515,000)	\$ 0	\$ (515,000)
Increase (Decrease) in Cash	\$ (567,338)	\$ 352,397	\$ (214,941)
Cash, July 1, 2006	936,218	0	936,218
Cash, June 30, 2007	\$ 368,880	\$ 352,397	\$ 721,277
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>			
Operating Income (Loss)	\$ (80,592)	\$ 351,184	\$ 270,592
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Changes in Assets and Liabilities:			
Increase (Decrease) in Other Current Operating Liabilities	0	1,213	1,213
Net Cash Provided By (Used In) Operating Activities	\$ (80,592)	\$ 352,397	\$ 271,805

Fiduciary Funds

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.

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 returned by the accountants handling the dissolution of the city for submission to the various taxpayers.

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 J-1

Roane County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2007

	Agency Funds						Total
	Cities - Sales Tax	Cities - Property 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	\$ 5,753	\$ 778	\$ 33,704	\$ 436,706	\$ 0	\$ 476,941
Cash	0	0	0	0	0	1,920,167	1,920,167
Accounts Receivable	0	0	0	904	266	0	1,170
Due from Other Governments	1,034,948	0	62,182	172	0	0	1,097,302
Property Taxes Receivable	0	0	682,743	0	0	0	682,743
Allowance for Uncollectible Property Taxes	0	0	(27,339)	0	0	0	(27,339)
Notes Receivable - Long-term	0	0	0	0	450,173	0	450,173
Total Assets	<u>\$ 1,034,948</u>	<u>\$ 5,753</u>	<u>\$ 718,364</u>	<u>\$ 34,780</u>	<u>\$ 887,145</u>	<u>\$ 1,920,167</u>	<u>\$ 4,601,157</u>
<u>LIABILITIES</u>							
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 1,668	\$ 0	\$ 0	\$ 1,668
Due to Other Taxing Units	1,034,948	5,753	718,364	0	0	0	1,759,065
Due to Litigants, Heirs, and Others	0	0	0	0	0	1,920,167	1,920,167
Due to Joint Ventures	0	0	0	33,112	0	0	33,112
Other Current Liabilities	0	0	0	0	887,145	0	887,145
Total Liabilities	<u>\$ 1,034,948</u>	<u>\$ 5,753</u>	<u>\$ 718,364</u>	<u>\$ 34,780</u>	<u>\$ 887,145</u>	<u>\$ 1,920,167</u>	<u>\$ 4,601,157</u>

Exhibit J-2

Roane County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 6,020,079	\$ 6,020,079	\$ 0
Due from Other Governments	875,289	1,034,948	875,289	1,034,948
Total Assets	\$ 875,289	\$ 7,055,027	\$ 6,895,368	\$ 1,034,948
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 875,289	\$ 7,055,027	\$ 6,895,368	\$ 1,034,948
Total Liabilities	\$ 875,289	\$ 7,055,027	\$ 6,895,368	\$ 1,034,948
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 331,278	\$ 325,525	\$ 5,753
Total Assets	\$ 0	\$ 331,278	\$ 325,525	\$ 5,753
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 331,278	\$ 325,525	\$ 5,753
Total Liabilities	\$ 0	\$ 331,278	\$ 325,525	\$ 5,753
<u>City School ADA - Oak Ridge Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 2,277	\$ 1,004,848	\$ 1,006,347	\$ 778
Due from Other Governments	54,267	62,182	54,267	62,182
Taxes Receivable	649,283	682,743	649,283	682,743
Allowance for Uncollectible Taxes	(34,647)	(27,339)	(34,647)	(27,339)
Total Assets	\$ 671,180	\$ 1,722,434	\$ 1,675,250	\$ 718,364
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 671,180	\$ 1,722,434	\$ 1,675,250	\$ 718,364
Total Liabilities	\$ 671,180	\$ 1,722,434	\$ 1,675,250	\$ 718,364
<u>Joint Venture - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 15,514	\$ 133,051	\$ 114,861	\$ 33,704
Accounts Receivable	0	904	0	904
Due from Other Governments	11,993	172	11,993	172
Total Assets	\$ 27,507	\$ 134,127	\$ 126,854	\$ 34,780

(Continued)

Exhibit J-2

Roane County, Tennessee

Combining 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	\$ 4,614	\$ 1,668	\$ 4,614	\$ 1,668
Accrued Payroll	2,346	0	2,346	0
Due to Litigants, Heirs, and Others	133	0	133	0
Due to Joint Venture	20,414	132,459	119,761	33,112
Total Liabilities	\$ 27,507	\$ 134,127	\$ 126,854	\$ 34,780
<u>Community Development - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 339,333	\$ 112,223	\$ 14,850	\$ 436,706
Accounts Receivable	1,626	266	1,626	266
Notes Receivable (Long-term)	523,528	0	73,355	450,173
Total Assets	\$ 864,487	\$ 112,489	\$ 89,831	\$ 887,145
<u>Liabilities</u>				
Other Current Liabilities	\$ 864,487	\$ 112,489	\$ 89,831	\$ 887,145
Total Liabilities	\$ 864,487	\$ 112,489	\$ 89,831	\$ 887,145
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,385,100	\$ 9,883,010	\$ 9,347,943	\$ 1,920,167
Total Assets	\$ 1,385,100	\$ 9,883,010	\$ 9,347,943	\$ 1,920,167
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	1,385,100	9,883,010	9,347,943	1,920,167
Total Liabilities	\$ 1,385,100	\$ 9,883,010	\$ 9,347,943	\$ 1,920,167
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 357,124	\$ 7,601,479	\$ 7,481,662	\$ 476,941
Cash	1,385,100	9,883,010	9,347,943	1,920,167
Accounts Receivable	1,626	1,170	1,626	1,170
Due from Other Governments	941,549	1,097,302	941,549	1,097,302
Taxes Receivable	649,283	682,743	649,283	682,743
Allowance for Uncollectible Taxes	(34,647)	(27,339)	(34,647)	(27,339)
Notes Receivable (Long-term)	523,528	0	73,355	450,173
Total Assets	\$ 3,823,563	\$ 19,238,365	\$ 18,460,771	\$ 4,601,157

(Continued)

Exhibit J-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	\$ 4,614	\$ 1,668	\$ 4,614	\$ 1,668
Accrued Payroll	2,346	0	2,346	0
Due to Other Taxing Units	1,546,469	9,108,739	8,896,143	1,759,065
Due to Litigants, Heirs, and Others	1,385,233	9,883,010	9,348,076	1,920,167
Due to Joint Venture	20,414	132,459	119,761	33,112
Other Current Liabilities	864,487	112,489	89,831	887,145
Total Liabilities	<u>\$ 3,823,563</u>	<u>\$ 19,238,365</u>	<u>\$ 18,460,771</u>	<u>\$ 4,601,157</u>

Roane County School Department

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.

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 K-1

Roane County, Tennessee
Statement of Activities
Discretely Presented Roane County School Department
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 32,890,763	\$ 12,450	\$ 3,213,196	\$ 0
Support Services	18,809,272	0	170,710	581,577
Operation of Non-Instructional Services	3,789,872	1,811,156	2,267,335	0
Total Governmental Activities	\$ 55,489,907	\$ 1,823,606	\$ 5,651,241	\$ 581,577
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 11,669,568
Local Option Sales Taxes				6,316,889
Other Local Taxes				7,943
Grants and Contributions Not Restricted for Specific Programs				29,399,337
Unrestricted Investment Income				714,466
Miscellaneous				1,399
Total General Revenues				\$ 48,109,602
Change in Net Assets				\$ 676,119
Net Assets, July 1, 2006				68,131,863
Net Assets, June 30, 2007				\$ 68,807,982

Exhibit K-2

Roane County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Roane County School Department
June 30, 2007

	Major Fund <u>General Purpose School</u>	Nonmajor Funds <u>Other Govern- mental Funds</u>	Total Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 40,000	\$ 7,500	\$ 47,500
Equity in Pooled Cash and Investments	6,979,153	2,526,126	9,505,279
Accounts Receivable	64,702	57,296	121,998
Due from Other Governments	1,801,144	603,248	2,404,392
Due from Other Funds	350,563	171	350,734
Property Taxes Receivable	12,346,693	0	12,346,693
Allowance for Uncollectible Property Taxes	(494,387)	0	(494,387)
Total Assets	<u>\$ 21,087,868</u>	<u>\$ 3,194,341</u>	<u>\$ 24,282,209</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 1,001,099	\$ 218,539	\$ 1,219,638
Accrued Payroll	5,474	43,686	49,160
Payroll Deductions Payable	760	4,397	5,157
Due to Other Funds	171	350,563	350,734
Deferred Revenue - Current Property Taxes	11,460,732	0	11,460,732
Deferred Revenue - Delinquent Property Taxes	344,220	0	344,220
Other Deferred Revenues	273,816	313,843	587,659
Total Liabilities	<u>\$ 13,086,272</u>	<u>\$ 931,028</u>	<u>\$ 14,017,300</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 752,293	\$ 102,865	\$ 855,158
Other Local Education Reserves	34,928	0	34,928
Reserved for Career Ladder Program	36,325	0	36,325
Reserved for Special Education - Grants to States	0	7,195	7,195
Other Federal Reserves	0	2,982	2,982
Unreserved, Reported In:			
General Fund	7,178,050	0	7,178,050
Special Revenue Funds	0	1,488,204	1,488,204
Capital Projects Funds	0	662,067	662,067
Total Fund Balances	<u>\$ 8,001,596</u>	<u>\$ 2,263,313</u>	<u>\$ 10,264,909</u>
Total Liabilities and Fund Balances	<u>\$ 21,087,868</u>	<u>\$ 3,194,341</u>	<u>\$ 24,282,209</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, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit K-2)		\$	10,264,909
(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		182,836	
Add: building and improvements net of accumulated depreciation		53,800,556	
Add: other capital assets net of accumulated depreciation		<u>2,382,943</u>	57,753,860
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			931,879
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(12,508)	
Less: compensated absences payable		<u>(130,158)</u>	<u>(142,666)</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 68,807,982</u>

Exhibit K-4

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, 2007

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 16,618,868	\$ 1,475,000	\$ 18,093,868
Licenses and Permits	2,961	0	2,961
Charges for Current Services	18,626	1,804,980	1,823,606
Other Local Revenues	810,261	85,759	896,020
State of Tennessee	28,862,545	365,400	29,227,945
Federal Government	85,900	5,507,614	5,593,514
Other Governments and Citizens Groups	0	370,000	370,000
Total Revenues	<u>\$ 46,399,161</u>	<u>\$ 9,608,753</u>	<u>\$ 56,007,914</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 29,643,364	\$ 3,247,399	\$ 32,890,763
Support Services	13,661,747	2,848,422	16,510,169
Operation of Non-Instructional Services	515,831	3,413,083	3,928,914
Capital Outlay	83,627	0	83,627
Capital Projects	0	502,915	502,915
Total Expenditures	<u>\$ 43,904,569</u>	<u>\$ 10,011,819</u>	<u>\$ 53,916,388</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,494,592</u>	<u>\$ (403,066)</u>	<u>\$ 2,091,526</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 0	\$ 450,000	\$ 450,000
Transfers Out	(450,000)	0	(450,000)
Total Other Financing Sources (Uses)	<u>\$ (450,000)</u>	<u>\$ 450,000</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 2,044,592	\$ 46,934	\$ 2,091,526
Fund Balance, July 1, 2006	5,957,004	2,216,379	8,173,383
Fund Balance, June 30, 2007	<u>\$ 8,001,596</u>	<u>\$ 2,263,313</u>	<u>\$ 10,264,909</u>

Exhibit K-5

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, 2007

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

Net change in fund balances - total governmental funds (Exhibit K-4)		\$ 2,091,526
<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	\$ 852,843	
Less: current year depreciation expense	<u>(2,430,034)</u>	(1,577,191)
<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, 2006	\$ (773,767)	
Add: deferred delinquent property taxes and other deferred June 30, 2007	<u>931,879</u>	158,112
<p>(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.</p>		
Add: principal payments on notes		3,000
<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		<u>672</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 676,119</u>

Exhibit K-6

Roane County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Roane County School Department
 June 30, 2007

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	School Transportation	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	250,378	1,270,932	278,368	55,985	1,855,663	670,463	2,526,126
Accounts Receivable	299	1,476	2,498	53,023	57,296	0	57,296
Due from Other Governments	272,975	0	313,843	16,430	603,248	0	603,248
Due from Other Funds	171	0	0	0	171	0	171
Total Assets	\$ 523,823	\$ 1,277,408	\$ 594,709	\$ 127,938	\$ 2,523,878	\$ 670,463	\$ 3,194,341
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 136,092	\$ 38,253	\$ 22,638	\$ 13,160	\$ 210,143	\$ 8,396	\$ 218,539
Accrued Payroll	1,799	0	0	41,887	43,686	0	43,686
Payroll Deductions Payable	250	0	0	4,147	4,397	0	4,397
Due to Other Funds	350,563	0	0	0	350,563	0	350,563
Other Deferred Revenues	0	0	313,843	0	313,843	0	313,843
Total Liabilities	\$ 488,704	\$ 38,253	\$ 336,481	\$ 59,194	\$ 922,632	\$ 8,396	\$ 931,028
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 24,942	\$ 74,623	\$ 0	\$ 3,300	\$ 102,865	\$ 0	\$ 102,865
Reserved for Special Education - Grants to States	7,195	0	0	0	7,195	0	7,195
Other Federal Reserves	2,982	0	0	0	2,982	0	2,982
Unreserved	0	1,164,532	258,228	65,444	1,488,204	662,067	2,150,271
Total Fund Balances	\$ 35,119	\$ 1,239,155	\$ 258,228	\$ 68,744	\$ 1,601,246	\$ 662,067	\$ 2,263,313
Total Liabilities and Fund Balances	\$ 523,823	\$ 1,277,408	\$ 594,709	\$ 127,938	\$ 2,523,878	\$ 670,463	\$ 3,194,341

