

CITY OF MARYVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2009

Prepared By:

Deborah P. Caughron
City Director of Financial Services

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CITY OF MARYVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2009

TABLE OF CONTENTS

<u>SECTION ONE – INTRODUCTORY SECTION:</u>	<u>PAGE</u>
Letter of Transmittal	v - x
City Organizational Chart	xi
Principal Elected and Appointed Officials	xii
 <u>SECTION TWO – FINANCIAL SECTION:</u>	
Independent Auditors’ Report	xiii – xiv
Management’s Discussion and Analysis (required supplementary information)	xv -xxiii
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	1 – 2
Statement of Activities.....	3
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	4 – 5
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets - Governmental Activities.....	6
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	7 – 8
Reconciliation of Statement of Revenues, Expenditures and Changes In Fund Balances to the Statement of Activities.....	9
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	10 – 17
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Purpose School Fund	18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Local Grant Fund.....	19
Statement of Net Assets – Proprietary Funds	20 – 21
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	22
Statement of Cash Flows – Proprietary Funds.....	23 – 24
Notes to Financial Statements	25 – 66
Required Supplementary Information:	
Schedule of Funding Progress for the City Retirement Plan	67
Schedule of Funding Progress for Post-Employment Benefit Plans	68
Other Supplementary Information:	
Combining Fund Financial Statements:	
Non-Major Governmental Funds:	
Combining Balance Sheet – Non-major Governmental Funds.....	69– 71
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Non-major Governmental Funds.....	72 – 77
Internal Service Funds:	
Combining Statement of Net Assets	78 – 79
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	80 – 81
Combining Statement of Cash Flows.....	82 – 83

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2009

TABLE OF CONTENTS

SECTION TWO – FINANCIAL SECTION (Continued):

Other Supplementary Information (Continued):

Budgetary Comparison Schedules:

General, Special Revenue, and Debt Service Fund Types – Combined Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	84
Debt Service Fund – Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual	85
Special Revenue Funds:	
State Street Aid Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	86
Maryville City Schools Cafeteria Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	87
Federal Projects Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	88
Schedule of Revenues and Expenditures – Budget and Actual:	
Carl Perkins Project #09-01	89
Title I Project #09-01	90
Title II (Part A) Project #09-01	91
Title II (Part D) Project #09-01	92
Title III (Part A) (ESL) Project #09-01	93
Title IV (Part A) (SDFS) Project #09-01	94
Title V (Part A) Project #09-01	95
IDEA (Part B) Project #08-01	96
IDEA Preschool Project #08-01	97
IDEA (Part B) Project #09-01	98
IDEA Preschool Project #09-01	99
IDEA (Part B) Project #08-21	100
IDEA (Part B) ARRA	101
Special Projects Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	102
Solid Waste Management Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	103– 104
Animal Control Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	105
Maryville City Schools Continuing Care Program Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	106
Drug Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	107
Foothills Fall Festival – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	108
Industrial Development Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	109
Summer Feeding Program – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	110
Geographic Information Systems Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	111

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2009

TABLE OF CONTENTS

<u>SECTION TWO – FINANCIAL SECTION (continued):</u>	<u>PAGE</u>
Other Supplementary Information (Continued):	
Enterprise Fund:	
Electric Department:	
Schedule of Operating and Maintenance Expense by Department.....	112-113
Schedule of Electric Capital Assets.....	114
Schedule of Accumulated Provision for Depreciation.....	115
Water Quality Control Department:	
Schedule of Operating Expenses by Department	116– 117
Schedule of Water and Sewer Capital Assets	118
Schedule of Accumulated Provision for Depreciation.....	119
Stormwater Utility Department:	
Schedule of Operating Expenses by Department	120
Schedule of Stormwater Capital Assets.....	121
Schedule of Accumulated Provision for Depreciation.....	122
Capital Assets Used in the Operation of Governmental Funds:	
Schedule of Changes by Function and Activity.....	123
Schedule by Function and Activity.....	124
Miscellaneous Schedules:	
Schedule of Investments – All Funds.....	125
Combined Schedule of Changes in Notes Payable	126 – 127
Schedule of Bond and Interest Requirements by Fiscal Year.....	128– 131
Schedule of Interfund Transfers – All Funds.....	132
Schedule of Salaries and Surety Bonds of Principal Officers.....	133
Schedule of Insurance in Force.....	134 – 135
General Purpose School Fund – Special Revenue Fund – Schedule of Insurance in Force	136 – 137
City of Maryville Utilities – Enterprise Fund:	
Electric Department – Schedule of Utility Statistics	138
Water Quality Control Department – Schedule of Utility Statistics	139– 141
Stormwater Utilities Department – Schedule of Utility Statistics	142
 <u>SECTION THREE – STATISTICAL INFORMATION:</u>	
Schedule 1 – Net Assets by Component.....	143
Schedule 2 – Changes in Net Assets	144 – 146
Schedule 3 – Fund Balances, Governmental Funds	147
Schedule 4 – Changes in Fund Balances, Governmental Funds	148 – 149
Schedule 5 – Assessed Value and Estimated Actual Value of Taxable Property.....	150
Schedule 6 – Direct and Overlapping Property Tax Rates	151
Schedule 7 – Principal Taxpayers.....	152
Schedule 8 – Property Tax Levies and Collections.....	153
Schedule 9 – Ratios of Outstanding Debt by Type	154
Schedule 10 – Ratios of General Bonded Debt Outstanding	155
Schedule 11 – Direct and Overlapping Governmental Activities Debt	156
Schedule 12 – Legal Debt Margin Information	157
Schedule 13 – Pledged – Revenue Coverage.....	158
Schedule 14 – Demographic and Economic Statistics	159
Schedule 15 – Principal Employers	160

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2009

TABLE OF CONTENTS

SECTION THREE – STATISTICAL INFORMATION (Continued):

Schedule 16 – Full-time Equivalent City Government Employees by Department	161 – 162
Schedule 17 – Operating Indicators by Function/Program	163
Schedule 18 – Capital Assets Statistics By Function/Program	164 – 166

SECTION FOUR – SINGLE AUDIT SECTION:

Schedule of Federal and State Financial Assistance	167– 170
Schedule of Performance Based Assistance, Loans and Entitlements.....	171
Schedule of Non-Cash Assistance	172

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	173 – 174
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	175 – 176
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	177 – 178
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December 14, 2009

Honorable Mayor, City Council and Citizens of the City of Maryville, Tennessee

We are pleased to present the comprehensive annual report for the fiscal year ended June 30, 2009.

This report was prepared in accordance with the Maryville City Charter and state statutes. It provides detailed information as to how the City receives, spends and accounts for its revenues, along with key indicators of financial strength. The City is responsible for the accuracy of the data and for the fairness and completeness of the presentation. We believe this document contains all information necessary to gain an understanding of the City's financial activities in 2009. We encourage readers to consider this transmittal letter in conjunction with the annotated financial statements and Management's Discussion and Analysis ("MD&A"). The MD&A is a narrative introduction, overview and analysis of the financial statements.

This report includes all funds of the City of Maryville (primary government). The City has no financial accountability for any component units.

Demographics

Located approximately 15 miles southeast of Knoxville, Tennessee, the City of Maryville consists of 16.12 square miles and is the county seat of Blount County. The Townsend entrance to the Great Smoky Mountains National Park is also a 20 minute drive from the City. With an estimated population of approximately 27,600 persons in 2009, the City population has grown by approximately 20% in the last decade. The City is also home to Maryville College, a private, four year, liberal arts college with enrollment of approximately 1,100 students. The statistical section of this report contains more detailed demographic information.

Governmental Structure

The governing authority consists of a five-member City Council elected at-large, with City Council selecting two of its own members to serve as Mayor and Vice-Mayor, respectively. The City Manager reports to the City Council and manages the daily operations of 8 appointed operating department directors.

The City provides traditional government services, including police and fire protection, codes enforcement, street maintenance and refuse collection. In addition, the City provides water distribution services to 14,425 customers and wastewater collection services to 12,717 customers. Electric service is provided to another 20,125 customers. The service areas for Water, Wastewater and Electric utilities extend beyond the municipal boundaries of the City.

Maryville City Schools serve approximately 5,000 students and operate a high school, middle school, intermediate school and four elementary schools. The Schools are funded in part by property taxes imposed within the City of Maryville. In 2009, City property taxes contributed \$9,307,500 to fund school operations.

Economic Condition and Outlook

Similar to local governments throughout the country, the City of Maryville has been significantly affected by the economic slowdown of the past eighteen months. Rising unemployment, decreasing retail sales and slowing economic activity have occurred during this period.

Economic Condition and Outlook (Continued)

Below is a summation of these conditions:

- Unemployment Rate for Blount County of 10.2% compared to 10.3% statewide according to the Tennessee Department of Labor and Workforce Development. The rate for Blount County has risen 4.8% since last year.
- Local option sales tax reported for the twelve month period beginning July declined year over year from 2008 to 2009, resulting in a loss of revenue of \$380,026 for the City and another \$184,665 for Maryville City Schools.
- Denso Manufacturing Tennessee, Inc., Blount County's largest employer, is located in the City of Maryville. Denso has maintained its permanent workforce during the slow down in the automotive industry in part by reducing operating expenses, including decreasing hours for hourly employees from 40 to 32 hours per week and reducing compensation for salaried employees by five percent. In fall 2009, hourly employees returned to 40 hour work-weeks and compensation for salaried employees will be restored in early 2010.
- The Taxable Digest of \$731.2 million reflects a small decline from the previous year (<1%). Real Property, including both residential and commercial/industrial categories, increased in assessed value by 1.5%, or \$9 million, over 2008. However, the assessed value of Personal Property fell by 8.8%, or \$10.7 million and the assessment for Public Utilities decreased by 16%, or \$1.6 million.
- In response to decreasing operating revenues after adoption of the FY 2009 budgets, appropriations for operating departments were reduced by 8%, or \$1.4 million, between original and final budgeted amounts.

Major Initiatives

This section highlights some of the major initiatives completed or underway in FY 2009.

School Construction and Expansion

Maryville City Schools enjoy a reputation for excellence that has been well-documented through test scores and awards. As a result, system-wide enrollment has grown just under 14% in the last decade. In order to plan for additional students, Maryville City School Board, faculty and staff, with the coordination of Lawler Wood Management, Inc. and Johnson Architecture, prepared a long range master plan for maintaining existing facilities and building new schools going forward. This plan was formally adopted by the School Board and presented to Maryville City Council on November 14, 2007.

Phase I of the proposed plan included renovations to existing schools, renovation and expansion at the existing high school, and construction of a 2nd intermediate school. The new school will allow for moving 4th grades from all four elementary schools to the intermediate school level. Phase I was designed to eliminate over-crowding in the elementary and intermediate grades while addressing immediate needs to update older school facilities. On November 25, 2008, Lawler Wood Management and Johnson Architecture presented a phase one estimate for \$52 million. Phase one estimates included \$15 million for the high school expansion, \$5 million for renovations at existing schools and \$32 million for the new intermediate school.

City Council initially appropriated \$10 million to begin Phase I school capital projects on a pay-as-you go basis. Extensive renovations were completed in July 2009 at two elementary schools. However, due to the deterioration of the municipal bond market in the fall of 2008 and downward pressures in the economy, issuance of the debt to complete Phase I was delayed indefinitely. The site of Coulter Grove Intermediate was mothballed after completion of the preliminary site work and planned improvements at the high school were also put on hold.

With unforeseen delays in the plan to accommodate growth in the schools, administrators turned their attention in early 2009 to finding alternative solutions for the short and long terms. While portable classrooms are not the preferred classroom environment, the system used ARRA (federal stimulus) funds to temporarily, but immediately, address overcrowding by installing portables. In addition to continuing a long range strategic planning process for the school district, leaders embarked on a collaborative effort with business, community, government and education partners to determine the feasibility of an alternate campus program that might address growth pressures at the high school level.

Major Initiatives (Continued)

School Construction and Expansion (Continued)

On September 10, 2009, the Tennessee State School Bond Authority announced that funding in the form of a low-interest loan was awarded to the City of Maryville for construction of Coulter Grove Intermediate School. The loan, not-to-exceed \$18,750,000, is part of the State's 2009 Qualified School Construction Bond issuance and is expected to close December 17, 2009. Construction is projected to commence on this project in January 2010.

Actual school enrollment figures and estimates for future years are shown below:

<u>School</u>	<u>Capacity</u>	<u>Actual 2008/09</u>	<u>Proj. 2009/10</u>	<u>Proj. 2010/11</u>	<u>Proj. 2011/12</u>	<u>Proj. 2012/13</u>	<u>Excess Capacity by School 2012/13</u>
Elementary							
John Sevier	540	555	568	582	594	605	(65)
Sam Houston	500	555	527	534	545	555	(55)
Fort Craig	290	297	289	291	295	295	(5)
Foothills	520	551	520	534	545	555	(35)
Total Elem.	1850	1958	1904	1941	1979	2010	(160)
Intermediate	800	729	769	827	933	862	(60)
Middle	900	798	758	734	802	906	(6)
High	1400	1555	1563	1534	1503	1488	(88)
System Total	4950	5040	4994	5036	5217	5266	(316)
Y/Y Change		21	(46)	42	181	49	
Excess Capacity		(69)	(44)	(86)	(267)	(316)	(316)

Notes:

Actual and projected numbers do not include PreK.

A master planning study conducted by Johnson Architecture evaluated each schools' programs and facilities that began in 2006 and concluded in November 2008. This evaluation established the school capacity numbers.

Source: Maryville City Schools

Water and Wastewater System Improvements

The Water Quality Control (WQC) Department completed several large water and wastewater projects in 2009. Listed below are highlights:

1. Sewer Rehabilitation work was completed in Everett High Road, Cherokee Street, South Dunlap Street, Karrow Street, Lambert Lane, Flag Branch area, and other various areas for \$363,454. Sewer service and manhole replacements were completed system-wide for a cost of \$138,709.
2. Upgraded the water system by installing 32 fire hydrants and eliminating dead end lines in many areas of town for a cost of \$81,222.
3. Water system extension continued to accommodate the acquisition of South Blount Utility District customers in the Woodland Drive area. The service lines and meters were installed for a cost of \$70,609. The main water line was installed for \$215,824. Additional phases are scheduled for fiscal years 2010 and 2011 with an additional cost of approximately \$540,000.

Water and Wastewater System Improvements (Continued)

4. Water line replacements and relocations were completed along Old Knoxville Pike at Manning Lane, Everett High Road, Henry G. Lane and W. Broadway at Cedar Street, and Middlesettlement Road for a total cost of \$133,637.
5. New residential and commercial water meters and services were installed for a cost of \$95,343.
6. Department continued the system-wide meter replacement program for a cost of \$93,989. The replaced meters were part of the completed beta test of automatic meter reading system with state-of-the-art water meters.
7. Construction continued on the Regional Wastewater Treatment Plant. Expenditures for the fiscal year were \$13,125,624, bringing the total to \$14,761,864 through June 30th. The project is scheduled to be completed in September 2010 with a total cost estimated at \$31.5 million. Currently the project is ahead of schedule and under budget.
8. Completed joint projects with Alcoa to bring the 24" emergency intake line, and to connect our system with another water booster station in the Brown School Road area. Total costs were \$473,622. These projects, along with other interconnections, will enable us to buy all our water in an emergency situation from the City of Alcoa and South Blount Utility District.
9. Completed the construction of a cell phone tower. Total cost for the new cell tower was \$217, 837. Existing cell phone antennas were moved to this tower from the demolished Blount County Water Tank, maintaining the rental revenues. The Blount County Water Tank was sold and deconstructed.

Electric System Improvements

The Electric Department completed or began several significant projects in 2009. Listed below are highlights:

1. Completed relocation of a 69,000 volt transmission line for a road widening project at a cost of \$173,112.
2. Began improvements to Rockford Substation, one of the oldest substations in the system. This project will replace certain equipment, install new digital control systems and make other improvements to meet today's electrical codes. Most material was purchased in the FY 2009 and construction will be completed in the FY 2010. Total cost for this project will be between \$1 and \$1.5 million.
3. Overhead construction has been focused on rebuilding the oldest sections of the system, including replacing poles, wire, crossarms, etc. Work was completed in FY 2009 for a cost of \$714,364.
4. Underground construction has been focused on replacing underground cable that has failed on multiple occasions. Cable has been directly buried with installation of a conduit system for a cost of \$316,688.

Engineering & Public Works Improvements

The Engineering and Public Works Department completed several projects in FY 2009 in the areas of Engineering, Transportation, Grounds, Solid Waste and Stormwater Management. Highlights include:

1. In October 2008, staff completed an in-house intersection improvement study for the City's top 25 priority intersections entitled TRIP 2010 (Traffic and Roadway Improvement Plans). The study included functional plans for proposed improvement options along with cost estimates for right-of-way, utilities, and construction. Improvements ranged in scope and scale from small improvements such as turn lanes and signal modifications to large-scale corridor improvements with new roadways on new alignment. Presented to Planning Commission 12/15/08 and presented to City Council 2/19/2009. The study was produced by staff at no cost to the City with an estimated value of \$75,000.
2. Intersection improvements at U.S. Hwy. 411 (W. Broadway Ave.) and Sandy Springs Road included the addition of a right turn lane on Sandy Springs, relocation of a traffic signal pole, addition of three left-turn phases, and an asphalt overlay with new pavement markings and signs. Construction was completed in November 2008 at a cost of \$96,000 to the City.

Engineering & Public Works Improvements (Continued)

3. In April 2009, EPW staff completed a traffic crash analysis for the top 25 priority intersections in the City. The study included a 3-year analysis (2006-2008) and produced collision diagrams for each intersection showing types of crashes and injury vs. property damage crashes. The collision diagrams have been helpful to both the department and the Police Department in evaluating the operation and safety of the City's busiest intersections. The study was produced by staff at no cost to the City with an estimated value of \$20,000.
4. A sharp curve along Wilkinson Pike historically experienced a high number of roadway departure crashes. Crews improved sight distance along the curve by removing trees and vegetation to establish a better line-of-sight. Pavement super-elevation was corrected with an asphalt overlay and traction was improved with application of a D-mix asphalt. Thermoplastic pavement markings, raised pavement markers, and yellow-green fluorescent warning signs were also installed to improve the road visibility in all weather conditions. Total cost to the City was \$15,000.
5. Fountain pumps at the Greenbelt Lake were replaced at a cost of \$23,329.
6. Establishment of a commercial garbage pickup program at a fee of \$8.50 per pickup. Other services available for a charge are the delivery of brush and bulk rubbish trailers for residential and commercial customers.
7. Stormwater drainage improvements at Windridge subdivision included replaced 200-feet of failed 24" metal storm drain line with 30"-HDPE pipe. Additionally, installed 3-new structures with area drain lids as part of the project. Approximate cost for the project was \$37,500.
8. Completed a temporary fix to the Broadway Bridge which consisted of re-routing a storm line through an adjacent storm drain line. The City is working with the State Department of Transportation to reroute the line on property located adjacent to the bridge.
9. Developed rankings and book inventory of a summary of all current stormwater projects.

Development Services

The department provided project management for construction of a small neighborhood park at the southwest corner of Miller Avenue and Cates Street. Completed in June 2009, the total cost of \$64,000 was shared equally by the City and a grant from the Tennessee Department of Environment and Conservation. The park includes a pavilion with picnic tables, a children's play area and amenities including a bicycle rack, drinking fountain, light posts, landscaping and on-site parking.

Financial Information

Internal Controls

City management maintains internal accounting controls to ensure that the City's assets are protected from loss, theft, or misuse and that adequate accounting records allows financial statements to conform with generally accepted accounting principles. Since the costs of internal controls should not outweigh their benefits, the City's internal controls have been designed to provide reasonable, rather than absolute, assurances that the financial statements will be free from material misstatements.

Budgetary Controls

Sound financial management and legal compliance require compliance with budget controls. The Maryville City Charter and state statutes require the City to operate under an annual balanced budget adopted by local ordinance. Within each fund, expenditures may not legally exceed appropriations at the department level.

Financial Information (Continued)

The Department of Financial Services is responsible for compiling an annual budget for all City funds under the direction of the City Manager. In accordance with Article IX Section 3 of the Maryville City Charter, the City Manager shall submit the proposed budget to City Council at least forty-five days before the beginning of the fiscal year. The City Council reviews the budget, holds a required public hearing and adopts the annual budget with two required readings prior to the beginning of the fiscal year.

Other Information

Independent Audit

The financial statements are prepared in compliance with governmental-reporting standards issued by the Governmental Accounting Standards Board, guidelines issued by the Government Finance Officers Association of the United States and Canada, and generally accepted accounting principles applicable to government entities. The Maryville City Charter and state statutes require an annual audit by independent Certified Public Accountants. The accounting firm of Ingram, Overholt & Bean, PC, serves as independent auditor to the City of Maryville. The auditor's report on the combined financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Acknowledgements

This document is made possible by the commitment of the staff of the Department of Financial Services. We recognize and appreciate the willingness of each City department that provided information for this document. We also wish to express our sincere appreciation to the staff of Ingram, Overholt & Bean, PC, for their technical expertise and to City Council for their support and leadership in planning and conducting the City's financial activities.

Respectfully submitted,

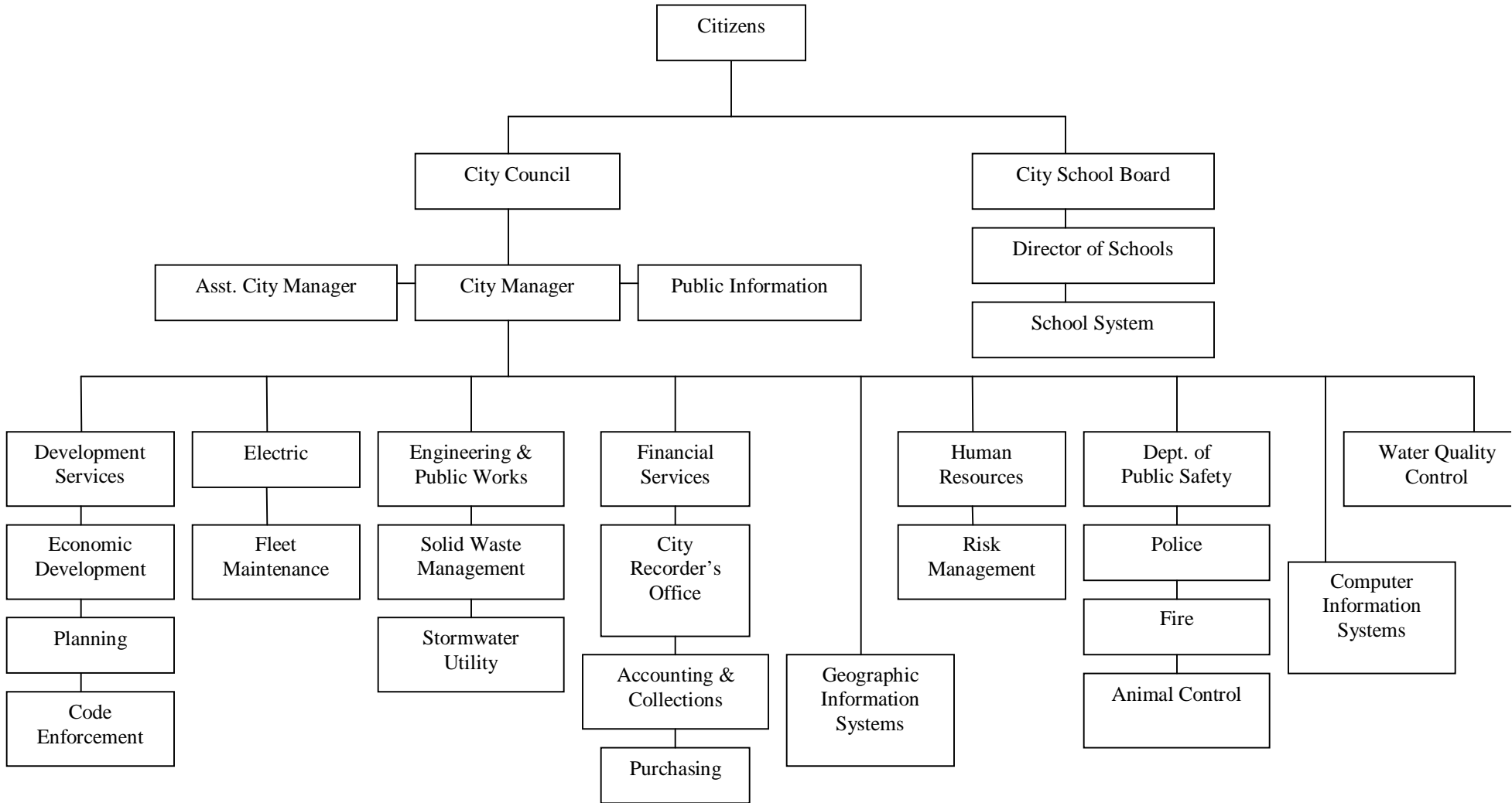


Greg S. McClain
City Manager



Deborah P. Caughron
Director of Financial Services

CITY OF MARYVILLE, TENNESSEE
Organizational Chart



Principal Elected and Appointed Officials

I. City Council

- A. Tom Taylor Mayor
- B. Andy White Vice-Mayor
- C. Tommy Hunt Councilman
- D. Fred Metz Councilman
- E. Joe Swann Councilman

II. City School Board

- A. Christi Sayles Chairman
- B. Doug Jenkins Vice-Chairman
- C. Denny Garner Secretary
- D. Carolyn McAmis Member
- E. Charles West Member

III. City Administration

- A. Greg McClain City Manager
- B. Roger D. Campbell Assistant City Manager

IV. City School Administration

- A. Stephanie Thompson Director of Maryville City Schools
- B. Dr. Mike Windstead Assistant Director of Maryville City Schools

V. Judicial/Legal Services

- A. William Yarborough City Judge
- B. Tammy Harrington City Juvenile Judge
- C. Michael Fox Assistant City Judge
- D. David Black City Attorney (1)

VI. Department Heads

- A. Teresa Best Director of Human Resources
- B. Deborah Caughron Director of Financial Services
- C. Tony Crisp Director of Public Safety
- D. John Jagger Director of Development Services
- E. Angela Luckie Director of Engineering & Public Works
- F. Terry McCoy Director of Information Technology
- G. Jeff Rose Director of Water Quality Control
- H. Baron Swafford Director of Electric Department

(1) Per contractual agreement



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December 14, 2009

INDEPENDENT AUDITORS' REPORT

Honorable Mayor, Members of
the City Council,
and City Manager
City of Maryville
Maryville, Tennessee

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maryville, Tennessee (the City), as of and for the year ended June 30, 2009 which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maryville, Tennessee, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the General Purpose School Special Revenue Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, budgetary comparison information on pages 10 through 19, and required supplementary schedule on pages 67 and 68 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Maryville, Tennessee's basic financial statements. The introductory section, combining fund financial statements, budgetary comparison schedules included in other supplementary information, capital assets used in the operation of governmental funds schedules, miscellaneous schedules, statistical section, and the single audit section, including the Schedule of Federal and State Financial Assistance, (as required by U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"), as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements, budgetary comparison schedules included in other supplementary information, capital assets used in the operation of governmental funds schedules, miscellaneous schedules, and the Schedule of Federal and State Financial Assistance, (as required by U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"), have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 14, 2009, on our consideration of the City of Maryville, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in conjunction with this report in considering the results of our audit.

Ingram, Overholt & Bean, PC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Maryville's Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Overview of the Financial Statements

The City's basic audited financial statements comprise three components: (1) Government-wide financial statements; (2) Fund financial statements; and (3) Notes to the financial statements. This section also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net assets and the statement of activities, which are described below.

The statement of net assets presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. It is important to note that this statement combines the governmental fund's current financial resources (short-term) with capital assets and long term liabilities. The reader should recall that prior to the implementation of GASB Statement 34, capital assets and long term liabilities were excluded from an entity's balance sheet and instead presented within the General Fixed Asset and General Long Term Debt Groups.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. The format of this statement is very different from a traditional "income statement". The format is intended to portray the extent to which governmental activities are funded by taxes and the extent to which business-type activities are supported by the revenues they generate. The statement presents all underlying events giving rise to the changes in net assets, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

Each of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include police and fire services, public works, development services, schools and general government activities. The business-type activities of the City include Water & Wastewater, Electric and Stormwater utilities.

The government-wide financial statements can be found beginning on page 1 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Maryville, similar to other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Maryville can be divided into two categories: **governmental** funds and **proprietary** funds. The City of Maryville does not have any funds of the fiduciary fund type.

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 financial requirements.

Because the focus of governmental funds is more limited than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial 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 City maintains several individual governmental funds organized according to their type: General, Special Revenue, Capital Projects and Debt Service. Information is presented separately in the governmental balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Education, Debt Service, School Building Construction and Local Grant, which are all considered to be major funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the combining statements elsewhere in the report.

The City adopts an annual appropriated budget for its general, special revenue and debt service funds. A budgetary comparison statement has been provided for the General Fund. This statement is found beginning on page 10.

Proprietary Funds

The City maintains two types of proprietary funds. **Enterprise** funds are used to account for quasi-business functions where revenues typically are generated from charges or fees rather than taxes. The City uses enterprise funds to account for its Electric, Water and Wastewater and Stormwater activities. The City uses **Internal Service** funds to account for its group self-insurance, worker's compensation, fleet, information technology services and facility management. The internal services funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is presented in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found beginning on page 20 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 25 of this report.

Financial Highlights

- The City's total assets exceeded its liabilities at June 30, 2009, by \$145,530,941 (net assets). Of this amount, \$14,830,798 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2009, the City's governmental funds reported combined ending fund balances of \$29,961,682 a decrease of \$6,968,218 in comparison with the prior year. Of this amount, \$18,125,935 remains in the various funds as unreserved. The decrease is due to increased expenditures in the School Building Construction Fund for continuation of capital projects and the use of fund balance in the Debt Service Fund.
- At June 30, 2009, the City's General Fund reported a fund balance of \$4,740,931, an increase of \$443,925 from last fiscal year. Fund balance is approximately 15.4% of total general fund expenditures, including transfers to school, solid waste and animal control operations, for 2009.
- Work on capital projects for the City's Schools and Water & Wastewater Systems continued during FY 2009. School projects, including significant renovations to two elementary schools, expended \$6.7 million. Construction of a new intermediate school will begin in winter 2010. Construction to upgrade and expand the City's Regional Wastewater Treatment Facility continued, with Construction in Progress increasing from \$4.4 million in FY 2008 to \$18.2 million in FY 2009. Funded with proceeds of the Series 2008A Revenue and Tax Bonds, the \$34 million facility is expected to be completed late FY 2010.
- The City is serving as the grantee for an \$8.7 million grant from the State of Tennessee to fund, in part, construction of a civic arts center at Maryville College. Matching requirements for the grant are provided by the College. Revenues and expenditures are recorded in the Local Grant Fund. FY 2009 grant revenues for the Civic Arts Center project are \$7.2 million.

Government-Wide Financial Analysis

As noted earlier, over time net assets may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$145,530,941 at the close of the most recent fiscal year. This represents an increase of \$957,408, or < 1% from fiscal year 2008.

Net Assets June 30, 2009

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008
Current and other Assets	\$ 57,746,060	\$ 60,722,611	\$ 36,237,680	\$ 48,112,436	\$ 93,983,740	\$ 108,835,047
Capital Assets (Net)	<u>120,486,146</u>	<u>116,188,415</u>	<u>111,907,096</u>	<u>97,393,075</u>	<u>232,393,242</u>	<u>213,581,490</u>
Total Assets	<u>178,232,206</u>	<u>176,911,026</u>	<u>148,144,776</u>	<u>145,505,511</u>	<u>326,376,982</u>	<u>322,416,537</u>
Long-Term Liabilities	82,680,614	84,124,306	62,727,514	63,885,899	145,408,128	148,010,205
Other Liabilities	<u>26,376,218</u>	<u>22,215,822</u>	<u>9,061,695</u>	<u>7,616,977</u>	<u>35,437,913</u>	<u>29,832,799</u>
Total Liabilities	<u>109,056,832</u>	<u>106,340,128</u>	<u>71,789,209</u>	<u>71,502,876</u>	<u>180,846,041</u>	<u>177,843,004</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	39,199,223	34,231,885	73,847,313	36,327,367	113,046,536	70,559,252
Restricted	17,653,607	25,618,063	-	38,155,715	17,653,607	63,773,778
Unrestricted (Deficit)	<u>12,322,544</u>	<u>10,720,950</u>	<u>2,508,254</u>	<u>(480,447)</u>	<u>14,830,798</u>	<u>10,240,503</u>
Total Net Assets	<u>\$ 69,175,374</u>	<u>\$ 74,002,635</u>	<u>\$ 76,355,567</u>	<u>\$ 133,065,289</u>	<u>\$ 145,530,941</u>	<u>\$ 144,573,533</u>

The largest portion of the City's net assets (78 percent) at June 30, 2009, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related outstanding debt used to acquire these assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not easily or quickly available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not planned to be used to liquidate these liabilities.

An additional portion of the City's net assets (12 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$14,830,798) may be used to meet the government's ongoing obligations to citizens and creditors.

Business-Type Activities experienced a significant increase year over year for Net Assets Invested in Capital Assets, Net of Related Debt with a subsequent decrease in Restricted Net Assets. This change resulted from the completion of capital projects funded with the Series 2007 Electric Revenue Bonds as well as the ongoing work associated with projects funded by the Series 2008 A&B Water & Wastewater Revenue Bonds.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets for activities of the primary government. Total net assets for business-type activities increased by less than 1 percent, or \$957,408.

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**Changes in Net Assets
June 30, 2009**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>FY 2009</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2008</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 4,533,415	\$ 4,749,415	\$ 74,530,800	\$ 67,547,015	\$ 79,064,215	\$ 72,296,430
Operating Grants and Contributions	32,789,337	33,370,902	-	-	33,789,337	33,370,902
Capital Grants and Contributions	93,675	196,505	-	-	93,675	196,505
General Revenues:						
Sales Taxes	12,109,619	11,674,305	-	-	12,109,619	11,674,305
State Income Taxes And Excise Taxes	528,149	645,516	-	-	528,149	645,516
Property Taxes	23,556,533	21,803,590	-	-	23,556,533	21,803,590
Business Taxes	638,490	716,624	-	-	638,490	716,624
Miscellaneous Taxes	4,775,703	4,822,796	-	-	4,775,703	4,822,796
In-Lieu of Taxes	517,909	502,067	-	-	517,909	502,067
Investment Earnings	577,600	1,126,371	1,155,009	352,908	1,732,609	1,479,279
Miscellaneous Revenues	172,266	127,516	8,400	15,600	180,666	143,116
Gain (loss) on Deletion of Capital Assets	160,693	120,712	(171,424)	-	(10,731)	120,712
Extraordinary loss- Disposal of Meters	-	-	-	(102,982)	-	(102,982)
Transfers-In Lieu of Tax Payments	1,180,745	1,207,805	(1,180,745)	(1,207,805)	-	-
Other Transfers	<u>(332,357)</u>	<u>(460,000)</u>	<u>332,357</u>	<u>460,000</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>81,301,777</u>	<u>80,604,124</u>	<u>74,674,397</u>	<u>67,064,736</u>	<u>155,976,174</u>	<u>147,668,860</u>
Expenses						
General Government	2,619,416	2,927,208	-	-	2,619,416	2,927,208
Public Safety	9,063,312	9,453,107	-	-	9,063,312	9,453,107
Public Works	7,318,748	7,268,723	-	-	7,318,748	7,268,723
Culture and Recreation	11,591,791	2,064,163	-	-	11,591,791	2,064,163
Economic Development	2,078,586	377,833	-	-	2,078,586	377,833
Education	45,907,264	45,101,764	-	-	45,907,264	45,101,764
Nondepartmental	1,253,913	958,986	-	-	1,253,913	958,986
Interest on Long-Term Debt	2,818,284	2,719,769	-	-	2,818,284	2,719,769
Other Debt Service	45,987	40,175	-	-	45,987	40,175
Electric	-	-	59,687,838	53,887,722	59,687,838	53,887,722
Water Quality Control	-	-	11,794,143	10,498,742	11,794,143	10,498,742
Stormwater Utility	<u>-</u>	<u>-</u>	<u>839,484</u>	<u>862,424</u>	<u>839,484</u>	<u>862,424</u>
Total Expenses	<u>82,697,301</u>	<u>70,911,728</u>	<u>72,321,465</u>	<u>65,248,888</u>	<u>155,018,766</u>	<u>136,160,616</u>
Change in Net Assets	(1,395,524)	9,692,396	2,352,932	1,815,848	957,408	11,508,244
Net Assets at Beginning of Year	<u>70,570,898</u>	<u>60,878,502</u>	<u>74,002,635</u>	<u>72,186,787</u>	<u>144,573,533</u>	<u>133,065,289</u>
Net Assets at End of Year	<u>\$ 69,175,374</u>	<u>\$ 70,570,898</u>	<u>\$ 76,355,567</u>	<u>\$ 74,002,635</u>	<u>\$ 145,530,941</u>	<u>\$ 144,573,333</u>

Analysis of Change in Net Assets

Governmental Activities

- Governmental activities decreased the City's governmental net assets by \$1,395,524, thereby accounting for a 2% decrease from the prior year. The decrease is attributed to the current year expense of bond proceeds issued in a prior year for Economic Development activity.
- Revenue increased by less than 1%, or \$697,653, due primarily to an increase in property tax revenue of \$1,579,166 over the previous year. (This number represents only City-levied property taxes and does not include property taxes received from Blount County and recorded in the General Purpose School Fund.) The property tax rate increased from \$2.05 to \$2.30 per \$100 of assessed value in anticipation of the issuance of general obligation bonds to fund construction of a new intermediate school. Revenues that declined significantly year over year were operating grants & contributions by \$581,565 and investment earnings by \$548,771.
- Expenses increased by 17%, or \$11,785,573, due primarily to an increase in expenses for Culture and Recreation, \$9,527,628, for accounting of the state grant for funding of construction for the civic arts center at Maryville College. Moreover, the increase in Economic Development expense, \$1,700,753, was incurred as the City used proceeds of a \$3 million general obligation bond issued June 2008 for construction of the new Research & Development Park in conjunction with the City of Alcoa and Blount and Knox Counties.
- As a result of deteriorating economic conditions in fall 2009, the City Manager directed departments to reduce operating expenses for the remainder of the fiscal year. In addition, open positions remained unfilled and certain capital purchases were delayed. Consequently, expenses for General Government and Public Safety activities decreased 6% from the prior year, or just under \$700,000.

Business-Type Activities

- Business-type activities increased the City's business-type net assets by \$2,352,932, thereby accounting for a change over the prior year of three percent.
- The Electric Utility, the largest business-type activity of the City with FY 2009 operating revenues of \$61,839,944 and expenses of \$59,687,838, experienced increasing revenues and expenses from the prior year due to significant changes in wholesale power rates charged by TVA. An increase of 20% was effective October 2008, with changes to the rate occurring on a quarterly basis.
- The Water Quality Fund (Water & Wastewater Utility) concluded FY 2009 with a change in net assets of \$105,235. Despite a rate increase of 2% for Water and 5% for Wastewater, revenue from charges for services increased only 1.7% from FY 2008. The decrease in total number of gallons sold is attributed to an increase in rainfall during peak water usage months as well as cooler than normal temperatures.
- The Stormwater Utility finished the fiscal year with operating revenues of \$1,318,520 and expenses of \$839,484. The fund ended the fiscal year with net assets of \$146,652.
- Total Business-Type Activities contributed transfers-in-lieu of tax payments of \$1,180,745 compared to \$1,207,805 in FY 2008.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

The General Fund is the chief operating fund of the City. As of June 30, 2009, unreserved undesignated fund balance of the General Fund was \$4,733,250. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance to total fund expenditures, including General Fund for operations of schools, solid waste and animal control activities. Unreserved fund balance represents 15.4% of total general fund expenditures.

The General Purpose School Fund is the primary operating fund for the Maryville City Schools. As of June 30, 2009, unreserved undesignated fund balance of the General Purpose School Fund was \$2,090,672. The City's contribution from General Fund for operating support of the schools increased 2%, or \$182,500, from 2008 to 2009.

The Debt Service Fund is used to pay principal and interest for debt issued for City and School-related projects, not including self-supporting debt issued for capital improvements to the Water & Wastewater and Electric Utilities. In 2009, revenues to the Debt Service Fund were a transfer from General Fund and interest earnings. Reserved fund balance of the Debt Service Fund as of June 30, 2009, was \$11,708,914.

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The School Building Construction Fund is used to account for capital improvements to facilities of the City's School System. As of June 30, 2009, fund balance of the School Building Construction Fund was \$7,038,682, a decrease of \$5,117,050. Revenues of \$1,538,783 were received from proceeds of Blount County school bond issues that are designated for capital improvements of the Maryville City Schools. Capital Outlay for FY 2009 was \$6,675,833.

The Local Grant Fund is a new Major Fund for FY 2009. The fund, which accounts for revenues and expenditures related to projects funded in whole or in part with state or federal grants, has a 6/30/09 fund balance of \$120,838. In FY 2009, the City served as conduit for a grant from the State of Tennessee to partially fund construction of a civic arts center at Maryville College. FY 2009 expenses for this project were \$9,498,538.

Schedules for Other Non-Major Governmental Funds and Special Revenue Funds are also found in this report.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Electric Utility as of June 30, 2009 were \$28,503,214, an increase of \$1,403,661 from the prior year. Operating income for the utility increased from \$1,946,865 in 2008 to \$2,517,022 in 2009. Charges for services increased at the same rate as purchased power costs- 12%. Increases in revenue were accounted from Rent from Property, \$159,652, and Other Revenue, \$204,078.

Net assets of the Water Quality Control Department (Water & Wastewater) as of June 30, 2009 were \$47,705,701, an increase of \$105,235 from 2008. Operating income for the utility increased from \$1,230,709 in 2008 to \$2,008,482 for 2009. However, interest expense increased significantly from \$838,703 in 2008 to \$2,378,155 in 2009 resulting from issuance of the \$38.4 million Series 2008A&B Revenue & Tax Bonds in June 2008.

Net assets of the Stormwater Utility as of June 30, 2009 were \$146,652. The fund had a deficit fund balance of (\$697,384) as of 6/30/08, and was eliminated in part by a transfer from General Fund of \$365,000. Operating income for the utility increased from \$407,193 in 2008 to \$479,036 in 2009.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amount resulted in a decrease in budgeted revenues of \$1,401,277. Budgeted appropriations, excluding transfers, were reduced by \$1,367,725. Revenue line items were reduced due to declining economic conditions; cost containment in the operating departments was necessary to avoid use of fund balance. Below is a partial listing of the changes:

- Reduction in Property Taxes- (\$460,000)
- Reduction in Local Sales Tax- (\$1,020,000)
- Reduction in State Sales Tax- (\$204,500)
- Reduction in Code Enforcement Services Fees- (\$140,000)
- Increase in City Beer Tax- \$165,000
- Increase in Interest and Penalties on Property Tax- \$85,000
- Increase in Franchise Taxes- \$83,500
- Decrease in General Government Appropriation- (\$54,177)
- Decrease in Development Services Appropriation- (\$53,584)
- Decrease in Judicial/Legal Services Appropriation- (\$136,353)
- Decrease in Human Resources Appropriation- (\$54,790)
- Decrease in Finance Appropriation- (\$57,019)
- Decrease in Legislative Appropriation- (\$33,464)
- Decrease in Police Services Appropriation- (\$332,636)
- Decrease in Fire Services Appropriation- (\$426,576)
- Decrease in Engineering & Public Works- (\$150,679)

General Fund Actual Expense Versus Budget Highlights

At the end of fiscal year 2009, general fund revenues exceeded the final adopted by \$456,825 and expenditures were \$53,582 less than budgeted. This difference resulted in an increase to fund balance of \$443,925 versus the use of fund balance of \$98,214 that was budgeted.

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Capital Asset and Debt Administration

**Capital Assets as of June 30, 2009
Net of Depreciation**

Capital Assets	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008
Land	\$ 6,015,882	\$ 6,015,882	\$ 1,829,187	\$ -	\$ 7,845,069	\$ 6,015,882
Capital Lease Property	22,857,600	22,857,600	-	-	22,857,600	22,857,600
Construction in Progress	3,623,794	1,039,100	19,224,603	6,247,781	22,848,397	7,286,881
Buildings	76,434,717	72,266,191	-	-	76,434,717	72,266,191
Improvements	15,734,717	15,678,754	-	-	15,732,832	15,678,754
Infrastructure	17,300,594	17,071,222	-	-	17,300,594	17,071,222
Machinery, Equipment & Vehicles	13,325,294	13,095,383	-	-	13,325,294	13,095,383
Electric Plant	-	-	55,815,172	53,441,530	55,815,172	53,441,530
Water & Wastewater Plant	-	-	73,781,824	73,485,811	73,781,824	73,485,811
Stormwater Utility	-	-	432,333	392,756	432,333	392,756
Utility Plant Acquisition Costs	-	-	162,770	162,770	162,770	162,770
Total Capital Assets	155,290,713	148,024,132	151,245,889	133,730,648	306,536,602	281,754,780
Less: Accumulated Depreciation	<u>34,804,567</u>	<u>31,835,717</u>	<u>39,338,793</u>	<u>36,337,573</u>	<u>74,143,360</u>	<u>68,173,290</u>
Net Capital Assets	\$ 120,486,146	\$ 116,188,415	\$ 111,907,096	\$ 97,393,075	\$ 232,393,242	\$ 213,581,490
Beginning Net Assets	\$ 116,188,415	\$ 116,662,326	\$ 97,393,075	\$ 93,132,327	\$ 213,581,490	\$ 209,794,653
Increase/(Decrease) in Net Assets	<u>4,297,731</u>	<u>(473,911)</u>	<u>14,514,021</u>	<u>4,260,748</u>	<u>18,811,752</u>	<u>3,786,837</u>
Ending Net Assets	\$ 120,486,146	\$ 116,188,415	\$ 111,907,096	\$ 97,393,075	\$ 232,393,242	\$ 213,581,490

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of June 30, 2009, amounts to \$232,393,242 net of accumulated depreciation, an increase of 8.8%, or \$18.8 million, year over year.

The most significant additions to Capital Assets during FY 2009 are in the utility areas (Electric, Water & Sewer and Stormwater) for a valuation of \$17,515,241. In total (Governmental + Business-Type Activities), additions to capital assets exceeded net additions to accumulated depreciation by \$18,811,752. This increase is attributable primarily to construction in progress of the \$34.4 million expansion and upgrade to the City's Wastewater Treatment Facility.

Please refer to Note 6 beginning on page 43 of the report for further information regarding capital assets.

Long-Term Debt

**Outstanding Long-Term Obligations
June 30, 2009**

Debt	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008
General Obligation/Rev Bonds	\$ 41,815,000	\$ 370,000	\$ 60,565,000	\$ 44,235,000	\$ 102,380,000	\$ 44,605,000
Public Improvement Loans	15,885,000	58,470,000	0	17,735,000	15,885,000	76,205,000
Capital Outlay Notes	668,452	944,273	0	0	668,452	944,273
Capital Lease Obligations	22,857,600	22,857,600	0	0	22,857,600	22,857,600
Premium on Bonds	<u>60,871</u>	<u>-</u>	<u>619,795</u>	<u>362,585</u>	<u>680,666</u>	<u>362,585</u>
Total Debt Payable	81,286,923	82,641,873	61,184,795	62,332,585	142,471,718	144,974,458
Compensated Absences	1,393,691	1,482,433	1,542,718	1,553,314	2,936,409	3,035,747
Net OPEB Obligation	<u>702,825</u>	<u>-</u>	<u>217,508</u>	<u>-</u>	<u>920,333</u>	<u>-</u>
Total Long Term Obligations	\$ 83,383,439	\$ 84,124,306	\$ 62,945,021	\$ 63,885,899	\$ 146,328,460	\$ 148,010,205

As of June 30, 2009, the City had total bonded debt outstanding of \$81,286,923 comprised of general obligation debt backed by its full faith and credit pledge. In addition, the City is obligated for another \$61,184,795 in revenue bonds for the Water & Wastewater and Electric utilities. These revenues are repaid from net revenues of the appropriate utility.

The City issued refunding bonds in the amount of \$82,450,000 during FY 2009. All proceeds were used to refinance outstanding general obligation and revenue debt and pay costs of issuance associated with the transactions.

The City maintains an A2 credit rating from Moody's Investors Service and a rating of AA- from Standard & Poor's. See Note 7 beginning on page 45 for additional details.

The Charter of the City of Maryville limits the issuance of general obligation debt up to an amount that will not exceed fifteen percent (15%) of the total assessed value of the incorporated area. The current debt limitation for the City is \$109,675,689 compared to the City's outstanding debt net of fund balance held in the Debt Service Fund of \$66,409,488. The legal debt margin is \$43,266,201. See Schedule 12 on page 157 in the Statistical Section of the report for additional details.

