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# ANNUAL FINANCIAL REPORT ROANE COUNTY, TENNESSEE



**FOR THE YEAR ENDED JUNE 30, 2012**



**ANNUAL FINANCIAL REPORT  
ROANE COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2012**

***COMPTROLLER OF THE TREASURY  
JUSTIN P. WILSON***

***DIVISION OF LOCAL GOVERNMENT AUDIT  
JAMES R. ARNETTE  
Director***

***BRYAN BURKLIN, CPA, CGFM  
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***ANDREW WAY, CPA  
DOUG SANDIDGE, CISA, CFE  
ASHLEY ROOKARD  
State Auditors***

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

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**ROANE COUNTY, TENNESSEE**  
**TABLE OF CONTENTS**

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	Exhibit	Page(s)
Audit Highlights		6
<u>INTRODUCTORY SECTION</u>		7
Roane County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-12
Management's Discussion and Analysis		13-22
BASIC FINANCIAL STATEMENTS:		23
Government-wide Financial Statements:		
Statement of Net Assets	A	24-26
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	36-37
Statement of Cash Flows	D-3	38-39
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E-1	40
Statement of Changes in Fiduciary Net Assets	E-2	41
Notes to the Financial Statements		42-92
REQUIRED SUPPLEMENTARY INFORMATION:		93
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	F-1	94-97
Ambulance Service Fund	F-2	98
Highway/Public Works Fund	F-3	99
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Roane County School Department	F-4	100
Statement of Funding Progress – Pension Plan – Discretely Presented Roane County Emergency Communications District	F-5	101
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Roane County School Department	F-6	102
Notes to the Required Supplementary Information		103

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		104
Nonmajor Governmental Funds:		105-106
Combining Balance Sheet	G-1	107-108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	109-110
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Solid Waste/Sanitation Fund	G-3	111
Industrial/Economic Development Fund	G-4	112
Special Purpose Fund	G-5	113
Drug Control Fund	G-6	114
District Attorney General Fund	G-7	115
Other Special Revenue Fund	G-8	116
Education Debt Service Fund	G-9	117
Major Governmental Funds:		118
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Debt Service Fund	H-1	119
Rural Debt Service Fund	H-2	120
General Capital Projects Fund	H-3	121-122
Proprietary Funds:		123
Combining Statement of Net Assets	I-1	124
Combining Statement of Revenues, Expenses, and Changes in Net Assets	I-2	125
Combining Statement of Cash Flows	I-3	126
Fiduciary Funds:		127
Combining Statement of Fiduciary Assets and Liabilities	J-1	128
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	J-2	129-130
Component Unit:		
Discretely Presented Roane County School Department:		131
Statement of Activities	K-1	132
Balance Sheet – Government Funds	K-2	133
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	K-3	134
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	K-4	135
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	K-5	136
Combining Balance Sheet – Nonmajor Governmental Funds	K-6	137
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	K-7	138
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	K-8	139-141
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
Education Capital Projects Fund	K-13	146

	Exhibit	Page(s)
Miscellaneous Schedules:		147
Schedule of Changes in Long-term Other Loans and Bonds	L-1	148-149
Schedule of Long-term Debt Requirements by Year	L-2	150-152
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	156-167
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Roane County School Department	L-7	168-170
Schedule of Detailed Expenditures – All Governmental Fund Types	L-8	171-205
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Roane County School Department	L-9	206-221
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	L-10	222
 <u>SINGLE AUDIT SECTION</u>		 223
Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		224-225
Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133		226-228
Schedule of Expenditures of Federal Awards and State Grants		229-230
Schedule of Audit Findings Not Corrected		231
Schedule of Findings and Questioned Costs		232-234
Auditee Reporting Responsibilities		235

# ***Audit Highlights***

Annual Financial Report  
Roane County, Tennessee  
For the Year Ended June 30, 2012

## ***Scope***

We have audited the basic financial statements of Roane County as of and for the year ended June 30, 2012.

## ***Results***

Our report on Roane County's financial statements is unqualified.

Our audit resulted in one finding and recommendation, which we have reviewed with Roane County management. The detailed finding and recommendation are included in the Single Audit section of this report.

## ***Finding and Best Practice***

The following is a summary of the audit finding and best practice:

### **OFFICE OF TRUSTEE**

- ◆ Usernames and passwords were shared by employees.

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### **BEST PRACTICE**

Roane County does not have an Audit Committee. The Division of Local Government Audit strongly believes that an Audit Committee is a best practice that should be adopted by the governing body to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

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# INTRODUCTORY SECTION

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# Roane County Officials

## June 30, 2012

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### **Officials**

Ron Woody, County Executive  
Thomas Hamby, Road Superintendent  
Dr. Toni McGriff, Director of Schools  
Wilma Eblen, Trustee  
Teresa Kirkham, Assessor of Property  
Barbara Anthony, County Clerk  
Kim Nelson, Circuit and General Sessions Courts Clerk  
Shannon Conley, Clerk and Master  
Sharon Brackett, Register  
Jack Stockton, Sheriff  
Kaley Walker, Director of Accounts and Budgets  
Lynn Farnham, Purchasing Agent

### **Board of County Commissioners**

James Brummett, Chairman  
George Bacon  
Ron Berry  
Ray Cantrell  
Bobby Collier  
Benny East  
Randy Ellis  
Nick Forrester

Jerry Goddard  
Carolyn Granger  
Chris Johnson  
Steve Kelley  
Stanley Moore  
George Nelson  
Fred Tedder

### **Board of Education**

Sam Cox, Chairman  
Darrell Langley  
Marjorie Earick  
Rob Jago  
Hugh Johnson

Michael Miller  
Everett Massengill  
Wade McCullough  
Franklin Mee  
Michael Taylor

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## **FINANCIAL SECTION**

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**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841**

**INDEPENDENT AUDITOR'S REPORT**

December 12, 2012

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 business-type 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, 2012, 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 Roane County Emergency Communications District, which represent 1.2 percent and 1.4 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Roane County Industrial Development Board, which represent 5.7 percent and .7 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 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 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Roane County, Tennessee, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 22 and the budgetary comparison, pension, and other postemployment benefits information on pages 94 through 103 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Roane County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, the General Debt Service, Rural Debt Service, and the General Capital Projects funds, 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 financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, the General Debt Service, Rural Debt Service, and the General Capital Projects funds, combining and individual fund financial statements of the

Roane County School Department (a discretely presented component unit), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and "W".

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

**Roane County, Tennessee  
Management's Discussion and Analysis  
For the Year Ended June 30, 2012**

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, 2012. 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 2012**

**Key financial highlights for 2012 are as follows:**

In total, net assets of the primary government increased by \$622 thousand, and net assets of the DPCU School Department increased by \$11.8 million. In the primary government, most of the negative unrestricted net assets balance (\$20.8 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. Net assets of the primary government are related to governmental and business-type activities. Net assets of the DPCU School Department are related to governmental activities.

General revenues of the primary government accounted for \$20 million in revenue or 60 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$13.4 million or 40 percent of total revenues of \$33.4 million. General revenues of the DPCU School Department were \$52.4 million.

Total assets in the primary government were \$81.8 million as net taxes receivable totaled \$13.6 million; cash totaled \$17.5 million; and capital assets, net of accumulated depreciation totaled \$47.9 million. Total assets in the DPCU School Department were \$107.4 million as taxes receivable totaled \$12.4 million; cash totaled \$13 million; and capital assets, net of accumulated depreciation totaled \$78.9 million.

The county had \$32 million in expenses related to governmental activities, with \$12 million of these expenses offset by program specific charges for services, grants, or contributions. General revenues (primarily property taxes of \$14.3 million) were adequate to provide current funding for these programs. The DPCU School Department had \$66.2 million in expenses related to governmental activities; \$25.6 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 \$28.4 million and property taxes and sales taxes of \$13 and \$7.3 million, respectively) were adequate to provide current funding for these programs.

Among major funds, the General Fund had \$15.2 million in revenues and \$13.9 million in expenditures. The Ambulance Service Fund had \$3.4 million in revenues and \$2.9 million in expenditures. The Highway/Public Works Fund had \$3.5 million in revenues and \$3.4 million in expenditures. The General Debt Service Fund had \$3.3 million in revenues and \$3.2 million in expenditures. The Rural Debt Service Fund had \$1.5 million in revenues and \$1.8 million in expenditures. The General Capital Projects Fund had \$1.9 million in revenues and \$4.1 million in expenditures. Fund balances for the General, Ambulance Service, and General Debt Service funds increased by \$956 thousand, \$707 thousand, and \$339 thousand, respectively. Fund balances for the Highway/Public Works, Rural Debt Service, and General Capital Projects funds decreased by \$96 thousand, \$290 thousand, and \$884 thousand, respectively.

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

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

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

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

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

While this document contains a large number of funds used by the county and the DPCU School Department to provide programs and financial activities during 2012, the Statement of Net Assets and the Statement of Activities provide a broader picture of the financial activities during 2012. 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 and business-type. The county's governmental activities reported here include: general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highways/public works; education; and other operations. The county's business-type activities report sewer water treatment.

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, Ambulance Service, Highway/Public Works, General Debt Service, Rural Debt Service, and General Capital Projects funds. The DPCU School Department's major governmental funds are the General Purpose School and Education Capital Projects funds.

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

Because the focus of 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** – Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The county maintained two different types of proprietary funds – an enterprise fund and two internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county had one enterprise fund to account for sewer water treatment. Internal service funds are accounting devices used to accumulate and allocate costs internally among the county’s various functions. The county uses two internal service funds. 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. Because internal service funds predominantly benefit governmental rather than business-type functions, their assets and liabilities have been included with governmental activities in the government-wide financial statements.

The county’s enterprise fund, Public Utility Fund, is a major fund and is reported separately in the government-wide and fund financial statements. The internal service funds are combined within the governmental activities in the government-wide statements and are presented separately in the fund financial 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, assets exceeded liabilities by \$11 million at the close of the most recent fiscal year. For the DPCU School Department, assets exceeded liabilities by \$87.4 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 1a provides a summary of the county's and the DPCU School Department's net assets for 2012, for their governmental activities as well as a comparison with the prior year. Table 1b provides a summary of the county's net assets for 2012, for its business-type activities.

An additional portion of the county's net assets, \$12.4 million, represents resources that are subject to external restrictions on how they may be used. In the DPCU School Department, \$1.8 million of net assets are subject to external restrictions.

Table 2a shows the changes in net assets for fiscal year 2012, and a comparison with the prior year for the county and the DPCU School Department for their governmental activities. Table 2b shows the changes in net assets for fiscal year 2012, and a comparison with the prior year for the county's business-type activities.

Table 1a  
Roane County Government and DPCU School Department Net Assets

Governmental Activities

	<u>Roane County Government</u>		<u>DPCU School Department</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Assets:</b>				
Current and Other Assets	\$ 33,387,366	\$ 35,186,181	\$ 28,556,929	\$ 30,005,548
Capital Assets	42,812,829	42,980,946	78,880,941	65,038,151
<b>Total Assets</b>	<b>\$ 76,200,195</b>	<b>\$ 78,167,127</b>	<b>\$ 107,437,870</b>	<b>\$ 95,043,699</b>
<b>Liabilities:</b>				
Long-term Liabilities Outstanding	\$ 53,603,908	\$ 55,415,784	\$ 5,047,861	\$ 3,972,182
Other Liabilities	14,828,386	15,147,185	15,023,764	15,531,695
<b>Total Liabilities</b>	<b>\$ 68,432,294</b>	<b>\$ 70,562,969</b>	<b>\$ 20,071,625</b>	<b>\$ 19,503,877</b>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	\$ 16,643,945	\$ 16,260,898	\$ 78,880,941	\$ 65,038,151
Restricted	12,445,976	14,352,521	1,844,204	2,247,689
Unrestricted	(21,322,020)	(23,009,261)	6,641,100	8,253,982
<b>Total Net Assets</b>	<b>\$ 7,767,901</b>	<b>\$ 7,604,158</b>	<b>\$ 87,366,245</b>	<b>\$ 75,539,822</b>

Table 1b  
Roane County Government Net Assets

Business-type Activities

	Roane County Government	
	2012	2011
<b>Assets:</b>		
Current and Other Assets	\$ 525,275	\$ 717,023
Capital Assets	5,105,934	2,909,251
<b>Total Assets</b>	<b>\$ 5,631,209</b>	<b>\$ 3,626,274</b>
<b>Liabilities:</b>		
Long-term Liabilities Outstanding	\$ 2,372,747	\$ 838,928
Other Liabilities	39,915	27,352
<b>Total Liabilities</b>	<b>\$ 2,412,662</b>	<b>\$ 866,280</b>
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	\$ 2,733,187	\$ 2,070,323
Unrestricted	485,360	689,671
<b>Total Net Assets</b>	<b>\$ 3,218,547</b>	<b>\$ 2,759,994</b>

Table 2a  
Roane County Government and DPCU School Department Changes in Net Assets

Governmental Activities

	Roane County Government		DPCU School Department	
	2012	2011	2012	2011
<b>Revenues:</b>				
<b>Program Revenues:</b>				
Charges for Services	\$ 7,434,178	\$ 6,943,176	\$ 1,556,143	\$ 1,616,010
Operating Grants and Contributions	2,928,692	3,020,902	8,656,640	7,567,087
Capital Grants and Contributions	1,678,012	915,034	15,387,297	11,689,757
<b>General Revenues:</b>				
Property Taxes	14,317,022	14,169,472	13,051,669	12,300,387
Sales Taxes	731,668	688,978	7,291,062	7,678,261
Other Taxes	1,494,834	1,318,611	3,147	3,422
Grants and Contributions Not Restricted to Specific Programs	3,392,485	2,510,184	31,762,237	32,307,017
Unrestricted Investment Earnings	46,602	51,010	39,196	45,637
Sale of Property	0	0	145,278	0
Other	39,350	53,483	88,949	129,974
<b>Total Revenues</b>	<b>\$ 32,062,843</b>	<b>\$ 29,670,850</b>	<b>\$ 77,981,618</b>	<b>\$ 73,337,552</b>

Table 2a

## Roane County Government and DPCU School Department Changes in Net Assets (Cont.)

Governmental Activities

	Roane County Government		DPCU School Department	
	2012	2011	2012	2011
<b>Expenses:</b>				
General Government	\$ 3,224,579	\$ 2,878,802	\$ 0	\$ 0
Finance	2,054,453	2,043,024	0	0
Administration of Justice	2,212,871	1,921,972	0	0
Public Safety	6,918,546	6,809,883	0	0
Public Health and Welfare	5,653,472	5,932,081	0	0
Social, Cultural, and Recreational Services	285,356	241,630	0	0
Agriculture and Natural Resources	133,226	122,654	0	0
Other Operations	4,565,886	2,157,050	0	0
Highways	3,613,789	3,564,340	0	0
Education	805,893	714,528	66,155,195	63,693,890
Interest on Long-term Debt	2,121,037	2,229,194	0	0
Other Debt Service	380,738	282,333	0	0
Total Expenses	<u>\$ 31,969,846</u>	<u>\$ 28,897,491</u>	<u>\$ 66,155,195</u>	<u>\$ 63,693,890</u>
Transfers	70,746	(2,611,669)		
Change in Net Assets	\$ 163,743	\$ (1,838,310)	\$ 11,826,423	\$ 9,643,662
Net Assets, July 1	<u>7,604,158</u>	<u>9,442,468</u>	<u>75,539,822</u>	<u>65,896,160</u>
Net Assets, June 30	<u>\$ 7,767,901</u>	<u>\$ 7,604,158</u>	<u>\$ 87,366,245</u>	<u>\$ 75,539,822</u>

Table 2b

## Roane County Government Changes in Net Assets

Business-type Activities

	Roane County Government	
	2012	2011
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 947,260	\$ 705,652
Capital Grants and Contributions	392,011	0
Total Revenues	<u>\$ 1,339,271</u>	<u>\$ 705,652</u>
<b>Expenses:</b>		
General Government	\$ 809,972	\$ 557,327
Total Expenses	<u>\$ 809,972</u>	<u>\$ 557,327</u>
Transfers	(70,746)	2,611,669
Change in Net Assets	\$ 458,553	\$ 2,759,994
Net Assets, July 1	<u>2,759,994</u>	<u>0</u>
Net Assets, June 30	<u>\$ 3,218,547</u>	<u>\$ 2,759,994</u>

Expenses for Public Safety of \$6.9 million, consisting primarily of the law enforcement and jail operating cost, accounted for approximately 21 percent of the \$31.9 million total expenses for governmental activities. Of that \$31.9 million in governmental activities expenses, \$7.4 million was covered by direct charges to users of the services. A significant portion of those charges are for fees associated with the court system and 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, unassigned 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 \$15.7 million. Approximately \$4 million of this total constitutes unassigned fund balance within the General Fund, which is available for appropriation at the government's discretion within certain legal constraints and purpose restrictions. The remainder of fund balance is restricted, committed, or assigned to indicate that it is available for spending only in certain limited instances. In the DPCU School Department's governmental funds, combined ending fund balances were \$12.4 million. Approximately \$7.3 million of this total constitutes unassigned 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, unassigned fund balance of the General Fund was \$3.9 million, while total fund balance was \$4.8 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 28 percent of total General Fund expenditures, while total fund balance represents 35 percent of that same amount.

The fund balance of the county's General Fund increased by \$1 million during the current fiscal year.

The fund balance of the Ambulance Service Fund increased \$707 thousand to end with \$784 thousand.

The Highway/Public Works Fund continues to hold its own in terms of funding the needs of the department. Expenditures exceeded revenues and other uses by \$96 thousand; however, the fund maintained an ending fund balance of \$1 million.

The General Debt Service Fund had a net increase of \$339 thousand in fund balance, and the Rural Debt Service Fund finished with a fund balance of \$2.2 million.

The fund balance of the county's General Capital Projects Fund decreased by \$884 thousand during the current fiscal year.

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, unassigned fund balance of the General Purpose School Fund was \$7.3 million, while total fund balance reached \$10 million. As a measure of the General Purpose School Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 15 percent of total General Purpose School Fund expenditures, while total fund balance represents 20 percent of that same amount.

### **Capital Assets**

The county's investment in capital assets for its governmental activities as of June 30, 2012, totals \$16.6 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, 2012, totals \$78.9 million (net of accumulated depreciation). The Notes to the Financial Statements provide additional information on capital assets activity for the year.

### **Debt Administration**

At the end of the 2012 fiscal year, the county's governmental activities had total long-term debt outstanding of \$49.2 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 AA- rating for Standard and Poor's for general obligation debt. The county's business-type activities had long-term debt outstanding of \$2.3 million.

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 totaled eight 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 8.3 percent compared to the same 8.3 percent a year ago. The state's average unemployment rate is currently 8.1 percent and the national average is 9.4 percent. Economic trends in the region are consistent with national indices. All of these factors were considered in preparing the county's budget for the 2013 fiscal year. At the end of the 2012 fiscal year, unassigned fund balance in the General Fund was \$4 million. The county has budgeted to use \$556,921 from this fund balance for fiscal year 2013.

## **Request for Information**

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

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# **BASIC FINANCIAL STATEMENTS**

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Exhibit A

Roane County, Tennessee  
Statement of Net Assets  
June 30, 2012

	Primary Government			Component Units		
	Governmental		Total	Roane County		Industrial Development Board
	Activities	Business-type Activities		School Department	Emergency Communications District	
Cash	\$ 21,370	\$ 0	\$ 21,370	\$ 91,693	\$ 399,118	\$ 598,900
Equity in Pooled Cash and Investments	17,053,187	459,379	17,512,566	12,864,155	0	0
Accounts Receivable	2,295,066	210	2,295,276	95,061	20,645	21,242
Allowance for Uncollectibles	(1,630,376)	0	(1,630,376)	0	0	0
Due from Other Governments	1,058,914	65,686	1,124,600	3,060,455	30,768	0
Due from Component Units	10,000	0	10,000	0	0	0
Property Taxes Receivable	14,651,852	0	14,651,852	13,360,750	0	0
Allowance for Uncollectible Property Taxes	(1,003,510)	0	(1,003,510)	(917,154)	0	0
Prepaid Items	0	0	0	1,969	26,931	0
Unamortized Debt Issuance Cost	930,863	0	930,863	0	0	0
Other Current Assets	0	0	0	0	1,065	0
Capital Assets:						
Assets Not Depreciated:						
Land	4,699,275	5,000	4,704,275	1,357,524	30,056	5,646,743
Construction in Progress	106,698	177,374	284,072	16,410,536	0	213,577
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	12,607,501	34,648	12,642,149	58,608,009	218,963	0
Other Capital Assets	3,552,836	520,843	4,073,679	2,504,872	603,694	103,239
Infrastructure - Roads, Streets, and Bridges	21,846,519	4,368,069	26,214,588	0	0	0
Total Assets	\$ 76,200,195	\$ 5,631,209	\$ 81,831,404	\$ 107,437,870	\$ 1,331,240	\$ 6,583,701

(Continued)

Exhibit A

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

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Roane County School Department	Emergency Communications District	Industrial Development Board
Accounts Payable	\$ 468,737	\$ 37,211	\$ 505,948	\$ 1,694,904	\$ 865	\$ 0
Contracts Payable	457,334	0	457,334	1,072,413	0	0
Retainage Payable	20,609	0	20,609	60,449	0	0
Accrued Payroll	193,335	2,704	196,039	31,039	11,017	0
Accrued Interest Payable	279,793	0	279,793	0	0	0
Payroll Deductions Payable	1,116	0	1,116	3,334	385	0
Due to Roane Alliance	0	0	0	0	0	44,193
Due to State of Tennessee	10,701	0	10,701	0	0	0
Due to Primary Government	0	0	0	10,000	0	0
Other Current Liabilities	141,471	0	141,471	68,193	0	0
Deferred Revenue - Property Taxes	13,255,290	0	13,255,290	12,083,432	0	0
Land Sale Deposits	0	0	0	0	0	138,175
Noncurrent Liabilities:						
Due Within One Year	3,502,994	39,671	3,542,665	129,195	46,613	0
Due in More Than One Year	50,100,914	2,333,076	52,433,990	4,918,666	82,858	0
Total Liabilities	\$ 68,432,294	\$ 2,412,662	\$ 70,844,956	\$ 20,071,625	\$ 141,738	\$ 182,368

LIABILITIES

(Continued)

Exhibit A

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

	Primary Government		Component Units			
	Governmental Activities	Business-type Activities	Total	Roane County School Department	Emergency Communications District	Industrial Development Board
Invested in Capital Assets, Net of Related Debt	\$ 16,643,945	\$ 2,733,187	\$ 19,377,132	\$ 0	\$ 727,715	\$ 0
Invested in Capital Assets	0	0	0	78,880,941	0	5,963,559
Restricted for:						
Administration of Justice	113,664	0	113,664	0	0	0
Public Safety	92,591	0	92,591	0	0	0
Public Health and Welfare	2,512,824	0	2,512,824	0	0	0
Highways	1,241,616	0	1,241,616	0	0	0
Debt Service	6,686,315	0	6,686,315	0	0	0
Capital Projects	814,668	0	814,668	742,512	0	0
Other	786,237	0	786,237	0	0	0
Education	198,061	0	198,061	1,101,692	0	0
Unrestricted	(21,322,020)	485,360	(20,836,660)	6,641,100	461,787	437,774
Total Net Assets	\$ 7,767,901	\$ 3,218,547	\$ 10,986,448	\$ 87,366,245	\$ 1,189,502	\$ 6,401,333

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, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues				Primary Government			Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Roane County School Department	Emergency Communications District	Industrial Development Board
<b>Primary Government:</b>										
<b>Governmental Activities:</b>										
General Government	\$ 3,224,579	\$ 615,382	\$ 87,301	\$ 0	\$ (2,521,896)	\$ 0	\$ (2,521,896)	\$ 0	\$ 0	\$ 0
Finance	2,054,453	1,231,210	0	0	(823,243)	0	(823,243)	0	0	0
Administration of Justice	2,212,871	1,054,950	9,000	0	(1,148,921)	0	(1,148,921)	0	0	0
Public Safety	6,918,546	574,852	224,336	41,511	(6,077,847)	0	(6,077,847)	0	0	0
Public Health and Welfare	5,653,472	3,126,315	561,581	297,491	(1,668,085)	0	(1,668,085)	0	0	0
Social, Cultural, and Recreational Services	285,356	144,559	379	570,134	429,716	0	429,716	0	0	0
Agriculture and Natural Resources	133,226	0	0	0	(133,226)	0	(133,226)	0	0	0
Other Operations	4,565,886	0	103,203	579,188	(3,883,495)	0	(3,883,495)	0	0	0
Highways/Public Works	3,613,789	66,878	1,918,007	189,688	(1,439,216)	0	(1,439,216)	0	0	0
Education	805,893	620,032	24,885	0	(160,976)	0	(160,976)	0	0	0
Interest on Long-term Debt	2,121,037	0	0	0	(2,121,037)	0	(2,121,037)	0	0	0
Other Debt Service	380,738	0	0	0	(380,738)	0	(380,738)	0	0	0
<b>Total Governmental Activities</b>	<b>\$ 31,969,846</b>	<b>\$ 7,434,178</b>	<b>\$ 2,928,692</b>	<b>\$ 1,678,012</b>	<b>\$ (19,928,964)</b>	<b>\$ 0</b>	<b>\$ (19,928,964)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Business-type Activities:</b>										
Water and Sewer	\$ 809,972	\$ 947,260	\$ 0	\$ 392,011	\$ 0	\$ 529,299	\$ 529,299	\$ 0	\$ 0	\$ 0
<b>Total Business-type Activities</b>	<b>\$ 809,972</b>	<b>\$ 947,260</b>	<b>\$ 0</b>	<b>\$ 392,011</b>	<b>\$ 0</b>	<b>\$ 529,299</b>	<b>\$ 529,299</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total Primary Government</b>	<b>\$ 32,779,818</b>	<b>\$ 8,381,438</b>	<b>\$ 2,928,692</b>	<b>\$ 2,070,023</b>	<b>\$ (19,928,964)</b>	<b>\$ 529,299</b>	<b>\$ (19,399,665)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Component Units:</b>										
Roane County School Department	\$ 66,155,195	\$ 1,556,143	\$ 8,656,640	\$ 15,387,297	\$ 0	\$ 0	\$ (40,555,115)	\$ 0	\$ 0	\$ 0
Emergency Communications District	1,013,669	414,094	251,298	0	0	0	(348,277)	0	0	0
Industrial Development Board	1,210,418	0	0	0	0	0	0	0	0	(1,210,418)
<b>Total Component Units</b>	<b>\$ 68,379,282</b>	<b>\$ 1,970,237</b>	<b>\$ 8,907,938</b>	<b>\$ 15,387,297</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (40,555,115)</b>	<b>\$ (348,277)</b>	<b>\$ (1,210,418)</b>	<b>\$ 0</b>

(Continued)

Exhibit B

Roane County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Roane County		Emergency Communica-tions District		Industrial Development Board
						Governmental Activities	Primary Government Business-type Activities	School Department	Communications District	
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes	\$ 8,165,166	\$ 0	\$ 8,165,166	\$ 0	\$ 8,165,166	\$ 13,051,669	\$ 0	\$ 0	\$ 0	\$ 0
Property Taxes Levied for Highway/Public Works	1,250,192	0	1,250,192	0	1,250,192	0	0	0	0	0
Property Taxes Levied for Debt Service	3,505,086	0	3,505,086	0	3,505,086	0	0	0	0	0
Property Taxes Levied for Other Purposes	1,396,578	0	1,396,578	0	1,396,578	0	0	0	0	0
Local Option Sales Taxes	731,668	0	731,668	0	731,668	7,291,062	0	0	0	0
Litigation Tax - General	298,999	0	298,999	0	298,999	0	0	0	0	0
Litigation Tax - Jail, Workhouse, and Courthouse	242,120	0	242,120	0	242,120	0	0	0	0	0
Business Tax	602,705	0	602,705	0	602,705	0	0	0	0	0
Wholesale Beer Tax	172,010	0	172,010	0	172,010	0	0	0	0	0
Other Local Taxes	179,000	0	179,000	0	179,000	3,147	0	0	0	0
Grants and Contributions Not Restricted to Specific Programs	3,392,485	0	3,392,485	0	3,392,485	31,762,237	413,939	522,133	522,133	522,133
Unrestricted Investment Income	46,602	0	46,602	0	46,602	39,196	1,443	2,454	2,454	2,454
Miscellaneous	39,350	0	39,350	0	39,350	88,949	3,505	350	350	350
Gain on Disposal of Equipment	0	0	0	0	0	145,278	1,736	0	0	0
Total General Revenues	\$ 20,021,961	\$ 0	\$ 20,021,961	\$ 0	\$ 20,021,961	\$ 52,381,538	\$ 420,623	\$ 524,937	\$ 524,937	\$ 524,937
Transfers										
Change in Net Assets	\$ 70,746	\$ (70,746)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Assets, July 1, 2011	\$ 163,743	\$ 458,553	\$ 622,296	\$ 2,759,994	\$ 10,364,152	\$ 11,826,423	\$ 72,346	\$ (685,481)	\$ 7,086,814	\$ 7,086,814
Net Assets, June 30, 2012	\$ 7,767,901	\$ 3,218,547	\$ 10,986,448	\$ 3,218,547	\$ 10,986,448	\$ 87,366,245	\$ 1,189,502	\$ 6,401,333	\$ 6,401,333	\$ 6,401,333

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, 2012

	Major Funds							Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General		Rural Debt Service	General Capital Projects	Other Governmental Funds		
				Debt Service	Service					
Cash	\$ 12,195	\$ 4,127	\$ 818	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,230	\$ 21,370	
Equity in Pooled Cash and Investments	4,597,317	562,599	889,559	2,537,377	2,212,870	1,604,970	3,126,033	15,530,725	2,295,052	
Accounts Receivable	137,540	2,092,688	12,807	5,100	0	29,974	16,943	0	(1,630,376)	
Allowance for Uncollectibles	0	(1,630,376)	0	0	0	0	0	0	0	
Due from Other Governments	611,816	0	321,580	2,995	123	0	122,400	0	1,058,914	
Due from Other Funds	4,271	0	0	0	0	0	0	0	4,271	
Due from Component Units	10,000	0	0	0	0	0	0	0	10,000	
Property Taxes Receivable	8,629,922	135,904	1,291,091	1,902,660	1,381,093	407,713	903,469	(61,155)	14,651,852	
Allowance for Uncollectible Property Taxes	(592,405)	(9,329)	(88,628)	(130,609)	(93,397)	(27,987)	(61,155)	0	(1,003,510)	
Advances to Other Funds	0	0	0	1,000,000	0	0	0	0	1,000,000	
<b>Total Assets</b>	<b>\$ 13,410,656</b>	<b>\$ 1,155,613</b>	<b>\$ 2,427,227</b>	<b>\$ 5,317,523</b>	<b>\$ 3,500,689</b>	<b>\$ 2,014,670</b>	<b>\$ 4,111,920</b>	<b>\$ 31,938,298</b>		

ASSETS

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ 140,091	\$ 55,762	\$ 1,830	\$ 2,140	\$ 0	\$ 14,037	\$ 73,641	\$ 287,501
Accrued Payroll	135,979	25,037	16,122	0	0	0	14,733	191,871
Payroll Deductions Payable	1,116	0	0	0	0	0	0	1,116
Contracts Payable	0	0	0	0	0	457,354	0	457,354
Retainage Payable	0	0	0	0	0	20,609	0	20,609
Due to Other Funds	0	0	0	0	0	0	4,271	4,271
Due to State of Tennessee	10,701	0	0	0	0	0	0	10,701
Advances Payable to Other Funds	0	0	0	0	0	1,000,000	0	1,000,000
Other Current Liabilities	141,471	0	0	0	0	0	0	141,471
Deferred Revenue - Current Property Taxes	7,804,882	122,911	1,167,659	1,720,761	1,251,655	368,735	818,687	13,255,290
Deferred Revenue - Delinquent Property Taxes	220,098	3,467	32,928	48,526	33,693	10,399	22,204	371,315
Other Deferred Revenues	114,548	164,404	165,126	0	0	0	67,721	511,799
<b>Total Liabilities</b>	<b>\$ 8,568,886</b>	<b>\$ 371,581</b>	<b>\$ 1,383,665</b>	<b>\$ 1,771,427</b>	<b>\$ 1,285,348</b>	<b>\$ 1,871,114</b>	<b>\$ 1,001,257</b>	<b>\$ 16,253,278</b>

(Continued)

Exhibit C-1

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

	Major Funds							Nonmajor	Total
	General	Ambulance Service	Highway/ Public Works	General Debt Service	Rural Debt Service	General Capital Projects	Other		
							Governmental Funds		
\$	72,561	0	0	0	0	0	41,103	\$ 113,664	
	0	0	0	0	0	0	92,591	92,591	
	0	784,032	0	0	0	0	1,480,596	2,264,628	
	162,868	0	0	0	0	0	619,588	782,456	
	0	0	1,043,562	0	0	0	0	1,043,562	
	620,768	0	0	0	0	143,556	39,945	804,269	
	0	0	0	3,546,096	2,215,341	0	836,840	6,598,277	
	8,367	0	0	0	0	0	0	8,367	
	31,402	0	0	0	0	0	0	31,402	
	3,945,804	0	0	0	0	0	0	3,945,804	
<b>Total Fund Balances</b>	<b>4,841,770</b>	<b>784,032</b>	<b>1,043,562</b>	<b>3,546,096</b>	<b>2,215,341</b>	<b>143,556</b>	<b>3,110,663</b>	<b>15,685,020</b>	
<b>Total Liabilities and Fund Balances</b>	<b>13,410,656</b>	<b>1,155,613</b>	<b>2,427,227</b>	<b>5,317,523</b>	<b>3,500,689</b>	<b>2,014,670</b>	<b>4,111,920</b>	<b>31,938,298</b>	