Exhibit K-7

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, 2007

	Special Revenue Funds					Capital	Total
	School Federal Projects	Central Cafeteria	School Transpor- tation	Extended School Program	Total	Projects Fund Education Capital Projects	
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 0	\$ 1,475,000	\$ 0	\$ 1,475,000	\$ 0	\$ 1,475,000
Charges for Current Services	0	1,461,381	48,672	294,927	1,804,980	0	1,804,980
Other Local Revenues	0	56,618	29,141	0	85,759	0	85,759
State of Tennessee	0	42,143	285,000	38,257	365,400	0	365,400
Federal Government	3,781,059	1,701,561	0	24,994	5,507,614	0	5,507,614
Other Governments and Citizens Groups	0	0	370,000	0	370,000	0	370,000
Total Revenues	\$ 3,781,059	\$ 3,261,703	\$ 2,207,813	\$ 358,178	\$ 9,608,753	\$ 0	\$ 9,608,753
<u>Expenditures</u>							
Current:							
Instruction	\$ 3,247,399	\$ 0	\$ 0	\$ 0	\$ 3,247,399	\$ 0	\$ 3,247,399
Support Services	651,123	0	2,197,299	0	2,848,422	0	2,848,422
Operation of Non-Instructional Services	0	3,047,882	0	365,201	3,413,083	0	3,413,083
Capital Projects	0	0	0	0	0	502,915	502,915
Total Expenditures	\$ 3,898,522	\$ 3,047,882	\$ 2,197,299	\$ 365,201	\$ 9,508,904	\$ 502,915	\$ 10,011,819
Excess (Deficiency) of Revenues Over Expenditures	\$ (117,463)	\$ 213,821	\$ 10,514	\$ (7,023)	\$ 99,849	\$ (502,915)	\$ (403,066)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 450,000	\$ 450,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 450,000	\$ 450,000
Net Change in Fund Balances	\$ (117,463)	\$ 213,821	\$ 10,514	\$ (7,023)	\$ 99,849	\$ (52,915)	\$ 46,934
Fund Balance, July 1, 2006	152,582	1,025,334	247,714	75,767	1,501,397	714,982	2,216,379
Fund Balance, June 30, 2007	\$ 35,119	\$ 1,239,155	\$ 258,228	\$ 68,744	\$ 1,601,246	\$ 662,067	\$ 2,263,313

Exhibit K-8

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 16,618,868	\$ 0	\$ 0	\$ 16,618,868	\$ 15,751,250	\$ 15,776,250	\$ 842,618
Licenses and Permits	2,961	0	0	2,961	3,000	3,000	(39)
Charges for Current Services	18,626	0	0	18,626	15,000	15,000	3,626
Other Local Revenues	810,261	0	0	810,261	287,500	504,550	305,711
State of Tennessee	28,862,545	0	0	28,862,545	27,828,050	28,771,464	91,081
Federal Government	85,900	0	0	85,900	75,000	103,029	(17,129)
Total Revenues	\$ 46,399,161	\$ 0	\$ 0	\$ 46,399,161	\$ 43,959,800	\$ 45,173,293	\$ 1,225,868
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 23,252,442	\$ (582,664)	\$ 513,147	\$ 23,182,925	\$ 23,629,700	\$ 23,707,312	\$ 524,387
Alternative Instruction Program	277,308	(1,068)	0	276,240	279,820	281,992	5,752
Special Education Program	4,256,492	(1,059)	11,583	4,267,016	4,411,170	4,413,892	146,876
Vocational Education Program	1,857,122	(2,447)	57,515	1,912,190	1,960,630	1,969,857	57,667
<u>Support Services</u>							
Attendance	68,868	(9,436)	100	59,532	88,130	88,277	28,745
Health Services	292,855	0	0	292,855	301,970	301,970	9,115
Other Student Support	1,232,377	(265)	1,130	1,233,242	1,128,450	1,268,133	34,891
Regular Instruction Program	2,211,800	(47,419)	27,493	2,191,874	2,203,700	2,399,544	207,670
Alternative Instruction Program	1,489	(1,489)	1,137	1,137	2,000	2,000	863
Special Education Program	838,865	0	0	838,865	909,260	914,018	75,153
Vocational Education Program	134,708	0	1,087	135,795	136,320	136,613	818
Board of Education	807,469	(14,350)	14,950	808,069	927,685	927,685	119,616
Director of Schools	233,960	0	0	233,960	295,250	295,543	61,583
Office of the Principal	3,203,105	(3,275)	1,315	3,201,145	3,583,310	3,456,217	255,072
Fiscal Services	273,906	0	0	273,906	270,630	312,795	38,889

(Continued)

Exhibit K-8

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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Human Services/Personnel	\$ 46,811	\$ 0	\$ 0	\$ 46,811	\$ 0	\$ 50,337	\$ 3,526
Operation of Plant	3,440,980	(41,052)	53,346	3,453,274	3,827,260	3,826,260	372,986
Maintenance of Plant	874,554	(17,194)	22,795	880,155	919,670	933,465	53,310
<u>Operation of Non-Instructional Services</u>							
Community Services	94,098	0	8,943	103,041	0	119,700	16,659
Early Childhood Education	421,733	0	6,080	427,813	0	461,631	33,818
<u>Capital Outlay</u>							
Regular Capital Outlay	83,627	0	31,672	115,299	75,000	118,000	2,701
Total Expenditures	\$ 43,904,569	\$ (721,718)	\$ 752,293	\$ 43,935,144	\$ 44,949,955	\$ 45,985,241	\$ 2,050,097
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 2,494,592	\$ 721,718	\$ (752,293)	\$ 2,464,017	\$ (990,155)	\$ (811,948)	\$ 3,275,965
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (450,000)	\$ 0	\$ 0	\$ (450,000)	\$ (450,000)	\$ (450,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (450,000)	\$ 0	\$ 0	\$ (450,000)	\$ (450,000)	\$ (450,000)	\$ 0
Net Change in Fund Balance							
Fund Balance, July 1, 2006	\$ 2,044,592	\$ 721,718	\$ (752,293)	\$ 2,014,017	\$ (1,440,155)	\$ (1,261,948)	\$ 3,275,965
	5,957,004	(721,718)	0	5,235,286	5,277,332	5,277,332	(42,046)
Fund Balance, June 30, 2007							
	\$ 8,001,596	\$ 0	\$ (752,293)	\$ 7,249,303	\$ 3,837,177	\$ 4,015,384	\$ 3,233,919

Exhibit K-9

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 3,781,059	\$ 0	\$ 0	\$ 3,781,059	\$ 3,765,897	\$ 4,675,540	\$ (894,481)
Total Revenues	\$ 3,781,059	\$ 0	\$ 0	\$ 3,781,059	\$ 3,765,897	\$ 4,675,540	\$ (894,481)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,621,985	\$ (40,559)	\$ 14,700	\$ 1,596,126	\$ 1,721,623	\$ 1,729,001	\$ 132,875
Special Education Program	1,485,425	(8,998)	4,534	1,480,961	1,290,765	1,932,869	451,908
Vocational Education Program	139,989	0	0	139,989	139,989	139,989	0
<u>Support Services</u>							
Other Student Support	29,053	(1,201)	1,477	29,329	21,000	36,000	6,671
Regular Instruction Program	262,927	(2,979)	3,741	263,689	250,280	384,506	120,817
Special Education Program	354,143	(88,330)	490	266,303	337,240	458,690	192,387
Vocational Education Program	5,000	0	0	5,000	5,000	5,000	0
Total Expenditures	\$ 3,898,522	\$ (142,067)	\$ 24,942	\$ 3,781,397	\$ 3,765,897	\$ 4,686,055	\$ 904,658
Excess (Deficiency) of Revenues Over Expenditures	\$ (117,463)	\$ 142,067	\$ (24,942)	\$ (338)	\$ 0	\$ (10,515)	\$ 10,177
Net Change in Fund Balance	\$ (117,463)	\$ 142,067	\$ (24,942)	\$ (338)	\$ 0	\$ (10,515)	\$ 10,177
Fund Balance, July 1, 2006	152,582	(142,067)	0	10,515	10,515	10,515	0
Fund Balance, June 30, 2007	\$ 35,119	\$ 0	\$ (24,942)	\$ 10,177	\$ 10,515	\$ 0	\$ 10,177

Exhibit K-10

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,461,381	\$ 0	\$ 0	\$ 1,461,381	\$ 1,528,000	\$ 1,493,000	\$ (31,619)
Other Local Revenues	56,618	0	0	56,618	10,000	20,000	36,618
State of Tennessee	42,143	0	0	42,143	45,000	42,000	143
Federal Government	1,701,561	0	0	1,701,561	1,490,000	1,640,000	61,561
Total Revenues	\$ 3,261,703	\$ 0	\$ 0	\$ 3,261,703	\$ 3,073,000	\$ 3,195,000	\$ 66,703
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 3,047,882	\$ (3,250)	\$ 74,623	\$ 3,119,255	\$ 3,180,500	\$ 3,380,460	\$ 261,205
Total Expenditures	\$ 3,047,882	\$ (3,250)	\$ 74,623	\$ 3,119,255	\$ 3,180,500	\$ 3,380,460	\$ 261,205
Excess (Deficiency) of Revenues Over Expenditures	\$ 213,821	\$ 3,250	\$ (74,623)	\$ 142,448	\$ (107,500)	\$ (185,460)	\$ 327,908
Net Change in Fund Balance	\$ 213,821	\$ 3,250	\$ (74,623)	\$ 142,448	\$ (107,500)	\$ (185,460)	\$ 327,908
Fund Balance, July 1, 2006	1,025,334	(3,250)	0	1,022,084	1,022,085	1,022,085	(1)
Fund Balance, June 30, 2007	\$ 1,239,155	\$ 0	\$ (74,623)	\$ 1,164,532	\$ 914,585	\$ 836,625	\$ 327,907

Exhibit K-11

Roane County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Roane County School Department
School Transportation Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,475,000	\$ 1,475,000	\$ 1,475,000	\$ 0
Charges for Current Services	48,672	50,000	50,000	(1,328)
Other Local Revenues	29,141	65,000	25,000	4,141
State of Tennessee	285,000	285,000	285,000	0
Other Governments and Citizens Groups	370,000	370,000	370,000	0
Total Revenues	<u>\$ 2,207,813</u>	<u>\$ 2,245,000</u>	<u>\$ 2,205,000</u>	<u>\$ 2,813</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Transportation	\$ 2,197,299	\$ 2,245,000	\$ 2,274,730	\$ 77,431
Total Expenditures	<u>\$ 2,197,299</u>	<u>\$ 2,245,000</u>	<u>\$ 2,274,730</u>	<u>\$ 77,431</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 10,514</u>	<u>\$ 0</u>	<u>\$ (69,730)</u>	<u>\$ 80,244</u>
Net Change in Fund Balance	\$ 10,514	\$ 0	\$ (69,730)	\$ 80,244
Fund Balance, July 1, 2006	<u>247,714</u>	<u>247,714</u>	<u>247,714</u>	<u>0</u>
Fund Balance, June 30, 2007	<u>\$ 258,228</u>	<u>\$ 247,714</u>	<u>\$ 177,984</u>	<u>\$ 80,244</u>

Exhibit K-12

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 294,927	\$ 0	\$ 0	\$ 294,927	\$ 335,000	\$ 335,000	\$ (40,073)
State of Tennessee	38,257	0	0	38,257	45,000	35,000	3,257
Federal Government	24,994	0	0	24,994	20,000	20,000	4,994
Total Revenues	\$ 358,178	\$ 0	\$ 0	\$ 358,178	\$ 400,000	\$ 390,000	\$ (31,822)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 365,201	\$ (3,150)	\$ 3,300	\$ 365,351	\$ 400,000	\$ 400,000	\$ 34,649
Total Expenditures	\$ 365,201	\$ (3,150)	\$ 3,300	\$ 365,351	\$ 400,000	\$ 400,000	\$ 34,649
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,023)	\$ 3,150	\$ (3,300)	\$ (7,173)	\$ 0	\$ (10,000)	\$ 2,827
Net Change in Fund Balance	\$ (7,023)	\$ 3,150	\$ (3,300)	\$ (7,173)	\$ 0	\$ (10,000)	\$ 2,827
Fund Balance, July 1, 2006	75,767	(3,150)	0	72,617	75,766	75,766	(3,149)
Fund Balance, June 30, 2007	\$ 68,744	\$ 0	\$ (3,300)	\$ 65,444	\$ 75,766	\$ 65,766	\$ (322)

MISCELLANEOUS SCHEDULES

Exhibit L-1

Roane County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds
Primary Government and Discretely Presented Roane County School Department
For the Year Ended June 30, 2007

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
<u>PRIMARY GOVERNMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Various Capital Projects	\$ 2,500,000	5.25 %	4-1-00	4-1-12	\$ 2,400,000	\$ 0	\$ 50,000	\$ 2,350,000
Energy Efficiency Improvements	292,000	3	10-17-00	11-15-07	89,680	0	44,177	45,503
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>\$ 5,524,680</u>	<u>\$ 0</u>	<u>\$ 94,177</u>	<u>\$ 5,430,503</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
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	266,881	0	28,414	238,467
General Improvement Projects-Blount Co. PBA - A-1-F	450,000	Variable	5-17-01	6-13-13	313,050	0	33,125	279,925
School Buses-Blount Co. PBA - A-1-F	645,000	Variable	5-17-01	6-13-13	446,804	0	47,479	399,325
Retire Capital Outlay Notes-Blount Co. PBA - A-1-F	2,119,000	Variable	5-17-01	6-13-13	1,468,265	0	155,982	1,312,283
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	3,132,301	0	589,721	2,542,580
Industrial Park Land-Sevier Co. PBA - B-3-A	835,000	1.6 to 5.85	9-1-03	6-1-16	717,699	0	135,279	582,420
Public Improvement - Blount Co. PBA - D-5-E	2,000,000	Variable	12-28-05	6-1-22	1,925,000	0	50,000	1,875,000
Public Improvement - Blount Co. PBA - D-10-B	(1)	Variable	5-24-07	6-1-33	0	115,293	0	115,293
Total Payable through General Debt Service Fund					<u>\$ 15,300,000</u>	<u>\$ 115,293</u>	<u>\$ 1,040,000</u>	<u>\$ 14,375,293</u>
<u>Payable through Education Debt Service Fund</u>								
Public Improvement - Blount Co. PBA - D-5-E	1,600,000	Variable	12-28-05	6-1-20	\$ 1,600,000	\$ 0	\$ 0	\$ 1,600,000
Total Payable through Education Debt Service Fund					<u>\$ 1,600,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,600,000</u>
Total Other Loans Payable					<u>\$ 16,900,000</u>	<u>\$ 115,293</u>	<u>\$ 1,040,000</u>	<u>\$ 15,975,293</u>