During FY 2009, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 requires public sector employers to expense the cost of other (i.e. non-pension) employment benefits (OPEB) over the service years of their employees. The net OPEB obligation is the net amount for which the City would be obligated. The net OPEB obligation is equivalent to the annual OPEB cost, which is the OPEB expense for the year on the accrual basis of accounting, less estimated retiree claims currently paid by the City on a pay-as-you-go basis. The City's net OPEB obligation, including Schools, at June 30, 2009 was \$920,333. Please see Note 10 beginning on page 54 for additional details.

Economic Factors and the 2010 Budget

The 2010 Budget was developed against the backdrop of the current economic recession- increasing job losses, critical weakness in the residential and commercial real estate markets, declining consumer spending and the systemic collapse of the world wide financial system. All of these economic disruptions have contributed downward pressures on revenue forecasts city-wide. However, citizens continue to expect quality services in the areas of Public Works, Fire and Police Services, Utilities, Parks, Recreation and Library, and Schools. While spending reductions in the 2010 Budget are significant, it provides for continuation of excellent City services to our citizens.

Highlights of the FY 2010 Budget include:

- A General Fund Budget of \$30.4 million, including operational transfers for Schools, Solid Waste and Animal Control, a reduction of \$2.5 million, or 7.5%, from the original FY 2009 Budget.
- There is no change to the property tax rate of \$2.30. For a residence valued at \$150,000, City property taxes for FY 2010 remain \$863, or \$72 per month.
- There is no change in the City contribution to School operations of \$9,307,500. City support of School Operations represents 56.9% of budgeted property tax revenue in FY 2010.
- City General Fund departments have reduced appropriations an average of 7% year over year.
- Contribution to Library operations remains unchanged at \$719,616, while the operational contribution to Parks & Recreations decreased by 2% year over year to \$628,550.
- There are no new authorized positions for any City department, including utilities. Four vacant positions at time of budget adoption were unfilled for FY 2010.
- There are no step raises or cost of living increases for City employees in the FY 2010 Budget. City contribution for employee medical care declined by \$550,000, primarily resulting from employee cost sharing effective 7/1/09.
- The only new projects included in the 2010 General Fund Budget are partially funded with federal and state grants. The largest project is the first year (\$385,000) of the Greenbelt Lake Sediment Removal in conjunction with the U.S. Army Corps of Engineers. Other grants are in the areas of Engineering & Public Works-Road Improvements (\$10,000) and Public Safety (\$34,300).
- City Utilities, which have experienced decreasing sales during the recession, have reduced expenses for FY 2010. Both Water and Electric Utilities reduced operating expenses by 8.7%, and Stormwater has decreased its year over year budget by 5.8%.

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CITY OF MARYVILLE, TENNESSEE
STATEMENT OF NET ASSETS
June 30, 2009 and 2008

<u>ASSETS</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u> <u>2009</u>	<u>Total</u> <u>2008</u>
Cash	\$ 872,524	\$ 5,130,235	\$ 6,002,759	\$ 4,019,642
Investments	2,216,203	1,216,099	3,432,302	789,501
Pooled cash	4,547,932	-	4,547,932	5,522,294
Pooled investments	23,966,580	-	23,966,580	28,774,195
Funds held by fiscal agent	1,053,395	-	1,053,395	2,953,395
Receivables:				
Taxes, net	18,388,016	-	18,388,016	17,085,004
Accounts, net	305,614	2,874,438	3,180,052	3,593,499
Accrued interest	33,358	-	33,358	38,693
Rentals	-	139,111	139,111	103,139
Other	-	133,128	133,128	312,793
Internal balances	717,233	(717,233)	-	-
Due from other governments	3,986,665	-	3,986,665	2,395,948
Work in progress	-	-	-	455
Inventories	414,027	1,659,218	2,073,245	2,240,215
Prepaid items/cleaning accounts	1,537	8,655	10,192	121,231
Deferred issuance costs/refunding loss	1,065,227	1,414,588	2,479,815	1,952,220
Non-utility property (net)	-	298,907	298,907	298,907
Energy service loans receivable	-	315,795	315,795	387,147
Restricted assets:				
Restricted for capital acquisitions:				
Cash	-	195,013	195,013	140,715
Investments	-	22,930,000	22,930,000	38,015,000
Contractor's escrow accounts	177,749	639,726	817,475	91,054
Capital assets (net of accumulated depreciation and amortization):				
Land	6,015,882	-	6,015,882	6,015,882
Buildings	59,286,502	-	59,286,502	56,588,403
Improvements	12,605,472	-	12,605,472	12,974,202
Infrastructure	10,483,261	-	10,483,261	10,816,216
Equipment, vehicles and software	5,613,635	-	5,613,635	5,897,012
Capital lease property	22,857,600	-	22,857,600	22,857,600
Electric plant in service	-	35,895,278	35,895,278	34,582,849
Water/sewer plant in service	-	56,355,991	56,355,991	56,186,864
Stormwater utility plant in service	-	431,224	431,224	375,581
Construction-in-progress	<u>3,623,794</u>	<u>19,224,603</u>	<u>22,848,397</u>	<u>7,286,881</u>
Total Assets	<u>\$ 178,232,206</u>	<u>\$ 148,144,776</u>	<u>\$ 326,376,982</u>	<u>\$ 322,416,537</u>

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF NET ASSETS (Continued)
June 30, 2009 and 2008

LIABILITIES AND NET ASSETS	Governmental Activities	Business-type Activities	Total 2009	Total 2008
Liabilities:				
Accounts payable	\$ 3,775,060	\$ 5,465,460	\$ 9,240,520	\$ 6,451,211
Cash overdraft	118,158	-	118,158	-
Accrued payroll	2,556,106	-	2,556,106	2,555,398
Accrued interest payable	193,490	126,606	320,096	160,748
Other liabilities	1,695,426	954,470	2,649,896	2,073,620
Customer deposits	-	827,530	827,530	796,273
Contractors' retainage	-	-	-	-
Advances from TVA for energy service loans	-	315,795	315,795	387,147
Accrued post-employment benefit obligations	702,825	217,508	920,333	-
Refundable deposits	-	514,600	514,660	521,200
Deferred revenue	17,335,153	-	17,335,153	16,796,148
Current liabilities payable from restricted assets:				
Contractors' retainage	-	639,726	639,726	91,054
Long-term liabilities:				
Due within one year	2,576,643	2,006,412	4,583,055	4,292,042
Due in more than one year	<u>80,103,971</u>	<u>60,721,102</u>	<u>140,825,073</u>	<u>143,718,163</u>
Total Liabilities	<u>109,056,832</u>	<u>71,789,209</u>	<u>180,846,041</u>	<u>177,843,004</u>
Net Assets:				
Invested in capital assets, net of related debt	39,199,223	73,847,313	113,046,536	108,029,624
Restricted for:				
Special Revenue	55,758	-	55,758	125,467
Debt Service	10,123,733	-	10,123,733	12,971,019
Capital Projects	7,474,116	-	7,474,116	12,521,577
Unrestricted (Deficit)	<u>12,322,544</u>	<u>2,508,254</u>	<u>14,830,798</u>	<u>10,925,846</u>
Total Net Assets	<u>69,175,374</u>	<u>76,355,567</u>	<u>145,530,941</u>	<u>144,573,533</u>
Total Liabilities and Net Assets	<u>\$ 178,232,206</u>	<u>\$ 148,144,776</u>	<u>\$ 326,376,982</u>	<u>\$ 322,416,537</u>

See accompanying independent auditors' report and notes.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2009			2008
					Governmental Activities	Business-type Activities	Total	Total
Governmental Activities:								
General Government	\$ 2,619,416	\$ 189,178	\$ -	\$ -	\$ (2,430,238)	\$ -	\$ (2,430,238)	\$ (2,577,757)
Public Safety	9,063,312	281,915	152,446	-	(8,628,951)	-	(8,628,951)	(8,936,239)
Public Works	7,318,748	301,972	116,039	53,675	(6,847,062)	-	(6,847,062)	5,865,589
Culture and Recreation	11,591,791	690,561	9,530,025	20,000	(1,351,205)	-	(1,351,205)	(1,372,428)
Economic Development	2,078,586	334,397	-	-	(1,744,189)	-	(1,744,189)	(133,458)
Nondepartmental	1,253,913	-	-	-	(1,253,913)	-	(1,253,913)	(958,986)
Education	45,907,264	2,735,392	22,990,827	20,000	(20,161,045)	-	(20,161,045)	(21,721,683)
Debt Service:								
Interest on long-term debt	2,818,284	-	-	-	(2,818,284)	-	(2,818,284)	(2,719,769)
Other debt service	45,987	-	-	-	(45,987)	-	(45,987)	(40,175)
Total Governmental Activities	<u>82,697,301</u>	<u>4,533,415</u>	<u>32,789,337</u>	<u>93,675</u>	<u>(45,280,874)</u>	<u>-</u>	<u>(45,280,874)</u>	<u>(32,594,906)</u>
Business-Type Activities:								
Electric	59,687,838	61,839,944	-	-	-	2,152,106	2,152,106	1,515,865
Water Quality Control	11,794,143	11,372,336	-	-	-	(421,807)	(421,807)	375,069
Stormwater Utility	839,484	1,318,520	-	-	-	479,036	479,036	407,193
Total Business-type Activities	<u>72,321,465</u>	<u>74,530,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,209,335</u>	<u>2,209,335</u>	<u>2,298,127</u>
Total Government	<u>155,018,766</u>	<u>79,064,215</u>	<u>32,789,337</u>	<u>93,675</u>	<u>(45,280,874)</u>	<u>2,209,335</u>	<u>(43,071,539)</u>	<u>(30,296,779)</u>
General Revenues:								
Sales tax					12,109,619	-	12,109,619	11,674,305
State income taxes and excise taxes					528,149	-	528,149	645,516
Property taxes					23,556,533	-	23,556,533	21,803,590
Business taxes					638,490	-	638,490	716,624
Miscellaneous taxes					4,775,703	-	4,775,703	4,822,796
In-lieu-of taxes					517,909	-	517,909	502,067
Investment earnings					577,600	1,155,009	1,732,609	1,479,279
Miscellaneous					172,266	8,400	180,666	143,116
Gain (loss) on deletion of capital assets					160,693	(171,424)	(10,731)	120,712
Extraordinary loss – disposal of meters					-	-	-	(102,982)
Transfers – In-lieu-of-tax payments					1,180,745	(1,180,745)	-	-
Other Transfers					(332,357)	332,357	-	-
Total General Revenues, Extraordinary Items and Transfers					<u>43,885,350</u>	<u>143,597</u>	<u>44,028,947</u>	<u>41,805,023</u>
Change in Net Assets					(1,395,524)	2,352,932	957,408	11,508,244
Net Assets – Beginning					<u>70,570,898</u>	<u>74,002,635</u>	<u>144,573,533</u>	<u>133,065,289</u>
Net Assets – Ending					<u>\$ 69,175,374</u>	<u>\$ 76,355,567</u>	<u>\$145,530,941</u>	<u>\$ 144,573,533</u>

See accompanying independent auditors' report and notes.

**CITY OF MARYVILLE, TENNESSEE
BALANCE SHEET
Governmental Funds
June 30, 2009 and 2008**

<u>ASSETS</u>	<u>General</u>	<u>General Purpose School</u>	<u>Debt Service</u>	<u>School Building Construction</u>	<u>Local Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds 2009</u>	<u>Total Governmental Funds 2008</u>
Cash	\$ 174,948	\$ -	\$ -	\$ -	\$ -	\$ 697,576	\$ 872,524	\$ 460,299
Investments	-	2,216,203	-	-	-	-	2,216,203	21,549
Pooled Cash	29,419	2,741,723	-	-	-	1,776,790	4,547,932	5,522,294
Pooled Investments	3,329,379	-	11,710,914	8,358,348	-	567,939	23,966,580	28,774,195
Funds held by fiscal agent	-	-	-	-	-	1,053,395	1,053,395	2,953,395
Receivables:								
Taxes	17,766,873	737,192	-	-	-	-	18,504,065	17,190,033
Less: Allowance for uncollectible taxes	(116,049)	-	-	-	-	-	(116,049)	(105,029)
Accounts	214,606	4,322	-	-	344	66,947	286,219	274,135
Accrued interest	33,358	-	-	-	-	-	33,358	38,693
Due from other governments	1,235,034	337,705	-	-	1,526,068	887,858	3,986,665	2,395,948
Inventories	-	-	-	-	-	125,296	125,296	113,425
Due from other funds	1,108	1,353,495	-	-	100,433	119,108	1,574,144	3,031,199
Prepaid items	-	-	-	-	-	1,537	1,537	111,885
Contractor's Escrow Accounts	-	-	-	177,749	-	-	177,749	-
Total Assets	<u>\$ 22,668,676</u>	<u>\$ 7,390,640</u>	<u>\$ 11,710,914</u>	<u>\$ 8,536,097</u>	<u>\$ 1,626,845</u>	<u>\$ 5,296,446</u>	<u>\$ 57,229,618</u>	<u>\$ 60,782,021</u>
 <u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Accounts payable	\$ 85,674	\$ 465,885	\$ 2,000	\$ 1,319,666	\$ 1,506,007	\$ 289,099	\$ 3,668,331	\$ 1,080,737
Due to other funds	374,375	14,160	-	-	-	1,468,755	1,857,290	1,737,872
Accrued payroll	-	2,533,444	-	-	-	22,662	2,556,106	2,555,398
Other liabilities	38,870	1,478,807	-	177,749	-	-	1,695,426	1,589,407
Deferred revenue	17,428,826	-	-	-	-	61,957	17,490,783	16,888,707
Total Liabilities	<u>17,927,745</u>	<u>4,492,296</u>	<u>2,000</u>	<u>1,497,415</u>	<u>1,506,007</u>	<u>1,842,473</u>	<u>27,267,936</u>	<u>23,852,121</u>

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
BALANCE SHEET (Continued)
Governmental Funds
June 30, 2009 and 2008

	<u>General</u>	<u>General Purpose School</u>	<u>Debt Service</u>	<u>School Building Construction</u>	<u>Local Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
							<u>2009</u>	<u>2008</u>
Fund Balances:								
Reserved For:								
Inventories	-	-	-	-	-	125,296	125,296	113,425
Prepaid items	-	-	-	-	-	1,537	1,537	111,885
Debt service	-	-	11,708,914	-	-	-	11,708,914	14,514,442
Unreserved:								
Designated for:								
Capital projects	-	258,977	-	7,038,682	-	176,457	7,474,116	1,251,577
Insurance	-	-	-	-	-	-	-	100,000
Food Service	-	200,000	-	-	-	-	200,000	-
Instruction	-	163,816	-	-	-	-	163,816	-
Maintenance and operation	-	184,879	-	-	-	-	184,879	-
Other	7,681	-	-	-	-	-	7,681	7,681
Undesignated	4,733,250	2,090,672	-	-	120,838	-	6,944,760	5,428,448
Undesignated in non-major funds:								
Special Revenue Funds	-	-	-	-	-	3,150,683	3,150,683	4,132,442
Total Fund Balances	<u>4,740,931</u>	<u>2,898,344</u>	<u>11,708,914</u>	<u>7,038,682</u>	<u>120,838</u>	<u>3,453,973</u>	<u>29,961,682</u>	<u>36,929,900</u>
Total Liabilities and Fund Balances	<u>\$22,668,676</u>	<u>\$ 7,390,640</u>	<u>\$ 11,710,914</u>	<u>\$ 8,536,097</u>	<u>\$ 1,626,845</u>	<u>\$ 5,296,446</u>	<u>\$ 57,229,618</u>	<u>\$ 60,782,021</u>

See accompanying independent auditors' report and notes.

CITY OF MARYVILLE, TENNESSEE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET ASSETS – GOVERNMENTAL ACTIVITIES
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Fund Balances – Total Governmental Funds	\$ 29,961,682	\$ 36,929,900
Amounts to be reported for governmental activities in the statement of net assets are different because:		
(1) Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	119,903,868	115,661,677
(2) Certain earned amounts are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	155,630	92,559
(3) Internal service funds are used by management to charge the cost of fleet maintenance/data processing services, workers' compensation, employee health and dental benefits, and facilities operation and maintenance to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.	1,665,896	1,386,715
(4) Debt issuance costs are expensed when paid in the governmental funds. The unamortized portion of these charges are reflected on the statement of net assets.	611,715	685,343
(5) Losses on the advance refunding of debt are expensed when incurred in the governmental funds. The unamortized portion of these losses is reflected on the statement of net assets.	453,512	-
(6) Interest costs of long-term debt is expensed when due in the governmental funds. Interest costs incurred as of the balance sheet date are accrued in the statement of net assets.	(193,490)	(60,990)
(7) Long-term liability for other post-employment benefits is expensed when due in the governmental funds. Such costs incurred as of the balance sheet date are accrued in the statement of net assets.	(702,825)	-
(8) Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Notes Payable	\$ 16,553,452	
Bonds Payable	41,815,000	
Compensated Absences	1,393,691	
Capital Lease Obligations	22,857,600	
Premium on Bonds (net of accumulated amortization)	<u>60,871</u>	
	<u>(82,680,614)</u>	<u>(84,124,306)</u>
Net Assets of Governmental Activities	<u>\$ 69,175,374</u>	<u>\$ 70,570,898</u>

See accompanying independent auditors' report and notes.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>General</u>	<u>General Purpose School</u>	<u>Debt Service</u>	<u>School Building Construction</u>	<u>Local Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds 2009</u>	<u>2008</u>
Revenues:								
Taxes:								
Property taxes	\$ 16,184,365	\$ 7,309,097	\$ -	\$ -	\$ -	\$ -	\$ 23,493,462	\$ 21,766,411
Sales taxes	7,214,489	4,895,130	-	-	-	-	12,109,619	11,674,305
Other taxes	3,441,511	56,989	-	-	-	-	3,498,500	3,410,467
Licenses, permits and fees	27,443	150,688	-	-	-	9,708	187,839	219,892
Intergovernmental:								
State taxes	2,321,125	22,330	-	-	-	608,262	2,951,717	3,251,611
Federal grants	-	-	-	-	7,405,322	1,986,446	9,391,768	1,666,991
State grants	-	326,450	-	20,000	31,798	-	378,248	480,620
U.S.D.A. reimbursements	-	-	-	-	-	678,649	678,649	614,673
Other state revenues	-	18,262,006	-	-	-	-	18,262,006	17,874,955
Other federal revenues	-	153,865	-	-	-	-	153,865	98,908
Other local revenues	-	-	-	1,538,783	-	152,869	1,691,652	12,971,757
Charges for services	272,180	375,360	-	-	-	2,560,159	3,207,699	3,418,635
Fines, forfeitures and costs	83,216	-	-	-	-	47,536	130,752	149,049
Investment income	516,146	29,850	30,000	-	623	981	577,600	1,126,371
Miscellaneous revenue	31,000	70,055	984	-	2,299,227	1,326,774	3,728,040	1,129,424
Total Revenues	<u>30,091,475</u>	<u>31,651,820</u>	<u>30,984</u>	<u>1,558,783</u>	<u>9,736,970</u>	<u>7,371,384</u>	<u>80,441,416</u>	<u>79,854,069</u>
Expenditures:								
Current:								
General government	2,290,184	-	-	-	-	195,855	2,486,039	2,708,726
Public safety	8,038,411	-	-	-	65,356	276,425	8,380,192	8,572,667
Public works	2,652,469	-	-	-	-	3,157,088	5,809,557	5,987,383
Culture and recreation	1,409,229	-	-	-	9,498,427	638,353	11,546,009	2,019,939
Economic Development	-	-	-	-	-	2,057,450	2,057,450	293,571
Nondepartmental costs	1,253,913	-	-	-	-	-	1,253,913	958,986
Education	-	39,118,136	-	-	-	5,319,643	44,437,779	44,058,757
Debt Service:								
Principal retirement	-	-	43,120,821	-	-	-	43,120,821	1,571,182
Interest and fiscal fees	-	-	3,115,500	-	-	-	3,115,500	2,783,365
Capital Outlay	<u>133,297</u>	<u>39,065</u>	<u>-</u>	<u>6,675,833</u>	<u>435,200</u>	<u>548,953</u>	<u>7,832,348</u>	<u>2,953,803</u>
Total Expenditures	<u>15,777,503</u>	<u>39,157,201</u>	<u>46,236,321</u>	<u>6,675,833</u>	<u>9,998,983</u>	<u>12,193,767</u>	<u>130,039,608</u>	<u>71,908,379</u>

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
Governmental Funds
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>General</u>	<u>General Purpose School</u>	<u>Debt Service</u>	<u>School Building Construction</u>	<u>Local Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
							<u>2009</u>	<u>2008</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>14,313,972</u>	<u>(7,505,381)</u>	<u>(46,205,337)</u>	<u>(5,117,050)</u>	<u>(262,013)</u>	<u>(4,822,383)</u>	<u>(49,598,192)</u>	<u>7,945,690</u>
Other Financing Sources (Uses):								
Transfers In	1,180,745	9,307,500	1,630,093	-	836,386	3,296,958	16,251,682	17,308,614
Transfers Out	(15,050,792)	(352,502)	-	-	-	-	(15,403,294)	(16,444,797)
Issuance of Debt	-	-	41,769,716	-	-	-	41,769,716	3,000,000
Total Other Financing Sources (Uses)	<u>(13,870,047)</u>	<u>8,954,998</u>	<u>43,399,809</u>	<u>-</u>	<u>836,386</u>	<u>3,296,958</u>	<u>42,618,104</u>	<u>3,863,817</u>
Net Change in Fund Balance	<u>443,925</u>	<u>1,449,617</u>	<u>(2,805,528)</u>	<u>(5,117,050)</u>	<u>574,373</u>	<u>(1,525,425)</u>	<u>(6,980,088)</u>	<u>11,809,507</u>
Fund Balance, July 1st	4,297,006	1,448,727	14,514,442	12,155,732	(453,535)	4,967,528	36,929,900	25,100,281
Change in Reserve for Inventory	-	-	-	-	-	11,870	11,870	20,112
Adjusted Fund Balance, July 1st	<u>4,297,006</u>	<u>1,448,727</u>	<u>14,514,442</u>	<u>12,155,732</u>	<u>(453,535)</u>	<u>4,979,398</u>	<u>36,941,770</u>	<u>25,120,393</u>
Fund Balance, June 30th	<u>\$ 4,740,931</u>	<u>\$ 2,898,344</u>	<u>\$ 11,708,914</u>	<u>\$ 7,038,682</u>	<u>\$ 120,838</u>	<u>\$ 3,453,973</u>	<u>\$ 29,961,682</u>	<u>\$ 36,929,900</u>

See accompanying independent auditors' report and notes.

CITY OF MARYVILLE, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>2009</u>	<u>2008</u>
Net change in fund balances – total governmental funds	\$ (6,968,218)	\$ 11,829,619
Amounts reported for the governmental activities in the statement of activities are different because:		
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(746,583)	58,732
Certain revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds.	63,071	37,179
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	4,293,289	(386,067)
Governmental funds only report the disposal or deletion of capital assets to the extent proceeds are received from the disposal or deletion. In the statement of activities, gains and losses are recorded for disposals or deletions based on both the proceeds and the net book value of the disposed or deleted capital assets. This is the amount by which the proceeds exceeded the deleted capital assets in the current period.	160,693	120,712
Governmental Funds report proceeds received from the sale of capital assets as revenues. In the statement of activities, only the gain or loss on the sale of capital assets is recorded. This is the amount of proceeds from the sale of capital assets	(211,791)	(155,641)
Bond issuance costs are expended in the governmental funds when paid, and are capitalized and amortized in the statement of net assets. This is the amount by which current year bond issuance costs exceeded current year amortization.	383,729	6,430
The issuance of long-term debt 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. This is the amount by which note proceeds in the current period exceeded the retirement of long-term debt.	1,351,105	(1,428,818)
The net revenues (expenditures) of certain activities of internal service funds is reported with governmental activities.	<u>279,181</u>	<u>(389,750)</u>
Changes in net assets of governmental activities	<u>\$ (1,395,524)</u>	<u>\$ 9,692,396</u>

See accompanying independent auditors' report and notes.

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>June 30, 2009</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Total 2008</u>
	<u>Budgeted Amounts</u>				
	<u>Original</u>	<u>Final</u>			
Revenues:					
Taxes:					
Property taxes	\$ 16,700,000	\$ 16,240,000	\$ 16,184,365	\$ (55,635)	\$ 14,605,199
Interest and penalties on property tax	290,000	375,000	377,730	2,730	305,572
In lieu of taxes - TVA	200,000	221,000	221,885	885	214,635
In lieu of taxes – Other	193,100	238,500	239,035	535	201,814
Local sales tax	7,670,000	6,650,000	7,214,489	564,489	7,031,837
City beer tax	910,000	1,075,000	1,075,171	171	1,021,281
City liquor tax	325,000	305,000	306,067	1,067	342,061
Gross receipts tax	422,000	483,000	485,646	2,646	542,381
Interest and penalties on gross receipts tax	5,425	5,425	4,441	(984)	5,578
Franchise taxes	634,000	717,500	724,659	7,159	685,286
Hotel/Motel taxes	<u>5,875</u>	<u>5,875</u>	<u>6,877</u>	<u>1,002</u>	<u>6,241</u>
	<u>27,355,400</u>	<u>26,316,300</u>	<u>26,840,365</u>	<u>524,065</u>	<u>24,961,885</u>
Licenses, Permits, and Fees:	<u>28,725</u>	<u>27,400</u>	<u>27,443</u>	<u>43</u>	<u>30,456</u>
Intergovernmental:					
State mixed drink tax	114,000	135,000	136,757	1,757	128,579
State beer tax	10,000	12,000	12,069	69	12,646
State income tax	400,000	395,000	395,291	291	512,304
State sales tax	1,729,500	1,525,000	1,528,111	3,111	1,665,517
State transportation tax	50,702	49,500	49,714	214	50,442
State excise tax	134,000	132,500	132,858	358	133,212
State street maintenance contract	<u>62,000</u>	<u>65,000</u>	<u>66,325</u>	<u>1,325</u>	<u>74,225</u>
	<u>2,500,202</u>	<u>2,314,000</u>	<u>2,321,125</u>	<u>7,125</u>	<u>2,576,925</u>
Charges for Services:					
Code enforcement services	265,000	125,000	127,225	2,225	307,715
Planning services	16,000	6,500	6,510	10	14,464
Public Works sales	72,900	88,000	88,114	114	120,974
Engineering services	25,000	11,000	11,446	446	27,161
Police contractual services	-	-	-	-	32,028
Rent	24,000	18,500	18,804	304	17,680
Other services	<u>11,700</u>	<u>20,000</u>	<u>20,081</u>	<u>81</u>	<u>101,630</u>
	<u>414,600</u>	<u>269,000</u>	<u>272,180</u>	<u>3,180</u>	<u>621,652</u>
Fines, Forfeitures and Court Costs:					
Fines and Costs	110,000	82,000	82,236	236	108,678
Parking	<u>7,000</u>	<u>950</u>	<u>980</u>	<u>30</u>	<u>5,625</u>
	<u>117,000</u>	<u>82,950</u>	<u>83,216</u>	<u>266</u>	<u>114,303</u>
Other Revenues	<u>45,000</u>	<u>50,000</u>	<u>31,000</u>	<u>(19,000)</u>	<u>112,991</u>
Investment Income	<u>575,000</u>	<u>575,000</u>	<u>516,416</u>	<u>(58,854)</u>	<u>958,145</u>
Total Revenues	<u>31,035,927</u>	<u>29,634,650</u>	<u>30,091,475</u>	<u>456,825</u>	<u>29,376,357</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>June 30, 2009</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Total 2008
	Budgeted Amounts				
	<u>Original</u>	<u>Final</u>			
Expenditures:					
General Government:					
Administration:					
Salaries and related costs	367,263	350,582	350,806	(224)	346,667
Advertising and publications	15,750	7,903	6,627	1,276	12,560
Communications	4,000	3,887	3,869	18	5,669
Membership	6,250	4,448	4,155	293	6,492
Vehicle maintenance	2,000	2,053	2,062	(9)	1,964
Printing and duplication	5,200	3,083	2,738	345	5,621
Training	12,000	-	(715)	715	10,707
Travel	7,500	7,661	7,687	(26)	12,646
Professional services	10,000	11,020	9,949	1,071	20,000
Computer operations	5,575	1,644	1,004	640	2,269
Motor fuels and lubricants	2,500	2,337	2,311	26	3,066
Office supplies	1,000	763	724	39	1,000
Other supplies	300	91	57	34	721
Miscellaneous	12,839	2,528	2,528	-	6,930
	<u>452,177</u>	<u>398,000</u>	<u>393,802</u>	<u>4,198</u>	<u>436,412</u>
Development Services:					
Salaries and related costs	812,292	790,291	790,071	220	754,930
Advertising and publications	2,875	4,490	3,905	585	7,229
Communications	4,310	4,048	3,984	64	6,393
Consultants	4,000	-	-	-	192
Memberships	2,303	2,646	2,730	(84)	1,538
Vehicle maintenance	5,482	4,569	4,345	224	8,325
Printing and duplication	3,600	1,765	1,315	450	1,342
Training	5,500	3,419	2,908	511	4,484
Travel	6,500	4,058	3,458	600	8,817
Professional services	9,280	4,968	3,909	1,059	2,032
Computer operations	1,875	898	658	240	15,019
Motor fuels and lubricants	5,500	3,427	4,133	(706)	4,852
Office supplies	1,700	1,351	1,265	86	3,722
Other supplies	2,525	910	513	397	1,368
Equipment and Vehicle	-	-	-	-	16,506
Miscellaneous	16,842	4,160	4,160	-	7,174
	<u>884,584</u>	<u>831,000</u>	<u>827,354</u>	<u>3,646</u>	<u>843,923</u>
Judicial/Legal:					
Salaries and related costs	72,818	72,818	70,644	2,174	68,044
Legal services	130,535	143,613	143,613	-	294,475
Miscellaneous	150,000	569	96	473	262
	<u>353,353</u>	<u>217,000</u>	<u>214,353</u>	<u>2,647</u>	<u>362,781</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>June 30, 2009</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Total 2008
	Budgeted Amounts				
	<u>Original</u>	<u>Final</u>			
Expenditures (Continued):					
General Government (Continued):					
Human Resources:					
Salaries and related costs	214,000	194,565	194,171	394	181,898
Advertising and publications	600	-	-	-	250
Communications	2,150	1,423	1,294	129	2,953
Membership	1,560	917	803	114	1,763
Vehicle maintenance	2,700	705	351	354	1,533
Printing and duplication	3,800	798	266	532	1,371
Training	1,950	985	814	171	3,314
Travel	2,100	1,333	1,197	136	4,294
Professional services	9,600	7,493	7,119	374	23,255
Safety programs	2,375	-	0	-	1,846
Computer operations	1,600	389	174	215	916
Motor fuels and lubricants	1,000	387	278	109	680
Office supplies	1,300	1,729	1,384	345	2,074
Other supplies	2,350	1,595	1,461	134	1,009
Miscellaneous	<u>22,705</u>	<u>2,681</u>	<u>2,681</u>	<u>-</u>	<u>3,208</u>
	<u>269,790</u>	<u>215,000</u>	<u>211,993</u>	<u>3,007</u>	<u>230,364</u>
Finance:					
Salaries and related costs	314,594	303,172	306,289	(3,117)	239,256
Advertising and publications	350	25	22	3	1,016
Communications	688	688	707	(19)	2,260
Membership	620	620	815	(195)	585
Vehicle maintenance	200	-	-	-	-
Equipment maintenance	3,500	3,500	3,500	-	-
Postage	7,500	7,500	8,379	(879)	3,716
Printing and duplication	1,900	1,900	1,887	13	2,290
Training	398	398	422	(24)	1,466
Travel	225	225	230	(5)	1,052
Professional services	77,632	64,000	64,544	(544)	82,526
Computer operations	3,750	2,800	2,887	(87)	1,594
Bank charges	25,000	-	(8,810)	8,810	23,196
Office supplies	1,500	1,000	1,222	(222)	1,542
Other supplies	100	100	268	(168)	103
Miscellaneous	<u>5,062</u>	<u>72</u>	<u>72</u>	<u>-</u>	<u>872</u>
	<u>443,019</u>	<u>386,000</u>	<u>382,434</u>	<u>3,566</u>	<u>361,474</u>
Purchasing:					
Salaries and related costs	34,983	34,983	34,265	718	33,989
Communications	550	550	458	92	1,990
Membership	360	360	380	(20)	360
Printing and duplication	100	100	132	(32)	178
Computer operations	250	250	52	198	21
Office supplies	100	100	74	26	91
Miscellaneous	<u>10</u>	<u>10</u>	<u>-</u>	<u>10</u>	<u>32</u>
	<u>36,353</u>	<u>36,353</u>	<u>35,361</u>	<u>992</u>	<u>36,661</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>June 30, 2009</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Total 2008</u>
	<u>Budgeted Amounts</u>				
	<u>Original</u>	<u>Final</u>			
Expenditures (Continued):					
General Government (Continued):					
Legislature:					
Salaries and related costs	2,054	1,990	1,821	169	2,900
Advertising and publications	6,700	5,583	2,674	2,909	5,917
Membership	9,800	8,985	6,862	2,123	8,251
Postage	7,800	6,167	1,918	4,249	5,946
Public relations	2,000	1,464	70	1,394	-
Election services	2,200	1,992	1,450	542	-
Printing and duplication	850	669	199	470	432
Training	500	529	605	(76)	710
Travel	2,000	2,694	4,500	(1,806)	14,035
Professional services	50,000	48,532	44,710	3,822	44,676
Community services	153,885	124,750	135,835	(11,085)	130,878
Office supplies	675	520	118	402	565
Miscellaneous	23,000	24,125	24,125	-	19,554
	<u>261,464</u>	<u>228,000</u>	<u>224,887</u>	<u>3,113</u>	<u>233,864</u>
Contingency	<u>30,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total General Government	<u>2,730,740</u>	<u>2,316,353</u>	<u>2,290,184</u>	<u>26,169</u>	<u>2,505,479</u>
Public Safety:					
Police Department:					
Salaries and related costs	4,107,808	3,997,858	3,999,013	(1,155)	3,808,304
Advertising and publications	3,400	2,835	2,808	27	2,558
Communications	62,200	30,981	29,335	1,646	54,366
Membership	13,000	7,329	7,030	299	7,258
Auto licenses	1,500	1,565	1,568	(3)	1,523
Vehicle maintenance	137,540	142,231	142,478	(247)	125,167
Vehicle parts	38,500	-	-	-	15,399
Printing and duplication	14,185	6,507	6,102	405	6,971
Training	16,200	16,302	16,307	(5)	21,839
Travel	18,500	16,416	16,306	110	26,247
Medical and vet services	6,300	7,235	7,284	(49)	8,192
Professional services	36,000	32,898	32,734	164	4,597
Public relations	2,000	896	838	58	1,846
Safety programs	400	216	206	10	58
Informant services	5,000	5,000	5,000	-	(3,735)
Crime prevention programs	17,900	11,759	11,435	324	10,616
Computer operations	95,500	68,977	67,579	1,398	76,116
Motor fuels and lubricants	150,000	121,929	120,449	1,480	162,852
Office supplies	6,000	7,442	7,518	(76)	6,284
Operating supplies	66,988	60,836	60,512	324	70,070
Other supplies	2,000	669	599	70	2,241

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>June 30, 2009</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Total 2008
	Budgeted Amounts				
	<u>Original</u>	<u>Final</u>			
Expenditures (Continued):					
Public Safety (Continued):					
Police Department(Continued):					
Uniforms	58,000	27,249	25,628	1,621	40,001
Rent	6,000	6,000	6,000	-	3,000
Machinery and equipment	16,000	12,276	12,080	196	121,697
Emergency communications funding (911 services)	151,065	151,064	151,064	-	143,872
Miscellaneous	<u>45,650</u>	<u>8,530</u>	<u>8,530</u>	<u>-</u>	<u>3,946</u>
	<u>5,077,636</u>	<u>4,745,000</u>	<u>4,738,403</u>	<u>6,597</u>	<u>4,721,285</u>
Fire Department:					
Salaries and related costs	3,314,808	3,027,831	3,025,990	1,841	2,976,099
Advertising and publications	1,900	101	49	52	2,934
Communications	15,718	12,506	12,413	93	11,459
Membership	3,500	4,740	4,774	(34)	4,384
Auto licenses	75	-	-	-	34
Vehicle maintenance	49,980	55,424	55,582	(158)	35,748
Vehicle parts	3,200	365	283	82	532
Printing and duplication	3,850	1,491	1,423	68	1,382
Training	20,500	16,285	16,163	122	16,891
Travel	14,500	10,520	10,404	116	17,783
Medical and vet services	3,255	1,440	1,387	53	18,316
Professional services	8,200	6,527	6,478	49	6,984
Public relations	3,500	294	201	93	286
Fire prevention programs	16,500	3,810	3,442	368	12,231
Computer operations	9,651	674	413	261	3,006
Motor fuels and lubricants	26,875	21,807	21,660	147	28,947
Office supplies	3,000	1,728	1,691	37	2,341
Operating supplies	49,500	22,015	20,593	1,422	114,907
Other supplies	5,000	3,891	3,859	32	9,057
Uniforms	22,500	15,519	15,316	203	23,409
Equipment rental	88,182	84,300	84,187	113	81,967
Machinery and equipment	8,517	7,427	7,395	32	-
Emergency management	21,500	-	-	-	13,608
Miscellaneous	<u>37,365</u>	<u>6,305</u>	<u>6,305</u>	<u>-</u>	<u>31,599</u>
	<u>3,731,576</u>	<u>3,305,000</u>	<u>3,300,008</u>	<u>4,992</u>	<u>3,413,904</u>
Total Public Safety	<u>8,809,212</u>	<u>8,050,000</u>	<u>8,038,411</u>	<u>11,589</u>	<u>8,135,189</u>
Public Works:					
Public Works – Streets:					
Salaries and related costs	763,393	700,843	697,317	3,526	722,012
Advertising and publications	115	204	170	34	84
Communications	697	826	834	(8)	3,561
Membership	650	304	282	22	781
Auto licenses	100	66	64	2	90
Vehicle maintenance	45,000	78,130	80,284	(2,154)	74,026

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>June 30, 2009</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Total 2008
	Budgeted Amounts				
	<u>Original</u>	<u>Final</u>			
Expenditures (Continued):					
Public Works (Continued):					
Public Works – Streets:					
Printing and duplication	475	427	424	3	171
Training	2,190	973	894	79	2,540
Travel	1,000	495	462	33	1,406
Medical and vet services	1,200	842	819	23	1,694
Asphalt filler	33,000	31,332	31,224	108	33,403
Concrete and cement	16,000	7,202	6,630	572	15,662
Crushed stone	1,000	601	575	26	-
Paint supplies	10,000	6,179	5,931	248	7,358
Shop supplies	31,000	18,233	17,403	830	29,729
Gravel and sand	2,000	122	-	122	1,872
Other operating supplies	6,930	2,902	2,640	262	6,623
Small tools	3,500	1,069	911	158	2,286
Computer operations	620	-	-	-	504
Motor fuels and lubricants	40,000	41,917	42,042	(125)	47,593
Office supplies	340	110	95	15	779
Uniforms	7,000	4,713	4,564	149	6,477
Miscellaneous	4,220	510	510	-	3,709
	<u>970,430</u>	<u>898,000</u>	<u>894,075</u>	<u>3,925</u>	<u>962,360</u>
Public Works – Grounds:					
Salaries and related costs	842,955	773,809	772,213	1,596	752,666
Advertising and publications	300	71	60	11	254
Communications	774	729	727	2	4,061
Membership	130	214	218	(4)	323
Vehicle licenses	90	110	111	(1)	75
Vehicle maintenance	55,000	31,375	30,288	1,087	44,274
Printing and duplication	405	363	361	2	237
Training	1,300	711	684	27	1,621
Travel	600	-	-	-	775
Medical and vet services	1,110	480	451	29	1,694
Building maintenance	-	-	-	-	19,802
Grounds maintenance	20,000	11,774	11,395	379	17,339
Downtown holiday lighting	5,000	1,000	816	184	4,656
Utilities	-	-	-	-	43,355
Operating supplies	5,900	3,823	3,727	96	6,929
Professional services	4,500	2,780	2,701	79	-
Small tools	8,000	3,061	2,834	227	6,160
Computer operations	580	60	36	24	260
Motor fuels and lubricants	22,500	25,114	25,195	(81)	29,692
Office supplies	260	-	-	-	780
Uniforms	6,800	3,009	2,834	175	4,703
Building improvements	-	-	-	-	9,483
Transportation equipment	-	-	-	-	15,971
Miscellaneous	3,255	1,517	1,517	-	4,594
	<u>979,459</u>	<u>860,000</u>	<u>856,168</u>	<u>3,832</u>	<u>969,704</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>June 30, 2009</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Total 2008
	Budgeted Amounts				
	<u>Original</u>	<u>Final</u>			
Expenditures (Continued):					
Public Works (Continued):					
Public Works – Street Lighting:					
Electricity	457,300	548,800	549,825	(1,025)	454,181
Stormwater fee	<u>2,200</u>	<u>2,200</u>	<u>-</u>	<u>2,200</u>	<u>1,723</u>
	<u>459,500</u>	<u>551,000</u>	<u>549,825</u>	<u>1,175</u>	<u>455,904</u>
Engineering:					
Salaries and related costs	337,920	329,532	329,314	218	298,930
Advertising and publications	250	441	453	(12)	2,287
Communications	2,050	1,890	1,880	10	2,106
Membership	1,610	1,437	1,426	11	1,525
Vehicle maintenance	3,250	2,722	2,688	34	2,200
Printing and duplication	975	1,469	1,501	(32)	946
Training	1,670	641	574	67	2,201
Travel	1,300	368	307	61	765
Professional services	10,250	3,656	3,225	431	5,406
Computer operations	8,700	5,666	5,468	198	11,491
Motor fuels and lubricants	5,500	2,340	2,134	206	3,269
Office supplies	1,000	722	704	18	624
Traffic light supplies	25,000	3,732	2,343	1,389	2,750
Other supplies	1,200	-	-	-	444
Miscellaneous	<u>4,615</u>	<u>384</u>	<u>384</u>	<u>-</u>	<u>2,347</u>
	<u>405,290</u>	<u>355,000</u>	<u>352,401</u>	<u>2,599</u>	<u>337,291</u>
Total Public Works	<u>2,814,679</u>	<u>2,664,000</u>	<u>2,652,469</u>	<u>11,531</u>	<u>2,725,259</u>
Culture and Recreation:					
Parks and Recreation:					
Grounds maintenance	5,000	5,000	4,808	192	-
Utilities	32,445	32,445	32,445	-	32,445
Recreation and Parks					
Commission funding	641,374	641,374	641,374	-	620,284
Park improvements	<u>12,000</u>	<u>12,000</u>	<u>10,986</u>	<u>1,014</u>	<u>47,582</u>
	<u>690,819</u>	<u>690,819</u>	<u>689,613</u>	<u>1,206</u>	<u>700,311</u>
Library:					
Blount County Library funding	<u>719,616</u>	<u>719,616</u>	<u>719,616</u>	<u>-</u>	<u>701,387</u>
Total Culture and Recreation	<u>1,410,435</u>	<u>1,410,435</u>	<u>1,409,229</u>	<u>1,206</u>	<u>1,401,698</u>
Non-Departmental Costs:					
Employee relations	21,672	12,260	11,386	874	-
Fire protection fee	2,335	-	-	-	-
Liability insurance	117,800	109,853	109,116	737	117,809
Property insurance	39,780	37,375	37,152	223	39,781
Workman's compensation	129,551	139,093	139,762	(669)	-

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>June 30, 2009</u>				<u>Total 2008</u>
	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>			
Expenditures (Continued):					
Non-Departmental Costs (Continued)					
IT services	260,654	260,654	260,654	-	271,008
Building rental	718,475	697,765	695,843	1,922	530,388
Miscellaneous	<u>10,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,300,447</u>	<u>1,257,000</u>	<u>1,253,913</u>	<u>3,087</u>	<u>958,986</u>
Capital Outlay:					
Partnership Parks	<u>133,297</u>	<u>133,297</u>	<u>133,297</u>	<u>-</u>	<u>244,742</u>
Total Expenditures	<u>17,198,810</u>	<u>15,831,085</u>	<u>15,777,503</u>	<u>53,582</u>	<u>15,971,353</u>
Excess Revenues Over Expenditures	<u>13,837,117</u>	<u>13,803,565</u>	<u>14,313,972</u>	<u>510,407</u>	<u>13,405,004</u>
Other Financing Sources (Uses):					
Transfers in – Payments in Lieu of taxes	1,298,900	1,175,000	1,180,745	5,745	1,207,805
Transfers Out	<u>(15,716,417)</u>	<u>(15,076,779)</u>	<u>(15,050,792)</u>	<u>25,987</u>	<u>(14,183,586)</u>
Total Other Financing Sources (Uses)	<u>(14,417,517)</u>	<u>(13,901,779)</u>	<u>(13,870,047)</u>	<u>31,732</u>	<u>(12,975,781)</u>
Net Change in Fund Balance	(580,400)	(98,214)	443,925	542,139	429,223
Fund Balance, July 1 st	<u>4,297,006</u>	<u>4,297,006</u>	<u>4,297,006</u>	<u>-</u>	<u>3,867,783</u>
Fund Balance, June 30 th	<u>\$ 3,716,606</u>	<u>\$ 4,198,792</u>	<u>\$ 4,740,931</u>	<u>\$ 542,139</u>	<u>\$ 4,297,006</u>

CITY OF MARYVILLE, TENNESSEE
GENERAL PURPOSE SCHOOL FUND – SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	June 30, 2009				
	Budgeted Amounts		Actual	Variance with	Totals
	Original	Final	(Budgetary	Final Budget -	
		Basis)	Positive		
			(Negative)	2008	
Revenues:					
Taxes	\$ 12,113,683	\$ 11,863,683	\$ 12,261,217	\$ 397,534	\$ 11,889,298
Licenses, permits and fees	181,305	181,305	150,688	(30,617)	170,533
Charges for services	425,100	425,100	375,360	(49,740)	433,414
Intergovernmental	19,185,839	19,370,080	18,764,650	(605,430)	18,374,689
Investment income	42,500	42,500	29,850	(12,650)	51,597
Miscellaneous revenues	<u>35,000</u>	<u>58,900</u>	<u>70,055</u>	<u>11,155</u>	<u>28,880</u>
Total Revenues	<u>31,983,427</u>	<u>31,941,568</u>	<u>31,651,820</u>	<u>(289,748)</u>	<u>30,948,411</u>
Expenditures:					
Instruction:					
Regular instruction program	23,132,520	22,705,611	22,290,541	415,070	22,254,191
Special education program	4,508,426	4,770,572	4,772,757	(2,185)	4,806,816
Vocational education program	525,233	521,173	505,095	16,088	499,082
Student body education program	15,000	15,000	8,766	6,234	19,346
Alternative school program	304,525	302,225	274,022	28,203	271,744
Early childhood education program	214,958	231,707	220,925	10,782	169,649
Support Services:					
Attendance	60,839	32,850	31,129	1,721	58,429
Health services	125,175	138,468	124,887	13,581	154,366
Other student support	1,007,357	1,011,543	973,203	38,340	981,783
Regular instruction support	1,518,634	1,516,900	1,325,019	191,881	1,301,636
Special education support	592,989	603,832	547,365	56,467	533,093
Board of Education	649,888	648,637	640,234	8,403	679,263
Office of Director of Schools	335,878	335,075	320,468	14,607	310,631
Office of the Principal	2,472,220	2,533,285	2,456,069	77,216	2,481,157
Fiscal services	171,754	179,743	170,849	8,894	168,744
Human Services (Resources)	208,865	182,179	169,334	12,845	136,083
Operation of plant	2,440,857	2,505,507	2,414,484	91,023	2,141,785
Maintenance of plant	733,479	906,369	859,374	46,995	853,825
Transportation	717,429	688,162	688,108	54	663,474
Other Support Services	289,000	261,000	260,654	346	280,892
Community services	65,901	69,150	64,853	4,297	66,233
Food services	700,948	700,949	-	700,949	-
Capital Outlay:					
Regular capital outlay	<u>200,000</u>	<u>236,619</u>	<u>39,065</u>	<u>197,554</u>	<u>227,850</u>
Total Expenditures	<u>40,991,875</u>	<u>41,096,566</u>	<u>39,157,201</u>	<u>1,939,365</u>	<u>39,060,072</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,008,448)</u>	<u>(9,154,998)</u>	<u>(7,505,381)</u>	<u>1,649,617</u>	<u>(8,111,661)</u>
Other Financing Sources (Uses):					
Transfers In	9,307,500	9,307,500	9,307,500	-	9,125,000
Transfers Out	<u>(299,052)</u>	<u>(352,502)</u>	<u>(352,502)</u>	<u>-</u>	<u>(676,211)</u>
Total Other Financing Sources (Uses)	<u>9,008,448</u>	<u>8,954,998</u>	<u>8,954,998</u>	<u>-</u>	<u>8,448,789</u>
Net Change in Fund Balance	-	(200,000)	1,449,617	1,649,617	337,128
Fund Balance, July 1 st	<u>1,448,727</u>	<u>1,448,727</u>	<u>1,448,727</u>	<u>-</u>	<u>1,111,599</u>
Fund Balance, June 30 th	<u>\$ 1,448,727</u>	<u>\$ 1,248,727</u>	<u>\$ 2,898,344</u>	<u>\$ 1,649,617</u>	<u>\$ 1,448,727</u>

See accompanying independent auditors report and notes.