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

Roane County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
June 30, 2012

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)		\$	15,685,020
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	4,699,275	
Add: construction in progress		106,698	
Add: infrastructure net of accumulated depreciation		21,846,519	
Add: building and improvements net of accumulated depreciation		12,607,501	
Add: other capital assets net of accumulated depreciation		<u>3,552,836</u>	42,812,829
(2) 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.			1,339,776
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loans payable	\$	(4,222,307)	
Less: bonds payable		(45,010,000)	
Add: deferred amount on refunding		632,860	
Add: deferred charges - debt issuance costs		930,863	
Less: other deferred revenue - premium on debt		(1,191,288)	
Less: compensated absences payable		(336,197)	
Less: landfill closure/postclosure care costs		(235,373)	
Less: other postemployment benefits liability		(3,241,603)	
Less: accrued interest on bonds, other loans payable and capital leases		<u>(279,793)</u>	(52,952,838)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>883,114</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>7,767,901</u></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, 2012

	Major Funds							Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General		Rural Debt Service	General Capital Projects	Other	Governmental Funds	
				Debt Service	Service					
<u>Revenues</u>										
Local Taxes	\$ 9,728,550	\$ 138,930	\$ 1,350,704	\$ 2,719,991	\$ 1,478,366	\$ 635,212	\$ 2,019,682	\$ 18,071,435		
Licenses and Permits	347,477	0	0	0	0	0	0	347,477		
Fines, Forfeitures, and Penalties	158,126	0	0	0	0	0	0	66,892		225,018
Charges for Current Services	387,869	3,227,907	19,163	0	0	65,684	244,558	3,945,181		
Other Local Revenues	161,106	10,276	71,546	600,827	6,530	517,484	302,805	1,670,574		
Fees Received from County Officials	2,257,460	0	0	0	0	0	0	2,257,460		
State of Tennessee	1,961,707	0	1,993,335	0	0	104,454	814,903	4,874,399		
Federal Government	187,595	0	0	0	0	561,262	0	748,857		
Other Governments and Citizens Groups	26,611	0	52,335	24,885	0	0	0	103,831		
Total Revenues	\$ 15,216,501	\$ 3,377,113	\$ 3,487,083	\$ 3,345,703	\$ 1,484,896	\$ 1,884,096	\$ 3,448,840	\$ 32,244,232		
<u>Expenditures</u>										
Current:										
General Government	\$ 1,929,861	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28	\$ 1,929,889		
Finance	2,003,831	0	0	0	0	0	431	2,004,262		
Administration of Justice	2,131,290	0	0	0	0	0	33,563	2,164,853		
Public Safety	5,787,947	0	0	0	0	0	448,970	6,236,917		
Public Health and Welfare	770,658	2,871,374	0	0	0	0	1,730,373	5,372,405		
Social, Cultural, and Recreational Services	238,399	0	0	0	0	0	0	238,399		
Agriculture and Natural Resources	132,113	0	0	0	0	0	0	132,113		
Other Operations	875,166	0	0	0	0	2,098,209	1,336,663	4,310,038		
Highways	58,986	0	3,433,543	0	0	0	0	3,492,529		
Debt Service:										
Principal on Debt	0	0	0	1,674,885	1,090,000	0	260,000	3,024,885		
Interest on Debt	0	0	0	1,393,597	655,115	0	84,398	2,133,110		
Other Debt Service	0	0	0	87,187	30,001	0	6,067	123,255		
Capital Projects	0	0	0	0	0	2,001,418	0	2,001,418		
Total Expenditures	\$ 13,928,251	\$ 2,871,374	\$ 3,433,543	\$ 3,155,669	\$ 1,775,116	\$ 4,099,627	\$ 3,900,493	\$ 33,164,073		
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,288,250	\$ 505,739	\$ 53,540	\$ 190,034	\$ (290,220)	\$ (2,215,531)	\$ (451,653)	\$ (919,841)		

(Continued)

Exhibit C-3

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

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General		Rural Debt Service	General Capital Projects	Other Governmental Funds	
				Debt Service	Debt Service				
<u>Other Financing Sources (Uses)</u>									
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 414,619	\$ 0	\$ 414,619
Insurance Recovery	15,629	1,091	0	0	0	0	14,507	0	31,227
Transfers In	79,971	200,000	0	149,344	0	0	902,064	148,000	1,479,379
Transfers Out	(428,000)	0	(149,344)	0	0	0	0	(831,289)	(1,408,633)
Total Other Financing Sources (Uses)	\$ (332,400)	\$ 201,091	\$ (149,344)	\$ 149,344	\$ 0	\$ 0	\$ 1,331,190	\$ (683,289)	\$ 516,592
Net Change in Fund Balances	\$ 955,850	\$ 706,830	\$ (95,804)	\$ 339,378	\$ (290,220)	\$ (884,341)	\$ (1,134,942)	\$ (403,249)	\$ (403,249)
Fund Balance, July 1, 2011	3,885,920	77,202	1,139,366	3,206,718	2,505,561	1,027,897	4,245,605	16,088,269	16,088,269
Fund Balance, June 30, 2012	\$ 4,841,770	\$ 784,032	\$ 1,043,562	\$ 3,546,096	\$ 2,215,341	\$ 143,556	\$ 3,110,663	\$ 15,685,020	\$ 15,685,020

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, 2012

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)		\$ (403,249)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,402,573	
Less: current-year depreciation expense	<u>(2,556,423)</u>	(153,850)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: net book value of assets disposed		(14,267)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2012	\$ 883,114	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(1,705,756)</u>	(822,642)
(4) 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	\$ (414,619)	
Less: change in premium on debt issuances	(87,302)	
Less: change in deferred debt issuance costs	(86,260)	
Add: principal payments on bonds	2,850,000	
Add: principal payments on other loans	174,885	
Less: change in deferred amount on refunding debt	<u>(83,921)</u>	2,352,783
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 12,073	
Change in compensated absences payable	(15,582)	
Change in landfill closure/postclosure care cost	50,240	
Change in other postemployment benefits liability	<u>(661,825)</u>	(615,094)
(6) 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>(179,938)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 163,743</u>

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

Roane County, Tennessee  
Statement of Net Assets  
Proprietary Funds  
June 30, 2012

	Business-type Activities - Major Fund	Governmental Activities - Internal Service Funds Employee Insurance Funds
	Enterprise Fund	
	Public Utility Fund	
<u>ASSETS</u>		
Current Assets:		
Equity in Pooled Cash and Investments	\$ 459,379	\$ 1,522,462
Accounts Receivable	210	14
Due from Other Governments	65,686	0
Total Current Assets	<u>\$ 525,275</u>	<u>\$ 1,522,476</u>
Noncurrent Assets:		
Capital Assets:		
Assets Not Depreciated:		
Land	\$ 5,000	\$ 0
Construction in Progress	177,374	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	34,648	0
Machinery and Equipment	520,843	0
Infrastructure	4,368,069	0
Total Noncurrent Assets	<u>\$ 5,105,934</u>	<u>\$ 0</u>
Total Assets	<u>\$ 5,631,209</u>	<u>\$ 1,522,476</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 37,211	\$ 407
Accrued Payroll	2,704	1,464
Claims and Judgments Payable	0	180,829
Current Portion of Long-term Liabilities	39,671	0
Total Current Liabilities	<u>\$ 79,586</u>	<u>\$ 182,700</u>
Noncurrent Liabilities:		
Due in More Than One Year	\$ 2,333,076	\$ 0
Total Noncurrent Liabilities	<u>\$ 2,333,076</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 2,412,662</u>	<u>\$ 182,700</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt Unrestricted	<u>\$ 2,733,187</u> <u>485,360</u>	<u>\$ 0</u> <u>1,339,776</u>
Total Net Assets	<u>\$ 3,218,547</u>	<u>\$ 1,339,776</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, 2012

	Business-type Activities - Major Fund	Governmental Activities - Internal Service Funds
	Enterprise Fund	Employee Insurance Funds
	Public Utility Fund	
<u>Operating Revenues</u>		
Charges for Services	\$ 947,260	\$ 1,032,459
Total Operating Revenues	<u>\$ 947,260</u>	<u>\$ 1,032,459</u>
<u>Operating Expenses</u>		
Salaries and Benefits	\$ 225,028	\$ 10,921
Handling Charges and Administration	0	52,594
Advertising	20	0
Audit Services	1,950	0
Communication	1,917	0
Dues and Memberships	1,426	0
Engineering Services	20,279	0
Licenses	3,685	0
Maintenance Agreements	2,800	0
Maintenance and Repair Services	47,245	0
Postal Charges	41	0
Rentals	260	0
Travel	0	3,459
Disposal Fees	11,176	0
Permits	5,874	0
Other Contracted Services	9,048	0
Crushed Stone	403	0
Diesel Fuel	899	0
Electricity	66,559	0
Food Supplies	89	0
Gasoline	8,369	0
Uniforms	2,087	0
Water and Sewer	26,190	0
Testing	7,250	0
Chemicals	22,091	0
Building and Contents Insurance	1,919	0
Liability Insurance	18,046	0
Medical Claims	0	1,077,370
Trustee's Commission	9,753	0
Vehicle and Equipment Insurance	1,445	0

(Continued)

Exhibit D-2

Roane County, Tennessee  
Statement of Revenues, Expenses, and  
Changes in Net Assets  
Proprietary Funds (Cont.)

	Business-type Activities - Major Fund	Governmental Activities - Internal Service Funds
	Enterprise Fund	Employee Insurance Funds
	Public Utility Fund	
<u>Operating Expenses (Cont.)</u>		
Workers' Compensation Insurance	\$ 3,500	\$ 72,314
Depreciation	249,855	0
Other Charges	13,389	0
Solid Waste Equipment	540	0
Total Operating Expenses	<u>\$ 763,133</u>	<u>\$ 1,216,658</u>
Operating Income (Loss)	<u>\$ 184,127</u>	<u>\$ (184,199)</u>
<u>Nonoperating Revenues (Expenses)</u>		
Investment Income	\$ 0	\$ 4,261
Interest on Bonds	(34,530)	0
Interest on Other Loans	(12,309)	0
Grants	392,011	0
Total Nonoperating Revenue (Expenses)	<u>\$ 345,172</u>	<u>\$ 4,261</u>
Income (Loss) Before Contributions and Transfers	\$ 529,299	\$ (179,938)
Transfers Out	(70,746)	0
Change in Net Assets	\$ 458,553	\$ (179,938)
Net Assets, July 1, 2011	<u>2,759,994</u>	<u>1,519,714</u>
Net Assets, June 30, 2012	<u>\$ 3,218,547</u>	<u>\$ 1,339,776</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, 2012

	Business-type Activities - Major Fund Enterprise Fund Public Utility Fund	Governmental Activities - Internal Service Funds Employee Insurance Funds
<u>Cash Flows from Operating Activities</u>		
Receipts from Customers and Users	\$ 950,455	\$ 0
Receipts from Self-Insurance Premiums	0	1,032,445
Payments to Vendors	(245,910)	0
Payments to Employees	(229,896)	(10,489)
Payments to Insurers	(24,910)	(72,314)
Payments for Claims	0	(1,190,981)
Payments for Administrative Costs	0	(56,556)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 449,739</u>	<u>\$ (297,895)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Proceeds from Capital Debt	\$ 1,568,042	\$ 0
Capital Grants	392,011	0
Acquisition and Construction of Capital Assets	(2,446,538)	0
Principal Paid on Bonds	(34,223)	0
Interest Paid on Bonds	(34,530)	0
Interest Paid on Other Loans Payable	(12,309)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (567,547)</u>	<u>\$ 0</u>
<u>Cash Flows from Noncapital Financing Activities</u>		
Transfers to Other Funds	\$ (70,745)	\$ 0
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (70,745)</u>	<u>\$ 0</u>
<u>Cash Flows from Investing Activities</u>		
Interest on Investments	\$ 0	\$ 4,261
Net Cash Provided By (Used In) Investing Activities	<u>\$ 0</u>	<u>\$ 4,261</u>
Increase (Decrease) in Cash	\$ (188,553)	\$ (293,634)
Cash, July 1, 2011	<u>647,932</u>	<u>1,816,096</u>
Cash, June 30, 2012	<u>\$ 459,379</u>	<u>\$ 1,522,462</u>

(Continued)

Roane County, Tennessee  
Statement of Cash Flows  
Proprietary Funds (Cont.)

	Business-type Activities - Major Fund	Governmental Activities - Internal Service Funds
	Enterprise Fund	Employee Insurance Funds
	Public Utility Fund	
<u>Reconciliation of Net Operating Income (Loss)</u>		
<u>to Net Cash Provided By (Used In) Operating Activities</u>		
Operating Income (Loss)	\$ 184,127	\$ (184,199)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	249,855	0
Changes in Assets and Liabilities:		
(Increase) Decrease in Current Operating Receivables	3,196	(14)
Increase (Decrease) in Accounts Payable	17,429	0
Increase (Decrease) in Accrued Payroll	(4,868)	0
Increase (Decrease) in Other Current Operating Liabilities	0	(113,682)
	<u>0</u>	<u>(113,682)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 449,739</u>	<u>\$ (297,895)</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, 2012

	Private Purpose Trust Fund	
	<u>Endowment Fund</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash	\$ 20,050	\$ 1,222,931
Equity in Pooled Cash and Investments	0	424,996
Accounts Receivable	0	4,408
Due from Other Governments	0	1,284,043
Property Taxes Receivable	0	773,295
Allowance for Uncollectible Property Taxes	0	(53,084)
Notes Receivable - Long-term	0	655,694
	<u>0</u>	<u>655,694</u>
Total Assets	<u>\$ 20,050</u>	<u>\$ 4,312,283</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 50	\$ 13,844
Accrued Payroll	0	18,459
Due to Other Taxing Units	0	1,996,118
Due to Litigants, Heirs, and Others	0	1,222,931
Due to Joint Ventures	0	179,300
Other Current Liabilities	0	818,016
Current Liabilities Payable from Restricted Assets:		
Other Payables from Restricted Assets	0	63,615
	<u>0</u>	<u>63,615</u>
Total Liabilities	<u>\$ 50</u>	<u>\$ 4,312,283</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, 2012

	Private Purpose Trust Fund <hr/> Endowment Fund
<u>ADDITIONS</u>	
Investment Income:	
Interest	\$          50
Total Additions	<hr/> \$          50
<u>DEDUCTIONS</u>	
Education:	
Scholarships	\$          50
Total Deductions	<hr/> \$          50
Change in Net Assets	\$          0
Net Assets, July 1, 2011	<hr/> 20,000
Net Assets, June 30, 2012	<hr/> <hr/> \$      20,000

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

**ROANE COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2012**

**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.

**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. 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 \$399,750 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, TN 37763

Roane County Emergency Communications District  
P.O. Box 236  
Rockwood, TN 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Roane County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Roane County issues all debt for the discretely presented Roane County School Department. Net debt issues totaling \$414,619 were contributed by the county to the School Department during the year ended June 30, 2012.

Separate financial statements are provided for governmental funds, proprietary funds (internal service and enterprise), 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 and the major enterprise fund 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 and proprietary categories. Roane County reports three proprietary funds: two internal service funds and one enterprise fund.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and the major enterprise fund 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, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Roane County reports the following major governmental funds:

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

**Ambulance Service Fund** – This special revenue fund accounts for transactions of the Roane County Ambulance Service. Local taxes and patient charges are the foundational revenues for this fund.

**Highway/Public Works Fund** – This special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

**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.

**General Capital Projects Fund** – This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Roane County reports the following major proprietary fund:

**Public Utility Fund** – This fund accounts for transactions related to the treatment of wastewater.

Additionally, Roane County reports the following fund types:

**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 Insurance - Dental and the Workers' Compensation funds, are used to account for the county's self-insured 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 by 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 funds:

**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.

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

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

**Special Revenue Funds** – These funds account for and report the proceeds of specific revenue sources that are restricted or committed

to expenditure for specified purposes other than debt service or capital projects.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to the same limitations. Roane County has elected not to follow subsequent private-sector guidance.

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 three proprietary funds, an enterprise fund used to account for wastewater operations and two internal service funds used to account for the employees' dental insurance 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 revenue of the county's enterprise fund is charges for services from users. Operating expenses for the enterprise fund include salaries and depreciation of capital assets. 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 expenses, and excess risk workers' compensation insurance.

## **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; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible

debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

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, Rural Debt Service, and General Purpose School funds. 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 that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. Advances between funds, as reported in the General Debt Service Fund financial statements are included in restricted fund balance.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 3.67 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 totaling \$141,471 reflected for the primary government on the Statement of Net Assets represent amounts assessed by an insurance risk pool administrator. This liability is discussed in Note V.A., Risk Management. Other current liabilities totaling \$68,193 reflected for the discretely presented School Department on the Statement of Net Assets represent monies refunded to the School Department in error by the Internal Revenue Service.

Retainage payable represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments.

**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. Prepaids are offset in the nonspendable fund balance account in governmental funds.

**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 and business-type columns 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 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 the discretely presented School Department. 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 and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type 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, other postemployment benefits, 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.

As of June 30, 2012, Roane County had \$23,499,700 in outstanding debt for capital purposes of other entities (schools of \$16,937,307 and industrial purposes of \$6,562,393). In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Oak Ridge School System) based on an average daily attendance proration. This debt is a liability of Roane County; but the capital assets acquired are reported in the financial statements of the School Department and the City of Oak Ridge School System. Therefore, Roane County has incurred a liability, significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

It is the county's policy that unrestricted amounts would be reduced first followed by restricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that unassigned amounts would be reduced first, followed by assigned amounts, and then committed amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

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

**Nonspendable Fund Balance** – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted Fund Balance** – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed Fund Balance** – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal

resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission and the Board of Education are authorized bodies to make assignments. Assigned fund balance is the School Department's General Purpose School Fund (\$915,350) consists primarily of assignments for encumbrances (\$193,421) and other postemployment benefits (\$693,128).

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

**8. Optimal Fund Balance Policy**

The county does not have a minimum fund balance policy; however, the County Commission and Board of Education have adopted policies establishing optimal fund balances to provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds. The following optimal fund balance policies apply to the sum of restricted, committed, assigned, and unassigned fund balance, with the exception of the General Purpose School Fund for which the policy applies only to unassigned fund balance.

**Primary Government**

General Fund – 35 to 45 percent of current-year appropriations

Highway/Public Works Fund – seven to 15 percent of current-year appropriations

Debt Service Funds – the county will typically have one year of future payments as fund balance

**Discretely Presented Roane County School Department**

General Purpose School Fund – seven to ten percent of operating expenditures

School Cafeteria Fund – 15 to 30 percent of operating expenditures

School Transportation Fund – ten to 20 percent of operating expenditures

Extended School Program Fund – 15 to 40 percent of operating expenditures

**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

#### A. Budgetary Information

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

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

The budgetary level of control is at the major category level established by the County 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.

At June 30, 2012, Roane County had the following significant encumbrances:

<u>Funds</u>	<u>Description</u>	<u>Amount</u>
Primary Government:		
General Capital Projects	Construction	\$ 420,914
School Department:		
Education Capital Projects	Construction	3,419,776
Central Cafeteria	Equipment	39,475

#### B. Expenditures and Encumbrances Exceeded Appropriations

Expenditures and encumbrances exceeded appropriations approved by the County Commission in the County Coroner/Medical Examiner and Employee Benefits major appropriation categories (the legal level of control) of the General Fund by \$1,709 and \$39,000, respectively. Expenditures that exceed

appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

#### 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 reflected on the balance sheets or statements of net assets represents 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 fair 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; deposits at state and federal chartered banks and savings and loans associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; 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 Comptroller's Office 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, 2012, Roane County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Roane County and the discretely presented Roane County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Cost</u>
State Treasurer's Investment Pool	6 to 164	\$ 25,162,681

**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, 2012, Roane County's investment in the State Treasurer's Investment Pool was unrated.

**B. Notes Receivable**

Notes receivable consists of industrial loans totaling \$655,694 in the Community Development - Agency Fund from local businesses.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2012, was as follows:

## Primary Government

### Governmental Activities:

	Balance			Balance
	7-1-11	Increases	Decreases	6-30-12
Capital Assets				
Not Depreciated:				
Land	\$ 4,638,032	\$ 61,243	\$ 0	\$ 4,699,275
Construction in Progress	0	106,698	0	106,698
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 4,638,032</b>	<b>\$ 167,941</b>	<b>\$ 0</b>	<b>\$ 4,805,973</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,949,725	\$ 278,969	\$ 0	\$ 15,228,694
Infrastructure	31,984,525	1,276,582	0	33,261,107
Other Capital Assets	9,220,800	679,081	(221,952)	9,677,929
<b>Total Capital Assets Depreciated</b>	<b>\$ 56,155,050</b>	<b>\$ 2,234,632</b>	<b>\$ (221,952)</b>	<b>\$ 58,167,730</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,230,184	\$ 391,009	\$ 0	\$ 2,621,193
Infrastructure	10,167,972	1,246,616	0	11,414,588
Other Capital Assets	5,413,980	918,798	(207,685)	6,125,093
<b>Total Accumulated Depreciation</b>	<b>\$ 17,812,136</b>	<b>\$ 2,556,423</b>	<b>\$ (207,685)</b>	<b>\$ 20,160,874</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 38,342,914</b>	<b>\$ (321,791)</b>	<b>\$ (14,267)</b>	<b>\$ 38,006,856</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 42,980,946</b>	<b>\$ (153,850)</b>	<b>\$ (14,267)</b>	<b>\$ 42,812,829</b>

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

### Governmental Activities:

General Government	\$ 115,645
Finance	21,666
Administration of Justice	35,574
Public Safety	693,823
Public Health and Welfare	265,745
Social, Cultural, and Recreational Services	52,548
Highways/Public Works	1,371,422
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 2,556,423</b>

**Business-Type Activities:**

	Balance			Balance
	7-1-11	Increases	Decreases	6-30-12
Capital Assets Not Depreciated:				
Land	\$ 5,000	\$ 0	\$ 0	\$ 5,000
Construction in Progress	189,029	177,374	(189,029)	177,374
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 194,029</b>	<b>\$ 177,374</b>	<b>\$ (189,029)</b>	<b>\$ 182,374</b>
Capital Assets Depreciated:				
Buildings and Improvements	* \$ 692,938	\$ 0	\$ 0	\$ 692,938
Infrastructure	* 3,635,118	2,137,941	0	5,773,059
Other Capital Assets	427,610	320,252	0	747,862
<b>Total Capital Assets Depreciated</b>	<b>\$ 4,755,666</b>	<b>\$ 2,458,193</b>	<b>\$ 0</b>	<b>\$ 7,213,859</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	* \$ 640,967	\$ 17,323	\$ 0	\$ 658,290
Infrastructure	* 1,203,129	201,861	0	1,404,990
Other Capital Assets	196,348	30,671	0	227,019
<b>Total Accumulated Depreciation</b>	<b>\$ 2,040,444</b>	<b>\$ 249,855</b>	<b>\$ 0</b>	<b>\$ 2,290,299</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 2,715,222</b>	<b>\$ 2,208,338</b>	<b>\$ 0</b>	<b>\$ 4,923,560</b>
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 2,909,251</b>	<b>\$ 2,385,712</b>	<b>\$ (189,029)</b>	<b>\$ 5,105,934</b>

\*Beginning balances of several assets were reclassified by management from Buildings and Improvements to Infrastructure.

Depreciation expense totaling \$249,855 was charged to the Public Utility Fund.

**Discretely Presented Roane County School Department**

**Governmental Activities:**

	Balance			Balance
	7-1-11	Increases	Decreases	6-30-12
Capital Assets Not Depreciated:				
Land	\$ 1,387,525	\$ 0	\$ (30,001)	\$ 1,357,524
Construction in Progress	14,020,206	15,623,480	(13,233,150)	16,410,536
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 15,407,731</b>	<b>\$ 15,623,480</b>	<b>\$ (13,263,151)</b>	<b>\$ 17,768,060</b>

**Governmental Activities (Cont.):**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Depreciated:				
Buildings and Improvements	\$ 76,623,780	\$ 13,233,150	\$ 0	\$ 89,856,930
Other Capital Assets	7,832,544	590,789	0	8,423,333
<b>Total Capital Assets Depreciated</b>	<b>\$ 84,456,324</b>	<b>\$ 13,823,939</b>	<b>\$ 0</b>	<b>\$ 98,280,263</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 29,378,039	\$ 1,870,882	\$ 0	\$ 31,248,921
Other Capital Assets	5,447,865	470,596	0	5,918,461
<b>Total Accumulated Depreciation</b>	<b>\$ 34,825,904</b>	<b>\$ 2,341,478</b>	<b>\$ 0</b>	<b>\$ 37,167,382</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 49,630,420</b>	<b>\$ 11,482,461</b>	<b>\$ 0</b>	<b>\$ 61,112,881</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 65,038,151</b>	<b>\$ 27,105,941</b>	<b>\$ (13,263,151)</b>	<b>\$ 78,880,941</b>

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

**Governmental Activities:**

Support Services	\$ 2,294,350
Operation of Non-Instructional Services	47,128
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 2,341,478</b>

**D. Construction Commitments**

At June 30, 2012, the primary government had uncompleted construction projects of approximately \$420,915 in the General Capital Projects Fund. Funding is expected to be received from state and federal grants.

At June 30, 2012, the School Department had uncompleted construction projects of approximately \$3,419,776 in the Education Capital Projects Fund. Funding is expected to be received from the Tennessee Valley Authority in accordance with their funding commitment discussed in Note IV.I.

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

The composition of interfund balances as of June 30, 2012, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 4,271
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	44,411

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.

**Advances to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General Debt Service	General Capital Projects	\$ 1,000,000

The amount payable to the General Debt Service Fund relates to proceeds from interfund capital outlay notes issued during the year. The notes shall mature not later than two years after the date of issuance. The notes are to be repaid from funds received from a state Fast Track Infrastructure Development Program Grant. Management does not expect the grant funds to be received within one year; therefore, no repayments are expected to be made within one year.

**Due to/from Primary Government and Component Units:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary government:	Component Unit:	
General	School Department:	
	General Purpose School	\$ 10,000

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2012, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In		
	General Fund	Ambulance Service Fund	General Debt Service Fund
General Fund	\$ 0	\$ 200,000	\$ 0
Highway/Public Works Fund	0	0	149,344
Public Utility Fund	70,746	0	0
Nonmajor governmental funds	9,225	0	0
<b>Total</b>	<b>\$ 79,971</b>	<b>\$ 200,000</b>	<b>\$ 149,344</b>

Transfers Out	Transfers In	
	General Capital Projects Fund	Nonmajor Governmental Funds
General Fund	\$ 80,000	\$ 148,000
Nonmajor governmental funds	822,064	0
<b>Total</b>	<b>\$ 902,064</b>	<b>\$ 148,000</b>

**Discretely Presented Roane County School Department**

Transfers Out	Transfers In		
	General Purpose School Fund	Education Capital Projects Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 200,000	\$ 0
Education Capital Projects Fund	0	0	495,095
Nonmajor governmental funds	31,755	0	0
<b>Total</b>	<b>\$ 31,755</b>	<b>\$ 200,000</b>	<b>\$ 495,095</b>

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

**F. Long-term Debt**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loans**

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

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 25 years for bonds and up to 17 years for other loans. The county had no outstanding capital outlay notes at June 30, 2012. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2012, will be retired from the county's debt service funds.

General obligation bonds and other loans outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bonds	2 to 5 %	6-1-25	\$ 5,881,503	\$ 4,547,202
Refunding Bonds	2 to 5	6-1-33	26,823,497	24,097,798
Rural School Bonds	2 to 3.5	6-30-20	1,325,000	1,020,000
Rural School Refunding Bonds	2 to 5	5-1-22	21,695,000	15,345,000
Other Loans - Public Building Authorities	1.6 to 6	6-1-27	6,975,000	3,650,000
Other Loans - Energy Efficient Schools	0	1-1-22	1,000,000 (1)	572,307

(1) \$400,000 remains available for draws under this loan agreement.

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 bonds and made the proceeds available for loan to Roane County. The following table summarizes loan agreements outstanding at June 30, 2012:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-12	Interest Type	Interest Rate as of 6-30-12
<u>Sevier County Public</u>				
<u>Building Authority (Series B-3-A)</u>				
Industrial Park				
Refunding	\$ 3,640,000	\$ 936,020	Fixed	1.6 to 5.85 %
Industrial Park - Land	835,000	213,980	Fixed	1.6 to 5.85
<u>Blount County Public</u>				
<u>Building Authority (Series B-13-A)</u>				
Public Improvement-County	1,750,000	1,750,000	Fixed	5.6 to 6
<u>Blount County Public</u>				
<u>Building Authority (Series B-20-A)</u>				
Public Improvement-County	750,000	<u>750,000</u>	Fixed	4.25 to 5
Total		<u>\$ 3,650,000</u>		

The annual requirements to amortize all bonds and other loans outstanding as of June 30, 2012, including interest payments, are presented in the following tables:

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2013	\$ 284,724	\$ 204,599	\$ 489,323
2014	284,724	192,226	476,950
2015	284,724	179,513	464,237
2016	684,724	316,576	1,001,300
2017	209,724	280,387	490,111
2018-2022	1,223,687	1,452,163	2,675,850
2023-2027	1,250,000	687,188	1,937,188
Total	<u>\$ 4,222,307</u>	<u>\$ 3,312,652</u>	<u>\$ 7,534,959</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 2,900,000	\$ 1,835,019	\$ 4,735,019
2014	3,010,000	1,748,969	4,758,969
2015	3,125,000	1,646,306	4,771,306
2016	2,785,000	1,539,106	4,324,106
2017	3,410,000	1,426,586	4,836,586
2018-2022	18,125,000	4,844,735	22,969,735
2023-2027	6,005,000	1,986,062	7,991,062
2028-2032	4,650,000	891,500	5,541,500
2033	1,000,000	46,250	1,046,250
<b>Total</b>	<b>\$ 45,010,000</b>	<b>\$ 15,964,533</b>	<b>\$ 60,974,533</b>

There is \$6,598,277 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$888, based on the 2010 federal census for residents living outside the Harriman and Oak Ridge school districts, \$569 for residents living inside the Harriman school district, and \$529 for residents living inside the Oak Ridge school district. Debt per capita, including bonds and other loans totaled \$966, for residents living outside the Harriman and Oak Ridge school districts, \$647 for residents living inside the Harriman school district, and \$607 for residents living inside the Oak Ridge school district based on the 2010 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

#### **Governmental Activities:**

	Bonds	Other Loans
Balance, July 1, 2011	\$ 47,860,000	\$ 3,982,573
Additions	0	414,619
Reductions	(2,850,000)	(174,885)
Balance, June 30, 2012	<u>\$ 45,010,000</u>	<u>\$ 4,222,307</u>
Balance Due Within One Year	<u>\$ 2,900,000</u>	<u>\$ 284,724</u>

	Landfill Postclosure Care Costs	Compensated Absences	Other Post- Employment Benefits
Balance, July 1, 2011	\$ 285,613	\$ 320,615	\$ 2,579,778
Additions	5,517	345,808	737,655
Reductions	(55,757)	(330,226)	(75,830)
Balance, June 30, 2012	<u>\$ 235,373</u>	<u>\$ 336,197</u>	<u>\$ 3,241,603</u>
Balance Due Within One Year	<u>\$ 34,072</u>	<u>\$ 284,198</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 53,045,480
Less: Balance Due Within One Year	(3,502,994)
Add: Unamortized Premium on Debt	1,191,288
Less: Deferred Amount on Refunding	<u>(632,860)</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 50,100,914</u>
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Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill postclosure care costs will be paid by the Other Special Revenue Fund.

**Roane County Public Utility Fund (enterprise fund)**

Revenue and general obligation bonds and other loans outstanding were issued for original terms of up to 38 years for bonds up to 20 years for other loans.

Bonds and other loans outstanding as of June 30, 2012, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
Revenue and Tax Bonds	4.75 %	4-20-40	\$ 620,000	\$ 544,705
General Obligation Bonds	2 to 3.75	6-1-20	305,000	260,000
Other Loans - Revolving Loan Fund	1.77	(2)	4,468,000	1,568,042

(1) \$2,899,958 remains available for draws under this revolving loan fund.

(2) The final maturity date will be determined once all funds are drawn.