(Continued)

Exhibit L-1

Roane County, Tennessee

Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, 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 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
<u>PRIMARY GOVERNMENT (CONT.)</u>								
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation, Series 2002	\$ 1,700,000	3 to 4.65 %	2-1-02	6-1-19	\$ 1,345,000	\$ 0	\$ 95,000	\$ 1,250,000
Water and Sewer Revenue and Tax, Series 2000	620,000	4.75	6-20-02	4-20-40	594,021	0	7,277	586,744
Total Payable through General Debt Service Fund					\$ 1,939,021	\$ 0	\$ 102,277	\$ 1,836,744
<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	\$ 1,890,000	\$ 0	\$ 350,000	\$ 1,540,000
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	17,640,000	0	565,000	17,075,000
Total Payable through Rural Debt Service Fund					\$ 20,305,000	\$ 0	\$ 915,000	\$ 19,390,000
<u>Payable through Education Debt Service Fund</u>								
School Refunding, Series 1998	(2) 1,280,000	4.2 to 4.75	7-1-03	2-1-09	\$ 630,000	\$ 0	\$ 235,000	\$ 395,000
Total Payable through Education Debt Service Fund					\$ 630,000	\$ 0	\$ 235,000	\$ 395,000
Total Bonds Payable					\$ 22,874,021	\$ 0	\$ 1,252,277	\$ 21,621,744
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Patrol Cars	121,573	5.6	2-23-07	2-23-09	\$ 0	\$ 121,573	\$ 42,751	\$ 78,822
Total Capital Leases Payable					\$ 0	\$ 121,573	\$ 42,751	\$ 78,822

(Continued)

Exhibit L-1

Roane County, Tennessee

Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, 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 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
<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	\$ 15,508	\$ 0	\$ 3,000
Total Notes Payable						<u>\$ 15,508</u>	<u>\$ 0</u>	<u>\$ 3,000</u>

(1) Total amount available under this Public Building Authority of Blount County Loan Agreement is \$9,975,000, of which \$9,859,707 had not been drawn as of June 30, 2007.

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

Exhibit L-2

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

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
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
Total	\$ 21,621,744	\$ 8,306,164	\$ 29,927,908

Exhibit L-3

Roane County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2007

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-07
<u>Community Development - Agency Fund</u>						
Industrial Loan (Revolving)	Roane Alliance	\$100,000	3-9-00	3-9-15	4.75 %	\$ 61,175
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	72,431
Industrial Loan (Revolving)	Ivan's Restaurant	40,000	9-23-02	9-25-09	3.75	26,112
Industrial Loan (Revolving)	Understanding The Way	70,000	1-13-03	1-15-18	3.25	52,797
Industrial Loan (Revolving)	Dana Audio	50,000	2-26-03	4-23-10	3.25	36,753
Industrial Loan (Revolving)	Ideal Plumbing	100,000	1-29-04	3-1-14	3.04	70,751
Industrial Loan (Revolving)	Mary Gail's Place	32,500	9-30-04	9-30-11	4.00	29,674
Industrial Loan (Revolving)	Kiddie Korner Daycare and Preschool	100,000	12-15-04	1-15-14	5.00	<u>81,631</u>
Total Notes Receivable						<u>\$ 450,173</u>

Exhibit L-4

Roane County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Roane County School Department
For the Year Ended June 30, 2007

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Retirement of debt	\$ 197,905
General	Urban Services	Operations	148,000
Local Purpose Tax	General Debt Service	Retirement of debt	720,000
Special Purpose	General Debt Service	Retirement of debt	50,762
Highway/Public Works	General Debt Service	Retirement of debt	120,060
General Debt Service	General	Internal borrowing	440,000
General Debt Service	Industrial/Economic Development	Internal borrowing	300,000
Employee Dental Insurance	General	Transfer Department of Energy in-lieu-of tax payments previously designated for cash management	<u>515,000</u>
Total Transfers Primary Government			<u>\$ 2,491,727</u>
<u>DISCRETELY PRESENTED ROANE COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Education Capital Projects	Capital projects	<u>\$ 450,000</u>
Total Transfers Discretely Presented Roane County School Department			<u>\$ 450,000</u>

Exhibit L-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, 2007

Official	Authorization of Salary	Salary Paid During Period	Bond	Surety
County Executive:				
Kenneth Yager (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u> , and County Commission	\$ 14,951 (1)	\$ 50,000	RLI Insurance Company
Mike Farmer (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u> , and County Commission	72,579 (2)	50,000	"
Road Superintendent	Section 8-24-102, <u>TCA</u>	69,376	100,000	Western Surety Company
Director of Schools	State Board of Education and Roane County Board of Education	116,757 (3)	50,000	"
Trustee	Section 8-24-102, <u>TCA</u>	63,069	1,678,000	Auto-Owners Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	63,069	50,000	Old Republic Surety Company
Director of Accounts and Budgets	County Commission	75,122 (4)	10,000	Western Surety Company
County Clerk:				
Dorothy Marshall (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	10,673	50,000	"
Barbara Anthony (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	52,396	50,000	Auto-Owners Insurance Company
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	63,069	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	63,501 (5)	60,000	Western Surety Company
Register:				
Marlene Henry (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	10,673	25,000	"
Sharon Brackett (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	52,396	25,000	Auto-Owners Insurance Company
Sheriff:				
David Haggard (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	12,341 (6)	25,000	RLI Insurance Company
Jackie Stockton (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	58,235 (6)	25,000	"
Purchasing Agent	County Commission	46,950	10,000	Western Surety Company
Employee Blanket Bond				
Public Employee Dishonesty			100,000	"

- (1) Includes \$1,075 salary supplement for serving as sanitation supervisor and \$387 for board and committee meetings.
(2) Includes \$5,804 salary supplement for serving as sanitation supervisor and \$558 for board and committee meetings.
(3) Includes incentive bonus of \$13,500, state bonus of \$257, and chief executive officer supplement of \$1,000.
(4) Includes \$2,056 for board and committee meetings and \$10,000 for insurance administration.
(5) Includes special commissioner fees of \$432.
(6) Includes law enforcement training supplement of \$600.

Exhibit L-6

Roane County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2007

	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	\$ 5,155,551	\$ 0	\$ 312,186	\$ 0	\$ 180,377	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	159,595	0	9,044	0	6,119	0	0	0
Circuit/Clerk & Master Collections - Prior Years	224,269	0	25,611	0	8,003	0	0	0
Interest and Penalty	32,093	0	2,006	0	1,126	0	0	0
Pick-up Taxes	12,313	0	630	0	432	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	20,024	0	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	91,669	0	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	0	0	0	0	37,744	725,939	0	0
<u>County Local Option Taxes</u>								
Local Option Sales Tax	251,499	0	350,000	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	125,518	0	0	0
Litigation Tax - General	379,562	0	0	0	0	0	0	0
Litigation Tax - Special Purpose	133	0	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	73,220	0	0	0	0	0	0	0
Business Tax	366,916	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	90,562	0	0	0	0	0	0	0
Wholesale Beer Tax	0	0	0	0	188,634	0	82,036	0
Interstate Telecommunications Tax	0	0	0	0	0	0	0	0
Total Local Taxes	\$ 6,857,406	\$ 0	\$ 699,477	\$ 0	\$ 547,953	\$ 725,939	\$ 82,036	\$ 0
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 182,125	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>								
Beer Permits	4,449	0	0	0	0	0	0	0
Building Permits	195,654	0	0	0	0	0	0	0
Other Permits	50	0	0	0	0	0	0	0
Total Licenses and Permits	\$ 382,278	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit L-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</u>								
<u>Circuit Court</u>								
Fines	\$ 3,886	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	8,657	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0	5,785
Jail Fees	2,688	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0
DUI Treatment Fines	1,017	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	474	0	0	0	0	0	0	0
Courtroom Security Fee	36	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	50,091	0	0	0	0	0	0	0
Officers Costs	68,901	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0	12,474
Jail Fees	14,363	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0
DUI Treatment Fines	10,058	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	15,055	0	0	0	0	0	0	0
Courtroom Security Fee	520	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Fines	1,625	0	0	0	0	0	0	0
<u>Chancery Court</u>								
Officers Costs	4,959	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	2,176	0	0	0	0	0	0	0
Courtroom Security Fee	23	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	6,785
Total Fines, Forfeitures, and Penalties	\$ 184,529	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	25,044
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit L-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 (Cont.)</u>								
<u>General Service Charges (Cont.)</u>								
Solid Waste Disposal Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Water Treatment Charges	0	0	0	0	0	0	334,409	0
Patient Charges	0	0	0	2,089,911	0	0	0	0
Past Due Collections - Ambulance	0	0	0	10,637	0	0	0	0
Other General Service Charges	1,205	98,407	0	0	0	0	0	0
Water Tap Sales	0	0	0	0	0	0	97,490	0
<u>Fees</u>								
Recreation Fees	54,177	0	0	0	0	0	0	0
Copy Fees	17,267	0	0	730	0	0	0	0
Telephone Commissions	7,248	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	25,698	0	0	0	0	0	0	0
Data Processing Fee - Sheriff	5,843	0	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,860	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	\$ 140,298	\$ 98,407	\$ 0	\$ 2,101,278	\$ 0	\$ 0	\$ 431,899	\$ 0
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	9,991	0	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	0	0
Commissary Sales	6,522	0	0	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0	0	0
Sale of Recycled Materials	62	0	0	0	0	0	0	0
Commodity Rebates	814	0	0	0	0	0	0	0
Miscellaneous Refunds	287	0	0	0	0	0	0	0
<u>Nonrecurring Items</u>								
Sale of Equipment	0	0	0	0	0	0	0	0
Sale of Property	393	1,693	0	1,892	0	0	0	0

(Continued)

Exhibit L-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 (Cont.)</u>								
Contributions and Gifts	\$ 12,250	\$ 8,349	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,283
<u>Other Local Revenues</u>								
Other Local Revenues	14,822	0	0	0	0	0	0	0
Total Other Local Revenues	\$ 45,141	\$ 10,042	\$ 0	\$ 1,892	\$ 0	\$ 0	\$ 0	9,283
<u>Fees Received from County Officials</u>								
<u>Fees-In-Lieu of Salary</u>								
County Clerk	\$ 366,182	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	81,895	0	0	0	0	0	0	0
General Sessions Court Clerk	485,114	0	0	0	0	0	0	0
Clerk and Master	290,292	0	0	0	0	0	0	0
Register	347,441	0	0	0	0	0	0	0
Sheriff	21,793	0	0	0	0	0	0	0
Trustee	694,680	0	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 2,287,397	\$ 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	17,425	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	31,088	0	0	0	0	0	0	0
<u>Other State Revenues</u>								
Income Tax	183,491	0	0	0	0	0	0	0
Beer Tax	18,753	0	0	0	0	0	0	0
Alcoholic Beverage Tax	60,523	0	0	0	0	0	0	0
Mixed Drink Tax	1,897	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	53,865	0	0	0	0	0	0	0

(Continued)

Exhibit L-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	21,341	0	0	0	0	0	0	0
Registrar's Salary Supplement	6,570	0	0	0	0	0	0	0
Other State Grants	186,771	0	0	0	78,153	0	0	0
Other State Revenues	0	0	0	0	0	0	0	0
Total State of Tennessee	\$ 590,724	\$ 0	\$ 415,000	\$ 0	\$ 78,153	\$ 0	\$ 0	0
<u>Federal Government</u>								
<u>Federal Through State</u>								
Job Training Partnership Act	\$ 384,948	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	202,542	0	0	0	0	0	0	0
Other Federal through State	269,876	0	0	0	0	0	0	0
<u>Direct Federal Revenue</u>								
Public Safety Partnership and Community Policing - COPS	23,743	0	0	0	0	0	0	0
Other Direct Federal Revenue	2,816	0	0	0	0	0	55,800	0
Total Federal Government	\$ 883,925	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 55,800	0
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Contributions	\$ 21,804	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other</u>								
Other	21,964	0	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 43,768	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Total	\$ 11,415,466	\$ 108,449	\$ 1,114,477	\$ 2,103,170	\$ 626,106	\$ 725,939	\$ 569,735	\$ 34,327

(Continued)

Exhibit L-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	\$ 225,470	\$ 0	\$ 859,259	\$ 542,690	\$ 1,756,180	\$ 393,258	\$ 0	\$ 9,424,971
Trustee's Collections - Prior Year	0	7,649	0	26,599	16,799	57,385	14,033	0	297,223
Circuit/Clerk & Master Collections - Prior Years	0	9,604	0	36,371	22,410	102,444	19,208	0	447,920
Interest and Penalty	0	1,428	0	5,349	3,378	11,742	2,757	0	59,879
Pick-up Taxes	0	520	0	2,052	1,296	3,442	710	0	21,395
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	0	0	20,024
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	0	0	91,669
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	0	0	763,683
<u>County Local Option Taxes</u>									
Local Option Sales Tax	0	0	0	0	0	0	0	0	601,499
Hotel/Motel Tax	0	0	0	0	0	0	0	0	125,518
Litigation Tax - General	0	0	0	0	0	0	0	0	379,562
Litigation Tax - Special Purpose	0	0	0	0	0	0	0	0	133
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	0	73,220
Business Tax	0	0	0	0	0	0	0	0	366,916
Mineral Severance Tax	0	0	0	89,084	0	0	0	0	89,084
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	0	0	0	0	0	0	0	90,562
Wholesale Beer Tax	0	0	0	0	0	0	0	0	270,670
Interstate Telecommunications Tax	0	0	0	0	0	5,016	0	0	5,016
Total Local Taxes	\$ 0	\$ 244,671	\$ 0	\$ 1,018,714	\$ 586,573	\$ 1,936,209	\$ 429,966	\$ 0	\$ 13,128,944
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 182,125
<u>Permits</u>									
Beer Permits	0	0	0	0	0	0	0	0	4,449
Building Permits	0	0	0	0	0	0	0	0	195,654
Other Permits	0	0	0	0	0	0	0	0	50
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 382,278