CITY OF MARYVILLE, TENNESSEE
LOCAL GRANT – SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Totals <u>2008</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Intergovernmental - Other federal and state grants	\$ 9,776,534	\$ 10,575,734	\$ 7,437,120	\$ (3,138,614)	\$ 196,505
Maryville College funding	-	2,299,227	2,299,227	-	-
Interest earned	-	-	623	623	15,125
	<u>9,776,534</u>	<u>12,874,961</u>	<u>9,736,970</u>	<u>(3,137,991)</u>	<u>211,630</u>
Total Revenues					
Expenditures:					
Public safety	215,080	215,080	65,356	149,724	152,368
Civic Arts Center	8,000,000	11,098,427	9,498,427	1,600,000	-
Pistol Creek Environmental Education Project	992,000	992,000	44,105	947,895	21,623
John Sevier Project	278,400	278,400	-	278,400	-
Safe Routes to Schools Project	208,767	208,767	-	208,767	-
Broadway Avenue Street Scapes	-	-	-	-	19,129
Building Improvements	-	-	19,763	(19,763)	-
Five (5) Points Roundabout	-	-	229,372	(229,372)	591,815
College Hill Park	64,000	64,000	63,648	352	-
Equipment	187,548	187,548	78,312	109,236	95,769
	<u>9,945,795</u>	<u>13,044,222</u>	<u>9,998,983</u>	<u>3,045,239</u>	<u>880,704</u>
Total Expenditures					
Net Change in Fund Balance Before Other Financing Sources (Uses)	(169,261)	(169,261)	(262,013)	(92,752)	(669,074)
Other Financing Sources (Uses):					
Transfers in	1,631,039	1,631,039	836,386	(794,653)	1,597,434
Net Change in Fund Balance	1,461,778	1,461,778	574,373	(887,405)	928,360
Fund Balance (Deficit), July 1st	(453,535)	(453,535)	(453,535)	-	(1,381,895)
Fund Balance (Deficit), June 30th	<u>\$ 1,008,243</u>	<u>\$ 1,008,243</u>	<u>\$ 120,838</u>	<u>\$ (887,405)</u>	<u>\$ (453,535)</u>

See accompanying independent auditors' report.

**CITY OF MARYVILLE, TENNESSEE
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2009**

With Comparative Totals for the Fiscal Year Ended June 30, 2008

<u>ASSETS</u>	<u>Business-type Activities – Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>	<u>Business-type Activities - Enterprise Funds 2008</u>	<u>Governmental Activities - Internal Service Funds 2008</u>
	<u>Electric Department</u>	<u>Water Quality Control Department</u>	<u>Non-Major Fund Stormwater Utility Department</u>	<u>Total</u>			
CURRENT ASSETS:							
Cash	\$ 3,784,559	\$ 1,345,676	\$ -	\$ 5,130,235	\$ -	\$ 3,482,559	\$ 76,784
Investments	328,820	887,279	-	1,216,099	-	767,952	-
Receivables:							
Accounts (net of allowance for uncollectibles)	2,241,703	589,816	42,919	2,874,438	19,395	2,910,942	408,422
Rentals	139,111	-	-	139,111	-	103,139	-
Due from other funds	191,463	325,013	-	516,476	1,639,828	679,991	816,053
Other	-	133,128	-	133,128	-	312,793	-
Work in progress	-	-	-	-	-	-	455
Inventory of materials and supplies	1,159,347	499,871	-	1,659,218	288,731	1,703,860	422,930
Clearing Accounts	-	8,655	-	8,655	-	9,346	-
Restricted:							
Escrows	-	639,726	-	639,726	-	91,054	-
Total Current Assets	<u>7,845,003</u>	<u>4,429,164</u>	<u>42,919</u>	<u>12,317,086</u>	<u>1,947,954</u>	<u>10,061,636</u>	<u>1,724,644</u>
CAPITAL ASSETS:							
Plant in service	56,220,249	75,177,600	460,667	131,858,516	-	127,320,097	-
Utility Plant acquisition costs	39,201	123,569	-	162,770	-	162,770	-
Construction in progress	1,028,079	18,196,524	-	19,224,603	-	6,247,781	-
Building and improvements	-	-	-	-	873,125	-	873,125
Data processing equipment	-	-	-	-	62,457	-	62,457
Software	-	-	-	-	218,557	-	104,905
Fleet maintenance equipment and vehicles	-	-	-	-	181,834	-	175,964
	<u>57,287,529</u>	<u>93,497,693</u>	<u>460,667</u>	<u>151,245,889</u>	<u>1,335,973</u>	<u>133,730,648</u>	<u>1,216,451</u>
Less: Accumulated depreciation and amortization	<u>20,364,172</u>	<u>18,945,178</u>	<u>29,443</u>	<u>39,338,793</u>	<u>753,695</u>	<u>36,337,573</u>	<u>689,713</u>
Net Capital Assets	<u>36,923,357</u>	<u>74,552,515</u>	<u>431,224</u>	<u>111,907,096</u>	<u>582,278</u>	<u>97,393,075</u>	<u>526,738</u>
OTHER NONCURRENT ASSETS:							
Restricted for Capital Acquisitions:							
Cash	-	195,013	-	195,013	-	140,715	-
Investments	-	22,930,000	-	22,930,000	-	38,015,000	-
Non-utility property (net)	-	-	298,907	298,907	-	298,907	-
Unamortized debt expense	144,160	1,106,746	-	1,250,906	-	1,266,877	-
Unamortized loss on current refunding	82,700	80,982	-	163,682	-	-	-
Receivables:							
Energy Service Loans	<u>315,795</u>	<u>-</u>	<u>-</u>	<u>315,795</u>	<u>-</u>	<u>387,147</u>	<u>-</u>
Total Other Noncurrent Assets	<u>542,655</u>	<u>24,312,741</u>	<u>298,907</u>	<u>25,154,303</u>	<u>-</u>	<u>40,108,646</u>	<u>-</u>
Total Noncurrent Assets	<u>37,466,012</u>	<u>98,865,256</u>	<u>730,131</u>	<u>137,061,399</u>	<u>582,278</u>	<u>137,501,721</u>	<u>526,738</u>
Total Assets	<u>\$45,311,015</u>	<u>\$ 103,294,420</u>	<u>\$ 773,050</u>	<u>\$ 149,378,485</u>	<u>\$ 2,530,232</u>	<u>\$ 147,563,357</u>	<u>\$ 2,251,382</u>

See accompanying independent auditor's report and notes.

(Continued)

**CITY OF MARYVILLE, TENNESSEE
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS (Continued)
June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008**

LIABILITIES AND NET ASSETS	Business-type Activities – Enterprise Funds				Governmental Activities - Internal Service Funds	Business-type Activities - Enterprise Funds 2008	Governmental Activities - Internal Service Funds 2008
	Electric Department	Water Quality Control Department	Non-Major Fund Stormwater Utility Department	Total			
CURRENT LIABILITIES							
(Payable from Current Assets):							
Accounts payable	\$ 4,235,015	\$ 1,228,394	\$ 2,051	\$ 5,465,460	\$ 106,729	\$ 5,237,332	\$ 133,142
Cash overdraft	-	-	-	-	118,158	-	-
Due to other funds	656,810	59,873	517,026	1,233,709	639,449	2,057,846	731,525
Accrued compensated absences	235,068	288,536	37,808	561,412	-	574,625	-
Customer deposits	732,209	95,321	-	827,530	-	796,273	-
Other accrued liabilities	954,470	-	-	954,470	-	484,213	-
Current portion of LGPIBFP notes	-	-	-	-	-	1,025,000	-
Current portion of G.O. bonds	660,000	785,000	-	1,445,000	-	315,000	-
Accrued interest payable	-	126,606	-	126,606	-	99,758	-
Total Current Liabilities							
(Payable from Current Assets)	7,473,572	2,583,730	556,885	10,614,187	864,336	10,590,047	864,667
CURRENT LIABILITIES							
(Payable from Restricted Assets):							
Contractors' retainage	-	639,726	-	639,726	-	91,054	-
Total Current Liabilities	<u>7,473,572</u>	<u>3,223,456</u>	<u>556,885</u>	<u>11,253,913</u>	<u>864,336</u>	<u>10,681,101</u>	<u>864,667</u>
NONCURRENT LIABILITIES:							
Bonds payable	7,880,000	51,240,000	-	59,120,000	-	43,920,000	-
Premium on bonds	112,890	506,906	-	619,796	-	362,585	-
Loans payable – Tennessee Local Government Public Improvement Bond Financing Program (LGPIBFP)	-	-	-	-	-	16,710,000	-
Accrued compensated absences	415,802	514,510	50,994	981,306	-	978,689	-
Advances from TVA for energy service loans	315,795	-	-	315,795	-	387,147	-
Accrued Post Employment Benefit Obligations	95,142	103,847	18,519	217,508	-	-	-
Refundable deposits	514,600	-	-	514,600	-	521,200	-
Total Noncurrent Liabilities	<u>9,334,229</u>	<u>52,365,263</u>	<u>69,513</u>	<u>61,769,005</u>	<u>-</u>	<u>62,879,621</u>	<u>-</u>
Total Liabilities	<u>16,807,801</u>	<u>55,588,719</u>	<u>626,398</u>	<u>73,022,918</u>	<u>864,336</u>	<u>73,560,722</u>	<u>864,667</u>
NET ASSETS							
Invested in Capital Assets, net of related debt	28,270,467	45,145,622	431,224	73,847,313	582,278	74,483,082	526,738
Unrestricted (Deficit)	<u>232,747</u>	<u>2,560,079</u>	<u>(284,572)</u>	<u>2,508,254</u>	<u>1,083,618</u>	<u>(480,447)</u>	<u>859,977</u>
Total Net Assets	<u>28,503,214</u>	<u>47,705,701</u>	<u>146,652</u>	<u>76,355,567</u>	<u>1,665,896</u>	<u>74,002,635</u>	<u>1,386,715</u>
Total Liabilities and Net Assets	<u>\$ 45,311,015</u>	<u>\$ 103,294,420</u>	<u>\$ 773,050</u>	<u>\$ 149,378,485</u>	<u>\$ 2,530,232</u>	<u>\$ 147,563,357</u>	<u>\$ 2,251,382</u>

See accompanying independent auditors' report and notes.

**CITY OF MARYVILLE, TENNESSEE
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS
 For the Fiscal Year Ended June 30, 2009
 With Comparative Totals for the Fiscal Year Ended June 30, 2008**

	<u>Business-type Activities –Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>	<u>Business-type Activities - Enterprise Funds 2008</u>	<u>Governmental Activities - Internal Service Funds 2008</u>
	<u>Electric Department</u>	<u>Water Quality Control Department</u>	<u>Non-Major Fund Stormwater Utility Department</u>	<u>Total</u>			
OPERATING REVENUES:							
Charges for services	\$ 60,805,620	\$ 8,830,247	\$ 1,310,328	\$ 70,946,195	\$ 12,820,917	\$ 64,252,892	\$ 13,176,914
Customers' forfeited discounts	407,223	69,794	8,192	485,209	-	500,164	-
Rent from property	490,095	80,450	-	570,545	-	413,326	-
Other revenue	<u>137,006</u>	<u>2,391,845</u>	<u>-</u>	<u>2,528,851</u>	<u>-</u>	<u>2,380,633</u>	<u>-</u>
Total Operating Revenues	<u>61,839,944</u>	<u>11,372,336</u>	<u>1,318,520</u>	<u>74,530,800</u>	<u>12,820,917</u>	<u>67,547,015</u>	<u>13,176,914</u>
OPERATING AND MAINTENANCE EXPENSE:							
Purchased power	51,893,967	-	-	51,893,967	-	46,280,047	-
Transmission expense	59,181	-	-	59,181	-	54,063	-
Distribution expense	2,344,164	-	-	2,344,164	-	2,253,584	-
Direct operating expense	-	5,197,820	466,327	5,664,147	-	5,841,910	-
Customer accounts expense	580,559	906,005	-	1,486,564	-	1,409,057	-
Administrative and general expense	1,934,918	1,632,404	360,889	3,928,211	-	4,306,244	-
Sales expense	26,195	-	-	26,195	-	56,473	-
Depreciation and amortization of							
Capital Assets	2,074,330	1,627,625	12,268	3,714,223	63,982	3,356,323	58,440
Taxes	409,608	-	-	409,608	-	404,547	-
Computer information systems							
operating expense	-	-	-	-	715,088	-	773,952
Fleet maintenance operating expenses	-	-	-	-	650,661	-	1,172,783
Facilities operating and							
maintenance expenses	-	-	-	-	1,086,399	-	967,924
Self-insurance operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,025,606</u>	<u>-</u>	<u>10,477,553</u>
Total Operating and Maintenance Expenses	<u>59,322,922</u>	<u>9,363,854</u>	<u>839,484</u>	<u>69,526,260</u>	<u>12,541,736</u>	<u>63,962,248</u>	<u>13,450,652</u>
OPERATING INCOME (LOSS)	<u>2,517,022</u>	<u>2,008,482</u>	<u>479,036</u>	<u>5,004,540</u>	<u>279,181</u>	<u>3,584,767</u>	<u>(273,738)</u>
NON-OPERATING REVENUES (EXPENSES):							
Interest earned	52,857	1,102,152	-	1,155,009	-	352,908	-
Amortization of debt expense	(19,655)	(52,134)	-	(71,789)	-	(34,342)	-
Rent from non-utility property	8,400	-	-	8,400	-	15,600	-
Loss on sale of Capital Assets	-	(171,424)	-	(171,424)	-	-	-
Interest expense	<u>(345,261)</u>	<u>(2,378,155)</u>	<u>-</u>	<u>(2,723,416)</u>	<u>-</u>	<u>(1,252,298)</u>	<u>-</u>
Total Non-Operating Revenues (Expenses)	<u>(303,659)</u>	<u>(1,499,561)</u>	<u>-</u>	<u>(1,803,220)</u>	<u>-</u>	<u>(918,132)</u>	<u>-</u>
NET INCOME (LOSS) BEFORE EXTRAORDINARY ITEM AND TRANSFERS	2,213,363	508,921	479,036	3,201,320	279,181	2,666,635	(273,738)
EXTRAORDINARY ITEM	-	-	-	-	-	(102,982)	-
TRANSFERS:							
TRANSFER IN	-	-	365,000	365,000	-	510,817	-
PAYMENTS IN LIEU OF TAXES	(793,381)	(387,364)	-	(1,180,745)	-	(1,207,805)	-
OTHER TRANSFERS OUT	<u>(16,321)</u>	<u>(16,322)</u>	<u>-</u>	<u>(32,643)</u>	<u>-</u>	<u>(50,817)</u>	<u>(116,012)</u>
CHANGE IN NET ASSETS	1,403,661	105,235	844,036	2,352,932	279,181	1,815,848	(389,750)
NET ASSETS, July 1st	<u>27,099,553</u>	<u>47,600,466</u>	<u>(697,384)</u>	<u>74,002,635</u>	<u>1,386,715</u>	<u>72,186,787</u>	<u>1,776,465</u>
NET ASSETS, June 30th	<u>\$ 28,503,214</u>	<u>\$ 47,705,701</u>	<u>\$ 146,652</u>	<u>\$ 76,355,567</u>	<u>\$ 1,665,896</u>	<u>\$ 74,002,635</u>	<u>\$ 1,386,715</u>

See accompanying independent auditors' report and notes.

**CITY OF MARYVILLE, TENNESSEE
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended June 30, 2009
 With Comparative Totals for the Fiscal Year Ended June 30, 2008**

	<u>Business-type Activities –Enterprise Funds</u>					<u>Business-type Activities - Enterprise Funds 2008</u>	<u>Governmental Activities - Internal Service Funds 2008</u>
	<u>Electric Department</u>	<u>Water Quality Control Department</u>	<u>Non-Major Fund Stormwater Utility Department</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>		
CASH FLOWS FROM OPERATING ACTIVITIES:							
Collections from customers	\$ 61,613,308	\$ 11,878,088	\$ 1,310,183	\$ 74,801,579	\$ 1,349,112	\$ 67,266,547	\$ 871,926
Receipts from other funds	384,863	-	-	384,863	11,819,950	1,391,967	12,363,765
Payments to other funds	-	(247,085)	(798,400)	(1,045,485)	-	(2,400,660)	-
Payments to employees	(2,581,841)	(2,912,171)	(528,437)	(6,022,449)	(744,895)	(5,991,769)	(765,382)
Payments to other suppliers of goods and services	(53,810,013)	(4,451,690)	(280,435)	(58,542,138)	(1,831,422)	(53,415,621)	(2,484,211)
Taxes	(409,608)	-	-	(409,608)	-	(404,547)	-
Payment for settlement of claims and administrative expenses	-	-	-	-	(9,828,517)	-	(10,675,981)
Net Cash Flows Provided By (Used in) Operating Activities	<u>5,196,709</u>	<u>4,267,142</u>	<u>(297,089)</u>	<u>9,166,762</u>	<u>764,228</u>	<u>6,445,917</u>	<u>(689,883)</u>
CASH FLOWS FROM - NONCAPITAL FINANCING ACTIVITIES:							
Receipts from other funds	-	-	-	-	230,486	-	963,740
Payments to other funds	-	-	-	-	(951,976)	-	(191,548)
Transfers Out	(809,702)	(403,685)	-	(1,213,387)	-	(1,258,622)	-
Transfers In	-	-	365,000	365,000	-	510,817	-
Net Cash Provided By (Used In) NonCapital Financing Activities	<u>(809,702)</u>	<u>(403,685)</u>	<u>365,000</u>	<u>(848,387)</u>	<u>(721,490)</u>	<u>(747,805)</u>	<u>772,192</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition of Capital Assets	(2,413,686)	(15,754,157)	(67,911)	(18,235,754)	(119,522)	(7,677,490)	(5,525)
Utility Plant removal costs, net of salvage	(179,363)	(34,140)	-	(213,503)	-	(115,489)	-
Proceeds from sale of capital assets	-	49,591	-	49,591	-	-	-
Bond proceeds	4,590,000	13,080,000	-	17,670,000	-	38,600,000	-
Bond Premium	76,135	208,365	-	284,500	-	320,782	-
Bonds redeemed	(610,000)	(730,000)	-	(1,340,000)	-	(105,000)	-
Loan repayments	(4,605,000)	(13,130,000)	-	(17,735,000)	-	(1,015,000)	-
Interest paid	(351,383)	(2,372,474)	-	(2,723,857)	-	(1,156,856)	-
Loan/bond costs paid	(61,135)	(158,365)	-	(219,500)	-	(927,497)	-
Energy Service advances repaid to TVA	(103,297)	-	-	(103,297)	-	(139,445)	-
Contributions in aid of construction	-	-	-	-	-	-	-
Energy Service advances from TVA	31,945	-	-	31,945	-	81,295	-
Energy Service loans to customers	(31,945)	-	-	(31,945)	-	(81,295)	-
Energy Service loans collected from customers	103,297	-	-	103,297	-	139,445	-
Net Cash Flows Provided By (Used In) Capital and Related Financing Activities	<u>(3,554,432)</u>	<u>(18,841,180)</u>	<u>(67,911)</u>	<u>(22,463,523)</u>	<u>(119,522)</u>	<u>27,923,450</u>	<u>(5,525)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest received	52,854	1,149,015	-	1,201,869	-	235,591	-
Purchase of investments	0	-	-	-	-	(3,967,976)	-
Proceeds from sale of investments	990,000	-	-	990,000	-	5,020,000	-
Rent from investment property	8,400	-	-	8,400	-	15,600	-
Net Cash Flows Provided By (Used In) Investing Activities	<u>1,051,254</u>	<u>1,149,015</u>	<u>-</u>	<u>2,200,269</u>	<u>-</u>	<u>1,303,215</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	1,883,829	(13,828,708)	-	(11,944,879)	(76,784)	34,924,777	76,784
CASH & CASH EQUIVALENTS– July 1st	2,229,550	39,186,676	-	41,416,226	76,784	6,491,449	-
CASH AND CASH EQUIVALENTS – June 30th	\$ 4,113,379	\$ 25,357,968	\$ -	\$ 29,471,347	\$ -	\$ 41,416,226	\$ 76,784

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Business-type Activities –Enterprise Funds</u>				<u>Governmental</u> <u>Activities -</u> <u>Internal</u> <u>Service Funds</u>	<u>Business-type</u> <u>Activities -</u> <u>Enterprise</u> <u>Funds</u> <u>2008</u>	<u>Governmental</u> <u>Activities -</u> <u>Internal</u> <u>Service Funds</u> <u>2008</u>
	<u>Electric</u> <u>Department</u>	<u>Water Quality</u> <u>Control</u> <u>Department</u>	<u>Non-Major</u> <u>Fund</u> <u>Stormwater</u> <u>Utility</u> <u>Department</u>	<u>Total</u>			
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Operating income (loss)	\$ 2,517,022	\$ 2,008,482	\$ 479,036	\$ 5,004,540	\$ 279,181	\$ 3,584,767	\$ (273,738)
Adjustments to reconcile operating income to net cash provided by (used) in operating activities:							
Add (deduct) non-cash items:							
Depreciation	2,074,330	1,627,625	12,268	3,714,223	41,252	3,356,323	40,680
Amortization	-	-	-	-	22,730	-	17,760
Changes in assets and liabilities:							
Accounts receivable	(181,715)	293,203	(8,337)	103,151	389,027	(117,137)	(400,664)
Pole rentals receivable	(35,972)	-	-	(35,972)	-	(10,236)	-
Other receivables	-	132,802	-	132,802	-	(216,995)	-
Inventories	69,419	(24,777)	-	44,642	134,199	(11,274)	(46,197)
Other current assets	-	691	-	691	455	306,892	505
Accounts payable	(87,326)	315,628	(174)	228,128	(26,413)	408,932	(87,397)
Cash overdrafts	-	-	-	-	(118,158)	-	-
Accrued compensated absences	12,426	(23,021)	(1)	(10,596)	-	25,389	-
Accrued post employment benefit obligation	95,142	103,847	18,519	217,508	-	-	-
Other accrued liabilities	470,257	-	-	470,257	-	74,267	-
Customer deposits	(55,090)	79,747	-	24,657	-	53,682	-
Due from other funds	293,642	(196,774)	-	96,868	41,955	1,391,967	59,168
Due to other funds	(24,574)	(50,311)	(798,400)	(824,137)	-	(2,400,660)	-
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 5,196,709</u>	<u>\$ 4,267,142</u>	<u>\$ (297,089)</u>	<u>\$ 9,166,762</u>	<u>\$ 764,228</u>	<u>\$ 6,445,917</u>	<u>\$ (689,883)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET:							
Current Assets:							
Cash	\$ 3,784,559	\$ 1,345,676	\$ -	\$ 5,130,235	\$ -	\$ 3,482,559	\$ 76,784
Investments	328,820	887,279	-	1,216,099	-	767,952	-
Restricted Assets:							
Cash	-	195,013	-	195,013	-	140,715	-
Investments	-	<u>22,930,000</u>	-	<u>22,930,000</u>	-	<u>37,025,000</u>	-
Cash and Cash Equivalents – June 30 th	<u>\$ 4,113,379</u>	<u>\$ 25,357,968</u>	<u>\$ -</u>	<u>\$ 29,471,347</u>	<u>\$ -</u>	<u>\$ 41,416,226</u>	<u>\$ 76,784</u>

Accounting Policy Note: The City considers all highly liquid investments with original maturities of three (3) months or less as cash equivalents. At June 30, 2009 and 2008, the Electric Department had investments of \$328,820 and \$101, respectively, considered to be cash equivalents. At June 30, 2009 and 2008, the Water Quality Control Department had investments of \$22,930,000 and \$37,792,851 respectively, considered to be cash equivalents.

See accompanying independent auditors report and notes.

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Maryville, Tennessee, has existed under various charters in its over 200 year history. The most recent incorporation was authorized by *H.B. No 132 Private Chapter No 27* adopted by the State legislature on March 14, 1967. The act took effect September 1, 1967 and effectively recreated the City of Maryville as a Council-Manager City with five councilmen elected at large who in turn hire a City Manager for day-to-day administration. The charter authorizes the following services: public safety (police and fire), highways and streets, public utilities, health and social services, education, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City of Maryville, Tennessee, are in conformity with all applicable statements of the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

(A) FINANCIAL REPORTING ENTITY:

Governmental Accounting Standards Board (GASB) *Statement No. 14 - "The Financial Reporting Entity"* as amended by *GASB Statement No. 39 "Determining Whether Certain Organizations are Component Units"* defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of a component unit's Board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

In evaluating how to define the government for financial reporting purposes, management has considered the primary government and all potential component units by applying the definitions and the criteria set forth by *GASB Statement No. 14*, as amended by *GASB Statement No. 39*.

The financial statements of the City (primary government) provide an overview of the entity based on financial accountability. The primary government consists of all the organizations that make up its legal entity—all funds, departments, and offices that are not legally separate. The City meets all the criteria defined for a primary government in *GASB No. 14*, as amended by *GASB Statement No. 39*, as follows:

- a. Separately elected governing body,
- b. Separate legal standing through legislation authorizing its creation,
- c. Fiscally independent of other state and local governments,

A component unit is defined as a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the criteria applicable to *GASB No. 14*, as amended by *GASB Statement No. 39*, for component units, the City has no financial accountability for any component units. Therefore, the financial reporting entity is limited to those funds, departments, and offices which comprise the City's legally adopted jurisdictions.

(B) BASIC FUND STATEMENTS – GASB NO. 34:

The basic financial statements include both government-wide (based on the City as a whole and its component units, if any) and fund financial statements. While the previous financial reporting model emphasized fund types (the total of all funds of a particular type), in the new model the focus is on either the City as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. *Governmental activities* are normally supported by taxes and intergovernmental revenues. *Business-type activities* rely to a significant extent, on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(B) BASIC FUND STATEMENTS – GASB NO. 34 (Continued):

resources measurement focus and the accrual basis of accounting, which includes long-term assets as well as long-term obligations. The government-wide financial statements focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal year.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses, including depreciation, of the various departments of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific department. Interest on general long-term debt and depreciation expense on assets shared by multiple departments are not allocated to the various departments. Program revenues include revenues from fines and forfeitures, licenses and permit fees, special assessment taxes, certain intergovernmental grants, other entities participation and charges for services. Taxes and other items not properly included among program revenues are reported as general revenues.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The City does not currently utilize an indirect cost allocation system. The General Fund charges certain administrative fees to departments within other operating funds to support general services used by those funds. The expenditures/expenses are recorded as a reduction of expense in the allocating fund. Therefore, no elimination is required from either the government-wide or fund level financial statements.

The fund financial statements are, in substance, very similar to the financial statements presented in the previous financial reporting model. Emphasis here is on the major funds in either the governmental or business-type categories. Non-major funds are summarized into a single column.

Unless an internal service fund is combined with the business-type activities (deemed to be an infrequent event), totals on the proprietary fund statement should directly reconcile to the business-type activity column presented in the government-wide statements.

Internal service funds of a government (which provide services primarily to other funds of the City) are presented as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate department.

(C) BASIS OF PRESENTATION:

The City uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid in the City's financial management by segregating transactions related to certain functions or activities.

The following categories are used by the City:

Governmental Fund Types

Governmental Funds are those through which most of the governmental functions of the City are financed. The focus of Governmental Fund measurement, in the fund financial statements, is upon determination of financial position and changes in financial position rather than upon net income.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) BASIS OF PRESENTATION (Continued):

Governmental Funds include the following fund types:

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. There are two (2) special revenue funds presented as major funds in the basic financial statements as follows:

General Purpose School Fund: The General Purpose School Fund is used to account for the general operations of the Maryville City Schools. Major funding for the General Purpose School Fund is provided by State education funds, shared revenues provided by Blount County, and transfer of property tax revenue from the General Fund.

Local Grant Fund: The Local Grant Fund is used to account for the proceeds of federal and state grants and the related expenditures therefrom.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt (principal, interest, and related costs) not being accounted for in the Enterprise Funds. The Debt Service Fund is presented as a major fund in the basic financial statements.

Capital Projects Funds: Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). There is one (1) capital projects fund presented as a major fund in the basic financial statements as follows:

School Building Construction Fund: The School Building Construction Fund is used to account for the acquisition of real property used for school facilities, design of improvements to existing facilities and new facilities, and construction of those projects. Major funding for the fund is from Intergovernmental revenue from Blount County, Tennessee and Bond and Note proceeds.

Proprietary Fund Types

Proprietary funds are used to account for the City's ongoing operations and activities, which are similar to those often found in the private sector. The focus of Proprietary Fund measurement is upon the determination of operating income, changes in net assets, financial position, and cash flows.

Proprietary funds include the following fund types:

Enterprise Funds: Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The following enterprise funds are used by the City:

Electric Department Fund: The Electric Department Fund is used to account for the operation of the City's electric system. This fund is presented as a major fund in the basic financial statements.

Water Quality Control Department Fund: The Water Quality Control Department Fund is used to account for the operation of the City's water and sewer system. This fund is presented as a major fund in the basic financial statements.

Stormwater Utility Fund: The Stormwater Utility Fund is used to account for the operation of the City's Stormwater Utility System.

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) BASIS OF PRESENTATION (Continued):

Internal Service Funds: Internal Service Funds are used to account for the providing of goods or services to other governmental operating units such as departments, bureaus, and agencies. The services provided may include duplicating services, data processing, legal services, motor pools, and centralized maintenance. Also, an Internal Service Fund may produce goods as does a manufacturer. For example, products may be provided by government printing shops, repair facilities, and processing facilities. The purpose of centralizing certain activities in an Internal Service Fund is to achieve a level of operating efficiency that may not be available if the same activities were performed by multiple units within the governmental organization. Costs associated with the centralized activity are usually recovered from those governmental units that benefit from the goods or services provided through the Internal Service Funds. Thus, the objective of an Internal Service Fund is not to make a profit but rather to recover, over a period of time, the total cost of providing the goods or services.

The following internal service funds are used by the City:

Employee Medical Self-Insurance Fund: The Employee Medical Self-Insurance Fund is used to account for the City of Maryville's self-insured health insurance program. Premiums charged to various operating funds and employee payroll deductions are placed in this fund for the payment of medical claims and administrative expenses.

Self-Insured Workmen's Compensation Fund: The Self-Insured Workmen's Compensation Fund is used to account for the City's self-insured worker's compensation program. Premiums charged to various operating funds are placed in this fund for the payment of claims and administrative expenses.

Computer Information Systems Fund: The Computer Information Systems Fund is used to account for the operation of the City's computer information system. Data processing charges collected from various City funds are placed in this fund for the payment of operating expenses.

Fleet Maintenance Fund: The Fleet Maintenance Fund is used to account for the operation of the City's vehicle maintenance program. Vehicle maintenance charges collected from various City funds are placed in this fund for the payment of operating expenses.

Facilities Management Fund: The Facilities Management Fund is used to account for the operation of the City's physical facilities.

(D) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING:

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to 1) demonstrate legal and covenant compliance, 2) demonstrate the source and use of liquid resources, and 3) demonstrate how the City's actual experience conforms to the biennial budget. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" is defined as collectible within the current period or within 60 days of the end of the current fiscal period. Expenditures, other than interest on long-term debt, are recorded when the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(D) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING: (Continued)

Revenues susceptible to accrual include property tax, local sales tax, state-shared sales tax, highway user tax, franchise fees, and interest earned on pooled investments. Licenses and permits, charges for services, fines and forfeitures and miscellaneous revenues are generally recorded as revenues when received in cash because they are not measurable until actually received. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for a specific purpose or project before any amounts will be paid to the City; therefore, revenues are based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The City reports deferred revenues in the governmental funds if the potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

Since the governmental fund financial statements are presented on a basis different than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this rule is charges between the government's electric and water/sewer functions and various functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the applicable functions.

Amounts reported as program revenue include 1) charges to customers or users who purchase, use or directly benefit from goods or services provided by a particular department, 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular department, and 3) capital grants and contributions that are restricted. Taxes, investment income and other revenues not identifiable with a particular department are included as general revenues. The general revenues support the net costs of the departments not covered by program revenues.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services of the fund's principal ongoing operations. Operating expenses include the cost of providing the goods and services, administrative expenses, and depreciation on capital assets. Non-operating revenues and expenses are items such as investment income and interest expense, which are not a result of the direct operations of the activity.

Application of Financial Accounting Standards Board Statements

GASB No. 20 requires that governments with proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Accounting Principles Board Opinion No. 22, Disclosure of Accounting Policies, require the same treatment for the government-wide financial statements. The City has elected to implement FASB Statements and Interpretations issued after November 30, 1989 for the government-wide or proprietary fund financial statements.

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(E) IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES:

During the fiscal year ended June 30, 2009, the City implemented Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This statement establishes standards for the measurement, recognition, and presentation of such expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information.

(F) BUDGETS AND BUDGETARY ACCOUNTING:

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least forty-five (45) days before the beginning of the budgetary fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearing is conducted by the City to obtain taxpayer comments.
3. Prior to July 1st, the budget is legally enacted through passage of an ordinance on two separate readings.
4. The City Manager is authorized to transfer appropriations between departments of any fund without the approval of the City Council. However, any revisions that alter the total expenditures of any fund, and all other budget amendments, must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Debt Service Fund. Formal budgetary integration is employed for the Debt Service Fund even though effective budgetary control is additionally achieved through general obligation bond indenture provisions. Because Capital Projects Funds are project-oriented and may extend over two (2) or more fiscal years, the recording of an annual budget is not necessary. Budgeted appropriations lapse at year-end.
6. Budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles.

Budgeted amounts are as originally adopted (or as subsequently amended) by the City Council on June 12, 2009. Budget amendments were adopted for the following funds:

1. General Purpose School Fund – \$158,141 increase in both revenues and expenditures.
2. Federal Projects Fund – \$347,895 increase in both revenues and expenditures.
3. General Fund - \$1,281,288 decrease in revenue and \$1,763,474 decrease in expenditures.
4. Debt Service Fund - \$900,000 increase in both revenues and expenditures.
5. Industrial Development Fund - \$15,000 increase in both revenues and expenditures.
6. Summer Feeding Program Fund - \$98,112 increase in both revenues and expenditures.
7. Special Projects Fund - \$8,257 increase in both revenues and expenditures.
8. General Grant Fund - \$3,098,427 increase in both revenues and expenditures.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(G) UNBILLED ACCOUNTS RECEIVABLE:

The City of Maryville Utilities delay the recording of some accrued revenues due to the staggering of meter reading dates during the month. Consequently, there is a lag in meter reading time and billing dates as the Utilities do not bill at a cut-off date of June 30th, the year-end. Unbilled revenues are estimated by calculation of average daily revenue for the number of days unrecorded based on the following month's billing.

For the Electric Department at June 30, 2009, unrecorded unbilled revenue was estimated to be \$2,694,128.

For the Water Quality Control Department at June 30, 2009, unrecorded unbilled revenue was estimated to be \$366,704.

Expenses and the related purchased power for the unrecorded unbilled revenue have been reflected in the Statements of Revenues, Expenses and Changes in Retained Earnings of each respective Utility.

(H) CASH AND INVESTMENTS:

Cash and cash equivalents consist of petty cash, demand deposits, and all highly liquid investments with original maturities of three (3) months or less.

In order to provide a safe temporary medium for investment of idle funds, municipalities are authorized by *Tennessee Code Annotated (TCA) 6-56-106* to invest in the following:

1. Bonds of the United States;
2. Non-convertible debt securities of certain issuers;
3. Other obligations which are guaranteed as to principal and interest by the United States or any of its agencies;
4. Certificates of deposit at state and federal chartered banks and savings and loan associations;
5. Obligations of the United States or its agencies under a repurchase agreement if approved as an authorized investment by the State Director of Local Finance;
6. Money market funds whose portfolios consist of any of the foregoing investments if approved as an authorized investment by the State Director of Local Finance; and
7. The Local Government Investment Pool under which local monies are transferred to and invested with the State Treasurer's cash portfolio.

Additional information concerning the City's cash and investments can be found in Note 4.

The City adopted a formal investment policy subsequent to the fiscal year ended June 30, 2009.

(I) RECEIVABLES:

All receivables are shown net of an allowance for uncollectibles.

(J) INVENTORIES AND PREPAID ITEMS:

Materials and supplies inventories of the Proprietary Funds are maintained by a perpetual inventory accounting system and are valued on a basis of average cost. Inventory of the Maryville City Schools' Cafeteria Fund is accounted for on the purchase basis and is valued on a basis of average cost.

Prepaid items consist of payments to vendors for costs applicable to future accounting periods. These items are recorded as prepaid items in both the government-wide and fund financial statements.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(K) CAPITAL ASSETS:

Capital assets, including public domain infrastructure (e.g. roads, bridges, sidewalks, and culverts) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. 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 cost of normal maintenance and repairs that do not add to the value of the asset, or materially extend its life, are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, if material.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives (land and construction-in-progress are not depreciated):

Assets	<u>Useful life (years)</u>
Buildings	50
Improvements	20 – 50
Equipment and vehicles	5 – 25
Infrastructure	60

(L) RESTRICTED ASSETS:

Certain proceeds of the City's debt, as well as certain resources set aside for its repayment, are classified as restricted on the balance sheet, or statement of net assets, because they are maintained in trust accounts and their use is limited by applicable debt covenants.

(M) COMPENSATED ABSENCES:

Accumulated unpaid vacation and vested sick pay are accrued in the Government-wide and all Proprietary Fund statements. Long-term liabilities of the governmental funds are not shown on the fund financial statements, as these benefits are not expected to be liquidated with expendable available financial resources.

The City of Maryville, Tennessee's employees, with the exception of the Board of Education employees, are granted sick leave and vacation leave in varying amounts. Full-time employees accrue sick leave at the rate of one (1) day for each completed month of service. An employee can accrue a maximum of ninety (90) days of sick leave. Although eligible employees accrue sick leave from the date of employment, an employee is ineligible to use it until after having completed the first six (6) months of employment. Upon resignation or dismissal, an employee will not be paid for accrued sick leave. However, upon retirement, one-half (1/2) of accumulated sick leave will be credited toward additional service for payroll purposes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(M) COMPENSATED ABSENCES (Continued):

Employees of the City of Maryville, Tennessee's Board of Education accumulate sick leave at the rate of one (1) day per month, or a maximum of ten (10) days per year based upon a ten (10) month period. Non-professional employees of the Board receive no compensation for accumulated sick leave upon retirement. However, upon retirement, professional employees of the Board receive an additional month of employment credit for the purpose of computing retirement benefits for every twenty (20) days of accumulated sick leave.

The City's vacation leave policy is as follows:

Full-time employees hired before April 2, 1985, will accrue vacation leave according to schedule one located below:

Schedule 1: Full-time Employees Hired Prior to April 2, 1985

Completed Service	Vacation Leave Credit Per Month (Fire Department Shifts)	Vacation Buy-Back Schedule (Fire Department Shifts)
0 through 6 years	7 hours/month (8.333 hours/month)	-
7 through 14 years	10 hours/month (12.667 hours/month)	40 hrs (57 hrs)
15 through 19 years	14 hours/month (16.667 hours/month)	40-80 hrs (57-95 hrs)
20 or more years	17 hours/month (20.583 hours/month)	40-120 hrs (57-190 hrs)

Full-time employees hired after April 1, 1985, will accrue vacation leave as follows:

Schedule 2: Full-time Employees Hired After April 1, 1985

Completed Service	Vacation Leave Credit Per Month (Fire Department Shifts)	Vacation Buy-Back Schedule (Fire Department Shifts)
0 through 6 years	7 hours/month (8.333 hours/month)	-
7 through 14 years	10 hours/month (12.667 hours/month)	40 hrs (57 hrs)
15 or more years	14 hours/month (16.667 hours/month)	40-80 hrs (57-95 hrs)

Employees having a minimum of seven (7) years' service have the option, subject to department head approval and to the availability of budgeted funds, of selling a portion of vacation leave to the City (as scheduled), provided that at least eighty (80) hours of vacation leave is taken during the calendar year.

New employees accrue vacation leave from the date of employment, but are not eligible to take vacation leave until completing six (6) months of employment.

Upon resignation, any accrued vacation will be paid in lump sum. Upon retirement, accrued vacation may be paid in lump sum or taken as time off before the retirement date.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(M) COMPENSATED ABSENCES (Continued):

Employees may accrue vacation leave in excess of the maximum allowable annual vacation hours during any calendar year. However, employees must use the excess vacation hours accrued prior to January 1st as shown below:

Schedule 3: Vacation Accrual Limits (Fire Department Shifts)

Completed Service	Employees Hired Before April 2, 1985	Employees Hired After April 2, 1985
0 through 6 years	168 hours (200 hours)	168 hours (200 hrs)
7 through 14 years	240 hours (304 hours)	240 hours (304 hrs)
15 through 19 years	336 hours (400 hours)	-
15 or more years	-	336 hours (400 hrs)
20 or more years	408 hours (494 hours)	-

If an employee fails to use his vacation hours in excess of the maximum allowable hours by January 1st of each calendar year, he will lose the use of those excess hours.

The City of Maryville, Tennessee, accounts for compensated absences in conformity with the *Governmental Accounting Standards Board (GASB) Statement Number 16*, whereby a liability is accrued for the amounts employees are entitled to receive for future absences. Such accruals include related costs such as payroll taxes and retirement contributions as required by *GASB Statement Number 16*.

(N) LONG-TERM OBLIGATIONS:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type. Debt premiums, discounts, and issuance costs are deferred and amortized over the life of the debt. Debt payable is reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, in the period in which the debt is issued. 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.

(O) INTERFUND TRANSACTIONS:

Interfund transactions consist of identified services performed for other funds or costs billed to other funds and are recorded as expenditures in the fund receiving the services and as a reimbursement, reducing expenditures, in the fund performing the services except for sales of electric and water/sewer services to other City departments and the Internal Service risk management or health charges which are recorded as revenue and expenditures in the appropriate funds. All other interfund transactions are reported as transfers.

(P) FUND BALANCE:

In the fund financial statements, reserved fund balance is defined as that portion of fund balance that has legally been segregated for specific purposes. Designated fund balance is defined as that portion of fund balance for which the City has made tentative plans for future use of financial resources. Unreserved/Undesignated fund balance is defined as that portion of fund balance which is available for use in a future period.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(Q) STATEMENTS OF CASH FLOWS:

The City considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents. For the purposes of the statement of cash flows, all pooled cash is also considered to be cash equivalents. This is due to the fact that the Proprietary funds may deposit or withdraw cash at any time without prior notice or penalty, having the characteristics of demand deposits. In a statement of cash flows, cash receipts and payments are classified according to whether they stem from operating, noncapital financing, capital and related financing, or investing activities.

(R) USE OF ESTIMATES:

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses/expenditures, and the disclosure of contingent assets and liabilities at the date of the basic financial statements. Actual results could differ from those estimates.

(S) COMPARATIVE TOTAL DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

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

Total fund balances of the City's governmental funds differ from net assets of governmental activities reported in the statement of net assets. The difference primarily results from the long-term economic focus in the statement of net assets versus the current financial resources focus in the governmental fund balance sheets.

	<u>Total</u> Governmental <u>Funds</u>	<u>Long-term</u> Assets, <u>Liabilities</u> (1)	<u>Internal</u> Service <u>Funds</u> (2)	<u>Reclassifications</u> and <u>Eliminations</u>	<u>Statement of</u> <u>Net Assets</u>
<u>Balance Sheet/Statement of Net Assets</u>					
<u>Assets</u>					
Cash	\$ 872,524	\$ -	\$ -	\$ -	\$ 872,524
Investments	2,216,203	-	-	-	2,216,203
Pooled cash	4,547,932	-	-	-	4,547,932
Pooled investments	23,966,580	-	-	-	23,966,580
Funds held by fiscal agent	1,053,395	-	-	-	1,053,395
Receivables:					
Taxes, net	18,388,016	-	-	-	18,388,016
Accounts, net	286,219	-	19,395	-	305,614
Accrued interest	33,358	-	-	-	33,358
Internal balances	1,574,144	-	1,639,828	(2,496,739)	717,233
Due from other governments	3,986,665	-	-	-	3,986,665
Inventories	125,296	-	288,731	-	414,027
Prepaid items	1,537	-	-	-	1,537
Deferred issuance costs	-	611,715	-	-	611,715
Deferred refunding losses	-	453,512	-	-	453,512
Contractor's escrow accounts	177,749	-	-	-	177,749
Capital Assets, Net	-	119,903,868	582,278	-	120,486,146
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 57,229,618</u>	<u>\$ 120,969,095</u>	<u>\$ 2,530,232</u>	<u>\$ (2,496,739)</u>	<u>\$ 178,232,206</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued):

(A) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets (Continued)

Balance Sheet/Statement of Net Assets

	Total Governmental <u>Funds</u>	Long-term Assets, <u>Liabilities</u> (1)	Internal Service <u>Funds</u> (2)	Reclassifications and <u>Eliminations</u>	Statement of <u>Net Assets</u>
<u>Liabilities and Net Assets</u>					
Accounts payable	\$ 3,668,331	\$ -	\$ 106,729	\$ -	\$ 3,775,060
Accrued payroll	2,556,106	-	-	-	2,556,106
Accrued interest payable	-	193,490	-	-	193,490
Other liabilities	1,695,426	-	-	-	1,695,426
Cash overdraft	-	-	118,158	-	118,158
Internal balances	1,857,290	-	639,449	(2,496,739)	-
Deferred revenue	17,490,783	(155,630)	-	-	17,335,153
Accrued post-employment benefit obligations	-	702,825	-	-	702,825
Long-term debt	-	81,286,923	-	-	81,286,923
Compensated absences	<u>-</u>	<u>1,393,691</u>	<u>-</u>	<u>-</u>	<u>1,393,691</u>
Total Liabilities	27,267,936	83,421,299	864,336	(2,496,739)	109,056,832
Total Fund Balance/Net Assets	<u>29,961,682</u>	<u>37,547,796</u>	<u>1,665,896</u>	<u>-</u>	<u>69,175,374</u>
Total Liabilities and Fund Balance/Net Assets	<u>\$ 57,229,618</u>	<u>\$ 120,969,095</u>	<u>\$ 2,530,232</u>	<u>\$ (2,496,739)</u>	<u>\$ 178,232,206</u>

(1) When capital assets (land, infrastructure, buildings, and equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 153,954,739
Accumulated depreciation	<u>(34,050,871)</u>
	<u>\$ 119,903,868</u>

Bond issuance costs are expended in government funds when paid, but are capitalized and amortized over the life of the corresponding bonds for purposes of the statement of net assets.

Bond issuance costs	\$ 758,710
Accumulated amortization of bond issuance costs	<u>(146,995)</u>
	<u>\$ 611,715</u>

Bond refunding losses are expended in government funds when incurred, but are capitalized and amortized for purposes of the statement of net assets.

Bond refunding losses	\$ 461,947
Accumulated amortization of bond refunding losses	<u>(8,435)</u>
	<u>\$ 453,512</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued):

(A) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets (Continued)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets.

Accrued post-employment benefit obligations	\$ (702,825)
Compensated absences	(1,393,691)
Accrued interest payable	(193,490)
Bonds, capital improvement notes, loans and capital lease obligations (net of \$3,845 accumulated amortization of bond premium)	<u>(81,286,923)</u>
	<u>\$ (83,576,929)</u>

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the governmental funds and thus are not included in fund balance. Deferred revenue for the non-current property tax receivables shown on the governmental fund statements is not deferred on the statement of net assets.

Deferred tax revenue (non-current)	<u>\$ 155,630</u>
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(2) Internal service funds are used by management to charge the costs of self-insurance, fleet maintenance, and data processing services to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.

\$ 1,665,896

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

The net change in fund balances for governmental funds differ from the change in net assets for governmental activities reported in the statement of activities. The differences arise primarily from the long-term economic focus in the statement of activities versus the current financial resources focus in the governmental funds. The effect of the differences is illustrated below.