The annual requirements to amortize all bonds and other loans outstanding as of June 30, 2012, including interest payments, are presented in the following tables:

Year Ending June 30	Other Loans			
	Principal	Interest	Fees	Total
2013	\$ 0	\$ 50,000	\$ 1,000	\$ 51,000
2014	77,875	77,564	1,254	156,693
2015	189,258	76,175	1,192	266,625
2016	192,635	72,798	1,041	266,474
2017	196,073	69,360	887	266,320
2018-2022	912,201	263,633	2,024	1,177,858
Total	\$ 1,568,042	\$ 609,530	\$ 7,398	\$ 2,184,970

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 39,671	\$ 33,344	\$ 73,015
2014	40,141	32,274	72,415
2015	40,633	30,882	71,515
2016	41,149	29,466	70,615
2017	46,690	28,025	74,715
2018-2022	172,536	115,902	288,438
2023-2027	85,602	91,968	177,570
2028-2032	108,497	72,124	180,621
2033-2037	137,518	39,182	176,700
2038-2040	92,268	6,453	98,721
Total	\$ 804,705	\$ 479,620	\$ 1,284,325

Changes in Long-term Liabilities

Long-term liability activity for the Public Utility Fund (enterprise fund) for the year ended June 30, 2012, was as follows:

**Business-type Activities:**

	Bonds	Other Loans
	<u>                    </u>	<u>                    </u>
Balance, July 1, 2011	\$ 838,928	\$ 0
Additions	0	1,568,042
Reductions	<u>(34,223)</u>	<u>0</u>
Balance, June 30, 2012	<u>\$ 804,705</u>	<u>\$ 1,568,042</u>
Balance Due Within One Year	<u>\$ 39,671</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 2,372,747
Less: Balance Due Within One Year	<u>(39,671)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,333,076</u>

**Discretely Presented Roane County School Department**

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Roane County School Department for the year ended June 30, 2012, for governmental activities was as follows:

	Compensated Absences	Other Postemployment Benefits
	<u>                    </u>	<u>                    </u>
Balance, July 1, 2011	\$ 149,428	\$ 3,822,754
Additions	186,916	1,741,599
Reductions	<u>(200,349)</u>	<u>(652,487)</u>
Balance, June 30, 2012	<u>\$ 135,995</u>	<u>\$ 4,911,866</u>
Balance Due Within One Year	<u>\$ 129,195</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 5,047,861
Less: Balance Due Within One Year	<u>(129,195)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,918,666</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

**G. On-Behalf Payments – Discretely Presented Roane County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Roane County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2012, were \$243,367 and \$56,187, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. Donor-restricted Endowments**

The county accounts for an endowment totaling \$20,000 in a private purpose trust fund, the Endowment Fund. The principal amount must remain intact while interest earned on the principal will be expended to county residents awarded educational scholarships. During the year ended June 30, 2012, interest earned totaled \$50.

**I. Funding Agreement**

On April 23, 2010, Roane County entered into a funding agreement with the Tennessee Valley Authority (TVA) for \$32 million related to a coal ash spill. TVA has agreed to provide funding for a series of school capital projects known as the Roane County School Facilities Plan as approved by the Roane County Economic Development Foundation. The agreement shall remain in effect until June 30, 2013. The Education Capital Projects Fund is being used to account for these projects. As of June 30, 2012, the county had received a total of \$27,843,616 from TVA as part of this funding agreement. Of the total, the county received \$14,968,687 during the year ended June 30, 2012.

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 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 \$450,000 per occurrence and approximately \$2 million 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.

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 for dental and workers’ compensation coverage is allocated to each fund that accounts for 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. Reserves of \$521,565 and \$818,211 existed in the Employee Insurance – Dental and Workers’ Compensation funds, respectively at June 30, 2012. Liabilities of these funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The self-insurance funds establish 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
2010-2011	\$ 0	\$ 430,709	\$ (430,709)	\$ 0
2011-2012	0	448,213	(448,213)	0

Workers' Compensation

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2010-2011	\$ 239,619	\$ 495,467	\$ (440,646)	\$ 294,440
2011-2012	294,440	629,157	(742,768)	180,829

Roane County participates 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 (TCA)*, 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.

The discretely presented Roane County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF 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. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

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 for one or more policy years in 1996-97, 1997-98, and 1999-2000. LOGIC obtained its excess coverage insurance from Reliance Insurance Company for claims that exceeded specific amounts. Reliance Insurance Company is now insolvent and is being liquidated in the State of Pennsylvania. The insolvency of Reliance Insurance Company has left the LOGIC members exposed to significant claim liabilities for their policy years. Consequently, the LOGIC board of directors assessed its members certain amounts for each member's share of outstanding claims unpaid by Reliance Insurance Company. Roane County's share of this assessment as of June 30, 2012, totaled \$141,471. 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 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**

On August 31, 2012, Teresa Kirkham left the Office of Property Assessor and was succeeded by David Morgan, and Thomas Hamby left the Office of Road Superintendent and was succeeded by Dennis Ferguson.

On June 30, 2012, Dr. Toni McGriff retired from the Office of Director of Schools and was succeeded by Gary Aytes.

**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. Landfill Closure/Postclosure Care Costs**

Roane County has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

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. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Roane County closed its sanitary landfill in 1998. The \$235,373 reported as postclosure care liability as June 30, 2012, represents amounts based on what it would cost to perform all postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**E. Joint Venture**

Roane County entered into an agreement with the counties of Cumberland and Morgan, Tennessee, to establish an Industrial Development Board to purchase land for the development of a joint industrial park. Cumberland, Morgan, and Roane counties jointly own the park. The agreement established a nine-member board with each county appointing three members and having responsibility for one-third of the entity's funding. Roane County issued loans for \$1,750,000 and \$750,000 on October 18, 2007,

and June 15, 2010, respectively. The proceeds of these loans were contributed to the board.

**F. Jointly Governed Organization**

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

**G. Retirement Commitments**

**Plan Description**

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/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, 2012, was 9.05 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

## Annual Pension Cost

For the year ended June 30, 2012, Roane County's annual pension cost of \$1,584,229 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, 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 three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 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 ten-year period. The 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, 2009, was six years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

### Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$1,584,229	100%	\$0
6-30-11	1,296,012	100	0
6-30-10	1,520,651	100	0

## Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 98.31 percent funded. The actuarial accrued liability for benefits was \$40.48 million, and the actuarial value of assets was \$39.79 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.68 million. The covered payroll (annual payroll of active employees covered by the plan) was \$16.43 million, and the ratio of the UAAL to the covered payroll was 4.17 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## SCHOOL TEACHERS

### **Plan Description**

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

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

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012, was 9.05 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, 2012, 2011, and 2010, were \$2,514,014, \$2,432,739, and \$1,734,640 respectively, equal to the required contributions for each year.

#### **H. Other Postemployment Benefits (OPEB)**

##### Plan Description

Roane County and the Roane County School Department participate in the state-administered Local Education Group Insurance Plan and Local Government Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees and Section 8-27-207, *TCA*, for local governments. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

##### Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. County 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. During the year ended June 30, 2012, Roane County contributed \$75,830 for postemployment benefits. The required contribution rate for retired teachers ranges from 20 to 46 percent based on classification and years of service. During the year ended June 30, 2012, the discretely presented School Department contributed \$652,487 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 744,000	\$ 1,751,000
Interest on the NPO	103,190	152,910
Adjustment to the ARC	(109,535)	(162,311)
Annual OPEB cost	\$ 737,655	\$ 1,741,599
Amount of contribution	(75,830)	(652,487)
Increase/decrease in NPO	\$ 661,825	\$ 1,089,112
Net OPEB obligation, 7-1-11	2,579,778	3,822,754
Net OPEB obligation, 6-30-12	\$ 3,241,603	\$ 4,911,866

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Local Government Group	\$ 769,937	10 %	\$ 1,925,200
6-30-11	"	753,575	13	2,579,778
6-30-12	"	737,655	10	3,241,603
6-30-10	Local Education Group	1,588,894	45	2,928,552
6-30-11	"	1,608,959	44	3,822,754
6-30-12	"	1,741,599	37	4,911,866

Funded Status and Funding Progress

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

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	\$ 4,950,000	\$ 14,355,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,950,000	\$ 14,355,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 9,669,107	\$ 33,569,800
UAAL as a % of covered payroll	51%	43%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2011, actuarial valuation for the Local Government and Local Education plans, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.25 percent for fiscal year 2012. The trend will decrease to 8.75 percent in fiscal year 2013 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

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

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

#### **J. 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 \$10,000 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 the School Department purchases to be made by the purchasing agent and for bids to be solicited on purchases exceeding \$10,000.

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

**A. Description of Organization**

The Roane County Emergency Communications District (the 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 is responsible for the installation and maintenance of the emergency communications network of Roane County, Tennessee (Enhanced 911 Service).

The district is considered a component unit of Roane County, Tennessee, because the Roane County Board of Commissioners appoints all of the district's Board of Directors and must approve any debt issued by the district.

**B. Summary of Significant Accounting Policies**

Basis of Accounting

The district uses the accrual basis of accounting. Revenue is recognized when earned and measurable, and expenses are recognized when the liability is incurred. Operating revenue is revenue that is generated from the primary operations of the district. All other revenue is reported as nonoperating revenue. Operating expenses are those expenses that are essential to the primary operations of the district. All other expenses are reported as nonoperating expenses.

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net asset groups:

Invested in capital assets, net of related debt: This category includes capital assets, net of accumulated depreciation and the related debt. Invested in capital assets, net of related debt at June 30, 2012, has been calculated as follows:

Capital Assets	\$ 1,842,083
Accumulated Depreciation	(989,372)
Principal Balance on Long-term Debt	<u>(124,997)</u>
 Total	 <u><u>\$ 727,714</u></u>

Restricted: This category includes net assets whose use is subject to externally imposed stipulations that can be fulfilled by actions of the district pursuant to those stipulations or that expire by the passage of time. The district had no restricted net assets as of June 30, 2012.

Unrestricted: This category includes net assets that are not subject to externally imposed stipulations and that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.” Unrestricted net assets may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

#### Accounts Receivable

Accounts receivable, which are deemed uncollectible based upon a periodic review of the accounts, are charged to revenue. At June 30, 2012, no allowance for uncollectible accounts was considered necessary.

#### Capital Assets

Capital assets, which include property and equipment, are recorded at cost. Capital assets are defined by the district as assets with an initial cost of \$1,500 or more. Depreciation is computed using the straight-line method over the estimated useful lives, which ranges from five to 40 years.

#### Operating Budget

The district is required by state law to adopt an annual operating budget. The Board of Directors approves the original budget and any amendments, and maintains the legal level of control at the line-item level. The budget is prepared on the accrual basis of accounting. All appropriations lapse at the end of the year.

#### Compensated Absences

The district's full-time employees are granted vacation leave in varying amounts. In the event of termination, the employee is paid for any unused vacation leave. Unused vacation leave as of June 30, 2012, totaling \$4,474 is included as a liability in the Statement of Net Assets.

**C. Cash**

Cash and the certificate of deposit represent money on deposit in various banks. The district considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

State of Tennessee law authorizes the district to invest in obligations of the United States or its agencies, non-convertible debt securities of certain federal agencies, other obligations guaranteed as to principal and interest by the United States or any of its agencies, secured certificates of deposit and other evidences of deposit in state and federal banks and savings and loan associations, and the state treasurer's local government investment pool.

All deposits with financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution that participates in the State of Tennessee Collateral Pool. For deposits with financial institutions that do not participate in the State of Tennessee 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.

All cash balances at June 30, 2012, were either insured through the FDIC or through the State of Tennessee Bank Collateral Pool.

**D. Capital Assets**

	Balance 7-1-11	Additions	Retirements	Balance 6-30-12
Capital Assets				
Not Being Depreciated:				
Land	\$ 30,056	\$ 0	\$ 0	\$ 30,056
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 392,694	\$ 0	\$ 0	\$ 392,694
Communications Equipment	1,148,468	5,116	(5,300)	1,148,284
Mapping System	170,884	0	0	170,884
Office Equipment	74,420	1,825	0	76,245
Vehicles	22,188	23,921	(22,188)	23,921
Total Capital Assets				
Being Depreciated	\$ 1,838,710	\$ 30,862	\$ (27,488)	\$ 1,842,084

	Balance			Balance
	7-1-11	Additions	Retirements	6-30-12
Accumulated Depreciation:				
Buildings and Improvements	\$ (165,037)	\$ (8,694)	\$ 0	\$ (173,731)
Communications Equipment	(539,512)	(38,218)	2,919	(574,811)
Mapping System	(170,538)	(346)	0	(170,884)
Office Equipment	(64,776)	(1,581)	0	(66,357)
Vehicles	(22,188)	(3,588)	22,188	(3,588)
Total Accumulated Depreciation	\$ (962,051)	\$ (52,427)	\$ 25,107	\$ (989,371)
Total	\$ 876,659	\$ (21,565)	\$ (2,381)	\$ 852,713

**E. Risk Management**

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district carries commercial insurance for all risks of loss, including general liability and workers' compensation coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**F. Retirement**

**Plan Description**

Employees of the 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 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 a disability that is the result of an accident or injury occurring while the member was in the performance of his duties. 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 the state statute found in Title 8, Chapters 34-37 of the *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the district participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of the 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.tn.gov/treasury/tcrs/PS/>.

### **Funding Policy**

The district requires employees to contribute five percent of earnable compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, was 6.3 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the district is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ended June 30, 2012, the district's annual pension cost of \$33,989 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2009, 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 three percent annual rate of inflation (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 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. The district's unfunded actuarial accrued liability (UAAL) is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 15 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

### Trend Information

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contribution	Net Pension Obligation
6-30-12	\$ 33,989	100	% \$ 0
6-30-11	39,185	100	0
6-30-10	36,709	100	0

#### Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 98.09 percent funded. The actuarial accrued liability for benefits was \$.78 million, and the actuarial value of assets was \$.73million, resulting in an UAAL of \$.05 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.48 million, and the ratio of UAAL to the covered payroll was 11.45 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### **G. Long-term Debt**

Note payable, due in annual installments of \$3,700 on July 1 each year, no interest; balance due in full on July 1, 2012, secured by equipment.	\$ 3,700
Note payable, due in annual installments of \$44,765 on July 1 of each year, 5.21% per annum; balance due in full on July 1, 2015, secured by equipment.	<u>121,297</u>
	\$ 124,997
Less current maturities	<u>(42,139)</u>
Total	<u><u>\$ 82,858</u></u>

Future maturities of long-term debt as of June 30, 2012, are as follows:

Year Ending June 30	Principal	Interest
2013	\$ 42,139	\$ 6,326
2014	40,442	4,324
2015	42,416	2,217
Total	<u>\$ 124,997</u>	<u>\$ 12,867</u>

Changes in long-term debt were as follows:

Balance, July 1, 2011	\$ 168,932
Principal payments	<u>(43,935)</u>
Balance, June 30, 2012	<u>\$ 124,997</u>

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

**A. Organization**

The Industrial Development Board of the County of Roane, Tennessee, is a nonprofit corporation, which is incorporated under the provisions of the State of Tennessee. It 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 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**

**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 that the board acts as a conduit for industrial development.

These financial statements present only the assets, liabilities, fund balances, and results of operations of the industrial fund. They are not intended to present the assets, liabilities, fund balances, and results of operations of the County of Roane, Tennessee.

**Basis of Accounting** – Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**Basic Financial Statements – Government-wide Statements** – The board’s basic financial statements include both government-wide (reporting the board as a whole) and fund financial statements (reporting the board’s major fund). The board has only one fund, the General Fund.

In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis and are reported on the full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The board’s net assets are reported in two parts – invested in capital assets, net of related debt, and unrestricted net assets, as applicable. When both unrestricted and restricted fund resources are available for use, it is the board’s policy to use restricted resources first.

The government-wide Statement of Activities reports both the gross and net costs of the board’s function. The function is also supported by the general government revenues. The Statement of Activities reduces gross expense (including depreciation) by related program revenues. Program revenues must be directly associated with the function. Program revenues include 1) charges to customers who use or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions for operational or capital requirements of a particular function or program. Other items not identifiable with a program are reported as general revenues.

This government-wide focus is more on the sustainability of the board as an entity and the changes in the board’s net assets resulting from the current year’s activities.

**Accrual** – Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

**Basic Financial Statements – Fund Financial Statements** – The financial transactions of the board are reported in the General Fund in the fund financial statements. The fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses. The fund is reported by generic classification within the financial statements.

The following fund types are used by the board:

**Governmental Fund** – The focus of the governmental fund measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of the financial resources) rather than upon net income.

**General Fund** – The General Fund is the general operating fund of the board. All financial resources are accounted for in the General Fund.

**Modified Accrual** – The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this general rule included: (1) accumulated unpaid sick pay, which is not accrued; and (2) principal and interest on general obligation long-term debt, which is recognized when due.

**Budgets and Budgetary Accounting** – The board follows these procedures in establishing the budgetary data reflected in the financial statements:

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.

### **Equity Classifications**

#### Government-wide Statements

Equity is classified as net assets and displayed in two components:

1. Invested in capital assets, net of related debt – consist 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.
2. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

#### Fund Financial Statements

The categories of fund balances are explained below:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (i.e., inventories) or legally or

contractually required to be maintained intact (the corpus of a permanent fund). Nonspendable fund balance also includes the long-term portion of loans and notes receivable and property acquired for resale.

Restricted fund balances have constraints imposed by grantors, creditors, contributors, laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Committed fund balances result when the government's governing body imposes constraints through formal action of the body. Committed amounts cannot be used for any other purpose unless the government removes the constraint using the same type of action that was used to commit those amounts.

Assigned fund balances are constrained by the government's intent for those assigned amounts to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the governing body, a body to which the governing body has delegated authority (i.e., a budget or finance committee), or an official that the governing body has designated.

Any residual fund balance remaining after all of the other categories of fund balance have been determined is categorized as unassigned fund balance.

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

**Accounts Receivable** – Accounts receivable consist primarily of amounts due from a related party. Amounts are reconciled monthly and assessed for collectability. Management does not believe an allowance for doubtful accounts is needed at June 30, 2012.

**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.

**Capital Assets** – Capital assets, which include property, plant, and equipment assets, are reported in the government-wide financial statements. Capital assets are defined by the board as assets with an initial cost of more than \$1,000 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 asset or materially extend the asset 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>Years</u>
Water tanks/waterlines	40
Furniture and fixtures	10
Equipment	5

**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. Concentration of Credit Risk**

As of June 30, 2012, the board had cash and certificates of deposit balance of \$407,375 with Regions Bank, \$134,499 with Citizens Bank, and \$57,026 with First Bank of Tennessee.

Cash is maintained at financial institutions and, at times, balances may exceed federally insured limits. The Board has never experienced any losses related to these balances. All of the Board's non-interest bearing cash balances were fully insured at June 30, 2012, due to a temporary federal program in effect from December 31, 2010, through December 31, 2012. Under the program, there is currently no limit to the amount of insurance for eligible accounts. Beginning in 2013, insurance coverage will revert to \$250,000 per depositor at each financial institution.

**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, 2012, for a five-year period ending December 31, 2017, with the rent set at \$1,000 per month.

**E. Land Lease**

The board entered into a lease agreement with Dienamic Tooling Systems, Inc., ("Dienamic") on December 31, 2004. Dienamic paid the board \$26,667 for three years as base rent and pays \$1 a year until December 31, 2021. The lessee has the option to purchase the leased property at anytime for \$1.

**F. Related-party Transactions**

Roane County government is a related party of the board. Contributions totaling \$387,250 were received from the Roane County government for the fiscal year ending June 30, 2012.

**G. 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.

**H. Economic Dependency**

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

**I. Sale of Land**

During the year ended June 30, 2012, the board had land sales totaling \$567,500. The sales had a total land cost of \$824,163. During the year, the board purchased 23.8 acres of land for \$430,075. The purpose of the purchase was to facilitate one of the land sales during the year, and the land was included as part of that land sale. The board submits most proceeds from the sales of land to the Roane County Government. Some of the proceeds from land sales are used by the board for legal and survey costs.

**J. Capital Assets**

Capital assets activity for the year ended June 30, 2012, was as follows:

Governmental Activities	Balance 7-1-11	Additions	Disposals	Balance 6-30-12
Capital Assets Not Being Depreciated:				
Land	\$ 5,938,003	\$ 532,903	\$ 824,163	\$ 5,646,743
Legal and Start Up - Macedonia	213,577	0	0	213,577
Total Assets Not Being Depreciated	\$ 6,151,580	\$ 532,903	\$ 824,163	\$ 5,860,320
Other Capital Assets:				
Furniture and Fixtures	\$ 7,000	\$ 0	\$ 0	\$ 7,000
Office Equipment	249	0	0	249
Improvements	115,258	1	0	115,259
Total Other Capital Assets	\$ 122,507	\$ 1	\$ 0	\$ 122,508

Governmental Activities	Balance			Balance
	7-1-11	Additions	Disposals	
Less Accumulated Depreciation For:				
Furniture and Fixtures	\$ (5,950)	\$ (700)	0	\$ (6,650)
Office Equipment	(133)	(50)	0	(183)
Improvements	(10,424)	(2,012)	0	(12,436)
Total Accumulated Depreciation	\$ (16,507)	\$ (2,762)	0	\$ (19,269)
Total Other Capital Assets, Net	\$ 106,000	\$ (2,761)	0	\$ 103,239
Governmental Activities Capital Assets, Net	\$ 6,257,580	\$ 530,142	\$ 824,163	\$ 5,963,559

Depreciation Was Charged to Functions as Follows:

Governmental Activities	
General Government	\$ 2,761

#### **K. 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 are 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.

#### **L. Deferred Revenue**

The board had deferred revenue of \$138,175 at June 30, 2012. This deferred revenue represents deposits that have been received related to future land

sales that were not completed as of June 30, 2012. The sales related to these deposits are not anticipated to be completed within the next operating cycle and, therefore, the deferred revenue is recognized as a long-term liability.

**M. Income Taxes**

The board recognizes a tax contingency when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimates and management's judgment with respect to the likely outcome of any uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. Although the tax years ended June 30, 2009, through June 30, 2012, remain open for examination, it is management's opinion that no significant uncertain tax positions existed at June 30, 2012.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances		Add: 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2011	6/30/2012			Original	Final	
<b>Revenues</b>								
Local Taxes	\$ 9,728,550	\$ 0	\$ 0	\$ 9,728,550	\$ 9,250,200	\$ 9,868,400	\$ (139,850)	
Licenses and Permits	347,477	0	0	347,477	334,600	359,600	(12,123)	
Fines, Forfeitures, and Penalties	158,126	0	0	158,126	165,165	156,450	1,676	
Charges for Current Services	387,869	0	0	387,869	381,700	398,850	(10,981)	
Other Local Revenues	161,106	0	0	161,106	82,100	210,300	(49,194)	
Fees Received from County Officials	2,257,460	0	0	2,257,460	2,192,500	2,217,500	39,960	
State of Tennessee	1,961,707	0	0	1,961,707	1,888,774	1,853,450	108,257	
Federal Government	187,595	0	0	187,595	115,815	265,591	(77,996)	
Other Governments and Citizens Groups	26,611	0	0	26,611	22,600	19,113	7,498	
<b>Total Revenues</b>	<b>\$ 15,216,501</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 15,216,501</b>	<b>\$ 14,433,454</b>	<b>\$ 15,349,254</b>	<b>\$ (132,753)</b>	
<b>Expenditures</b>								
General Government								
County Commission	\$ 110,941	\$ 0	\$ 0	110,941	\$ 135,008	\$ 135,008	\$ 24,067	
Board of Equalization	6,711	0	0	6,711	14,318	15,168	8,457	
Beer Board	2,382	0	0	2,382	5,497	5,497	3,115	
Budget and Finance Committee	10,242	0	0	10,242	12,094	12,294	2,052	
Other Boards and Committees	33,190	0	0	33,190	61,557	61,557	28,367	
County Mayor/Executive	245,286	0	0	245,286	239,756	250,909	5,623	
County Attorney	113,731	0	0	113,731	115,513	116,003	2,272	
Election Commission	307,265	(9,865)	711	298,111	368,911	372,382	74,271	
Register of Deeds	275,257	(11,624)	0	263,633	289,514	295,194	31,561	
Planning	66,413	0	0	66,413	81,109	82,675	16,262	
Codes Compliance	217,497	(200)	0	217,297	233,078	236,372	19,075	
County Buildings	415,350	(5,310)	2,459	412,499	421,545	435,779	23,280	

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>General Government (Cont.)</u>							
Other General Administration	\$ 23,209	\$ 0	\$ 0	\$ 23,209	\$ 24,444	\$ 24,444	\$ 1,235
Preservation of Records	102,229	0	445	102,674	102,808	104,873	2,199
Risk Management	158	0	0	158	0	158	0
<u>Finance</u>							
Accounting and Budgeting	378,599	0	0	378,599	412,396	419,001	40,402
Purchasing	153,363	(240)	0	153,123	161,759	164,880	11,757
Property Assessor's Office	459,155	0	0	459,155	517,230	510,978	51,823
Reappraisal Program	225,638	(2,541)	0	223,097	221,355	227,401	4,304
County Trustee's Office	251,423	0	0	251,423	259,125	261,946	10,523
County Clerk's Office	535,653	(1,728)	0	533,925	550,529	562,136	28,211
<u>Administration of Justice</u>							
Circuit Court	183,608	(498)	0	183,110	198,225	196,739	13,629
General Sessions Court	470,143	(498)	0	469,645	489,771	486,486	16,841
General Sessions Judge	493,708	0	0	493,708	484,288	497,935	4,227
Chancery Court	266,894	(160)	0	266,734	284,902	288,380	21,646
Juvenile Court	703,390	(6,276)	9,005	706,119	718,820	730,946	24,827
Other Administration of Justice	13,547	0	0	13,547	23,425	23,525	9,978
<u>Public Safety</u>							
Sheriff's Department	2,896,065	(26,858)	8,165	2,877,372	2,912,851	3,069,325	191,953
Jail	2,443,969	(16,858)	1,172	2,428,283	2,533,636	2,570,364	142,081
Civil Defense	333,109	(19,431)	0	313,678	511,010	537,360	223,682
Rescue Squad	39,750	(4,750)	0	35,000	35,000	35,000	0
County Coroner/Medical Examiner	75,054	(4,695)	0	70,359	50,300	68,650	(1,709)

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare</u>							
Local Health Center	\$ 121,420	\$ 0	\$ 0	\$ 121,420	\$ 547,674	\$ 172,966	\$ 51,546
Rabies and Animal Control	0	0	0	0	148,000	0	0
Maternal and Child Health Services	2,780	0	0	2,780	2,780	2,780	0
Dental Health Program	0	0	0	0	197,987	0	0
Other Local Health Services	442,721	0	0	442,721	0	581,745	139,024
Appropriation to State	52,781	0	0	52,781	52,781	52,781	0
Other Local Welfare Services	89,295	0	0	89,295	89,670	89,670	375
Sanitation Management	61,661	0	0	61,661	61,120	62,294	633
<u>Social, Cultural, and Recreational Services</u>							
Libraries	12,864	0	0	12,864	16,300	16,300	3,436
Parks and Fair Boards	225,535	(8,030)	283	217,788	267,908	275,012	57,224
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	82,997	0	0	82,997	86,107	91,787	8,790
Soil Conservation	49,116	0	0	49,116	70,662	55,486	6,370
<u>Other Operations</u>							
Industrial Development	19,672	0	39,021	58,693	0	748,386	689,693
Veterans' Services	3,000	0	0	3,000	4,000	4,000	1,000
Employee Benefits	188,000	0	0	188,000	151,500	149,000	(39,000)
Miscellaneous	664,494	(7,056)	1,836	659,274	708,900	738,611	79,337
<u>Highways</u>							
Litter and Trash Collection	58,986	(170)	0	58,816	58,861	58,861	45
Total Expenditures	\$ 13,928,251	\$ (126,788)	\$ 63,097	\$ 13,864,560	\$ 14,934,024	\$ 15,899,044	\$ 2,034,484
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,288,250	\$ 126,788	\$ (63,097)	\$ 1,351,941	\$ (500,570)	\$ (549,790)	\$ 1,901,731

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 15,629	\$ 0	\$ 0	\$ 15,629	\$ 0	\$ 6,629	\$ 9,000
Transfers In	79,971	0	0	79,971	0	70,746	9,225
Transfers Out	(428,000)	0	0	(428,000)	(200,000)	(428,000)	0
Total Other Financing Sources (Uses)	\$ (332,400)	\$ 0	\$ 0	(332,400)	(200,000)	(350,625)	\$ 18,225
Net Change in Fund Balance	\$ 955,850	\$ 126,788	\$ (63,097)	\$ 1,019,541	\$ (700,570)	\$ (900,415)	\$ 1,919,956
Fund Balance, July 1, 2011	3,885,920	(126,788)	0	3,759,132	3,868,202	3,868,202	(109,070)
Fund Balance, June 30, 2012	\$ 4,841,770	\$ 0	\$ (63,097)	\$ 4,778,673	\$ 3,167,632	\$ 2,967,787	\$ 1,810,886

Exhibit F-2

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Ambulance Service Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 138,930	\$ 0	\$ 138,930	\$ 134,800	\$ 143,600	\$ (4,670)
Charges for Current Services	3,227,907	0	3,227,907	2,890,000	3,339,900	(111,993)
Other Local Revenues	10,276	0	10,276	0	9,000	1,276
<u>Total Revenues</u>	<u>\$ 3,377,113</u>	<u>\$ 0</u>	<u>\$ 3,377,113</u>	<u>\$ 3,024,800</u>	<u>\$ 3,492,500</u>	<u>\$ (115,387)</u>
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Ambulance/Emergency Medical Services	\$ 2,871,374	(879)	\$ 2,870,495	\$ 3,325,493	\$ 3,174,970	\$ 304,475
<u>Total Expenditures</u>	<u>\$ 2,871,374</u>	<u>(879)</u>	<u>\$ 2,870,495</u>	<u>\$ 3,325,493</u>	<u>\$ 3,174,970</u>	<u>\$ 304,475</u>
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	<u>\$ 505,739</u>	<u>\$ 879</u>	<u>\$ 506,618</u>	<u>\$ (300,693)</u>	<u>\$ 317,530</u>	<u>\$ 189,088</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 1,091	\$ 0	\$ 1,091	\$ 0	\$ 0	\$ 1,091
Transfers In	200,000	0	200,000	200,000	200,000	0
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 201,091</u>	<u>\$ 0</u>	<u>\$ 201,091</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 1,091</u>
<u>Net Change in Fund Balance</u> <u>Fund Balance, July 1, 2011</u>	<u>\$ 706,830</u>	<u>\$ 879</u>	<u>\$ 707,709</u>	<u>\$ (100,693)</u>	<u>\$ 517,530</u>	<u>\$ 190,179</u>
	77,202	(879)	76,323	400,000	400,000	(323,677)
<u>Fund Balance, June 30, 2012</u>	<u>\$ 784,032</u>	<u>\$ 0</u>	<u>\$ 784,032</u>	<u>\$ 299,307</u>	<u>\$ 917,530</u>	<u>\$ (133,498)</u>

Exhibit F-3

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive Negative
				Original	Final	
<b>Revenues</b>						
Local Taxes	\$ 1,350,704	\$ 0	\$ 1,350,704	\$ 1,326,000	\$ 1,326,000	\$ 24,704
Charges for Current Services	19,163	0	19,163	500	500	18,663
Other Local Revenues	71,546	0	71,546	48,000	48,000	23,546
State of Tennessee	1,993,335	0	1,993,335	2,066,058	2,066,058	(72,723)
Other Governments and Citizens Groups	52,335	0	52,335	0	43,252	9,083
<b>Total Revenues</b>	<b>\$ 3,487,083</b>	<b>\$ 0</b>	<b>\$ 3,487,083</b>	<b>\$ 3,440,558</b>	<b>\$ 3,483,810</b>	<b>\$ 3,273</b>
<b>Expenditures</b>						
<u>Highways</u>						
Administration	\$ 222,205	0	222,205	223,038	226,741	4,536
Highway and Bridge Maintenance	2,299,052	5,845	2,304,897	2,209,758	2,508,290	203,393
Operation and Maintenance of Equipment	534,544	0	534,544	498,487	591,667	57,123
Traffic Control	55,246	0	55,246	58,363	59,542	4,296
Other Charges	164,738	0	164,738	184,900	188,262	23,524
Employee Benefits	65,000	0	65,000	65,000	65,000	0
Capital Outlay	92,758	0	92,758	116,500	113,000	20,242
<b>Total Expenditures</b>	<b>\$ 3,433,543</b>	<b>\$ 5,845</b>	<b>\$ 3,439,388</b>	<b>\$ 3,356,046</b>	<b>\$ 3,752,502</b>	<b>\$ 313,114</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 53,540</b>	<b>\$ (5,845)</b>	<b>\$ 47,695</b>	<b>\$ 84,512</b>	<b>\$ (268,692)</b>	<b>\$ 316,387</b>
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (149,344)	0	(149,344)	(149,344)	(149,344)	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (149,344)</b>	<b>\$ 0</b>	<b>\$ (149,344)</b>	<b>\$ (149,344)</b>	<b>\$ (149,344)</b>	<b>\$ 0</b>
<b>Net Change in Fund Balance Fund Balance, July 1, 2011</b>	<b>\$ (95,804)</b>	<b>\$ (5,845)</b>	<b>\$ (101,649)</b>	<b>\$ (64,832)</b>	<b>\$ (418,036)</b>	<b>\$ 316,387</b>
<b>Fund Balance, July 1, 2011</b>	<b>1,139,366</b>	<b>0</b>	<b>1,139,366</b>	<b>1,150,555</b>	<b>1,150,555</b>	<b>(11,189)</b>
<b>Fund Balance, June 30, 2012</b>	<b>\$ 1,043,562</b>	<b>\$ (5,845)</b>	<b>\$ 1,037,717</b>	<b>\$ 1,085,723</b>	<b>\$ 732,519</b>	<b>\$ 305,198</b>

Exhibit F-4

Roane County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Roane County School Department  
June 30, 2012

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 39,791	\$ 40,476	\$ 685	98.31 %	\$ 16,434	4.17 %
7-1-09	31,265	32,224	960	97.02	15,258	6.29
7-1-07	28,887	30,085	1,198	96.02	12,766	9.38

Exhibit F-5

Roane County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Discretely Presented Roane County Emergency Communications District  
June 30, 2012

(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)
7-1-11	\$ 729	\$ 784	\$ 55	93.04 %	\$ 477	11.45 %
7-1-09	507	512	5	99.08	582	0.81
7-1-07	392	397	5	98.74	518	0.97

Exhibit F-6

Roane County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Roane County School Department  
June 30, 2012

(Dollar amounts in thousands)

Plans	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)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-09	\$ 0	\$ 5,181	\$ 5,181	0 %	\$ 10,057	51.52 %
"	7-1-10	0	5,192	5,192	0	9,896	52.47
"	7-1-11	0	4,950	4,950	0	9,669	51.19
<u>DISCRETELY PRESENTED ROANE COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	0	13,340	13,340	0	35,322	37.77
"	7-1-10	0	13,444	13,444	0	35,141	38.26
"	7-1-11	0	14,355	14,355	0	33,570	42.76

**ROANE COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2012**

**A. 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 County 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 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 difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

**B. EXPENDITURES AND ENCUMBRANCES EXCEEDED APPROPRIATIONS**

Expenditures and encumbrances exceeded appropriations approved by the County Commission in the County Coroner/Medical Examiner and Employee Benefits major appropriation categories (the legal level of control) of the General Fund by \$1,709 and \$39,000, respectively. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

Special Purpose Fund – The Special Purpose Fund is used to account for animal shelter and fire inspection transactions. In prior years, this fund was called the Urban Services Fund.