(Continued)

Exhibit L-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</u>									
<u>Circuit Court</u>									
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,886
Officers Costs	0	0	0	0	0	0	0	0	8,657
Drug Control Fines	0	0	0	0	0	0	0	0	5,785
Jail Fees	0	0	0	0	0	0	0	0	2,688
District Attorney General Fees	3,350	0	0	0	0	0	0	0	3,350
DUI Treatment Fines	0	0	0	0	0	0	0	0	1,017
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0	474
Courtroom Security Fee	0	0	0	0	0	0	0	0	36
<u>General Sessions Court</u>									
Fines	0	0	0	0	0	0	0	0	50,091
Officers Costs	0	0	0	0	0	0	0	0	68,901
Drug Control Fines	0	0	0	0	0	0	0	0	12,474
Jail Fees	0	0	0	0	0	0	0	0	14,363
District Attorney General Fees	3,884	0	0	0	0	0	0	0	3,884
DUI Treatment Fines	0	0	0	0	0	0	0	0	10,058
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	0	15,055
Courtroom Security Fee	0	0	0	0	0	0	0	0	520
<u>Juvenile Court</u>									
Fines	0	0	0	0	0	0	0	0	1,625
<u>Chancery Court</u>									
Officers Costs	0	0	0	0	0	0	0	0	4,959
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	2,176
Courtroom Security Fee	0	0	0	0	0	0	0	0	23
<u>Courts in Other District Counties</u>									
District Attorney General Fees	18,916	0	0	0	0	0	0	0	18,916
<u>Judicial District Drug Program</u>									
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	0	0	6,785
Total Fines, Forfeitures, and Penalties	\$ 26,150	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	235,723
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Transfer Waste Stations Collection Charge	\$ 0	\$ 18,105	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	18,105

(Continued)

Exhibit L-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 (Cont.)</u>									
<u>General Service Charges (Cont.)</u>									
Solid Waste Disposal Fees	\$ 0	\$ 94,982	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 94,982
Water Treatment Charges	0	0	0	0	0	0	0	0	334,409
Patient Charges	0	0	0	0	0	0	0	0	2,089,911
Past Due Collections - Ambulance	0	0	0	0	0	0	0	0	10,637
Other General Service Charges	0	0	0	0	0	0	0	0	99,612
Water Tap Sales	0	0	0	0	0	0	0	0	97,490
<u>Fees</u>									
Recreation Fees	0	0	0	0	0	0	0	0	54,177
Copy Fees	0	0	0	0	0	0	0	0	17,997
Telephone Commissions	0	0	0	0	0	0	0	0	7,248
Constitutional Officers' Fees and Commissions	0	0	97	0	0	0	0	0	97
Special Commissioner Fees/Special Master Fees	0	0	432	0	0	0	0	0	432
Data Processing Fee - Register	0	0	0	0	0	0	0	0	25,698
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	5,843
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	1,860
<u>Other Charges for Services</u>	0	0	0	0	0	0	0	0	27,000
Total Charges for Current Services	\$ 0	\$ 113,087	\$ 529	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,885,498
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 277,869	\$ 159,437	\$ 28,037	\$ 3,583	\$ 468,926
Lease/Rentals	0	0	0	0	0	0	0	0	9,991
Sale of Materials and Supplies	0	0	0	8,350	0	0	0	0	8,350
Commissary Sales	0	0	0	0	0	0	0	0	6,522
Sale of Gasoline	0	0	0	35,308	0	0	0	0	35,308
Sale of Recycled Materials	0	141,236	0	1,008	0	0	0	0	142,306
Commodity Rebates	0	7	0	0	0	0	0	0	821
Miscellaneous Refunds	0	37	0	1,498	0	0	0	0	1,822
<u>Nonrecurring Items</u>									
Sale of Equipment	0	0	0	11,412	0	0	0	0	11,412
Sale of Property	0	0	0	0	0	0	0	0	3,978

(Continued)

Exhibit L-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>Other Local Revenues (Cont.)</u>									
<u>Nonrecurring Items (Cont.)</u>									
Contributions and Gifts	\$ 5,000	\$ 824	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,706
<u>Other Local Revenues</u>									
Other Local Revenues	0	0	0	0	0	0	0	0	14,822
Total Other Local Revenues	\$ 5,000	\$ 142,104	\$ 0	\$ 57,576	\$ 277,869	\$ 159,437	\$ 28,037	\$ 3,583	\$ 739,964
<u>Fees Received from County Officials</u>									
<u>Fees-In-Lieu of Salary</u>									
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 366,182
Circuit Court Clerk	0	0	0	0	0	0	0	0	81,895
General Sessions Court Clerk	0	0	0	0	0	0	0	0	485,114
Clerk and Master	0	0	0	0	0	0	0	0	290,292
Register	0	0	0	0	0	0	0	0	347,441
Sheriff	0	0	0	0	0	0	0	0	21,793
Trustee	0	0	0	0	0	0	0	0	694,680
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,287,397
<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	46,513	0	0	0	0	0	0	46,513
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	0	0	0	0	0	0	0	0	17,425
<u>Public Works Grants</u>									
State Aid Program	0	0	0	322,061	0	0	0	0	322,061
Litter Program	0	0	0	0	0	0	0	0	31,088
<u>Other State Revenues</u>									
Income Tax	0	0	0	0	0	0	0	0	183,491
Beer Tax	0	0	0	0	0	0	0	0	18,753
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	60,523
Mixed Drink Tax	0	0	0	0	0	0	0	0	1,897
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	53,865

(Continued)

Exhibit L-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	\$ 1,825,147	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,825,147
Petroleum Special Tax	0	0	0	38,278	0	0	0	0	38,278
Reappraisal Program Reimbursement	0	0	0	0	0	0	0	0	21,341
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	6,570
Other State Grants	0	55,526	0	25,704	0	0	0	0	346,154
Other State Revenues	0	0	0	0	0	0	0	1,146	1,146
Total State of Tennessee	\$ 0	\$ 102,039	\$ 0	\$ 2,211,190	\$ 0	\$ 0	\$ 0	\$ 1,146	\$ 3,398,252
<u>Federal Government</u>									
<u>Federal Through State</u>									
Job Training Partnership Act	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 384,948
Homeland Security Grants	0	0	0	0	0	0	0	0	202,542
Other Federal through State	0	0	0	0	0	0	0	0	269,876
<u>Direct Federal Revenue</u>									
Public Safety Partnership and Community Policing - COPS	0	0	0	0	0	0	0	0	23,743
Other Direct Federal Revenue	0	0	0	0	0	0	0	0	58,616
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 939,725
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 516,421	\$ 0	\$ 0	\$ 0	\$ 538,225
<u>Other</u>									
Other	0	0	0	0	0	0	0	0	21,964
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 516,421	\$ 0	\$ 0	\$ 0	\$ 560,189
Total	\$ 31,150	\$ 601,901	\$ 529	\$ 3,287,480	\$ 1,380,863	\$ 2,095,646	\$ 458,003	\$ 4,729	\$ 24,557,970

Exhibit L-7

Roane County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Roane County School Department
For the Year Ended June 30, 2007

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor- tation	Extended School Program	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 10,713,615	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,713,615
Trustee's Collections - Prior Year	331,724	0	0	0	0	331,724
Circuit/Clerk & Master Collections - Prior Years	460,001	0	0	0	0	460,001
Interest and Penalty	66,691	0	0	0	0	66,691
Pick-up Taxes	25,588	0	0	0	0	25,588
Payments in-Lieu-of Taxes - Local Utilities	213,508	0	0	0	0	213,508
<u>County Local Option Taxes</u>						
Local Option Sales Tax	4,799,608	0	0	1,475,000	0	6,274,608
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	8,133	0	0	0	0	8,133
Total Local Taxes	\$ 16,618,868	\$ 0	\$ 0	\$ 1,475,000	\$ 0	\$ 18,093,868
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 2,961	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,961
Total Licenses and Permits	\$ 2,961	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,961
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Other	\$ 12,450	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,450
Lunch Payments - Children	0	0	924,403	0	0	924,403
Lunch Payments - Adults	0	0	84,170	0	0	84,170
Income from Breakfast	0	0	143,028	0	0	143,028
Special Milk Sales	0	0	35,255	0	0	35,255
A la carte Sales	0	0	259,684	0	0	259,684
Receipts from Individual Schools	6,176	0	0	48,462	0	54,638
Community Service Fees - Children	0	0	0	0	294,927	294,927
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	14,841	210	0	15,051
Total Charges for Current Services	\$ 18,626	\$ 0	\$ 1,461,381	\$ 48,672	\$ 294,927	\$ 1,823,606

(Continued)

Exhibit L-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	Total
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 629,031	\$ 0	\$ 56,618	\$ 28,817	\$ 0	\$ 714,466
Sale of Recycled Materials	1,584	0	0	0	0	1,584
Miscellaneous Refunds	469	0	0	0	0	469
<u>Nonrecurring Items</u>						
Sale of Equipment	9,093	0	0	0	0	9,093
Damages Recovered from Individuals	18,381	0	0	324	0	18,705
Contributions and Gifts	60,588	0	0	0	0	60,588
<u>Other Local Revenues</u>						
Other Local Revenues	91,115	0	0	0	0	91,115
Total Other Local Revenues	\$ 810,261	\$ 0	\$ 56,618	\$ 29,141	\$ 0	\$ 896,020
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 38,257	\$ 38,257
<u>Public Safety Grants</u>						
Safe and Drug - Free Schools and Communities	40,580	0	0	0	0	40,580
<u>State Education Funds</u>						
Basic Education Program	26,564,275	0	0	285,000	0	26,849,275
Early Childhood Education	391,609	0	0	0	0	391,609
School Food Service	0	0	42,143	0	0	42,143
Driver Education	11,814	0	0	0	0	11,814
Other State Education Funds	277,375	0	0	0	0	277,375
Career Ladder Program	496,663	0	0	0	0	496,663
Career Ladder - Extended Contract	217,531	0	0	0	0	217,531
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	709,395	0	0	0	0	709,395
Other State Grants	31,911	0	0	0	0	31,911
Other State Revenues	121,392	0	0	0	0	121,392
Total State of Tennessee	\$ 28,862,545	\$ 0	\$ 42,143	\$ 285,000	\$ 38,257	\$ 29,227,945

(Continued)

Exhibit L-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	Total
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,260,984	\$ 0	\$ 0	\$ 1,260,984
Breakfast	0	0	440,577	0	0	440,577
USDA - Other	0	0	0	0	24,994	24,994
Vocational Education - Basic Grants to States	0	154,989	0	0	0	154,989
Title I Grants to Local Education Agencies	0	1,435,738	0	0	0	1,435,738
Special Education - Grants to States	0	1,647,614	0	0	0	1,647,614
Special Education Preschool Grants	0	101,966	0	0	0	101,966
Other Federal through State	13,028	440,752	0	0	0	453,780
<u>Direct Federal Revenue</u>						
Public Law 874 - Maintenance and Operation	72,872	0	0	0	0	72,872
Total Federal Government	\$ 85,900	\$ 3,781,059	\$ 1,701,561	\$ 0	\$ 24,994	\$ 5,593,514
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 370,000	\$ 0	\$ 370,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 370,000	\$ 0	\$ 370,000
Total	\$ 46,399,161	\$ 3,781,059	\$ 3,261,703	\$ 2,207,813	\$ 358,178	\$ 56,007,914

Exhibit L-8

Roane County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2007

General Fund

General Government

County Commission

Deputy(ies)	\$	307	
Secretary(ies)		2,085	
Board and Committee Members Fees		32,875	
Advertising		40	
Travel		6,266	
Other Supplies and Materials		1,810	
Total County Commission			\$ 43,383

Board of Equalization

Board and Committee Members Fees	\$	3,940	
Advertising		165	
Travel		101	
Total Board of Equalization			4,206

Beer Board

Board and Committee Members Fees	\$	2,964	
Advertising		122	
Total Beer Board			3,086

Budget and Finance Committee

Board and Committee Members Fees	\$	6,994	
Advertising		676	
Total Budget and Finance Committee			7,670

Other Boards and Committees

Board and Committee Members Fees	\$	33,685	
Total Other Boards and Committees			33,685

County Mayor/Executive

County Official/Administrative Officer	\$	79,706	
Assistant(s)		84,851	
Communication		1,859	
Dues and Memberships		400	
Maintenance Agreements		391	
Maintenance and Repair Services - Office Equipment		507	
Printing, Stationery, and Forms		765	
Rentals		144	
Travel		4,612	
Premiums on Corporate Surety Bonds		192	
Total County Mayor/Executive			173,427

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	44,148	
Other Charges		37,680	
Total County Attorney			\$ 81,828

Election Commission

Supervisor/Director	\$	56,762	
Deputy(ies)		69,627	
Mechanic(s)		4,493	
Part-time Personnel		4,688	
Overtime Pay		5,358	
Election Commission		14,556	
Election Workers		76,798	
In-Service Training		6,256	
Unemployment Compensation		57	
Advertising		8,200	
Communication		2,212	
Dues and Memberships		425	
Maintenance Agreements		3,651	
Maintenance and Repair Services - Equipment		570	
Printing, Stationery, and Forms		5,615	
Rentals		3,231	
Travel		8,043	
Other Contracted Services		11,966	
Data Processing Supplies		1,685	
Electricity		198	
Library Books/Media		199	
Other Supplies and Materials		3,977	
Data Processing Equipment		570	
Office Equipment		752	
Voting Machines		33,520	
Total Election Commission			323,409