	<u>Total Governmental Funds</u>	<u>Long-term Revenues, Expenditures (3)</u>	<u>Capital- Related Items (4)</u>	<u>Long-term Debt Transactions (5)</u>	<u>Internal Service Funds (6)</u>	<u>Reclass- ifications</u>	<u>Statement of Activities</u>
Revenues							
Taxes:							
Property taxes	\$ 23,493,462	\$ 63,071	\$ -	\$ -	\$ -	\$ -	\$ 23,556,533
Sales taxes	12,109,619	-	-	-	-	-	12,109,619
Other taxes	3,498,500	-	-	-	-	-	3,498,500
Licenses, permits and fees	187,839	-	-	-	-	-	187,839
Intergovernmental:							
State taxes	2,951,717	-	-	-	-	-	2,951,717
Federal grants	9,391,768	-	-	-	-	-	9,391,768
State grants	378,248	-	-	-	-	-	378,248
U.S.D.A. reimbursements	678,649	-	-	-	-	-	678,649

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued):

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

	Total Governmental <u>Funds</u>	Long-term Revenues, <u>Expenditures</u> (3)	Capital- Related <u>Items</u> (4)	Long-term Debt <u>Transactions</u> (5)	Internal Service <u>Funds</u> (6)	<u>Reclass- ifications</u>	Statement of <u>Activities</u>
Revenues (Continued)							
Other state revenues	18,262,006	-	-	-	-	-	18,262,006
Other federal revenues	153,865	-	-	-	-	-	153,865
Other local revenues	1,691,652	-	-	-	-	-	1,691,652
Charges for services	3,207,699	-	-	-	-	-	3,207,699
Fines, forfeitures, and costs	130,752	-	-	-	-	-	130,752
Investment income	577,600	-	-	-	-	-	577,600
Miscellaneous revenue	3,728,040	-	(211,791)	-	-	-	3,516,249
Gain (loss) on deletion of capital assets	-	-	160,693	-	-	-	160,693
Total Revenues	<u>80,441,416</u>	<u>63,071</u>	<u>(51,098)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,453,389</u>
Expenditures/Expenses							
Current:							
General government	2,486,039	(32,302)	444,860	-	(279,181)	-	2,619,416
Public safety	8,380,192	176,812	506,308	-	-	-	9,063,312
Public works	5,809,557	78,332	1,240,138	-	-	190,721	7,318,748
Culture & Recreation	11,546,009	-	45,782	-	-	-	11,591,791
Economic development	2,057,450	21,136	-	-	-	-	2,078,586
Nondepartmental costs	1,253,913	-	-	-	-	-	1,253,913
Education	44,437,779	358,235	1,111,250	-	-	-	45,907,264
Debt Service:							
Principal retirement	43,120,821	-	-	(43,120,821)	-	-	-
Interest & fiscal fees	3,115,500	132,500	-	(383,729)	-	-	2,864,271
Capital Outlay	7,832,348	-	(7,641,627)	-	-	(190,721)	-
Total Expenditures	<u>130,039,608</u>	<u>734,713</u>	<u>(4,293,289)</u>	<u>(43,504,550)</u>	<u>(279,181)</u>	<u>-</u>	<u>82,697,301</u>
Other Financing Sources							
(Uses)/Changes in							
Net Assets							
Transfers In (Out) -							
In-lieu-of-tax payments	1,180,745	-	-	-	-	-	1,180,745
Other	(332,357)	-	-	-	-	-	(332,357)
Issuance of debt	41,769,716	-	-	(41,769,716)	-	-	-
Change in reserve for inventory	11,870	(11,870)	-	-	-	-	-
Total Other Financing Sources (Uses)/Changes in Net Assets	<u>42,629,974</u>	<u>(11,870)</u>	<u>-</u>	<u>(41,769,716)</u>	<u>-</u>	<u>-</u>	<u>848,388</u>
Net Change for the Year	<u>\$ (6,968,218)</u>	<u>\$ (683,512)</u>	<u>\$ 4,242,191</u>	<u>\$ 1,734,834</u>	<u>\$ 279,181</u>	<u>\$ -</u>	<u>\$ (1,395,524)</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued):

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

(3) Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered as available revenues in the governmental funds. The revenue is, however, recognized in the government-wide statements. At the time that the revenue is received, it is recorded in the governmental funds and reversed from the government-wide statements.

Property tax	<u>\$ 63,071</u>
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in inventory – Cafeteria Fund	\$ (11,870)
Change in accrual for compensated absences	(88,742)
Change in accrued interest payable	132,500
Change in accrual for post-employment benefit obligations	<u>702,825</u>
	<u>\$ 734,713</u>

(4) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas, net assets decrease by the amount of depreciation expense charged for the year, and the loss on disposal of capital assets.

Capital expenditures (net of capital expenditures recorded in Internal Service Funds)	\$ 7,641,627
Depreciation expense (net of depreciation expense recorded in the Internal Service Funds)	<u>(3,348,338)</u>
Difference	<u>\$ 4,293,289</u>

Governmental Funds only report the disposal of capital assets to the extent proceeds are received from the disposal. In the statement of activities, gains or losses are recorded for disposals.

Deleted capital assets (net)	\$ 88,048
Proceeds	(211,791)
Trade-in allowance	<u>(36,950)</u>
Difference	<u>\$ (160,693)</u>

(5) Debt issuance costs are expended in governmental funds when paid, but are capitalized and amortized over the life of the corresponding debt for purposes of the statement of activities.

Debt issuance costs	\$ 429,716
Amortization of debt issuance costs	<u>45,987</u>
Difference	<u>\$ 383,729</u>

Repayment of debt principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the City as a whole, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities. The City's long-term debt was reduced because principle payments were made to holders of long-term debt.

Principal payments made	<u>\$ 43,120,821</u>
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(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued):

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

Issuance of debt is reported as a financing source in governmental funds and thus contributes to the change in fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. Proceeds were received from:

General obligation loans/bonds \$ 41,769,716

(6) Internal service funds are used by management to charge the costs of self-insurance, fleet maintenance, and data processing services to individual funds. The adjustments for internal service funds close those funds by crediting amounts to participating governmental activities to reduce internal service funds' net income for the year.

\$ 279,181

NOTE 3 – PROPERTY TAX:

The City's property tax is levied each September 1st on the assessed value as listed by the County Assessor and is payable by each November 30th. Beginning December 1st interest and penalty accrued on unpaid property taxes. The lien date is January 1st of the year of levy. The assessed values are established by the County Assessment Board. The City's tax rate for the year ended June 30, 2009, was \$2.30 per \$100 of assessed value.

Property taxes levied for 2008 and prior years, but uncollected as of June 30, 2009, are recorded as receivables, net of estimated uncollectibles based upon collections in prior years. The Allowance for Uncollectible Property Taxes as of June 30, 2009 is \$ 116,049. The taxes collected during the fiscal year ended June 30, 2009, and those taxes expected to be collected in the subsequent sixty (60) days, are recognized as revenues in the fiscal year ended June 30, 2009. All other taxes are recorded as deferred revenue.

Property taxes levied for 2009 are recorded as receivables and deferred revenue.

NOTE 4 - CASH AND INVESTMENTS:

State laws authorize the City to invest in obligations of the U.S. Treasury and other authorized investments as more fully explained in Note 1.

Cash and investments include bank balances and investments that at the balance sheet date were either entirely insured or collateralized with securities held by the Tennessee Investment Collateral Pool.

Investments are shown at fair value; except that investments that have a remaining maturity at the time of purchase of one year or less are shown at amortized cost. Fair value is based on quoted market prices.

Investments in the Local Government Investment Pool are reported at amortized cost. The State Pooled Investment Fund, of which the Local Government Investment Pool is a part, is managed like a SEC 2a-7 fund. The same investment guidelines are followed, but the State Pooled Investment Fund does not report to the SEC. Additional information regarding the Local Government Investment Pool is available from the Local Government Investment Pool, P. O. Box 198785, Nashville, Tennessee 37219-8785 or by calling (615) 532-1163.

The shares in the Local Government Investment Pool are constant dollar. Therefore, the fair value of the position in the Pool is the same as the value of the Pool shares.

The State Pooled Investment Fund is governed by the State Funding Board in accordance with Tennessee Code Annotated. The Funding Board is comprised of the State Treasurer, the Comptroller, the Commissioner of Finance and Administration, the Secretary of State, and the Governor. Reporting is done monthly, quarterly, and annually and there are regularly scheduled meetings. The Funding Board has developed an Investment Policy which meets SEC 2a-7 requirements and state laws. The collateral pool has received no credit quality rating from a credit rating agency.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4 - CASH AND INVESTMENTS (Continued):

During the year ended June 30, 2009, the City realized a net gain of \$36,880 from the maturity and sale of investments. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in fair value of investments reported in the prior year. The net increase in the fair value of investments during the year ended June 30, 2009, was \$34,180. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized losses on investments held at June 30, 2009 were \$2,700.

The City's total Cash and Investments of \$61,074,586 at June 30, 2009 is classified below:

Table 1: Total Cash and Investments at June 30, 2009

<u>Type</u>	<u>Amount</u>
Petty and working cash	\$ 2,460
Local financial institutions – checking and savings accounts	10,548,231
Certificates of Deposit	5,000,000
Cash held by investment firms	195,013
State of Tennessee Local Government Investment Pool	17,391,952
Investment in federal, state, and local government securities	<u>27,936,930</u>
 Total Cash and Investments	 <u>\$ 61,074,586</u>

As of June 30, 2009 the City had the following investments and maturities:

Table 2: Investments and Maturities at June 30, 2009

	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 – 5 Years</u>	<u>6 – 10 Years</u>	<u>More Than 10 Years</u>
State of Tennessee Local Government Investment Pool	\$ 17,391,952	\$ 17,391,952	\$ -	\$ -	\$ -
Certificates of Deposit	5,000,000	750,000	4,250,000	-	-
U.S. Agencies	2,000,000	2,000,000	-	-	-
State municipal securities	<u>25,936,930</u>	<u>25,936,930</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Investment and Maturities	 <u>\$ 50,328,882</u>	 <u>\$ 46,078,882</u>	 <u>\$ 4,250,000</u>	 <u>\$ -</u>	 <u>\$ -</u>

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. While the City has no formal policy to limit its interest rate risk, it manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is the measure by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the governing code, the City's investment policy, or debt agreements, and the actual rating as of the end of year end for each investment type.

Table 3: Investments and Ratings at June 30, 2009

	<u>Par Value</u>	<u>Aaa</u>	<u>Aa1</u>	<u>Aa2</u>	<u>Aa3</u>	<u>M1G1</u>
U.S. Agencies	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
State municipal securities	<u>25,936,930</u>	<u>-</u>	<u>3,230,000</u>	<u>9,650,000</u>	<u>10,050,000</u>	<u>3,006,930</u>
 Total Investment and Maturities	 <u>\$ 27,936,930</u>	 <u>\$ 2,000,000</u>	 <u>\$ 3,230,000</u>	 <u>\$ 9,650,000</u>	 <u>\$ 10,050,000</u>	 <u>\$ 3,006,930</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4 – CASH AND INVESTMENTS (Continued):

Concentrations of Credit Risk - The City places no limit on the amount the City may invest in any one issuer. More than 34% of investments are in the State of Tennessee Local Government Investment Pool. Investments in U.S. Government Agencies amounted to 4% while 51% were invested in State Municipal Securities. The remaining 11% was invested in certificates of deposits. No certificate at any one financial institution exceeded the federal deposit insurance corporation coverage.

Pooled Cash and Investment Accounts - Among the City of Maryville, Tennessee's various accounts are four (4) checking accounts and two (2) investment accounts which are shared by various funds in order to reduce the number of accounts used by the City. A summary of this equity in pooled accounts is shown in Table 4.

Table 4: Summary of Equity in Pooled Cash and Investments

<u>Fund</u>	<u>Equity in Pooled Cash</u>	<u>Equity in Pooled Investments</u>
Major Funds:		
General Fund	\$ 29,419	\$ 3,329,379
General Purpose School Fund	2,741,723	-
School Building Construction Fund	-	8,358,348
Debt Service Fund	-	11,710,914
Non Major Funds	<u>1,776,790</u>	<u>567,939</u>
	<u>\$ 4,547,932</u>	<u>\$ 23,966,580</u>

NOTE 5 – INTERFUND RECEIVABLES/PAYABLES:

As of June 30, 2009, interfund receivables and payables were as shown in Table 5 below.

Table 5: Interfund Receivables/Payables at June 30, 2009

<u>Fund</u>	<u>Amount</u>
INTERFUND RECEIVABLES:	
General Fund	\$ 1,108
General Purpose School Fund	1,353,495
Local Grant Fund	100,433
Nonmajor Governmental Funds	119,108
Electric Department	191,463
Water Quality Control Department	325,013
Internal Service Funds	<u>1,639,828</u>
Total Interfund Receivables	<u>\$ 3,730,448</u>
INTERFUND PAYABLES:	
General Fund	\$ 374,375
General Purpose School Fund	14,160
Nonmajor Governmental Funds	1,468,755
Electric Department	656,810
Water Quality Control Department	59,873
Nonmajor Enterprise Fund	517,026
Internal Service Funds	<u>639,449</u>
Total Interfund Payables	<u>\$ 3,730,448</u>

The above 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.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 – INTERFUND RECEIVABLES/PAYABLES:

Transfers during the year are as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>	<u>Purpose</u>
General Purpose School Fund	General Fund	\$ 9,307,500	Fund school activities
Solid Waste Management Fund	General Fund	2,287,266	Fund solid waste management activities
Animal Control Fund	General Fund	228,576	Fund animal control activities
Equipment Replacement Fund	General Fund	360,000	Fund equipment acquisition
Capital Projects	General Fund	3,329	Capital projects
Debt Service Fund	General Fund	1,630,093	Fund debt retirement
Local Grant Fund	General Fund	836,386	Fund grant matching
GIS Fund	General Fund	32,642	Fund GIS activities
Stormwater Utilities	General Fund	365,000	Reduce fund deficit
General Fund	Electric Department	793,381	In lieu of taxes
GIS Fund	Electric Department	16,321	Fund GIS activities
General Fund	Water Quality Control Department	387,364	In lieu of taxes
GIS Fund	Water Quality Control Department	16,322	Fund GIS activities
Maryville City Schools Cafeteria Fund	General Purpose School Fund	352,502	Fund cafeteria operations

NOTE 6 – CAPITAL ASSETS:

A summary of Capital Asset Activity, for the government-wide financial statements, for the fiscal year ended June 30, 2009 is as follows:

Table 6: Summary of Changes In Capital Asset Activity

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Governmental Activities:				
Non-depreciable Assets:				
Land	\$ 6,015,882	\$ -	\$ -	\$ 6,015,882
Capital lease property	22,857,600	-	-	22,857,600
Construction-in-progress	<u>1,039,100</u>	<u>7,173,424</u>	<u>4,588,730</u>	<u>3,623,794</u>
Total Non-depreciable Assets	<u>29,912,582</u>	<u>7,173,424</u>	<u>4,588,730</u>	<u>32,497,276</u>
Depreciable Assets:				
Buildings	72,266,191	4,228,526	60,000	76,434,717
Improvements	15,678,754	54,078	-	15,732,832
Infrastructure	17,071,222	229,372	-	17,300,594
Equipment and vehicles	<u>13,095,383</u>	<u>701,429</u>	<u>471,518</u>	<u>13,325,294</u>
Total Depreciable Assets	<u>118,111,550</u>	<u>5,213,405</u>	<u>531,518</u>	<u>122,793,437</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6 – CAPITAL ASSETS (Continued):

A summary of Capital Asset Activity, for the government-wide financial statements, for the fiscal year ended June 30, 2009 is as follows:

Table 6: Summary of Changes In Capital Asset Activity (Continued)

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Governmental Activities (Continued):				
Accumulated Depreciation:				
Buildings	15,677,788	1,473,427	3,000	17,148,215
Improvements	2,704,552	422,808	-	3,127,360
Infrastructure	6,255,006	562,327	-	6,817,333
Equipment and vehicles	<u>7,198,371</u>	<u>953,758</u>	<u>440,470</u>	<u>7,711,659</u>
Total Accumulated Depreciation	<u>31,835,717</u>	<u>3,412,320</u>	<u>443,470</u>	<u>34,804,567</u>
Net Depreciable Assets	<u>86,275,833</u>	<u>1,801,085</u>	<u>88,048</u>	<u>87,988,870</u>
Governmental Activities Capital Assets, Net	<u>\$ 116,188,415</u>	<u>\$ 8,974,509</u>	<u>\$ 4,676,778</u>	<u>\$ 120,486,146</u>
Business-type Activities:				
Non-depreciable Assets:				
Land and Land Rights	\$ 1,829,187	\$ -	\$ -	\$ 1,829,187
Construction-in-progress	<u>6,247,781</u>	<u>18,551,402</u>	<u>5,574,580</u>	<u>19,224,603</u>
Total Non-depreciable Assets	<u>8,076,968</u>	<u>18,551,402</u>	<u>5,574,580</u>	<u>21,053,790</u>
Depreciable Assets:				
Utility plant acquisition costs	162,770	-	-	162,770
Electric plant in service:				
Transmission	12,857,329	123,728	12,957	12,968,100
Distribution	33,994,232	3,112,464	522,926	36,583,770
General	6,184,892	173,299	94,889	6,263,302
Water plant in service	31,517,053	1,353,014	409,819	32,460,248
Sewer plant in service	40,572,982	812,075	63,481	41,321,576
Stormwater plant in service	<u>364,422</u>	<u>67,911</u>	<u>-</u>	<u>432,333</u>
Total Depreciable Assets	<u>125,653,680</u>	<u>5,642,491</u>	<u>1,104,072</u>	<u>130,192,099</u>
Accumulated Depreciation:				
Utility plant acquisition costs	162,770	-	-	162,770
Electric plant in service:				
Transmission	3,187,359	394,161	18,796	3,562,724
Distribution	12,545,369	1,500,802	724,917	13,321,254
General	3,125,953	381,462	66,422	3,440,993
Water plant in service	7,696,248	958,847	187,374	8,467,721
Sewer plant in service	9,602,699	850,238	99,049	10,353,888
Stormwater plant in service	<u>17,175</u>	<u>12,268</u>	<u>-</u>	<u>29,443</u>
Total Accumulated Depreciation	<u>36,337,573</u>	<u>4,097,778</u>	<u>1,096,558</u>	<u>39,338,793</u>
Net Depreciable Assets	<u>89,316,107</u>	<u>1,544,713</u>	<u>7,514</u>	<u>90,853,306</u>
Business-Type Activities Capital Assets, Net	<u>\$ 97,393,075</u>	<u>\$ 20,096,115</u>	<u>\$ 5,582,094</u>	<u>\$ 111,907,096</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6 – CAPITAL ASSETS (Continued):

Depreciation expense was charged to the governmental functions in the government-wide financial statement as follows:

General Government	\$	508,842
Public Safety		506,308
Public Works		1,240,138
Culture and Recreation		45,782
Education		<u>1,111,250</u>
Total Depreciation Expense – Governmental Activities	\$	<u>3,412,320</u>

NOTE 7 – LONG-TERM DEBT:

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities. In addition, general obligation bonds have been issued to refund general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as serial bonds with varying amounts of principal maturing each year. General obligation bonds outstanding at June 30, 2009 were as follows:

\$3,865,000 – 2004 General Obligation Public Improvement, due in annual installments of \$185,000 to \$285,000 through June 1, 2021; interest at 2.25% to 4.00%. The proceeds of this issue were used to finance capital acquisitions of both general government and business-type activities. At June 30, 2009 the balance for general government and business-type activities was \$295,000 and \$2,405,000 respectively.	\$ 2,700,000
\$14,750,000 – 2008 General Obligation Refunding, due in annual installments of \$400,000 to \$1,470,000 through June 1, 2021; interest at 4.0% to 5.0%. The proceeds were used to currently refund existing debt in both general government and business-type activities. At June 30, 2009 the balance for general government and business-type activities was \$1,945,000 and \$11,595,000 respectively.	13,540,000
\$44,625,000 – 2009 Local Government Public Improvement, due in annual installments of \$235,000 to \$3,545,000 through June 1, 2037; interest at a variable rate. The proceeds were used to currently refund existing debt in both general government and business-type activities. At June 30, 2009 the balance for general government and business-type activities was \$39,575,000 and \$5,050,000 respectively.	<u>44,625,000</u>
	<u>60,865,000</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 7 – LONG-TERM DEBT:

Revenue Bonds. The City issues revenue bonds to provide funds for the acquisition and construction of major capital facilities. Revenue bonds for proprietary activities are reported in the Proprietary Funds as they are to be repaid from proprietary revenues. In addition, revenue bonds have been issued to refund revenue bonds. These bonds are generally issued as serial bonds with varying amounts of principal maturing each year. Revenue bonds outstanding at June 30, 2009 were as follows:

\$3,100,000 – 2007 Electric Revenue Bonds, due in installments of \$185,000 to \$300,000 through June 1, 2021; interest at 4.0 to 5.0%	2,915,000
\$34,500,000 – 2009 Water and Sewer Revenue and Tax Bonds – Series A, due in installments of \$250,000 to \$2,750,000 through June 1, 2038; interest at 4.0% to 5.0%	34,500,000
\$4,100,000 – 2009 Water and Sewer Revenue and Tax Bonds – Series B, due in installments of \$155,000 to \$325,000 through June 1, 2028; interest at 4.0% to 5.0%	<u>4,100,000</u>
	<u>41,515,000</u>

Tennessee Local Government Public Improvement Bond Financing Program Loans. The City – both for governmental activities and business-type activities – participates in the Tennessee Local Government Public Improvement Bond Financing Program under which monies are borrowed from various Public Building Authorities to finance costs of capital projects as stipulated under loan agreements. Such loans outstanding at June 30, 2009 were as follows:

\$15,000,000 – 1998 Tennessee Local Government Public Improvement Bond Financing Program Loan Series III-B-2, due in annual installments of \$300,000 to \$1,770,000 through May 25, 2019; interest at variable rates.	11,465,000
\$2,000,000 – 2006 Tennessee Local Government Public Improvement Bond Financing Program Loan Series B-10-A, due in annual installments of \$140,000 to \$240,000 through June 1, 2017; interest at 5.55% to 5.85%	1,570,000
\$3,000,000 – 2009 Tennessee Local Government Public Improvement Bond Financing Program Loan Series B-17-A, due in annual installments of \$150,000 to \$275,000 through June 1, 2033; interest at 3% to 4.25%.	<u>2,850,000</u>
Total for Governmental Activities	<u>15,885,000</u>

General Obligation Notes. During the fiscal year ended June 30, 1999, the City of Maryville, Tennessee, issued a general obligation note in the amount of \$750,000 payable to Blount County, Tennessee, pursuant to the Intergovernmental Cooperation Agreement dated December 16, 1997, in which the City of Maryville agreed to provide thirty percent (30%) funding to the Industrial Development Board of Blount County, Tennessee, in connection with the acquisition, development, and operation of two (2) industrial parks. General obligation notes outstanding at June 30, 2009 were as follows:

\$750,000 – 1999 Blount County, Tennessee General Obligation Note, due in annual installments of \$63,000 to \$81,000 through May 31, 2010; interest at 4.30% to 4.50%.	<u>138,000</u>
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(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 7 – LONG-TERM DEBT (Continued):

General Obligation Capital Outlay Notes. During the fiscal year ended June 30, 2005, the City of Maryville, Tennessee, issued a general obligation capital outlay note in the amount of \$1,200,000 pursuant to the acquisition of computer software for the City's operations and related costs thereof. General obligation capital outlay notes outstanding at June 30, 2009 were as follows:

\$1,200,000 – General Obligation Capital Outlay Note, Series 2004, due in quarterly installments of \$55,377 (principal and interest) through September 8, 2010. Interest at 3.29%	<u>530,452</u>
Total Debt Payable	<u>\$ 118,933,452</u>

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various debt service funds and revenue bonds reserve funds. The City is in compliance with all significant limitations and restrictions.

Expenses and premium related to the issuance of the Revenue Bonds are being amortized over the life of the bonds, whereas loan costs pursuant to the Tennessee Local Government Public Improvement Bond Financing Program Loans were recorded in the governmental funds as expenditures when paid.

Variable interest rates are based primarily on the weighted-average bond rate in effect during the quarter.

Current Refunding

During the year, the City issued \$14,750,000 of fixed rate bonds and \$44,625,000 of variable rate bonds to provide resources for the current refunding of eleven (11) variable rate loans. The purpose of these transactions was to reduce the City's exposure to interest rate volatility in the insured bond market. As a result, the refunded loans were redeemed, and the liability has been removed from the governmental and business-type activities with which the debt was associated.

The net proceeds plus the unamortized debt expense exceeded the carrying value of the old debt by \$634,970. The various amounts are being amortized over the shorter of the remaining life of the refunded debt or the life of the new debt. The cumulative savings or economic gain from the refunding transactions is not readily determinable due to the variable rate debt instruments involved.

The following is a summary of debt transactions of the City for the fiscal year ended June 30, 2009:

Table 7: Summary of Debt Transactions

	<u>Debt Payable</u> <u>July 1, 2008</u>	<u>Debt</u> <u>Acquired</u>	<u>Debt</u> <u>Retired</u>	<u>Debt Payable</u> <u>June 30, 2009</u>
Tennessee Local Government Public Improvement Bond Financing Program	\$ 76,205,000	\$ -	\$ 60,320,000	\$ 15,885,000
General Obligation Bonds	2,905,000	59,375,000	1,415,000	60,865,000
Revenue Bonds	41,700,000	-	185,000	41,515,000
General Obligation Notes	214,500	-	76,500	138,000
General Obligation Capital Outlay Notes	<u>729,773</u>	<u>-</u>	<u>199,321</u>	<u>530,452</u>
Totals	<u>\$ 121,754,273</u>	<u>\$ 59,375,000</u>	<u>\$ 62,195,821</u>	<u>\$ 118,933,452</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 7 – LONG-TERM DEBT (Continued):

Interest Rate Swap Agreements

Objective – As a means to lower its borrowing costs, when compared against fixed-rate bonds, the City entered into interest-rate swaps in connection with various issues in the amount of \$35,000,000 variable rate general obligation bonds. These swaps were entered into subsequent to the time the bonds were originally issued. The intention of the swap was effectively to change the City’s variable interest rate on the bonds to a synthetic rate from 4.42% to 4.90%.

Terms – The bonds and the related swap agreements mature from June 1, 2019 to June 1, 2025, and the swap’s original notional amount of \$35,000,000 matches the \$35,000,000 variable-rate bonds. The swaps were entered into at the same time the bonds were issued. The notional amounts of the swaps match the principal amounts of the associated debt. The current notional amount is \$31,465,000. Under the swap, the City pays the counterparty a fixed payment and receives either a variable payment computed as 63.1% of the Loudon Interbank Offered Rate or in the case of one issue, a cost of funds swap. Conversely, the bond’s variable-rate coupons are based on the remarketed rate set weekly.

Fair Value – Because interest rates have declined since execution of the swaps, the swaps had negative fair values of \$3,578,512 as of June 30, 2009. The swap’s negative fair value may be countered by a reduction in total interest payments required under the variable-rate bonds, creating a lower synthetic interest rate. Because the coupons on the city’s variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was estimated at using future cash flows by projecting forward rates, and then discounts those cash flows at their present values.

Credit Risk – As of June 30, 2009, the City was not exposed to credit risk because the swaps had negative fair value. However, should interest rates change and the fair values of the swaps become positive, the City would be exposed to credit risk in the amount of the derivative’s fair values. The swaps counterparty was rated Baa3 Moodys-BBB S&P as of June 30, 2009. To mitigate the potential for credit risk, if the counterparty’s credit qualify falls below A2 Moodys/A S&P, the fair value of the swap will be fully collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Basis Risk – The swap exposes the City to basis risk if the variable rates increase to above 63.1% of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the variable rates to be below 63.1% of LIBOR, then the synthetic rate on the bonds will decrease.

Termination Risk – The City or counterparty may terminate the swaps if the other party fails to perform under the terms of the contract. If the swaps are terminated, the variable-rate bond would no longer carry a synthetic fixed interest rate. Also, if at the time of termination the swaps have a negative fair value, the City would be liable to the counterparty for a payment equal to the swap’s fair values.

Swap Payments and Associated Debt

As explained on the previous page, the City has entered into interest rate swaps. Using rates as of June 30, 2009, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Fiscal Year Ending June 30,	Variable-Rate Bonds		Interest Rate Swaps,	Total
	Principal	Interest	Net	
2010	\$ 985,000	\$ 91,248	\$ 852,864	\$ 1,929,112
2011	1,030,000	88,392	822,660	1,941,052
2012	1,085,000	85,405	792,275	1,962,680
2013	1,135,000	82,258	760,268	1,977,526
2014	1,195,000	78,967	726,947	2,000,914
2015 - 2019	9,220,000	335,283	3,032,275	12,587,558
2020 – 2024	14,270,000	156,305	1,383,884	15,810,189
2025	2,545,000	7,380	65,662	2,618,042
Total	<u>\$ 31,465,000</u>	<u>\$ 925,238</u>	<u>\$ 8,436,835</u>	<u>\$ 40,827,073</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 7 – LONG-TERM DEBT (Continued):

The following discloses the City's debt service requirements as of June 30, 2009, for the next five (5) years and in five (5)-year increments thereafter:

Table 8: Debt Service Requirements

Fiscal Years Ending June 30,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2010	\$ 1,862,637	\$ 2,943,432	\$ 1,445,000	\$ 2,760,075	\$ 9,011,144
2011	2,020,815	2,877,810	1,885,000	2,703,570	9,487,195
2012	1,725,000	2,774,449	1,960,000	2,629,178	9,088,627
2013	1,800,000	2,693,082	1,910,000	2,547,655	8,950,737
2014	1,815,000	2,607,704	1,975,000	2,465,980	8,863,684
Subtotal	<u>9,223,452</u>	<u>13,896,477</u>	<u>9,175,000</u>	<u>13,106,458</u>	<u>45,401,387</u>
2015	1,910,000	2,520,015	2,045,000	2,381,068	8,856,083
2016	2,010,000	2,427,203	2,135,000	2,293,242	8,865,445
2017	2,180,000	2,326,853	2,235,000	2,192,442	8,934,295
2018	2,050,000	2,217,563	2,330,000	2,085,867	8,683,430
2019	2,165,000	2,116,888	2,415,000	1,971,144	8,668,032
Subtotal	<u>10,315,000</u>	<u>11,608,522</u>	<u>11,160,000</u>	<u>10,923,763</u>	<u>44,007,285</u>
2020	2,255,000	2,002,125	2,520,000	1,853,602	8,630,727
2021	2,375,000	1,881,038	2,645,000	1,735,350	8,636,388
2022	2,480,000	1,753,534	1,820,000	1,607,050	7,660,584
2023	2,590,000	1,620,388	1,560,000	1,514,375	7,284,763
2024	2,420,000	1,481,375	1,670,000	1,448,075	7,019,450
Subtotal	<u>12,120,000</u>	<u>8,738,460</u>	<u>10,215,000</u>	<u>8,158,452</u>	<u>39,231,912</u>
2025	2,555,000	1,348,275	1,730,000	1,379,187	7,012,462
2026	1,975,000	1,207,750	1,795,000	1,305,663	6,283,413
2027	2,075,000	1,109,000	1,915,000	1,229,375	6,328,375
2028	2,200,000	1,005,250	2,025,000	1,145,594	6,375,844
2029	2,300,000	895,250	1,800,000	1,057,000	6,052,250
Subtotal	<u>11,105,000</u>	<u>5,565,525</u>	<u>9,265,000</u>	<u>6,116,819</u>	<u>32,052,344</u>
2030	2,400,000	780,250	1,900,000	976,000	6,056,250
2031	1,575,000	660,250	2,000,000	890,500	5,125,750
2032	1,650,000	581,500	2,100,000	800,500	5,132,000
2033	1,800,000	499,000	2,200,000	706,000	5,205,000
2034	1,895,000	409,000	2,300,000	607,000	5,211,000
Subtotal	<u>9,320,000</u>	<u>2,930,000</u>	<u>10,500,000</u>	<u>3,980,000</u>	<u>26,730,000</u>
2035	1,995,000	314,250	2,400,000	503,500	5,212,750
2036	2,095,000	214,500	2,500,000	392,500	5,202,000
2037	2,195,000	109,750	2,600,000	267,500	5,172,250
2038	-	-	2,750,000	137,500	2,887,500
2039	-	-	-	-	-
Subtotal	<u>6,285,000</u>	<u>638,500</u>	<u>10,250,000</u>	<u>1,301,000</u>	<u>18,474,500</u>
Totals	<u>\$ 58,368,452</u>	<u>\$ 43,377,484</u>	<u>\$ 60,565,000</u>	<u>\$ 43,586,492</u>	<u>\$ 205,897,428</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 7 – LONG-TERM DEBT (Continued):

The follow is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2009:

Table 9: Summary of Changes in Long-term Liabilities

	Beginning Balance <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>June 30, 2009</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Debt Payable:					
Loans payable – Tennessee Local Government Public Improvement Bond Financing Program	\$ 58,470,000	\$ -	\$ 42,585,000	\$ 15,885,000	\$ 1,290,000
General obligation bonds payable	370,000	41,705,000	260,000	41,815,000	285,000
General obligation notes payable	214,500	-	76,500	138,000	81,000
General obligation capital outlay notes payable	<u>729,773</u>	<u>-</u>	<u>199,321</u>	<u>530,452</u>	<u>206,637</u>
Total Debt Payable	<u>59,784,273</u>	<u>41,705,000</u>	<u>43,120,821</u>	<u>58,368,452</u>	<u>1,862,637</u>
Other Liabilities:					
Capital lease obligations	22,857,600	-	-	22,857,600	150,000
Compensated absences	1,482,433	485,561	574,303	1,393,691	564,006
Premium on bonds	<u>-</u>	<u>64,716</u>	<u>3,845</u>	<u>60,871</u>	<u>-</u>
Total Other Liabilities	<u>24,340,033</u>	<u>550,277</u>	<u>578,148</u>	<u>24,312,162</u>	<u>714,006</u>
Total Long-term Liabilities – Governmental Activities	<u>\$ 84,124,306</u>	<u>\$ 42,255,277</u>	<u>\$ 43,698,969</u>	<u>\$ 82,680,614</u>	<u>\$ 2,576,643</u>
Business-type Activities:					
Debt Payable:					
Loans payable – Tennessee Local Government Public Improvement Bond Financing Program	\$ 17,735,000	\$ -	\$ 17,735,000	\$ -	\$ -
Revenue bonds payable	41,700,000	-	185,000	41,515,000	-
General Obligation bonds payable	<u>2,535,000</u>	<u>17,670,000</u>	<u>1,155,000</u>	<u>19,050,000</u>	<u>1,445,000</u>
Total Debt Payable	<u>61,970,000</u>	<u>17,670,000</u>	<u>19,075,000</u>	<u>60,565,000</u>	<u>1,445,000</u>
Other Liabilities:					
Compensated absences	1,553,314	484,963	495,559	1,542,718	561,412
Premium on bonds	<u>362,585</u>	<u>284,500</u>	<u>27,290</u>	<u>619,795</u>	<u>-</u>
Total Other Liabilities	<u>1,915,899</u>	<u>769,463</u>	<u>522,849</u>	<u>2,162,513</u>	<u>561,412</u>
Total Long-term Liabilities - Business-type Activities	<u>\$ 63,885,899</u>	<u>\$ 18,439,463</u>	<u>\$ 19,597,849</u>	<u>\$ 62,727,513</u>	<u>\$ 2,006,412</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 7 – LONG-TERM DEBT (Continued):

During the fiscal year ended June 30, 2004 Blount County, Tennessee issued \$1,325,000 in bonds on behalf of the Recreation and Parks Commission for the construction of a new Senior Citizen Center. The City agreed to fund thirty percent (30%) of the debt service payments. For the fiscal year ended June 30, 2009, the City's share of debt service was \$33,133 (\$24,000 principal and \$9,133 interest). Future annual principal payments of \$25,500 to \$36,000 are due through June 30, 2018, and total \$271,500. The bonds bear interest at a variable rate.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM:

(A) CITY OF MARYVILLE:

Plan Description:

Employees of the City of Maryville 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 member's high five (5)-year average salary and years of service. Members become eligible to retire at the age of sixty (60) with ten (10) years of service or at any age with thirty (30) years of service. Reduced retirement benefits are available to vested members at the age of fifty-five (55). Disability benefits are available to active members with five (5) 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 ten (10) years of service and members joining prior to July 1, 1979 were vested after four (4) years of service. Benefit provisions are established in state statute found in *Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA)*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the City of Maryville participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy:

The City of Maryville requires employees to contribute 5.00% of earnable compensation.

The City of Maryville is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2009 was 10.85% of annual covered payroll. The contribution requirements of plan members are set by state statute. Contribution requirements for the City of Maryville are established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost:

For the year ending June 30, 2009, the City of Maryville's annual pension cost of \$2,213,616 to TCRS was equal to the City of Maryville's required and actual contributions. The required contribution was determined as part of the July 1, 2007 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% a year compounded annually; (b) projected salary increases of 4.75% (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries); (c) projected 3.5% annual increase in the Social Security wage base; and (d) projected post retirement increases of 3.0% annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of equities over a five (5)-year period. The City of Maryville's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007 was eighteen (18) years. An actuarial valuation was performed as of July 1, 2007 which established contribution rates effective July 1, 2008.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued):

(A) CITY OF MARYVILLE (Continued):

Annual Pension Cost (Continued):

Table 10: Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension Cost(APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/09	\$ 2,213,616	100.00%	\$ -
6/30/08	2,187,285	100.00%	-
6/30/07	2,033,810	100.00%	-

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 77.36% funded. The actuarial accrued liability for benefits was \$57.85 million, and the actuarial value of assets was \$44.75 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$13.10 million. The covered payroll (annual payroll of active employees covered by the plan) was \$18 million, and the ratio of the UAAL to the covered payroll was 71.68%.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The annual required contribution (ARC) was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

**Table 11: Schedule of Funding Progress for
The City of Maryville
(Dollar amounts in thousands)**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u> a	<u>Accrued Liability (AAL)</u> b	<u>Unfunded AAL (UAAL)</u> b-a	<u>Funded Ratio</u> a/b	<u>Actuarial Covered Payroll</u> c	<u>UAAL as a Percentage of Covered Payroll</u> (b-a)/c
7/01/07	\$ 44,759	\$ 57,855	\$ 13,096	77.36%	\$ 18,270	71.68%

(B) CITY OF MARYVILLE, TENNESSEE SCHOOL SYSTEM:

Plan Description:

The Maryville City Schools contribute to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five (5)-year average salary and years of service. Members become eligible to retire at the age of sixty (60) with five (5) years of service or at any age with thirty (30) years of service. Reduced retirement benefits are available to vested members who are at least fifty-five (55) years of age or have twenty-five (25) years of service. Disability benefits are available to active members with five (5) 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.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued):

(B) CITY OF MARYVILLE, TENNESSEE SCHOOL SYSTEM (Continued):

Plan Description (Continued):

Members joining the plan on or after July 1, 1979 are vested after five (5) years of service. Members joining prior to July 1, 1979 are vested after four (4) years of service. Benefit provisions are established in state statute found in *Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA)*. State statutes are amended by the Tennessee General Assembly. Cost of living adjustments (COLA) are provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent (0.5%). The maximum annual COLA is capped at three percent (3.0%).

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

Funding Policy:

Most teachers are required by state statute to contribute 5.00% of salary to the plan. The employer contribution rate for the Maryville City Schools is established at an actuarially determined rate. The rate for the fiscal year ending June 30, 2009 was 6.24% of annual covered payroll. The contribution requirements for the City of Maryville School System are established and may be amended by the TCRS Board of Trustees. The City of Maryville School System's contributions to TCRS for the years ending June 30, 2009, 2008, and 2007 were \$1,354,766, \$1,296,078, and \$1,220,189 respectively, which were equal to the required contributions for each year.

(C) CITY OF MARYVILLE UTILITIES RETIREMENT PROGRAM:

The City of Maryville Utilities Retirement Program is a defined contribution plan using a money purchase feature. Thus, each employee's accumulated benefits at any point in time are equal to the sum of (1) the "rollover" amount from a plan in effect prior to July 1, 1986, (2) employee and employer contributions, and (3) investment earnings. Because the plan is a defined contribution plan, no unfunded liabilities will exist.

Persons are eligible to participate in the plan upon employment, as there are no age or service requirements. Employees contribute a minimum of three percent (3%) of gross pay, while the Utility contributes eight percent (8%) of gross pay. In addition, employees may elect to contribute an additional four percent (4%) of gross pay, thereby having a total of fifteen percent (15%) of gross pay being invested in the plan.

Employees hired subsequent to June 30, 1988, 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), as fully described in (A) above.

In addition to the new retirement plan effective July 1, 1986, for Principal Financial Group members, the Electric Department provides term life insurance in the amount of \$50,000 for each employee through Allianz Life Insurance Company. For all members of the TCRS, life insurance coverage is provided to covered employees. Each policy amount is based upon a member's annual salary, rounded to the nearest \$1,000, with a minimum coverage of \$30,000 and a maximum coverage of \$50,000.

Total pension expense in 2009 was \$219,578 for employees hired after June 30, 1988. Pension expense for those hired before that date is more fully disclosed in (A) above.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued):

(D) DEFERRED COMPENSATION PLAN:

Employees of the City of Maryville may participate in a deferred compensation plan adopted under the provisions of *Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect To Service For State and Local Governments)*.

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by the International City/County Management Association (ICMA) and established by Section 391:1 of Title 35 of the New Hampshire Revised Statutes Annotated. Prior to July 1, 1997, under the terms of an *IRC Section 457* deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the ICMA, until paid or made available to the employees or beneficiaries, were the property of the City subject only to the claims of the City's general creditors. During the fiscal year ended June 30, 1998, as required by the *Internal Revenue Code Section 457(g)*, the assets of the plan were placed in a trust. Therefore, the assets are not available to the general creditors of the City. As a result, the City no longer accounts for these assets in an agency fund.

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS:

(A) CITY RETIREES:

Plan Description:

The City maintains a single-employer plan whereby certain health benefits are provided to the retiree and their spouse. The plan is a self-insured plan that provides health and prescription drug coverage to those employees who retire with twenty (20) or more years of service. The Plan provides coverage for up to ten (10) years and terminates when the employee reaches age sixty-five (65). The Plan is established under the authority of the City of Maryville City Council and may be amended at anytime. The Plan does not issue a stand-alone financial report.

Funding Policy:

The Plan is funded both by the retiree and the City. The retiree has a required annual contribution rate of \$1,716. The rate for the spouse is the same. The remaining costs are incurred by the City and are funded by the various funds on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation:

Annual Required Contribution	\$ 674,786
Interest on Net OPEB Obligation	15,183
Adjustments on Annual Required Contributions	<u> -</u>
Annual OPEB Costs	689,969
Annual Employer Contribution	<u>(139,741)</u>
Increase in Net OPEB Obligations	550,228
Net OPEM Obligation, July 1, 2008	<u> -</u>
Net OPEB Obligation June 30, 2009	<u><u>\$ 550,228</u></u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued):

(A) CITY RETIREES (Continued):

Annual OPEB Cost and Net OPEB Obligation (Continued):

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB Obligation are as follows:

Fiscal Year <u>Ending</u>	Annual <u>OPEB Costs</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
June 30, 2009	\$ 689,969	20.25%	\$ 550,228

Funding Status and Funding Progress:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u> a	<u>Actuarial Accrued Liability (AAL)</u> b	<u>Unfunded AAL (UAAL)</u> b-a	<u>Funded Ratio</u> a/b	<u>Actuarial Covered Payroll</u> c	<u>UAAL as a Percentage of Covered Payroll</u> (b-a)/c
7/01/08	\$ -	\$13,177,593	\$ 13,177,593	0%	\$ 16,053,227	82.00%

Methods and Assumptions:

Funding Interest rate	4.5%
Medical Trend rate	10%
Ultimate Trend rate	5%
Actuarial Cost Method	Entry Age Normal
Annual Payroll Growth rate	4.75%
The remaining amortization period at June 30, 2009	29 years

(B) SCHOOL RETIREES:

The City maintains a single-employer plan whereby certain health benefits are provided to the retiree and their spouse. The plan is a self-insured plan that provides health and prescription drug coverage to those employees who retire after 1999 at age sixty (60) with ten (10) years of service or retire before age sixty (60) with thirty (30) years of Tennessee Consolidated Retirement System service. The plan provides health coverage up to age sixty-five (65). There are some employees who retired prior to 1990 who were eligible to retire with TCRS who are provided coverage through death. The plan was created under the authority of the Maryville Board of Education and may be modified by the Board at any time with 180 days notice.

Funding Policy:

The plan is funded by both the retiree and school system. The retiree has a required contribution rate based on the following table:

	<u>Participants Age</u>	
	<u>Under Age 65</u>	<u>Over Age 65</u>
Retiree	\$ 2,941	\$ 2,059
Spouse	2,444	2,059
Surviving Spouse	642	642

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued):

(B) SCHOOL RETIREES (Continued):

Funding Policy (Continued):

The remaining costs are funded by the school system on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation:

Annual Required Contribution	\$	1,329,674
Interest on Net OPEB Obligation		29,918
Adjustments on Annual Required Contributions		-
Annual OPEB Costs		1,359,592
Annual Employer Contribution		(989,487)
Increase in Net OPEB Obligations		370,105
Net OPEB Obligation, July 1, 2008		-
Net OPEB Obligation June 30, 2009	\$	370,105

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB Obligation are as follows:

Fiscal Year <u>Ending</u>	Annual <u>OPEB Costs</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
June 30, 2009	\$ 1,359,592	72.8%	\$ 370,105

Funding Status and Funding Progress:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u> a	<u>Actuarial Accrued Liability (AAL)</u> b	<u>Unfunded AAL (UAAL)</u> b-a	<u>Funded Ratio</u> a/b	<u>Actuarial Covered Payroll</u> c	<u>UAAL as a Percentage of Covered Payroll</u> (b-a)/c
7/01/08	\$ -	\$24,721,253	\$ 24,721,253	0%	\$24,226,361	102.0%

Methods and Assumptions:

Funding Interest rate	4.5%
Medical Trend rate	10%
Ultimate Trend rate	5%
Actuarial Cost Method	Entry Age Normal
Annual Payroll Growth rate	4.5%
The remaining amortization period at June 30, 2009	29 years

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 11 - CONTRACTS WITH THE TENNESSEE VALLEY AUTHORITY (TVA):

The City of Maryville Utilities Electric Department (Utility) has a power contract with TVA whereby the Utility purchases all its electric power from TVA and is subject to restrictions and conditions. The restrictions include prohibitions against diverting Utility assets to other operations of the municipality, securing indebtedness of other operations, or paying more than the Utility's equitable share of tax equivalents.

The Utility participated in TVA's Home Energy Conservation Program prior to July 1, 1989. Under this program, TVA advanced the funds from which the Utility made disbursements for approved customer home insulation and heat pumps. Since October, 1989, the Utility has participated in the Residential Energy Services Program through which TVA advances funds from which the Utility makes interest-bearing loans for approved customer heat pumps. In the event of customer default, the Utility does not have loss exposure.

NOTE 12 - SELF-INSURANCE:

(A) WORKMEN'S COMPENSATION:

Effective September 1, 1979, the City of Maryville, Tennessee, was issued a Certificate of Compliance with the Tennessee Workmen's Compensation Law to operate under the Act as a self-insured employer. The Certificate was issued by the State of Tennessee Department of Labor - Division of Workmen's Compensation.

The amounts transferred to the Self-Insured Workmen's Compensation Internal Service Fund are determined by reference to standard Workmen's Compensation rate structures used by insurance companies.

The self-insurance plan is augmented by coverage with the Tennessee Municipal League (TML) Risk Management Pool, whereby coverage is extended for claims over \$300,000 per occurrence and \$300,000 aggregate. Thus, the City was subject to a maximum liability of \$300,000 for workmen's compensation claims during the fiscal year ended June 30, 2009.

(B) EMPLOYEE'S BENEFITS - MEDICAL PLAN:

The City of Maryville, Tennessee, previously entered into a self-insured program for employee medical benefits. The City of Maryville Utilities (Enterprise Funds) and the City of Maryville Board of Education share with the City of Maryville, Tennessee, jointly in the claims filed by their employees, and the rate of the premiums paid into the fund is based on prior experience and insurance company recommendations.

The self-insurance plan is augmented by coverage with Sun Life of Canada, whereby coverage is extended for claims exceeding \$115,000 per employee. Thus, the City was subject to a maximum liability of \$115,690,000 (1,006 employees at \$115,000 each) for health insurance claims during the fiscal year ended June 30, 2009.

(C) CLAIMS LIABILITIES:

Liabilities of the self-insurance 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 claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled. 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 (2) fiscal years for each fund are shown in Table 12 at top of next page:

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 12 - SELF-INSURANCE (Continued):

(C) CLAIMS LIABILITIES (Continued):

The City continues to carry commercial insurance for all other risks of loss, including coverage for buildings and personal property, general and personal injury liability, and automobile liability and physical damage. Settled claims from these risks have not exceeded commercial insurance coverage in any of the prior three (3) fiscal years.