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

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

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

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

## **Debt Service Fund**

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Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

## **Capital Projects Fund**

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Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

Roane County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

	Special Revenue Funds					
	Solid Waste / Sanitation	Special Purpose	Drug Control	District Attorney General	Other Special Revenue	
\$	0	100	0	0	0	200
Equity in Pooled Cash and Investments	934,991	629,644	102,246	36,577	546,155	
Accounts Receivable	0	3,228	0	0	13,374	
Due from Other Governments	108,091	0	175	7,941	6,189	
Property Taxes Receivable	239,466	159,644	0	0	271,808	
Allowance for Uncollectible Property Taxes	(15,984)	(10,656)	0	0	(18,658)	
Total Assets	\$ 1,266,564	\$ 781,960	\$ 102,421	\$ 44,518	\$ 819,068	

ASSETS

LIABILITIES AND FUND BALANCES

\$	33,927	8,929	9,830	3,415	17,540
Accounts Payable	6,246	4,722	0	0	3,765
Accrued Payroll	0	0	0	0	0
Due to Other Funds	217,410	144,940	0	0	245,823
Deferred Revenue - Current Property Taxes	5,672	3,781	0	0	6,932
Deferred Revenue - Delinquent Property Taxes	67,721	0	0	0	0
Other Deferred Revenues	330,976	162,372	9,830	3,415	274,060
Total Liabilities	\$ 330,976	\$ 162,372	\$ 9,830	\$ 3,415	\$ 274,060

Fund Balances

\$	0	0	0	41,103	0
Restricted for Administration of Justice	0	0	92,591	0	0
Restricted for Public Safety	935,588	0	0	0	545,008
Restricted for Public Health and Welfare	0	619,588	0	0	0
Restricted for Other Operations	0	0	0	0	0
Restricted for Capital Outlay	0	0	0	0	0
Restricted for Debt Service	0	0	0	0	0
Total Fund Balances	\$ 935,588	\$ 619,588	\$ 92,591	\$ 41,103	\$ 545,008

Total Liabilities and Fund Balances

\$	1,266,564	781,960	102,421	44,518	819,068
Total Liabilities and Fund Balances	\$ 1,266,564	\$ 781,960	\$ 102,421	\$ 44,518	\$ 819,068

(Continued)

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

	Special Revenue Funds (Cont.)		Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Constitutional Officers - Fees	Total			
\$ 3,930 \$	4,230 \$	0 \$	0 \$	0 \$	4,230
0	2,249,613	836,479	39,941	39,941	3,126,033
341	16,943	0	0	0	16,943
0	122,396	0	4	4	122,400
0	670,918	232,551	0	0	903,469
0	(45,298)	(15,857)	0	0	(61,155)
\$ 4,271 \$	3,018,802 \$	1,053,173 \$	39,945 \$	39,945 \$	4,111,920

ASSETS

Cash	4,230
Equity in Pooled Cash and Investments	2,249,613
Accounts Receivable	16,943
Due from Other Governments	122,396
Property Taxes Receivable	670,918
Allowance for Uncollectible Property Taxes	(45,298)
Total Assets	3,018,802

LIABILITIES AND FUND BALANCES

	Special Revenue Funds (Cont.)		Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Constitutional Officers - Fees	Total			
\$ 0 \$	73,641 \$	0 \$	0 \$	0 \$	73,641
0	14,733	0	0	0	14,733
4,271	4,271	0	0	0	4,271
0	608,173	210,514	0	0	818,687
0	16,385	5,819	0	0	22,204
0	67,721	0	0	0	67,721
\$ 4,271 \$	784,924 \$	216,333 \$	0 \$	0 \$	1,001,257

\$ 0 \$	41,103 \$	0 \$	0 \$	0 \$	41,103
0	92,591	0	0	0	92,591
0	1,480,596	0	0	0	1,480,596
0	619,588	0	0	0	619,588
0	0	0	39,945	39,945	39,945
0	0	836,840	0	0	836,840
0 \$	2,233,878 \$	836,840 \$	39,945 \$	39,945 \$	3,110,663
\$ 4,271 \$	3,018,802 \$	1,053,173 \$	39,945 \$	39,945 \$	4,111,920

Roane County, Tennessee  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2012

	Special Revenue Funds					District Attorney General
	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control		
<b>Revenues</b>						
Local Taxes	\$ 603,065	\$ 401,146	\$ 505,180	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties	0	0	0	37,668	0	29,224
Charges for Current Services	0	0	52,302	0	0	0
Other Local Revenues	0	0	5,574	15,821	0	0
State of Tennessee	436,407	353,580	3,600	0	0	0
<b>Total Revenues</b>	<b>\$ 1,039,472</b>	<b>\$ 754,726</b>	<b>\$ 566,656</b>	<b>\$ 53,489</b>	<b>\$ 29,224</b>	
<b>Expenditures</b>						
Current:						
General Government	0	0	0	0	0	0
Finance	0	0	0	0	0	0
Administration of Justice	0	0	0	0	0	22,071
Public Safety	0	0	400,532	48,438	0	0
Public Health and Welfare	920,739	0	255,465	0	0	0
Other Operations	0	1,336,663	0	0	0	0
Debt Service:						
Principal on Debt	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 920,739</b>	<b>\$ 1,336,663</b>	<b>\$ 655,997</b>	<b>\$ 48,438</b>	<b>\$ 22,071</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 118,733</b>	<b>\$ (581,937)</b>	<b>\$ (89,341)</b>	<b>\$ 5,051</b>	<b>\$ 7,153</b>	
<b>Other Financing Sources (Uses)</b>						
Transfers In	0	0	148,000	0	0	0
Transfers Out	(100,000)	(551,289)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (100,000)</b>	<b>\$ (551,289)</b>	<b>\$ 148,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	
<b>Net Change in Fund Balances Fund Balance, July 1, 2011</b>	<b>\$ 18,733</b>	<b>\$ (1,133,226)</b>	<b>\$ 58,659</b>	<b>\$ 5,051</b>	<b>\$ 7,153</b>	
<b>Fund Balance, July 1, 2011</b>	<b>916,855</b>	<b>1,133,226</b>	<b>560,929</b>	<b>87,540</b>	<b>33,950</b>	
<b>Fund Balance, June 30, 2012</b>	<b>\$ 935,588</b>	<b>\$ 0</b>	<b>\$ 619,588</b>	<b>\$ 92,591</b>	<b>\$ 41,103</b>	

(Continued)

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

	Special Revenue Funds (Cont.)			Total	Debt Service Fund		Capital Projects Fund		Total Nonmajor Governmental Funds
	Other Special Revenue	Constitutional Officers - Fees			Education Debt Service	Highway Capital Projects			
<b>Revenues</b>									
Local Taxes	\$ 264,415	\$ 0	\$ 1,773,806	\$ 245,876	\$ 0	\$ 0	\$ 0	\$ 2,019,682	
Fines, Forfeitures, and Penalties	0	0	66,892	0	0	0	0	66,892	
Charges for Current Services	180,305	11,951	244,558	0	0	0	0	244,558	
Other Local Revenues	278,926	0	300,321	2,435	49	0	0	302,805	
State of Tennessee	21,316	0	814,903	0	0	0	0	814,903	
<b>Total Revenues</b>	<b>\$ 744,962</b>	<b>\$ 11,951</b>	<b>\$ 3,200,480</b>	<b>\$ 248,311</b>	<b>\$ 49</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,448,840</b>	
<b>Expenditures</b>									
Current:									
General Government	\$ 0	\$ 28	\$ 28	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28	
Finance	0	431	431	0	0	0	0	431	
Administration of Justice	0	11,492	33,563	0	0	0	0	33,563	
Public Safety	0	0	448,970	0	0	0	0	448,970	
Public Health and Welfare	554,169	0	1,730,373	0	0	0	0	1,730,373	
Other Operations	0	0	1,336,663	0	0	0	0	1,336,663	
Debt Service:									
Principal on Debt	0	0	0	260,000	0	0	0	260,000	
Interest on Debt	0	0	0	84,398	0	0	0	84,398	
Other Debt Service	0	0	0	6,067	0	0	0	6,067	
<b>Total Expenditures</b>	<b>\$ 554,169</b>	<b>\$ 11,951</b>	<b>\$ 3,550,028</b>	<b>\$ 350,465</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,900,493</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 190,793</b>	<b>\$ 0</b>	<b>\$ (349,548)</b>	<b>\$ (102,154)</b>	<b>\$ 49</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (451,653)</b>	
<b>Other Financing Sources (Uses)</b>									
Transfers In	\$ 0	\$ 0	\$ 148,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 148,000	
Transfers Out	(180,000)	0	(831,289)	0	0	0	0	(831,289)	
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (180,000)</b>	<b>\$ 0</b>	<b>\$ (683,289)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (683,289)</b>	
<b>Net Change in Fund Balances</b>	<b>\$ 10,793</b>	<b>\$ 0</b>	<b>\$ (1,032,837)</b>	<b>\$ (102,154)</b>	<b>\$ 49</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (1,134,942)</b>	
<b>Fund Balance, July 1, 2011</b>	<b>534,215</b>	<b>0</b>	<b>3,266,715</b>	<b>938,994</b>	<b>39,896</b>	<b>0</b>	<b>0</b>	<b>4,245,605</b>	
<b>Fund Balance, June 30, 2012</b>	<b>\$ 545,008</b>	<b>\$ 0</b>	<b>\$ 2,233,878</b>	<b>\$ 836,840</b>	<b>\$ 39,945</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,110,663</b>	

Exhibit G-3

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, 2012

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 603,065	0	\$ 603,065	\$ 593,050	\$ 593,050	\$ 10,015
State of Tennessee	436,407	0	436,407	415,000	439,600	(3,193)
Total Revenues	\$ 1,039,472	0	\$ 1,039,472	\$ 1,008,050	\$ 1,032,650	\$ 6,822
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Convenience Centers	\$ 920,739	11,961	\$ 932,700	\$ 1,050,406	\$ 1,114,190	\$ 181,490
Total Expenditures	\$ 920,739	11,961	\$ 932,700	\$ 1,050,406	\$ 1,114,190	\$ 181,490
Excess (Deficiency) of Revenues Over Expenditures	\$ 118,733	(11,961)	\$ 106,772	\$ (42,356)	\$ (81,540)	\$ 188,312
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (100,000)	0	\$ (100,000)	\$ (122,500)	\$ (100,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (100,000)	0	\$ (100,000)	\$ (122,500)	\$ (100,000)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 18,733	(11,961)	\$ 6,772	\$ (164,856)	\$ (181,540)	\$ 188,312
	916,855	0	916,855	915,349	915,349	1,506
Fund Balance, June 30, 2012	\$ 935,588	(11,961)	\$ 923,627	\$ 750,493	\$ 733,809	\$ 189,818

Exhibit G-4

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 401,146 \$	0 \$	401,146 \$	505,900 \$	403,052 \$	(1,906)
Other Local Revenues	0	0	0	110,000	0	0
State of Tennessee	353,580	0	353,580	933,746	353,580	0
Total Revenues	\$ 754,726 \$	0 \$	754,726 \$	1,549,646 \$	756,632 \$	(1,906)
<u>Expenditures</u>						
<u>Other Operations</u>						
Industrial Development	\$ 1,336,663 \$	(7,000) \$	1,329,663 \$	2,548,535 \$	1,329,663 \$	0
Total Expenditures	\$ 1,336,663 \$	(7,000) \$	1,329,663 \$	2,548,535 \$	1,329,663 \$	0
Excess (Deficiency) of Revenues Over Expenditures	\$ (581,937) \$	7,000 \$	(574,937) \$	(998,889) \$	(573,031) \$	(1,906)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (551,289) \$	0 \$	(551,289) \$	0 \$	(551,289) \$	0
Total Other Financing Sources (Uses)	\$ (551,289) \$	0 \$	(551,289) \$	0 \$	(551,289) \$	0
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (1,133,226) \$	7,000 \$	(1,126,226) \$	(998,889) \$	(1,124,320) \$	(1,906)
	1,133,226	(7,000)	1,126,226	1,124,320	1,124,320	1,906
Fund Balance, June 30, 2012	\$ 0 \$	0 \$	0 \$	125,431 \$	0 \$	0

Exhibit G-5

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Special Purpose Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 505,180	\$ 483,700	\$ 501,700	\$ 3,480
Charges for Current Services	52,302	202,025	54,325	(2,023)
Other Local Revenues	5,574	12,000	12,000	(6,426)
State of Tennessee	3,600	0	3,600	0
Total Revenues	<u>\$ 566,656</u>	<u>\$ 697,725</u>	<u>\$ 571,625</u>	<u>\$ (4,969)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Fire Prevention and Control	\$ 400,532	\$ 453,840	\$ 467,066	\$ 66,534
<u>Public Health and Welfare</u>				
Rabies and Animal Control	255,465	282,354	301,423	45,958
Total Expenditures	<u>\$ 655,997</u>	<u>\$ 736,194</u>	<u>\$ 768,489</u>	<u>\$ 112,492</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (89,341)</u>	<u>\$ (38,469)</u>	<u>\$ (196,864)</u>	<u>\$ 107,523</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 148,000	\$ 0	\$ 148,000	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 148,000</u>	<u>\$ 0</u>	<u>\$ 148,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 58,659	\$ (38,469)	\$ (48,864)	\$ 107,523
Fund Balance, July 1, 2011	560,929	558,470	558,470	2,459
Fund Balance, June 30, 2012	<u>\$ 619,588</u>	<u>\$ 520,001</u>	<u>\$ 509,606</u>	<u>\$ 109,982</u>

Exhibit G-6

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 37,668 \$	0 \$	37,668 \$	56,000 \$	56,000 \$	(18,332)
Other Local Revenues	15,821	0	15,821	7,900	7,900	7,921
Total Revenues	\$ 53,489 \$	0 \$	53,489 \$	63,900 \$	63,900 \$	(10,411)
<u>Expenditures</u>						
<u>Public Safety</u>						
Sheriff's Department	\$ 48,438 \$	(416) \$	48,022 \$	117,500 \$	117,500 \$	69,478
Total Expenditures	\$ 48,438 \$	(416) \$	48,022 \$	117,500 \$	117,500 \$	69,478
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,051 \$	416 \$	5,467 \$	(53,600) \$	(53,600) \$	59,067
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 87,540	(416)	87,124	(53,600) \$	(53,600) \$	59,067
Fund Balance, June 30, 2012	\$ 92,591 \$	0 \$	92,591 \$	33,522 \$	33,522 \$	59,069

Exhibit G-7

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 29,224	\$ 45,800	\$ 45,800	\$ (16,576)
Total Revenues	\$ 29,224	\$ 45,800	\$ 45,800	\$ (16,576)
<u>Expenditures</u>				
<u>Administration of Justice</u>				
District Attorney General	\$ 22,071	\$ 45,800	\$ 46,069	\$ 23,998
Total Expenditures	\$ 22,071	\$ 45,800	\$ 46,069	\$ 23,998
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,153	\$ 0	\$ (269)	\$ 7,422
Net Change in Fund Balance	\$ 7,153	\$ 0	\$ (269)	\$ 7,422
Fund Balance, July 1, 2011	33,950	33,950	33,950	0
Fund Balance, June 30, 2012	\$ 41,103	\$ 33,950	\$ 33,681	\$ 7,422

Exhibit G-8

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 264,415	\$ 0	\$ 0	\$ 264,415	\$ 258,050	\$ 261,050	\$ 3,365
Charges for Current Services	180,305	0	0	180,305	138,600	158,600	21,705
Other Local Revenues	278,926	0	0	278,926	225,700	239,700	39,226
State of Tennessee	21,316	0	0	21,316	20,000	20,000	1,316
<b>Total Revenues</b>	<b>\$ 744,962</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 744,962</b>	<b>\$ 642,350</b>	<b>\$ 679,350</b>	<b>\$ 65,612</b>
<b>Expenditures</b>							
<u>Public Health and Welfare</u>							
Recycling Center	\$ 498,412	(370)	\$ 47,486	\$ 545,528	\$ 592,377	\$ 604,825	\$ 59,297
Postclosure Care Costs	55,757	0	0	55,757	33,200	75,200	19,443
<b>Total Expenditures</b>	<b>\$ 554,169</b>	<b>(370)</b>	<b>\$ 47,486</b>	<b>\$ 601,285</b>	<b>\$ 625,577</b>	<b>\$ 680,025</b>	<b>\$ 78,740</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 190,793</b>	<b>\$ 370</b>	<b>\$ (47,486)</b>	<b>\$ 143,677</b>	<b>\$ 16,773</b>	<b>\$ (675)</b>	<b>\$ 144,352</b>
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (180,000)	0	\$ 0	(180,000)	(180,000)	(180,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (180,000)</b>	<b>0</b>	<b>\$ 0</b>	<b>(180,000)</b>	<b>(180,000)</b>	<b>(180,000)</b>	<b>0</b>
<b>Net Change in Fund Balance Fund Balance, July 1, 2011</b>	<b>\$ 10,793</b>	<b>\$ 370</b>	<b>\$ (47,486)</b>	<b>\$ (36,323)</b>	<b>\$ (163,227)</b>	<b>\$ (180,675)</b>	<b>\$ 144,352</b>
<b>Fund Balance, July 1, 2011</b>	<b>534,215</b>	<b>(370)</b>	<b>0</b>	<b>533,845</b>	<b>532,688</b>	<b>532,688</b>	<b>1,157</b>
<b>Fund Balance, June 30, 2012</b>	<b>\$ 545,008</b>	<b>\$ 0</b>	<b>\$ (47,486)</b>	<b>\$ 497,522</b>	<b>\$ 369,461</b>	<b>\$ 352,013</b>	<b>\$ 145,509</b>

Exhibit G-9

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 245,876	\$ 240,600	\$ 240,600	\$ 5,276
Other Local Revenues	2,435	6,992	6,992	(4,557)
Total Revenues	<u>\$ 248,311</u>	<u>\$ 247,592</u>	<u>\$ 247,592</u>	<u>\$ 719</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 260,000	\$ 260,000	\$ 260,000	\$ 0
<u>Interest on Debt</u>				
Education	84,398	84,398	84,398	0
<u>Other Debt Service</u>				
Education	6,067	20,000	20,000	13,933
Total Expenditures	<u>\$ 350,465</u>	<u>\$ 364,398</u>	<u>\$ 364,398</u>	<u>\$ 13,933</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (102,154)</u>	<u>\$ (116,806)</u>	<u>\$ (116,806)</u>	<u>\$ 14,652</u>
Net Change in Fund Balance	\$ (102,154)	\$ (116,806)	\$ (116,806)	\$ 14,652
Fund Balance, July 1, 2011	<u>938,994</u>	<u>937,070</u>	<u>937,070</u>	<u>1,924</u>
Fund Balance, June 30, 2012	<u>\$ 836,840</u>	<u>\$ 820,264</u>	<u>\$ 820,264</u>	<u>\$ 16,576</u>

# Major Governmental Funds

## Debt Service Funds

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Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

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

## Capital Projects Fund

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Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures for the county.

Exhibit H-1

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>						
Local Taxes	\$ 2,719,991	\$ 0	\$ 2,719,991	\$ 2,616,900	\$ 2,616,900	\$ 103,091
Other Local Revenues	600,827	0	600,827	90,000	607,500	(6,673)
Other Governments and Citizens Groups	24,885	0	24,885	0	24,885	0
Total Revenues	\$ 3,345,703	\$ 0	\$ 3,345,703	\$ 2,706,900	\$ 3,249,285	\$ 96,418
<u>Expenditures</u>						
<u>Principal on Debt</u>						
General Government	\$ 1,535,000	\$ 0	\$ 1,535,000	\$ 1,569,117	\$ 1,535,000	\$ 0
Highways and Streets	115,000	0	115,000	115,000	115,000	0
Education	24,885	0	24,885	0	24,885	0
<u>Interest on Debt</u>						
General Government	1,359,253	0	1,359,253	1,393,845	1,359,315	62
Highways and Streets	34,344	0	34,344	34,344	34,344	0
<u>Other Debt Service</u>						
General Government	87,187	(2,140)	85,047	142,451	142,351	57,304
Total Expenditures	\$ 3,155,669	\$ (2,140)	\$ 3,153,529	\$ 3,254,757	\$ 3,210,895	\$ 57,366
Excess (Deficiency) of Revenues Over Expenditures	\$ 190,034	\$ 2,140	\$ 192,174	\$ (547,857)	\$ 38,390	\$ 153,784
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 149,344	\$ 0	\$ 149,344	\$ 218,096	\$ 149,344	\$ 0
Total Other Financing Sources (Uses)	\$ 149,344	\$ 0	\$ 149,344	\$ 218,096	\$ 149,344	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 339,378	\$ 2,140	\$ 341,518	\$ (329,761)	\$ 187,734	\$ 153,784
	3,206,718	(2,140)	3,204,578	3,201,261	3,201,261	3,317
Fund Balance, June 30, 2012	\$ 3,546,096	\$ 0	\$ 3,546,096	\$ 2,871,500	\$ 3,388,995	\$ 157,101

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,478,366	\$ 1,455,161	\$ 1,455,161	\$ 23,205
Other Local Revenues	6,530	25,600	25,600	(19,070)
Total Revenues	<u>\$ 1,484,896</u>	<u>\$ 1,480,761</u>	<u>\$ 1,480,761</u>	<u>\$ 4,135</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,090,000	\$ 1,090,000	\$ 1,090,000	\$ 0
<u>Interest on Debt</u>				
Education	655,115	655,115	655,115	0
<u>Other Debt Service</u>				
General Government	30,001	0	43,795	13,794
Education	0	43,795	0	0
Total Expenditures	<u>\$ 1,775,116</u>	<u>\$ 1,788,910</u>	<u>\$ 1,788,910</u>	<u>\$ 13,794</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (290,220)</u>	<u>\$ (308,149)</u>	<u>\$ (308,149)</u>	<u>\$ 17,929</u>
Net Change in Fund Balance	\$ (290,220)	\$ (308,149)	\$ (308,149)	\$ 17,929
Fund Balance, July 1, 2011	<u>2,505,561</u>	<u>2,499,201</u>	<u>2,499,201</u>	<u>6,360</u>
Fund Balance, June 30, 2012	<u>\$ 2,215,341</u>	<u>\$ 2,191,052</u>	<u>\$ 2,191,052</u>	<u>\$ 24,289</u>

Exhibit H-3

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Capital Projects Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 635,212	\$ 0	0	\$ 635,212	\$ 446,000	\$ 553,867	\$ 81,345
Charges for Current Services	65,684	0	0	65,684	54,000	54,000	11,684
Other Local Revenues	517,484	0	0	517,484	20,160	904,532	(387,048)
State of Tennessee	104,454	0	0	104,454	657,814	3,514,079	(3,409,625)
Federal Government	561,262	0	0	561,262	17,662	655,476	(94,214)
<b>Total Revenues</b>	<b>\$ 1,884,096</b>	<b>\$ 0</b>	<b>0</b>	<b>\$ 1,884,096</b>	<b>\$ 1,195,636</b>	<b>\$ 5,681,954</b>	<b>\$ (3,797,858)</b>
<u>Expenditures</u>							
<u>Other Operations</u>							
Industrial Development	\$ 2,098,209	\$ 0	175,746	\$ 2,273,955	0	\$ 4,591,894	\$ 2,317,939
<u>Capital Projects</u>							
General Administration Projects	753,261	0	245,168	998,429	1,185,000	1,285,000	286,571
Public Safety Projects	89,967	0	0	89,967	142,994	181,382	91,415
Public Health and Welfare Projects	105,313	0	0	105,313	300,000	300,000	194,687
Social, Cultural, and Recreation Projects	61,229	0	0	61,229	172,000	172,000	110,771
Public Utility Projects	321,181	0	0	321,181	321,188	321,188	7
Other General Government Projects	255,848	(54,295)	0	201,553	321,265	321,265	119,712
Education Capital Projects	414,619	0	0	414,619	0	414,619	0
<b>Total Expenditures</b>	<b>\$ 4,099,627</b>	<b>\$ (54,295)</b>	<b>420,914</b>	<b>\$ 4,466,246</b>	<b>2,442,447</b>	<b>\$ 7,587,348</b>	<b>\$ 3,121,102</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (2,215,531)</b>	<b>\$ 54,295</b>	<b>(420,914)</b>	<b>\$ (2,582,150)</b>	<b>\$ (1,246,811)</b>	<b>\$ (1,905,394)</b>	<b>\$ (676,756)</b>
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 414,619	\$ 0	0	\$ 414,619	0	\$ 414,619	\$ 0

(Continued)

Exhibit H-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Insurance Recovery	\$ 14,507	\$ 0	\$ 0	\$ 14,507	\$ 0	\$ 10,800	\$ 3,707
Transfers In	902,064	0	0	902,064	982,000	1,360,000	(457,936)
Transfers Out	0	0	0	0	(702,000)	0	0
Total Other Financing Sources (Uses)	\$ 1,331,190	\$ 0	\$ 0	\$ 1,331,190	\$ 280,000	\$ 1,785,419	\$ (454,229)
Net Change in Fund Balance	\$ (884,341)	\$ 54,295	\$ (420,914)	\$ (1,250,960)	\$ (966,811)	\$ (119,975)	\$ (1,130,985)
Fund Balance, July 1, 2011	1,027,897	(54,295)	0	973,602	1,124,320	1,124,320	(150,718)
Fund Balance, June 30, 2012	\$ 143,556	\$ 0	\$ (420,914)	\$ (277,358)	\$ 157,509	\$ 1,004,345	\$ (1,281,703)

# Proprietary Funds

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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.

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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, 2012

	<u>Internal Service Funds</u>		
	Employee		
	Insurance -	Workers'	
	Dental	Compensation	Total
	<hr/>		
<u>ASSETS</u>			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 523,015	\$ 999,447	\$ 1,522,462
Accounts Receivable	14	0	14
Total Assets	<u>\$ 523,029</u>	<u>\$ 999,447</u>	<u>\$ 1,522,476</u>
 <u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 0	\$ 407	\$ 407
Accrued Payroll	1,464	0	1,464
Claims and Judgements Payable	0	180,829	180,829
Total Liabilities	<u>\$ 1,464</u>	<u>\$ 181,236</u>	<u>\$ 182,700</u>
 <u>NET ASSETS</u>			
Unrestricted	<u>\$ 521,565</u>	<u>\$ 818,211</u>	<u>\$ 1,339,776</u>
Total Net Assets	<u><u>\$ 521,565</u></u>	<u><u>\$ 818,211</u></u>	<u><u>\$ 1,339,776</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, 2012

	<u>Internal Service Funds</u>		
	<u>Employee</u>		
	<u>Insurance -</u>	<u>Workers'</u>	
	<u>Dental</u>	<u>Compensation</u>	<u>Total</u>
<u>Operating Revenues</u>			
Self-Insurance Premiums	\$ 461,159	\$ 571,300	\$ 1,032,459
Total Operating Revenues	<u>\$ 461,159</u>	<u>\$ 571,300</u>	<u>\$ 1,032,459</u>
<u>Operating Expenses</u>			
Other Salaries and Wages	\$ 10,921	\$ 0	\$ 10,921
Travel	0	3,459	3,459
Medical Claims	448,213	629,157	1,077,370
Handling Charges and Administration	46,680	5,914	52,594
Workers' Compensation Insurance	0	72,314	72,314
Total Operating Expenses	<u>\$ 505,814</u>	<u>\$ 710,844</u>	<u>\$ 1,216,658</u>
Operating Income (Loss)	<u>\$ (44,655)</u>	<u>\$ (139,544)</u>	<u>\$ (184,199)</u>
<u>Nonoperating Revenues (Expenses)</u>			
Investment Income	\$ 1,176	\$ 3,085	\$ 4,261
Total Nonoperating Revenues (Expenses)	<u>\$ 1,176</u>	<u>\$ 3,085</u>	<u>\$ 4,261</u>
Change in Net Assets	\$ (43,479)	\$ (136,459)	\$ (179,938)
Net Assets, July 1, 2011	<u>565,044</u>	<u>954,670</u>	<u>1,519,714</u>
Net Assets, June 30, 2012	<u>\$ 521,565</u>	<u>\$ 818,211</u>	<u>\$ 1,339,776</u>

Exhibit I-3

Roane County, Tennessee  
Combining Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2012

	<u>Internal Service Funds</u>		
	Employee Insurance - Dental	Workers' Compen- sation	Total
<u>Cash Flows from Operating Activities</u>			
Receipts for Self-Insurance Premiums	\$ 461,145	\$ 571,300	\$ 1,032,445
Payments for Claims	(448,213)	(742,768)	(1,190,981)
Payments to Employees	(10,489)	0	(10,489)
Payments for Administrative Costs	(46,680)	(9,876)	(56,556)
Payments to Insurers	0	(72,314)	(72,314)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (44,237)</u>	<u>\$ (253,658)</u>	<u>\$ (297,895)</u>
<u>Cash Flows from Investing Activities</u>			
Interest on Investments	\$ 1,176	\$ 3,085	\$ 4,261
Net Cash Provided By (Used In) Investing Activities	<u>\$ 1,176</u>	<u>\$ 3,085</u>	<u>\$ 4,261</u>
Increase (Decrease) in Cash	\$ (43,061)	\$ (250,573)	\$ (293,634)
Cash, July 1, 2011	566,076	1,250,020	1,816,096
Cash, June 30, 2012	<u>\$ 523,015</u>	<u>\$ 999,447</u>	<u>\$ 1,522,462</u>
<u>Reconciliation of Operating Income (Loss) to Net</u>			
<u>Cash Provided By (Used In) Operating Activities</u>			
Operating Income (Loss)	\$ (44,655)	\$ (139,544)	\$ (184,199)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) Decrease in Current Operating Receivables	(14)	0	(14)
Increase (Decrease) in Other Current Operating Liabilities	432	(114,114)	(113,682)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (44,237)</u>	<u>\$ (253,658)</u>	<u>\$ (297,895)</u>

# Fiduciary Funds

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

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

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 a revolving loan program for local businesses.

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.