Register of Deeds

County Official/Administrative Officer	\$	63,069
Deputy(ies)		84,517
Part-time Personnel		12,597
Communication		10
Data Processing Services		1,790
Dues and Memberships		613
Maintenance Agreements		23,363

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Maintenance and Repair Services - Office Equipment	\$	89	
Printing, Stationery, and Forms		2,426	
Rentals		50	
Travel		1,177	
Premiums on Corporate Surety Bonds		237	
Other Charges		1,005	
Furniture and Fixtures		2,271	
Total Register of Deeds			\$ 193,214

Planning

Assistant(s)	\$	18,345	
Supervisor/Director		26,343	
Other Salaries and Wages		89,691	
Board and Committee Members Fees		5,917	
Other Per Diem and Fees		1,600	
Advertising		988	
Communication		2,729	
Contracts with Government Agencies		11,500	
Dues and Memberships		250	
Legal Notices, Recording, and Court Costs		1,248	
Licenses		34	
Maintenance Agreements		568	
Maintenance and Repair Services - Office Equipment		820	
Maintenance and Repair Services - Vehicles		1,746	
Postal Charges		705	
Printing, Stationery, and Forms		2,193	
Travel		6,544	
Other Contracted Services		1,842	
Gasoline		7,358	
Uniforms		385	
Other Charges		486	
Data Processing Equipment		3,118	
Motor Vehicles		14,468	
Office Equipment		2,051	
Total Planning			200,929

County Buildings

Foremen	\$	51,654	
Custodial Personnel		43,119	
Part-time Personnel		7,718	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Communication	\$	3,518	
Engineering Services		3,500	
Legal Notices, Recording, and Court Costs		190	
Licenses		15	
Maintenance Agreements		12,376	
Maintenance and Repair Services - Buildings		16,943	
Maintenance and Repair Services - Equipment		17,073	
Maintenance and Repair Services - Vehicles		3,320	
Disposal Fees		1,498	
Custodial Supplies		8,356	
Electricity		76,862	
Gasoline		3,276	
Natural Gas		13,471	
Water and Sewer		17,290	
Other Supplies and Materials		11,988	
Building Improvements		8,541	
Total County Buildings			\$ 300,708

Other General Administration

In-Service Training	\$	2,029	
Data Processing Services		560	
Maintenance Agreements		12,100	
Data Processing Supplies		5,927	
Data Processing Equipment		3,481	
Total Other General Administration			24,097

Preservation of Records

Supervisor/Director	\$	30,264	
Part-time Personnel		14,299	
Maintenance Agreements		760	
Printing, Stationery, and Forms		4,569	
Electricity		2,500	
Other Charges		386	
Office Equipment		7,295	
Total Preservation of Records			60,073

Finance

Accounting and Budgeting

Supervisor/Director	\$	63,066	
Accountants/Bookkeepers		174,881	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Part-time Personnel	\$	7,702	
In-Service Training		796	
Communication		170	
Dues and Memberships		915	
Maintenance Agreements		1,399	
Printing, Stationery, and Forms		1,622	
Travel		761	
Premiums on Corporate Surety Bonds		92	
Furniture and Fixtures		293	
Total Accounting and Budgeting			\$ 251,697

Purchasing

Supervisor/Director	\$	46,950	
Purchasing Personnel		58,115	
In-Service Training		1,475	
Advertising		1,472	
Communication		1,378	
Dues and Memberships		430	
Maintenance Agreements		710	
Travel		1,141	
Premiums on Corporate Surety Bonds		92	
Total Purchasing			111,763

Property Assessor's Office

County Official/Administrative Officer	\$	63,069	
Assistant(s)		77,806	
Paraprofessionals		134,413	
Communication		2,674	
Contracts with Government Agencies		34,374	
Contracts with Private Agencies		48,950	
Dues and Memberships		2,767	
Maintenance and Repair Services - Office Equipment		6,288	
Printing, Stationery, and Forms		1,195	
Travel		11,843	
Other Supplies and Materials		1,152	
Data Processing Equipment		3,915	
Total Property Assessor's Office			388,446

Reappraisal Program

Data Processing Personnel	\$	32,297	
---------------------------	----	--------	--

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Paraprofessionals	\$	38,855	
Part-time Personnel		5,683	
Communication		3	
Data Processing Services		6,637	
Postal Charges		1,320	
Travel		4,026	
Natural Gas		83	
Other Supplies and Materials		1,097	
Other Charges		477	
Data Processing Equipment		5,703	
Total Reappraisal Program			\$ 96,181

County Trustee's Office

County Official/Administrative Officer	\$	63,069	
Deputy(ies)		80,941	
Part-time Personnel		2,824	
Advertising		360	
Communication		37	
Contracts with Government Agencies		12,120	
Dues and Memberships		568	
Legal Notices, Recording, and Court Costs		17	
Maintenance Agreements		5,397	
Maintenance and Repair Services - Office Equipment		114	
Printing, Stationery, and Forms		3,570	
Rentals		94	
Travel		269	
Data Processing Supplies		2,679	
Premiums on Corporate Surety Bonds		8,901	
Office Equipment		1,003	
Total County Trustee's Office			181,963

County Clerk's Office

County Official/Administrative Officer	\$	63,069
Deputy(ies)		229,581
Part-time Personnel		18,863
In-Service Training		600
Unemployment Compensation		5,492
Communication		1,692
Dues and Memberships		603
Maintenance Agreements		15,174

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Maintenance and Repair Services - Office Equipment	\$	230	
Printing, Stationery, and Forms		1,196	
Rentals		144	
Travel		525	
Periodicals		155	
Other Supplies and Materials		2,287	
Premiums on Corporate Surety Bonds		413	
Data Processing Equipment		628	
Office Equipment		14,899	
Total County Clerk's Office			\$ 355,551

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,069	
Deputy(ies)		43,595	
Part-time Personnel		4,335	
Communication		490	
Contracts with Private Agencies		135	
Dues and Memberships		873	
Maintenance Agreements		1,501	
Maintenance and Repair Services - Office Equipment		59	
Printing, Stationery, and Forms		2,068	
Rentals		50	
Travel		257	
Premiums on Corporate Surety Bonds		413	
Data Processing Equipment		1,039	
Office Equipment		627	
Total Circuit Court			118,511

General Sessions Court

Deputy(ies)	\$	247,230	
Part-time Personnel		4,493	
Communication		197	
Contracts with Private Agencies		267	
Maintenance Agreements		10,768	
Printing, Stationery, and Forms		2,991	
Data Processing Equipment		1,085	
Office Equipment		437	
Total General Sessions Court			267,468

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge

Judge(s)	\$	256,278	
Assistant(s)		28,484	
Paraprofessionals		36,438	
Part-time Personnel		5,466	
Communication		2,265	
Medical and Dental Services		627	
Printing, Stationery, and Forms		804	
Travel		8,174	
Data Processing Equipment		3,585	
Total General Sessions Judge			\$ 342,121

Chancery Court

County Official/Administrative Officer	\$	63,069	
Deputy(ies)		104,943	
Temporary Personnel		9,991	
Unemployment Compensation		3,151	
Communication		56	
Dues and Memberships		573	
Maintenance Agreements		9,226	
Printing, Stationery, and Forms		3,994	
Rentals		115	
Periodicals		152	
Other Supplies and Materials		977	
Premiums on Corporate Surety Bonds		275	
Data Processing Equipment		1,772	
Office Equipment		1,565	
Total Chancery Court			199,859

Juvenile Court

Supervisor/Director	\$	33,957	
Youth Service Officer(s)		84,487	
Attendants		1,260	
School Resource Officer		30,219	
Overtime Pay		10,474	
Communication		11,016	
Licenses		620	
Maintenance Agreements		1,103	
Maintenance and Repair Services - Buildings		271	
Maintenance and Repair Services - Office Equipment		84	
Maintenance and Repair Services - Vehicles		1,933	

(Continued)

Exhibit L-8

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

General Fund (Cont.)Administration of Justice (Cont.)Juvenile Court (Cont.)

Medical and Dental Services	\$	1,474	
Printing, Stationery, and Forms		1,183	
Travel		9,914	
Other Contracted Services		4,590	
Electricity		1,606	
Food Supplies		163	
Gasoline		6,842	
Library Books/Media		709	
Uniforms		1,490	
Premiums on Corporate Surety Bonds		200	
Other Charges		762	
Building Improvements		17,000	
Office Equipment		2,075	
Total Juvenile Court			\$ 223,432

Other Administration of Justice

Jury and Witness Fees	\$	13,541	
Advertising		125	
Total Other Administration of Justice			13,666

Public SafetySheriff's Department

County Official/Administrative Officer	\$	69,376	
Assistant(s)		36,606	
Deputy(ies)		609,230	
Investigator(s)		143,897	
Sergeant(s)		59,366	
Salary Supplements		19,800	
Foremen		86,356	
Dispatchers/Radio Operators		70,070	
Secretary(ies)		73,814	
Part-time Personnel		31,406	
Overtime Pay		98,766	
In-Service Training		6,527	
Unemployment Compensation		14,801	
Communication		11,522	
Contracts with Government Agencies		92,255	
Dues and Memberships		2,465	
Legal Notices, Recording, and Court Costs		388	
Licenses		194	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance and Repair Services - Vehicles	\$	50,896	
Printing, Stationery, and Forms		2,445	
Rentals		144	
Tow-in Services		395	
Travel		8,522	
Other Contracted Services		1,508	
Gasoline		117,074	
Law Enforcement Supplies		46,110	
Library Books/Media		326	
Periodicals		785	
Tires and Tubes		8,410	
Uniforms		9,851	
Other Supplies and Materials		2,748	
Premiums on Corporate Surety Bonds		1,183	
Other Self-Insured Claims		5,047	
Law Enforcement Equipment		11,322	
Motor Vehicles		140,923	
Office Equipment		854	
Other Equipment		12,325	
Total Sheriff's Department			\$ 1,847,707

Jail

Assistant(s)	\$	70,790
Medical Personnel		8,662
Guards		508,456
Cafeteria Personnel		28,547
Part-time Personnel		41,888
Overtime Pay		112,657
In-Service Training		663
Unemployment Compensation		7,150
Communication		1,808
Contracts with Government Agencies		7,770
Laundry Service		3,678
Maintenance Agreements		14,469
Maintenance and Repair Services - Buildings		17,352
Maintenance and Repair Services - Equipment		17,516
Medical and Dental Services		222,958
Printing, Stationery, and Forms		2,988
Travel		2,149
Disposal Fees		1,679

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Custodial Supplies	\$	25,327	
Drugs and Medical Supplies		146,271	
Electricity		29,767	
Food Preparation Supplies		489	
Food Supplies		98,293	
Law Enforcement Supplies		1,371	
Library Books/Media		73	
Prisoners Clothing		9,454	
Uniforms		7,986	
Water and Sewer		21,119	
Other Supplies and Materials		2,868	
Other Charges		608	
Data Processing Equipment		38,201	
Total Jail			\$ 1,453,007

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

Assistant(s)	\$	26,044	
Supervisor/Director		45,378	
Secretary(ies)		20,362	
In-Service Training		3,537	
Communication		11,189	
Dues and Memberships		716	
Licenses		31	
Maintenance Agreements		2,000	
Maintenance and Repair Services - Office Equipment		2,474	
Maintenance and Repair Services - Vehicles		2,193	
Postal Charges		564	
Travel		381	
Gasoline		8,388	
Instructional Supplies and Materials		4,516	
Office Supplies		2,379	
Small Tools		1,225	
Other Supplies and Materials		9,478	
Other Charges		76,920	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Communication Equipment	\$	1,606	
Motor Vehicles		45,965	
Other Capital Outlay		47,360	
Total Civil Defense			\$ 312,706

Rescue Squad

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

Other Emergency Management

In-Service Training	\$	500	
Printing, Stationery, and Forms		100	
Office Supplies		100	
Other Supplies and Materials		3,031	
Other Charges		5	
Total Other Emergency Management			3,736

County Coroner/Medical Examiner

Communication	\$	43	
Travel		12,000	
Premiums on Corporate Surety Bonds		50	
Other Charges		9,100	
Total County Coroner/Medical Examiner			21,193

Other Public Safety

Other Per Diem and Fees	\$	119	
Contracts with Private Agencies		6,327	
Total Other Public Safety			6,446

Public Health and Welfare

Local Health Center

Assistant(s)	\$	51,949	
Social Workers		21,942	
Medical Personnel		42,934	
Maintenance Personnel		27,650	
Social Security		7,840	
State Retirement		8,384	
Life Insurance		122	
Medical Insurance		22,691	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Dental Insurance	\$	798	
Advertising		224	
Communication		11,977	
Dues and Memberships		595	
Maintenance Agreements		4,726	
Maintenance and Repair Services - Buildings		6,334	
Maintenance and Repair Services - Equipment		1,119	
Postal Charges		4,374	
Printing, Stationery, and Forms		310	
Travel		7,016	
Disposal Fees		1,886	
Other Contracted Services		15,808	
Diesel Fuel		659	
Drugs and Medical Supplies		2,725	
Electricity		30,532	
Gasoline		955	
Natural Gas		30,916	
Office Supplies		1,557	
Water and Sewer		2,986	
Workers' Compensation Insurance		8,200	
Other Charges		124	
Other Equipment		310	
Total Local Health Center			\$ 317,643

Rabies and Animal Control

Other Charges	\$	50,430	
Total Rabies and Animal Control			50,430

Maternal and Child Health Services

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

Dental Health Program

Assistant(s)	\$	20,260	
Medical Personnel		102,543	
Social Security		8,805	
State Retirement		9,411	
Life Insurance		79	
Medical Insurance		13,197	
Dental Insurance		537	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Dental Health Program (Cont.)