Table 12: Changes In Balance Of Claims Liabilities

<u>Fiscal Year/</u>	<u>Liability - Beginning</u>	<u>Claims and Changes in Estimates</u>	<u>Fiscal Year Claim Payments</u>	<u>Liability - Ending</u>
Employee Medical Self-Insurance				
2007-2008	203,685	8,653,316	8,857,001	-
2008-2009	-	8,269,828	8,269,828	-
Workmen's Compensation Self-Insurance				
2007-2008	-	109,166	109,166	-
2008-2009	-	126,550	126,550	-

NOTE 13 – CONSTRUCTION CONTRACTS:

As of June 30, 2009, the City of Maryville, Tennessee had the following commitments with respect to unfinished construction-in-progress:

Table 13: Summary of Construction Contracts

<u>Project Name</u>	<u>Total Contract or Estimated Amount</u>	<u>Costs Incurred Through June 30, 2009</u>	<u>Estimated Cost to Complete</u>
Waste Water Treatment Plant Expansion - Construction Phase	\$ 31,518,000	\$12,794,526	\$18,723,474
Intermediate School – Phase 1	1,917,402	1,816,363	101,039
Pistol Creek Environmental Protection and Education Project	<u>671,996</u>	<u>-</u>	<u>671,996</u>
Totals	<u>\$ 34,107,398</u>	<u>\$14,610,889</u>	<u>\$19,496,509</u>

The Waste Water Treatment Plant expansion is funded through a 2008 revenue bond issue. The Pistol Creek Environmental Protection and Education Project is funded through an Environmental Protection Agency Grant. Other commitments are funded using city resources.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 14 - JOINT VENTURES:

In order to pool resources and share the costs, risks and rewards of providing services for the benefit of the general public, the City of Maryville, Tennessee participates (has an on-going financial interest and financial responsibility) in the following joint ventures.

(A) BLOUNT COUNTY PUBLIC LIBRARY

The Blount County Public Library is funded jointly by the City of Maryville, Blount County, and City of Alcoa, Tennessee, pursuant to an agreement entered into on the effective date January 1, 1969, and continuing until any party shall furnish a six (6) month written notice to terminate its participation. Effective July 1, 1989, Blount County, Tennessee, became the fiscal agent for the Library.

For the fiscal year ended June 30, 2009, the City of Maryville contributed \$719,616 to the Library.

Summary financial information, as required by generally accepted accounting principles, for the fiscal year ended June 30, 2009, is presented as follows:

Table 14: Blount County Public Library (Summary)

Revenues	\$ 1,168,524
Other Sources – Operating transfers	899,520
Expenditures	<u>2,042,186</u>
Excess of Revenues and Other Sources Over	
Expenditures	25,858
Fund Balance – July 1, 2008	<u>795,782</u>
Fund Balance – June 30, 2009	<u>\$ 821,640</u>
Total Assets	<u>\$ 890,637</u>
Total Liabilities	<u>\$ 68,997</u>
Total Fund Balance	<u>\$ 821,640</u>

The Blount County Public Library is reported as a component unit of Blount County, Tennessee. That report may be obtained by writing to Blount County, Tennessee, 341 Court Street, Maryville, TN 37801.

(B) BLOUNT COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Pursuant to an agreement dated August 28, 1984, between the City of Maryville, Blount County, and the City of Alcoa, Tennessee, a Communications Center was established for the purpose of handling emergency calls for the three (3) governmental entities. Effective July 1, 1999, the Blount County Communications Center was combined with the Blount County Emergency Communications District, a component unit of Blount County, Tennessee. The three (3) governmental entities participate in the funding of the District while exercising no direct control over the District.

The Blount County Emergency Communications District is governed by nine (9) directors appointed by the Blount County Board of County Commissioners. Before the issuance of most debt instruments, the District must obtain the approval of the Blount County Board of County Commissioners. The District's Board employs coordinators and staff to conduct the daily business of the organization.

For the fiscal year ended June 30, 2009, the City of Maryville, Tennessee contributed \$151,065 to the Blount County Emergency Communications District.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 14 - JOINT VENTURES (Continued):

(B) BLOUNT COUNTY EMERGENCY COMMUNICATIONS DISTRICT (Continued)

Summary financial information, as required by generally accepted accounting principles, for the fiscal year ended June 30, 2009, is presented below:

Table 15: Emergency Communications District (Summary)

Operating Revenues	\$ 1,370,169
Operating Expenses	<u>1,957,133</u>
Operating Income (loss)	(586,964)
Non-Operating Revenues	<u>671,739</u>
 Net Income	 84,775
 Net Assets – July 1, 2008	 <u>2,053,775</u>
 Net Assets – June 30, 2009	 <u>\$ 2,138,550</u>
 Total Assets	 <u>\$ 2,317,947</u>
Total Liabilities	<u>\$ 179,397</u>
Net Assets	<u>\$ 2,138,550</u>

The Blount County Emergency Communications District issues a publicly available financial report. A report may be obtained by writing to the Blount County Communications District, 836 Louisville Road, Alcoa, TN 37701.

(C) RECREATION AND PARKS COMMISSION

The City of Maryville, Blount County, and the City of Alcoa, Tennessee, jointly participate in the Recreation and Parks Commission (County-Wide) by funding percentages of the operational budget of the Commission. Each governmental entity appoints several persons to serve as commissioners on the Recreation and Parks Commission. The following factors suggest that the Recreation and Parks Commission should not be included in the reporting entity:

- (1) The governing board is solely responsible for operational activities of the Commission.
- (2) The City is neither entitled to operating surpluses nor responsible for operating deficits of the Commission.
- (3) The City's participation is limited to allocated funding as derived by the Commission's operating budget.
- (4) The facilities operated by the Recreation and Parks Commission are open to the public-at-large and not exclusively for enjoyment of residents of the City of Maryville, Tennessee.

For the fiscal year ended June 30, 2009, the City of Maryville, Tennessee contributed \$673,819 to the Recreation and Parks Commission and additional amounts of \$21,077 for improvements.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 14 - JOINT VENTURES (Continued):

(C) RECREATION AND PARKS COMMISSION (Continued)

Summary financial information, as required by accounting principles generally accepted in the United States of America, for the fiscal year ended June 30, 2008, is presented below. (Financial information for the fiscal year ended June 30, 2009 was not available at the report date.)

Table 16: Recreation And Parks (Summary)

Revenues	\$ 2,739,234
Expenditures	<u>(2,637,337)</u>
Excess of Revenues Over Expenditures	\$ 101,897
 Net Assets – July 1, 2007	 <u>756,296</u>
 Net Assets – June 30, 2008	 <u>\$ 858,193</u>
 Total Assets	 <u>\$ 1,075,916</u>
Total Liabilities	<u>\$ 217,723</u>
Total Net Assets	<u>\$ 858,193</u>

No joint venture debt was reported on the financial statements of the Recreation and Parks Commission as of June 30, 2008. However, Blount County, Tennessee has issued \$1,325,000, in variable-rate bonds on behalf of the Commission's new Senior Citizen Center. The City of Maryville is responsible for thirty percent (30%) of the debt service on those bonds, as described in Note 7.

Capital Assets of the Recreation and Parks Commission (\$209,636 (net) at June 30, 2008) are included in the Total Assets shown above.

The Recreation and Parks Commission issues a publicly available financial report. A copy may be obtained by writing to Recreation and Parks Commission, 316 Everett High Road, Maryville, TN 37804.

(D) BLOUNT COUNTY CABLE TELEVISION AUTHORITY

The City of Maryville, Blount County, and the City of Alcoa, Tennessee jointly regulate the operation of cable television through the Blount County Cable Television Authority. The Authority is composed of nine (9) appointed members. The Authority funds its budget through the collection of cable television franchise fees from companies under its jurisdiction. After payment of the Authority's expenses, the residual of those collections is remitted to the County and the two Cities based on point of collection.

Summary financial information, as required by accounting principles generally accepted in the United States of America, for the fiscal year ended June 30, 2009, is presented in Table 17 on the following page:

No joint venture debt was reported on the financial statements of the Authority as of June 30, 2009.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 14 - JOINT VENTURES (Continued):

(D) BLOUNT COUNTY CABLE TELEVISION AUTHORITY (Continued)

Table 17: Cable Television Authority (Summary)

Revenues	\$ 911,813
Expenditures	<u>33,133</u>
Excess of Revenues Over Expenditures Before Franchise Fee Distributions	878,680
Franchise Fee Distributions to County and Cities	<u>880,976</u>
Excess (Deficiency) of Revenues Over Expenditures and Franchise Fee Distributions	(2,296)
Fund Balance - July 1, 2008	<u>22,946</u>
Fund Balance - June 30, 2009	<u>\$ 20,650</u>
Total Assets	<u>\$ 226,128</u>
Total Liabilities	<u>\$ 205,478</u>
Total Fund Balance	<u>\$ 20,650</u>

The Blount County Cable Television Authority issues a publicly available financial report. A copy may be obtained by writing to Blount County Cable Television Authority, P. O. Box 4338, Maryville, TN 37802.

(E) INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY, TENNESSEE

The Industrial Development Board of Blount County, Tennessee was organized pursuant to a resolution of the Blount County Quarterly Court in a special called session on September 30, 1969. A certificate of incorporation was received from the Secretary of State of the State of Tennessee dated October 1, 1969. The Industrial Development Board is governed by seven (7) directors. The purpose of the Industrial Development Board is to promote industrial development, provide additional job opportunities in Blount County, Tennessee and surrounding areas, and to exercise the authority and pursue the objectives of an industrial development corporation as provided for in Title 7, Chapter 53, of the Tennessee Code Annotated.

For the fiscal year ended June 30, 2009, the City of Maryville contributed \$246,760 to the Industrial Development Board of Blount County, Tennessee (exclusive of payments in the amount of \$2,105,897 for the development and operation of three (3) industrial parks as more fully described in Note 15).

Summary financial information, as required by accounting principles generally accepted in the United States of America, for the fiscal year ended June 30, 2009 is presented below:

**Table 18: Industrial Development Board
of Blount County, Tennessee (Summary)**

Revenues	\$ 7,198,206
Expenditures	<u>6,504,801</u>
Excess of Revenues Over Expenditures	693,405
Net Assets – July 1, 2008	<u>20,891,234</u>
Net Assets – June 30, 2009	<u>\$ 21,584,639</u>
Total Assets	<u>\$ 60,558,696</u>
Total Liabilities	<u>\$ 38,974,057</u>
Net Assets	<u>\$ 21,584,639</u>

The Industrial Development Board of Blount County, Tennessee issues a publicly available report. A copy may be obtained by writing to Industrial Development Board of Blount County, Tennessee, 201 S. Washington Street, Maryville, Tennessee 37804.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 15 – JOINT DEVELOPMENT OF INDUSTRIAL PARKS:

(A) PARTNERSHIP PARK NORTH – PARTNERSHIP PARK SOUTH

Pursuant to an Intergovernmental Cooperation Agreement dated December 16, 1997, by and among the City of Maryville, Tennessee, the City of Alcoa, Tennessee, Blount County, Tennessee, and the Industrial Development Board of Blount County, Tennessee, the two (2) cities and Blount County agreed to provide financial assistance to the Industrial Development Board in connection with the purchase of certain property and the development and operation of such property as two (2) industrial parks. Such financial assistance is to be provided as follows: Blount County – forty percent (40%); City of Maryville – thirty percent (30%); and City of Alcoa – thirty percent (30%).

Under the terms of the agreement, a joint operating committee, composed of one (1) representative from each of the parties to the agreement, shall have overall control of the two (2) industrial parks – the Partnership Park South (Herron property) and the Partnership Park North (Burkhart property). Such overall control shall include the right to approve all sales of property in the Industrial Parks; approve all budgets related to the operation of the Industrial Parks; approve all capital improvements to the Industrial Parks; and approve all design guidelines, restrictive covenants, and management policies regarding the Industrial Parks.

In addition to financial assistance provided to the Industrial Development Board by the City of Maryville, the City of Alcoa, and Blount County, the Industrial Development Board is to receive the proceeds from the sale of land in the Industrial Parks together with other receipts in connection with the operation, development, and maintenance of the Industrial Parks. Also, amounts equivalent to the property taxes received with respect to any property within either of the Industrial Parks is to be contributed to the Industrial Board.

(B) THE PELLISSIPPI RESEARCH CENTRE ON THE OAK RIDGE CORRIDOR

Pursuant to an Intergovernmental Cooperation Agreement dated May 2006 by and among the City of Maryville, Tennessee; the City of Alcoa, Tennessee; Blount County, Tennessee; Knox County, Tennessee; and the Industrial Development Board of Blount County, Tennessee, the two (2) cities and two (2) counties agreed to provide financial assistance to the Industrial Development Board in connection with the purchase of certain property and the development and operation of such property as a research and development industrial park. Such financial assistance is to be provided as follows: Blount County – twenty-five percent (25%); Knox County – twenty-five percent (25%); City of Maryville – twenty-five percent (25%); and City of Alcoa – twenty-five percent (25%).

Under the terms of the agreement, a joint operating committee, composed of one (1) representative from each of the parties to the agreement, shall have overall control of the industrial park. Such overall control shall include the right to approve all sales of property in the Industrial Park; approve all budgets related to the operation of the Industrial Park; approve all capital improvements to the Industrial Park; and approve all design guidelines, restrictive covenants, and management policies regarding the Industrial Park.

In addition to financial assistance provided to the Industrial Development Board by the City of Maryville, the City of Alcoa, Blount County and Knox County, the Industrial Development Board is to receive the proceeds from the sale of land in the Industrial Park together with other receipts in connection with the operation, development, and maintenance of the Industrial Park. Also, amounts equivalent to the property taxes received with respect to any property within the Industrial Park is to be contributed to the Industrial Board if needed for operation. Otherwise, the property taxes are remitted to the two (2) cities and two (2) counties based upon the above percentages.

The City's funding pursuant to this agreement is \$5,000,000. At June 30, 2007, the City had an outstanding commitment of \$3,000,000. On June 20, 2008 the City issued \$3,000,000 of Tennessee Local Government Public Improvement Bond Financing notes to fund this commitment. These funds are held by the bond trustee. During the fiscal year the trustee disbursed \$1,900,000 to the Industrial Development Board. At June 30, 2009 the trustee held \$1,053,395.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 16 - FUND BALANCE:

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated, or (2) identify the portion of the fund balance that is not appropriate for future expenditures. Designations of fund balances reflect Management's tentative plans or commitments of governmental resources. Specific reservations and designations of the fund balance accounts are summarized below:

Reserve for Inventories: This reserve was created to represent the portion of the fund balance that is not available for expenditures because the City expects to use these resources within the subsequent fiscal year.

Reserve for Prepaid Items: This reserve was created to represent the portion of the fund balance that is not available for expenditures because prepaid items do not represent available expendable financial resources.

Reserve for Debt Service (Interest and Debt Redemption): This reserve was created to segregate a portion of the fund balance account for debt service, including both principal payments and interest payments.

Designation for Capital Projects (Improvements): This designation was created to identify a portion of the fund balance to be used for certain capital improvements subsequent to June 30, 2009.

Designation for Food Service: This designation was created to identify a portion of the fund balance to be used for food service operations subsequent to June 30, 2009.

Designation for Instruction: This designation was created to identify a portion of the fund balance to be used for instruction subsequent to June 30, 2009.

Designation for Maintenance and Operation: This designation was created to identify a portion of the fund balance to be used for maintenance and operation subsequent to June 30, 2009.

NOTE 17 – RISK FINANCING ACTIVITIES:

It is the policy of the City of Maryville to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, worker's compensation, and employee health and accident claims. Settled claims have not exceeded this commercial coverage in any of the past three (3) fiscal years.

The City maintains its funds with financial institutions which participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Participating banks determine the aggregate balance of their public funds accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must be equal to at least one hundred five percent (105%) of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public funds accounts are pledged to the State Treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in aggregate rather than against each individual account. Under this assessment agreement, public funds accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

NOTE 18 - PENDING LITIGATION:

The City of Maryville, Tennessee is involved in various litigation arising in the ordinary course of its operations, including an alleged wrongful death suit. The City is vigorously defending each of the suits. The outcome of these suits is not presently determinable. However, management believes that if any suit results an unfavorable outcome that its insurance coverage is sufficient to cover any judgment.

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 19- CAPITAL LEASE OBLIGATION

On May 2, 2006 the City Council adopted a resolution authorizing the execution of a lease agreement with respect to a Civic Arts Center; to be constructed on the campus of Maryville College; approving the issuance of bonds by the Industrial Development Board of Blount County to finance such Civic Arts Center; consenting to the assignment of the City's obligation under the lease agreement; and such other matters with respect to the Civic Arts Center.

The City approved the Industrial Board's issuance of bonds, not to exceed \$33,685,000, for the construction of the Civic Arts Center. The lease obligates the City to pay annually an amount not to exceed 71.43% of the rental payments due, which rental payments shall be an amount equal to a percentage of the principal of and premium, if any, and interest on the Bonds approved under the resolution. The resolution also authorizes the City to levy and collect a direct annual tax sufficient, with any other funds available and pledged, to pay the rental payments due under the lease.

The Industrial Board entered into a fifty (50) year lease with Maryville College to lease the land on which the Civic Arts Center is to be constructed. At the end of the fifty year lease, the Civic Arts Center becomes the property of Maryville College.

Maryville College has committed a total of \$18,000,000 toward the debt service of the bonds. Any amounts paid will reduce the City of Maryville's obligation under the lease. If Maryville College fulfills its commitment, the City's Lease Obligation would be reduced by \$12,857,400.

Interest Rate Risk – As the bonds bear interest at a variable rate, and the lease payments are an amount equal to the total debt service, including interest, the City has risk associated with changes in interest rates. A rate of 4.5% has been used to determine the above obligations under the lease. The City has purchased insurance to protect the bond holders in the event the City defaults on its lease obligations, including defaults as a result in changes in the interest rate.

Bonds in the amount of \$32,000,000 were issued by the Industrial Board on December 14, 2006.

The following presents a summary of the Capital Lease Commitment as of June 30, 2009.

<u>Present Value Of Minimum Lease Payments</u>	<u>Interest</u>	<u>Total Minimum Lease Payments</u>
\$ 22,857,603	\$ 17,331,779	\$ 40,189,382

These total minimum lease payments are payable as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2010	\$ 1,135,737
2011	1,505,923
2012	1,502,084
2013	1,497,441
2014	<u>1,509,852</u>
Subtotal	<u>7,151,037</u>
2015 – 2019	7,496,401
2020 – 2024	7,497,652
2025 – 2029	7,524,348
2030 – 2034	7,525,866
2035 – 2036	<u>2,994,078</u>
Subtotal	<u>33,038,345</u>
	<u>\$ 40,189,382</u>

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 20- SUBSEQUENT EVENTS:

School Loan

On October 30, 2009, the City Council adopted a resolution authorizing the execution of a loan agreement between the City and the Tennessee State School Bond Authority for purposes of borrowing an amount not to exceed \$18,750,000 of the Authority's 2009 Qualified School Construction Bond issuance. The loan, to be repaid from general revenues of the City, will fund construction of the new Coulter Grove Intermediate School. The transaction is expected to close by December 17, 2009, and will carry a fixed interest rate of 1.515% and a maximum annual administrative fee of 0.75%. Repayment will occur over seventeen (17) years.

Water Loan

On September 28, 2009, City Council adopted a resolution authorizing the execution of a loan agreement among the City, the Tennessee Department of Environment and Conservation, and the Tennessee Local Development Authority for purposes of borrowing \$3,840,000 for certain water and wastewater capital projects. Of this amount, a portion - \$1,536,000 - will be forgiven as a result of funds provided by the American Recovery & Reinvestment Act (ARRA). The principal repayment amount of \$2,304,000 will be paid from net revenues of the City's Water & Wastewater system. The loan was closed October 27, 2009, and carries a fixed interest rate of 2.09% with repayment over 20 years.

Termination of Swap Agreements

On September 1, 2009, the City terminated its swap agreements on bonds with an outstanding notional amount of \$11,465,000. The City incurred a loss on the termination of \$450,000. The remaining swaps with a notional value of \$20,000,000 were terminated on December 1, 2009 at a loss to the City of \$2,750,000. The loss was funded with the issuance of \$2,785,000 fixed-rate bonds at an average rate of 4.15%.

Refinancing of Variable Rate Bonds

On December 1, 2009, simultaneously with termination of the remaining swap agreements, the City issued tax-exempt fixed rate bonds in the amount of \$16,365,000 to refinance a portion of the variable rate Series E-8-A bonds in the amount of \$16,915,000. Average rate for the refunding bonds is 4.22%.

CITY OF MARYVILLE, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2009

**CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF FUNDING PROGRESS FOR
THE CITY RETIREMENT PLAN
(Dollar amounts in Thousands)
For the Fiscal Year Ended June 30, 2009**

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	Actuarial Covered Payroll c	UAAL as a Percentage of Covered Payroll (b-a)/c
7/01/07	\$ 44,759	\$ 57,855	\$ 13,096	77.36%	\$ 18,270	71.68%

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the Entry Age actuarial cost method was a change made during the year and therefore only the most current year is presented.

See accompanying independent auditors' report and notes.

**CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF FUNDING PROGRESS FOR
POST-EMPLOYMENT BENEFIT PLANS
(Dollar amounts in Thousands)
For the Fiscal Year Ended June 30, 2009**

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	Actuarial Covered Payroll c	UAAL as a Percentage of Covered Payroll (b-a)/c
City Retirees:						
7/01/08	\$ -	\$ 13,178	\$ 13,178	0%	\$ 16,053	82%
School Retirees:						
7/01/08	\$ -	\$ 24,721	\$ 24,721	0%	\$ 24,226	102%

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CITY OF MARYVILLE, TENNESSEE
OTHER SUPPLEMENTARY INFORMATION
June 30, 2009

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CITY OF MARYVILLE, TENNESSEE
COMBINING FUND FINANCIAL STATEMENTS
June 30, 2009

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

State Street Aid Fund – The State Street Aid Fund is used to account for the State gasoline tax. Proceeds of this tax must be expended for the improvement and maintenance of City streets.

Maryville City Schools Cafeteria Fund – The Maryville City Schools Cafeteria Fund is used to account for the operations of all cafeterias in the Maryville City School System. Revenues are provided primarily by the sale of meals (breakfasts, lunches, and a la carte items) and reimbursements from the United States Department of Agriculture (USDA).

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

Special Projects Fund – The Special Projects Fund is used to account for the proceeds from the sale of traffic signals to the Electric Department. These traffic signals have generally been donated to the City by the State as a result of highway or intersection construction projects. The proceeds are expended on special projects that are not routine in nature. Over the past several years, the City Council has directed that these funds be used or accumulated for Downtown revitalization projects.

Solid Waste Management Fund – The Solid Waste Management Fund is used to account for solid waste collection and disposal costs as mandated by State law. Major funding is provided by the transfer of property tax revenue from the General Fund.

Animal Control Fund – The Animal Control Fund is used to account for the costs of animal control and the City's animal shelter. Primary sources of funding include animal control fees and the transfer of property tax revenue from the General Fund.

Maryville City Schools Continuing Care Program Fund – The Maryville City Schools Continuing Care Program Fund is used to account for the revenues (primarily fees) and expenditures of the before- and after-school programs at the four (4) City of Maryville elementary schools.

Drug Fund – The Drug Fund is used to account for revenues (primarily drug related fines) which must be expended on drug-enforcement operations of the City.

Foothills Fall Festival Fund – The Foothills Fall Festival Fund is used to account for the revenues (primarily sponsorships and ticket sales) and expenditures of the City of Maryville Foothills Fall Festival.

Industrial Development Fund – The Industrial Development Fund is used to account for economic development activities of the City.

Summer Feeding Program Fund – The Summer Feeding Program Fund is used to account for the revenues and expenditures associated with providing meals to the East Tennessee Human Resource Agency.

Geographic Information System Fund – The Geographic Information System Fund is used to account for the revenues (primarily intergovernmental funding) and expenditures associated with the development and maintenance of a geographic information system.

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

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

Equipment Replacement Fund – The Equipment Replacement Fund is used to account for expenditures incurred in the acquisition of general fixed assets. The primary source of funding is transfers from the General Fund. Prior to July 1, 1997, the Equipment Replacement Fund was classified as a Special Revenue Fund.

Capital Projects Fund – The Capital Projects Fund was established during the fiscal year ended June 30, 2006 and is used to account for all of the city's major capital projects. Funding is provided by debt issues and the City's share of proceeds from Blount County's bonds issued for school construction.

**CITY OF MARYVILLE, TENNESSEE
COMBINING BALANCE SHEET
Non-major Governmental Funds
June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008**

<u>ASSETS</u>	<u>Special Revenue Funds</u>						
	<u>State Street Aid</u>	<u>Maryville City Schools Cafeteria</u>	<u>Federal Projects</u>	<u>Special Projects</u>	<u>Solid Waste Management</u>	<u>Animal Control</u>	<u>Maryville City Schools Continuing Care Program</u>
Cash	\$ -	\$ 401,498	\$ -	\$ -	\$ -	\$ -	\$ 296,024
Investments	-	-	-	-	-	-	-
Pooled Cash	-	393,177	-	-	121,436	54,978	-
Pooled Investments	533,766	-	-	-	-	-	-
Accounts receivable	-	893	-	-	11,919	836	3,101
Due from other governments	56,240	-	790,117	-	-	-	-
Inventories	-	125,296	-	-	-	-	-
Due from other funds	-	-	-	68,094	-	-	-
Prepaid items	-	-	-	-	-	-	-
Funds held by Fiscal Agent	-	-	-	-	-	-	-
Total Assets	<u>\$ 590,006</u>	<u>\$ 920,864</u>	<u>\$ 790,117</u>	<u>\$ 68,094</u>	<u>\$ 133,355</u>	<u>\$ 55,814</u>	<u>\$ 299,125</u>
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Accounts payable	\$ 19,428	\$ -	\$ 182,609	\$ -	\$ 76,624	\$ 1,078	\$ 4,891
Due to other funds	-	791,633	570,083	-	-	-	55,098
Accrued payroll	-	-	22,662	-	-	-	-
Deferred revenue	-	-	14,763	-	-	-	-
Total Liabilities	<u>19,428</u>	<u>791,633</u>	<u>790,117</u>	<u>-</u>	<u>76,624</u>	<u>1,078</u>	<u>59,989</u>
Fund Balances (Deficits):							
Reserved for:							
Inventories	-	125,296	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Unreserved:							
Designated for Capital Projects	-	-	-	-	-	-	-
Undesignated	<u>570,578</u>	<u>3,935</u>	<u>-</u>	<u>68,094</u>	<u>56,731</u>	<u>54,736</u>	<u>239,136</u>
Total Fund Balances	<u>570,578</u>	<u>129,231</u>	<u>-</u>	<u>68,094</u>	<u>56,731</u>	<u>54,736</u>	<u>239,136</u>
Total Liabilities and Fund Balances	<u>\$ 590,006</u>	<u>\$ 920,864</u>	<u>\$ 790,117</u>	<u>\$ 68,094</u>	<u>\$ 133,355</u>	<u>\$ 55,814</u>	<u>\$ 299,125</u>

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMBINING BALANCE SHEET (Continued)
Non-major Governmental Funds
June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	Special Revenue Funds					Total Special Revenue Funds 2009
<u>ASSETS</u>	<u>Drug</u>	<u>Foothills Fall Festival</u>	<u>Industrial Development Fund</u>	<u>Summer Feeding Program</u>	<u>GIS Fund</u>	
Cash	\$ -	\$ 54	\$ -	\$ -	\$ -	\$ 697,576
Investments	-	-	-	-	-	-
Pooled Cash	248,142	261,336	555,432	-	-	1,634,501
Pooled Investments	-	-	-	-	-	533,766
Accounts receivable	-	10,000	2,925	36,573	700	66,947
Due from other governments	-	-	-	-	41,501	887,858
Inventories	-	-	-	-	-	125,296
Due from other funds	-	-	-	40,639	10,375	119,108
Prepaid items	-	1,537	-	-	-	1,537
Funds held by Fiscal Agent	-	-	1,053,395	-	-	1,053,395
	<u>\$ 248,142</u>	<u>\$ 272,927</u>	<u>\$ 1,611,752</u>	<u>\$ 77,212</u>	<u>\$ 52,576</u>	<u>\$ 5,119,984</u>
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Accounts payable	\$ 4,218	\$ 103	\$ 80	\$ -	\$ 63	\$ 289,094
Due to other funds	-	50,108	-	-	1,833	1,468,755
Accrued payroll	-	-	-	-	-	22,662
Deferred revenue	-	47,194	-	-	-	61,957
	4,218	97,405	80	-	1,896	1,842,468
Fund Balances:						
Reserved for:						
Inventories	-	-	-	-	-	125,296
Prepaid items	-	1,537	-	-	-	1,537
Unreserved:						
Designated for Capital Projects	-	-	-	-	-	-
Undesignated	243,924	173,985	1,611,672	77,212	50,680	3,150,683
	243,924	175,522	1,611,672	77,212	50,680	3,277,516
Total Fund Balances	<u>243,924</u>	<u>175,522</u>	<u>1,611,672</u>	<u>77,212</u>	<u>50,680</u>	<u>3,277,516</u>
Total Liabilities and Fund Balances	<u>\$ 248,142</u>	<u>\$ 272,927</u>	<u>\$ 1,611,752</u>	<u>\$ 77,212</u>	<u>\$ 52,576</u>	<u>\$ 5,119,984</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMBINING BALANCE SHEET (Continued)
Non-major Governmental Funds
June 30, 2009

With Comparative Totals for the Fiscal Year Ended June 30, 2008

<u>ASSETS</u>	<u>Capital Projects Funds</u>		<u>Total Capital Project Funds 2009</u>	<u>Total Non-major Governmental Funds 2009</u>	<u>Total Non-major Governmental Funds 2008</u>
	<u>Capital Projects</u>	<u>Equipment Replacement</u>			
Cash	\$ -	\$ -	\$ -	\$ 697,576	\$ 407,317
Investments	-	-	-	-	20,971
Pooled Cash	-	142,289	142,289	1,776,790	1,431,805
Pooled Investments	34,173	-	34,173	567,939	648,916
Accounts receivable	-	-	-	66,947	84,508
Due from other governments	-	-	-	887,858	615,044
Inventories	-	-	-	125,296	113,425
Due from other funds	-	-	-	119,108	121,668
Prepaid items	-	-	-	1,537	2,281
Funds held by Fiscal Agent	-	-	-	1,053,395	2,953,395
	<u>\$ 34,173</u>	<u>\$ 142,289</u>	<u>\$ 176,462</u>	<u>\$ 5,296,446</u>	<u>\$ 6,399,330</u>
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	\$ -	\$ 5	\$ 5	\$ 289,099	\$ 158,105
Due to other funds	-	-	-	1,468,755	1,614,665
Accrued payroll	-	-	-	22,662	12,017
Deferred revenue	-	-	-	61,957	100,550
	-	5	5	1,842,473	1,885,337
Fund Balances:					
Reserved for:					
Inventories	-	-	-	125,296	113,425
Prepaid items	-	-	-	1,537	2,281
Unreserved:					
Designated for Capital Projects	34,173	142,284	176,457	176,457	265,845
Undesignated	-	-	-	3,150,683	4,132,442
	34,173	142,284	176,457	3,453,973	4,513,993
	<u>\$ 34,173</u>	<u>\$ 142,289</u>	<u>\$ 176,462</u>	<u>\$ 5,296,446</u>	<u>\$ 6,399,330</u>

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Special Revenue Funds</u>						
	<u>State Street Aid</u>	<u>Maryville City Schools Cafeteria</u>	<u>Federal Projects</u>	<u>Special Projects</u>	<u>Solid Waste Management</u>	<u>Animal Control</u>	<u>Maryville City Schools Continuing Care Program</u>
Revenues:							
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,708	\$ -
Intergovernmental:							
State gasoline tax	608,262	-	-	-	-	-	-
Federal grants	-	-	1,986,446	-	-	-	-
State grants	-	-	-	-	-	-	-
U.S.D.A. reimbursements	-	678,649	-	-	-	-	-
Other	-	22,299	-	-	-	-	-
Charges for Services	-	1,358,182	-	-	202,412	-	901,453
Fines, forfeitures and court costs	-	-	-	-	-	-	-
Investment income	-	701	-	-	-	-	280
Foothills Fall Festival revenue	-	-	-	-	-	-	-
Miscellaneous	-	11,669	-	14,145	913	-	-
Total Revenues	<u>608,262</u>	<u>2,071,500</u>	<u>1,986,446</u>	<u>14,145</u>	<u>203,325</u>	<u>9,708</u>	<u>901,733</u>
Expenditures:							
Current:							
General Government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	205,865	-
Public works	668,997	-	-	-	2,488,091	-	-
Culture and recreation	-	-	-	14,251	-	-	-
Economic Development	-	-	-	-	-	-	-
Education	-	2,424,002	1,986,446	-	-	-	841,790
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>668,997</u>	<u>2,424,002</u>	<u>1,986,446</u>	<u>14,251</u>	<u>2,488,091</u>	<u>205,865</u>	<u>841,790</u>

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Special Revenue Funds</u>					
	<u>Drug</u>	<u>Foothills Fall Festival</u>	<u>Industrial Development</u>	<u>Summer Feeding Program</u>	<u>GIS Fund</u>	<u>Total Special Revenue Funds</u>
Revenues:						
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,708
Intergovernmental:						
State gasoline tax	-	-	-	-	-	608,262
Federal grants	-	-	-	-	-	1,986,446
State grants	-	-	-	-	-	-
U.S.D.A. reimbursements	-	-	-	-	-	678,649
Other	-	-	-	-	130,570	152,869
Charges for Services	-	-	-	98,112	-	2,560,159
Fines, forfeitures and court costs	47,536	-	-	-	-	47,536
Investment income	-	-	-	-	-	981
Foothills Fall Festival revenue	-	690,561	-	-	-	690,561
Miscellaneous	<u>147,640</u>	<u>-</u>	<u>334,397</u>	<u>-</u>	<u>31,213</u>	<u>539,977</u>
Total Revenues	<u>195,176</u>	<u>690,561</u>	<u>334,397</u>	<u>98,112</u>	<u>161,783</u>	<u>7,275,148</u>
Expenditures:						
Current:						
General Government	-	-	-	-	195,855	195,855
Public safety	70,560	-	-	-	-	276,425
Public works	-	-	-	-	-	3,157,088
Culture and recreation	-	624,102	-	-	-	638,353
Economic Development	-	-	2,057,450	-	-	2,057,450
Education	-	-	-	67,405	-	5,319,643
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>70,560</u>	<u>624,102</u>	<u>2,057,450</u>	<u>67,405</u>	<u>195,855</u>	<u>11,644,814</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	Special Revenue Funds						
	State Street Aid	Maryville City Schools Cafeteria	Federal Projects	Special Projects	Solid Waste Management	Animal Control	Maryville City Schools Continuing Care Program
Net Change in Fund Balance Before Other Financing Sources (Uses)	<u>(60,735)</u>	<u>(352,502)</u>	<u>-</u>	<u>(106)</u>	<u>(2,284,766)</u>	<u>(196,157)</u>	<u>59,943</u>
Other Financing Sources (Uses);							
Transfers In:							
General Fund	-	-	-	-	2,287,266	228,576	-
Special Revenue Funds	-	352,502	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-
Enterprise Funds	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Issuance of Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>352,502</u>	<u>-</u>	<u>-</u>	<u>2,287,266</u>	<u>228,576</u>	<u>-</u>
Net Change in Fund Balance	(60,735)	-	-	(106)	2,500	32,419	59,943
Fund Balance, July 1st	631,313	117,361	-	68,200	54,231	22,317	179,193
Change in Reserve for Inventory	<u>-</u>	<u>11,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30th	<u>\$ 570,578</u>	<u>\$ 129,231</u>	<u>\$ -</u>	<u>\$ 68,094</u>	<u>\$ 56,731</u>	<u>\$ 54,736</u>	<u>\$ 239,136</u>

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Special Revenue Funds</u>					
	<u>Drug</u>	<u>Foothills Fall Festival</u>	<u>Industrial Development</u>	<u>Summer Feeding Program</u>	<u>GIS Fund</u>	<u>Total Special Revenue Funds</u>
Net Change in Fund Balances Before Other Financing Sources (Uses)	<u>124,616</u>	<u>66,459</u>	<u>(1,723,053)</u>	<u>30,707</u>	<u>(34,072)</u>	<u>(4,369,666)</u>
Other Financing Sources (Uses); Transfers In:						
General Fund	-	-	-	-	16,321	2,532,163
Special Revenue Funds	-	-	-	-	-	352,502
Capital Projects Funds	-	-	-	-	-	-
Enterprise Funds	-	-	-	-	48,964	48,964
Transfers Out	-	-	-	-	-	-
Issuance of Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,285</u>	<u>2,933,629</u>
Net Change in Fund Balance	124,616	66,459	(1,723,053)	30,707	31,213	(1,436,037)
Fund Balance, July 1st	119,308	109,063	3,334,725	46,505	19,467	4,701,683
Change in Reserve for Inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,870</u>
Fund Balance, June 30th	<u>\$ 243,924</u>	<u>\$ 175,522</u>	<u>\$ 1,611,672</u>	<u>\$ 77,212</u>	<u>\$ 50,680</u>	<u>\$ 3,277,516</u>

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Capital Project Funds</u>		<u>Total Capital Projects Funds</u>	<u>Total Non-major Governmental Funds 2009</u>	<u>Total Non-major Governmental Funds 2008</u>
	<u>Capital Projects</u>	<u>Equipment Replacement</u>			
Revenues:					
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ 9,708	\$ 18,903
Intergovernmental:					
State gasoline tax	-	-	-	608,262	655,612
Federal grants	-	-	-	1,986,446	1,666,991
State grants	-	-	-	-	98,868
U.S.D.A. reimbursements	-	-	-	678,649	614,673
Other	-	-	-	152,869	306,753
Charges for Services	-	-	-	2,560,159	2,363,569
Fines, forfeitures and court costs	-	-	-	47,536	34,746
Investment income	-	-	-	981	16,629
Foothills Fall Festival revenue	-	-	-	690,561	691,735
Miscellaneous	<u>20,000</u>	<u>76,236</u>	<u>96,236</u>	<u>636,213</u>	<u>295,818</u>
Total Revenues	<u>20,000</u>	<u>76,236</u>	<u>96,236</u>	<u>7,371,384</u>	<u>6,764,297</u>
Expenditures:					
Current:					
General Government	-	-	-	195,855	203,247
Public safety	-	-	-	276,425	437,478
Public works	-	-	-	3,157,088	3,262,124
Culture and recreation	-	-	-	638,353	618,241
Economic Development	-	-	-	2,057,450	293,571
Education	-	-	-	5,319,643	5,226,535
Capital Outlay	<u>23,329</u>	<u>525,624</u>	<u>548,953</u>	<u>548,953</u>	<u>1,551,041</u>
Total Expenditures	<u>23,329</u>	<u>525,624</u>	<u>548,953</u>	<u>12,193,767</u>	<u>11,592,237</u>

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Capital Project Funds</u>		Total Capital Project Funds	Total Non-major Governmental Funds <u>2009</u>	Total Non-major Governmental Funds <u>2008</u>
	<u>Capital Projects</u>	<u>Equipment Replacement</u>			
Net Change in Fund Balance Before Other Financing Sources (Uses)	(3,329)	(449,388)	(452,717)	(4,822,383)	(4,827,940)
Other Financing Sources (Uses); Transfers In:					
General Fund	3,329	360,000	363,329	2,895,492	3,397,773
Special Revenue Funds	-	-	-	352,502	861,211
Capital Projects Funds	-	-	-	-	1,400,000
Enterprise Fund	-	-	-	48,964	50,817
Transfers Out	-	-	-	-	(1,585,000)
Issuance of Debt	-	-	-	-	3,000,000
Total Other Financing Sources (Uses)	<u>3,329</u>	<u>360,000</u>	<u>363,329</u>	<u>3,296,958</u>	<u>7,124,801</u>
Net Change in Fund Balance	-	(89,388)	(89,388)	(1,525,425)	2,296,861
Fund Balance, July 1st	34,173	231,672	265,845	4,967,528	2,197,020
Change in Reserve for Inventory	-	-	-	11,870	20,112
Fund Balance, June 30th	<u>\$ 34,173</u>	<u>\$ 142,284</u>	<u>\$ 176,457</u>	<u>\$ 3,453,973</u>	<u>\$ 4,513,993</u>

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other governmental operating units on a cost-reimbursed basis.

Employee Medical Self-Insurance Fund – The Employee Medical Self-Insurance Fund is used to account for the City of Maryville’s self-insured health insurance program. Premiums charged to various operating funds and employee payroll deductions are placed in this fund for the payment of medical claims and administrative expenses.

Self-Insured Workmen’s Compensation Fund – The Self-Insured Workmen’s Compensation Fund is used to account for the City’s self-insured worker’s compensation program. Premiums charged to various operating funds are placed in this fund for the payment of claims and administrative expenses.

Information Technology Systems Fund – The Information Technology Systems Fund is used to account for the operation of the City’s information technology system. Data processing charges collected from various City funds are placed in this fund for the payment of operating expenses.

Fleet Maintenance Fund – The Fleet Maintenance Fund is used to account for the operation of the City’s vehicle maintenance program. Vehicle maintenance charges collected from various City funds are placed in this fund for the payment of operating expenses.

Facilities Management Fund – The Facilities Management Fund is used to account for the operation of the City’s physical facilities. Charges collected from various City funds are placed in this fund for the payment of operating expenses associated with the City’s physical facilities.

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**CITY OF MARYVILLE, TENNESSEE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2009
With Comparative Totals for June 30, 2008**

	Employee Medical Self- Insurance Fund	Self-Insured Workmen's Compensation Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	<u>Total Internal Service Funds</u>	
						<u>2009</u>	<u>2008</u>
<u>ASSETS</u>							
CURRENT ASSETS:							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,784
Accounts receivable	16,845	-	2,550	-	-	19,395	408,422
Work in progress	-	-	-	-	-	-	455
Parts, supplies, and fuel inventories	-	-	5,353	283,378	-	288,731	422,930
Due from other funds	<u>856,745</u>	<u>302,734</u>	<u>365,924</u>	<u>34,359</u>	<u>80,066</u>	<u>1,639,828</u>	<u>816,053</u>
Total Current Assets	<u>873,590</u>	<u>302,734</u>	<u>373,827</u>	<u>317,737</u>	<u>80,066</u>	<u>1,947,954</u>	<u>1,724,644</u>
CAPITAL ASSETS:							
Building and improvements	-	-	-	873,125	-	873,125	873,125
Data processing equipment	-	-	62,457	-	-	62,457	62,457
Software	-	-	218,557	-	-	218,557	104,905
Fleet maintenance equipment and vehicles	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,834</u>	<u>-</u>	<u>181,834</u>	<u>175,964</u>
	-	-	281,014	1,054,959	-	1,335,973	1,216,451
Less: Accumulated depreciation and amortization	<u>-</u>	<u>-</u>	<u>157,384</u>	<u>596,311</u>	<u>-</u>	<u>753,695</u>	<u>689,713</u>
Net Capital Assets	<u>-</u>	<u>-</u>	<u>123,630</u>	<u>458,648</u>	<u>-</u>	<u>582,278</u>	<u>526,738</u>
Total Assets	<u>\$ 873,590</u>	<u>\$ 302,734</u>	<u>\$ 497,457</u>	<u>\$ 776,385</u>	<u>\$ 80,066</u>	<u>\$ 2,530,232</u>	<u>\$ 2,251,382</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS (Continued)
June 30, 2009
With Comparative Totals for June 30, 2008

	Employee Medical Self- Insurance Fund	Self-Insured Workmen's Compensation Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	<u>Total Internal Service Funds</u>	
						<u>2009</u>	<u>2008</u>
<u>LIABILITIES AND NET ASSETS</u>							
CURRENT LIABILITIES:							
Accounts payable	\$ 33,429	\$ -	\$ 1,965	\$ 26,773	\$ 44,562	\$ 106,729	\$ 133,142
Cash Overdraft	118,158	-	-	-	-	118,158	-
Due to other funds	-	-	-	639,449	-	639,449	731,525
	<u>151,587</u>	<u>-</u>	<u>1,965</u>	<u>666,222</u>	<u>44,562</u>	<u>864,336</u>	<u>864,667</u>
NET ASSETS:							
Invested in capital assets	-	-	123,630	458,648	-	582,278	526,738
Unrestricted (Deficit)	<u>722,003</u>	<u>302,734</u>	<u>371,862</u>	<u>(348,485)</u>	<u>35,504</u>	<u>1,083,618</u>	<u>859,977</u>
	<u>722,003</u>	<u>302,734</u>	<u>495,492</u>	<u>110,163</u>	<u>35,504</u>	<u>1,665,896</u>	<u>1,386,715</u>
Total Liabilities and Net Assets	<u>\$ 873,590</u>	<u>\$ 302,734</u>	<u>\$ 497,457</u>	<u>\$ 776,385</u>	<u>\$ 80,066</u>	<u>\$ 2,530,232</u>	<u>\$ 2,251,382</u>

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	Employee Medical Self- Insurance Fund	Self-Insured Workmen's Compensation Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	<u>Total Internal Service Funds</u>	
						<u>2009</u>	<u>2008</u>
OPERATING REVENUES:							
Insurance charges	\$ 10,362,346	\$ 232,558	\$ -	\$ -	\$ -	\$ 10,594,904	\$ 10,531,403
Facilities charges	-	-	-	-	1,120,240	1,120,240	1,117,118
Data processing charges	-	-	790,601	-	-	790,601	832,298
Equipment repair charges	-	-	-	313,477	-	313,477	264,949
Miscellaneous	<u>-</u>	<u>-</u>	<u>224</u>	<u>1,471</u>	<u>-</u>	<u>1,695</u>	<u>431,146</u>
Total Operating Revenues	<u>10,362,346</u>	<u>232,558</u>	<u>790,825</u>	<u>314,948</u>	<u>1,120,240</u>	<u>12,820,917</u>	<u>13,176,914</u>
OPERATING EXPENSES:							
Salaries and related costs	-	-	536,076	502,773	81,347	1,120,196	1,100,211
Other services	-	-	7,748	16,212	228,186	252,146	210,193
Supplies and parts	-	-	15,773	46,759	33,336	95,868	687,181
Building and office rental	-	-	-	74,325	-	74,325	79,332
Insurance	-	-	-	-	17,416	17,416	24,644
Software licenses and maintenance/ minor equipment	-	-	130,285	-	-	130,285	216,750
Depreciation of capital assets	-	-	12,492	28,760	-	41,252	40,680
Utilities	-	-	-	-	462,270	462,270	336,502
Communications	-	-	23,199	469	36,786	60,454	-
Repair and maintenance	-	-	-	9,736	203,772	213,508	211,771
Amortization of intangible assets	-	-	22,730	-	-	22,730	17,760
Insurance claims premiums and administrative expenses	9,822,228	203,378	-	-	-	10,025,606	10,477,553
Facility Improvements	-	-	-	-	-	-	48,075
Other	<u>-</u>	<u>-</u>	<u>2,007</u>	<u>387</u>	<u>23,286</u>	<u>25,680</u>	<u>-</u>
Total Operating Expenses	<u>9,822,228</u>	<u>203,378</u>	<u>750,310</u>	<u>679,421</u>	<u>1,086,399</u>	<u>12,541,736</u>	<u>13,450,652</u>
OPERATING INCOME (LOSS)	540,118	29,180	40,515	(364,473)	33,841	279,181	(273,738)

(Continued)

CITY OF MARYVILLE, TENNESSEE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS (Continued)
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	Employee Medical Self- Insurance Fund	Self-Insured Workmen's Compensation Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	<u>Total Internal Service Funds</u>	
						<u>2009</u>	<u>2008</u>
NON-OPERATING REVENUES (EXPENSES):							
Transfers out	-	-	-	-	-	-	(116,012)
CHANGE IN NET ASSETS	540,118	29,180	40,515	(364,473)	33,841	279,181	(389,750)
NET ASSETS – July 1 st	<u>181,885</u>	<u>273,554</u>	<u>454,977</u>	<u>474,636</u>	<u>1,663</u>	<u>1,386,715</u>	<u>1,776,465</u>
NET ASSETS – June 30th	<u>\$ 722,003</u>	<u>\$ 302,734</u>	<u>\$ 495,492</u>	<u>\$ 110,163</u>	<u>\$ 35,504</u>	<u>\$ 1,665,896</u>	<u>\$ 1,386,715</u>

See accompanying independent auditors' report

CITY OF MARYVILLE, TENNESSEE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	Employee Medical Self- Insurance Fund	Self-Insured Workmen's Compensation Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	<u>Total Internal Service Funds</u>	
						<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:							
Insurance premiums/reimbursements collected	\$ 1,349,112	\$ -	\$ -	\$ -	\$ -	\$ 1,349,112	\$ 871,926
Collections from various City departments	9,278,772	237,988	826,047	356,903	1,120,240	11,819,950	12,363,765
Payments to other suppliers of goods and services	(9,828,517)	(205,775)	(359,943)	(189,076)	(1,076,628)	(11,659,939)	(13,160,192)
Payments to employees for services	<u>-</u>	<u>-</u>	<u>(390,797)</u>	<u>(354,098)</u>	<u>-</u>	<u>(744,895)</u>	<u>(765,382)</u>
Net Cash Provided By (Used In) Operating Activities	<u>799,367</u>	<u>32,213</u>	<u>75,307</u>	<u>(186,271)</u>	<u>43,612</u>	<u>764,228</u>	<u>(689,883)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Receipts from other funds	-	-	38,345	192,141	-	230,486	963,740
Payments to other funds	<u>(876,151)</u>	<u>(32,213)</u>	<u>-</u>	<u>-</u>	<u>(43,612)</u>	<u>(951,976)</u>	<u>(191,548)</u>
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>(876,151)</u>	<u>(32,213)</u>	<u>38,345</u>	<u>192,141</u>	<u>(43,612)</u>	<u>(721,490)</u>	<u>772,192</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>(113,652)</u>	<u>(5,870)</u>	<u>-</u>	<u>(119,522)</u>	<u>(5,525)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(76,784)	-	-	-	-	(76,784)	76,784

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	Employee Medical Self- Insurance Fund	Self-Insured Workmen's Compensation Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	<u>Total Internal Service Funds</u>	
						<u>2009</u>	<u>2008</u>
CASH AND CASH EQUIVALENTS – July 1	<u>76,784</u>	-	-	-	-	<u>76,784</u>	-
CASH AND CASH EQUIVALENTS – June 30 June 30 th	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,784</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Operating income (loss)	\$ 540,118	\$ 29,180	\$ 40,515	\$ (364,473)	\$ 33,841	279,181	(273,738)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Add non-cash expenses:							
Depreciation	-	-	12,492	28,760	-	41,252	40,680
Amortization	-	-	22,730	-	-	22,730	17,760
Changes in assets and liabilities:							
Due from other funds	-	-	-	41,955	-	41,955	59,168
Accounts receivable	383,696	5,331	-	-	-	389,027	(400,664)
Inventories	-	-	-	134,199	-	134,199	(46,197)
Work in progress	-	-	-	455	-	455	505
Accounts payable	(6,289)	(2,298)	(430)	(27,167)	9,771	(26,413)	(87,397)
Cash overdrafts	<u>(118,158)</u>	-	-	-	-	<u>(118,158)</u>	-
NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES	<u>\$ 799,367</u>	<u>\$ 32,213</u>	<u>\$ 75,307</u>	<u>\$ (186,271)</u>	<u>\$ 43,612</u>	<u>\$ 764,228</u>	<u>\$ (689,883)</u>

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUND TYPES
COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL

Budget Basis

For the Fiscal Year Ended June 30, 2009

With Comparative Totals for the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Totals 2008
	<u>Original</u>	<u>Final</u>			
Revenues:					
Taxes	\$ 39,469,083	\$ 38,179,983	\$ 39,101,582	\$ 921,599	\$ 36,851,183
Licenses, permits and fees	227,030	225,705	187,839	(37,866)	219,892
Intergovernmental	34,759,519	35,904,653	31,949,121	(3,955,532)	26,355,423
Charges for services	3,341,400	3,238,912	3,234,785	(4,127)	3,435,360
Fines, forfeitures and costs	195,000	160,950	163,602	2,652	149,049
Investment income	621,700	621,700	577,600	(44,100)	1,126,371
Miscellaneous revenues	<u>764,340</u>	<u>3,115,724</u>	<u>3,570,884</u>	<u>455,160</u>	<u>947,934</u>
Total Revenues	<u>79,378,072</u>	<u>81,447,627</u>	<u>78,785,413</u>	<u>(2,662,214)</u>	<u>69,085,212</u>
Expenditures:					
Current:					
General government	2,934,420	2,520,033	2,486,039	33,994	2,708,726
Public safety	9,413,568	8,654,356	8,380,192	274,164	8,572,667
Public works	6,196,910	6,046,231	5,809,557	236,674	5,987,383
Culture and recreation	10,037,735	13,159,419	11,546,009	1,613,410	2,019,939
Economic Development	300,350	2,200,350	2,057,450	142,900	293,571
Nondepartmental costs	1,300,447	1,257,000	1,253,913	3,087	958,986
Education	46,105,284	46,619,363	44,437,779	2,181,584	44,058,757
Debt Service:					
Principal retirement	1,636,476	43,341,476	43,120,821	220,655	1,571,182
Interest and fiscal fees	3,839,537	3,839,537	3,115,500	724,037	2,783,357
Capital Outlay	<u>2,064,012</u>	<u>2,100,631</u>	<u>607,562</u>	<u>1,493,069</u>	<u>1,200,928</u>
Total Expenditures	<u>83,828,739</u>	<u>129,738,396</u>	<u>122,814,822</u>	<u>6,923,574</u>	<u>70,155,496</u>
Net Change in Fund Balance Before Other Financing Sources (Uses)	<u>(4,450,667)</u>	<u>(48,290,769)</u>	<u>(44,029,409)</u>	<u>4,261,360</u>	<u>(1,070,284)</u>
Other Financing Sources (Uses):					
Transfers In	17,921,717	17,852,817	15,888,353	(1,964,464)	16,808,602
Transfers Out	(16,015,469)	(15,429,281)	(15,403,294)	25,987	(15,044,797)
Issuance of Debt	<u>-</u>	<u>41,705,000</u>	<u>41,769,716</u>	<u>64,716</u>	<u>3,000,000</u>
Total Other Financing Sources (Uses)	<u>1,906,248</u>	<u>44,128,536</u>	<u>42,254,775</u>	<u>(1,873,761)</u>	<u>4,763,805</u>
Net Change in Fund Balance	(2,544,419)	(4,162,233)	(1,774,634)	2,387,599	3,693,521
Fund Balance, July 1st	24,508,323	24,508,323	24,508,323	-	20,794,690
Change in Reserve for Inventory	<u>-</u>	<u>-</u>	<u>11,870</u>	<u>11,870</u>	<u>20,112</u>
Fund Balance, June 30th	<u>\$ 21,963,904</u>	<u>\$ 20,346,090</u>	<u>\$ 22,745,559</u>	<u>\$ 2,399,469</u>	<u>\$ 24,508,323</u>

See accompanying independent auditors' report.