Roane County, Tennessee  
 Combining Statement of Fiduciary Assets and Liabilities  
 Fiduciary Funds  
 June 30, 2012

	Agency Funds						Total
	Cities - Sales Tax	City School ADA - Oak Ridge	Joint Venture	Community Development - Agency	Constitu- tional Officers - Agency		
\$	0 \$	0 \$	0 \$	0 \$	0 \$	1,222,931	\$ 1,222,931
Equity in Pooled Cash and Investments	0	1,386	197,138	226,472	0	0	424,996
Accounts Receivable	0	0	3,000	1,408	0	0	4,408
Due from Other Governments	1,198,903	75,618	9,522	0	0	0	1,284,043
Property Taxes Receivable	0	773,295	0	0	0	0	773,295
Allowance for Uncollectible Property Taxes	0	(53,084)	0	0	0	0	(53,084)
Notes Receivable - Long-term	0	0	0	655,694	0	0	655,694
<b>Total Assets</b>	<b>\$ 1,198,903</b>	<b>\$ 797,215</b>	<b>\$ 209,660</b>	<b>\$ 883,574</b>	<b>\$ 1,222,931</b>	<b>\$ 4,312,283</b>	

ASSETS

Cash  
 Equity in Pooled Cash and Investments  
 Accounts Receivable  
 Due from Other Governments  
 Property Taxes Receivable  
 Allowance for Uncollectible Property Taxes  
 Notes Receivable - Long-term

LIABILITIES

Accounts Payable  
 Accrued Payroll  
 Due to Other Taxing Units  
 Due to Litigants, Heirs, and Others  
 Due to Joint Ventures  
 Other Current Liabilities  
 Current Liabilities Payable from Restricted Assets  
 Other Payables from Restricted Assets

\$	0 \$	0 \$	13,844 \$	0 \$	0 \$	0 \$	13,844
	0	0	16,516	1,943	0	0	18,459
1,198,903	797,215	0	0	0	0	0	1,996,118
0	0	0	0	0	1,222,931	0	1,222,931
0	0	179,300	0	0	0	0	179,300
0	0	0	818,016	0	0	0	818,016
0	0	0	63,615	0	0	0	63,615
<b>\$ 1,198,903</b>	<b>\$ 797,215</b>	<b>\$ 209,660</b>	<b>\$ 883,574</b>	<b>\$ 1,222,931</b>	<b>\$ 4,312,283</b>		

Total Liabilities

Exhibit J-2

Roane County, Tennessee  
Combining Statement of Changes in Assets and Liabilities - All Agency Funds  
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 7,100,571	\$ 7,100,571	\$ 0
Due from Other Governments	1,113,548	1,198,903	1,113,548	1,198,903
<b>Total Assets</b>	<b>\$ 1,113,548</b>	<b>\$ 8,299,474</b>	<b>\$ 8,214,119</b>	<b>\$ 1,198,903</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,113,548	\$ 8,299,474	\$ 8,214,119	\$ 1,198,903
<b>Total Liabilities</b>	<b>\$ 1,113,548</b>	<b>\$ 8,299,474</b>	<b>\$ 8,214,119</b>	<b>\$ 1,198,903</b>
<u>City School ADA - Oak Ridge Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 923	\$ 1,230,713	\$ 1,230,250	\$ 1,386
Due from Other Governments	71,735	75,618	71,735	75,618
Property Taxes Receivable	805,343	773,295	805,343	773,295
Allowance for Uncollectible Property Taxes	(63,310)	(53,084)	(63,310)	(53,084)
<b>Total Assets</b>	<b>\$ 814,691</b>	<b>\$ 2,026,542</b>	<b>\$ 2,044,018</b>	<b>\$ 797,215</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 814,691	\$ 2,026,542	\$ 2,044,018	\$ 797,215
<b>Total Liabilities</b>	<b>\$ 814,691</b>	<b>\$ 2,026,542</b>	<b>\$ 2,044,018</b>	<b>\$ 797,215</b>
<u>Joint Venture - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 290,430	\$ 234,654	\$ 327,946	\$ 197,138
Accounts Receivable	0	3,000	0	3,000
Due from Other Governments	12,528	9,522	12,528	9,522
Due from Other Funds	15,860	0	15,860	0
<b>Total Assets</b>	<b>\$ 318,818</b>	<b>\$ 247,176</b>	<b>\$ 356,334</b>	<b>\$ 209,660</b>
<u>Liabilities</u>				
Accounts Payable	\$ 45,745	\$ 13,844	\$ 45,745	\$ 13,844
Accrued Payroll	19,633	16,516	19,633	16,516
Due to Joint Venture	253,440	216,816	290,956	179,300
<b>Total Liabilities</b>	<b>\$ 318,818</b>	<b>\$ 247,176</b>	<b>\$ 356,334</b>	<b>\$ 209,660</b>

(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>Community Development - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 399,664	\$ 62,781	\$ 235,973	\$ 226,472
Accounts Receivable	700	1,408	700	1,408
Notes Receivable (Long-term)	480,329	221,384	46,019	655,694
<b>Total Assets</b>	<b>\$ 880,693</b>	<b>\$ 285,573</b>	<b>\$ 282,692</b>	<b>\$ 883,574</b>
<u>Liabilities</u>				
Accrued Payroll	\$ 1,887	\$ 1,943	\$ 1,887	\$ 1,943
Other Current Liabilities	878,806	220,015	280,805	818,016
Current Liabilities Payable from Restricted Assets				
Other Payables from Restricted Assets	0	63,615	0	63,615
<b>Total Liabilities</b>	<b>\$ 880,693</b>	<b>\$ 285,573</b>	<b>\$ 282,692</b>	<b>\$ 883,574</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 3,191,934	\$ 9,035,416	\$ 11,004,419	\$ 1,222,931
<b>Total Assets</b>	<b>\$ 3,191,934</b>	<b>\$ 9,035,416</b>	<b>\$ 11,004,419</b>	<b>\$ 1,222,931</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 3,191,934	\$ 9,035,416	\$ 11,004,419	\$ 1,222,931
<b>Total Liabilities</b>	<b>\$ 3,191,934</b>	<b>\$ 9,035,416</b>	<b>\$ 11,004,419</b>	<b>\$ 1,222,931</b>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 3,191,934	\$ 9,035,416	\$ 11,004,419	\$ 1,222,931
Equity in Pooled Cash and Investments	691,017	8,628,719	8,894,740	424,996
Accounts Receivable	700	4,408	700	4,408
Due from Other Governments	1,197,811	1,284,043	1,197,811	1,284,043
Due from Other Funds	15,860	0	15,860	0
Property Taxes Receivable	805,343	773,295	805,343	773,295
Allowance for Uncollectible Property Taxes	(63,310)	(53,084)	(63,310)	(53,084)
Notes Receivable (Long-term)	480,329	221,384	46,019	655,694
<b>Total Assets</b>	<b>\$ 6,319,684</b>	<b>\$ 19,894,181</b>	<b>\$ 21,901,582</b>	<b>\$ 4,312,283</b>
<u>Liabilities</u>				
Accounts Payable	\$ 45,745	\$ 13,844	\$ 45,745	\$ 13,844
Accrued Payroll	21,520	18,459	21,520	18,459
Due to Other Taxing Units	1,928,239	10,326,016	10,258,137	1,996,118
Due to Litigants, Heirs, and Others	3,191,934	9,035,416	11,004,419	1,222,931
Due to Joint Venture	253,440	216,816	290,956	179,300
Other Current Liabilities	878,806	220,015	280,805	818,016
Current Liabilities Payable from Restricted Assets				
Other Payables from Restricted Assets	0	63,615	0	63,615
<b>Total Liabilities</b>	<b>\$ 6,319,684</b>	<b>\$ 19,894,181</b>	<b>\$ 21,901,582</b>	<b>\$ 4,312,283</b>

# Roane County School Department

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

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

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

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

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

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

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

Exhibit K-1

Roane County, Tennessee  
Statement of Activities  
Discretely Presented Roane County School Department  
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 37,775,463	\$ 0	\$ 4,976,127	\$ 0	\$ (32,799,336)
Support Services	22,861,397	0	1,127,879	15,387,297	(6,346,221)
Operation of Non-Instructional Services	5,493,450	1,556,143	2,552,634	0	(1,384,673)
Other Debt Service	24,885	0	0	0	(24,885)
<b>Total Governmental Activities</b>	<b>\$ 66,155,195</b>	<b>\$ 1,556,143</b>	<b>\$ 8,656,640</b>	<b>\$ 15,387,297</b>	<b>\$ (40,555,115)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$	\$ 13,051,669
Local Option Sales Taxes					7,291,062
Other Local Taxes					3,147
Grants and Contributions Not Restricted for Specific Programs					31,762,237
Unrestricted Investment Income					39,196
Miscellaneous					88,949
Gain on Disposal of Capital Assets					145,278
<b>Total General Revenues</b>				<b>\$</b>	<b>\$ 52,381,538</b>
Change in Net Assets				\$	\$ 11,826,423
Net Assets, July 1, 2011					75,539,822
<b>Net Assets, June 30, 2012</b>				<b>\$</b>	<b>\$ 87,366,245</b>

Exhibit K-2

Roane County, Tennessee  
 Balance Sheet - Governmental Funds  
 Discretely Presented Roane County School Department  
 June 30, 2012

	Major Funds		Nonmajor Funds	Total Governmen- tal Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<b>ASSETS</b>				
Cash	\$ 83,193	\$ 0	\$ 8,500	\$ 91,693
Equity in Pooled Cash and Investments	9,919,040	1,405,216	1,539,899	12,864,155
Accounts Receivable	38,306	0	56,755	95,061
Due from Other Governments	1,565,942	525,875	968,638	3,060,455
Due from Other Funds	44,411	0	0	44,411
Property Taxes Receivable	12,817,133	543,617	0	13,360,750
Allowance for Uncollectible Property Taxes	(879,837)	(37,317)	0	(917,154)
Prepaid Items	1,969	0	0	1,969
<b>Total Assets</b>	<b>\$ 23,590,157</b>	<b>\$ 2,437,391</b>	<b>\$ 2,573,792</b>	<b>\$ 28,601,340</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 1,095,213	\$ 356,711	\$ 242,980	\$ 1,694,904
Accrued Payroll	3,740	0	27,299	31,039
Payroll Deductions Payable	216	0	3,118	3,334
Contracts Payable	0	1,072,413	0	1,072,413
Retainage Payable	0	60,449	0	60,449
Due to Other Funds	0	0	44,411	44,411
Due to Primary Government	10,000	0	0	10,000
Other Current Liabilities	68,193	0	0	68,193
Deferred Revenue - Current Property Taxes	11,591,786	491,646	0	12,083,432
Deferred Revenue - Delinquent Property Taxes	326,847	13,910	0	340,757
Other Deferred Revenues	459,627	0	253,438	713,065
<b>Total Liabilities</b>	<b>\$ 13,555,622</b>	<b>\$ 1,995,129</b>	<b>\$ 571,246</b>	<b>\$ 16,121,997</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid Items	\$ 1,969	\$ 0	\$ 0	\$ 1,969
Restricted:				
Restricted for Education	21,575	0	1,080,117	1,101,692
Restricted for Capital Outlay	0	442,262	0	442,262
Committed:				
Committed for Education	813,760	0	922,429	1,736,189
Committed for Capital Outlay	934,000	0	0	934,000
Assigned:				
Assigned for Education	915,350	0	0	915,350
Unassigned	7,347,881	0	0	7,347,881
<b>Total Fund Balances</b>	<b>\$ 10,034,535</b>	<b>\$ 442,262</b>	<b>\$ 2,002,546</b>	<b>\$ 12,479,343</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 23,590,157</b>	<b>\$ 2,437,391</b>	<b>\$ 2,573,792</b>	<b>\$ 28,601,340</b>

Exhibit K-3

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, 2012

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)		\$ 12,479,343
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,357,524	
Add: construction in progress	16,410,536	
Add: building and improvements net of accumulated depreciation	58,608,009	
Add: other capital assets net of accumulated depreciation	<u>2,504,872</u>	78,880,941
(2) Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability	\$ (4,911,866)	
Less: compensated absences payable	<u>(135,995)</u>	(5,047,861)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,053,822</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 87,366,245</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, 2012

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 18,409,845	\$ 565,749	\$ 1,650,000	\$ 20,625,594
Licenses and Permits	2,804	0	0	2,804
Charges for Current Services	60,746	0	1,490,490	1,551,236
Other Local Revenues	60,233	15,165,861	45,103	15,271,197
State of Tennessee	30,802,083	0	329,435	31,131,518
Federal Government	721,557	0	8,497,816	9,219,373
Other Governments and Citizens Groups	0	414,619	0	414,619
Total Revenues	<u>\$ 50,057,268</u>	<u>\$ 16,146,229</u>	<u>\$ 12,012,844</u>	<u>\$ 78,216,341</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 31,683,102	\$ 0	\$ 5,003,249	\$ 36,686,351
Support Services	16,417,887	0	3,940,583	20,358,470
Operation of Non-Instructional Services	1,330,650	0	4,184,031	5,514,681
Capital Outlay	79,536	0	0	79,536
Debt Service:				
Other Debt Service	24,885	0	0	24,885
Capital Projects	0	16,288,384	0	16,288,384
Total Expenditures	<u>\$ 49,536,060</u>	<u>\$ 16,288,384</u>	<u>\$ 13,127,863</u>	<u>\$ 78,952,307</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 521,208	\$ (142,155)	\$ (1,115,019)	\$ (735,966)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 9,812	\$ 9,812
Transfers In	31,755	200,000	495,095	726,850
Transfers Out	(200,000)	(495,095)	(31,755)	(726,850)
Total Other Financing Sources (Uses)	<u>\$ (168,245)</u>	<u>\$ (295,095)</u>	<u>\$ 473,152</u>	<u>\$ 9,812</u>
Net Change in Fund Balances	\$ 352,963	\$ (437,250)	\$ (641,867)	\$ (726,154)
Fund Balance, July 1, 2011	9,681,572	879,512	2,644,413	13,205,497
Fund Balance, June 30, 2012	<u>\$ 10,034,535</u>	<u>\$ 442,262</u>	<u>\$ 2,002,546</u>	<u>\$ 12,479,343</u>

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, 2012

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)		\$	(726,154)
(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	\$	16,214,269	
Less: current-year depreciation expense		<u>(2,341,478)</u>	13,872,791
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			
Less: net book value of assets disposed			(30,001)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2012	\$	1,053,822	
Less: deferred delinquent property taxes and other deferred June 30, 2011		<u>(1,268,356)</u>	(214,534)
(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 other postemployment benefits liability	\$	(1,089,112)	
Change in compensated absences		<u>13,433</u>	<u>(1,075,679)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ 11,826,423</u>

Roane County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Roane County School Department  
June 30, 2012

	Special Revenue Funds				Total
	School Federal Projects	Central Cafeteria	School Transportation	Extended School Program	
\$	0	6,000	0	2,500	8,500
Equity in Pooled Cash and Investments	437,604	641,128	391,587	69,580	1,539,899
Accounts Receivable	289	7,263	13,227	35,976	56,755
Due from Other Governments	248,189	463,409	253,438	3,602	968,638
Total Assets	\$ 686,082	\$ 1,117,800	\$ 658,252	\$ 111,658	\$ 2,573,792

ASSETS

Cash	\$	0
Equity in Pooled Cash and Investments		
Accounts Receivable		
Due from Other Governments		
Total Assets	\$	686,082

LIABILITIES AND FUND BALANCES

Liabilities	\$	125,996	\$	53,358	\$	55,559	\$	8,067	\$	242,980
Accounts Payable										
Accrued Payroll	0	0	0	0	27,299	0	0	27,299	0	27,299
Payroll Deductions Payable	0	0	0	0	3,118	0	0	3,118	0	3,118
Due to Other Funds	44,411	0	0	0	0	0	0	0	0	44,411
Other Deferred Revenues	0	0	253,438	0	0	253,438	0	0	0	253,438
Total Liabilities	\$	170,407	\$	53,358	\$	308,997	\$	38,484	\$	571,246
Fund Balances	\$	15,675	\$	1,064,442	\$	0	\$	0	\$	1,080,117
Restricted:										
Restricted for Education										
Committed:										
Committed for Education	500,000	0	349,255	73,174	0	349,255	73,174	0	0	922,429
Total Fund Balances	\$	515,675	\$	1,064,442	\$	349,255	\$	73,174	\$	2,002,546
Total Liabilities and Fund Balances	\$	686,082	\$	1,117,800	\$	658,252	\$	111,658	\$	2,573,792

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, 2012

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	School Transpor- tation	Extended School Program	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 1,650,000	\$ 0	\$ 1,650,000
Charges for Current Services	0	1,210,116	92,418	187,956	1,490,490
Other Local Revenues	0	6,606	38,497	0	45,103
State of Tennessee	0	37,963	250,000	41,472	329,435
Federal Government	6,024,617	2,449,183	0	24,016	8,497,816
Total Revenues	\$ 6,024,617	\$ 3,703,868	\$ 2,030,915	\$ 253,444	\$ 12,012,844
<u>Expenditures</u>					
Current:					
Instruction	\$ 5,003,249	\$ 0	\$ 0	\$ 0	\$ 5,003,249
Support Services	1,050,944	0	2,889,639	0	3,940,583
Operation of Non-Instructional Services	0	3,928,201	0	255,830	4,184,031
Total Expenditures	\$ 6,054,193	\$ 3,928,201	\$ 2,889,639	\$ 255,830	\$ 13,127,863
Excess (Deficiency) of Revenues Over Expenditures	\$ (29,576)	\$ (224,333)	\$ (858,724)	\$ (2,386)	\$ (1,115,019)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 0	\$ 9,812	\$ 0	\$ 9,812
Transfers In	0	0	495,095	0	495,095
Transfers Out	(31,755)	0	0	0	(31,755)
Total Other Financing Sources (Uses)	\$ (31,755)	\$ 0	\$ 504,907	\$ 0	\$ 473,152
Net Change in Fund Balances	\$ (61,331)	\$ (224,333)	\$ (353,817)	\$ (2,386)	\$ (641,867)
Fund Balance, July 1, 2011	577,006	1,288,775	703,072	75,560	2,644,413
Fund Balance, June 30, 2012	\$ 515,675	\$ 1,064,442	\$ 349,255	\$ 73,174	\$ 2,002,546

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 18,409,845	\$ 0	\$ 0	\$ 18,409,845	\$ 18,134,500	\$ 18,134,500	\$ 275,345
Licenses and Permits	2,804	0	0	2,804	3,500	3,500	(696)
Charges for Current Services	60,746	0	0	60,746	15,000	61,838	(1,092)
Other Local Revenues	60,233	0	0	60,233	140,750	92,250	(32,017)
State of Tennessee	30,802,083	0	0	30,802,083	31,226,451	30,815,340	(13,257)
Federal Government	721,557	0	0	721,557	110,000	785,000	(63,443)
Total Revenues	\$ 50,057,268	\$ 0	\$ 0	\$ 50,057,268	\$ 49,630,201	\$ 49,892,428	\$ 164,840
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 25,194,609	(621,329)	38,308	\$ 24,611,588	\$ 26,457,465	\$ 26,450,932	\$ 1,839,344
Alternative Instruction Program	200,780	0	0	200,780	207,254	214,382	13,602
Special Education Program	4,490,867	(317)	0	4,490,550	4,699,677	4,700,877	210,327
Vocational Education Program	1,796,846	0	0	1,796,846	1,790,802	1,835,609	38,763
<u>Support Services</u>							
Attendance	94,596	(1,832)	1,972	94,736	106,592	106,842	12,106
Health Services	603,000	0	0	603,000	605,800	629,050	26,050
Other Student Support	1,687,030	0	300	1,687,330	1,696,202	1,729,536	42,206
Regular Instruction Program	2,485,641	(34,600)	350	2,451,391	2,579,703	2,584,453	133,062
Alternative Instruction Program	112,339	0	0	112,339	115,807	115,807	3,468
Special Education Program	796,245	0	0	796,245	890,965	842,969	46,724
Vocational Education Program	85,142	0	0	85,142	81,368	85,142	0
Other Programs	299,554	0	0	299,554	0	299,554	0
Board of Education	772,294	(17,400)	17,000	771,894	1,056,185	937,185	165,291

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Director of Schools	\$ 289,828	\$ 0	\$ 767	\$ 290,595	\$ 278,741	\$ 308,945	\$ 18,350
Office of the Principal	3,896,444	(3,050)	754	3,894,148	3,954,285	3,989,397	95,249
Fiscal Services	310,241	0	0	310,241	328,233	325,489	15,248
Human Services/Personnel	17,867	0	0	17,867	24,971	24,971	7,104
Operation of Plant	3,816,400	(73,973)	31,725	3,774,152	4,073,593	4,087,898	313,746
Maintenance of Plant	968,061	(8,125)	91,523	1,051,459	1,088,824	1,091,024	39,565
Transportation	183,205	0	0	183,205	0	203,834	20,629
<u>Operation of Non-Instructional Services</u>							
Community Services	685,154	(2,647)	1,170	683,677	820,182	727,384	43,707
Early Childhood Education	645,496	0	0	645,496	650,050	663,750	18,254
<u>Capital Outlay</u>							
Regular Capital Outlay	79,536	(41,602)	9,552	47,486	55,000	75,000	27,514
Principal on Debt	0	0	0	0	100,000	0	0
Education							
Other Debt Service							
Total Expenditures	24,885	0	0	24,885	0	100,000	75,115
	<u>\$ 49,536,060</u>	<u>\$ (804,875)</u>	<u>\$ 193,421</u>	<u>\$ 48,924,606</u>	<u>\$ 51,661,699</u>	<u>\$ 52,130,030</u>	<u>\$ 3,205,424</u>
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 521,208	\$ 804,875	\$ (193,421)	\$ 1,132,662	\$ (2,031,498)	\$ (2,237,602)	\$ 3,370,264
<u>Other Financing Sources (Uses)</u> <u>Transfers In</u>	\$ 31,755	\$ 0	\$ 0	\$ 31,755	\$ 32,483	\$ 37,819	\$ (6,064)

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Transfers Out	\$ (200,000)	0	0	(200,000)	(200,000)	(200,000)	0
Total Other Financing Sources (Uses)	\$ (168,245)	0	0	(168,245)	(167,517)	(162,181)	(6,064)
Net Change in Fund Balance	\$ 352,963	804,875	(193,421)	964,417	(2,199,015)	(2,399,783)	3,364,200
Fund Balance, July 1, 2011	9,681,572	(804,875)	0	8,876,697	8,846,942	8,846,942	29,755
Fund Balance, June 30, 2012	\$ 10,034,535	0	(193,421)	9,841,114	6,647,927	6,447,159	3,393,955

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 6,024,617	\$ 0	\$ 0	\$ 6,024,617	\$ 6,059,410	\$ 6,731,765	\$ (707,148)
Total Revenues	\$ 6,024,617	\$ 0	\$ 0	\$ 6,024,617	\$ 6,059,410	\$ 6,731,765	\$ (707,148)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 3,690,386	\$ (4,830)	\$ 35	\$ 3,685,591	\$ 3,111,673	\$ 3,819,807	\$ 134,216
Special Education Program	1,267,731	(5,596)	0	1,262,135	1,447,716	1,680,768	418,633
Vocational Education Program	45,132	(2,752)	0	42,380	45,757	45,263	2,883
<u>Support Services</u>							
Health Services	0	0	0	0	74,350	0	0
Other Student Support	78,320	(1,280)	0	77,040	211,158	81,014	3,974
Regular Instruction Program	353,644	(2,952)	0	350,692	535,042	564,669	213,977
Special Education Program	514,295	(4,702)	6,144	515,737	540,570	566,428	50,691
Vocational Education Program	4,053	0	0	4,053	5,416	4,053	0
Office of the Principal	0	0	0	0	55,245	0	0
Transportation	100,632	(100,632)	0	0	0	0	0
Total Expenditures	\$ 6,054,193	\$ (122,744)	\$ 6,179	\$ 5,937,628	\$ 6,026,927	\$ 6,762,002	\$ 824,374
Excess (Deficiency) of Revenues Over Expenditures	\$ (29,576)	\$ 122,744	\$ (6,179)	\$ 86,989	\$ 32,483	\$ (30,237)	\$ 117,226
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (31,755)	\$ 0	\$ 0	\$ (31,755)	\$ (32,483)	\$ (37,819)	\$ 6,064
Total Other Financing Sources (Uses)	\$ (31,755)	\$ 0	\$ 0	\$ (31,755)	\$ (32,483)	\$ (37,819)	\$ 6,064
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (61,331)	\$ 122,744	\$ (6,179)	\$ 55,234	\$ 0	\$ (68,056)	\$ 123,290
	\$ 577,006	\$ (122,744)	\$ 0	\$ 454,262	\$ 568,057	\$ 568,057	\$ (113,795)
Fund Balance, June 30, 2012	\$ 515,675	\$ 0	\$ (6,179)	\$ 509,496	\$ 568,057	\$ 500,001	\$ 9,495

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,210,116	\$ 0	\$ 0	\$ 1,210,116	\$ 1,335,000	\$ 1,250,000	\$ (39,884)
Other Local Revenues	6,606	0	0	6,606	7,000	4,000	2,606
State of Tennessee	37,963	0	0	37,963	40,000	38,000	(37)
Federal Government	2,449,183	0	0	2,449,183	2,300,000	2,495,000	(45,817)
Total Revenues	\$ 3,703,868	\$ 0	\$ 0	\$ 3,703,868	\$ 3,682,000	\$ 3,787,000	\$ (83,132)
<u>Expenditures</u>							
Operation of Non-Instructional Services	\$ 3,928,201	\$ (108,811)	\$ 53,000	\$ 3,872,390	\$ 3,835,724	\$ 4,110,344	\$ 237,954
Food Service	\$ 3,928,201	\$ (108,811)	\$ 53,000	\$ 3,872,390	\$ 3,835,724	\$ 4,110,344	\$ 237,954
Total Expenditures	\$ (224,333)	\$ 108,811	\$ (53,000)	\$ (168,522)	\$ (153,724)	\$ (323,344)	\$ 154,822
Excess (Deficiency) of Revenues Over Expenditures	\$ (224,333)	\$ 108,811	\$ (53,000)	\$ (168,522)	\$ (153,724)	\$ (323,344)	\$ 154,822
Net Change in Fund Balance Fund Balance, July 1, 2011	1,288,775	(108,811)	0	1,179,964	1,179,966	1,179,966	(2)
Fund Balance, June 30, 2012	\$ 1,064,442	\$ 0	\$ (53,000)	\$ 1,011,442	\$ 1,026,242	\$ 856,622	\$ 154,820

Exhibit K-11

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Roane County School Department  
School Transportation Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,650,000	\$ 0	\$ 1,650,000	\$ 1,650,000	\$ 1,650,000	\$ 0
Charges for Current Services	92,418	0	92,418	80,000	80,000	12,418
Other Local Revenues	38,497	0	38,497	7,500	38,500	(3)
State of Tennessee	250,000	0	250,000	250,000	250,000	0
Total Revenues	\$ 2,030,915	\$ 0	\$ 2,030,915	\$ 1,987,500	\$ 2,018,500	\$ 12,415
<u>Expenditures</u>						
<u>Support Services</u>						
Transportation	\$ 2,889,639	(307,735)	\$ 2,581,904	\$ 2,615,014	\$ 2,639,892	\$ 57,988
Total Expenditures	\$ 2,889,639	(307,735)	\$ 2,581,904	\$ 2,615,014	\$ 2,639,892	\$ 57,988
Excess (Deficiency) of Revenues Over Expenditures	\$ (858,724)	\$ 307,735	\$ (550,989)	\$ (627,514)	\$ (621,392)	\$ 70,403
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 9,812	\$ 0	\$ 9,812	\$ 0	\$ 4,000	\$ 5,812
Transfers In	495,095	0	495,095	500,000	500,000	(4,905)
Total Other Financing Sources (Uses)	\$ 504,907	\$ 0	\$ 504,907	\$ 500,000	\$ 504,000	\$ 907
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (353,817)	\$ 307,735	\$ (46,082)	\$ (127,514)	\$ (117,392)	\$ 71,310
	703,072	(307,735)	395,337	395,338	395,338	(1)
Fund Balance, June 30, 2012	\$ 349,255	\$ 0	\$ 349,255	\$ 267,824	\$ 277,946	\$ 71,309

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 187,956	\$ 0	\$ 0	\$ 187,956	\$ 200,000	\$ 195,000	\$ (7,044)
State of Tennessee	41,472	0	0	41,472	60,000	37,000	4,472
Federal Government	24,016	0	0	24,016	20,000	20,000	4,016
Total Revenues	\$ 253,444	\$ 0	\$ 0	\$ 253,444	\$ 280,000	\$ 252,000	\$ 1,444
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 255,830	(3,800)	3,925	\$ 255,955	\$ 280,000	\$ 279,189	\$ 23,234
Total Expenditures	\$ 255,830	(3,800)	3,925	\$ 255,955	\$ 280,000	\$ 279,189	\$ 23,234
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,386)	\$ 3,800	(3,925)	\$ (2,511)	\$ 0	(27,189)	\$ 24,678
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (2,386)	\$ 3,800	(3,925)	\$ (2,511)	\$ 0	(27,189)	\$ 24,678
	75,560	(3,800)	0	71,760	71,763	71,763	(3)
Fund Balance, June 30, 2012	\$ 73,174	\$ 0	(3,925)	\$ 69,249	\$ 71,763	\$ 44,574	\$ 24,675

Exhibit K-13

Roane County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Roane County School Department  
Education Capital Projects Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 565,749	\$ 0	\$ 0	\$ 565,749	\$ 507,000	\$ 566,948	\$ (1,199)
Other Local Revenues	15,165,861	0	0	15,165,861	18,000,000	19,322,242	(4,156,381)
Other Governments and Citizens Groups	414,619	0	0	414,619	400,000	817,427	(402,808)
Total Revenues	\$ 16,146,229	\$ 0	\$ 0	\$ 16,146,229	\$ 18,907,000	\$ 20,706,617	\$ (4,560,388)
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 16,288,384	\$ (14,701,017)	\$ 3,419,776	\$ 5,007,143	\$ 18,600,000	\$ 20,663,318	\$ 15,656,175
Total Expenditures	\$ 16,288,384	\$ (14,701,017)	\$ 3,419,776	\$ 5,007,143	\$ 18,600,000	\$ 20,663,318	\$ 15,656,175
Excess (Deficiency) of Revenues Over Expenditures	\$ (142,155)	\$ 14,701,017	\$ (3,419,776)	\$ 11,139,086	\$ 307,000	\$ 43,299	\$ 11,095,787
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 200,000	\$ 0	\$ 0	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0
Transfers Out	(495,095)	0	0	(495,095)	(500,000)	(500,000)	4,905
Total Other Financing Sources (Uses)	\$ (295,095)	\$ 0	\$ 0	\$ (295,095)	\$ (300,000)	\$ (300,000)	\$ 4,905
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (437,250)	\$ 14,701,017	\$ (3,419,776)	\$ 10,843,991	\$ 7,000	\$ (256,701)	\$ 11,100,692
Fund Balance, July 1, 2011	879,512	(14,701,017)	0	(13,821,505)	879,031	879,031	(14,700,536)
Fund Balance, June 30, 2012	\$ 442,262	\$ 0	\$ (3,419,776)	\$ (2,977,514)	\$ 886,031	\$ 622,330	\$ (3,599,844)

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## MISCELLANEOUS SCHEDULES

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Exhibit L-1

Roane County, Tennessee  
Schedule of Changes in Long-term Other Loans and Bonds  
For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or	
							Matured During Period	Outstanding 6-30-12
<b>GOVERNMENTAL ACTIVITIES</b>								
<b>OTHER LOANS PAYABLE</b>								
Payable through General Debt Service Fund								
Industrial Park Refunding - Sevier Co. PBA - B-3-A	\$ 3,640,000	1.6 to 5.85 %	9-1-03	6-1-16	\$ 1,058,110	\$ 0	\$ 122,090	\$ 936,020
Industrial Park Land - Sevier Co. PBA - B-3-A	835,000	1.6 to 5.85	9-1-03	6-1-16	241,890	0	27,910	213,980
Public Improvement - Blount Co. PBA - B-13-A	1,750,000	5.6 to 6	10-18-07	6-30-24	1,750,000	0	0	1,750,000
Public Improvement - Blount Co. PBA - B-20-A	750,000	4.25 to 5	6-15-10	6-1-27	750,000	0	0	750,000
Energy Efficient Incentive School Loan	(1)	0	2-1-12	1-1-22	182,573	414,619	24,885	572,307
Total Other Loans Payable					\$ 3,982,573	\$ 414,619	\$ 174,885	\$ 4,222,307
<b>BONDS PAYABLE</b>								
Payable through General Debt Service Fund								
General Obligation Refunding Bonds, Series 2008A	9,975,000	3.8 to 4.63	6-18-08	6-1-33	\$ 9,975,000	\$ 0	\$ 0	\$ 9,975,000
General Obligation Refunding Bonds, Series 2008B	7,410,000	3 to 4.1	6-30-08	6-1-22	7,110,000	0	100,000	7,010,000
General Obligation Refunding Bonds, Series 2009A	5,628,497	2 to 5	4-22-09	6-30-24	4,276,302	0	709,900	3,566,402
General Obligation Bonds, Series 2009A	2,696,503	2 to 5	4-22-09	6-30-24	2,048,698	0	340,100	1,708,598
General Obligation Refunding Bonds, Series 2010A	3,810,000	2 to 3.75	5-5-10	6-1-25	3,740,795	0	194,399	3,546,396
General Obligation Bonds, Series 2010A	3,185,000	2 to 3.75	5-5-10	6-1-25	2,994,205	0	155,601	2,838,604
Total Payable through General Debt Service Fund					\$ 30,145,000	\$ 0	\$ 1,500,000	\$ 28,645,000

(Continued)

Exhibit L-1

Roane County, Tennessee  
Schedule of Changes in Long-term Other Loans, Capital Leases and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
<u>BONDS PAYABLE (CONTL.)</u>								
<u>Payable through Rural Debt Service Fund</u>								
Rural School Refunding, Series 2004	\$ 18,915,000	2 to 4.3 %	3-9-04	5-1-22	\$ 14,610,000	0 \$	1,025,000 \$	13,585,000
Rural School Refunding, Series 2010B	1,180,000	3 to 3.25	5-5-10	6-1-19	765,000	0	65,000	700,000
Total Payable through Rural Debt Service Fund					\$ 15,375,000	0 \$	1,090,000 \$	14,285,000
<u>Payable through Education Debt Service Fund</u>								
Rural School Refunding, Series 2008C	1,600,000	3 to 5	6-30-08	6-2-20	\$ 1,215,000	0 \$	155,000 \$	1,060,000
Rural School Bonds Series 2009B	1,325,000	2 to 3.5	4-22-09	6-30-20	1,125,000	0	105,000	1,020,000
Total Payable through Education Debt Service Fund					\$ 2,340,000	0 \$	260,000 \$	2,080,000
Total Bonds Payable					\$ 47,860,000	0 \$	2,850,000 \$	45,010,000
<u>BUSINESS-TYPE ACTIVITIES</u>								
<u>OTHER LOANS PAYABLE</u>								
State Revolving Loan Fund	(2)	1.77	6-24-11	(2)	\$ 0	1,568,042 \$	0 \$	1,568,042
Total Other Loans Payable					\$ 0	1,568,042 \$	0 \$	1,568,042
<u>BONDS PAYABLE</u>								
General Obligation Bonds, Series 2010A	305,000	2 to 3.75	5-5-10	6-1-20	\$ 285,000	0 \$	25,000 \$	260,000
Water and Sewer Revenue and Tax, Series 2000	620,000	4.75	6-20-02	4-20-40	553,928	0	9,223	544,705
Total Bonds Payable					\$ 838,928	0 \$	34,223 \$	804,705

(1) Total amount approved was \$1,000,000 consisting of two separate projects of \$600,000 and \$400,000. Repayment of the loan is by project and begins upon completion of each project. The first project was completed for \$597,192 during the year. The remaining \$400,000 project is expected to be completed by June 30, 2013.

(2) Total amount approved was \$4,468,000 of which \$2,899,958 remains available to borrow as of June 30, 2012. Maturity date will be determined after all funds have been drawn.