Maintenance and Repair Services - Buildings	\$	674	
Travel		675	
Office Supplies		2,152	
Liability Insurance		678	
Workers' Compensation Insurance		6,300	
Health Equipment		659	
Total Dental Health Program			\$ 165,970

Appropriation to State

Other Contracted Services	\$	51,881	
Total Appropriation to State			51,881

Other Local Welfare Services

Contributions	\$	89,670	
Total Other Local Welfare Services			89,670

Sanitation Management

Supervisor/Director	\$	37,462	
Advertising		416	
Total Sanitation Management			37,878

Social, Cultural, and Recreational Services

Libraries

Contributions	\$	10,000	
Maintenance and Repair Services - Records		372	
Library Books/Media		1,710	
Furniture and Fixtures		1,000	
Total Libraries			13,082

Parks and Fair Boards

Assistant(s)	\$	23,457	
Supervisor/Director		24,495	
Communication		2,757	
Maintenance Agreements		295	
Maintenance and Repair Services - Buildings		12,859	
Maintenance and Repair Services - Equipment		3,793	
Maintenance and Repair Services - Vehicles		750	
Travel		236	
Disposal Fees		1,697	
Custodial Supplies		608	

(Continued)

Exhibit L-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.)

Diesel Fuel	\$	581	
Electricity		7,110	
Food Supplies		498	
Gasoline		3,118	
Propane Gas		1,007	
Water and Sewer		3,733	
Other Charges		98	
Motor Vehicles		14,550	
Other Equipment		17	
Other Construction		107,893	
Other Capital Outlay		4,406	
Total Parks and Fair Boards			\$ 213,958

Agriculture and Natural Resources

Agriculture Extension Service

Communication	\$	1,497	
Contracts with Government Agencies		67,076	
Contributions		5,715	
Postal Charges		160	
Rentals		532	
Total Agriculture Extension Service			74,980

Soil Conservation

Supervisor/Director	\$	21,638	
Social Security		1,634	
State Retirement		1,503	
Life Insurance		29	
Medical Insurance		4,505	
Dental Insurance		195	
Contracts with Private Agencies		2,000	
Total Soil Conservation			31,504

Other Operations

Industrial Development

Assistant(s)	\$	131,123	
In-Service Training		62,600	
Social Security		9,342	
State Retirement		9,604	
Life Insurance		374	
Medical Insurance		24,554	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development (Cont.)

Dental Insurance	\$	792	
Advertising		1,751	
Postal Charges		548	
Travel		100,000	
Other Contracted Services		38,263	
Office Supplies		6,062	
Workers' Compensation Insurance		42	
Other Charges		22,473	
Other Equipment		75	
Total Industrial Development			\$ 407,603

Veterans' Services

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

Employee Benefits

Social Security	\$	399,207	
State Retirement		404,879	
Life Insurance		4,046	
Medical Insurance		775,983	
Dental Insurance		24,941	
Unemployment Compensation		3,166	
Workers' Compensation Insurance		115,308	
Total Employee Benefits			1,727,530

Miscellaneous

In-Service Training	\$	2,296	
Bank Charges		502	
Communication		15,103	
Consultants		13,937	
Contracts with Government Agencies		26,880	
Dues and Memberships		10,889	
Legal Services		1,090	
Maintenance Agreements		9,768	
Postal Charges		73,619	
Printing, Stationery, and Forms		5,748	
Drugs and Medical Supplies		1,560	
Duplicating Supplies		7,917	
Gasoline		1,978	
Office Supplies		16,205	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Boiler Insurance	\$	660	
Building and Contents Insurance		17,014	
Liability Insurance		167,168	
Refunds		5,174	
Trustee's Commission		154,818	
Vehicle and Equipment Insurance		69,912	
Other Self-Insured Claims		6,241	
Other Charges		11,904	
Other Construction		32,862	
Other Capital Outlay		<u>1,570,442</u>	
Total Miscellaneous	\$		2,223,687

Highways

Litter and Trash Collection

Contributions	\$	<u>31,088</u>	
Total Litter and Trash Collection			<u>31,088</u>

Total General Fund \$ 13,302,352

Urban Services Fund

Public Health and Welfare

Rabies and Animal Control

Supervisor/Director	\$	37,957	
Deputy(ies)		51,712	
Attendants		27,440	
Part-time Personnel		18,476	
In-Service Training		1,442	
Social Security		10,141	
State Retirement		9,165	
Life Insurance		125	
Medical Insurance		13,016	
Dental Insurance		847	
Communication		4,674	
Maintenance and Repair Services - Buildings		1,754	
Maintenance and Repair Services - Equipment		2,351	
Maintenance and Repair Services - Vehicles		6,030	
Postal Charges		98	
Printing, Stationery, and Forms		245	
Travel		257	
Disposal Fees		928	

(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.)

Other Contracted Services	\$	7,721	
Animal Food and Supplies		2,242	
Custodial Supplies		3,025	
Drugs and Medical Supplies		2,748	
Electricity		3,979	
Gasoline		7,471	
Natural Gas		23,013	
Tires and Tubes		636	
Uniforms		843	
Water and Sewer		2,622	
Other Supplies and Materials		4,410	
Building and Contents Insurance		845	
Liability Insurance		2,229	
Trustee's Commission		631	
Vehicle and Equipment Insurance		2,415	
Workers' Compensation Insurance		6,497	
Other Charges		1,250	
Total Rabies and Animal Control			\$ 259,235

Total Urban Services Fund \$ 259,235

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Disposal Fees	\$	16,509
Foremen		6,879
Clerical Personnel		3,848
Part-time Personnel		237,990
Overtime Pay		904
Other Salaries and Wages		61,352
Social Security		23,514
State Retirement		5,821
Life Insurance		62
Medical Insurance		17,091
Dental Insurance		586
Communication		4,042
Maintenance and Repair Services - Buildings		3,024
Maintenance and Repair Services - Equipment		2,958
Maintenance and Repair Services - Vehicles		721
Postal Charges		103

(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.)

Disposal Fees	\$	479,613	
Crushed Stone		1,801	
Diesel Fuel		2,499	
Drugs and Medical Supplies		90	
Electricity		9,085	
Fertilizer, Lime, and Seed		499	
Gasoline		2,958	
Road Signs		838	
Water and Sewer		242	
Other Supplies and Materials		2,170	
Liability Insurance		2,322	
Trustee's Commission		14,399	
Vehicle and Equipment Insurance		2,322	
Workers' Compensation Insurance		17,669	
Other Charges		632	
Other Capital Outlay		11,492	
Total Convenience Centers			\$ 934,035

Total Solid Waste/Sanitation Fund

\$ 934,035

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	43,128
Clerical Personnel		88,606
Attendants		671,824
Part-time Personnel		81,145
Overtime Pay		413,848
In-Service Training		975
Social Security		95,007
State Retirement		92,725
Life Insurance		876
Medical Insurance		158,745
Dental Insurance		5,633
Unemployment Compensation		8,695
Communication		12,097
Contracts with Government Agencies		126,991
Contracts with Private Agencies		3,500
Dues and Memberships		445
Licenses		1,200

(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.)

Maintenance Agreements	\$	8,910	
Maintenance and Repair Services - Buildings		2,378	
Maintenance and Repair Services - Equipment		4,892	
Maintenance and Repair Services - Vehicles		49,163	
Medical and Dental Services		3,272	
Postal Charges		7,525	
Printing, Stationery, and Forms		6,380	
Tow-in Services		200	
Travel		3,788	
Disposal Fees		9,252	
Custodial Supplies		2,373	
Data Processing Supplies		864	
Diesel Fuel		60,916	
Drugs and Medical Supplies		75,034	
Electricity		10,791	
Instructional Supplies and Materials		1,378	
Natural Gas		4,784	
Tires and Tubes		6,713	
Uniforms		8,989	
Water and Sewer		2,339	
Other Supplies and Materials		15,679	
Building and Contents Insurance		845	
Liability Insurance		25,538	
Trustee's Commission		22,334	
Vehicle and Equipment Insurance		24,299	
Workers' Compensation Insurance		99,000	
In Service/Staff Development		5,652	
Data Processing Equipment		4,361	
Furniture and Fixtures		1,073	
Office Equipment		8,032	
Health Equipment		297	
Total Ambulance/Emergency Medical Services			\$ 2,282,491

Total Ambulance Service Fund \$ 2,282,491

Industrial/Economic Development Fund

Other Operations

Industrial Development

Contracts with Other Public Agencies	\$	134,587
Contributions		287,112

(Continued)

Exhibit L-8

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

Industrial/Economic Development Fund (Cont.)

Other Operations (Cont.)

Industrial Development (Cont.)

Trustee's Commission	\$	8,043	
Site Development		460,757	
Total Industrial Development			\$ 890,499

Total Industrial/Economic Development Fund \$ 890,499

Special Purpose Fund

Public Health and Welfare

Other Waste Collection

Assistant(s)	\$	68,080
Supervisor/Director		38,097
Social Security		7,318
State Retirement		8,272
Life Insurance		108
Medical Insurance		26,641
Dental Insurance		733
Unemployment Compensation		1,632
Communication		5,126
Dues and Memberships		320
Engineering Services		3,182
Licenses		2,721
Maintenance Agreements		3,773
Maintenance and Repair Services - Buildings		154
Maintenance and Repair Services - Equipment		29,754
Maintenance and Repair Services - Vehicles		501
Postal Charges		403
Printing, Stationery, and Forms		45
Travel		955
Disposal Fees		5,883
Diesel Fuel		248
Electricity		54,402
Gasoline		2,905
Lubricants		108
Uniforms		309
Water and Sewer		1,873
Other Supplies and Materials		4,977
Building and Contents Insurance		860
Liability Insurance		3,322
Trustee's Commission		4,783
Vehicle and Equipment Insurance		2,322

(Continued)

Exhibit L-8

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

Special Purpose Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Collection (Cont.)

Workers' Compensation Insurance	\$	3,723	
Other Charges		3,957	
Maintenance Equipment		5,000	
Other Capital Outlay		189,477	
Total Other Waste Collection			\$ 481,964

Total Special Purpose Fund \$ 481,964

Drug Control Fund

Public Safety

Sheriff's Department

In-Service Training	\$	413	
Communication		865	
Travel		423	
Veterinary Services		124	
Animal Food and Supplies		1,056	
Law Enforcement Supplies		3,521	
Other Supplies and Materials		9,577	
Trustee's Commission		491	
Total Sheriff's Department			\$ 16,470

Total Drug Control Fund 16,470

District Attorney General Fund

Administration of Justice

District Attorney General

Communication	\$	263	
Rentals		4,379	
Other Supplies and Materials		12,494	
Trustee's Commission		331	
Total District Attorney General			\$ 17,467

Total District Attorney General Fund 17,467

Other Special Revenue Fund

Public Health and Welfare

Recycling Center

Overtime Pay	\$	1,182	
Other Salaries and Wages		87,260	
Social Security		6,651	

(Continued)

Exhibit L-8

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.)

State Retirement	\$	5,326	
Life Insurance		84	
Medical Insurance		14,339	
Dental Insurance		570	
Communication		4,103	
Contracts with Private Agencies		12,435	
Dues and Memberships		317	
Licenses		125	
Maintenance Agreements		3,419	
Maintenance and Repair Services - Equipment		17,697	
Maintenance and Repair Services - Vehicles		925	
Postal Charges		53	
Printing, Stationery, and Forms		164	
Travel		568	
Disposal Fees		129,083	
Crushed Stone		155	
Custodial Supplies		1,432	
Data Processing Supplies		406	
Diesel Fuel		30,609	
Drugs and Medical Supplies		303	
Electricity		9,474	
Gasoline		336	
Office Supplies		92	
Propane Gas		481	
Road Signs		82	
Tires and Tubes		6,167	
Uniforms		3,109	
Water and Sewer		1,960	
Other Supplies and Materials		6,923	
Building and Contents Insurance		870	
Liability Insurance		2,550	
Trustee's Commission		7,959	
Vehicle and Equipment Insurance		2,779	
Workers' Compensation Insurance		4,000	
Other Charges		3,930	
Other Equipment		161,349	
Total Recycling Center			\$ 529,267
<u>Postclosure Care Costs</u>			
Engineering Services	\$	400	

(Continued)

Exhibit L-8

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

Other Special Revenue Fund (Cont.)

Public Health and Welfare (Cont.)

Postclosure Care Costs (Cont.)