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DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt not being accounted for in the Enterprise Funds.

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CITY OF MARYVILLE, TENNESSEE
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Totals 2008
	<u>Original</u>	<u>Final</u>			
Revenues:					
Blount County (Apportioned debt proceeds)	\$ -	\$ -	\$ -	\$ -	\$ 2,060,912
Interest earned	-	-	30,000	30,000	100,000
Miscellaneous	-	-	984	984	-
	<u>-</u>	<u>-</u>	<u>30,984</u>	<u>30,984</u>	<u>2,160,912</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>30,984</u>	<u>30,984</u>	<u>2,160,912</u>
Expenditures:					
Debt service:					
Principal retirement	1,636,476	43,341,476	43,120,821	220,655	1,571,182
Interest and fiscal fees	<u>3,839,537</u>	<u>3,839,537</u>	<u>3,115,500</u>	<u>724,037</u>	<u>2,783,365</u>
Total Expenditures	<u>5,476,013</u>	<u>47,181,013</u>	<u>46,236,321</u>	<u>944,692</u>	<u>4,354,547</u>
Net Change in Fund Balance Before					
Other Financing Sources (Uses)	<u>(5,476,013)</u>	<u>(47,181,013)</u>	<u>(46,205,337)</u>	<u>975,676</u>	<u>(2,193,635)</u>
Other Financing Sources (Uses):					
Transfers In	2,510,868	2,510,868	1,630,093	(880,775)	1,266,008
Issuance of Debt	<u>-</u>	<u>41,705,000</u>	<u>41,769,716</u>	<u>64,716</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,510,868</u>	<u>44,215,868</u>	<u>43,399,809</u>	<u>(816,059)</u>	<u>1,266,008</u>
Net Change in Fund Balance	(2,965,145)	(2,965,145)	(2,805,528)	159,617	(927,627)
Fund Balance, July 1 st	<u>14,514,442</u>	<u>14,514,442</u>	<u>14,514,442</u>	<u>-</u>	<u>15,442,069</u>
Fund Balance, June 30th	<u>\$ 11,549,297</u>	<u>\$ 11,549,297</u>	<u>\$ 11,708,914</u>	<u>\$ 159,617</u>	<u>\$ 14,514,442</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
STATE STREET AID – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Original And Final Budgeted Amounts</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Totals 2008</u>
Revenues:				
Intergovernmental - State gasoline tax	\$ 625,000	\$ 608,262	\$ (16,738)	\$ 655,612
Expenditures:				
Streets:				
Street, drainage, and bridge improvement	597,142	468,997	128,145	570,961
Electricity	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total Expenditures	<u>797,142</u>	<u>668,997</u>	<u>128,145</u>	<u>770,961</u>
Net Change in Fund Balance	(172,142)	(60,735)	111,407	(115,349)
Fund Balance, July 1 st	<u>631,313</u>	<u>631,313</u>	<u>-</u>	<u>746,662</u>
Fund Balance, June 30th	<u>\$ 459,171</u>	<u>\$ 570,578</u>	<u>\$ 111,407</u>	<u>\$ 631,313</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
MARYVILLE CITY SCHOOLS CAFETERIA FUND – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Totals 2008</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Student meals	\$ 1,276,500	\$ 1,221,500	\$ 1,125,243	\$ (96,257)	\$ 1,076,939
Adult meals	100,000	100,000	84,166	(15,834)	90,862
U.S.D.A. reimbursements	678,649	678,649	678,649	-	614,673
State matching funds	22,299	22,299	22,299	-	22,515
A la carte items	170,000	170,000	148,773	(21,227)	178,528
Interest earned	3,500	3,500	701	(2,799)	1,287
Miscellaneous	<u>12,500</u>	<u>12,500</u>	<u>11,669</u>	<u>(831)</u>	<u>10,240</u>
Total Revenues	<u>2,263,448</u>	<u>2,208,448</u>	<u>2,071,500</u>	<u>(136,948)</u>	<u>1,995,044</u>
Expenditures:					
Food	863,682	875,822	826,707	49,115	830,570
Supplies (non-food)	86,500	106,500	104,486	2,014	128,575
Equipment	-	16,000	15,668	332	18,540
Supervisor	65,610	65,620	65,620	-	64,882
Cafeteria personnel	791,189	791,189	746,632	44,557	864,042
Payroll taxes	65,545	65,545	57,492	8,053	66,767
Retirement	92,149	92,149	80,771	11,378	92,683
Medical and life insurance	542,925	495,975	491,696	4,279	562,915
Other fringe benefits	11,400	10,200	10,200	-	12,000
Audit services	5,000	5,000	4,800	200	4,600
Travel	3,500	3,500	2,343	1,157	5,290
Staff development	10,000	10,000	3,888	6,112	7,759
Other charges	<u>25,000</u>	<u>25,000</u>	<u>13,699</u>	<u>11,301</u>	<u>13,241</u>
Total Expenditures	<u>2,562,500</u>	<u>2,562,500</u>	<u>2,424,002</u>	<u>138,498</u>	<u>2,671,864</u>
Net Change in Fund Balance Before					
Other Financing Sources (Uses)	(299,052)	(354,052)	(352,502)	1,550	(676,820)
Other Financing Sources (Uses):					
Transfers In	<u>299,052</u>	<u>354,052</u>	<u>352,502</u>	<u>(1,550)</u>	<u>676,211</u>
Net Change in Fund Balance	-	-	-	-	(609)
Change in Reserve for Inventory	-	-	11,870	11,870	20,112
Fund Balance, July 1 st	<u>117,361</u>	<u>117,361</u>	<u>117,361</u>	<u>-</u>	<u>97,858</u>
Fund Balance, June 30th	<u>\$ 117,361</u>	<u>\$ 117,361</u>	<u>\$ 129,231</u>	<u>\$ 11,870</u>	<u>\$ 117,361</u>

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance With Final Budget - Positive (Negative)	Totals <u>2008</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Intergovernmental	\$ 1,835,209	\$ 2,183,104	\$ 1,986,446	\$ (196,658)	\$ 1,569,354
Expenditures:					
Regular instruction	734,578	758,546	758,546	-	573,813
Regular instruction support	104,170	80,474	80,474	-	89,727
Special education instruction	932,663	1,014,003	817,345	196,658	714,386
Special education support	-	51,284	51,284	-	121,636
Vocational education instruction	58,356	55,745	55,745	-	64,456
Vocational education support	5,442	4,139	4,139	-	5,336
Special education transportation	-	218,913	218,913	-	-
Total Expenditures	<u>1,835,209</u>	<u>2,183,104</u>	<u>1,986,446</u>	<u>196,658</u>	<u>1,569,354</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, July 1st	-	-	-	-	-
Fund Balance, June 30th	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
CARL PERKINS PROJECT #09-01
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary	Variance With Final Budget - Positive
	<u>Original</u>	<u>Final</u>	<u>(Basis)</u>	<u>(Negative)</u>
Revenues:				
Monies received through the State of Tennessee	<u>\$ 63,798</u>	<u>\$ 59,884</u>	<u>\$ 59,884</u>	<u>\$ -</u>
Expenditures:				
Vocational Education Instruction:				
Vocational instructional equipment	\$ 58,356	\$ 55,745	\$ 55,745	\$ -
Vocational Education Support:				
Travel	<u>5,442</u>	<u>4,139</u>	<u>4,139</u>	<u>-</u>
Total Expenditures	<u>\$ 63,798</u>	<u>\$ 59,884</u>	<u>\$ 59,884</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
TITLE I PROJECT #09-01
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary (Basis))	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Monies received through the State of Tennessee	\$ 631,648	\$ 626,044	\$ 626,044	\$ _____ -
Expenditures:				
Regular Instruction:				
Salaries and related costs	\$ 555,038	\$ 575,994	\$ 575,994	\$ -
Instructional supplies and materials	<u>25,000</u>	<u>32,304</u>	<u>32,304</u>	<u>-</u>
Total Regular Instruction	<u>580,038</u>	<u>608,298</u>	<u>608,298</u>	<u>-</u>
Regular Instruction Support:				
Salaries and related costs	7,885	-	-	-
Travel	5,827	747	747	-
In-service/staff development	31,582	14,330	14,330	-
Other operating supplies	-	2,669	2,669	-
Other expenditures	<u>6,316</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Regular Instruction Support	<u>51,610</u>	<u>17,746</u>	<u>17,746</u>	<u>-</u>
Total Expenditures	<u>\$ 631,648</u>	<u>\$ 626,044</u>	<u>\$ 626,044</u>	<u>\$ _____ -</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
TITLE II (PART A) PROJECT #09-01
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary (Basis)	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Monies received through the State of Tennessee	<u>\$ 176,251</u>	<u>\$ 175,580</u>	<u>\$ 176,580</u>	<u>\$ -</u>
Expenditures:				
Regular Instruction:				
Salaries and related costs	\$ 140,923	\$ 134,740	\$ 134,740	\$ -
Regular Instruction Support:				
In-service/staff development	<u>35,328</u>	<u>41,840</u>	<u>41,840</u>	<u>-</u>
 Total Expenditures	 <u>\$ 176,251</u>	 <u>\$ 176,580</u>	 <u>\$ 176,580</u>	 <u>\$ -</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
TITLE II (PART D) PROJECT #09-01
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Monies received through the State of				
Tennessee	<u>\$ 4,829</u>	<u>\$ 4,801</u>	<u>\$ 4,801</u>	<u>\$ -</u>
Expenditures:				
Regular Instruction Support:				
In-service/staff development	<u>\$ 4,829</u>	<u>\$ 4,801</u>	<u>\$ 4,801</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS – SPECIAL REVENUE FUND
TITLE III (PART A) (ESL) PROJECT #09-01
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Monies received through the State of Tennessee	<u>\$ 13,617</u>	<u>\$ 14,280</u>	<u>\$ 14,280</u>	<u>\$ -</u>
Expenditures:				
Regular Instruction:				
Other expenditures	<u>\$ 13,617</u>	<u>\$ 14,280</u>	<u>\$ 14,280</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS – SPECIAL REVENUE FUND
TITLE IV (PART A) (SDFS) PROJECT #09-01
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Monies received through the State of Tennessee	<u>\$ 12,403</u>	<u>\$ 11,115</u>	<u>\$ 11,115</u>	<u>\$ -</u>
Expenditures:				
Regular Instruction:				
Other contracted services	\$ -	\$ 1,000	\$ 1,000	\$ -
Other operating supplies	<u>-</u>	<u>228</u>	<u>228</u>	<u>-</u>
Total Regular Instruction	<u>-</u>	<u>1,228</u>	<u>1,228</u>	<u>-</u>
Regular Instruction Support:				
Travel	-	3,222	3,222	-
In-service/staff development	12,403	1,885	1,885	-
Equipment	<u>-</u>	<u>4,780</u>	<u>4,780</u>	<u>-</u>
Total Regular Instruction Support	<u>12,403</u>	<u>9,887</u>	<u>9,887</u>	<u>-</u>
Total Expenditures	<u>\$ 12,403</u>	<u>\$ 11,115</u>	<u>\$ 11,115</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS – SPECIAL REVENUE FUND
TITLE V (PART A) PROJECT #09-01
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Monies received through the State of Tennessee	<u>\$ -</u>	<u>\$ 6,200</u>	<u>\$ 6,200</u>	<u>\$ -</u>
Expenditures:				
Regular Instruction Support: Instructional supplies and materials	<u>\$ -</u>	<u>\$ 6,200</u>	<u>\$ 6,200</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS – SPECIAL REVENUE FUND
IDEA (PART B) PROJECT #08-01
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget - Positive (Negative)</u>
Revenues:			
Monies received through the State of Tennessee	\$ <u> -</u>	\$ <u> 100,493</u>	\$ <u> 100,493</u>
Expenditures:			
Special Education Instruction:			
Salaries and related costs	\$ -	\$ 92,716	\$ (92,716)
Instructional supplies and materials	<u> -</u>	<u> 7,777</u>	<u> (7,777)</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 100,493</u>	<u>\$ (100,493)</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
IDEA PRESCHOOL PROJECT #08-01
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009

	Original and Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance With Final Budget - Positive (Negative)
Revenues:			
Monies received through the State of Tennessee	<u>\$ -</u>	<u>\$ 2,849</u>	<u>\$ 2,849</u>
Expenditures:			
Special Education Instruction: Instructional supplies and materials	<u>\$ -</u>	<u>\$ 2,849</u>	<u>\$ (2,849)</u>

See accompanying independent auditor's report.

**CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
IDEA (PART B) PROJECT 09-01
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Monies received through the State of Tennessee	<u>\$ 899,404</u>	<u>\$ 899,404</u>	<u>\$ 899,404</u>	<u>\$ -</u>
Expenditures:				
Special Education Instruction:				
Teachers	\$ 175,000	\$ 92,262	\$ 92,261	\$ 1
Educational assistants	99,593	160,499	160,497	2
Other salaries and wages	270,000	114,675	114,675	-
Special education equipment	33,807	133,414	133,414	-
Related salary costs	141,603	140,514	140,517	(3)
Instructional supplies and materials	20,000	31,503	31,503	-
Contracts with private agencies	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Education Instruction	<u>770,003</u>	<u>672,867</u>	<u>672,867</u>	<u>-</u>
Special Education Support:				
Other salaries and wages	25,000	-	-	-
Related salary costs	14,401	-	-	-
In-service/staff development	10,000	7,624	7,624	-
Other contracted services	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Education Support	<u>129,401</u>	<u>7,624</u>	<u>7,624</u>	<u>-</u>
Transportation:				
Bus drivers	-	72,951	72,951	-
Other salaries and wages	-	66,477	66,477	-
Related salary costs	<u>-</u>	<u>79,485</u>	<u>79,485</u>	<u>-</u>
Total Transportation	<u>-</u>	<u>218,913</u>	<u>218,913</u>	<u>-</u>
Total Expenditures	<u>\$ 899,404</u>	<u>\$ 899,404</u>	<u>\$ 899,404</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
IDEA PRESCHOOL PROJECT #09-01
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Monies received through the State of Tennessee	<u>\$ 33,259</u>	<u>\$ 33,512</u>	<u>\$ 33,512</u>	<u>\$ -</u>
Expenditures:				
Special Education Instruction:				
Salaries and related costs	\$ 23,823	\$ 24,795	\$ 24,795	\$ -
Instructional supplies and materials	9,436	4,042	4,042	-
Equipment	<u>-</u>	<u>4,675</u>	<u>4,675</u>	<u>-</u>
	<u>\$ 33,259</u>	<u>\$ 33,512</u>	<u>\$ 33,512</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
IDEA (PART B) PROJECT #08-21
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Monies received through the State of Tennessee	<u>\$ -</u>	<u>\$ 51,284</u>	<u>\$ 51,284</u>	<u>\$ -</u>
Expenditures:				
Special Education Support: Other contracted services	<u>\$ -</u>	<u>\$ 51,284</u>	<u>\$ 51,284</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
IDEA (PART B) ARRA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Monies received through the State of Tennessee	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ (300,000)</u>
Expenditures:				
Special Education Instruction:				
Equipment	-	129,588	-	129,588
Equipment repair and maintenance	<u>-</u>	<u>170,412</u>	<u>-</u>	<u>170,412</u>
	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 300,000</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
SPECIAL PROJECTS – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Totals 2008
	<u>Original</u>	<u>Final</u>			
Revenues	\$ 3,500	\$ 11,757	\$ 14,145	\$ 2,388	\$ -
Expenditures:					
Spring event	-	8,257	8,257	-	-
Special projects	<u>9,000</u>	<u>9,000</u>	<u>5,994</u>	<u>3,006</u>	<u>24,934</u>
Total Expenditures	<u>9,000</u>	<u>17,257</u>	<u>14,251</u>	<u>3,006</u>	<u>24,934</u>
Net Change in Fund Balance Before Other Financing Sources (Uses)	(5,500)	(5,500)	(106)	5,394	(24,934)
Other Financing Sources (Uses):					
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(185,000)</u>
Net Change in Fund Balances	(5,500)	(5,500)	(106)	5,394	(209,934)
Fund Balance, July 1st	<u>68,200</u>	<u>68,200</u>	<u>68,200</u>	<u>-</u>	<u>278,134</u>
Fund Balance, June 30th	<u>\$ 62,700</u>	<u>\$ 62,700</u>	<u>\$ 68,094</u>	<u>\$ 5,394</u>	<u>\$ 68,200</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
SOLID WASTE MANAGEMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	Original And Final Budgeted <u>Amounts</u>	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Totals <u>2008</u>
Revenues	\$ 32,200	\$ 203,325	\$ 171,125	\$ 768
Expenditures:				
Residential Collection:				
Salaries and related costs	623,214	608,355	14,859	574,150
Publication of notices	300	314	(14)	418
Communication	2,773	1,828	945	606
Repair and maintenance - vehicles	46,000	71,229	(25,229)	47,299
Supplies	2,700	1,886	814	1,574
Motor fuels and lubricants	30,000	35,870	(5,870)	45,079
Repair parts – containers	1,100	670	430	827
Residential containers	10,000	10,545	(545)	24,480
Insurance	-	-	-	8,201
Vehicle licenses and titles	450	53	397	325
Training	1,090	503	587	200
Uniforms	5,940	3,344	2,596	5,064
Equipment	10,000	8,031	1,969	-
Other expenditures	<u>26,500</u>	<u>1,140</u>	<u>25,360</u>	<u>10,285</u>
Total Residential Collection	<u>760,067</u>	<u>743,768</u>	<u>16,299</u>	<u>718,508</u>
Commercial Collection:				
Salaries and related costs	310,155	293,423	16,732	305,358
Repair and maintenance - vehicles	68,000	38,581	29,419	50,941
Supplies	1,925	1,372	553	1,295
Motor fuels and lubricants	27,000	30,199	(3,199)	39,480
Vehicle licenses and titles	50	26	24	-
Uniforms	1,880	1,062	818	1,649
Commercial containers	2,000	567	1,433	2,000
Training	585	207	378	145
Insurance	-	-	-	4,155
Other expenditures	<u>1,925</u>	<u>946</u>	<u>979</u>	<u>883</u>
Total Commercial Collection	<u>413,520</u>	<u>366,383</u>	<u>47,137</u>	<u>405,906</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
SOLID WASTE MANAGEMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	Original And Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Totals 2008
Expenditures (Continued):				
Brush Collection:				
Salaries and related costs	512,007	495,752	16,255	454,877
Communication	1,340	666	674	83
Printing and duplication	990	267	723	28
Repairs and maintenance - Machinery	80,000	62,114	17,886	53,276
Supplies	1,785	831	954	1,792
Motor fuels and lubricants	33,300	51,446	(18,146)	62,356
Vehicle licenses and titles	75	-	75	89
Consumable tools	200	75	125	231
Training	800	415	385	200
Public relations	1,370	-	1,370	3,718
Uniforms	4,700	1,325	3,375	3,900
Insurance	-	-	-	7,048
Other expenditures	<u>4,935</u>	<u>573</u>	<u>4,362</u>	<u>636</u>
Total Brush Collection	<u>641,502</u>	<u>613,464</u>	<u>28,038</u>	<u>588,234</u>
Landfill Services:				
Landfill fees	<u>770,000</u>	<u>764,476</u>	<u>5,524</u>	<u>778,515</u>
Total Expenditures	<u>2,585,089</u>	<u>2,488,091</u>	<u>96,998</u>	<u>2,491,163</u>
Net Change in Fund Balance Before				
Other Financing Sources (Uses)	2,552,889	(2,284,766)	268,123	(2,490,395)
Other Financing Sources (Uses):				
Transfers In	<u>2,552,889</u>	<u>2,287,266</u>	<u>(265,623)</u>	<u>2,483,580</u>
Net Change in Fund Balance	-	2,500	2,500	(6,815)
Fund Balance, July 1st	<u>54,231</u>	<u>54,231</u>	<u>-</u>	<u>61,046</u>
Fund Balance, June 30th	<u>\$ 54,231</u>	<u>\$ 56,731</u>	<u>\$ 2,500</u>	<u>\$ 54,231</u>

See accompanying independent auditor's report.

**CITY OF MARYVILLE, TENNESSEE
ANIMAL CONTROL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008**

	<u>Original And Final Budgeted Amounts</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Totals 2008</u>
Revenues:				
Board fees	\$ 8,000	\$ 1,670	\$ (6,330)	\$ 9,237
Adoption, license, and other fees	<u>9,000</u>	<u>8,038</u>	<u>(962)</u>	<u>9,666</u>
Total Revenues	<u>17,000</u>	<u>9,708</u>	<u>(7,292)</u>	<u>18,903</u>
Expenditures:				
Salaries and related costs	184,132	178,321	5,811	169,039
Memberships	500	733	(233)	475
Utilities	4,144	5,690	(1,546)	3,524
Communication	2,500	362	2,138	2,192
Repair and maintenance - Vehicles and equipment	7,000	2,721	4,279	5,449
Building maintenance	4,200	775	3,425	1,761
Out-of-town expense	800	86	714	1,020
Office supplies	800	691	109	2,059
Medical services	14,000	6,992	7,008	8,495
Chemical, lab and medical supplies	3,000	1,585	1,415	-
Other supplies	9,500	3,557	5,943	4,680
Uniforms	2,000	-	2,000	2,757
Motor fuels and lubricants	4,500	3,429	1,071	4,738
Consumable tools	2,000	-	2,000	710
Insurance	-	-	-	2,099
Printing and duplication	1,000	699	301	363
Training	1,000	135	865	507
Building improvements	-	-	-	8,868
Other expenditures	<u>4,500</u>	<u>89</u>	<u>4,411</u>	<u>-</u>
Total Expenditures	<u>245,576</u>	<u>205,865</u>	<u>39,711</u>	<u>218,736</u>
Net Change in Fund Balance Before				
Other Financing Sources (Uses)	(228,576)	(196,157)	32,419	(199,833)
Other Financing Sources (Uses):				
Transfers In	<u>228,576</u>	<u>228,576</u>	<u>-</u>	<u>174,816</u>
Net Change in Fund Balance				
	-	32,419	32,419	(25,017)
Fund Balance, July 1st	<u>22,317</u>	<u>22,317</u>	<u>-</u>	<u>47,334</u>
Fund Balance, June 30th	<u>\$ 22,317</u>	<u>\$ 54,736</u>	<u>\$ 32,419</u>	<u>\$ 22,317</u>

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
MARYVILLE CITY SCHOOLS CONTINUING CARE PROGRAM -
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	<u>Totals</u> <u>2008</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Community service fees	\$ 915,000	\$ 915,000	\$ 901,453	\$ (13,547)	\$ 949,761
Interest earned	<u>700</u>	<u>700</u>	<u>280</u>	<u>(420)</u>	<u>217</u>
Total Revenues	<u>915,700</u>	<u>915,700</u>	<u>901,733</u>	<u>(13,967)</u>	<u>949,978</u>
Expenditures:					
Salaries and related costs	761,885	694,700	662,207	32,493	694,629
Materials and supplies	111,701	150,000	109,239	40,761	149,060
Travel	1,500	2,000	1,649	351	1,149
Other expenditures	<u>40,614</u>	<u>69,000</u>	<u>68,695</u>	<u>305</u>	<u>91,681</u>
Total Expenditures	<u>915,700</u>	<u>915,700</u>	<u>841,790</u>	<u>73,910</u>	<u>936,519</u>
Net Change in Fund Balance	-	-	59,943	59,943	13,459
Fund Balance, July 1st	<u>179,193</u>	<u>179,193</u>	<u>179,193</u>	<u>-</u>	<u>165,734</u>
Fund Balance, June 30th	<u>\$ 179,193</u>	<u>\$ 179,193</u>	<u>\$ 239,136</u>	<u>\$ 59,943</u>	<u>\$ 179,193</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
DRUG FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	Original And Final Budgeted <u>Amounts</u>	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Totals 2008
Revenues:				
Drug-related fines	\$ 30,000	\$ 47,536	\$ 17,536	\$ 34,746
Impound and wrecker fees	48,000	32,850	(15,150)	-
Sale of equipment	-	111,718	111,718	-
Contributions	<u>-</u>	<u>3,072</u>	<u>3,072</u>	<u>4,950</u>
 Total Revenues	 <u>78,000</u>	 <u>195,176</u>	 <u>117,176</u>	 <u>39,696</u>
Expenditures:				
Wrecker fees	30,000	31,175	(1,175)	-
Informant services	5,000	-	5,000	-
Motor vehicle parts	10,000	1,963	8,037	649
Firearms and supplies	10,000	-	10,000	3,064
Training	700	300	400	-
Professional services	-	7,130	(7,130)	-
Crime prevention program	10,000	595	9,405	-
Safety supplies	10,000	9,240	760	10,298
Public relations	18,000	541	17,459	5,180
Other supplies	12,000	325	11,675	5,853
SWAT Team equipment	5,000	-	5,000	-
Building improvements	30,000	16,740	13,260	35,027
Other expenditures	<u>3,000</u>	<u>2,551</u>	<u>449</u>	<u>6,303</u>
 Total Expenditures	 <u>143,700</u>	 <u>70,560</u>	 <u>73,140</u>	 <u>66,374</u>
 Net Change in Fund Balance	 (65,700)	 124,616	 190,316	 (26,678)
 Fund Balance, July 1st	 <u>119,308</u>	 <u>119,308</u>	 <u>-</u>	 <u>145,986</u>
 Fund Balance, June 30th	 <u>\$ 53,608</u>	 <u>\$ 243,924</u>	 <u>\$ 190,316</u>	 <u>\$ 119,308</u>

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
FOOTHILLS FALL FESTIVAL – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended Jun 30, 2008

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Total 2008
	<u>Original</u>	<u>Final</u>			
Revenues:					
Sponsorships	\$ 172,380	\$ 172,380	\$ 207,500	\$ 35,120	\$ 250,617
Ticket sales	361,000	376,000	410,287	34,287	378,788
Festival fees	48,635	48,635	55,674	7,039	48,435
Merchandise sales	10,000	10,000	12,420	2,420	11,982
Miscellaneous	<u>1,285</u>	<u>1,285</u>	<u>4,680</u>	<u>3,395</u>	<u>1,913</u>
Total Revenues	<u>593,300</u>	<u>608,300</u>	<u>690,561</u>	<u>82,261</u>	<u>691,735</u>
Expenditures:					
Production costs	58,000	58,000	63,363	(5,363)	61,623
Merchandise	7,000	7,000	9,127	(2,127)	8,801
Food concessions	2,000	2,000	3,846	(1,846)	2,448
Transportation and event set-up	44,000	44,000	58,985	(14,985)	48,681
Publicity	50,000	50,000	31,887	18,113	31,754
Office supplies	4,000	4,000	3,506	494	4,601
Entertainment	358,000	373,000	355,092	17,908	350,000
Downtown events	15,000	15,000	12,848	2,152	12,011
Sponsor/Promotional expenses	5,000	5,000	6,995	(1,995)	10,268
Children's activities	48,000	48,000	48,699	(699)	47,425
Volunteers	10,000	10,000	9,544	456	7,140
Graphics/Website	5,000	5,000	13,079	(8,079)	-
Other	<u>12,300</u>	<u>12,300</u>	<u>7,131</u>	<u>5,169</u>	<u>8,555</u>
Total Expenditures	<u>618,300</u>	<u>633,300</u>	<u>624,102</u>	<u>9,198</u>	<u>593,307</u>
Net Change in Fund Balance Before Other Financing Sources (Uses)	(25,000)	(25,000)	66,459	91,459	98,428
Other Financing Sources (Uses): Transfers In	<u>25,000</u>	<u>25,000</u>	-	<u>(25,000)</u>	<u>210,000</u>
Net Change in Fund Balance	-	-	66,459	66,459	308,428
Fund Balance (Deficit), July 1 st	<u>109,063</u>	<u>109,063</u>	<u>109,063</u>	-	<u>(199,365)</u>
Fund Balance (Deficit) June 30th	<u>\$ 109,063</u>	<u>\$ 109,063</u>	<u>\$ 175,522</u>	<u>\$ 66,459</u>	<u>\$ 109,063</u>

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
INDUSTRIAL DEVELOPMENT FUND – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Totals 2008</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Rent income	\$ 70,000	\$ 70,000	\$ 84,397	\$ 14,397	\$ 95,650
Sale of land	-	-	250,000	250,000	-
Blount County Industrial Development Board	-	-	-	-	148,725
Total Revenues	70,000	70,000	334,397	264,397	244,375
Expenditures:					
Operations and maintenance	34,900	34,900	33,573	1,327	45,107
Travel	2,000	2,000	-	2,000	2,235
Utilities	1,100	1,100	936	164	1,206
Industrial recruitment	150,000	150,000	1,400	148,600	100,000
Development funding	112,350	112,350	112,350	-	90,620
Bond issue costs	-	-	-	-	46,605
R & D Park funding	-	1,900,000	1,900,000	-	-
Other expenditures	-	-	9,191	(9,191)	7,798
Total Expenditures	300,350	2,200,350	2,057,450	142,900	293,571
Net Change in Fund Balance Before Other Financing Sources (Uses)	(230,350)	(2,130,350)	(1,723,053)	407,297	(49,196)
Other Financing Sources (Uses):					
Issuance of Bonds	-	-	-	-	3,000,000
Transfers in	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	3,000,000
Net Change in Fund Balance	(230,350)	(2,130,350)	(1,723,053)	407,297	2,950,804
Fund Balance, July 1st	3,334,725	3,334,725	3,334,725	-	383,921
Fund Balance, June 30	\$ 3,104,375	\$ 1,204,375	\$ 1,611,672	\$ 407,297	\$ 3,334,725

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
SUMMER FEEDING PROGRAM – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Totals <u>2008</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Charges for services	\$ -	\$ 98,112	\$ 98,112	\$ -	\$ 67,479
Expenditures:					
Salaries and related costs	-	38,020	25,943	12,077	7,526
Food supplies	-	42,500	35,571	6,929	41,042
Other supplies	-	15,656	4,751	10,905	230
Other expenditures	-	1,936	1,140	796	-
Total Expenditures	-	98,112	67,405	30,707	48,798
Net Change in Fund Balance	-	-	30,707	30,707	18,681
Fund Balance, July 1st	46,505	46,505	46,505	-	27,824
Fund Balance, June 30th	\$ 46,505	\$ 46,505	\$ 77,212	\$ 30,707	\$ 46,505

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
GEOGRAPHIC INFORMATION SYSTEMS FUND – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Totals 2008</u>
Revenues:				
Intergovernmental Funding	\$ 135,787	\$ 130,570	\$ (5,217)	\$ 135,513
Data Sales	8,000	26,173	18,173	16,725
Miscellaneous	<u>5,040</u>	<u>5,040</u>	<u>-</u>	<u>2,720</u>
Total Revenues	<u>148,827</u>	<u>161,783</u>	<u>12,956</u>	<u>154,958</u>
Expenditures:				
Salaries and related costs	121,933	120,333	1,600	110,653
Equipment repairs	39,667	39,092	575	33,632
Training	2,450	-	2,450	3,109
Contracted services	30,000	30,000	-	34,854
Supplies	1,200	332	868	11,680
Motor fuels and lubricants	550	114	436	403
Insurance	341	222	119	344
IT services	1,561	1,561	-	1,296
Other expenditures	<u>5,978</u>	<u>4,201</u>	<u>1,777</u>	<u>7,276</u>
Total Expenditures	<u>203,680</u>	<u>195,855</u>	<u>7,825</u>	<u>203,247</u>
Net Change in Fund Balance Before Other Financing Sources (Uses)	(54,853)	(34,072)	20,781	(48,289)
Other Financing Sources (Uses):				
Transfers In	<u>67,893</u>	<u>65,285</u>	<u>(2,608)</u>	<u>67,756</u>
Net Change in Fund Balance	13,040	31,213	18,173	19,467
Fund Balance, July 1st	<u>19,467</u>	<u>19,467</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30th	<u>\$ 32,507</u>	<u>\$ 50,680</u>	<u>\$ 18,173</u>	<u>\$ 19,467</u>

CITY OF MARYVILLE, TENNESSEE
ENTERPRISE FUND
Electric Department
SCHEDULE OF OPERATING AND MAINTENANCE EXPENSE BY DEPARTMENT
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>2009</u>	<u>2008</u>
<u>OPERATING EXPENSE</u>		
<u>TRANSMISSION:</u>		
Supervision and engineering.....	\$ -	\$ 251
Rents	-	-
Station expense	<u>5,689</u>	<u>3,489</u>
Total Transmission Operating Expense	<u>5,689</u>	<u>3,740</u>
<u>DISTRIBUTION:</u>		
Supervision and engineering.....	118,527	142,391
Station expense	10,190	19,747
Overhead line expense.....	424,981	430,856
Underground line expense	269,207	218,988
Street lighting and signal expense	14,701	11,763
Meter expense.....	92,328	95,727
Rents	47,761	39,546
Miscellaneous distribution expense.....	<u>101</u>	<u>-</u>
Total Distribution Operating Expense	<u>977,796</u>	<u>959,018</u>
<u>CUSTOMER ACCOUNTS EXPENSE:</u>		
Supervision.....	33,047	33,501
Meter reading expense.....	64,509	68,753
Customer record and collection expense.....	391,763	363,519
Uncollectible accounts.....	<u>91,240</u>	<u>67,943</u>
Total Customer Accounts Expense.....	<u>580,559</u>	<u>533,716</u>
<u>SALES EXPENSE:</u>		
Customer service.....	300	860
General sales expense.....	<u>25,895</u>	<u>55,613</u>
Total Sales Expense	<u>26,195</u>	<u>56,473</u>
<u>ADMINISTRATIVE AND GENERAL EXPENSE:</u>		
Administrative and general salaries.....	455,815	457,503
Office supplies and expense.....	72,042	203,500
Outside services employed	53,469	89,131
Property insurance.....	16,078	15,244
Injuries and damages.....	43,837	36,045
Employee pensions and benefits	849,257	722,837
Miscellaneous	94,084	73,971
Rent.....	<u>344,306</u>	<u>446,316</u>
Total Administrative and General Operating Expense	<u>1,928,888</u>	<u>2,044,547</u>
Total Operating Expense	<u>3,519,127</u>	<u>3,597,494</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
ENTERPRISE FUND
Electric Department
SCHEDULE OF OPERATING AND MAINTENANCE EXPENSE BY DEPARTMENT (Continued)
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Year Ended June 30, 2008

	<u>2009</u>	<u>2008</u>
<u>MAINTENANCE EXPENSE</u>		
TRANSMISSION:		
Maintenance of station equipment	53,492	50,323
DISTRIBUTION:		
Supervision and engineering.....	74,519	69,807
Maintenance of station equipment	17,045	87,093
Maintenance of overhead lines	830,385	783,905
Maintenance of underground lines.....	169,965	118,370
Maintenance of line transformers.....	16,265	5,186
Street lighting and signal systems	176,901	154,377
Maintenance of meters	51,942	47,840
Maintenance of miscellaneous plant.....	29,346	27,988
Total Distribution Maintenance Expense.....	1,366,368	1,294,566
<u>ADMINISTRATIVE AND GENERAL EXPENSE:</u>		
Maintenance of general plant.....	6,030	6,945
Total Maintenance Expense.....	1,425,890	1,351,834
<u>OTHER OPERATING EXPENSE</u>		
Depreciation expense	2,074,330	1,822,800
Taxes and tax equivalents.....	409,608	404,547
Total Other Operating Expense	2,483,938	2,227,347
Total Operating and Maintenance Expense (Exclusive of Purchased Power)	\$ 7,428,955	\$ 7,176,675

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Electric Department
SCHEDULE OF ELECTRIC CAPITAL ASSETS
June 30, 2009

<u>Description</u>	<u>Account Number</u>	<u>Balance 7/1/08</u>	<u>Additions</u>	<u>Retirements and Other Decreases</u>	<u>Balance 6/30/09</u>
ELECTRIC PLANT IN SERVICE:					
TRANSMISSION:					
Land and land rights	350	\$ 169,441	\$ -	\$ -	\$ 169,441
Structures and improvements	352	2,030,810	-	-	2,030,810
Station equipment	353	9,202,694	102,546	12,957	9,292,283
Towers and fixtures	354	3,894	-	-	3,894
Poles and fixtures	355	1,005,415	-	-	1,005,415
Overhead conductors and devices	356	<u>614,516</u>	<u>21,182</u>	<u>-</u>	<u>635,698</u>
Total Transmission		<u>13,026,770</u>	<u>123,728</u>	<u>12,957</u>	<u>13,137,541</u>
DISTRIBUTION PLANT:					
Land and land rights	360	125,636	-	-	125,636
Substation equipment	362	226,611	3,384	-	229,995
Poles, towers, and fixtures	364	4,426,456	533,959	64,351	4,896,064
Overhead conductors and devices	365	4,718,122	400,885	29,763	5,089,244
Underground conduit	366	1,999,881	149,636	1,767	2,147,750
Underground conductor	367	3,890,807	388,126	36,824	4,242,109
Transformers	368	9,183,068	836,637	227,140	9,792,565
Services	369	4,076,639	160,799	20,712	4,216,726
Meters	370	1,327,392	74,623	98,541	1,303,474
Private outdoor lighting	371	618,115	39,765	16,185	641,695
Street lighting and signal systems	373	<u>3,527,141</u>	<u>524,650</u>	<u>27,643</u>	<u>4,024,148</u>
Total Distribution Plant		<u>34,119,868</u>	<u>3,112,464</u>	<u>522,926</u>	<u>36,709,406</u>
GENERAL PLANT:					
Land and land rights	389	110,000	-	-	110,000
Structures and improvements	390	2,842,357	6,356	-	2,848,713
Office furniture	391	83,617	-	10,775	72,842
Transportation equipment	392	2,360,612	89,548	84,114	2,366,046
Stores equipment	393	96,485	-	-	96,485
Tools and work equipment	394	22,813	-	-	22,813
Laboratory equipment	395	87,431	-	-	87,431
Communication equipment	397	384,259	77,395	-	461,654
Miscellaneous equipment	398	<u>307,318</u>	<u>-</u>	<u>-</u>	<u>307,318</u>
Total General Plant		<u>6,294,892</u>	<u>173,299</u>	<u>94,889</u>	<u>6,373,302</u>
Total Electric Plant in Service		53,441,530	3,409,491	630,772	56,220,249
UTILITY PLANT ACQUISITION COSTS:					
Excess of cost over engineer's valuation - Amortized		39,201	-	-	39,201
CONSTRUCTION WORK IN PROGRESS		<u>1,821,786</u>	<u>2,615,784</u>	<u>3,409,491</u>	<u>1,028,079</u>
Total Electric Plant		<u>\$ 55,302,517</u>	<u>\$ 6,025,275</u>	<u>\$ 4,040,263</u>	<u>\$ 57,287,529</u>

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Electric Department
SCHEDULE OF ACCUMULATED PROVISION FOR DEPRECIATION
June 30, 2009

<u>Description</u>	<u>Account Number</u>	<u>Balance 7/1/08</u>	<u>Additions</u>	<u>Retirements and Other Decreases</u>	<u>Balance 6/30/09</u>	<u>Depreciation Rate</u>
TRANSMISSION:						
Structures and improvements	352	\$ 445,128	\$ 62,363	\$ -	\$ 507,491	3.00%
Station equipment	353	2,397,448	279,925	18,796	2,658,577	3.00%
Towers and fixtures	354	2,894	45	-	2,939	-
Poles and fixtures	355	156,603	38,817	-	195,420	3.00%
Overhead conductors and devices	356	<u>185,286</u>	<u>13,011</u>	<u>-</u>	<u>198,297</u>	3.00%
Total Transmission		<u>3,187,359</u>	<u>394,161</u>	<u>18,796</u>	<u>3,562,724</u>	
DISTRIBUTION PLANT:						
Substation equipment	362	100,920	3,982	-	104,902	2.00%
Poles, towers, and fixtures	364	1,249,335	217,592	166,091	1,300,836	4.25%
Overhead conductors and devices	365	492,379	174,420	41,647	625,152	3.00%
Underground conduit	366	898,183	85,101	14,968	968,316	3.00%
Underground conductor	367	1,909,384	186,029	57,377	2,038,036	4.50%
Transformers	368	3,002,079	298,692	242,088	3,058,683	2.50%
Services	369	2,487,333	198,769	36,577	2,649,525	5.50%
Meters	370	113,405	59,319	98,541	74,183	4.00%
Private outdoor lighting	371	266,544	51,707	30,872	287,379	7.00%
Street lighting and signal systems	373	<u>2,025,807</u>	<u>225,191</u>	<u>36,756</u>	<u>2,214,242</u>	4-8.00%
Total Distribution Plant		<u>12,545,369</u>	<u>1,500,802</u>	<u>724,917</u>	<u>13,321,254</u>	
GENERAL PLANT:						
Structures and improvements	390	1,351,274	97,505	-	1,448,779	3.25%
Office furniture	391	32,601	7,285	10,775	29,111	8.00%
Transportation equipment	392	1,372,038	202,096	55,647	1,518,487	10-12.50%
Stores equipment	393	40,951	3,966	-	44,917	5.00%
Tools and work equipment	394	10,978	2,704	-	13,682	5.00%
Laboratory equipment	395	44,238	1,870	-	46,108	2.00%
Communication equipment	397	119,417	38,231	-	157,648	2.50%
Miscellaneous equipment	398	<u>154,456</u>	<u>27,805</u>	<u>-</u>	<u>182,261</u>	8.00%
Total General Plant		<u>3,125,953</u>	<u>381,462</u>	<u>66,422</u>	<u>3,440,993</u>	
UTILITY PLANT ACQUISITION COSTS:						
Excess of cost over engineer's valuation - Amortized		<u>39,201</u>	<u>-</u>	<u>-</u>	<u>39,201</u>	
Totals		<u>\$18,897,882</u>	<u>\$ 2,276,425</u>	<u>\$ 810,135</u>	<u>\$20,364,172</u>	
			(1)	(2)		
(1) Charged to depreciation expense			\$ 2,074,330			
Charged to clearing accounts			<u>202,095</u>			
Total			<u>\$ 2,276,425</u>			
(2) Original cost of units retired				\$ 630,772		
Add:						
Removal cost (Net of salvage in the amount of \$47,772)				<u>179,363</u>		
Charged to Accumulated Depreciation				<u>\$ 810,135</u>		

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Water Quality Control Department
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>2009</u>	<u>2008</u>
DIRECT OPERATING EXPENSES		
Water Expenses:		
Salaries and related costs	\$ 536,742	\$ 484,262
Communications	2,066	3,036
Repairs and maintenance	21,483	17,309
Utilities	293,731	252,043
Operating supplies	9,988	15,420
Fuels and lubricants	792	1,014
Consumable tools	160	321
Uniforms	1,271	3,217
Insurance	6,500	6,037
Computer operations	814	-
State inspection services	19,589	15,238
Professional services	13,063	11,676
Analytical and meter lab testing	16,951	5,036
Chemicals	99,013	86,316
Purchase of water	867	42,243
Other expenses	<u>4,878</u>	<u>6,639</u>
Total Water Expenses	<u>1,027,908</u>	<u>949,807</u>
Sewer Expenses:		
Salaries and related costs	1,294,978	1,225,317
Communications	10,884	8,443
Repairs and maintenance	108,962	188,412
Utilities	620,866	505,460
Operating supplies	24,110	27,113
Materials – Asphalt, stone, pipe, etc.	3,165	1,875
Fuels and lubricants	21,953	33,264
Consumable tools	1,534	541
Uniforms	5,916	5,184
Insurance	33,029	10,499
Architectural and Engineering services	-	2,344
Computer operations	2,087	-
State inspection services	9,404	9,486
Analytical and meter lab testing	13,291	16,875
Equipment rental	9,625	28,292
Landfill services	7,815	9,090
Professional services	487	2,085
Treatment chemicals	462,319	438,753
Other expenses	<u>7,209</u>	<u>15,720</u>
Total Sewer Expenses	<u>2,637,634</u>	<u>2,528,753</u>

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Water Quality Control Department
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT (Continued)
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>2009</u>	<u>2008</u>
DIRECT OPERATING EXPENSES (Continued)		
Water and Waste Water System:		
Salaries and related costs	\$ 1,183,168	1,137,862
Communications	13,558	9,209
Repairs and maintenance	116,007	160,939
Utilities	78,203	63,517
Operating supplies	2,937	10,704
Fuels and lubricants	-	665
Consumable tools	360	1,945
Uniforms	9,608	9,500
Insurance	15,035	14,653
Professional services	630	12,790
Plant expenses	106,420	426,805
Other expenses	<u>6,352</u>	<u>24,132</u>
Total Water and Waste Water System	<u>1,532,278</u>	<u>1,872,721</u>
Total Direct Operating Expenses	<u>5,197,820</u>	<u>5,351,281</u>
CUSTOMER ACCOUNTING AND COLLECTION:		
Customer records and expenses/meter reading expense	884,655	866,566
Uncollectible accounts	<u>21,350</u>	<u>8,775</u>
Total Customer Accounting and Collection	<u>906,005</u>	<u>875,341</u>
ADMINISTRATIVE AND GENERAL EXPENSES:		
Administrative and general salaries and related costs	1,088,870	1,096,751
Data Processing	132,668	136,752
Insurance	45,197	67,030
Occupancy expense	129,462	193,234
Shared administrative expense	-	75,877
Bank fees	-	52,711
Operating supplies	9,780	17,811
Training	5,436	7,789
Professional services	98,035	105,998
Grants and donations	76,247	75,490
Other expenses	<u>46,709</u>	<u>62,929</u>
Total Administrative and General Expenses	<u>1,632,404</u>	<u>1,892,372</u>
OTHER OPERATING EXPENSES:		
Depreciation of utility plant	<u>1,627,625</u>	<u>1,524,108</u>
Total Operating Expenses	<u>\$ 9,363,854</u>	<u>\$ 9,643,102</u>

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Water Quality Control Department
SCHEDULE OF WATER AND SEWER CAPITAL ASSETS
June 30, 2009

<u>Description</u>	<u>Account Number</u>	<u>Balance 7/1/08</u>	<u>Additions</u>	<u>Retirements and Other Decreases</u>	<u>Balance 6/30/09</u>
WATER PLANT IN SERVICE:					
Land and land rights	311	\$ 1,395,776	\$ 2,818	\$ -	\$ 1,398,594
Structures and improvements	312	7,374,680	226,293	239,498	7,361,475
Electric pumping equipment	316	1,274,856	-	-	1,274,856
Purification system	320	801,240	-	-	801,240
Transmission mains and accessories	321	2,339,660	-	-	2,339,660
Distribution mains and accessories	322	11,372,814	622,870	12,444	11,983,240
Services	323	2,978,828	101,372	-	3,080,200
Meters, meter boxes and signs	324	711,446	133,583	-	845,029
Hydrants	325	1,298,795	63,291	-	1,362,086
Office furniture and fixtures	329	70,991	-	-	70,991
Transportation equipment	330	1,799,213	193,835	147,377	1,845,671
Stores equipment	331	15,002	-	-	15,002
Laboratory equipment	333	20,157	-	-	20,157
Tools and work equipment	334	21,810	-	10,500	11,310
Communication equipment	335	44,506	-	-	44,506
Miscellaneous equipment	336	<u>1,393,055</u>	<u>8,952</u>	<u>-</u>	<u>1,402,007</u>
Total Water Plant in Service		<u>32,912,829</u>	<u>1,353,014</u>	<u>409,819</u>	<u>33,856,024</u>
SEWER PLANT IN SERVICE:					
Structures and improvements	312	15,700,122	193,016	20,467	15,872,671
Transmission mains and accessories	321	7,144,130	-	22,902	7,121,228
Distribution mains and accessories	322	15,880,715	481,742	20,112	16,342,345
Services	323	<u>1,848,015</u>	<u>137,317</u>	<u>-</u>	<u>1,985,332</u>
Total Sewer Plant in Service		<u>40,572,982</u>	<u>812,075</u>	<u>63,481</u>	<u>41,321,576</u>
Total Water and Sewer Plant in Service		73,485,811	2,165,089	473,300	75,177,600
UTILITY PLANT ACQUISITION COSTS:					
Excess of cost over engineer's valuation - amortized		123,569	-	-	123,569
CONSTRUCTION WORK IN PROGRESS		<u>4,425,995</u>	<u>15,935,618</u>	<u>2,165,089</u>	<u>18,196,524</u>
Total Water and Sewer Plant		<u>\$ 78,035,375</u>	<u>\$ 18,100,707</u>	<u>\$ 2,638,389</u>	<u>\$ 93,497,693</u>

(1) Amount represents a reclassification of asset function.