Exhibit L-2

Roane County, Tennessee  
Schedule of Long-term Debt Requirements by Year

GOVERNMENTAL ACTIVITIES:

Year Ending June 30	Other Loans		Total
	Principal	Interest	
2013	\$ 284,724	\$ 204,599	\$ 489,323
2014	284,724	192,226	476,950
2015	284,724	179,513	464,237
2016	684,724	316,576	1,001,300
2017	209,724	280,387	490,111
2018	234,724	296,913	531,637
2019	234,724	286,937	521,661
2020	259,724	301,438	561,162
2021	259,724	289,437	549,161
2022	234,791	277,438	512,229
2023	250,000	315,437	565,437
2024	250,000	300,438	550,438
2025	225,000	35,437	260,437
2026	250,000	24,188	274,188
2027	275,000	11,688	286,688
Total	\$ 4,222,307	\$ 3,312,652	\$ 7,534,959

Year Ending June 30	Bonds		Total
	Principal	Interest	
2013	\$ 2,900,000	\$ 1,835,019	\$ 4,735,019
2014	3,010,000	1,748,969	4,758,969
2015	3,125,000	1,646,306	4,771,306
2016	2,785,000	1,539,106	4,324,106
2017	3,410,000	1,426,586	4,836,586
2018	3,570,000	1,285,836	4,855,836
2019	3,730,000	1,117,341	4,847,341
2020	3,905,000	963,258	4,868,258
2021	3,375,000	806,764	4,181,764
2022	3,545,000	671,536	4,216,536
2023	1,650,000	526,281	2,176,281
2024	1,750,000	457,406	2,207,406
2025	1,030,000	375,250	1,405,250
2026	775,000	331,000	1,106,000
2027	800,000	296,125	1,096,125
2028	850,000	260,125	1,110,125
2029	875,000	219,750	1,094,750
2030	925,000	180,375	1,105,375
2031	1,000,000	138,750	1,138,750

(Continued)

Exhibit L-2

Roane County, Tennessee  
Schedule of Long-term Debt Requirements by Year (cont.)

GOVERNMENTAL ACTIVITIES (CONT.):

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2032	\$ 1,000,000	\$ 92,500	\$ 1,092,500
2033	1,000,000	46,250	1,046,250
Total	<u>\$ 45,010,000</u>	<u>\$ 15,964,533</u>	<u>\$ 60,974,533</u>

BUSINESS-TYPE ACTIVITIES:

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2013	\$ 0	\$ 50,000	\$ 1,000	\$ 51,000
2014	77,875	77,564	1,254	156,693
2015	189,258	76,175	1,192	266,625
2016	192,635	72,798	1,041	266,474
2017	196,073	69,360	887	266,320
2018	199,572	65,861	730	266,163
2019	203,133	62,300	570	266,003
2020	206,758	58,675	408	265,841
2021	210,447	54,986	242	265,675
2022	92,291	21,811	74	114,176
Total	<u>\$ 1,568,042</u>	<u>\$ 609,530</u>	<u>\$ 7,398</u>	<u>\$ 2,184,970</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 39,671	\$ 33,344	\$ 73,015
2014	40,141	32,274	72,415
2015	40,633	30,882	71,515
2016	41,149	29,466	70,615
2017	46,690	28,025	74,715
2018	47,258	26,407	73,665
2019	47,853	24,762	72,615
2020	48,477	23,001	71,478
2021	14,131	21,209	35,340
2022	14,817	20,523	35,340
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	17,429	36,210
2028	19,692	16,559	36,251

(Continued)

Exhibit L-2

Roane County, Tennessee  
Schedule of Long-term Debt Requirements by Year (cont.)

BUSINESS-TYPE ACTIVITIES (CONT.):

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2029	\$ 20,648	\$ 15,648	\$ 36,296
2030	21,651	14,692	36,343
2031	22,702	13,689	36,391
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	\$ 804,705	\$ 479,620	\$ 1,284,325

Roane County, Tennessee  
Schedule of Notes Receivable  
For the Year Ended June 30, 2012

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-12
<u>Community Development - Agency Fund</u>						
Industrial Loan (Revolving)	Browder Hardware	\$100,000	6-13-02	6-13-17	3.75 %	\$ 39,737
Industrial Loan (Revolving)	Ivan's Restaurant	40,000	9-23-02	9-25-09	(1) 3.75	24,393
Industrial Loan (Revolving)	Understanding The Way	70,000	1-13-03	1-15-18	3.25	30,081
Industrial Loan (Revolving)	Dana Audio	50,000	2-26-03	4-23-10	(1) 3.25	26,635
Industrial Loan (Revolving)	Ideal Plumbing	100,000	1-29-04	3-1-14	3.04	48,503
Industrial Loan (Revolving)	Mary Gail's Place	32,500	9-30-04	9-30-11	(1) 4	24,892
Industrial Loan (Revolving)	Browder Hardware III	75,000	4-19-12	4-19-20	(2) 4	55,401
Industrial Loan (Revolving)	Market Street	100,000	10-16-09	10-16-18	4	84,032
Industrial Loan (Revolving)	Amazing Brakes	60,000	2-7-11	2-7-21	4	53,322
Industrial Loan (Revolving)	Lawn Wizard	25,000	3-25-11	3-25-16	4	19,157
Industrial Loan (Revolving)	Understanding The Way II	60,000	8-30-10	8-30-25	4	54,422
Industrial Loan (Revolving)	Kari Openshaw Interiors	(3)	5-4-12	5-4-17	4	45,000
Industrial Loan (Revolving)	Active Family Chiropractic	(4)	11-22-11	11-22-21	4	58,734
Industrial Loan (Revolving)	Mountains to Lakes Real Estate	(5)	4-24-12	4-24-27	4	91,385
Total Notes Receivable						<u>\$ 655,694</u>

- (1) Payoffs for these loans were delinquent as of 6-30-12.
- (2) A modification to the loan was made on 4-19-12 to increase the loan by \$25,000 and extend maturity date to 4-19-20.
- (3) Loan issued for \$75,000 of which \$30,000 remains available to borrow as of 6-30-12.
- (4) Loan issued for \$85,000 of which \$25,000 remains available to borrow as of 6-30-12.
- (5) Loan issued for \$100,000 of which \$8,615 remains available to borrow as of 6-30-12.

Exhibit L-4

Roane County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Roane County School Department  
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Ambulance Service	Operations	\$ 200,000
"	Special Purpose	Operations	148,000
"	General Capital Projects	Capital Projects	80,000
Sanitation/Solid Waste	"	Capital Projects	100,000
Industrial/Economic Development	General	Close Fund	9,225
"	General Capital Projects	Capital Projects	542,064
Other Special Revenue	"	Capital Projects	180,000
Highway/Public Works	General Debt Service	Debt Retirement	149,344
Public Utility	General	Operations	70,746
Total Transfers Primary Government			<u>\$ 1,479,379</u>
<u>DISCRETELY PRESENTED ROANE</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Education Capital Projects	Capital Projects	\$ 200,000
School Federal Projects	General Purpose School	Indirect Costs	31,755
Education Capital Projects	School Transportation	Bus Purchases	495,095
Total Transfers Discretely Presented Roane County School Department			<u>\$ 726,850</u>

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, 2012

Official	Authorization of Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA, and County Commission	\$ 95,173 (1)	\$ 50,000	RLI Insurance Company
Road Superintendent	Section 8-24-102, TCA	76,407 (2)	100,000	Western Surety Company
Director of Schools	State Board of Education and Roane County Board of Education	152,061 (3)	50,000	"
Trustee	Section 8-24-102, TCA	69,461	2,101,400	Auto-Owners Insurance Company
Assessor of Property	Section 8-24-102, TCA	69,461	50,000	Old Republic Surety Company
Director of Accounts and Budgets	County Commission	65,214 (4)	10,000	RLI Insurance Company
County Clerk	Section 8-24-102, TCA	69,641	50,000	The Ohio Casualty Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	69,641	50,000	Western Surety Company
Clerk and Master	Section 8-24-102, TCA	69,461	60,000	"
Register	Section 8-24-102, TCA	69,461	25,000	The Ohio Casualty Insurance Company
Sheriff	Section 8-24-102, TCA	77,007 (5)	25,000	Auto-Owners Insurance Company
Purchasing Agent	County Commission	52,553	10,000	RLI Insurance Company
Employee Blanket Bond			250,000	St. Paul Insurance Company
Public Employee Dishonesty				

- (1) Includes \$1,045 for board and committee meetings and \$7,040 salary supplement for serving as sanitation supervisor. Does not include \$1,169 for a phone stipend.
- (2) Does not include \$1,223 for a phone stipend.
- (3) Includes an incentive bonus of \$15,000, a chief executive officer supplement of \$1,000, and \$18,141 of accumulated vacation pay, but does not include a \$500 (403-b) match. The director retired June 30, 2012.
- (4) Includes \$2,003 for board and committee meetings and a bonus payment of \$560.
- (5) Includes a law enforcement training supplement of \$600. Does not include a phone stipend of \$1,164.

Exhibit L-6

Roane County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2012

	Special Revenue Funds									
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	District Attorney General	Other Special Revenue		
<u>Local Taxes</u>										
<u>County Property Taxes</u>										
Current Property Tax	\$ 7,484,217	\$ 213,250	\$ 120,680	\$ 178,628	\$ 142,173	\$ 0	\$ 0	\$ 241,342		
Trustee's Collections - Prior Year	311,664	12,453	8,187	8,194	10,305	0	0	10,272		
Trustee's Collections - Bankruptcy	11	1	0	0	0	0	0	0		
Circuit/Clerk & Master Collections - Prior Years	354,605	25,075	8,537	7,858	20,880	0	0	10,708		
Interest and Penalty	59,535	2,069	1,454	1,443	1,675	0	0	1,951		
Pick-up Taxes	4,401	217	72	98	147	0	0	142		
Payments in-Lieu-of Taxes - T.V.A.	56,417	0	0	0	0	0	0	0		
Payments in-Lieu-of Taxes - Local Utilities	163,179	0	0	0	0	0	0	0		
Payments in-Lieu-of Taxes - Other	0	0	0	10,024	0	0	0	0		
<u>County Local Option Taxes</u>										
Local Option Sales Tax	43,172	350,000	0	0	330,000	0	0	0		
Hotel/Motel Tax	14,584	0	0	73,286	0	0	0	0		
Litigation Tax - General	298,999	0	0	0	0	0	0	0		
Litigation Tax - Jail, Workhouse, or Courthouse	242,120	0	0	0	0	0	0	0		
Business Tax	602,705	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	42,546	0	0	0	0	0	0	0		
Wholesale Beer Tax	50,395	0	0	121,615	0	0	0	0		
Interstate Telecommunications Tax	0	0	0	0	0	0	0	0		
Total Local Taxes	\$ 9,728,550	\$ 603,065	\$ 138,930	\$ 401,146	\$ 505,180	\$ 0	\$ 0	\$ 264,415		
<u>Licenses and Permits</u>										
<u>Licenses</u>										
Cable TV Franchise Permits	\$ 228,226	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Beer Permits	3,353	0	0	0	0	0	0	0		
Building Permits	115,898	0	0	0	0	0	0	0		
Total Licenses and Permits	\$ 347,477	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		

(Continued)

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

	General	Special Revenue Funds										Other Special Revenue	
		Solid Waste / Sanitation	Ambulance Service	Industrial/ Economic Development	Special Purpose	Drug Control	District Attorney General						
<u>Fines, Forfeitures, and Penalties</u>													
<u>Circuit Court</u>													
Fines	\$ 1,520	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	10,063	0	0	0	0	0	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0	4,451	0	0	0	0	0
Jail Fees	4,032	0	0	0	0	0	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0	0	4,899	0	0	0
DUI Treatment Fines	95	0	0	0	0	0	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	636	0	0	0	0	0	0	0	0	0	0	0	0
Courtroom Security Fee	73	0	0	0	0	0	0	0	0	0	0	0	0
<u>General Sessions Court</u>													
Fines	39,175	0	0	0	0	0	0	0	0	0	0	0	0
Fines for Littering	19	0	0	0	0	0	0	0	0	0	0	0	0
Officers Costs	64,064	0	0	0	0	0	0	0	0	0	0	0	0
Game and Fish Fines	315	0	0	0	0	0	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0	0	16,862	0	0	0	0
Jail Fees	12,448	0	0	0	0	0	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0	0	8,273	0	0	0
DUI Treatment Fines	6,736	0	0	0	0	0	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	10,129	0	0	0	0	0	0	0	0	0	0	0	0
Courtroom Security Fee	759	0	0	0	0	0	0	0	0	0	0	0	0
<u>Juvenile Court</u>													
Fines	238	0	0	0	0	0	0	0	0	0	0	0	0
<u>Chancery Court</u>													
Officers Costs	1,425	0	0	0	0	0	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	5,802	0	0	0	0	0	0	0	0	0	0	0	0
Courtroom Security Fee	265	0	0	0	0	0	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	0	16,052	0	0	0
<u>Judicial District Drug Program</u>													
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	0	0	16,355	0	0	0	0

(Continued)

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

	Special Revenue Funds							
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	District Attorney General	Other Special Revenue
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
Other Fines, Forfeitures, and Penalties								
Other Fines, Forfeitures, and Penalties	332	0	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 158,126	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,668	\$ 29,224	\$ 0
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Transfer Waste Stations Collection Charge	0	0	0	0	0	0	0	44,968
Solid Waste Disposal Fees	0	0	0	0	0	0	0	135,337
Patient Charges	0	0	3,215,828	0	0	0	0	0
Past Due Collections - Ambulance	0	0	11,524	0	0	0	0	0
Other General Service Charges	300	0	0	0	52,302	0	0	0
<u>Fees</u>								
Recreation Fees	78,875	0	0	0	0	0	0	0
Copy Fees	10,532	0	555	0	0	0	0	0
Archives and Records Management Fee - County Clerk	27,981	0	0	0	0	0	0	0
Greenbelt Late Application Fee	355	0	0	0	0	0	0	0
Telephone Commissions	46,478	0	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0	0
Data Processing Fee - Register	16,614	0	0	0	0	0	0	0
Probation Fees	13,347	0	0	0	0	0	0	0
Data Processing Fee - Sheriff	5,610	0	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,150	0	0	0	0	0	0	0
Data Processing Fee - County Clerk	3,160	0	0	0	0	0	0	0
<u>Other Charges for Services</u>								
Other Charges for Services	181,467	0	0	0	0	0	0	0
Total Charges for Current Services	\$ 387,869	\$ 0	\$ 3,227,907	\$ 0	\$ 52,302	\$ 0	\$ 0	\$ 180,305
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	0	0	0	0	0	0	0	0
Lease/Rentals	19,496	0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds									
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	District Attorney General	Other Special Revenue		
<u>Other Local Revenues (Cont.)</u>										
<u>Recurring Items (Cont.)</u>										
Sale of Materials and Supplies	\$ 3,094	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Commissary Sales	19,669	0	0	0	0	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0	0	0	0	0
Sale of Recycled Materials	1,668	0	0	0	0	1,557	0	277,911	0	0
Miscellaneous Refunds	4,791	0	0	0	0	0	0	0	0	0
Expenditure Credits	3,178	0	67	0	0	0	0	0	0	0
<u>Nonrecurring Items</u>										
Sale of Equipment	3,395	0	10,209	0	0	0	0	0	0	0
Sale of Property	0	0	0	0	0	0	0	0	0	0
Contributions and Gifts	11,851	0	0	0	5,574	14,264	0	1,015	0	0
<u>Other Local Revenues</u>										
Other Local Revenues	93,964	0	0	0	0	0	0	0	0	0
Total Other Local Revenues	\$ 161,106	\$ 0	\$ 10,276	\$ 0	\$ 5,574	\$ 15,821	\$ 0	\$ 278,926	\$ 0	\$ 0
<u>Fees Received from County Officials</u>										
<u>Fees in-Lieu-of Salary</u>										
County Clerk	\$ 390,079	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	103,594	0	0	0	0	0	0	0	0	0
General Sessions Court Clerk	378,350	0	0	0	0	0	0	0	0	0
Clerk and Master	334,641	0	0	0	0	0	0	0	0	0
Register	199,583	0	0	0	0	0	0	0	0	0
Sheriff	38,063	0	0	0	0	0	0	0	0	0
Trustee	813,150	0	0	0	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 2,257,460	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>										
General Government Grants	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Juvenile Services Program	0	0	0	0	0	0	0	21,316	0	0
Solid Waste Grants										

(Continued)

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

	Special Revenue Funds									
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	District Attorney General	Other Special Revenue		
<u>State of Tennessee (Cont.)</u>										
<u>Public Safety Grants</u>										
Law Enforcement Training Programs	\$ 23,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Works Grants</u>										
State Aid Program	0	0	0	0	0	0	0	0	0	0
Litter Program	63,974	0	0	0	0	0	0	0	0	0
<u>Other State Revenues</u>										
Income Tax	114,937	0	0	0	0	0	0	0	0	0
Beer Tax	18,421	0	0	0	0	0	0	0	0	0
Alcoholic Beverage Tax	72,659	0	0	0	0	0	0	0	0	0
Mixed Drink Tax	4,572	0	0	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	879,210	415,000	0	0	0	0	0	0	0	0
Contracted Prisoner Boarding Gasoline and Motor Fuel Tax	280,415	0	0	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0	0	0	0
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	0	0
Other State Grants	15,164	0	0	0	0	0	0	0	0	0
Other State Revenues	476,540	21,407	0	353,580	0	0	0	0	0	0
	3,415	0	0	0	3,600	0	0	0	0	0
Total State of Tennessee	\$ 1,961,707	\$ 436,407	\$ 0	\$ 353,580	\$ 3,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,316
<u>Federal Government</u>										
<u>Federal Through State</u>										
Community Development	0	0	0	0	0	0	0	0	0	0
Civil Defense Reimbursement	19,736	0	0	0	0	0	0	0	0	0
Homeland Security Grants	14,957	0	0	0	0	0	0	0	0	0
Law Enforcement Grants	32,670	0	0	0	0	0	0	0	0	0
ARRA Grant # 1	1,511	0	0	0	0	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0	0	0	0	0
<u>Direct Federal Revenue</u>										
Other Direct Federal Revenue	118,721	0	0	0	0	0	0	0	0	0
Total Federal Government	\$ 187,595	\$ 0	\$ 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	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	District Attorney General	Other Special Revenue						
<u>Other Governments and Citizens Groups</u>														
<u>Other Governments</u>														
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	9,239	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	17,372	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 26,611	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 15,216,501	\$ 1,039,472	\$ 3,377,113	\$ 754,726	\$ 566,656	\$ 53,489	\$ 29,224	\$ 744,962						

(Continued)

Exhibit L-6

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

	Special Revenue Funds			Debt Service Funds			Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	Highway Capital Projects			
<u>Local Taxes</u>										
County Property Taxes										
Current Property Tax	\$ 0	\$ 1,146,423	\$ 1,689,366	\$ 1,325,888	\$ 209,187	\$ 362,025	\$ 0	\$ 13,113,179		
Trustee's Collections - Prior Year	0	51,310	49,428	55,190	13,059	16,120	0	546,182		
Trustee's Collections - Bankruptcy	0	2	2	4	0	0	0	20		
Circuit/Clerk & Master Collections - Prior Years	0	53,493	52,050	84,349	21,221	15,765	0	654,541		
Interest and Penalty	0	9,662	10,108	9,947	2,262	3,074	0	103,180		
Pick-up Taxes	0	675	981	997	147	213	0	8,090		
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	238,015	0	294,432		
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	0	163,179		
Payments in-Lieu-of Taxes - Other	0	0	918,056	0	0	0	0	928,080		
<u>County Local Option Taxes</u>										
Local Option Sales Tax	0	0	0	0	0	0	0	723,172		
Hotel/Motel Tax	0	0	0	0	0	0	0	87,870		
Litigation Tax - General	0	0	0	0	0	0	0	298,999		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	242,120		
Business Tax	0	0	0	0	0	0	0	602,705		
Mineral Severance Tax	0	89,139	0	0	0	0	0	89,139		
<u>Statutory Local Taxes</u>										
Bank Excise Tax	0	0	0	0	0	0	0	42,546		
Wholesale Beer Tax	0	0	0	0	0	0	0	172,010		
Interstate Telecommunications Tax	0	0	0	1,991	0	0	0	1,991		
Total Local Taxes	\$ 0	\$ 1,350,704	\$ 2,719,991	\$ 1,478,366	\$ 245,876	\$ 635,212	\$ 0	\$ 18,071,435		
<u>Licenses and Permits</u>										
Licenses										
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 228,226		
Permits										
Beer Permits	0	0	0	0	0	0	0	3,353		
Building Permits	0	0	0	0	0	0	0	115,898		
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 347,477		

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	Highway Capital Projects			
<u>Circuit Court</u>										
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,520	
Officers Costs	0	0	0	0	0	0	0	0	10,063	
Drug Control Fines	0	0	0	0	0	0	0	0	4,451	
Jail Fees	0	0	0	0	0	0	0	0	4,032	
District Attorney General Fees	0	0	0	0	0	0	0	0	4,899	
DUI Treatment Fines	0	0	0	0	0	0	0	0	95	
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0	636	
Courtroom Security Fee	0	0	0	0	0	0	0	0	73	
<u>General Sessions Court</u>										
Fines	0	0	0	0	0	0	0	0	39,175	
Fines for Littering	0	0	0	0	0	0	0	0	19	
Officers Costs	0	0	0	0	0	0	0	0	64,064	
Game and Fish Fines	0	0	0	0	0	0	0	0	315	
Drug Control Fines	0	0	0	0	0	0	0	0	16,862	
Jail Fees	0	0	0	0	0	0	0	0	12,448	
District Attorney General Fees	0	0	0	0	0	0	0	0	8,273	
DUI Treatment Fines	0	0	0	0	0	0	0	0	6,736	
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	0	10,129	
Courtroom Security Fee	0	0	0	0	0	0	0	0	759	
<u>Juvenile Court</u>										
Fines	0	0	0	0	0	0	0	0	238	
<u>Chancery Court</u>										
Officers Costs	0	0	0	0	0	0	0	0	1,425	
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	5,802	
Courtroom Security Fee	0	0	0	0	0	0	0	0	265	
<u>Courts in Other District Counties</u>										
District Attorney General Fees	0	0	0	0	0	0	0	0	16,052	
<u>Judicial District Drug Program</u>										
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	0	0	16,355	

(Continued)

Exhibit L-6

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

	Special Revenue Funds			Debt Service Funds			Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	Highway Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>										
Other Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 332	
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 225,018	
<u>Charges for Current Services</u>										
<u>General Service Charges</u>										
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 44,968	
Solid Waste Disposal Fees	0	0	0	0	0	0	0	0	135,337	
Patient Charges	0	0	0	0	0	0	0	0	3,215,828	
Past Due Collections - Ambulance	0	0	0	0	0	0	0	0	11,524	
Other General Service Charges	0	19,163	0	0	0	0	0	0	71,765	
<u>Fees</u>										
Recreation Fees	0	0	0	0	0	0	65,684	0	144,559	
Copy Fees	0	0	0	0	0	0	0	0	11,087	
Archives and Records Management Fee - County Clerk	0	0	0	0	0	0	0	0	27,981	
Greenbelt Late Application Fee	0	0	0	0	0	0	0	0	355	
Telephone Commissions	0	0	0	0	0	0	0	0	46,478	
Constitutional Officers' Fees and Commissions	11,951	0	0	0	0	0	0	0	11,951	
Data Processing Fee - Register	0	0	0	0	0	0	0	0	16,614	
Probation Fees	0	0	0	0	0	0	0	0	13,347	
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	5,610	
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	3,150	
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	0	3,160	
<u>Other Charges for Services</u>										
Other Charges for Services	0	0	0	0	0	0	0	0	181,467	
Total Charges for Current Services	\$ 11,951	\$ 19,163	\$ 0	\$ 0	\$ 0	\$ 0	\$ 65,684	\$ 0	\$ 3,945,181	
<u>Other Local Revenues</u>										
<u>Recurring Items</u>										
Investment Income	\$ 0	\$ 0	\$ 33,327	\$ 6,530	\$ 2,435	\$ 0	\$ 0	\$ 49	\$ 42,341	
Lease/Rentals	0	0	0	0	0	0	0	0	19,496	

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	Highway Capital Projects			
<u>Other Local Revenues (Cont.)</u>										
<u>Recurring Items (Cont.)</u>										
Sale of Materials and Supplies	\$ 0	\$ 2,565	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,659	
Commissary Sales	0	0	0	0	0	0	0	0	19,669	
Sale of Gasoline	0	66,878	0	0	0	0	0	0	66,878	
Sale of Recycled Materials	0	1,353	0	0	0	0	0	0	282,489	
Miscellaneous Refunds	0	0	0	0	0	0	0	0	4,791	
Expenditure Credits	0	0	0	0	0	0	0	0	3,245	
<u>Nonrecurring Items</u>										
Sale of Equipment	0	750	0	0	0	0	0	0	14,354	
Sale of Property	0	0	567,500	0	0	0	0	0	567,500	
Contributions and Gifts	0	0	0	0	0	517,484	0	0	550,188	
<u>Other Local Revenues</u>										
Other Local Revenues	0	0	0	0	0	0	0	0	93,964	
Total Other Local Revenues	\$ 0	\$ 71,546	\$ 600,827	\$ 6,530	\$ 2,435	\$ 517,484	\$ 49	\$ 1,670,574		
<u>Fees Received from County Officials</u>										
<u>Fees in-Lieu-of Salary</u>										
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 390,079	
Circuit Court Clerk	0	0	0	0	0	0	0	0	103,594	
General Sessions Court Clerk	0	0	0	0	0	0	0	0	378,350	
Clerk and Master	0	0	0	0	0	0	0	0	334,641	
Register	0	0	0	0	0	0	0	0	199,583	
Sheriff	0	0	0	0	0	0	0	0	38,063	
Trustee	0	0	0	0	0	0	0	0	813,150	
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,257,460	
<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	0	0	0	0	0	0	0	21,316	

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	Highway Capital Projects		
<u>State of Tennessee (Cont.)</u>										
Public Safety Grants										
Law Enforcement Training Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,400
Public Works Grants										
State Aid Program	0	189,688	0	0	0	0	0	0	0	189,688
Litter Program	0	0	0	0	0	0	0	0	0	63,974
Other State Revenues										
Income Tax	0	0	0	0	0	0	0	0	0	114,937
Beer Tax	0	0	0	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	0	72,659
Mixed Drink Tax	0	0	0	0	0	0	0	0	0	4,572
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	0	0	1,294,210
Contracted Prisoner Boarding	0	1,764,553	0	0	0	0	0	0	0	280,415
Gasoline and Motor Fuel Tax	0	39,094	0	0	0	0	0	0	0	1,764,553
Petroleum Special Tax	0	0	0	0	0	0	0	0	0	39,094
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	0	104,454	0	0	955,981
Other State Revenues	0	0	0	0	0	0	0	0	0	7,015
Total State of Tennessee	\$ 0	\$ 1,993,335	\$ 0	\$ 0	\$ 0	\$ 0	\$ 104,454	\$ 0	\$ 4,874,399	
<u>Federal Government</u>										
<u>Federal Through State</u>										
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 297,491	\$ 0	\$ 0	\$ 297,491
Civil Defense Reimbursement	0	0	0	0	0	0	0	0	0	19,736
Homeland Security Grants	0	0	0	0	0	0	89,967	0	0	104,924
Law Enforcement Grants	0	0	0	0	0	0	0	0	0	32,670
ARRA Grant # 1	0	0	0	0	0	0	0	0	0	1,511
Other Federal through State	0	0	0	0	0	0	173,804	0	0	173,804
<u>Direct Federal Revenue</u>										
Other Direct Federal Revenue	0	0	0	0	0	0	0	0	0	118,721
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 561,262	\$ 0	\$ 748,857	

(Continued)

Exhibit L-6

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

	Special Revenue Funds			Debt Service Funds			Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	Highway Capital Projects			
Other Governments										
Contributions	\$ 0	\$ 52,335	\$ 24,885	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 77,220
Contracted Services	0	0	0	0	0	0	0	0	0	9,239
Other	0	0	0	0	0	0	0	0	0	17,372
Total Other Governments and Citizens Groups	\$ 0	\$ 52,335	\$ 24,885	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 103,831
Total	\$ 11,951	\$ 3,487,083	\$ 3,345,703	\$ 1,484,896	\$ 248,311	\$ 1,884,096	\$ 49	\$ 32,244,232		

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, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Extended School Program	Education Capital Projects	Total
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 11,383,442	\$ 0	\$ 0	\$ 0	\$ 0	\$ 468,206	\$ 11,851,648
Trustee's Collections - Prior Year	484,000	0	0	0	0	0	484,000
Trustee's Collections - Bankruptcy	19	0	0	0	0	0	19
Circuit/Clerk & Master Collections - Prior Years	504,502	0	0	0	0	0	504,502
Interest and Penalty	91,935	0	0	0	0	636	92,571
Pick-up Taxes	6,687	0	0	0	0	264	6,951
Payments in-Lieu-of-Taxes - T.V.A.	0	0	0	0	0	96,643	96,643
Payments in-Lieu-of Taxes - Local Utilities	188,714	0	0	0	0	0	188,714
<u>County Local Option Taxes</u>							
Local Option Sales Tax	5,747,399	0	0	1,650,000	0	0	7,397,399
Statutory Local Taxes	3,147	0	0	0	0	0	3,147
Interstate Telecommunications Tax	0	0	0	0	0	0	0
Total Local Taxes	\$ 18,409,845	\$ 0	\$ 0	\$ 1,650,000	\$ 0	\$ 565,749	\$ 20,625,594
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	2,804	0	0	0	0	0	2,804
Total Licenses and Permits	\$ 2,804	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,804
<u>Charges for Current Services</u>							
<u>Education Charges</u>							
Tuition - Other	7,750	0	0	0	0	0	7,750
Lunch Payments - Children	0	0	708,769	0	0	0	708,769
Lunch Payments - Adults	0	0	64,661	0	0	0	64,661
Income from Breakfast	0	0	107,005	0	0	0	107,005
A la carte Sales	0	0	317,127	0	0	0	317,127
Contract for Instructional Services with Other LEAs	6,730	0	0	0	0	0	6,730
Receipts from Individual Schools	46,172	0	0	92,418	0	0	138,590
Community Service Fees - Children	0	0	0	0	187,956	0	187,956
<u>Other Charges for Services</u>							
Other Charges for Services	94	0	12,554	0	0	0	12,648
Total Charges for Current Services	\$ 60,746	\$ 0	\$ 1,210,116	\$ 92,418	\$ 187,956	\$ 0	\$ 1,551,236

(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 Transportation	Extended School Program	Education Capital Projects	Total
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 35,002	\$ 0	\$ 2,216	\$ 1,978	\$ 0	\$ 0	\$ 39,196
Lease/Rentals	205	0	0	0	0	0	205
Sale of Recycled Materials	4,702	0	0	0	0	0	4,702
Miscellaneous Refunds	7,558	0	0	0	0	0	7,558
<u>Nonrecurring Items</u>							
Sale of Equipment	1,671	0	1,690	36,445	0	0	39,806
Sale of Property	0	0	0	0	0	187,900	187,900
Damages Recovered from Individuals	7,104	0	0	74	0	0	7,178
Contributions and Gifts	3,991	0	0	0	0	14,968,687	14,972,678
<u>Other Local Revenues</u>							
Other Local Revenues	0	0	2,700	0	0	9,274	11,974
Total Other Local Revenues	\$ 60,233	\$ 0	\$ 6,606	\$ 38,497	\$ 0	\$ 15,165,861	\$ 15,271,197
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	0	0	0	0	41,472	0	41,472
On-Behalf Contributions for OPEB	299,554	0	0	0	0	0	299,554
<u>State Education Funds</u>							
Basic Education Program	28,361,001	0	0	250,000	0	0	28,611,001
Early Childhood Education	633,579	0	0	0	0	0	633,579
School Food Service	0	0	37,963	0	0	0	37,963
Driver Education	14,947	0	0	0	0	0	14,947
Other State Education Funds	219,324	0	0	0	0	0	219,324
Career Ladder Program	336,378	0	0	0	0	0	336,378
Career Ladder - Extended Contract	134,900	0	0	0	0	0	134,900
Career Ladder - Extended Contract - ARRA	233	0	0	0	0	0	233
<u>Other State Revenues</u>							
State Revenue Sharing - T.V.A.	760,000	0	0	0	0	0	760,000
Other State Grants	39,404	0	0	0	0	0	39,404
Other State Revenues	2,763	0	0	0	0	0	2,763
Total State of Tennessee	\$ 30,802,083	\$ 0	\$ 37,963	\$ 250,000	\$ 41,472	\$ 0	\$ 31,131,518

(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 Transportation	Extended School Program	Education Capital Projects	Total
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,627,280	\$ 0	\$ 0	\$ 0	\$ 1,627,280
USDA - Commodities	0	0	168,607	0	0	0	168,607
Breakfast	0	0	612,181	0	0	0	612,181
USDA - Other	0	0	41,115	0	24,016	0	65,131
Vocational Education - Basic Grants to States	0	108,331	0	0	0	0	108,331
Title I Grants to Local Education Agencies	0	1,695,974	0	0	0	0	1,695,974
Special Education - Grants to States	0	1,817,675	0	0	0	0	1,817,675
Special Education Preschool Grants	0	85,149	0	0	0	0	85,149
Rural Education	0	138,698	0	0	0	0	138,698
Eisenhower Professional Development State Grants	0	317,233	0	0	0	0	317,233
Race-to-the-Top - ARRA	0	432,614	0	0	0	0	432,614
Other Federal through State	642,705	1,428,943	0	0	0	0	2,071,648
Direct Federal Revenue	78,852	0	0	0	0	0	78,852
Public Law 874 - Maintenance and Operation	721,557	6,024,617	2,449,183	0	24,016	0	9,219,373
Total Federal Government							
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 414,619	\$ 414,619
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 414,619	\$ 414,619
Total	\$ 50,057,268	\$ 6,024,617	\$ 3,703,868	\$ 2,030,915	\$ 253,444	\$ 16,146,229	\$ 78,216,341

Exhibit L-8

Roane County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Deputy(ies)	\$	1,045	
Secretary(ies)		2,418	
Board and Committee Members Fees		31,004	
Social Security		2,621	
State Retirement		1,747	
Life Insurance		1,074	
Medical Insurance		64,402	
Dental Insurance		1,803	
Other Fringe Benefits		17	
Advertising		65	
Travel		4,329	
Other Supplies and Materials		416	
Total County Commission			\$ 110,941

Board of Equalization

Board and Committee Members Fees	\$	5,598	
Social Security		740	
State Retirement		54	
Life Insurance		1	
Medical Insurance		111	
Dental Insurance		4	
Other Fringe Benefits		3	
Advertising		110	
Travel		90	
Total Board of Equalization			6,711

Beer Board

Board and Committee Members Fees	\$	1,855	
Social Security		140	
State Retirement		113	
Medical Insurance		51	
Dental Insurance		1	
Other Fringe Benefits		1	
Advertising		221	
Total Beer Board			2,382

Budget and Finance Committee

Board and Committee Members Fees	\$	8,012	
Social Security		604	
State Retirement		591	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

Budget and Finance Committee (Cont.)