Contracts for Postclosure Care Costs	\$	17,997	
Electricity		283	
Other Construction		27,036	
Total Postclosure Care Costs			\$ 45,716

Total Other Special Revenue Fund \$ 574,983

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Bank Charges	\$	97	
Total County Trustee's Office			\$ 97

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	432	
Total Chancery Court			432

Total Constitutional Officers - Fees Fund 529

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	69,376	
Assistant(s)		41,056	
Secretary(ies)		31,824	
Temporary Personnel		33	
Dues and Memberships		3,133	
Maintenance and Repair Services - Buildings		1,000	
Maintenance and Repair Services - Office Equipment		58	
Postal Charges		239	
Printing, Stationery, and Forms		152	
Travel		1,601	
Other Contracted Services		295	
Drugs and Medical Supplies		434	
Office Supplies		743	
Total Administration			\$ 149,944

Highway and Bridge Maintenance

Foremen	\$	49,450	
---------	----	--------	--

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Equipment Operators	\$	136,942	
Truck Drivers		150,459	
Laborers		172,421	
Overtime Pay		25,250	
Contracts with Private Agencies		673	
Engineering Services		12,968	
Asphalt - Hot Mix		925,508	
Concrete		297	
Crushed Stone		40,062	
Fertilizer, Lime, and Seed		440	
Pipe		23,253	
Road Signs		25,437	
Salt		4,194	
Structural Steel		2,277	
Wood Products		302	
Other Supplies and Materials		528	
Total Highway and Bridge Maintenance			\$ 1,570,461

Operation and Maintenance of Equipment

Mechanic(s)	\$	65,197	
Overtime Pay		89	
Maintenance and Repair Services - Equipment		16,922	
Custodial Supplies		1,413	
Diesel Fuel		87,039	
Equipment and Machinery Parts		107,932	
Garage Supplies		2,243	
Gasoline		51,382	
Lubricants		3,776	
Tires and Tubes		14,942	
Uniforms		10,545	
Total Operation and Maintenance of Equipment			361,480

Traffic Control

Part-time Personnel	\$	20,019	
Traffic Control Equipment		9,806	
Total Traffic Control			29,825

Other Charges

Communication	\$	13,709	
Licenses		75	

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Maintenance Agreements	\$	5,239	
Disposal Fees		428	
Electricity		6,370	
Food Supplies		690	
Natural Gas		6,061	
Water and Sewer		1,564	
Building and Contents Insurance		2,140	
Liability Insurance		46,432	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		39,153	
Vehicle and Equipment Insurance		46,432	
Other Self-Insured Claims		2,179	
Total Other Charges			\$ 170,822

Employee Benefits

Social Security	\$	56,499	
State Retirement		57,175	
Life Insurance		683	
Medical Insurance		139,935	
Dental Insurance		4,705	
Unemployment Compensation		10,397	
Drugs and Medical Supplies		148	
Workers' Compensation Insurance		65,000	
Total Employee Benefits			334,542

Capital Outlay

Bridge Construction	\$	125,373	
Building Improvements		11,743	
Highway Equipment		71,998	
Motor Vehicles		75,950	
Total Capital Outlay			285,064

Total Highway/Public Works Fund \$ 2,902,138

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	7,277	
Principal on Notes		94,177	
Principal on Capital Leases		42,751	

(Continued)

Exhibit L-8

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

General Government (Cont.)

Principal on Other Loans	\$ 1,040,000	
Total General Government		\$ 1,184,205

Highways and Streets

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

Interest on Debt

General Government

Interest on Bonds	\$ 59,263	
Interest on Notes	229,396	
Interest on Other Loans	593,464	
Total General Government		882,123

Highways and Streets

Interest on Bonds	\$ 25,060	
Total Highways and Streets		25,060

Other Debt Service

General Government

Trustee's Commission	\$ 29,126	
Underwriter's Discount	44,098	
Other Debt Issuance Charges	71,195	
Other Debt Service	85,146	
Total General Government		229,565

Total General Debt Service Fund		\$ 2,415,953
---------------------------------	--	--------------

Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 915,000	
Total Education		\$ 915,000

Interest on Debt

Education

Interest on Bonds	\$ 829,142	
Total Education		829,142

(Continued)

Exhibit L-8

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

<u>Rural Debt Service Fund (Cont.)</u>			
<u>Other Debt Service</u>			
<u>General Government</u>			
Other Contracted Services	\$	1,960	
Trustee's Commission		<u>37,583</u>	
Total General Government			\$ <u>39,543</u>
Total Rural Debt Service Fund			\$ 1,783,685
<u>Education Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>Education</u>			
Principal on Bonds	\$	<u>235,000</u>	
Total Education			\$ 235,000
<u>Interest on Debt</u>			
<u>Education</u>			
Interest on Bonds	\$	29,210	
Interest on Other Loans		<u>58,087</u>	
Total Education			87,297
<u>Other Debt Service</u>			
<u>Education</u>			
Contracts with Private Agencies	\$	7,447	
Contributions		370,000	
Trustee's Commission		<u>8,426</u>	
Total Education			<u>385,873</u>
Total Education Debt Service Fund			<u>708,170</u>
Total Governmental Funds - Primary Government			<u>\$ 26,569,971</u>

Exhibit L-9

Roane County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Roane County School Department
For the Year Ended June 30, 2007

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 15,624,302	
Career Ladder Program	265,977	
Career Ladder Extended Contracts	146,690	
Homebound Teachers	8,600	
Educational Assistants	538,303	
Certified Substitute Teachers	24,739	
Non-certified Substitute Teachers	183,755	
Social Security	1,082,353	
State Retirement	1,024,474	
Life Insurance	11,394	
Medical Insurance	2,786,124	
Dental Insurance	74,914	
Unemployment Compensation	10,270	
Employer Medicare	234,437	
Other Fringe Benefits	56,243	
Other Contracted Services	176,579	
Instructional Supplies and Materials	254,159	
Textbooks	520,000	
Other Supplies and Materials	14,440	
Other Charges	177	
Regular Instruction Equipment	214,512	
Total Regular Instruction Program		\$ 23,252,442

Alternative Instruction Program

Teachers	\$ 177,375	
Career Ladder Program	3,000	
Educational Assistants	25,161	
Certified Substitute Teachers	268	
Non-certified Substitute Teachers	1,987	
Social Security	13,733	
State Retirement	13,111	
Life Insurance	173	
Medical Insurance	33,803	
Dental Insurance	1,172	
Employer Medicare	2,987	
Other Fringe Benefits	640	
Instructional Supplies and Materials	3,898	
Total Alternative Instruction Program		277,308

(Continued)

Exhibit L-9

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

Teachers	\$	2,561,570	
Career Ladder Program		38,754	
Career Ladder Extended Contracts		11,800	
Homebound Teachers		6,798	
Educational Assistants		391,468	
Certified Substitute Teachers		3,759	
Non-certified Substitute Teachers		27,921	
Social Security		195,137	
State Retirement		189,165	
Life Insurance		2,483	
Medical Insurance		516,617	
Dental Insurance		16,151	
Employer Medicare		42,690	
Other Fringe Benefits		8,560	
Other Contracted Services		196,566	
Instructional Supplies and Materials		31,097	
Textbooks		3,243	
Other Supplies and Materials		974	
Special Education Equipment		11,739	
Total Special Education Program			\$ 4,256,492

Vocational Education Program

Teachers	\$	1,297,874
Career Ladder Program		12,950
Career Ladder Extended Contracts		4,860
Educational Assistants		15,105
Certified Substitute Teachers		2,555
Non-certified Substitute Teachers		18,978
Social Security		88,002
State Retirement		81,638
Life Insurance		906
Medical Insurance		217,484
Dental Insurance		6,601
Employer Medicare		19,178
Other Fringe Benefits		4,000
Other Contracted Services		3,999
Instructional Supplies and Materials		41,740
Textbooks		23,149
Other Supplies and Materials		10,419

(Continued)

Exhibit L-9

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.)

Vocational Education Program (Cont.)

Vocational Instruction Equipment	\$ 7,684	
Total Vocational Education Program		\$ 1,857,122

Support Services

Attendance

Supervisor/Director	\$ 31,888	
Career Ladder Program	3,000	
Social Security	5,974	
State Retirement	2,141	
Life Insurance	14	
Medical Insurance	6,384	
Dental Insurance	195	
Employer Medicare	505	
Travel	625	
Other Contracted Services	3,005	
Other Supplies and Materials	2,533	
Attendance Equipment	12,604	
Total Attendance		68,868

Health Services

Medical Personnel	\$ 200,166	
Social Security	11,808	
State Retirement	15,743	
Life Insurance	225	
Medical Insurance	36,557	
Dental Insurance	1,328	
Employer Medicare	2,762	
Travel	1,021	
Other Contracted Services	10,110	
Drugs and Medical Supplies	7,169	
Other Supplies and Materials	3,442	
In Service/Staff Development	1,874	
Other Charges	650	
Total Health Services		292,855

Other Student Support

Career Ladder Program	\$ 17,005	
Guidance Personnel	744,891	
Career Ladder Extended Contracts	10,280	

(Continued)

Exhibit L-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.)

Other Salaries and Wages	\$	32,327	
Social Security		49,255	
State Retirement		49,010	
Life Insurance		469	
Medical Insurance		122,406	
Dental Insurance		3,357	
Employer Medicare		11,607	
Other Fringe Benefits		2,160	
Contracts with Government Agencies		135,000	
Evaluation and Testing		43,294	
Travel		1,498	
Other Contracted Services		4,440	
Other Supplies and Materials		1,990	
Other Charges		3,388	
Total Other Student Support			\$ 1,232,377

Regular Instruction Program

Supervisor/Director	\$	217,144
Career Ladder Program		23,000
Career Ladder Extended Contracts		6,240
Librarians		711,522
Education Media Personnel		110,667
Instructional Computer Personnel		285,756
Secretary(ies)		44,016
Social Security		98,740
State Retirement		87,837
Life Insurance		821
Medical Insurance		183,814
Dental Insurance		5,156
Unemployment Compensation		5,753
Employer Medicare		18,084
Other Fringe Benefits		3,040
Travel		6,667
Other Contracted Services		206,143
Library Books/Media		94,332
Periodicals		1,154
Other Supplies and Materials		43,728
In Service/Staff Development		2,513
Other Charges		6,403

(Continued)

Exhibit L-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.)

Regular Instruction Program (Cont.)

Other Equipment	\$ 49,270	
Total Regular Instruction Program		\$ 2,211,800

Alternative Instruction Program

Other Supplies and Materials	\$ 989	
Other Charges	500	
Total Alternative Instruction Program		1,489

Special Education Program

Supervisor/Director	\$ 73,799	
Career Ladder Program	3,000	
Psychological Personnel	258,594	
Career Ladder Extended Contracts	1,140	
Clerical Personnel	33,218	
Other Salaries and Wages	314,545	
Social Security	25,914	
State Retirement	34,688	
Life Insurance	441	
Medical Insurance	72,007	
Dental Insurance	3,281	
Unemployment Compensation	1,554	
Employer Medicare	9,722	
Other Fringe Benefits	800	
Travel	5,075	
Other Supplies and Materials	1,087	
Total Special Education Program		838,865

Vocational Education Program

Supervisor/Director	\$ 68,386
Career Ladder Program	1,000
Secretary(ies)	33,239
Social Security	6,417
State Retirement	6,868
Life Insurance	43
Medical Insurance	9,804
Dental Insurance	391
Employer Medicare	1,445
Other Fringe Benefits	160
Travel	5,032

(Continued)

Exhibit L-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.)

Vocational Education Program (Cont.)

Other Supplies and Materials	\$ 1,923	
Total Vocational Education Program		\$ 134,708

Board of Education

Secretary to Board	\$ 7,595	
Board and Committee Members Fees	23,735	
Social Security	2,089	
State Retirement	1,807	
Medical Insurance	5,081	
Employer Medicare	489	
Payments to Retirees	101,815	
Audit Services	14,350	
Dues and Memberships	19,714	
Legal Services	33,114	
Travel	18,061	
Liability Insurance	114,682	
Trustee's Commission	288,472	
Workers' Compensation Insurance	160,494	
Other Self-Insured Claims	1,214	
Refund to Applicant for Criminal Investigation	4,344	
Other Charges	10,413	
Total Board of Education		807,469

Director of Schools

County Official/Administrative Officer	\$ 102,000
Career Ladder Program	1,000
Secretary(ies)	42,094
Other Salaries and Wages	9,565
Social Security	9,216
State Retirement	11,060
Life Insurance	86
Medical Insurance	17,639
Dental Insurance	586
Employer Medicare	2,356
Other Fringe Benefits	13,917
Communication	3,339
Dues and Memberships	3,363
Postal Charges	5,560
Travel	5,844

(Continued)

Exhibit L-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.)

Director of Schools (Cont.)

Other Contracted Services	\$	341	
Office Supplies		3,035	
Other Charges		2,959	
Total Director of Schools			\$ 233,960

Office of the Principal

Principals	\$	1,061,407	
Career Ladder Program		35,683	
Career Ladder Extended Contracts		10,140	
Assistant Principals		499,997	
Secretary(ies)		691,241	
Other Salaries and Wages		33,423	
Social Security		145,969	
State Retirement		151,816	
Life Insurance		1,620	
Medical Insurance		337,367	
Dental Insurance		9,960	
Employer Medicare		32,847	
Other Fringe Benefits		3,720	
Communication		115,678	
Dues and Memberships		1,770	
Travel		10,389	
Other Contracted Services		18,408	
In Service/Staff Development		2,999	
Other Charges		2,227	
Administration Equipment		36,444	
Total Office of the Principal			3,203,105

Fiscal Services

Supervisor/Director	\$	70,033	
Accountants/Bookkeepers		109,735	
Other Salaries and Wages		28,877	
Social Security		12,634	
State Retirement		15,379	
Life Insurance		108	
Medical Insurance		18,888	
Dental Insurance		605	
Employer Medicare		2,955	
Travel		146	

(Continued)

Exhibit L-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.)

Fiscal Services (Cont.)

Other Contracted Services	\$	5,504	
Office Supplies		491	
Other Supplies and Materials		3,423	
In Service/Staff Development		175	
Other Charges		1,274	
Administration Equipment		3,679	
Total Fiscal Services			\$ 273,906

Human Services/Personnel

Supervisor/Director	\$	34,928	
Social Security		2,166	
State Retirement		2,141	
Life Insurance		14	
Medical Insurance		6,384	
Dental Insurance		195	
Employer Medicare		506	
Other Fringe Benefits		200	
Other Supplies and Materials		277	
Total Human Services/Personnel			46,811

Operation of Plant

Custodial Personnel	\$	89,271	
Social Security		5,968	
State Retirement		7,021	
Life Insurance		101	
Medical Insurance		20,462	
Dental Insurance		781	
Employer Medicare		1,396	
Janitorial Services		922,875	
Licenses		880	
Pest Control		14,275	
Rentals		13,812	
Disposal Fees		26,756	
Other Contracted Services		17,662	
Custodial Supplies		45,252	
Electricity		1,410,798	
Natural Gas		332,624	
Water and Sewer		231,569	
Other Supplies and Materials		24,562	

(Continued)

Exhibit L-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.)

Operation of Plant (Cont.)