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES – ENTERPRISE FUND
Water Quality Control Department
SCHEDULE OF ACCUMULATED PROVISION FOR DEPRECIATION
June 30, 2009

Description	Account Number	Balance 7/1/08	Additions	Retirements and Other Decreases	Balance 6/30/09	Depreciation Rate
WATER PLANT IN SERVICE:						
Structures and improvements	312	\$ 1,168,136	\$ 159,292	\$ 23,048	\$ 1,303,380	2.00%
Electric pumping equipment	316	409,648	25,890	-	435,538	2.00%
Purification system	320	299,898	15,915	-	315,813	2.00%
Transmission mains and accessories	321	443,819	45,965	-	489,784	2.00%
Distribution mains and accessories	322	2,769,747	245,227	10,701	3,004,273	2.00%
Services	323	567,585	62,543	314	629,814	2.00%
Meters, meter boxes and signs	324	34,029	32,439	-	66,468	3.00%
Hydrants	325	279,299	28,732	-	308,031	2.00%
Office furniture and fixtures	329	33,355	9,200	-	42,555	5.00%
Transportation equipment	330	1,185,446	181,460	150,215	1,216,691	10.00%
Stores equipment	331	9,954	389	-	10,343	5.00%
Laboratory equipment	333	3,170	591	-	3,761	10.00%
Tools and work equipment	334	7,573	1,795	3,096	6,272	8.00%
Communication equipment	335	31,490	2,169	-	33,659	10.00%
Miscellaneous equipment	336	<u>453,099</u>	<u>148,240</u>	<u>-</u>	<u>601,339</u>	20.00%
Total Water Plant in Service		<u>7,696,248</u>	<u>958,847</u>	<u>187,374</u>	<u>8,467,721</u>	
SEWER PLANT IN SERVICE:						
Structures and improvements	312	3,001,456	322,620	20,467	3,303,609	2.00%
Transmission mains and accessories	321	3,207,894	146,951	29,016	3,325,829	2.00%
Distribution mains and accessories	322	3,004,271	333,140	49,566	3,287,845	2.00%
Services	323	<u>389,078</u>	<u>47,527</u>	<u>-</u>	<u>436,605</u>	2.00%
Total Sewer Plant in Service		<u>9,602,699</u>	<u>850,238</u>	<u>99,049</u>	<u>10,353,888</u>	
UTILITY PLANT ACQUISITION COSTS:						
Excess of cost over engineer's valuation - Amortized		<u>123,569</u>	<u>-</u>	<u>-</u>	<u>123,569</u>	
TOTALS		<u>\$ 17,422,516</u>	<u>\$ 1,809,085</u>	<u>\$ 286,423</u>	<u>\$ 18,945,178</u>	
(1) Charged to depreciation expense			\$ 1,627,625			
Charged to clearing accounts			<u>181,460</u>			
Total Accruals			<u>\$ 1,809,085</u>			
(2) Accumulated depreciation of units retired				\$ 252,283		
Add:						
Removal cost (net of salvage in the amount of \$990)				<u>34,140</u>		
Total Retirements				<u>\$ 286,423</u>		

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES – ENTERPRISE FUND
Stormwater Utility Department
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
For the Fiscal Year Ended June 30, 2009
With Comparative Totals for the Fiscal Year Ended June 30, 2008

	<u>2009</u>	<u>2008</u>
STORMWATER SYSTEM:		
Salaries and related costs	\$ 450,969	\$ 440,673
Communications	569	1,523
Repairs and maintenance	3,821	3,400
Operating supplies	1,973	3,678
Materials – Asphalt, stone, pipe, etc.	1,164	9,046
Consumable tools	2,795	13,325
Fuels and lubricants	3,208	5,848
Uniforms	702	1,498
Insurance	-	7,511
Other expenses	<u>1,126</u>	<u>4,127</u>
Total Stormwater System	<u>466,327</u>	<u>490,629</u>
ADMINISTRATION AND GENERAL EXPENSES:		
Salaries and related costs	317,952	293,528
Outside services	27,282	34,687
Repairs and maintenance	1,810	1,392
Operating supplies	8,719	11,991
Training	228	1,034
Data processing services	-	-
Other professional services	2,500	2,500
Building rental	-	-
Other expenses	<u>2,398</u>	<u>17,248</u>
Total Administration and General Expenses	<u>360,889</u>	<u>362,380</u>
OTHER OPERATING EXPENSES:		
Depreciation of Utility Plant	<u>12,268</u>	<u>9,415</u>
Total Operating Expenses	<u>\$ 839,484</u>	<u>\$ 862,424</u>

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Stormwater Utility Department
SCHEDULE OF STORMWATER UTILITY CAPITAL ASSETS
June 30, 2009

<u>Description</u>	<u>Account Number</u>	<u>Balance 7/1/08</u>	<u>Additions</u>	<u>Retirements and Other Decreases</u>	<u>Balance 6/30/09</u>
STORMWATER PLANT IN SERVICE:					
Land and Land Rights	311	\$ 28,334	\$ -	\$ -	\$ 28,334
Drainage System	320	313,167	62,911	-	376,078
Transportation Equipment	320	35,230	-	-	35,230
Tools and Work Equipment	334	<u>16,025</u>	<u>5,000</u>	<u>-</u>	<u>21,025</u>
Total Stormwater Plant		<u>\$ 392,756</u>	<u>\$ 67,911</u>	<u>\$ -</u>	<u>\$ 460,667</u>

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES – ENTERPRISE FUND
Stormwater Utility Department
SCHEDULE OF ACCUMULATED PROVISION FOR DEPRECIATION
June 30, 2009

<u>Description</u>	<u>Account Number</u>	<u>Balance 7/1/08</u>	<u>Additions</u>	<u>Retirements and Other Decreases</u>	<u>Balance 6/30/09</u>	<u>Depreciation Rate</u>
STORMWATER PLANT IN SERVICE:						
Drainage System	320	\$ 6,209	\$ 6,892	\$ -	\$ 13,101	2.00%
Transportation Equipment	330	7,895	3,773	-	11,668	10.00%
Tools and Work Equipment	334	<u>3,071</u>	<u>1,603</u>	<u>-</u>	<u>4,674</u>	10.00%
Totals		<u>\$ 17,175</u>	<u>\$ 12,268</u>	<u>\$ -</u>	<u>\$ 29,443</u>	
Charged to Depreciation Expense			<u>\$ 12,268</u>			

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
Schedule of Changes by Function and Activity
For the Fiscal Year Ended June 30, 2009

<u>Program</u>	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers In (Out)</u>	<u>Balance June 30, 2009</u>
Police	\$ 7,354,010	\$ 90,488	\$ 84,645	\$ -	\$ 7,359,853
Fire	7,419,270	27,158	-	-	7,446,428
Animal Control	172,842	-	-	-	172,842
Code Enforcement	55,285	-	-	-	55,285
Public Works	35,432,307	695,567	355,162	-	35,772,712
Education	55,488,823	4,228,526	-	-	59,717,349
Engineering	165,424	17,829	22,630	-	160,623
Recreation and Parks	2,363,079	34,315	-	-	2,397,394
Administrative	342,176	-	-	(97,126)	245,050
Fleet Maintenance	1,049,089	5,870	-	-	1,054,959
Computer Information Systems	167,362	113,652	-	-	281,014
General Government	13,085,018	-	69,081	97,126	13,113,063
Non-departmental	<u>24,929,447</u>	<u>7,173,424</u>	<u>4,588,730</u>	<u>-</u>	<u>27,514,141</u>
Total	<u>\$ 148,024,132</u>	<u>\$ 12,386,829</u>	<u>\$ 5,120,248</u>	<u>\$ -</u>	<u>\$ 155,290,713</u>

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
Schedule by Function and Activity
June 30, 2009
With Comparative Totals for the Year Ended June 30, 2008

<u>Program</u>	<u>Land</u>	<u>Buildings</u>	<u>Infrastructure</u>	<u>Improvements</u>	<u>Equipment and Vehicles</u>	<u>Capital Lease Property</u>	<u>Construction in Progress</u>	<u>Total 2009</u>	<u>Totals 2008</u>
Police	\$ -	\$ 5,351,615	\$ -	\$ -	\$ 2,008,238	\$ -	\$ -	\$ 7,359,853	\$ 7,354,010
Fire	-	5,790,008	-	19,763	1,636,657	-	-	7,446,428	7,419,270
Animal Control	-	92,464	-	8,868	71,510	-	-	172,842	172,842
Code Enforcement	-	-	-	-	55,285	-	-	55,285	55,285
Public Works	753,563	140,440	17,300,594	11,983,106	5,595,009	-	-	35,772,712	35,432,307
Education	3,891,304	53,397,186	-	1,176,255	1,252,604	-	-	59,717,349	55,488,823
Engineering	-	-	-	-	160,623	-	-	160,623	165,424
Recreation and Parks	183,927	156,704	-	1,958,417	98,346	-	-	2,397,394	2,363,079
Fleet Maintenance	-	873,125	-	-	181,834	-	-	1,054,959	1,049,089
Computer Information Systems	-	-	-	-	281,014	-	-	281,014	167,362
Administrative	-	-	-	-	245,050	-	-	245,050	342,176
General Government	209,440	10,633,175	-	531,324	1,739,124	-	-	13,113,063	13,085,018
Non-departmental	<u>977,648</u>	<u>-</u>	<u>-</u>	<u>55,099</u>	<u>-</u>	<u>22,857,600</u>	<u>3,623,794</u>	<u>27,514,141</u>	<u>24,929,447</u>
Subtotal	6,015,882	76,434,717	17,300,594	15,732,832	13,325,294	22,857,600	3,623,794	155,290,713	148,024,132
Less: Accumulated depreciation	<u>-</u>	<u>17,148,215</u>	<u>6,817,333</u>	<u>3,127,360</u>	<u>7,711,659</u>	<u>-</u>	<u>-</u>	<u>34,804,567</u>	<u>31,835,717</u>
Total Governmental Funds – Capital Assets	<u>\$ 6,015,882</u>	<u>\$ 59,286,502</u>	<u>\$10,483,261</u>	<u>\$12,605,472</u>	<u>\$ 5,613,635</u>	<u>\$22,857,600</u>	<u>\$3,623,794</u>	<u>\$120,486,146</u>	<u>\$116,188,415</u>

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE

MISCELLANEOUS SCHEDULES

June 30, 2009

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CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INVESTMENTS – ALL FUNDS
June 30, 2009

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Recorded Value* June 30, 2009</u>
Tennessee Local Government Investment Pool	Variable	N/A	\$ 17,391,952
Non-convertible Debt Securities of the Following Issuers:			
Federal Home Loan Bank	3.1%	07/27/2009	1,000,000
Federal Home Loan Bank	3.17%	10/27/2009	1,000,000
Hamilton County, Tennessee General Obligation Bond	2.25%	03/01/2010	3,006,930
Sevier County, Tennessee Public Building Authority Improvement Bonds (Various issues)	Variable	Demand	11,380,000
Blount County, Tennessee Public Building Authority Improvement Bonds	Variable	Demand	1,500,000
Certificates of Deposit (38 issues)	1.15 – 2.45%	05/28/2010 - 06/06/2011	5,000,000
Mississippi State Capital Improvement Series Bonds	Variable	Demand	<u>10,050,000</u>
Total Investments			<u>\$ 50,328,882</u>
SUMMARY OF INVESTMENTS BY FUND TYPE:			
General Fund			\$ 3,329,379
Debt Service Fund			11,710,914
Special Revenue Funds			2,749,969
Capital Projects Funds			8,392,521
Enterprise Funds – Non-restricted			1,216,099
Enterprise Funds – Restricted			<u>22,930,000</u>
Total Investments			<u>\$ 50,328,882</u>

*Investments having a remaining maturity at time of purchase of one (1) year or less are recorded at amortized cost. All others are recorded at fair value.

CITY OF MARYVILLE, TENNESSEE
COMBINED SCHEDULE OF CHANGES IN NOTES PAYABLE
For the Fiscal Year Ended June 30, 2009

	<u>Date of Note</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Balance 7-1-2008</u>	<u>Notes Issued Y/E 6-30-09</u>	<u>Notes Paid Y/E 6-30-09</u>	<u>Balance 6-30-2009</u>	<u>Source of Revenue</u>
Enterprise Funds								
Water Quality Control Department:								
Sevier County, Tennessee, Local Government Public Improvement Bond Financing Program (1999 Series)	01/01/1999	06/01/2020	Variable	\$ 3,555,000	\$ -	\$ 3,555,000	\$ -	Water and Sewer revenue
Blount County, Tennessee, Local Government Public Improvement Bond Financing Program (2001 Series)	04/19/2001	06/01/2022	Variable	5,000,000	-	5,000,000	-	Water and Sewer revenue
Blount County, Tennessee Local Government Public Improvement Bond Financing Program (2003 Series)	02/27/2003	06/01/2017	Variable	<u>4,575,000</u>	<u>-</u>	<u>4,575,000</u>	<u>-</u>	Water and Sewer revenue
Total Water Quality Control Department				<u>13,130,000</u>	<u>-</u>	<u>13,130,000</u>	<u>-</u>	
Electric Department:								
Sevier County, Tennessee, Local Government Public Improvement Bond Financing Program (2001 Series)	04/19/2001	06/01/2021	Variable	3,080,000	-	3,080,000	-	Electric revenue
Sevier County, Tennessee, Local Government Public Improvement Bond Financing Program (2003 Series)	01/30/2003	06/01/2012	Variable	<u>1,525,000</u>	<u>-</u>	<u>1,525,000</u>	<u>-</u>	Electric revenue
Total Electric Department				<u>4,605,000</u>	<u>-</u>	<u>4,605,000</u>	<u>-</u>	
Total Enterprise Funds				<u>17,735,000</u>	<u>-</u>	<u>17,735,000</u>	<u>-</u>	

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMBINED SCHEDULE OF CHANGES IN NOTES PAYABLE (Continued)
For the Fiscal Year Ended June 30, 2009

	<u>Date of Note</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Balance 7-1-2008</u>	<u>Notes Issued Y/E 6-30-09</u>	<u>Notes Paid Y/E 6-30-09</u>	<u>Balance 6-30-2009</u>	<u>Source of Revenue</u>
Governmental Funds								
General Fund:								
Blount County, Tennessee	07/01/1998	05/31/2010	Variable	214,500	-	76,500	138,000	General Fund
Capital Projects Funds:								
Sevier County, Tennessee Local Government Public Improvement Bond Financing Program (1997 Series)	12/01/1997	05/25/2017	Variable	2,165,000	-	2,165,000	-	General Fund
Sevier County, Tennessee Local Government Public Improvement Bond Financing Program (1998 Series)	07/01/1998	05/25/2019	Variable	12,410,000	-	945,000	11,465,000	General Fund
Sevier County, Tennessee Local Government Public Improvement Bond Financing Program (1999 Series)	01/01/1999	06/01/2021	Variable	5,000,000	-	5,000,000	-	General Fund
Sevier County, Tennessee Local Government Public Improvement Bond Financing Program (2000 Series)	01/27/2000	06/01/2025	Variable	10,000,000	-	10,000,000	-	General Fund
Blount County, Tennessee Local Government Public Improvement Bond Financing Program (2002 Series)	09/19/2002	06/01/2037	Variable	10,000,000	-	10,000,000	-	General Fund
Blount County, Tennessee Local Government Public Improvement Bond Financing Program (2003 Series)	02/27/2003	06/01/2032	Variable	10,000,000	-	10,000,000	-	General Fund
Blount County, Tennessee Local Government Public Improvement Bond Financing Program (2005 Series)	03/15/2005	06/01/2030	Variable	4,175,000	-	4,175,000	-	General Fund
Blount County, Tennessee Local Government Public Improvement Bond Financing Program (2006 Series)	06/29/2006	06/01/2017	Variable	1,720,000	-	150,000	1,570,000	General Fund
Blount County, Tennessee Local Government Public Improvement Bond Financing Program (2009 Series)	06/20/2009	06/01/2023	3% - 4.25%	3,000,000	-	150,000	2,850,000	Industrial Development Fund
General Obligation Capital Outlay								
Note, Series 2004	06/11/2004	09/08/2010	3.29%	<u>729,773</u>	<u>-</u>	<u>199,322</u>	<u>530,451</u>	General Fund
Total Governmental Funds				<u>59,414,273</u>	<u>-</u>	<u>42,860,822</u>	<u>16,553,451</u>	
Total				<u>\$77,149,273</u>	<u>\$ -</u>	<u>\$60,595,822</u>	<u>\$16,553,451</u>	

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR
June 30, 2009

Fiscal Year	Total	2004		2007		2008		2008			
		General Obligation Public Improvement	Bonds	Electric System Revenue	Bonds	Water and Sewer Revenue and Tax	Bonds - Series A	Water and Sewer Revenue and Tax	Bonds - Series B		
Ending June 30	Requirements	Bond	Interest	Bond	Interest	Bond	Interest	Bond	Interest	Bond	Interest
2010	\$ 6,640,106	\$ 1,730,000	\$ 4,910,106	\$ 205,000	\$ 96,081	\$ 195,000	\$ 118,800	\$ -	\$ 1,579,750	\$ -	\$ 183,775
2011	7,017,954	2,175,000	4,842,954	210,000	89,929	200,000	111,000	250,000	1,579,750	155,000	183,775
2012	7,017,531	2,260,000	4,757,531	205,000	83,106	210,000	103,000	250,000	1,569,750	160,000	177,575
2013	6,879,567	2,215,000	4,664,567	285,000	76,442	220,000	94,600	250,000	1,557,250	165,000	169,575
2014	<u>6,791,043</u>	<u>2,220,000</u>	<u>4,571,043</u>	<u>220,000</u>	<u>66,468</u>	<u>225,000</u>	<u>83,600</u>	<u>250,000</u>	<u>1,544,750</u>	<u>175,000</u>	<u>161,325</u>
Subtotal	<u>34,346,201</u>	<u>10,600,000</u>	<u>23,746,201</u>	<u>1,125,000</u>	<u>412,026</u>	<u>1,050,000</u>	<u>511,000</u>	<u>1,000,000</u>	<u>7,831,250</u>	<u>655,000</u>	<u>876,025</u>
2015	6,780,717	2,305,000	4,475,717	230,000	58,767	235,000	74,600	250,000	1,532,250	180,000	152,575
2016	6,781,843	2,405,000	4,376,843	250,000	50,718	245,000	65,200	250,000	1,519,750	190,000	143,575
2017	6,842,542	2,580,000	4,262,542	250,000	41,717	255,000	55,400	250,000	1,507,250	200,000	134,075
2018	6,533,418	2,395,000	4,138,418	220,000	32,718	265,000	45,200	250,000	1,494,750	210,000	124,075
2019	<u>8,075,617</u>	<u>4,055,000</u>	<u>4,020,617</u>	<u>215,000</u>	<u>24,467</u>	<u>275,000</u>	<u>34,600</u>	<u>250,000</u>	<u>1,482,750</u>	<u>215,000</u>	<u>113,575</u>
Subtotal	<u>35,014,137</u>	<u>13,740,000</u>	<u>21,274,137</u>	<u>1,165,000</u>	<u>208,387</u>	<u>1,275,000</u>	<u>275,000</u>	<u>1,250,000</u>	<u>7,536,750</u>	<u>995,000</u>	<u>667,875</u>
2020	8,352,377	4,540,000	3,812,377	210,000	16,190	290,000	23,600	250,000	1,469,750	225,000	102,825
2021	8,353,025	4,770,000	3,583,025	200,000	8,000	300,000	12,000	250,000	1,459,750	235,000	93,825
2022	7,377,850	4,040,000	3,337,850	-	-	-	-	250,000	1,449,750	245,000	84,425
2023	6,998,075	3,875,000	3,123,075	-	-	-	-	1,300,000	1,439,750	260,000	74,625
2024	<u>7,019,450</u>	<u>4,090,000</u>	<u>2,929,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,400,000</u>	<u>1,384,500</u>	<u>270,000</u>	<u>63,575</u>
Subtotal	<u>38,100,777</u>	<u>21,315,000</u>	<u>16,785,777</u>	<u>410,000</u>	<u>24,190</u>	<u>590,000</u>	<u>35,600</u>	<u>3,450,000</u>	<u>7,203,500</u>	<u>1,235,000</u>	<u>419,275</u>
2025	7,012,462	4,285,000	2,727,462	-	-	-	-	1,450,000	1,326,750	280,000	52,437
2026	6,283,413	3,770,000	2,513,413	-	-	-	-	1,500,000	1,265,125	295,000	40,538
2027	6,328,375	3,990,000	2,338,375	-	-	-	-	1,600,000	1,201,375	315,000	28,000
2028	6,375,844	4,225,000	2,150,844	-	-	-	-	1,700,000	1,131,375	325,000	14,219
2029	<u>6,052,250</u>	<u>4,100,000</u>	<u>1,952,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,800,000</u>	<u>1,057,000</u>	<u>-</u>	<u>-</u>
Subtotal	<u>32,052,344</u>	<u>20,370,000</u>	<u>11,682,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,050,000</u>	<u>5,981,625</u>	<u>1,215,000</u>	<u>135,194</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR (Continued)
June 30, 2009

Fiscal Year Ending June 30	Total Requirements	2004		2007			2008		2008		
		General Obligation Public Improvement		Electric System Revenue			Water and Sewer Revenue and Tax		Water and Sewer Revenue and Tax		
		Bonds		Bonds			Bonds - Series A		Bonds - Series B		
		Bond	Interest	Bond	Interest	Bond	Interest	Bond	Interest		
2030	6,056,250	4,300,000	1,756,250	-	-	-	-	1,900,000	976,000	-	-
2031	5,125,250	3,575,000	1,550,250	-	-	-	-	2,000,000	890,000	-	-
2032	5,132,000	3,750,000	1,382,000	-	-	-	-	2,100,000	800,500	-	-
2033	5,205,000	4,000,000	1,205,000	-	-	-	-	2,200,000	706,000	-	-
2034	<u>5,211,000</u>	<u>4,195,000</u>	<u>1,016,000</u>	-	-	-	-	<u>2,300,000</u>	<u>607,000</u>	-	-
Subtotal	<u>26,729,500</u>	<u>19,820,000</u>	<u>6,909,500</u>	-	-	-	-	<u>10,500,000</u>	<u>3,979,500</u>	-	-
2035	5,212,750	4,395,000	817,750	-	-	-	-	2,400,000	503,500	-	-
2036	5,202,000	4,595,000	607,000	-	-	-	-	2,500,000	392,500	-	-
2037	5,172,250	4,795,000	377,250	-	-	-	-	2,600,000	267,500	-	-
2038	<u>2,887,500</u>	<u>2,750,000</u>	<u>137,500</u>	-	-	-	-	<u>2,750,000</u>	<u>137,500</u>	-	-
Subtotal	<u>18,474,500</u>	<u>16,535,000</u>	<u>1,939,500</u>	-	-	-	-	<u>10,250,000</u>	<u>1,301,000</u>	-	-
Totals	<u>\$ 184,717,459</u>	<u>\$ 102,380,000</u>	<u>\$ 82,337,459</u>	<u>\$ 2,700,000</u>	<u>\$ 644,603</u>	<u>\$ 2,915,000</u>	<u>\$ 821,600</u>	<u>\$ 34,500,000</u>	<u>\$ 33,833,625</u>	<u>\$ 4,100,000</u>	<u>\$ 2,098,369</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR (Continued)
June 30, 2009

Fiscal Year Ending June 30	2008		2009	
	General Obligation Refunding Bonds		Local Government Public Improvement Bonds	
	Bond	Interest	Bond	Interest
2010	\$ 1,330,000	\$ 598,100	\$ -	\$ 2,333,600
2011	1,360,000	544,900	-	2,333,600
2012	1,435,000	490,500	-	2,333,600
2013	1,295,000	433,100	-	2,333,600
2014	<u>1,350,000</u>	<u>381,300</u>	-	<u>2,333,600</u>
Subtotal	<u>6,770,000</u>	<u>2,447,900</u>	-	<u>11,668,000</u>
2015	1,410,000	323,925	-	2,333,600
2016	1,470,000	264,000	-	2,333,600
2017	1,390,000	190,500	235,000	2,333,600
2018	660,000	121,000	790,000	2,320,675
2019	<u>705,000</u>	<u>88,000</u>	<u>2,395,000</u>	<u>2,277,225</u>
Subtotal	<u>5,635,000</u>	<u>987,425</u>	<u>3,420,000</u>	<u>11,598,700</u>
2020	735,000	54,512	2,830,000	2,145,500
2021	400,000	19,600	3,385,000	1,989,850
2022	-	-	3,545,000	1,803,675
2023	-	-	2,315,000	1,608,700
2024	<u>-</u>	<u>-</u>	<u>2,420,000</u>	<u>1,481,375</u>
Subtotal	<u>1,135,000</u>	<u>74,112</u>	<u>14,495,000</u>	<u>9,029,100</u>
2025	-	-	2,555,000	1,348,275
2026	-	-	1,975,000	1,207,750
2027	-	-	2,075,000	1,109,000
2028	-	-	2,200,000	1,005,250
2029	<u>-</u>	<u>-</u>	<u>2,300,000</u>	<u>895,250</u>
Subtotal	<u>-</u>	<u>-</u>	<u>11,105,000</u>	<u>5,565,525</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR (Continued)
June 30, 2009

Fiscal Year Ending June 30	2008		2009	
	General Obligation Refunding Bonds		Local Government Public Improvement Bonds	
	<u>Bond</u>	<u>Interest</u>	<u>Bond</u>	<u>Interest</u>
2030	\$ -	\$ -	\$ 2,400,000	\$ 780,250
2031	-	-	1,575,000	660,250
2032	-	-	1,650,000	581,500
2033	-	-	1,800,000	499,000
2034	<u>-</u>	<u>-</u>	<u>1,895,000</u>	<u>409,000</u>
Subtotal	<u>-</u>	<u>-</u>	<u>9,320,000</u>	<u>2,930,000</u>
2035	-	-	1,995,000	314,250
2036	-	-	2,095,000	214,500
2037	-	-	2,195,000	109,750
2038	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>-</u>	<u>6,285,000</u>	<u>638,500</u>
Totals	<u>\$ 13,540,000</u>	<u>\$ 3,509,437</u>	<u>\$ 44,625,000</u>	<u>\$ 41,429,825</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INTERFUND TRANSFERS – ALL FUNDS
For the Fiscal Year Ended June 30, 2009

Transfers To:	Special Revenue Funds								Capital Projects Funds		Enterprise Fund	Total InterFund Transfers
	General Fund	Debt Service Fund	Maryville City Schools Cafeteria Fund	General Purpose School Fund	Solid Waste Management Fund	Animal Control Fund	Local Grant Fund	Geographic Information System Fund	Capital Projects Fund	Equipment Replacement Fund	Storm-Water Utility	
Transfers From:												
General Fund	\$ -	\$ 1,630,093	\$ -	\$ 9,307,500	\$ 2,287,266	\$ 228,576	\$ 836,386	\$ 32,642	\$ 3,329	\$ 360,000	\$ 365,000	\$ 15,050,792
Special Revenue Funds:												
General Purpose School Fund	-	-	352,502	-	-	-	-	-	-	-	-	352,502
Enterprise Funds:												
Electric Department	793,381	-	-	-	-	-	-	16,321	-	-	-	809,702
Water Quality Control Department	<u>387,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>403,685</u>
Total Interfund Transfers	<u>\$ 1,180,745</u>	<u>\$ 1,630,093</u>	<u>\$ 352,502</u>	<u>\$ 9,307,500</u>	<u>\$ 2,287,266</u>	<u>\$ 228,576</u>	<u>\$ 836,386</u>	<u>\$ 65,284</u>	<u>\$ 3,329</u>	<u>\$ 360,000</u>	<u>\$ 365,000</u>	<u>\$ 16,616,681</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF SALARIES AND SURETY BONDS OF PRINCIPAL OFFICERS
June 30, 2009

Title	<u>Name</u>	Annual Salary	Amount of Bond
Mayor	Tom Taylor	\$ 600	*
Councilmen	Tommy Hunt	300	
	Fred Metz	300	
	Joe Swann	300	
	Andy White	300	
City Judge	William D. Yarborough	10,800	*
City Juvenile Judge	Tammy Harrington	10,000	
Assistant City Judge	Michael Fox	2,400	
City Attorney	David Black	110,400(1)	*
City Manager	Greg McClain	131,111	*
Assistant City Manager	Roger D. Campbell	122,768	*
Director of Financial Services	Deborah Caughron	90,993	\$ 650,000
Director of Engineering and Public Works	Angela Luckie	90,993	*
Director of Electric Utility	Baron Swafford	105,335	*
Director of Water Quality Control	Jeff Rose	100,319	*
Director of Human Resources	Teresa Best	95,542	*
Public Safety Director	Tony Crisp	110,602	*
Director of Information Technology	Terry McCoy	95,542	*
Director of Development Services	John Jagger	82,533	

* Covered by blanket fidelity bond in the amount of \$50,000

(1) Per contractual agreement

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE
June 30, 2009

<u>Coverage</u>	<u>Coverage Period</u>	<u>Hazard Insured Against</u>	<u>Amount of Coverage</u>	
Buildings and Personal Property	07/01/2006 to 07/01/2009	Property Damage	\$19,145,561	– Municipal Building
			578,069	– Fire Station (Sequoyah Avenue)
			633,984	– Fire Station (Sandy Springs Road)
			185,425	– Animal Shelter
			8,963,593	– Seven (7) Distribution Stations
			23,404,039	– Wastewater Treatment Plant (Wheeler Road)
			8,024,242	– Water Plant (Highway 411 North)
			6,579,272	– Eight (8) Water Tanks
			3,184,898	– Pump Stations (18)
			7,667,206	– Operations Center, Fleet Maintenance Center, Storage Sheds, Pump Station Buildings, and Wash Bay
			111,058	– Wastewater Treatment Plant Maintenance Building
			8,527,428	– Sewer Lift Station
			55,976	– Firing Range Building
			1,461,845	– Raw Water Intake Pumping Station
			484,928	– Sharp Lane Building
			427,370	– Pool Building and Concession Stands
			2,748,000	– Personal Property at Above Locations
			813,860	– Data Processing Equipment
			843,103	– Mobile Equipment
			1,775,825	– Water Booster Stations (7)
110,247	– Fuel System			
390,496	– Swimming Pool			
Crime	07/01/2006 to 07/01/2009	Employee Dishonesty	100,000	per occurrence
		Forgery or Alteration	100,000	per occurrence
		Theft, Destruction or Disappearance	100,000	per occurrence
		Computer Fraud	100,000	per occurrence
Finance Director's Bond	12/01/2007 to 12/01/2009	Crime	650,000	
Liability	12/31/2006 to 12/31/2009	Errors or Omissions	1,000,000	per occurrence (\$10,000 deductible)
General and Personal Injury Liability	12/31/2006 to 12/31/2009	Bodily Injury or Personal Injury	300,000	per person
		Property Damage	700,000	per occurrence
		Other Losses	100,000	per occurrence
		1,000,000	per occurrence	
		Catastrophic Medical Expenses	1,000,000	per occurrence
		Medical Payments	1,000	per person
		10,000	per accident	
		Fire Damage	100,000	per occurrence
		Impounded Property	100,000	per occurrence
		Non-Monetary Defense	100,000	per occurrence

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE (Continued)
June 30, 2009

<u>Coverage</u>	<u>Coverage Period</u>	<u>Hazard Insured Against</u>	<u>Amount of Coverage</u>
Automobile Liability and Physical Damage	12/31/2006 to 12/31/2009	Bodily Injury	300,000 per person
			700,000 per occurrence
		Property Damage	100,000 per occurrence
		Other Losses	1,000,000 per occurrence
		Catastrophic Medical Expenses	1,000,000 per occurrence
		Medical Payments	1,000 per person
			10,000 per accident
		Uninsured Motorists	300,000 per occurrence for bodily injury
			100,000 per occurrence for property damage
			Collision/ Comprehensive Damages
Employer's Liability and Workmen's Compensation	11/01/2007 to 11/01/2010	Employee Bodily Injury by Accident	300,000 per occurrence
		Employee Bodily Injury by Disease	300,000 per employee
			700,000 policy limit

**CITY OF MARYVILLE, TENNESSEE
GENERAL PURPOSE SCHOOL FUND – SPECIAL REVENUE FUND
SCHEDULE OF INSURANCE IN FORCE
June 30, 2009**

<u>Coverage</u>	<u>Coverage Period</u>	<u>Hazard Insured Against</u>	<u>Amount of Coverage</u>	
General and Personal Injury Liability	12/31/2007 to 12/31/2010	Bodily Injury or	\$ 300,000	per person
		Personal Injury	700,000	per occurrence
		Property Damage	100,000	per occurrence
		Other Losses	1,000,000	per occurrence
		Medical Payments	1,000	per person
			10,000	per accident
		Fire Damage	100,000	per occurrence
		Impounded Property	100,000	per occurrence
		Non-Monetary Defense	100,000	per occurrence
		Automobile Liability and Physical Damage	12/31/2007 to 12/31/2010	Bodily Injury
	700,000			per occurrence
Property Damage	100,000			per occurrence
Other Losses	1,000,000			per occurrence
Medical Payments	1,000			per person
	10,000			per accident
Uninsured Motorists	300,000			per occurrence for bodily injury
	100,000			per occurrence for property damage
	Collision/ Comprehensive Damages	Various coverages depending on value of vehicle		
Buildings and Personal Property	12/31/2008 to 12/31/2009	Property Damage	Building & Contents	
			Foothills Elementary	\$ 9,703,619
			John Sevier Elementary	8,903,547
			Fort Craig Elementary	4,776,513
			Sam Houston Elementary	6,814,536
			Maryville Intermediate	14,961,641
			Maryville Middle	15,563,107
			Maryville High, including Stadium and Central Office	31,702,761
			Other Buildings and Property	<u>1,420,325</u>
			Totals	<u>\$ 93,846,049</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL PURPOSE SCHOOL FUND – SPECIAL REVENUE FUND
SCHEDULE OF INSURANCE IN FORCE (Continued)
June 30, 2009

<u>Coverage</u>	<u>Coverage Period</u>	<u>Hazard Insured Against</u>	<u>Amount of Coverage</u>
Student Athletic and Intramural Injuries	12/31/2008 to 12/31/2009	Athlete Bodily Injury	\$250,000 per person
Employer's Liability and Workmen's Compensation	09/01/2008 to 09/01/2009	Employee Bodily Injury	\$300,000 per employee
Crime	12/31/2008 to 12/31/2009	Employee Dishonesty	\$100,000 per occurrence
		Forgery or Alteration	100,000 per occurrence
		Theft, destruction or Disappearance	100,000 per occurrence
		Computer Fraud	100,000 per occurrence

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES – ENTERPRISE FUND
Electric Department
SCHEDULE OF UTILITY STATISTICS
For the Fiscal Year Ended June 30, 2009

The basic utility rates in force as of June 30, 2009, are as follows:

I. Residential Rates:

Customer Charge: \$8.33 per month less \$1.71 hydro allocation credit
Energy Charge: 7.591 cents per kWh

II General Power Rates:

Usage Under 50 KW and/or KWH Usage Under 15,000:

Customer Charge: \$16.06 per month
Energy Charge: 8.188 cents per KWH

Usage Over 50 KW But Not More Than 1,000 KW and/or KWH Usage Equal to or Greater Than 15,000:

Customer Charge: \$53.50 per delivery point per month
Demand Charge: First 50 KW - No Charge
Over 50 KW - \$12.23 per KW
Energy Charge: First 15,000 KWH - 8.372 cents per KWH
Over 15,000 KWH - 4.568 cents per KWH

Usage Over 1,000 KW:

Customer Charge: \$160.57 per delivery point per month
Demand Charge: First 1,000 kW - \$12.41 per KW
Additional KW - \$14.20 per KW
Energy Charge: 4.604 cents per KWH

Usage Over 5,000 KW But Not More Than 15,000 KW:

Customer Charge: \$1,500.00 per delivery point per month
Demand Charge: Contract Demand - \$13.86 per KW
In Excess of Contract - \$13.86 per KW
Energy Charge: Up to 620 Hours use of Metered Demand – 3.791 cents per KWH
Additional KWH – 3.094 cents per KWH

III. Customers served as of June 30, 2009, are as follows:

Residential	17,282
General Power	2,735
Street and athletic	108
Outdoor lighting	1,246
Total Customers	21,371

IV. Units of Power Purchased and Sold:

Kilowatt-hours purchased	704,475,862
Kilowatt-hours sold	689,199,055
Line losses	15,276,807

**CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Water Quality Control Department
SCHEDULE OF UTILITY STATISTICS
For the Fiscal Year Ended June 30, 2009**

I. The basic utility rates in force as of June 30, 2009, are as follows:

Water Service

<u>Rates per gallons for all water used:</u>	<u>Inside City</u>	<u>Outside City</u>
First 1,500 gallons or less	\$ 5.56 min. bill	\$ 8.35 min. bill
Next 3,500 gallons @	2.75 per M	4.15 per M
Next 5,000 gallons @	2.48 per M	3.73 per M
Next 20,000 gallons @	2.38 per M	3.56 per M
Next 20,000 gallons @	2.27 per M	3.40 per M
Next 50,000 gallons @	2.16 per M	3.24 per M
Additional gallons @	2.05 per M	3.07 per M

Private Fire Sprinkler Line Service

<u>Line Size</u>	<u>Monthly Charge</u>
5/8"	\$ 3.86
1"	5.51
2"	9.42
4"	15.04
6"	22.53
8"	33.83
10"	50.73
12"	76.13

Water System Development Charge

<u>Meter Size</u>	<u>Inside City</u>	<u>Outside City</u>
5/8"	\$ 220.00	\$ 330.00
1"	485.00	728.00
2"	1,365.00	2,050.00
4"	5,508.00	8,262.00
6"	11,016.00	16,524.00
10"	16,524.00	24,786.00

Water Tap Fees

<u>Line Size</u>	<u>Inside City</u>	<u>Outside City</u>
5/8"	\$ 419.00	\$ 629.00
1"	750.00	1,124.00

Above 1" – \$2,500.00 advance payment adjusted to actual cost upon completion.

(Continued)

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Water Quality Control Department
SCHEDULE OF UTILITY STATISTICS (Continued)
For the Fiscal Year Ended June 30, 2009

Sewage Service

<u>Location</u>	Charge per 1,000 Gallons Of Metered <u>Water</u>	Customer <u>Charge</u>
Inside City (Residential)	\$ 3.33	\$ 4.48
Outside City (Residential)	4.99	6.75
Inside City (Non-residential)	3.82	4.48
Outside City (Non-residential)	5.75	6.75

Flat Rate Sewer Service Charges

Inside City

\$20.24 per month for single family dwellings; for multi-family dwellings, monthly charge is \$4.48 plus \$15.77 for each dwelling unit.

Outside City

\$30.99 per month for single family dwellings; for multi-family dwellings, monthly charge is \$6.75 plus \$23.65 for each dwelling unit.

Sewer System Development Charge

<u>Meter Size</u>	<u>Inside City</u>	<u>Outside City</u>
5/8"	\$ 738.00	\$ 1,106.00
1"	1,622.00	2,433.00
2"	4,571.00	6,856.00
4"	18,428.00	27,642.00
6"	36,855.00	55,283.00
10"	55,283.00	82,925.00

Sewer Tap Fees

	<u>Inside City</u>	<u>Outside City</u>
City Installs Sewer Tap	\$ 670.00	\$ 1,004.00
City Exposes Existing Tap	340.00	511.00
Customer Exposes Existing Tap	113.00	171.00
Sewer Line Extension Charge	At Cost	At Cost

II. Customers Served as of June 30, 2009

Water service	14,681
Sewer service	12,813

(Continued)

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Water Quality Control Department
SCHEDULE OF UTILITY STATISTICS (Continued)
For the Fiscal Year Ended June 30, 2009

III. Schedule of Unaccounted for Water

(All amounts in gallons)

A Water Treated and Purchased		
B	Water Pumped (potable)	<u>1,450,387,000</u>
C	Water Purchased	<u>819,800</u>
D	Total Water Treated and Purchased (Sum Lines B and C)	<u>1,451,206,800</u>
 E Accounted for Water:		
F	Water Sold	<u>1,181,162,800</u>
G	Metered for Consumption (in house usage)	<u>12,794,392</u>
H	Fire Department (s) Usage	<u>2,012,334</u>
I	Flushing	<u>2,988,460</u>
J	Tank Cleaning/Filling	<u>0</u>
K	Street Cleaning	<u>205,597</u>
L	Bulk Sales	<u>0</u>
M	Water Bill Adjustments (+/-)	<u>0</u>
N	Total Accounted for Water (Sum Lines F thru M)	<u>1,199,163,583</u>
O	Unaccounted for Water (Line D minus Line N)	<u>252,043,217</u>
P	Percent Unaccounted for Water (Line O divided by Line D times 100)	<u>17.368%</u>

Q Other (explain) See Below

Explain Other:

All amounts included in this schedule are supported by documentation on file at the water system. If no support is on file for a line item or if line item is not applicable, a "0" is shown.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Stormwater Utilities Department
SCHEDULE OF UTILITY STATISTICS
For the Fiscal Year Ended June 30, 2009

I. Residential Rate:

\$3.97 per Equivalent Residential Unit (ERU) per month.

ERU is established as the average amount of impervious area found on a typical single-family residence. Based on a sampling of residential units, the City has determined that the average impervious area is 2,400 square feet. Thus, all residential customers are assigned one ERU.

II. Non-Residential Rate:

\$3.97 per Equivalent Residential Unit (ERU) per month.

For non-residential properties, the impervious area on the property is measured and translated into a whole Number of ERUs based upon the average residential area of 2,400. The number of ERUs is multiplied by the ERU rate to yield the monthly stormwater fee for that customer.

III. Customers serviced as of June 30, 2009 are as follows:

Residential	8,629
Non-residential	<u>1,054</u>
Total Customers	<u><u>9,683</u></u>

CITY OF MARYVILLE, TENNESSEE

SECTION THREE

STATISTICAL INFORMATION

June 30, 2009

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CITY OF MARYVILLE, TENNESSEE
Statistical Section
June 30, 2009

This part of the City of Maryville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

CONTENTS

SCHEDULES

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

1 through 4

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's most significant local revenue source.