Life Insurance	\$	2	
Medical Insurance		219	
Dental Insurance		6	
Other Fringe Benefits		18	
Advertising		742	
Other Charges		48	
Total Budget and Finance Committee			\$ 10,242

Other Boards and Committees

Board and Committee Members Fees	\$	29,436	
Social Security		2,246	
State Retirement		1,355	
Life Insurance		1	
Medical Insurance		148	
Dental Insurance		3	
Other Fringe Benefits		1	
Total Other Boards and Committees			33,190

County Mayor/Executive

County Official/Administrative Officer	\$	87,088	
Assistant(s)		95,524	
Temporary Personnel		235	
Bonus Payments		1,680	
Other Per Diem and Fees		1,169	
Social Security		15,795	
State Retirement		18,789	
Life Insurance		263	
Medical Insurance		18,829	
Dental Insurance		833	
Other Fringe Benefits		948	
Communication		31	
Dues and Memberships		388	
Licenses		400	
Rentals		352	
Travel		2,657	
In Service/Staff Development		305	
Total County Mayor/Executive			245,286

County Attorney

County Official/Administrative Officer	\$	88,998	
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(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Social Security	\$	6,610	
State Retirement		8,325	
Life Insurance		66	
Medical Insurance		8,209	
Dental Insurance		210	
Other Fringe Benefits		240	
Travel		1,073	
Total County Attorney			\$ 113,731

Election Commission

Supervisor/Director	\$	62,515	
Deputy(ies)		77,859	
Mechanic(s)		2,288	
Part-time Personnel		600	
Overtime Pay		1,394	
Bonus Payments		1,680	
Election Commission		13,400	
Election Workers		34,531	
Social Security		12,276	
State Retirement		13,531	
Life Insurance		267	
Medical Insurance		23,058	
Dental Insurance		846	
Unemployment Compensation		790	
Other Fringe Benefits		780	
Advertising		4,182	
Communication		88	
Dues and Memberships		275	
Maintenance Agreements		12,385	
Printing, Stationery, and Forms		3,720	
Rentals		2,145	
Travel		8,446	
Other Contracted Services		9,074	
Data Processing Supplies		1,262	
Diesel Fuel		110	
Library Books/Media		504	
Other Supplies and Materials		3,574	
In Service/Staff Development		2,691	
Data Processing Equipment		12,994	
Total Election Commission			307,265

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	69,461	
Deputy(ies)		94,449	
Part-time Personnel		13,552	
Bonus Payments		1,945	
Social Security		13,343	
State Retirement		15,491	
Life Insurance		264	
Medical Insurance		35,710	
Dental Insurance		840	
Other Fringe Benefits		480	
Communication		7	
Data Processing Services		6,835	
Dues and Memberships		676	
Maintenance Agreements		14,941	
Printing, Stationery, and Forms		1,951	
Rentals		62	
Travel		900	
In Service/Staff Development		100	
Data Processing Equipment		4,250	
Total Register of Deeds			\$ 275,257

Planning

Supervisor/Director	\$	26,357
Bonus Payments		560
Board and Committee Members Fees		7,958
Other Per Diem and Fees		2,924
Social Security		2,903
State Retirement		2,844
Life Insurance		66
Medical Insurance		6,231
Dental Insurance		210
Other Fringe Benefits		240
Advertising		217
Communication		48
Contracts with Government Agencies		12,250
Legal Notices, Recording, and Court Costs		129
Maintenance Agreements		737
Postal Charges		287
Printing, Stationery, and Forms		563
Travel		1,393

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Food Supplies	\$	57	
Office Supplies		56	
Uniforms		60	
Other Charges		143	
Data Processing Equipment		180	
Total Planning			\$ 66,413

Codes Compliance

Assistant(s)	\$	43,170	
Supervisor/Director		52,017	
Bonus Payments		2,240	
Other Salaries and Wages		46,336	
Other Per Diem and Fees		2,337	
Social Security		11,096	
State Retirement		13,676	
Life Insurance		265	
Medical Insurance		24,496	
Dental Insurance		630	
Other Fringe Benefits		598	
Advertising		503	
Communication		582	
Dues and Memberships		344	
Maintenance Agreements		2,592	
Maintenance and Repair Services - Vehicles		1,363	
Postal Charges		319	
Printing, Stationery, and Forms		1,822	
Travel		1,974	
Custodial Supplies		213	
Drugs and Medical Supplies		13	
Electricity		1,700	
Gasoline		6,795	
Natural Gas		386	
Office Supplies		459	
Periodicals		99	
Uniforms		600	
Water and Sewer		225	
In Service/Staff Development		200	
Office Equipment		447	
Total Codes Compliance			217,497

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Foremen	\$	32,759	
Custodial Personnel		43,621	
Maintenance Personnel		56,164	
Part-time Personnel		11,770	
Bonus Payments		2,800	
Other Per Diem and Fees		1,752	
Social Security		11,686	
State Retirement		12,789	
Life Insurance		325	
Medical Insurance		31,435	
Dental Insurance		1,034	
Other Fringe Benefits		689	
Maintenance Agreements		8,809	
Maintenance and Repair Services - Buildings		18,278	
Maintenance and Repair Services - Equipment		17,106	
Maintenance and Repair Services - Vehicles		2,423	
Travel		49	
Disposal Fees		1,425	
Custodial Supplies		15,188	
Electricity		110,667	
Gasoline		3,067	
Natural Gas		6,746	
Uniforms		2,448	
Water and Sewer		13,731	
Other Supplies and Materials		8,589	
Total County Buildings			\$ 415,350

Other General Administration

Maintenance Agreements	\$	12,617	
Maintenance and Repair Services - Office Equipment		59	
Travel		3,435	
Data Processing Supplies		5,773	
In Service/Staff Development		1,325	
Total Other General Administration			23,209

Preservation of Records

Assistant(s)	\$	21,766	
Supervisor/Director		33,066	
Part-time Personnel		13,868	
Bonus Payments		1,385	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Social Security	\$	5,501	
State Retirement		5,232	
Life Insurance		126	
Medical Insurance		12,178	
Dental Insurance		402	
Other Fringe Benefits		480	
Maintenance Agreements		760	
Printing, Stationery, and Forms		1,187	
Electricity		6,000	
Other Charges		278	
Total Preservation of Records			\$ 102,229

Risk Management

Salary Supplements	\$	77	
Social Security		7	
State Retirement		9	
Medical Insurance		18	
Dental Insurance		1	
Travel		46	
Total Risk Management			158

Finance

Accounting and Budgeting

Supervisor/Director	\$	62,651	
Accountants/Bookkeepers		195,467	
Bonus Payments		3,920	
Social Security		19,861	
State Retirement		25,510	
Life Insurance		511	
Medical Insurance		61,161	
Dental Insurance		1,586	
Other Fringe Benefits		1,689	
Communication		46	
Dues and Memberships		375	
Maintenance Agreements		1,251	
Printing, Stationery, and Forms		879	
Travel		979	
Premiums on Corporate Surety Bonds		92	
In Service/Staff Development		2,007	
Furniture and Fixtures		614	
Total Accounting and Budgeting			378,599

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Purchasing

Supervisor/Director	\$	52,553	
Purchasing Personnel		55,722	
Part-time Personnel		3,120	
Bonus Payments		1,680	
Other Per Diem and Fees		1,168	
Social Security		8,502	
State Retirement		10,287	
Life Insurance		199	
Medical Insurance		14,468	
Dental Insurance		630	
Other Fringe Benefits		459	
Advertising		1,174	
Communication		58	
Dues and Memberships		460	
Maintenance Agreements		1,056	
Travel		1,393	
Premiums on Corporate Surety Bonds		75	
In Service/Staff Development		359	
Total Purchasing			\$ 153,363

Property Assessor's Office

County Official/Administrative Officer	\$	69,461
Assistant(s)		52,858
Paraprofessionals		143,908
Bonus Payments		2,505
Other Per Diem and Fees		1,753
Social Security		20,655
State Retirement		23,374
Life Insurance		356
Medical Insurance		42,442
Dental Insurance		1,070
Other Fringe Benefits		1,140
Communication		601
Contracts with Government Agencies		17,142
Contracts with Private Agencies		48,750
Dues and Memberships		2,689
Maintenance and Repair Services - Office Equipment		4,550
Printing, Stationery, and Forms		2,137
Travel		11,015
Gasoline		6,693

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Other Supplies and Materials	\$	1,942	
In Service/Staff Development		4,114	
Total Property Assessor's Office			\$ 459,155

Reappraisal Program

Data Processing Personnel	\$	62,547	
Paraprofessionals		77,591	
Part-time Personnel		10,928	
Bonus Payments		3,625	
Social Security		12,356	
State Retirement		13,513	
Life Insurance		384	
Medical Insurance		24,630	
Dental Insurance		1,061	
Unemployment Compensation		731	
Other Fringe Benefits		896	
Maintenance Agreements		830	
Maintenance and Repair Services - Vehicles		3,759	
Postal Charges		2,078	
Travel		703	
Gasoline		5,485	
Other Supplies and Materials		274	
Other Charges		1,706	
Data Processing Equipment		2,541	
Total Reappraisal Program			225,638

County Trustee's Office

County Official/Administrative Officer	\$	69,461	
Deputy(ies)		88,969	
Part-time Personnel		8,538	
Bonus Payments		1,680	
Social Security		13,189	
State Retirement		14,984	
Life Insurance		265	
Medical Insurance		25,743	
Dental Insurance		840	
Other Fringe Benefits		720	
Advertising		217	
Communication		9	
Contracts with Government Agencies		14,000	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Dues and Memberships	\$	676	
Maintenance Agreements		6,364	
Maintenance and Repair Services - Office Equipment		112	
Printing, Stationery, and Forms		2,862	
Rentals		192	
Data Processing Supplies		2,602	
Total County Trustee's Office			\$ 251,423

County Clerk's Office

County Official/Administrative Officer	\$	69,461	
Deputy(ies)		268,612	
Part-time Personnel		30,609	
Bonus Payments		4,745	
Social Security		27,893	
State Retirement		31,930	
Life Insurance		653	
Medical Insurance		66,779	
Dental Insurance		2,072	
Other Fringe Benefits		2,147	
Communication		247	
Dues and Memberships		666	
Maintenance Agreements		17,909	
Maintenance and Repair Services - Office Equipment		734	
Printing, Stationery, and Forms		1,588	
Rentals		352	
Travel		2,779	
Data Processing Supplies		115	
Periodicals		164	
Other Supplies and Materials		1,559	
In Service/Staff Development		720	
Data Processing Equipment		1,140	
Office Equipment		2,779	
Total County Clerk's Office			535,653

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	69,461	
Deputy(ies)		57,724	
Part-time Personnel		3,253	
Bonus Payments		1,120	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Social Security	\$	10,091	
State Retirement		11,974	
Life Insurance		208	
Medical Insurance		22,185	
Dental Insurance		658	
Other Fringe Benefits		574	
Communication		37	
Dues and Memberships		587	
Maintenance Agreements		1,029	
Printing, Stationery, and Forms		2,123	
Travel		1,617	
Remittance of Revenue Collected		590	
Office Supplies		127	
Premiums on Corporate Surety Bonds		250	
Total Circuit Court			\$ 183,608

General Sessions Court

Deputy(ies)	\$	298,582	
Part-time Personnel		10,632	
Bonus Payments		6,425	
Social Security		23,819	
State Retirement		28,365	
Life Insurance		702	
Medical Insurance		61,238	
Dental Insurance		1,824	
Unemployment Compensation		4,466	
Other Fringe Benefits		1,835	
Communication		94	
Contracts with Private Agencies		1,525	
Dues and Memberships		1,114	
Maintenance Agreements		10,984	
Maintenance and Repair Services - Buildings		1,000	
Printing, Stationery, and Forms		6,671	
Remittance of Revenue Collected		10,097	
Data Processing Supplies		185	
In Service/Staff Development		585	
Total General Sessions Court			470,143

General Sessions Judge

Judge(s)	\$	296,659	
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(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 (Cont.)

Assistant(s)	\$	31,202	
Paraprofessionals		40,704	
Part-time Personnel		8,310	
Bonus Payments		1,120	
Other Per Diem and Fees		4,587	
Social Security		24,973	
State Retirement		35,779	
Life Insurance		265	
Medical Insurance		26,186	
Dental Insurance		839	
Other Fringe Benefits		722	
Contracts with Government Agencies		10,350	
Dues and Memberships		270	
Printing, Stationery, and Forms		65	
Travel		11,377	
In Service/Staff Development		300	
Total General Sessions Judge			\$ 493,708

Chancery Court

County Official/Administrative Officer	\$	69,461	
Deputy(ies)		109,389	
Part-time Personnel		4,759	
Bonus Payments		2,240	
Social Security		14,023	
State Retirement		17,012	
Life Insurance		315	
Medical Insurance		26,583	
Dental Insurance		998	
Other Fringe Benefits		1,080	
Communication		17	
Contracts with Private Agencies		534	
Dues and Memberships		636	
Maintenance Agreements		10,470	
Printing, Stationery, and Forms		4,248	
Rentals		100	
Periodicals		431	
Other Supplies and Materials		292	
Premiums on Corporate Surety Bonds		275	
In Service/Staff Development		195	
Data Processing Equipment		3,836	
Total Chancery Court			266,894

(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

Assistant(s)	\$	41,960	
Supervisor/Director		41,960	
Youth Service Officer(s)		100,000	
Attendants		11,266	
School Resource Officer		195,052	
Overtime Pay		24,798	
Bonus Payments		6,160	
Other Per Diem and Fees		10,482	
Social Security		33,117	
State Retirement		40,857	
Life Insurance		722	
Medical Insurance		80,302	
Dental Insurance		2,294	
Other Fringe Benefits		2,408	
Communication		2,852	
Contracts with Private Agencies		800	
Dues and Memberships		300	
Evaluation and Testing		4,135	
Licenses		495	
Maintenance Agreements		2,799	
Maintenance and Repair Services - Buildings		5,752	
Maintenance and Repair Services - Office Equipment		868	
Maintenance and Repair Services - Vehicles		15,970	
Medical and Dental Services		4,930	
Printing, Stationery, and Forms		1,581	
Travel		10,054	
Other Contracted Services		14,375	
Data Processing Supplies		358	
Electricity		1,386	
Food Supplies		673	
Gasoline		18,162	
Law Enforcement Supplies		7,546	
Library Books/Media		2,033	
Prisoners Clothing		481	
Tires and Tubes		2,924	
Uniforms		5,961	
Premiums on Corporate Surety Bonds		417	
In Service/Staff Development		465	
Other Charges		4,335	
Furniture and Fixtures		2,360	
Total Juvenile Court			\$ 703,390

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice

Jury and Witness Expense	\$	12,256	
Social Security		27	
Advertising		476	
Food Supplies		788	
Total Other Administration of Justice			\$ 13,547

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	76,407
Assistant(s)		48,317
Deputy(ies)		677,236
Investigator(s)		227,432
Lieutenant(s)		72,122
Sergeant(s)		103,552
Salary Supplements		23,400
Foremen		102,366
Dispatchers/Radio Operators		60,173
Secretary(ies)		64,306
Part-time Personnel		34,830
Overtime Pay		190,278
Bonus Payments		23,635
Other Per Diem and Fees		9,137
Social Security		129,075
State Retirement		144,221
Life Insurance		2,568
Medical Insurance		269,002
Dental Insurance		7,600
Other Fringe Benefits		3,677
Communication		16,098
Contracts with Government Agencies		147,230
Dues and Memberships		3,090
Licenses		344
Maintenance Agreements		38,213
Maintenance and Repair Services - Buildings		975
Maintenance and Repair Services - Vehicles		65,634
Postal Charges		5
Printing, Stationery, and Forms		2,837
Tow-in Services		730
Travel		15,403
Other Contracted Services		2,549

(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.)

Animal Food and Supplies	\$	213	
Data Processing Supplies		2,071	
Gasoline		187,987	
Law Enforcement Supplies		44,950	
Tires and Tubes		16,817	
Uniforms		9,629	
Other Supplies and Materials		7,427	
Premiums on Corporate Surety Bonds		900	
In Service/Staff Development		12,633	
Other Charges		6,363	
Data Processing Equipment		28,257	
Other Equipment		16,376	
Total Sheriff's Department			\$ 2,896,065

Jail

Assistant(s)	\$	88,157
Lieutenant(s)		37,035
Sergeant(s)		33,653
Guards		841,034
Cafeteria Personnel		25,762
Part-time Personnel		28,612
Overtime Pay		133,504
Bonus Payments		15,680
Other Per Diem and Fees		2,270
Social Security		92,087
State Retirement		110,026
Life Insurance		2,112
Medical Insurance		220,111
Dental Insurance		6,444
Unemployment Compensation		156
Other Fringe Benefits		2,221
Communication		399
Contracts with Government Agencies		245
Laundry Service		8,590
Maintenance Agreements		21,144
Maintenance and Repair Services - Buildings		19,147
Maintenance and Repair Services - Equipment		15,563
Maintenance and Repair Services - Vehicles		2,587
Medical and Dental Services		260,577
Printing, Stationery, and Forms		1,125

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Travel	\$	6,573	
Disposal Fees		2,870	
Custodial Supplies		35,051	
Diesel Fuel		1,380	
Electricity		84,947	
Food Preparation Supplies		83	
Food Supplies		167,785	
Gasoline		13,447	
Law Enforcement Supplies		4,631	
Natural Gas		27,413	
Prisoners Clothing		14,730	
Tires and Tubes		398	
Uniforms		5,856	
Water and Sewer		91,941	
Other Supplies and Materials		4,904	
In Service/Staff Development		13,719	
Total Jail			\$ 2,443,969

Civil Defense

Assistant(s)	\$	49,876
Supervisor/Director		39,000
Secretary(ies)		23,131
Part-time Personnel		13,861
Overtime Pay		4,378
Bonus Payments		1,945
Other Per Diem and Fees		5,820
Social Security		11,707
State Retirement		11,622
Life Insurance		226
Medical Insurance		33,087
Dental Insurance		730
Unemployment Compensation		22
Other Fringe Benefits		713
Communication		3,293
Contracts with Private Agencies		15,055
Dues and Memberships		733
Operating Lease Payments		21,600
Maintenance Agreements		9,699
Maintenance and Repair Services - Buildings		508
Maintenance and Repair Services - Equipment		6,027

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Maintenance and Repair Services - Office Equipment	\$	1,585	
Maintenance and Repair Services - Vehicles		18,191	
Postal Charges		236	
Travel		5,806	
Custodial Supplies		327	
Diesel Fuel		6,091	
Electricity		244	
Gasoline		8,206	
Instructional Supplies and Materials		965	
Office Supplies		1,756	
Small Tools		228	
Uniforms		553	
Water and Sewer		288	
Other Supplies and Materials		10,319	
In Service/Staff Development		2,348	
Other Charges		18,743	
Communication Equipment		2,659	
Other Equipment		1,531	
Total Civil Defense			\$ 333,109

Rescue Squad

Contributions	\$	23,750	
Other Capital Outlay		16,000	
Total Rescue Squad			39,750

County Coroner/Medical Examiner

Contracts with Private Agencies	\$	20,475	
Premiums on Corporate Surety Bonds		311	
Other Charges		54,268	
Total County Coroner/Medical Examiner			75,054

Public Health and Welfare

Local Health Center

Maintenance Personnel	\$	31,667	
Part-time Personnel		9,036	
Bonus Payments		825	
Other Per Diem and Fees		351	
Social Security		2,660	
State Retirement		2,845	
Life Insurance		63	

(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.)

Medical Insurance	\$	6,862	
Dental Insurance		197	
Other Fringe Benefits		240	
Communication		4,593	
Dues and Memberships		685	
Maintenance Agreements		7,121	
Maintenance and Repair Services - Buildings		2,353	
Maintenance and Repair Services - Equipment		446	
Postal Charges		2,526	
Printing, Stationery, and Forms		76	
Travel		1,746	
Disposal Fees		667	
Custodial Supplies		2,166	
Drugs and Medical Supplies		1,791	
Electricity		29,381	
Gasoline		174	
Natural Gas		5,778	
Office Supplies		1,983	
Periodicals		50	
Water and Sewer		5,078	
Other Charges		60	
Total Local Health Center			\$ 121,420

Maternal and Child Health Services

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

Other Local Health Services

Assistant(s)	\$	85,867	
Social Workers		16,686	
Medical Personnel		183,650	
Part-time Personnel		8,762	
Bonus Payments		4,745	
Social Security		22,659	
State Retirement		27,181	
Life Insurance		527	
Medical Insurance		64,682	
Dental Insurance		1,676	
Other Fringe Benefits		1,560	
Travel		7,463	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Liability Insurance	\$	2,763	
Workers' Compensation Insurance		14,500	
Total Other Local Health Services			\$ 442,721

Appropriation to State

Other Contracted Services	\$	52,781	
Total Appropriation to State			52,781

Other Local Welfare Services

Contributions	\$	89,295	
Total Other Local Welfare Services			89,295

Sanitation Management

Supervisor/Director	\$	45,000	
Bonus Payments		560	
Other Per Diem and Fees		1,146	
Social Security		3,722	
State Retirement		4,373	
Life Insurance		66	
Medical Insurance		6,345	
Dental Insurance		210	
Other Fringe Benefits		239	
Total Sanitation Management			61,661

Social, Cultural, and Recreational Services

Libraries

Contributions	\$	10,000	
Library Books/Media		2,564	
Furniture and Fixtures		300	
Total Libraries			12,864

Parks and Fair Boards

Assistant(s)	\$	24,745	
Supervisor/Director		26,864	
Part-time Personnel		32,247	
Bonus Payments		1,650	
Other Per Diem and Fees		1,519	
Social Security		6,503	
State Retirement		5,075	
Life Insurance		109	

(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.)

Medical Insurance	\$	12,740	
Dental Insurance		345	
Other Fringe Benefits		154	
Communication		2,374	
Dues and Memberships		80	
Maintenance Agreements		909	
Maintenance and Repair Services - Buildings		14,308	
Maintenance and Repair Services - Equipment		4,036	
Maintenance and Repair Services - Vehicles		1,426	
Rentals		300	
Travel		357	
Disposal Fees		1,911	
Other Contracted Services		9,667	
Custodial Supplies		1,676	
Diesel Fuel		2,002	
Electricity		22,419	
Food Supplies		204	
Gasoline		7,503	
Office Supplies		135	
Propane Gas		1,236	
Tires and Tubes		1,121	
Uniforms		317	
Vehicle Parts		713	
Water and Sewer		13,658	
Other Supplies and Materials		3,134	
In Service/Staff Development		25	
Other Charges		13,572	
Other Construction		10,501	
Total Parks and Fair Boards			\$ 225,535

Agriculture and Natural Resources

Agriculture Extension Service

Communication	\$	662	
Contracts with Government Agencies		69,710	
Contributions		5,680	
Postal Charges		150	
Rentals		1,845	
Data Processing Equipment		4,950	
Total Agriculture Extension Service			82,997

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Supervisor/Director	\$	23,790	
Part-time Personnel		9,975	
Bonus Payments		560	
Social Security		2,692	
State Retirement		2,278	
Life Insurance		66	
Medical Insurance		6,345	
Dental Insurance		210	
Contracts with Private Agencies		3,200	
Total Soil Conservation			\$ 49,116

Other Operations

Industrial Development

Contributions	\$	12,500	
Dues and Memberships		2,500	
Engineering Services		3,272	
Other Charges		1,400	
Total Industrial Development			19,672

Veterans' Services

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

Employee Benefits

Medical Insurance	\$	32,977	
Workers' Compensation Insurance		155,023	
Total Employee Benefits			188,000

Miscellaneous

Advertising	\$	1,781	
Audit Services		8,906	
Bank Charges		1,023	
Communication		13,463	
Contracts with Government Agencies		31,254	
Dues and Memberships		12,647	
Legal Services		2,082	
Licenses		34	
Maintenance Agreements		2,497	
Postal Charges		83,117	
Printing, Stationery, and Forms		6,606	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Drugs and Medical Supplies	\$	280	
Duplicating Supplies		13,644	
Office Supplies		17,927	
Boiler Insurance		650	
Building and Contents Insurance		13,268	
Liability Insurance		157,071	
Trustee's Commission		209,512	
Vehicle and Equipment Insurance		60,400	
Other Self-Insured Claims		19,958	
In Service/Staff Development		600	
Other Charges		7,774	
Total Miscellaneous			\$ 664,494

Highways

Litter and Trash Collection

Supervisor/Director	\$	14,999	
Part-time Personnel		10,031	
Social Security		1,827	
State Retirement		1,404	
Life Insurance		24	
Medical Insurance		3,450	
Dental Insurance		75	
Other Fringe Benefits		86	
Other Charges		27,090	
Total Litter and Trash Collection			58,986

Total General Fund \$ 13,928,251

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Foremen	\$	7,040	
Clerical Personnel		4,750	
Part-time Personnel		290,327	
Overtime Pay		994	
Bonus Payments		7,215	
Other Salaries and Wages		48,792	
Other Per Diem and Fees		573	
Social Security		27,647	
State Retirement		5,916	

(Continued)

Exhibit L-8

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.)

Life Insurance	\$	132	
Medical Insurance		12,986	
Dental Insurance		420	
Unemployment Compensation		4	
Other Fringe Benefits		240	
Communication		446	
Maintenance and Repair Services - Buildings		3,156	
Maintenance and Repair Services - Equipment		5,023	
Postal Charges		301	
Disposal Fees		423,380	
Concrete		1,816	
Crushed Stone		1,411	
Drugs and Medical Supplies		60	
Electricity		10,376	
Fertilizer, Lime, and Seed		680	
Gasoline		3,302	
Road Signs		2,567	
Water and Sewer		1,047	
Other Supplies and Materials		692	
Liability Insurance		11,643	
Trustee's Commission		12,459	
Vehicle and Equipment Insurance		250	
Workers' Compensation Insurance		15,000	
Solid Waste Equipment		20,094	
Total Convenience Centers			\$ 920,739

Total Solid Waste/Sanitation Fund \$ 920,739

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Assistant(s)	\$	29,513
Supervisor/Director		17,586
Clerical Personnel		18,751
Attendants		768,974
Part-time Personnel		133,398
Overtime Pay		411,662
Bonus Payments		16,210
Social Security		104,651
State Retirement		115,281

(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.)

Life Insurance	\$	1,962	
Medical Insurance		207,852	
Dental Insurance		5,737	
Unemployment Compensation		14,242	
Other Fringe Benefits		4,440	
Communication		14,683	
Contracts with Government Agencies		137,821	
Contracts with Private Agencies		175,465	
Dues and Memberships		469	
Licenses		1,750	
Maintenance Agreements		13,543	
Maintenance and Repair Services - Buildings		10,307	
Maintenance and Repair Services - Equipment		11,551	
Maintenance and Repair Services - Vehicles		44,048	
Postal Charges		3,141	
Printing, Stationery, and Forms		3,264	
Tow-in Services		541	
Travel		4,538	
Disposal Fees		5,211	
Custodial Supplies		2,826	
Diesel Fuel		98,158	
Drugs and Medical Supplies		73,463	
Electricity		15,119	
Gasoline		4,526	
Instructional Supplies and Materials		157	
Natural Gas		3,197	
Tires and Tubes		8,403	
Uniforms		15,262	
Water and Sewer		2,826	
Other Supplies and Materials		6,401	
Building and Contents Insurance		349	
Liability Insurance		69,808	
Trustee's Commission		33,396	
Vehicle and Equipment Insurance		14,866	
Workers' Compensation Insurance		99,000	
In Service/Staff Development		3,036	
Furniture and Fixtures		1,150	
Motor Vehicles		141,100	
Office Equipment		1,740	
Total Ambulance/Emergency Medical Services			\$ 2,871,374
Total Ambulance Service Fund			\$ 2,871,374

(Continued)

Exhibit L-8

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

Industrial/Economic Development Fund

Other Operations

Industrial Development

Contracts with Other Public Agencies	\$	149,600	
Contracts with Private Agencies		7,000	
Contributions		399,750	
Dues and Memberships		2,790	
Engineering Services		43,255	
Travel		688	
Trustee's Commission		6,186	
Other Charges		3,900	
Site Development		723,494	
Total Industrial Development			\$ 1,336,663

Total Industrial/Economic Development Fund \$ 1,336,663

Special Purpose Fund

Public Safety

Fire Prevention and Control

Assistant(s)	\$	54,034
Supervisor/Director		26,825
Salary Supplements		3,600
Overtime Pay		15,946
Bonus Payments		1,680
Other Per Diem and Fees		1,169
Social Security		7,846
State Retirement		9,604
Life Insurance		199
Medical Insurance		15,618
Dental Insurance		634
Other Fringe Benefits		545
Contracts with Government Agencies		2,000
Contributions		108,000
Dues and Memberships		10
Licenses		140
Maintenance and Repair Services - Buildings		1,761
Gasoline		637
Small Tools		941
Other Supplies and Materials		2,194
Liability Insurance		5,668
Trustee's Commission		4,380
Workers' Compensation Insurance		5,000
In Service/Staff Development		924

(Continued)

Exhibit L-8

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

Special Purpose Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Other Charges	\$	14	
Other Equipment		51,163	
Other Capital Outlay		80,000	
Total Fire Prevention and Control			\$ 400,532

Public Health and Welfare

Rabies and Animal Control

Supervisor/Director	\$	41,377
Deputy(ies)		55,243
Attendants		42,689
Part-time Personnel		868
Bonus Payments		2,800
Other Per Diem and Fees		2,337
Social Security		10,565
State Retirement		13,485
Life Insurance		331
Medical Insurance		29,956
Dental Insurance		828
Unemployment Compensation		2,601
Communication		1,826
Licenses		810
Maintenance and Repair Services - Buildings		1,089
Maintenance and Repair Services - Equipment		690
Maintenance and Repair Services - Vehicles		746
Postal Charges		52
Printing, Stationery, and Forms		380
Disposal Fees		1,293
Other Contracted Services		1,128
Animal Food and Supplies		959
Custodial Supplies		1,744
Drugs and Medical Supplies		1,830
Electricity		4,749
Gasoline		7,987
Natural Gas		1,450
Tires and Tubes		190
Uniforms		1,285
Water and Sewer		7,189
Other Supplies and Materials		973
Building and Contents Insurance		367
Liability Insurance		4,519

(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.)

Rabies and Animal Control (Cont.)

Trustee's Commission	\$	2,920	
Vehicle and Equipment Insurance		1,709	
Workers' Compensation Insurance		6,500	
Total Rabies and Animal Control			\$ 255,465

Total Special Purpose Fund \$ 655,997

Drug Control Fund

Public Safety

Sheriff's Department

Other Per Diem and Fees	\$	2,400	
Communication		1,521	
Contracts with Government Agencies		1,093	
Maintenance Agreements		1,822	
Maintenance and Repair Services - Vehicles		497	
Rentals		83	
Travel		1,824	
Electricity		345	
Law Enforcement Supplies		5,673	
Other Supplies and Materials		21,267	
Trustee's Commission		413	
Motor Vehicles		11,500	
Total Sheriff's Department			\$ 48,438

Total Drug Control Fund 48,438

District Attorney General Fund

Administration of Justice

District Attorney General

Salary Supplements	\$	13,085	
Part-time Personnel		360	
Social Security		34	
Communication		429	
Dues and Memberships		345	
Travel		2,585	
Office Supplies		2,148	
Other Supplies and Materials		2,797	
Trustee's Commission		288	
Total District Attorney General			\$ 22,071

Total District Attorney General Fund 22,071

(Continued)

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

Other Special Revenue Fund

Public Health and Welfare

Recycling Center

Part-time Personnel	\$	20,712
Overtime Pay		244
Bonus Payments		2,800
Other Salaries and Wages		121,325
Other Per Diem and Fees		373
Social Security		11,279
State Retirement		11,669
Life Insurance		331
Medical Insurance		25,690
Dental Insurance		1,050
Other Fringe Benefits		240
Advertising		297
Communication		1,774
Contracts with Private Agencies		24,808
Dues and Memberships		358
Licenses		100
Maintenance Agreements		2,187
Maintenance and Repair Services - Buildings		798
Maintenance and Repair Services - Equipment		29,954
Maintenance and Repair Services - Vehicles		576
Medical and Dental Services		100
Postal Charges		33
Printing, Stationery, and Forms		51
Travel		1,558
Disposal Fees		115,277
Other Contracted Services		8,500
Crushed Stone		586
Custodial Supplies		573
Data Processing Supplies		141
Diesel Fuel		42,811
Electricity		11,113
Food Supplies		82
Gasoline		1,617
Office Supplies		557
Road Signs		160
Tires and Tubes		4,741
Uniforms		2,433
Water and Sewer		2,651
Other Supplies and Materials		8,576
Building and Contents Insurance		413

(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.)