Boiler Insurance	\$	6,378	
Building and Contents Insurance		148,635	
Other Charges		114,600	
Plant Operation Equipment		5,302	
Total Operation of Plant			\$ 3,440,980

Maintenance of Plant

Supervisor/Director	\$	56,611	
Maintenance Personnel		391,376	
Other Salaries and Wages		20,061	
Social Security		27,349	
State Retirement		35,679	
Life Insurance		374	
Medical Insurance		66,581	
Dental Insurance		2,383	
Employer Medicare		6,396	
Communication		18,530	
Maintenance and Repair Services - Buildings		54,693	
Maintenance and Repair Services - Equipment		53,290	
Other Contracted Services		25,474	
Other Supplies and Materials		86,182	
Other Charges		19,456	
Maintenance Equipment		5,391	
Other Equipment		4,728	
Total Maintenance of Plant			874,554

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	60,195	
Social Security		4,301	
State Retirement		3,487	
Employer Medicare		219	
Travel		1,501	
Other Supplies and Materials		17,721	
Other Equipment		6,674	
Total Community Services			94,098

Early Childhood Education

Teachers	\$	66,641	
----------	----	--------	--

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Educational Assistants	\$	25,516	
Social Security		5,580	
State Retirement		6,092	
Life Insurance		115	
Medical Insurance		24,179	
Dental Insurance		781	
Employer Medicare		1,249	
Other Fringe Benefits		160	
Contracts with Other Public Agencies		238,879	
Travel		602	
Other Contracted Services		6,000	
Instructional Supplies and Materials		13,957	
Other Supplies and Materials		1,350	
In Service/Staff Development		453	
Other Equipment		30,179	
Total Early Childhood Education			\$ 421,733

Capital Outlay

Regular Capital Outlay

Principal on Notes	\$	3,000	
Furniture and Fixtures		3,103	
Motor Vehicles		52,351	
Other Capital Outlay		25,173	
Total Regular Capital Outlay			83,627

Total General Purpose School Fund \$ 43,904,569

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	966,938
Educational Assistants		125,750
Certified Substitute Teachers		2,870
Non-certified Substitute Teachers		12,180
Social Security		72,349
State Retirement		68,795
Life Insurance		993
Medical Insurance		180,388
Dental Insurance		6,289

(Continued)

Exhibit L-9

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.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	15,744	
Other Fringe Benefits		3,440	
Instructional Supplies and Materials		62,856	
Regular Instruction Equipment		103,393	
Total Regular Instruction Program			\$ 1,621,985

Special Education Program

Teachers	\$	6,490	
Educational Assistants		318,820	
Social Security		18,020	
State Retirement		25,142	
Life Insurance		536	
Medical Insurance		69,918	
Dental Insurance		3,222	
Employer Medicare		4,575	
Maintenance and Repair Services - Equipment		3,407	
Other Contracted Services		925,592	
Instructional Supplies and Materials		55,333	
Textbooks		3,010	
Other Supplies and Materials		51,360	
Total Special Education Program			1,485,425

Vocational Education Program

Travel	\$	18,000	
Instructional Supplies and Materials		61,708	
Vocational Instruction Equipment		60,281	
Total Vocational Education Program			139,989

Support Services

Other Student Support

In Service/Staff Development	\$	10,000	
Other Charges		19,053	
Total Other Student Support			29,053

Regular Instruction Program

Supervisor/Director	\$	42,616	
Secretary(ies)		18,778	
Other Salaries and Wages		27,806	
In-Service Training		8,850	

(Continued)

Exhibit L-9

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.)

Social Security	\$	5,890	
State Retirement		5,686	
Life Insurance		28	
Medical Insurance		4,825	
Dental Insurance		195	
Employer Medicare		1,378	
Consultants		9,086	
Travel		4,776	
Other Supplies and Materials		6,989	
In Service/Staff Development		121,349	
Other Charges		57	
Regular Instruction Equipment		2,678	
Other Equipment		1,940	
Total Regular Instruction Program			\$ 262,927

Special Education Program

Other Salaries and Wages	\$	107,631	
In-Service Training		35,475	
Social Security		10,396	
State Retirement		8,447	
Life Insurance		173	
Medical Insurance		18,673	
Dental Insurance		1,035	
Employer Medicare		2,564	
Travel		2,818	
Other Supplies and Materials		31,522	
In Service/Staff Development		48,811	
Other Equipment		86,598	
Total Special Education Program			354,143

Vocational Education Program

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

Total School Federal Projects Fund \$ 3,898,522

(Continued)

Exhibit L-9

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	38,663	
Accountants/Bookkeepers		33,319	
Clerical Personnel		26,968	
Cafeteria Personnel		1,033,045	
Social Security		70,842	
State Retirement		57,564	
Life Insurance		1,267	
Medical Insurance		220,279	
Dental Insurance		8,903	
Unemployment Compensation		2,627	
Employer Medicare		16,437	
Maintenance and Repair Services - Equipment		52,715	
Pest Control		6,665	
Transportation - Other than Students		18,755	
Travel		2,403	
Disposal Fees		17,101	
Other Contracted Services		9,888	
Food Preparation Supplies		90,512	
Food Supplies		1,125,579	
Office Supplies		810	
Other Supplies and Materials		12,861	
Workers' Compensation Insurance		33,300	
In Service/Staff Development		5,056	
Other Charges		2,578	
Food Service Equipment		159,745	
Total Food Service			\$ 3,047,882

Total Central Cafeteria Fund

\$ 3,047,882

School Transportation Fund

Support Services

Transportation

Supervisor/Director	\$	51,609
Mechanic(s)		98,786
Bus Drivers		652,255
Secretary(ies)		23,204
Other Salaries and Wages		148,646
Social Security		59,599
State Retirement		65,129

(Continued)

Exhibit L-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.)

Life Insurance	\$	580	
Medical Insurance		115,806	
Dental Insurance		3,906	
Employer Medicare		13,939	
Advertising		16	
Communication		3,758	
Maintenance and Repair Services - Vehicles		5,050	
Medical and Dental Services		8,784	
Tow-in Services		2,315	
Travel		40	
Other Contracted Services		10,646	
Diesel Fuel		224,579	
Garage Supplies		12,101	
Gasoline		28,279	
Lubricants		5,775	
Tires and Tubes		25,951	
Vehicle Parts		103,909	
Other Supplies and Materials		7,066	
Vehicle and Equipment Insurance		74,756	
Workers' Compensation Insurance		46,000	
Other Charges		4,172	
Motor Vehicles		398,950	
Transportation Equipment		1,693	
Total Transportation			\$ 2,197,299

Total School Transportation Fund \$ 2,197,299

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	225,283
Social Security		13,586
State Retirement		10,054
Life Insurance		230
Medical Insurance		35,634
Dental Insurance		1,540
Employer Medicare		3,177
Travel		6,482
Other Contracted Services		5,321

(Continued)

Exhibit L-9

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

Extended School Program Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Food Supplies	\$	29,752	
Other Supplies and Materials		22,347	
In Service/Staff Development		1,180	
Other Charges		10,194	
Other Equipment		421	
Total Community Services			\$ 365,201

Total Extended School Program Fund \$ 365,201

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$	10,250	
Building Improvements		429,770	
Site Development		62,895	
Total Education Capital Projects			\$ 502,915

Total Education Capital Projects Fund 502,915

Total Governmental Funds - Roane County School Department \$ 53,916,388

Exhibit L-10

Roane County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2007

	Cities - Sales Tax Fund	Cities - Property Tax Fund	City School ADA - Oak Ridge Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 0	\$ 589,801	\$ 589,801
Trustee's Collections - Prior Years	0	0	20,028	20,028
Circuit/Clerk and Master Collections - Prior Years	0	0	23,956	23,956
Interest and Penalty	0	0	3,688	3,688
Pick-up Taxes	0	0	1,414	1,414
Payments in-Lieu-of Taxes - Local Utilities	0	0	11,815	11,815
Local Option Sales Tax	6,020,079	0	346,971	6,367,050
Interstate Telecommunications Tax	0	0	461	461
Licenses	0	0	177	177
Other Local Revenue	0	331,278	33	331,311
Total Cash Receipts	\$ 6,020,079	\$ 331,278	\$ 998,344	\$ 7,349,701
<u>Cash Disbursements</u>				
Remittance of Revenues Collections	\$ 5,960,909	\$ 325,525	\$ 983,189	\$ 7,269,623
Trustee's Commission	59,170	0	16,654	75,824
Total Cash Disbursements	\$ 6,020,079	\$ 325,525	\$ 999,843	\$ 7,345,447
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ 0	\$ 5,753	\$ (1,499)	\$ 4,254
Cash Balance, July 1, 2006	0	0	2,277	2,277
Cash Balance, June 30, 2007	\$ 0	\$ 5,753	\$ 778	\$ 6,531

SINGLE AUDIT SECTION



**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**

April 11, 2008

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

To the County Executive 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, 2007, which collectively comprise Roane County's basic financial statements and have issued our report thereon dated April 11, 2008. Our report was modified to include a reference to 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. Other auditors audited the financial statements of the Roane County Emergency Communications District and the Roane County Industrial Development Board as described in our report of Roane County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Roane County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Roane County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Roane County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Roane County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

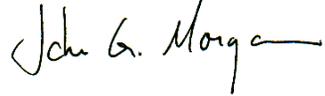
Compliance and Other Matters

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

This report is intended solely for the information and use of management, the county executive, director of schools, road superintendent, County Commission, Board of Education, others within Roane County, 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". The signature is written in a cursive style with a long horizontal stroke at the end.

John G. Morgan
Comptroller of the Treasury

JGM/sb



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

April 11, 2008

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

To the County Executive 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, 2007. 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 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 of 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, 2007.

Internal Control Over Compliance

The management of Roane County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Roane County's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Roane County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures 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 as of and for the year ended June 30, 2007, and have issued our report thereon dated April 11, 2008. Our audit was performed for the purpose of

forming our opinions on the financial statements that collectively comprise Roane County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards 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 management, the county executive, director of schools, road superintendent, County Commission, Board of Education, others within Roane County, 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.

Yours very truly,

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/sb

Roane County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2007

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Communities Facilities Loans and Grants	10.766	N/A	\$ 55,800
Passed-through State Department of Agriculture:			
Food Donation (Noncash Assistance)	10.550	N/A	142,664
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	440,577
National School Lunch Program	10.555	N/A	1,261,184
Summer Food Service Program for Children	10.559	N/A	24,994
Total U.S. Department of Agriculture			<u>\$ 1,925,219</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
HOME Investment Partnerships Program	14.239	(2)	\$ 21,723
Total U.S. Department of Housing and Urban Development			<u>\$ 21,723</u>
U.S. Department of Justice:			
Direct Program:			
Public Safety Partnership and Community Policing Grants	16.710	N/A	\$ 8,743
Bulletproof Vest Partnership Program	16.607	N/A	2,816
Total U.S. Department of Justice			<u>\$ 11,559</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
WIA Cluster:			
WIA Adult Program	17.258	(2)	\$ 147,669
WIA Youth Activities	17.259	(2)	121,014
WIA Dislocated Workers	17.260	(2)	116,265
Total U.S. Department of Labor			<u>\$ 384,948</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	(2)	\$ 23,041
Recreational Trails Program	20.219	(2)	76,500
Total U.S. Department of Transportation			<u>\$ 99,541</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,415,820
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,674,073
Special Education - Preschool Grants	84.173	N/A	99,648
Vocational Education - Basic Grants to States	84.048	N/A	154,989
Safe and Drug Free Schools and Communities - State Grants	84.186	(2)	37,184
State Grants for Innovative Programs	84.298	N/A	11,900
Education Technology State Grants	84.318	(2)	14,080
Improving Teacher Quality State Grants	84.367	N/A	380,243
Hurricane Education Recovery	84.938	N/A	13,028
Total U.S. Department of Education			<u>\$ 3,800,965</u>

(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 Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 18,325
Total U.S. Election Assistance Commission			\$ 18,325
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Grants to States for Operation of Offices of Rural Health	93.913	(2)	\$ 126,945
Total U.S. Department of Health and Human Services			\$ 126,945
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Cluster:			
State Domestic Preparedness Equipment Support Program	97.004	Z-04-022487-02	\$ 70,707
Homeland Security Grant Program	97.067	Z-05-025202-01	86,083
Urban Areas Security Initiative	97.008	(2)	2,704
Emergency Management Performance Grants	97.042	Z-07-20648-00	20,000
Total U.S. Department of Homeland Security			\$ 179,494
Total Expenditures of Federal Awards			\$ 6,568,719

<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)	31,088
Transportation Enhancement Program - State Department of Transportation	N/A	(2)	2,918
Driver's Education - State Department of Education	N/A	(2)	11,814
Early Childhood Education - State Department of Education	N/A	(2)	391,609
Safe Schools Act - State Department of Education	N/A	(2)	40,580
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	46,513
Waste Reduction Grant - State Department of Environment and Conservation	N/A	(2)	55,526
DGA Grant - State Department of Health	N/A	(2)	207,121
Child Care Assistance - State Department of Human Services	N/A	(2)	40,257
Pegasus Sewer Extension - State Department of Economic and Community Development	N/A	(2)	74,493
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	(2)	16,885
Reappraisal Program - State Comptroller of the Treasury	N/A	(2)	21,341
Family Resource Center Grant - State Department of Education	N/A	(2)	31,911
Local Parks and Recreation Grant - State Department of Environment and Conservation	N/A	(2)	2,245
Highway Safety Grant - State Department of Transportation	N/A	(2)	4,992
Total State Grants			\$ 988,293

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.

Roane County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2007

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. There were no findings from the Annual Financial Report for Roane County, Tennessee, for the year ended June 30, 2006, which have not been corrected.

ROANE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Roane County is unqualified.
2. The audit of the financial statements of Roane County disclosed no significant deficiencies in internal control.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Roane County.
4. The audit disclosed no significant deficiencies 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 Special Education Cluster: Special Education Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173); and the Workforce Investment Act Cluster: WIA Adult Programs, WIA Youth Activities, and WIA Dislocated Workers (CFDA Nos. 17.258, 17.259, and 17.260) were determined to be major programs.
8. A \$300,000 threshold 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

There were no findings relating to the financial statements of Roane County, Tennessee, as a result of our examination for the year ended June 30, 2007.

**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, 2007

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