Liability Insurance	\$	10,728	
Trustee's Commission		9,412	
Vehicle and Equipment Insurance		6,426	
Workers' Compensation Insurance		4,000	
Other Charges		2,752	
Other Equipment		<u>6,556</u>	
Total Recycling Center			\$ 498,412

Postclosure Care Costs

Permits	\$	1,000	
Contracts for Postclosure Care Costs		53,696	
Electricity		<u>1,061</u>	
Total Postclosure Care Costs			<u>55,757</u>

Total Other Special Revenue Fund \$ 554,169

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	<u>28</u>	
Total Register of Deeds			\$ 28

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	<u>223</u>	
Total County Trustee's Office			223

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	<u>208</u>	
Total County Clerk's Office			208

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	<u>55</u>	
Total Circuit Court			55

General Sessions Court

Constitutional Officers' Operating Expenses	\$	<u>437</u>	
Total General Sessions Court			437

(Continued)

Exhibit L-8

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

Constitutional Officers' Operating Expenses	\$ 11,000	
Total Chancery Court		\$ 11,000

Total Constitutional Officers - Fees Fund \$ 11,951

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 76,407	
Assistant(s)	48,843	
Salary Supplements	429	
Secretary(ies)	36,510	
Bonus Payments	1,120	
Other Per Diem and Fees	1,223	
Social Security	12,733	
State Retirement	15,431	
Life Insurance	199	
Medical Insurance	21,586	
Dental Insurance	630	
Other Fringe Benefits	719	
Dues and Memberships	3,133	
Legal Notices, Recording, and Court Costs	34	
Maintenance and Repair Services - Buildings	289	
Postal Charges	266	
Printing, Stationery, and Forms	50	
Travel	165	
Other Contracted Services	300	
Data Processing Supplies	138	
Drugs and Medical Supplies	947	
Office Supplies	1,053	
Total Administration		\$ 222,205

Highway and Bridge Maintenance

Foremen	\$ 78,760
Equipment Operators	148,436
Equipment Operators - Light	56,710
Truck Drivers	137,188
Laborers	116,429
Overtime Pay	32,293
Bonus Payments	9,520

(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.)

Other Per Diem and Fees	\$	7,207	
Social Security		44,091	
State Retirement		52,606	
Life Insurance		1,172	
Medical Insurance		128,791	
Dental Insurance		3,508	
Unemployment Compensation		256	
Other Fringe Benefits		1,563	
Contracts with Private Agencies		2,500	
Engineering Services		7,607	
Rentals		38	
Asphalt - Hot Mix		1,331,269	
Concrete		1,186	
Crushed Stone		52,622	
Fertilizer, Lime, and Seed		462	
Pipe		38,238	
Road Signs		33,624	
Salt		9,522	
Structural Steel		3,409	
Wood Products		5	
Other Supplies and Materials		40	
Total Highway and Bridge Maintenance			\$ 2,299,052

Operation and Maintenance of Equipment

Mechanic(s)	\$	95,890
Overtime Pay		270
Bonus Payments		1,680
Other Per Diem and Fees		712
Social Security		7,352
State Retirement		9,221
Life Insurance		198
Medical Insurance		23,778
Dental Insurance		629
Other Fringe Benefits		719
Maintenance and Repair Services - Equipment		26,284
Custodial Supplies		1,594
Diesel Fuel		92,443
Equipment and Machinery Parts		110,697
Garage Supplies		6,143
Gasoline		112,925

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Lubricants	\$	4,458	
Tires and Tubes		27,160	
Uniforms		12,391	
Total Operation and Maintenance of Equipment			\$ 534,544

Traffic Control

Maintenance Personnel	\$	23,239	
Overtime Pay		4,167	
Bonus Payments		560	
Other Per Diem and Fees		356	
Social Security		2,159	
State Retirement		2,624	
Life Insurance		75	
Medical Insurance		7,366	
Dental Insurance		238	
Other Fringe Benefits		239	
Traffic Control Equipment		14,223	
Total Traffic Control			55,246

Other Charges

Communication	\$	5,349	
Licenses		39	
Maintenance Agreements		1,246	
Disposal Fees		351	
Electricity		9,697	
Food Supplies		823	
Natural Gas		2,206	
Water and Sewer		1,409	
Building and Contents Insurance		362	
Liability Insurance		67,236	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		43,820	
Vehicle and Equipment Insurance		28,204	
Other Self-Insured Claims		3,646	
Total Other Charges			164,738

Employee Benefits

Workers' Compensation Insurance	\$	65,000	
Total Employee Benefits			65,000

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Communication Equipment	\$	2,710	
Highway Equipment		69,208	
Motor Vehicles		20,840	
Total Capital Outlay			\$ 92,758

Total Highway/Public Works Fund \$ 3,433,543

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	1,385,000	
Principal on Other Loans		150,000	
Total General Government			\$ 1,535,000

Highways and Streets

Principal on Bonds	\$	115,000	
Total Highways and Streets			115,000

Education

Principal on Other Loans	\$	24,885	
Total Education			24,885

Interest on Debt

General Government

Interest on Bonds	\$	1,146,649	
Interest on Other Loans		212,604	
Total General Government			1,359,253

Highways and Streets

Interest on Bonds	\$	34,344	
Total Highways and Streets			34,344

Other Debt Service

General Government

Contracts with Private Agencies	\$	6,665	
Trustee's Commission		54,840	
Other Debt Service		25,682	
Total General Government			87,187

Total General Debt Service Fund 3,155,669

(Continued)

Exhibit L-8

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

<u>Rural Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>Education</u>			
Principal on Bonds	\$ 1,090,000		
Total Education		\$ 1,090,000	
<u>Interest on Debt</u>			
<u>Education</u>			
Interest on Bonds	\$ 655,115		
Total Education		655,115	
<u>Other Debt Service</u>			
<u>General Government</u>			
Other Contracted Services	\$ 1,194		
Trustee's Commission	28,807		
Total General Government			30,001
Total Rural Debt Service Fund			\$ 1,775,116
<u>Education Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>Education</u>			
Principal on Bonds	\$ 260,000		
Total Education		\$ 260,000	
<u>Interest on Debt</u>			
<u>Education</u>			
Interest on Bonds	\$ 84,398		
Total Education		84,398	
<u>Other Debt Service</u>			
<u>Education</u>			
Contracts with Private Agencies	\$ 1,330		
Trustee's Commission	4,737		
Total Education			6,067
Total Education Debt Service Fund			350,465
<u>General Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Industrial Development</u>			
Engineering Services	\$ 50,369		
Site Development	2,047,840		
Total Industrial Development		\$ 2,098,209	

(Continued)

Exhibit L-8

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

General Capital Projects Fund (Cont.)

Capital Projects

General Administration Projects

Overtime Pay	\$	6,064	
Trustee's Commission		8,271	
Building Improvements		450,817	
Data Processing Equipment		5,202	
Motor Vehicles		254,587	
Other Construction		<u>28,320</u>	
Total General Administration Projects	\$		753,261

Public Safety Projects

Other Equipment	\$	<u>89,967</u>	
Total Public Safety Projects			89,967

Public Health and Welfare Projects

Site Development	\$	26,601	
Solid Waste Equipment		76,352	
Other Construction		<u>2,360</u>	
Total Public Health and Welfare Projects			105,313

Social, Cultural, and Recreation Projects

Motor Vehicles	\$	8,219	
Other Equipment		20,706	
Other Construction		26,946	
Other Capital Outlay		<u>5,358</u>	
Total Social, Cultural, and Recreation Projects			61,229

Public Utility Projects

Other Construction	\$	<u>321,181</u>	
Total Public Utility Projects			321,181

Other General Government Projects

Land	\$	61,243	
Other Construction		<u>194,605</u>	
Total Other General Government Projects			255,848

Education Capital Projects

Contributions	\$	<u>414,619</u>	
Total Education Capital Projects			<u>414,619</u>

Total General Capital Projects Fund \$ 4,099,627

Total Governmental Funds - Primary Government \$ 33,164,073

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, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 16,573,610	
Career Ladder Program	191,782	
Career Ladder Extended Contracts	95,381	
Homebound Teachers	3,910	
Educational Assistants	648,949	
Other Salaries and Wages	54,703	
Certified Substitute Teachers	25,487	
Non-certified Substitute Teachers	221,334	
Social Security	1,057,645	
State Retirement	1,568,057	
Life Insurance	14,326	
Medical Insurance	2,846,017	
Dental Insurance	93,088	
Unemployment Compensation	43,304	
Employer Medicare	248,083	
Other Fringe Benefits	163,250	
Other Contracted Services	235,726	
Instructional Supplies and Materials	242,038	
Textbooks	632,446	
Regular Instruction Equipment	235,473	
Total Regular Instruction Program		\$ 25,194,609

Alternative Instruction Program

Teachers	\$ 113,680	
Career Ladder Program	1,000	
Educational Assistants	30,394	
Certified Substitute Teachers	319	
Non-certified Substitute Teachers	2,769	
Social Security	8,865	
State Retirement	10,959	
Life Insurance	136	
Medical Insurance	24,282	
Dental Insurance	950	
Employer Medicare	2,073	
Other Fringe Benefits	1,000	
Instructional Supplies and Materials	4,353	
Total Alternative Instruction Program		200,780

(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	\$	2,535,083	
Career Ladder Program		28,699	
Homebound Teachers		3,080	
Educational Assistants		348,790	
Speech Pathologist		266,530	
Certified Substitute Teachers		2,364	
Non-certified Substitute Teachers		21,909	
Social Security		187,530	
State Retirement		285,479	
Life Insurance		3,198	
Medical Insurance		559,464	
Dental Insurance		18,350	
Unemployment Compensation		608	
Employer Medicare		44,260	
Other Fringe Benefits		27,325	
Contracts with Private Agencies		94,807	
Other Contracted Services		22,997	
Instructional Supplies and Materials		27,532	
Textbooks		3,714	
Other Supplies and Materials		489	
Special Education Equipment		8,659	
Total Special Education Program			\$ 4,490,867

Vocational Education Program

Teachers	\$	1,208,161
Career Ladder Program		9,000
Certified Substitute Teachers		2,090
Non-certified Substitute Teachers		18,743
Social Security		73,816
State Retirement		110,153
Life Insurance		1,084
Medical Insurance		212,764
Dental Insurance		6,600
Unemployment Compensation		7,281
Employer Medicare		17,263
Other Fringe Benefits		12,000
Other Contracted Services		2,709
Instructional Supplies and Materials		59,733
Textbooks		23,897

(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.)

Other Supplies and Materials	\$	7,076	
Vocational Instruction Equipment		24,476	
Total Vocational Education Program			\$ 1,796,846

Support Services

Attendance

Supervisor/Director	\$	17,513	
Career Ladder Program		1,500	
Other Salaries and Wages		36,660	
Social Security		2,273	
State Retirement		3,318	
Life Insurance		39	
Medical Insurance		5,747	
Dental Insurance		250	
Employer Medicare		807	
Other Fringe Benefits		250	
Other Contracted Services		18,508	
Other Supplies and Materials		2,639	
In Service/Staff Development		3,277	
Attendance Equipment		1,815	
Total Attendance			94,596

Health Services

Supervisor/Director	\$	62,314	
Medical Personnel		317,482	
Clerical Personnel		10,781	
Social Security		22,941	
State Retirement		35,115	
Life Insurance		413	
Medical Insurance		63,040	
Dental Insurance		2,125	
Employer Medicare		5,365	
Other Fringe Benefits		1,725	
Dues and Memberships		126	
Travel		327	
Other Contracted Services		21,219	
Drugs and Medical Supplies		7,478	
Other Supplies and Materials		34,566	
In Service/Staff Development		4,647	

(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.)

Health Services (Cont.)

Other Charges	\$	600	
Other Equipment		12,736	
Total Health Services			\$ 603,000

Other Student Support

Career Ladder Program	\$	5,500	
Guidance Personnel		817,800	
Other Salaries and Wages		287,510	
Social Security		66,178	
State Retirement		99,661	
Life Insurance		916	
Medical Insurance		155,434	
Dental Insurance		5,625	
Employer Medicare		15,477	
Other Fringe Benefits		9,200	
Contracts with Government Agencies		162,000	
Evaluation and Testing		23,558	
Travel		822	
Other Contracted Services		23,172	
Other Supplies and Materials		5,913	
In Service/Staff Development		5,092	
Other Charges		1,770	
Other Equipment		1,402	
Total Other Student Support			1,687,030

Regular Instruction Program

Supervisor/Director	\$	199,966	
Career Ladder Program		18,500	
Career Ladder Extended Contracts		600	
Librarians		821,442	
Education Media Personnel		101,723	
Instructional Computer Personnel		325,710	
Secretary(ies)		35,264	
Other Salaries and Wages		3,400	
Social Security		88,029	
State Retirement		127,973	
Life Insurance		1,067	
Medical Insurance		216,952	
Dental Insurance		6,432	

(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.)

Unemployment Compensation	\$	2,750	
Employer Medicare		20,983	
Other Fringe Benefits		10,765	
Travel		4,339	
Other Contracted Services		275,645	
Library Books/Media		97,209	
Other Supplies and Materials		72,101	
In Service/Staff Development		12,690	
Other Charges		2,563	
Other Equipment		39,538	
Total Regular Instruction Program			\$ 2,485,641

Alternative Instruction Program

Supervisor/Director	\$	67,608	
Career Ladder Program		1,000	
Secretary(ies)		10,782	
Social Security		4,782	
State Retirement		7,185	
Life Insurance		58	
Medical Insurance		14,044	
Dental Insurance		375	
Employer Medicare		1,118	
Other Fringe Benefits		400	
Other Supplies and Materials		4,177	
In Service/Staff Development		101	
Other Charges		709	
Total Alternative Instruction Program			112,339

Special Education Program

Supervisor/Director	\$	86,400	
Career Ladder Program		2,000	
Psychological Personnel		260,523	
Clerical Personnel		38,460	
Other Salaries and Wages		172,940	
Social Security		32,950	
State Retirement		49,558	
Life Insurance		828	
Medical Insurance		124,189	
Dental Insurance		3,892	

(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.)

Special Education Program (Cont.)

Unemployment Compensation	\$	263	
Employer Medicare		7,601	
Other Fringe Benefits		3,860	
Communication		1,660	
Maintenance and Repair Services - Equipment		3,413	
Travel		6,362	
Other Supplies and Materials		378	
In Service/Staff Development		968	
Total Special Education Program			\$ 796,245

Vocational Education Program

Supervisor/Director	\$	28,485	
Secretary(ies)		12,386	
Social Security		2,520	
State Retirement		3,699	
Life Insurance		39	
Medical Insurance		5,747	
Dental Insurance		250	
Employer Medicare		589	
Other Fringe Benefits		250	
Travel		25,601	
Other Supplies and Materials		5,576	
Total Vocational Education Program			85,142

Other Programs

On-Behalf Payments to OPEB	\$	299,554	
Total Other Programs			299,554

Board of Education

Secretary to Board	\$	9,031	
Board and Committee Members Fees		35,620	
Social Security		2,700	
State Retirement		2,465	
Employer Medicare		632	
On-Behalf Payments to OPEB		173,282	
Audit Services		17,400	
Dues and Memberships		27,153	
Legal Services		24,259	
Other Contracted Services		5,000	

(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.)

Board of Education (Cont.)

Liability Insurance	\$	22,192	
Trustee's Commission		256,766	
Workers' Compensation Insurance		175,000	
Other Self-Insured Claims		779	
In Service/Staff Development		13,128	
Refund to Applicant for Criminal Investigation		2,952	
Other Charges		3,935	
Total Board of Education			\$ 772,294

Director of Schools

County Official/Administrative Officer	\$	136,061	
Career Ladder Program		1,000	
Secretary(ies)		56,991	
Social Security		11,181	
State Retirement		17,277	
Life Insurance		121	
Medical Insurance		24,697	
Dental Insurance		775	
Employer Medicare		2,943	
Other Fringe Benefits		16,000	
Communication		2,945	
Dues and Memberships		3,927	
Postal Charges		6,466	
Office Supplies		1,498	
In Service/Staff Development		3,871	
Other Charges		2,170	
Administration Equipment		1,905	
Total Director of Schools			289,828

Office of the Principal

Principals	\$	1,223,389	
Career Ladder Program		29,750	
Career Ladder Extended Contracts		3,200	
Assistant Principals		722,021	
Secretary(ies)		913,520	
Social Security		173,113	
State Retirement		256,224	
Life Insurance		2,297	
Medical Insurance		395,993	

(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.)

Office of the Principal (Cont.)

Dental Insurance	\$	14,900	
Employer Medicare		40,486	
Other Fringe Benefits		18,020	
Communication		39,881	
Travel		5,147	
Other Contracted Services		4,765	
In Service/Staff Development		10,246	
Other Charges		7,204	
Administration Equipment		36,288	
Total Office of the Principal			\$ 3,896,444

Fiscal Services

Supervisor/Director	\$	81,173	
Accountants/Bookkeepers		125,040	
Other Salaries and Wages		26,339	
Social Security		13,501	
State Retirement		19,536	
Life Insurance		172	
Medical Insurance		19,879	
Dental Insurance		1,100	
Employer Medicare		3,273	
Other Fringe Benefits		1,000	
Travel		86	
Other Contracted Services		5,230	
Other Supplies and Materials		6,461	
In Service/Staff Development		266	
Other Charges		1,894	
Administration Equipment		5,291	
Total Fiscal Services			310,241

Human Services/Personnel

Supervisor/Director	\$	17,513	
Employer Medicare		254	
Other Contracted Services		100	
Total Human Services/Personnel			17,867

Operation of Plant

Custodial Personnel	\$	45,082	
Social Security		2,758	

(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.)

State Retirement	\$	4,080	
Life Insurance		78	
Medical Insurance		12,152	
Dental Insurance		500	
Employer Medicare		645	
Janitorial Services		1,132,620	
Licenses		2,040	
Pest Control		13,170	
Rentals		1,085	
Disposal Fees		33,885	
Other Contracted Services		16,075	
Custodial Supplies		86,182	
Electricity		1,656,593	
Natural Gas		287,398	
Water and Sewer		241,834	
Other Supplies and Materials		29,078	
Boiler Insurance		6,277	
Building and Contents Insurance		89,745	
Other Charges		126,315	
Plant Operation Equipment		28,808	
Total Operation of Plant			\$ 3,816,400

Maintenance of Plant

Supervisor/Director	\$	67,669
Maintenance Personnel		461,148
Other Salaries and Wages		17,560
Social Security		32,437
State Retirement		47,858
Life Insurance		554
Medical Insurance		101,699
Dental Insurance		3,500
Employer Medicare		7,586
Other Fringe Benefits		2,175
Communication		16,426
Maintenance and Repair Services - Buildings		36,023
Maintenance and Repair Services - Equipment		64,677
Other Contracted Services		16,507
Other Supplies and Materials		71,602
Other Charges		11,203

(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.)

Maintenance of Plant (Cont.)

Maintenance Equipment	\$	8,789	
Other Equipment		648	
Total Maintenance of Plant			\$ 968,061

Transportation

Bus Drivers	\$	115,009	
Other Salaries and Wages		34,647	
Social Security		8,449	
State Retirement		9,243	
Life Insurance		94	
Medical Insurance		12,855	
Dental Insurance		650	
Employer Medicare		2,083	
Other Fringe Benefits		175	
Total Transportation			183,205

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	493,229	
Social Security		29,536	
State Retirement		38,678	
Employer Medicare		6,948	
Other Contracted Services		15,270	
Other Supplies and Materials		66,802	
In Service/Staff Development		1,861	
Other Charges		30,498	
Other Equipment		2,332	
Total Community Services			685,154

Early Childhood Education

Teachers	\$	145,417	
Educational Assistants		43,746	
Certified Substitute Teachers		133	
Non-certified Substitute Teachers		1,200	
Social Security		11,169	
State Retirement		17,119	
Life Insurance		254	
Medical Insurance		50,390	
Dental Insurance		1,625	

(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.)

Employer Medicare	\$	2,612	
Other Fringe Benefits		1,725	
Contracts with Other Public Agencies		353,448	
Travel		148	
Other Contracted Services		9,000	
Instructional Supplies and Materials		3,018	
Other Supplies and Materials		3,894	
In Service/Staff Development		598	
Total Early Childhood Education	\$		645,496

Capital Outlay

Regular Capital Outlay

Furniture and Fixtures	\$	22,105	
Motor Vehicles		21,062	
Other Capital Outlay		36,369	
Total Regular Capital Outlay			79,536

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	24,885	
Total Education			24,885

Total General Purpose School Fund \$ 49,536,060

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	2,182,864	
Educational Assistants		416,604	
Certified Substitute Teachers		580	
Non-certified Substitute Teachers		20,084	
Social Security		146,343	
State Retirement		220,579	
Life Insurance		2,796	
Medical Insurance		457,120	
Dental Insurance		13,262	
Employer Medicare		36,564	
Other Fringe Benefits		21,450	
Other Contracted Services		64,021	

(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.)

Instructional Supplies and Materials	\$	61,551	
Regular Instruction Equipment		46,568	
Total Regular Instruction Program			\$ 3,690,386

Special Education Program

Teachers	\$	50,251	
Educational Assistants		309,742	
Social Security		18,426	
State Retirement		28,264	
Life Insurance		730	
Medical Insurance		102,713	
Dental Insurance		4,200	
Employer Medicare		4,975	
Other Fringe Benefits		3,075	
Contracts with Other School Systems		11,032	
Contracts with Private Agencies		370,581	
Other Contracted Services		276,098	
Instructional Supplies and Materials		27,552	
Textbooks		1,742	
Other Supplies and Materials		19,338	
Special Education Equipment		39,012	
Total Special Education Program			1,267,731

Vocational Education Program

Vocational Instruction Equipment	\$	45,132	
Total Vocational Education Program			45,132

Support Services

Other Student Support

Guidance Personnel	\$	19,764	
Social Security		1,225	
Employer Medicare		287	
Travel		27,392	
Other Contracted Services		10,478	
Other Charges		19,174	
Total Other Student Support			78,320

Regular Instruction Program

Supervisor/Director	\$	50,085	
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(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.)

Secretary(ies)	\$	18,401	
In-Service Training		30,305	
Social Security		6,124	
State Retirement		8,877	
Life Insurance		47	
Medical Insurance		6,351	
Dental Insurance		300	
Employer Medicare		1,432	
Travel		376	
Other Contracted Services		55,090	
Other Supplies and Materials		8,420	
In Service/Staff Development		164,800	
Other Equipment		<u>3,036</u>	
Total Regular Instruction Program	\$		353,644

Special Education Program

Secretary(ies)	\$	38,438	
Clerical Personnel		81,291	
Other Salaries and Wages		210,488	
Social Security		19,329	
State Retirement		28,121	
Life Insurance		842	
Medical Insurance		90,665	
Dental Insurance		4,750	
Employer Medicare		4,520	
Other Fringe Benefits		1,000	
Travel		1,554	
Other Supplies and Materials		11,018	
In Service/Staff Development		16,635	
Other Equipment		<u>5,644</u>	
Total Special Education Program			514,295

Vocational Education Program

In Service/Staff Development	\$	<u>4,053</u>	
Total Vocational Education Program			4,053

Transportation

Transportation Equipment	\$	<u>100,632</u>	
Total Transportation			<u>100,632</u>

Total School Federal Projects Fund \$ 6,054,193

(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	\$	66,637	
Accountants/Bookkeepers		39,623	
Clerical Personnel		36,301	
Cafeteria Personnel		1,180,933	
Social Security		79,132	
State Retirement		84,030	
Life Insurance		2,067	
Medical Insurance		273,846	
Dental Insurance		11,425	
Unemployment Compensation		44	
Employer Medicare		18,507	
Other Fringe Benefits		4,950	
Maintenance and Repair Services - Equipment		31,323	
Pest Control		6,755	
Transportation - Other than Students		14,576	
Travel		1,453	
Disposal Fees		20,805	
Permits		1,280	
Other Contracted Services		16,733	
Food Preparation Supplies		112,984	
Food Supplies		1,452,799	
USDA - Commodities		168,607	
Other Supplies and Materials		6,735	
Workers' Compensation Insurance		58,300	
In Service/Staff Development		13,811	
Other Charges		844	
Food Service Equipment		223,701	
Total Food Service			\$ 3,928,201
Total Central Cafeteria Fund			\$ 3,928,201

School Transportation Fund

Support Services

Transportation

Supervisor/Director	\$	59,473
Mechanic(s)		98,932
Bus Drivers		645,663
Secretary(ies)		26,114
Other Salaries and Wages		175,609

(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.)

Social Security	\$	60,374	
State Retirement		76,358	
Life Insurance		1,981	
Medical Insurance		104,661	
Dental Insurance		11,400	
Employer Medicare		14,307	
Other Fringe Benefits		5,425	
Communication		9,532	
Maintenance and Repair Services - Equipment		815	
Medical and Dental Services		11,838	
Tow-in Services		1,995	
Other Contracted Services		13,542	
Diesel Fuel		433,745	
Garage Supplies		10,763	
Gasoline		43,425	
Lubricants		14,980	
Tires and Tubes		49,397	
Vehicle Parts		129,157	
Other Supplies and Materials		3,340	
Vehicle and Equipment Insurance		71,336	
Workers' Compensation Insurance		21,000	
Other Charges		3,832	
Motor Vehicles		790,645	
Total Transportation			\$ 2,889,639

Total School Transportation Fund

\$ 2,889,639

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	169,355
Social Security		9,953
State Retirement		10,341
Life Insurance		229
Medical Insurance		30,810
Dental Insurance		1,425
Employer Medicare		2,328
Other Fringe Benefits		750
Travel		2,867

(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.)

Other Contracted Services	\$	3,800	
Food Supplies		12,616	
Other Supplies and Materials		6,245	
In Service/Staff Development		320	
Other Charges		4,791	
Total Community Services			\$ 255,830

Total Extended School Program Fund \$ 255,830

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Other Salaries and Wages	\$	93,017	
Social Security		5,591	
State Retirement		8,418	
Life Insurance		39	
Medical Insurance		5,076	
Dental Insurance		250	
Employer Medicare		1,308	
Other Fringe Benefits		250	
Engineering Services		120,728	
Trustee's Commission		9,394	
Building Construction		10,508,172	
Building Improvements		5,536,141	
Total Education Capital Projects			\$ 16,288,384

Total Education Capital Projects Fund 16,288,384

Total Governmental Funds - Roane County School Department \$ 78,952,307

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, 2012

	Cities - Sales Tax Fund	City School ADA - Oak Ridge Fund	Total
<u>Cash Receipts</u>			
Current Property Taxes	\$ 0	\$ 696,921	\$ 696,921
Trustee's Collections - Prior Years	0	32,437	32,437
Trustee's Collections - Bankruptcy	0	1	1
Circuit/Clerk and Master Collections - Prior Years	0	31,547	31,547
Interest and Penalty	0	5,576	5,576
Pick-up Taxes	0	411	411
Payments in-Lieu-of Taxes - TVA	0	1,757	1,757
Payments in-Lieu-of Taxes - Local Utilities	0	11,717	11,717
Local Option Sales Tax	7,100,571	449,027	7,549,598
Interstate Telecommunications Tax	0	180	180
Licenses	0	184	184
Contributions	0	32	32
Total Cash Receipts	<u>\$ 7,100,571</u>	<u>\$ 1,229,790</u>	<u>\$ 8,330,361</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collections	\$ 7,029,565	\$ 1,209,167	\$ 8,238,732
Trustee's Commission	71,006	20,160	91,166
Total Cash Disbursements	<u>\$ 7,100,571</u>	<u>\$ 1,229,327</u>	<u>\$ 8,329,898</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ 463	\$ 463
Cash Balance, July 1, 2011	0	923	923
Cash Balance, June 30, 2012	<u>\$ 0</u>	<u>\$ 1,386</u>	<u>\$ 1,386</u>

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## **SINGLE AUDIT SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841

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

December 12, 2012

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 business-type 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, 2012, which collectively comprise Roane County's basic financial statements and have issued our report thereon dated December 12, 2012. Our report includes 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 on 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

The management of Roane County is responsible for establishing and maintaining effective 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency in internal control over financial reporting: 12.01. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

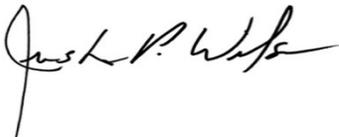
#### Compliance and Other Matters

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 management of Roane County in separate communications.

This report is intended solely for the information and use of management, the county executive, road superintendent, director of schools, director of accounts and budgets, 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,



Justin P. Wilson  
Comptroller of the Treasury

JPW/yu



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

December 12, 2012

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

To the County Executive and Board of County Commissioners:

Compliance

We have audited Roane County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

#### 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 to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Roane County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 business-type 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, 2012, and have issued our report thereon dated December 12, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures

applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the county executive, road superintendent, director of schools, director of accounts and budgets, 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, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

Roane County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2012

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 168,607 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	612,181
National School Lunch Program	10.555	N/A	1,627,280 (3)
Summer Food Service Program for Children	10.559	N/A	24,016
Child and Adult Care Food Program	10.558	N/A	<u>41,115</u>
Total U.S. Department of Agriculture			<u>\$ 2,473,199</u>
U.S. Department of Commerce:			
Passed-through State Department of Economic and Community Development:			
Economic Adjustment Assistance	11.307	(2)	<u>\$ 809,263</u>
Total U.S. Department of Commerce			<u>\$ 809,263</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM-09-36	\$ 141,154
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG-08-27304-00	<u>297,491</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 438,646</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 2,123
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	10,691
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG)			
Program/Grants to Units of Local Government	16.804	N/A	<u>1,511</u>
Total U.S. Department of Justice			<u>\$ 14,325</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction, Recovery Act	20.205	STP-EN-7300(32)	\$ 32,650
Alcohol Open Container Requirements	20.607	(2)	<u>30,547</u>
Total U.S. Department of Transportation			<u>\$ 63,197</u>
U.S. Environmental Protection Agency			
Passed-through State Department of Environment and Conservation:			
Capitalization Grants for Clean Water State Revolving Funds	66.458	CW0 2011-285	<u>\$ 981,222</u>
Total U.S. Environmental Protection Agency			<u>\$ 981,222</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,764,548
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	4,718
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,811,531
Special Education - Preschool Grants	84.173	N/A	85,149
Career and Technical Education - Basic Grants to States	84.048	N/A	108,331
Twenty-first Century Community Learning Centers	84.287	N/A	642,705
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	3,941
Education Technology State Grants, Recovery Act	84.386	N/A	1,913
Rural Education	84.358	N/A	141,535
Improving Teacher Quality State Grants	84.367	N/A	308,614

(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. Department of Education (Cont.):			
Passed-through State Department of Education (Cont.):			
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	\$ 432,579
Education Jobs Fund	84.410	N/A	<u>1,423,090</u>
Total U.S. Department of Education			<u>\$ 6,728,654</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	\$ 40,000
Homeland Security Grant Program	97.067	(4)	<u>104,924</u>
Total U.S. Department of Homeland Security			<u>\$ 144,924</u>
Total Expenditures of Federal Awards			<u>\$ 11,653,429</u>

State Grants		Contract Number	
Youth Services Office Grant - State Commission on Children and Youth	N/A	(2)	\$ 9,000
Litter Program - State Department of Transportation	N/A	(2)	63,974
Law Enforcement Training - State Department of Safety	N/A	(2)	23,400
Driver's Education - State Department of Education	N/A	(2)	14,947
Early Childhood Education - State Department of Education	N/A	(2)	633,579
Lottery for Education-Pre K - State Department of Education	N/A	(2)	47,411
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	21,407
DGA Grant - State Department of Health	N/A	(2)	457,510
Child Care Assistance - State Department of Human Services	N/A	(2)	41,472
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	(2)	<u>438,035</u>
Total State Grants			<u>\$ 1,750,735</u>

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, except for CFDA No. 11.307 (revolving loan program). The calculations for this grant are pursuant to OMB Circular A-133 rather than generally accepted accounting principles.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$1,795,887.
- (4) \$89,967: 34101-000000-5618; \$14,957: 34101-000000-2572.

Roane County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2012

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. There are no findings from the Annual Financial Report for Roane County, Tennessee, for the year ended June 30, 2011, which have not been corrected.

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**ROANE COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2012**

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**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 one significant deficiency in internal control. This significant deficiency was not considered to be a material weakness.
3. The audit disclosed no instances of noncompliance.
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: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Capitalization Grants for Clean Water Revolving Funds (CFDA No. 66.458); the Title I Cluster: Title I Grants to Local Education Agencies and the Title I Grants to Local Education Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Education Jobs Fund (CFDA No. 84.410); the State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top – Incentive Program, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$301,769 threshold was used to distinguish between Type A and Type B federal programs.
9. Roane County qualified as a low-risk auditee.

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

The finding and recommendation, as a result of our examination, are presented below. We reviewed this finding and recommendation with the trustee to provide an opportunity for her response; however, the trustee did not provide a response for inclusion in this report.

### **OFFICE OF TRUSTEE**

#### **FINDING 12.01      **USERNAMES AND PASSWORDS WERE SHARED BY EMPLOYEES****

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Although each employee had been assigned a unique username and password for accessing the office's accounting software, employees also used a shared username and password when processing transactions. If inappropriate activity were to occur, the employee responsible for this activity would not be easily identified because of the shared username. Sound business practices dictate that each transaction be identified to the individual creating the transaction. The office corrected this deficiency in March 2012 by having the shared usernames removed from the system and having individual usernames and passwords assigned.

#### **RECOMMENDATION**

Each employee should access the application using his or her unique username and password to ensure transactions are properly identified to that employee.

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### **BEST PRACTICE**

#### **ROANE COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

Roane County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee would significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of Local Government Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

**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, 2012**

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