5 through 8

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

9 through 13

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

14 through 15

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

16 through 18

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 1
NET ASSETS BY COMPONENT
(Prepared Using the Accrual Basis of Accounting)
Last Seven Fiscal Years*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
GOVERNMENTAL ACTIVITIES:							
Invested in capital assets, net of related debt	\$ 39,199,223	\$ 33,546,542	\$ 36,128,184	\$ 29,549,528	\$ 26,919,534	\$ 21,634,443	\$ 11,397,216
Restricted	17,653,607	25,618,063	18,452,031	20,821,787	21,489,809	25,234,240	32,641,602
Unrestricted	<u>12,322,544</u>	<u>11,406,293</u>	<u>6,298,287</u>	<u>7,051,009</u>	<u>6,080,758</u>	<u>7,220,324</u>	<u>8,219,261</u>
 Total Governmental Activities Net Assets	 <u>\$ 69,175,374</u>	 <u>\$ 70,570,898</u>	 <u>\$ 60,878,502</u>	 <u>\$ 57,422,324</u>	 <u>\$ 54,490,101</u>	 <u>\$ 54,089,007</u>	 <u>\$ 52,258,079</u>
BUSINESS-TYPE ACTIVITIES:							
Invested in capital assets, net of related debt	73,847,313	74,483,082	68,969,853	\$ 67,710,974	\$ 67,132,741	\$ 66,187,863	\$ 63,233,197
Restricted	-	-	2,964,612	1,811,425	1,799,797	1,792,160	1,781,988
Unrestricted	<u>2,508,254</u>	<u>(480,447)</u>	<u>252,322</u>	<u>3,183,899</u>	<u>2,934,044</u>	<u>3,263,517</u>	<u>3,517,898</u>
 Total Business-Type Activities Net Assets	 <u>\$ 76,355,567</u>	 <u>\$ 74,002,635</u>	 <u>\$ 72,186,787</u>	 <u>\$ 72,706,298</u>	 <u>\$ 71,866,582</u>	 <u>\$ 71,243,540</u>	 <u>\$ 68,533,083</u>
PRIMARY GOVERNMENT:							
Invested in capital assets, net of related debt	\$ 113,046,536	\$ 108,029,624	\$ 105,098,037	\$ 97,260,502	\$ 94,052,275	\$ 87,822,306	\$ 74,630,413
Restricted	17,653,607	25,618,063	21,416,643	22,633,212	23,289,606	27,026,400	34,423,590
Unrestricted	<u>14,830,798</u>	<u>10,925,846</u>	<u>6,550,609</u>	<u>10,234,908</u>	<u>9,014,802</u>	<u>10,483,841</u>	<u>11,737,159</u>
 Total Primary Government Net Assets	 <u>\$ 145,530,941</u>	 <u>\$ 144,573,533</u>	 <u>\$ 133,065,289</u>	 <u>\$ 130,128,622</u>	 <u>\$ 126,356,683</u>	 <u>\$ 125,332,547</u>	 <u>\$ 120,791,162</u>

* The requirements for this schedule are effective prospectively. Thus, the schedule will be expanded each year to accumulate ten year's of data.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 2
CHANGES IN NET ASSETS
(Prepared Using the Accrual Basis of Accounting)
Last Seven Fiscal Years*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
EXPENSES:							
Governmental Activities:							
General Government	\$ 2,619,416	\$ 2,927,208	\$ 2,894,682	\$ 2,944,541	\$ 1,951,816	\$ 2,251,207	\$ 1,933,416
Public Safety	9,063,312	9,453,107	9,235,049	8,231,186	7,642,235	6,690,412	6,483,438
Public Works	7,318,748	7,268,723	7,557,575	9,551,931	7,836,246	5,582,299	3,222,952
Culture and Recreation	11,591,791	2,064,163	1,991,543	1,852,197	1,880,136	2,142,247	1,652,986
Economic Development	2,078,586	377,833	193,023	-	-	-	-
Nondepartmental	1,253,913	958,986	-	-	-	-	-
Education	45,907,264	45,101,764	43,103,196	40,246,809	38,309,915	36,527,587	33,269,424
Debt Service:							
Interest on Long-Term Debt	2,818,284	2,719,769	2,565,682	2,457,100	2,004,476	1,661,979	1,885,908
Other Debt Service	<u>45,987</u>	<u>40,175</u>	<u>40,175</u>	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>25,600</u>
Total Governmental Activities Expenses	<u>82,697,301</u>	<u>70,911,728</u>	<u>67,580,925</u>	<u>65,283,764</u>	<u>59,624,824</u>	<u>54,873,731</u>	<u>48,473,724</u>
Business-Type Activities:							
Electric	59,687,838	53,887,722	51,339,557	47,531,428	41,668,069	40,748,228	37,493,133
Water and Sewer	11,794,143	10,498,742	9,852,265	9,196,544	9,130,322	8,280,144	7,816,603
Stormwater Utility	<u>839,484</u>	<u>862,424</u>	<u>1,139,470</u>	<u>976,134</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-type Activities Expenses	<u>\$ 72,321,465</u>	<u>65,248,888</u>	<u>62,331,292</u>	<u>57,704,106</u>	<u>50,798,391</u>	<u>49,028,372</u>	<u>45,309,736</u>
Total Primary Government Expenses	<u>\$ 155,018,766</u>	<u>\$136,160,616</u>	<u>\$121,912,217</u>	<u>\$ 122,987,870</u>	<u>\$ 110,423,215</u>	<u>\$ 103,902,103</u>	<u>\$ 93,783,460</u>
PROGRAM REVENUES:							
Governmental Activities:							
Charges for Services:							
General Government	\$ 189,178	\$ 349,451	\$ 294,948	\$ 192,851	\$ 281,702	\$ 268,109	\$ 223,266
Public Safety	281,915	516,868	679,635	686,332	598,029	678,022	617,331
Public Works	301,972	148,136	131,719	127,784	99,905	118,770	132,055
Culture and Recreation	690,561	691,735	460,153	462,403	420,212	926,156	772,613
Economic Development	334,397	244,375	-	-	-	-	-
Education	2,735,392	2,798,850	2,710,963	2,708,806	2,618,308	2,538,835	2,400,712
Operating Grants and Contributions	32,789,337	33,370,902	23,367,432	21,550,802	19,436,983	19,366,674	17,177,742
Capital Grants and Contributions	<u>93,675</u>	<u>196,505</u>	<u>3,012,114</u>	<u>3,321,825</u>	<u>698,787</u>	<u>526,112</u>	<u>13,429</u>
Total Governmental Activities Program Revenues	<u>37,416,427</u>	<u>38,316,822</u>	<u>30,656,964</u>	<u>29,050,803</u>	<u>24,153,926</u>	<u>24,422,678</u>	<u>21,337,148</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 2
CHANGES IN NET ASSETS (Continued)
(Prepared Using the Accrual Basis of Accounting)
Last Seven Fiscal Years*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
PROGRAM REVENUES (Continued):							
Business-Type Activities:							
Charges for Services:							
Electric	61,839,944	55,403,587	51,734,502	49,527,590	42,493,194	42,716,806	39,640,802
Water and Quality Control	11,372,336	10,873,811	10,087,319	10,365,017	9,517,412	9,435,231	8,971,013
Stormwater Utility	1,318,520	1,269,617	1,233,160	1,192,538	-	-	-
Operating Grants and Contributions	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	100,664	386,505	502,172	627,809	717,668
Total Business-Type Activities Program Revenues	<u>74,530,800</u>	<u>67,547,015</u>	<u>63,155,645</u>	<u>61,471,650</u>	<u>52,512,778</u>	<u>52,779,846</u>	<u>49,329,483</u>
 Total Primary Government Program Revenues	 <u>\$ 111,947,227</u>	 <u>\$105,863,837</u>	 <u>\$ 93,812,609</u>	 <u>\$ 90,522,453</u>	 <u>\$ 76,666,704</u>	 <u>\$ 77,202,524</u>	 <u>\$ 70,666,631</u>
 NET (EXPENSE) REVENUE							
Governmental Activities	\$ (45,280,874)	\$ (32,594,906)	\$ (36,923,961)	\$ (36,232,961)	\$ (35,470,898)	\$ (30,451,053)	\$ (27,136,576)
Business-Type Activities	<u>2,209,335</u>	<u>2,298,127</u>	<u>824,353</u>	<u>3,767,544</u>	<u>1,714,387</u>	<u>3,751,474</u>	<u>4,019,747</u>
 Total Primary Government Net Expenses	 <u>\$ (43,071,539)</u>	 <u>\$ (30,296,779)</u>	 <u>\$ (36,099,608)</u>	 <u>\$ (32,465,417)</u>	 <u>\$ (33,756,511)</u>	 <u>\$ (26,699,579)</u>	 <u>\$ (23,116,829)</u>
 GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:							
Governmental Activities:							
General Revenues:							
Sales Taxes	\$ 12,109,619	\$ 11,674,305	\$ 10,930,894	\$ 10,376,834	\$ 9,580,803	\$ 9,208,876	\$ 8,565,087
State income tax and Excise tax	528,149	645,516	449,219	364,645	261,594	456,488	394,794
Property Taxes	23,556,533	21,803,590	20,726,049	19,138,521	18,805,796	16,846,626	16,513,828
Business Taxes	638,490	716,624	582,649	639,675	580,800	379,076	353,852
Miscellaneous Taxes	4,775,703	4,822,796	4,092,266	4,197,930	3,870,558	3,422,052	3,346,023
In-lieu-of Taxes	517,909	502,067	441,304	388,218	324,511	371,485	399,459
Investment Earnings	577,600	1,126,371	1,223,035	572,102	917,656	303,214	577,857
Miscellaneous	172,266	127,516	514,878	223,038	203,484	171,517	303,016
Gain (Loss) on Deletion of Capital Assets	160,693	120,712	2,870	69,910	33,161	-	(12,019,585)
Transfers	<u>848,388</u>	<u>747,805</u>	<u>1,416,975</u>	<u>3,194,311</u>	<u>1,293,629</u>	<u>1,122,647</u>	<u>1,124,791</u>
 Total Governmental Activities	 <u>43,885,350</u>	 <u>42,287,302</u>	 <u>40,380,139</u>	 <u>39,165,184</u>	 <u>35,871,992</u>	 <u>32,281,981</u>	 <u>19,559,122</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 2
CHANGES IN NET ASSETS (Continued)
(Prepared Using the Accrual Basis of Accounting)
Last Seven Fiscal Years*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
GENERAL REVENUES AND OTHER							
CHANGES IN NET ASSETS							
(Continued):							
Business-Type Activities:							
General Revenues:							
Investment Earnings	1,155,009	352,908	387,730	233,365	149,309	81,012	130,211
Miscellaneous	8,400	15,600	8,910	618	618	618	618
Gain (Loss) on Deletion of Capital Assets	(171,424)	-	-	32,500	52,357	-	10,656
Extraordinary loss	-	(102,982)	(323,529)	-	-	-	-
Transfers	<u>(848,388)</u>	<u>(747,805)</u>	<u>(1,416,975)</u>	<u>(3,194,311)</u>	<u>(1,293,629)</u>	<u>(1,122,647)</u>	<u>(1,301,791)</u>
Total Business-Type Activities	<u>143,597</u>	<u>(482,279)</u>	<u>(1,343,864)</u>	<u>(2,927,828)</u>	<u>(1,091,345)</u>	<u>(1,041,017)</u>	<u>(1,160,306)</u>
Total Primary Government	<u>\$ 44,028,947</u>	<u>\$ 41,805,023</u>	<u>\$ 39,036,275</u>	<u>\$ 36,237,356</u>	<u>\$ 34,780,647</u>	<u>\$ 31,240,964</u>	<u>\$ 18,398,816</u>
CHANGE IN NET ASSETS:							
Governmental Activities	\$ (1,395,524)	\$ 9,692,396	\$ 3,456,178	\$ 2,932,223	\$ 401,094	\$ 1,830,928	\$ (7,577,454)
Business-Type Activities	<u>2,352,932</u>	<u>1,815,848</u>	<u>(519,511)</u>	<u>839,716</u>	<u>623,042</u>	<u>2,710,457</u>	<u>2,859,441</u>
Total Primary Government	<u>\$ 957,408</u>	<u>\$ 11,508,244</u>	<u>\$ 2,936,667</u>	<u>\$ 3,771,939</u>	<u>\$ 1,024,136</u>	<u>\$ 4,541,385</u>	<u>\$ (4,718,013)</u>

* The requirements for this schedule are effective prospectively. Thus, the schedule will be expanded each year to accumulate ten year's of data.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 3
FUND BALANCES, GOVERNMENTAL FUNDS
(Prepared Using the Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
GENERAL FUND										
Reserved	\$ -	\$ -	\$ 9,400	\$ -	\$ -	\$ -	\$ -	\$ 5,328	\$ 10,656	\$ 273
Unreserved	<u>4,740,931</u>	<u>4,297,006</u>	<u>3,858,383</u>	<u>3,987,807</u>	<u>4,612,870</u>	<u>5,710,287</u>	<u>6,647,477</u>	<u>7,381,543</u>	<u>6,257,249</u>	<u>5,955,994</u>
Total General Fund	<u>\$ 4,740,931</u>	<u>\$ 4,297,006</u>	<u>\$ 3,867,783</u>	<u>\$ 3,987,807</u>	<u>\$ 4,612,870</u>	<u>\$ 5,710,287</u>	<u>\$ 6,647,477</u>	<u>\$ 7,386,871</u>	<u>\$ 6,267,905</u>	<u>\$ 5,956,267</u>
All Other Governmental Funds										
Reserved	\$ 11,835,747	\$ 14,739,752	\$ 15,540,090	\$ 18,087,396	\$ 16,518,684	\$ 14,836,922	\$ 13,171,410	\$ 15,055,497	\$ 11,104,240	\$ 20,098,315
Unreserved, reported in:										
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Special Revenue Fund	5,910,888	5,471,565	1,386,817	1,952,694	(69,505)	726,652	18,489,824	1,727,645	1,613,851	2,528,738
Capital Projects Funds	<u>7,474,116</u>	<u>12,421,577</u>	<u>4,305,591</u>	<u>4,079,733</u>	<u>6,180,239</u>	<u>10,829,422</u>	<u>1,896,205</u>	<u>(30,000)</u>	<u>(507,124)</u>	<u>(440,492)</u>
Total All Other Governmental Funds	<u>\$ 25,220,751</u>	<u>\$ 32,632,894</u>	<u>\$ 21,232,498</u>	<u>\$ 24,119,823</u>	<u>\$ 22,629,418</u>	<u>\$ 26,392,996</u>	<u>\$ 33,557,439</u>	<u>\$ 16,753,142</u>	<u>\$ 12,210,967</u>	<u>\$ 22,186,561</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 4
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(Prepared Using the Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
REVENUES:										
Taxes	\$ 39,101,581	\$ 36,851,183	\$ 34,167,930	\$ 32,323,828	\$ 30,929,863	\$ 28,171,093	\$ 28,115,597	\$ 26,373,171	\$ 24,701,268	\$ 23,414,588
Licenses, permits and fees	187,839	219,892	372,676	521,349	586,657	612,294	547,547	559,031	480,999	488,783
Intergovernmental	33,507,905	36,959,515	29,439,050	27,565,857	22,577,626	22,427,596	19,717,021	25,803,319	20,066,594	18,166,642
Charges for services	3,207,699	3,418,635	3,533,204	3,153,917	2,835,810	2,808,930	2,639,533	2,510,103	2,469,320	2,275,662
Fines, forfeitures and costs	130,752	149,049	147,198	140,709	175,476	182,511	186,284	224,347	210,549	181,717
Investment income	577,600	1,126,371	1,223,035	572,102	917,656	303,214	547,765	517,215	1,169,219	1,000,388
Miscellaneous	<u>3,728,040</u>	<u>1,129,424</u>	<u>760,334</u>	<u>741,816</u>	<u>733,446</u>	<u>1,327,675</u>	<u>1,092,821</u>	<u>1,487,810</u>	<u>1,174,477</u>	<u>1,846,947</u>
Total Revenues	<u>80,441,416</u>	<u>79,854,069</u>	<u>69,643,427</u>	<u>65,019,578</u>	<u>58,756,534</u>	<u>55,833,313</u>	<u>52,846,568</u>	<u>57,474,996</u>	<u>50,272,426</u>	<u>47,374,727</u>
EXPENDITURES:										
General government	2,486,039	2,250,485	2,557,054	2,369,455	1,960,498	1,790,740	1,975,179	1,566,013	1,559,442	1,377,998
Public safety	8,380,192	8,946,646	8,760,170	7,878,145	7,377,985	6,439,833	6,258,045	5,636,105	5,185,925	4,905,649
Public works	5,809,557	5,987,383	5,828,785	5,172,424	5,627,232	6,305,293	5,209,971	4,738,479	4,512,808	4,137,168
Culture and recreation	11,546,009	2,019,939	1,946,787	1,810,291	1,837,101	2,096,013	1,608,765	1,499,176	1,353,859	826,074
Economic Development	2,057,450	377,833	193,023	-	-	-	-	-	-	-
Nondepartmental	1,253,913	958,986	-	-	-	-	-	-	-	-
Education	44,437,779	44,058,757	41,996,357	39,218,925	37,187,435	35,465,543	32,174,223	30,744,649	29,311,554	26,141,273
Debt service:										
Principal retirement	43,120,821	1,571,182	1,631,963	1,347,081	1,598,000	1,353,000	1,215,000	3,139,000	3,007,500	2,911,947
Interest and fiscal fees	3,115,500	2,783,365	2,735,377	2,434,708	2,023,647	1,674,767	2,169,345	1,616,848	1,516,549	1,317,001
Capital outlay	<u>7,832,348</u>	<u>2,953,803</u>	<u>8,671,765</u>	<u>9,436,953</u>	<u>12,488,605</u>	<u>11,161,414</u>	<u>6,156,777</u>	<u>2,917,508</u>	<u>13,490,928</u>	<u>18,889,154</u>
Total Expenditures	<u>130,039,608</u>	<u>71,908,379</u>	<u>74,321,281</u>	<u>69,667,982</u>	<u>70,100,503</u>	<u>66,286,603</u>	<u>56,767,305</u>	<u>51,857,778</u>	<u>59,938,565</u>	<u>60,506,264</u>
Excess (Deficiency) of Revenue Over Expenditures Before Financing Sources (Uses)	<u>(49,598,192)</u>	<u>7,945,690</u>	<u>(4,677,854)</u>	<u>(4,648,404)</u>	<u>(11,343,969)</u>	<u>(10,453,290)</u>	<u>(3,920,737)</u>	<u>5,617,218</u>	<u>(9,666,139)</u>	<u>(13,131,537)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	16,251,682	17,308,614	16,091,599	18,159,232	24,134,102	14,528,250	12,116,043	11,421,062	11,060,982	9,714,048
Transfers out	(15,403,294)	(16,444,797)	(14,387,629)	(14,703,638)	(22,840,474)	(13,405,603)	(12,116,043)	(11,421,062)	(11,060,982)	(9,714,048)
Issuance of debt	41,769,716	3,000,000	-	2,000,000	5,225,000	1,200,000	20,000,000	-	3,959,492	10,000,000
Amount deposited with refunding agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,959,492)</u>	<u>-</u>
Total other Financing Sources (Uses)	<u>42,618,104</u>	<u>3,863,817</u>	<u>1,708,970</u>	<u>5,455,594</u>	<u>6,518,628</u>	<u>2,322,647</u>	<u>20,000,000</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 4
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (Continued)
(Prepared Using the Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(6,980,088)	11,809,507	(2,973,884)	807,190	(4,825,341)	(8,130,643)	16,079,263	5,617,218	(9,666,139)	(3,131,537)
Change in Reserve for Inventory	<u>11,870</u>	<u>20,112</u>	<u>(33,465)</u>	<u>58,152</u>	<u>(35,654)</u>	<u>29,010</u>	<u>(14,360)</u>	<u>43,923</u>	<u>2,183</u>	<u>2,985</u>
Net Change in Fund Balance	<u>\$ (6,968,218)</u>	<u>\$ 11,829,619</u>	<u>\$ (3,007,349)</u>	<u>\$ 865,342</u>	<u>\$ (4,860,995)</u>	<u>\$ (8,101,633)</u>	<u>\$ 16,064,903</u>	<u>\$ 5,661,141</u>	<u>\$ (9,663,956)</u>	<u>\$ (3,128,552)</u>
Debt service as a percentage of noncapital expenditures	37.8%	6.3%	6.6%	5.9%	6.1%	5.6%	6.7%	9.7%	9.7%	10.2%

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 5
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year Ending June 30	Tax Year	Real Property		Tangible Personal Property Assessed	Public Utility Assessment	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
		Residential, Farms Property	Commercial, Industrial Property						
2000	1999	\$ 198,601,105	\$ 132,941,206	\$ 91,073,682	\$ 7,693,310	\$ 430,309,303	\$ 2.33	1,441,712,713	30%
2001	2000	204,203,443	135,064,750	91,067,460	7,987,773	438,323,426	2.33	1,499,838,359	29%
2002	2001	233,603,780	156,038,102	105,015,454	9,141,814	503,799,150	2.10	1,687,235,862	30%
2003	2002	241,683,836	159,577,432	97,355,792	9,389,326	508,006,386	2.15	1,705,383,550	30%
2004	2003	248,765,086	164,679,596	91,107,063	7,453,316	512,005,061	2.15	1,744,054,895	29%
2005	2004	258,257,981	171,658,845	93,441,459	8,454,267	531,812,552	2.27	1,812,516,249	29%
2006	2005	268,016,015	174,152,238	87,625,422	7,508,998	537,302,673	2.27	1,864,361,986	29%
2007	2006	372,335,500	213,948,280	124,572,037	9,012,106	719,867,923	1.95	2,455,838,312	29%
2008	2007	383,855,475	218,491,080	122,240,692	9,937,798	734,525,045	2.05	2,507,187,053	29%
2009	2008	389,176,075	222,126,120	111,504,825	8,364,243	731,171,263	2.30	2,498,910,065	29%

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 6
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 (Rate per \$100 of Assessed Value)
 Last Ten Calendar Years

<u>Tax Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>General Purpose School Fund</u>	<u>Total Direct Tax Rate</u>	<u>Overlapping Tax Rate - Blount County</u>
1999	\$ 0.48	\$ 0.68	\$ 1.17	\$ 2.33	\$ 2.36
2000	0.20	0.71	1.42	2.33	2.36
2001	0.19	0.51	1.40	2.10	2.15
2002	0.19	0.51	1.40	2.15	2.15
2003	0.18	0.53	1.44	2.15	2.15
2004	0.20	0.57	1.50	2.27	2.43
2005	0.13	0.55	1.59	2.27	2.43
2006	0.42	0.20	1.33	1.95	2.18
2007	0.57	0.17	1.31	2.05	2.23
2008	0.64	0.35	1.31	2.30	2.23

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 7
PRINCIPAL TAXPAYERS
June 30, 2009

<u>Taxpayer</u>	<u>Fiscal Year 2009</u>			<u>Fiscal Year 2000</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Denso Manufacturing Tenn, Inc.	\$ 93,456,936	1	13.18%	\$ 83,275,817	1	19.35%
Presbyterian Homes of Tennessee, Inc	7,386,842	2	1.04%	-		
CBL & Associates Properties, Inc.	7,320,040	3	1.03%	7,550,860	2	1.75%
Ruby Tuesday, Inc.	6,437,937	4	0.91%	3,846,973	7	0.89%
Wal-Mart Stores, Inc.	5,952,891	5	0.84%	-		
Standard Aero Alliance, Inc.	5,568,560	6	0.79%	-		
Camellia Trace at Mountain View LLC	4,990,897	7	0.70%	-		
First Tennessee Bank	4,786,475	8	0.68%	4,471,513	4	1.04%
Belk Department Stores LP (1)	3,172,466	9	0.45%	3,985,442	6	0.93%
Atmos Energy Corp. (3)	2,964,725	10	0.39%	2,366,297	10	0.55%
Schlegel of Tennessee, Inc.	-			7,256,782	3	1.69%
BellSouth	-			4,089,169	5	0.95%
Home Depot USA, Inc.	-			3,036,301	9	0.71%
Key Safety Systems, Inc. (2)	-			3,469,926	8	0.81%
Totals	<u>\$142,037,769</u>		<u>20.04%</u>	<u>\$123,349,080</u>		<u>28.67%</u>
Total Assessed Value All Property	<u>\$708,920,413</u>			<u>\$430,309,303</u>		

- (1) Formerly Proffitts, Inc.
- (2) Formerly Breed Technologies, Inc.
- (3) Formerly United Cities Gas Company

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 8
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 10,014,242	\$ 9,573,612	95.7%	\$ 435,305	\$ 10,008,917	99.9%
2001	10,265,515	9,774,280	95.8%	481,797	10,256,077	99.9%
2002	10,572,655	10,152,232	96.0%	395,347	10,547,579	99.8%
2003	10,914,627	10,483,119	96.1%	414,992	10,898,111	99.9%
2004	10,998,466	10,558,997	96.0%	427,577	10,986,574	99.9%
2005	12,100,491	11,724,907	97.1%	362,232	12,087,139	99.9%
2006	12,200,154	11,819,449	96.9%	366,383	12,185,832	99.9%
2007	13,285,205	12,908,931	97.2%	252,202	13,261,133	99.8%
2008	14,727,551	14,267,903	96.9%	303,875	14,571,778	98.9%
2009	16,487,033	15,790,058	95.8%	-	15,790,058	95.8%

(1) Adjusted for pickups and releases

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 9
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Outlay Notes	Capital Lease Obligations	Total	General Revenue Bonds	Capital Outlay Notes	Total			
2000	\$ 9,170,000	\$ 34,034,000	\$ -	\$ 43,204,000	\$ 10,060,000	\$ 5,000,000	\$ 15,060,000	\$ 58,264,000	10.5%	\$ 2,517
2001	6,340,000	33,856,500	-	40,196,500	5,940,000	15,850,000	21,790,000	61,986,500	10.8%	2,633
2002	3,385,000	33,672,500	-	37,057,500	5,060,000	15,250,000	20,310,000	57,367,500	9.5%	2,385
2003	2,310,000	53,532,500	-	55,842,500	4,140,000	21,530,000	25,670,000	81,512,500	12.5%	3,264
2004	1,180,000	54,527,500	-	55,707,500	3,180,000	20,880,000	24,060,000	79,767,500	11.8%	3,137
2005	650,000	58,484,500	-	59,987,419	3,810,000	20,200,000	23,300,000	84,464,500	12.0%	3,272
2006	850,000	59,337,419	-	59,334,500	4,930,000	19,490,000	25,130,000	83,287,419	11.2%	3,151
2007	450,000	57,905,445	22,857,600	81,213,045	5,740,000	18,750,000	24,490,000	105,703,045	13.4%	3,911
2008	370,000	59,414,273	22,857,600	82,641,873	44,235,000	17,735,000	61,970,000	144,611,873	17.5%	5,198
2009	41,815,000	16,553,452	22,857,600	81,226,052	60,565,000	-	60,565,000	141,791,052	16.4%	5,127

NOTES:

Personal Income data can be found on Schedule 14.

Population data can be found on Schedule 14.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 10
RATIOS OF NET GENERAL DEBT OUTSTANDING
Last Ten Calendar Years

<u>Tax Year</u>	<u>General Obligation Debt</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Net General Obligation Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2000	\$ 43,204,000	\$ 6,619,465	\$ 36,584,535	\$ 8.5%	\$ 1,581
2001	40,196,500	6,142,413	34,054,087	7.7%	1,446
2002	37,057,500	10,978,414	26,079,086	5.2%	1,084
2003	55,842,500	12,813,976	43,028,524	8.5%	1,723
2004	55,707,500	14,732,642	40,974,858	8.0%	1,611
2005	62,094,500	16,393,700	45,700,800	8.6%	1,771
2006	62,687,419	17,877,197	44,810,222	8.3%	1,695
2007	81,213,045	15,442,069	65,770,976	9.1%	2,434
2008	82,262,000	14,135,169	68,126,831	9.3%	2,497
2009	81,226,052	11,708,914	69,517,138	9.5%	2,514

NOTES:

Gross Debt includes all long-term general obligation debt, loan agreements, and capital leases. Business-Type Activities Debt is not included.

Actual Taxable Value of Property data can be found on Schedule 5.

Population data can be found on Schedule 14.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 11
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Direct Debt:			
General Obligation Bonds	\$ 41,815,000		
Capital Outlay Notes	16,553,452		
Capital Lease	22,857,600		
Less: Debt Service Funds	<u>(11,708,914)</u>		
Total Direct Debt	69,517,138	100.00%	69,517,138
Overlapping Debt:			
Blount County General Government	206,539,441	25.5%	<u>52,667,557</u>
Total Direct and Overlapping Debt			<u>\$ 122,184,695</u>

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding indebtedness of those overlapping governments that is borne by the residents and businesses of the City of Maryville. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of Blount County, Tennessee's taxable assessed value within the City's boundaries and dividing it by Blount County, Tennessee's total taxable assessed value.

Source: Blount County, Tennessee government

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 12
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

Legal Debt Margin Calculation for 2009	
Assessed Value	<u>\$ 731,172,263</u>
Debt Limit (15% of assessed value)	<u>\$ 109,675,689</u>
Net Debt applicable to limit:	
General obligation Debt	78,118,402 (1)
Less: Amount set aside for repayment of general obligation debt	<u>(11,708,914)</u>
Net Debt Applicable to Limit	<u>66,409,488</u>
Legal Debt Margin	<u>\$ 43,266,201 (2)</u>

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$42,949,549	\$ 44,047,751	\$50,274,989	\$50,730,595	\$51,133,673	\$53,194,975	\$53,730,267	\$ 71,986,792	\$ 110,178,757	\$ 109,675,689
Total Net Debt Applicable to Limit	<u>36,584,535</u>	<u>34,054,087</u>	<u>26,079,086</u>	<u>43,028,524</u>	<u>40,974,858</u>	<u>42,940,800</u>	<u>44,810,222</u>	<u>62,710,492</u>	<u>65,043,588</u>	<u>66,409,488</u>
Legal Debt Margin	<u>\$ 6,365,014</u>	<u>\$ 9,993,664</u>	<u>\$24,195,903</u>	<u>\$ 7,702,071</u>	<u>\$10,158,815</u>	<u>\$10,254,175</u>	<u>\$ 8,920,045</u>	<u>\$ 9,276,300</u>	<u>\$ 45,135,169</u>	<u>\$ 43,266,201</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	85.2%	77.3%	51.9%	84.8%	80.1%	80.7%	83.4%	87.1%	59.0%	60.6%

Note: By private act of the State of Tennessee General Assembly enacted June 2004, the Charter of the City of Maryville was amended to authorize the issuance of debt up to an amount that will not exceed ten percent (10%) of the total assessed value of property of the incorporated area. Years prior to 2004 are shown in the table above for purposes of disclosure.

By private act of the State of Tennessee General Assembly effective April 2009, the charter of the City of Maryville was amended to authorize the issuance of debt up to an amount that will not exceed fifteen percent (15%) of the total assessed value of the incorporated area. Fiscal years subsequent to 2007 are calculated using a debt limit of fifteen percent (15%) of total assessed value of property while prior years are disclosed using ten percent (10%).

- (1) This amount is net of amount expected to be funded by Maryville College on Capital lease obligation.
- (2) On October 30, 2009, Maryville City Council approved a resolution authorizing the execution of a loan agreement to borrow \$18,750,000 to be used for school construction projects. The effect will reduce the legal debt margin in future periods.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 13
PLEDGED – REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year Ending June 30	Electric Revenue Debt						Water and Sewer Revenue Debt					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2000	\$ 35,688,554	\$ 34,131,112	\$1,557,442	\$ 390,000	\$ 165,945	2.80	\$7,226,260	\$5,400,610	\$1,825,650	\$1,225,000	\$ 419,757	1.11
2001	37,496,451	34,781,718	2,714,733	405,000	148,785	4.90	7,623,671	5,779,085	1,844,586	990,000	442,119	1.29
2002	37,044,765	34,461,999	2,582,766	440,000	93,349	4.84	7,833,447	6,241,864	1,591,583	1,040,000	448,377	1.07
2003	39,640,802	36,222,749	3,418,053	455,000	114,328	6.00	8,971,013	6,248,094	2,722,919	1,085,000	534,877	1.68
2004	42,716,806	39,362,261	3,354,545	475,000	107,447	5.76	9,435,231	6,527,848	2,907,383	1,135,000	639,809	1.64
2005	42,493,194	39,963,036	2,530,158	515,000	174,770	3.67	9,517,412	7,196,448	2,320,964	1,230,000	552,626	1.30
2006	49,527,590	45,763,045	3,764,545	540,000	243,229	4.81	10,365,017	7,097,985	3,267,032	1,290,000	658,540	1.68
2007	51,734,502	49,367,944	2,366,558	565,000	288,181	2.77	10,087,319	7,747,571	2,339,748	1,345,000	680,938	1.15
2008	55,403,587	51,633,922	3,769,665	425,000	413,595	4.50	10,873,811	8,118,994	2,754,817	695,000	838,703	1.79
2009	61,839,944	57,248,592	4,591,352	610,000 (1)	345,261	4.81	11,372,336	7,736,229	3,636,107	730,000 (1)	2,378,155	1.17

NOTES:

Operating expenses do not include interest, depreciation, amortization expenses or in-lieu-of taxes.

(1) Does not include debt retired from bond refunding issues.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 14
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	(1) <u>Population</u>	(2) <u>Personal Income</u>	(3) <u>Per Capita Income</u>	(4) <u>Median Age</u>	(5) <u>School Enrollment</u>	(6) <u>Unemployment Rate</u>
2000	\$ 23,144	\$ 554,183,080	\$ 23,945	38.3	4,264	3.4%
2001	23,544	574,497,144	24,401	38.3	4,355	4.1%
2002	24,053	602,960,604	25,068	38.3	4,378	4.0%
2003	24,977	651,050,482	26,066	38.3	4,636	4.5%
2004	25,428	674,223,420	26,515	38.3	4,571	3.7%
2005	25,815	705,704,655	27,337	38.3	4,733	4.8%
2006	26,433	750,300,705	28,385	38.3	4,903	7.6%
2007	26,766	784,912,950	29,325	38.3	5,007	6.3%
2008	27,156	822,310,836	30,281	38.3	5,072	9.9%
2009	27,657	864,779,076	31,268	38.3	4,937	10.2%

- Sources:
- (1) 2000- 2008 Bureau of the Census; Estimated, City of Maryville
2009 Estimated based on average change over prior years
 - (2) Calculation based upon Population and Per Capita Income
 - (3) 2000-2006 Bureau of Economic Analysis; 2007 – Blount County;
2008-2009 Estimated based on average change over prior years
 - (4) 2000 US Census Bureau City of Maryville
 - (5) City of Maryville Schools
 - (6) Bureau of Labor Statistics – City of Maryville, TN
(not seasonally adjusted)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 15
PRINCIPAL EMPLOYERS
June 30, 2009

<u>Employer</u>	<u>2009</u>			<u>(3) 2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City/County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City/County Employment</u>
Denso Manufacturing Tennessee, Inc. (1)	2,500	1	4.45%	2,930	1	5.52%
Blount Memorial Hospital, Inc. (2)	1,886	2	3.36%	1,950	4	3.67%
Clayton Homes (1)	1,373	3	2.45%	2,508	2	4.73%
Blount County School System (2)	1,572	4	2.80%	1,090	5	2.05%
Alcoa, Inc. (2)	1,100	5	1.96%	2,000	3	3.77%
Sanford Brand/Rubbermaid (1)	900	6	1.60%	-	-	-
Blount County Government (2)	808	7	1.44%	613	6	1.16%
Wal-Mart Super Center (2)	700	8	1.25%	-	-	-
Maryville City Schools (2)	670	9	1.19%	480	7	0.90%
Ruby Tuesday (2)	544	10	0.97%	-	-	-
APAC-TENN Inc. Harrison Division (1)	500	11	0.89%	-	-	-
IJ Company (1)	483	12	0.86%	-	-	-
City of Maryville (2)	336	13	0.60%	-	-	-
Staffing Solutions (2)	250	14	0.45%	-	-	-
	<u>13,622</u>		<u>24.26%</u>	<u>11,571</u>		<u>21.80%</u>
	(4)					
Total Employment 2009 (as of 05/09)	56,140	*				
Total Employment 2000 (as of 5/00)	53,070	*				

*Total employment for Blount County

Source: (1) 2009 State of TN Economic & Community Development
(2) 2009 Responses from Employer
(3) Blount County Chamber of Commerce
(4) Tennessee Department of Labor

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 16
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT
 Last Ten Fiscal Years

	<u>Actual 2009</u>	<u>Actual 2008</u>	<u>Actual 2007</u>	<u>Actual 2006</u>	<u>Actual 2005</u>	<u>Actual 2004</u>	<u>Actual 2003</u>	<u>Actual 2002</u>	<u>Actual 2001</u>	<u>Actual 2000</u>
General Government										
Administration	3.47	3.47	4.05	4.05	3.47	3.47	3.32	3.32	2.49	1.74
Economic Development (2)	0.00	0.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development Services (2)	9.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GIS Management	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Judicial/Legal	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.58
Human Resources	2.25	2.25	2.25	2.25	2.83	2.25	2.75	2.75	2.75	2.75
Planning (2)	0.00	4.25	4.20	3.95	4.00	3.75	3.75	3.75	3.75	3.25
Engineering	4.25	4.25	3.35	3.90	3.95	4.20	4.20	4.65	4.75	5.25
Finance	4.08	3.56	5.19	4.71	4.71	5.03	5.03	5.23	4.65	4.65
Purchasing	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Police	54.50	53.00	50.00	48.00	48.00	47.00	47.00	47.00	47.00	45.00
Fire	41.50	41.00	38.00	38.00	39.00	39.00	39.00	39.00	39.00	39.00
Code Enforcement (2)	0.00	4.25	4.40	4.40	4.50	3.50	3.50	3.50	3.50	4.50
Public Works – Administration	0.00	0.00	2.25	1.95	2.95	2.95	2.60	2.80	2.80	2.80
Public Works – Street Maintenance	12.35	12.85	11.10	10.10	10.45	11.10	11.10	16.90	16.90	16.90
Public Works – Grounds Maintenance	14.75	14.80	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22
SWM – Residential Collection	11.89	11.99	11.58	11.78	11.48	9.48	9.48	9.48	9.48	9.48
SWM – Commercial Collection	4.87	5.17	5.57	4.57	4.07	4.07	4.07	4.07	4.07	4.07
SWM – Brush Collection	8.44	7.39	7.53	7.33	8.13	7.13	6.13	6.13	6.13	6.13
Animal Control	3.00	3.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00
Local Grant Funds – Police Grant	0.00	2.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Special Drug Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00
Stormwater Utility – Engineering	3.65	3.65	3.75	2.75	1.55	1.55	1.55	0.10	0.00	0.00
Stormwater Utility – Construction	7.75	6.85	7.80	7.80	7.65	7.00	7.00	0.00	0.00	0.00
Computer Information Systems	7.00	7.00	7.00	7.00	7.10	5.10	5.10	5.05	4.05	4.05
Fleet Maintenance	7.15	7.15	7.15	7.15	6.90	6.90	6.90	6.90	6.90	6.90
Municipal Building	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Operations Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total General Government	<u>203.63</u>	<u>202.11</u>	<u>197.74</u>	<u>193.26</u>	<u>192.31</u>	<u>184.05</u>	<u>183.05</u>	<u>181.20</u>	<u>178.79</u>	<u>176.62</u>
Electric Division										
Administration	4.08	4.08	4.08	4.08	4.13	3.95	3.95	3.95	3.87	3.97
Finance & Accounting (1)	27.92	28.59	27.81	26.29	26.19	25.87	25.87	26.72	26.30	15.91
Transmission and Distribution	32.60	33.45	32.60	32.60	32.40	32.40	31.40	30.40	30.40	30.40
Total Electric Division	<u>64.60</u>	<u>66.12</u>	<u>64.49</u>	<u>62.97</u>	<u>62.72</u>	<u>62.22</u>	<u>61.22</u>	<u>61.07</u>	<u>60.57</u>	<u>50.28</u>

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 16
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT (Continued)
Last Ten Fiscal Years*

	<u>Actual</u> <u>2009</u>	<u>Actual</u> <u>2008</u>	<u>Actual</u> <u>2007</u>	<u>Actual</u> <u>2006</u>	<u>Actual</u> <u>2005</u>	<u>Actual</u> <u>2004</u>	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2002</u>	<u>Actual</u> <u>2001</u>	<u>Actual</u> <u>2000</u>
Water Quality Control										
Administration	4.52	6.97	5.37	5.37	5.37	5.13	5.13	5.13	5.04	5.11
Finance & Accounting (1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.89
Engineering	11.40	9.65	9.80	9.80	9.00	9.00	8.00	8.00	8.00	8.00
Water Plant Operations	7.30	7.20	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00
Wastewater Treatment Plant	18.55	18.45	18.00	18.00	19.00	19.00	19.00	19.00	19.00	17.00
Water Construction	<u>26.00</u>	<u>25.50</u>	<u>24.60</u>	<u>24.60</u>	<u>24.60</u>	<u>24.60</u>	<u>24.60</u>	<u>24.60</u>	<u>24.60</u>	<u>24.60</u>
Total Water Quality Control	<u>67.77</u>	<u>67.77</u>	<u>64.77</u>	<u>64.77</u>	<u>64.97</u>	<u>64.73</u>	<u>63.73</u>	<u>62.73</u>	<u>62.64</u>	<u>70.60</u>
Total General Government and Utilities	<u>336.00</u>	<u>336.00</u>	<u>327.00</u>	<u>321.00</u>	<u>320.00</u>	<u>311.00</u>	<u>308.00</u>	<u>305.00</u>	<u>302.00</u>	<u>297.50</u>

- (1) Finance & Accounting – Electric, Water & Stormwater combined since 2001.
(2) Economic Development, Planning and Codes combined into Development Services as of 2009

Source: City of Maryville Budget Office

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 17
OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Government										
City Tax Clerk:										
Tax Parcels	13,435	13,172	11,840	12,456	12,261	12,033	11,740	11,577	11,264	11,076
Real Property Values	\$ 2,085,038,700	\$ 2,025,242,710	\$ 1,951,209,900	\$ 1,864,361,986	\$ 1,812,516,249	\$ 1,744,054,895	\$ 1,702,383,550	\$ 1,687,235,862	\$ 1,499,838,339	\$ 1,441,712,713
Assessed Values	\$ 708,520,415	\$ 710,123,701	\$ 864,688,785	\$ 527,302,873	\$ 531,812,552	\$ 512,025,061	\$ 576,006,386	\$ 505,799,190	\$ 458,373,426	\$ 430,305,013
Delinquent Taxes	\$ 275,765	\$ 216,029	\$ 168,888	\$ 156,739	\$ 340,748	\$ -134,995	\$ 118,150	\$ 28,570	\$ 10,729	\$ 6,702
Business Licenses	1243	1364	1202	1243	1224	1197	1282	1251	1213	1179
Electric:										
# of Miles of Line & Distribution Circuit	383.90	380.63	379.20	374.30	368.50	356.50	359.10	351.50	352.76	347.81
Peak System Demand (kW)	150,485	163,261	159,611	155,711	142,351	141,249	140,807	135,136	134,361	134,250
# of Meters in Service (Total)	20,012	20,187	20,007	19,761	19,809	19,375	18,895	18,745	18,184	18,222
Total Annual Power Usage (kWh)	304,436	274,873	285,354	272,015	229,772	246,721	208,999	200,012	173,717	165,792
Wastewater:										
# of Customers	12,370	12,557	12,291	11,927	11,671	11,341	11,068	10,702	10,412	10,141
Average Daily Treatment (1,000 of gallons)	9,276.0	8,510.0	8,663.0	8,926.0	10,380.0	9,744.0	9,730.0	8,164.0	7,853.0	7,148.0
Permitted Capacity (1,000 of gallons)	12,000.0	12,070.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0
Maximum Day Treatment (1,000 of gallons)	16,009.0	15,172.0	19,260.0	24,356.0	31,997.0	27,507.0	40,800.0	42,376.0	29,076.0	19,086.0
Water:										
# of Customers	14,425	14,250	14,032	13,791	13,559	13,351	13,101	12,712	12,421	12,204
Average Daily Consumption (1,000 of gallons sold) ⁽¹⁾	3234.1	3279.7	3411.2	3165.9	3106.0	3185.5	3454.3	3038.1	3018.5	3114.3
Permitted Capacity (1,000 of gallons)	6,000.0	6,070.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0
Maximum Day Production (1,000 of gallons)	5,653.0	5,742.0	6,273.0	6,143.0	5,612.0	5,843.0	5,062.0	4,973.0	5,181.0	5,295.0
Codes Department:										
Building Permits	1,182	1,670	2,006	2,034	2,385	2,176	2,132	2,225	2,246	2,021
Total Construction Value	\$ 47,600,483	\$ 83,505,550	\$ 66,710,831	\$ 74,211,831	\$ 52,749,177	\$ 57,481,846	\$ 53,903,688	\$ 87,095,810	\$ 91,851,183	\$ 97,065,129
Police Department:										
Citations	3,353	5,856	7,751	7,682	2,780	3,315	4,500	6,625	6,067	4,338
Burglaries	187	133	128	43	109	119	123	136	135	92
Total Arrests	1,682	1,641	1,758	1,402	1,072	862	684	550	662	1,242
DUI Arrests	206	251	164	150	185	109	90	113	129	124
Domestic Violence Victims	128	130	113	102	85	75	105	86	117	92
Incident Reports	2,817	2,823	2,324	2,598	2,678	2,469	2,297	2,149	2,024	1,989
Calls for Service	32,491	34,938	33,022	33,173	33,821	30,158	27,455	24,325	22,512	20,287
Fire Department:										
Calls for Service	3,182	2,578	1,385	2,137	2,055	1,995	1,909	1,836	1,767	1,701
Fire Educational Programs	195	209	112	406	391	379	163	546	335	171
Company Inspections	358	1,145	1,579	1,810	1,816	1,525	1,434	1,383	1,321	1,051
Fire Hydrants	2,494	1,734	1,727	1,646	1,608	1,571	1,353	1,502	1,457	1,405
Animal Control:										
Animal Control Complaints	1,368	1,618	2,050	5,271	5,100	4,910	4,845	4,514	4,385	4,102
Animal Impoundments	775	874	1,717	4,084	3,957	3,825	3,604	3,519	3,402	3,180
Animal Board Days	3,281	3,701	5,860	11,530	11,245	10,813	10,488	9,993	8,399	7,657
Animals Returned to Owners	112	109	177	167	160	154	149	142	125	129
Animals Adopted	194	137	340	631	517	572	568	472	463	481
Animals Euthanized	570	554	1,135	3,292	3,240	3,099	2,977	2,904	2,801	2,618
Parks and Recreation:										
Maryville City Park Acreage	75	75	73	75	75	83	59	56	56	56
Youth Basketball Participants	654	600	560	575	545	508	450	475	775	450
Youth Soccer Participants	1,200	1,300	1,300	1,200	1,150	1,132	1,120	1,045	905	485
Adult Softball Teams	147	150	160	182	183	185	182	181	201	205
Adult Basketball Teams	22	34	36	33	33	33	34	34	38	37
Adult Volleyball Teams	42	33	35	38	35	36	36	N/A	33	31
Senior Center Membership	517	500	450	575	500	450	450	N/A	N/A	N/A
Public Works Street & Grounds Depts:										
Miles of City Streets	169	169	168	168	161	162	163	163	155	140
Creechelt & Estomiera Acreage	87	87	87	87	87	87	87	85	61	64
Solid Waste Management Depts:										
Residential-Avg Tons Collected per Res	0.79	0.82	0.82	0.84	0.81	0.80	0.80	0.79	0.79	0.76
Commercial-Avg Tons Collected Daily	41.63	42.04	42.25	41.75	41.25	40.00	38.75	37.00	22.29	23.45
Brush Avg Tons Collected Daily	23.62	21.10	21.91	19.20	18.60	18.00	16.00	16.00	13.60	14.00
Landfill-Total Tonnage from Landfill	24,737	24,001	24,172	23,674	23,229	22,654	22,230	21,936	21,130	20,034
Fleet Maintenance Department:										
Number of Fleet Vehicle & Attachments ⁽¹⁾	351	404	380	382	367	334	295	275	334	256
Schedule										
Enrollment	4,937	5,073	5,007	4,903	4,733	4,571	4,636	4,338	4,335	4,261
Number of Reg Instruction Teachers	322	315	311	305	304	300	302	286	281	265

⁽¹⁾ Prior year figures have been adjusted

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 18
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
 Last Eight Fiscal Years

Function/Program	Fiscal Year Ending							
	2002	2003	2004	2005	2006	2007	2008	2009
General Government & Utilities								
City Municipal Building	1	2	1	1	1	1	1	1
Pickup Trucks	2	2	2	2	2	2	2	2
Cars	8	8	8	8	9	10	10	11
Sport Utility Vehicles	0	0	1	1	2	2	2	2
Utilities								
Operation Center (Public Works & Utilities)	1	1	1	1	1	1	1	1
Water Plants	1	1	1	1	1	1	1	1
Water Tanks/Storage Tanks	10	10	8	8	8	8	8	8
Water Booster Stations	5	5	5	5	5	7	7	7
Wastewater Treatment Plants	1	1	1	1	1	1	1	1
Sewage Pump/Lift Stations	17	17	19	20	19	20	20	20
Electric Substations	5	5	5	7	7	7	7	7
Cars	3	3	3	3	3	3	4	4
Sport Utility Vehicles	5	5	7	8	8	8	7	8
Trucks	23	27	31	37	38	36	37	35
Heavy Equipment	11	11	16	18	19	19	21	22
Other Equipment	38	39	40	42	46	47	50	47
Storage Sheds	3	3	3	3	3	3	3	3
Fuel System	1	1	1	1	1	1	1	1
Wash Bay	0	0	1	1	1	1	1	1
Warehouses	0	0	0	0	0	2	2	2
Public Safety								
Police Department/Police Substations	2	2	2	2	1	1	1	1
Firing Range Buildings	1	1	1	1	1	1	1	0
Patrol Cars/Cars	46	46	47	48	50	53	60	54
Sport Utility Vehicles	2	4	4	4	4	7	9	9
Trucks	0	0	0	0	0	0	0	4
Vans	2	2	2	2	2	1	3	1
Mobile Command Unit	1	1	1	1	1	1	2	1
ATV	0	0	1	1	1	1	0	0
Motorcycles (leased)	0	0	0	4	4	4	4	5
Animal Control								
Building-Shelter	1	1	1	1	1	1	1	1
Pickup Trucks	5	5	5	5	5	5	5	4

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 18
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM (Continued)
Last Seven Fiscal Years

	Fiscal Year Ending							
	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety (Continued)								
Fire Department								
Fire Halls	3	3	3	3	3	3	3	3
Cars	5	5	5	5	3	1	1	2
Sport Utility Vehicles	0	0	0	0	2	2	2	2
Trucks	3	3	3	3	3	3	3	2
ATV	0	0	0	0	0	0	0	1
Emergency One Vehicles	2	3	3	3	3	2	2	2
Fire Engines/Ladder Trucks/Pumpers	3	3	3	3	3	4	4	4
Life Safety Bus	1	1	1	1	1	1	1	1
Antique Fire Truck	1	1	1	1	1	1	1	1
Other Equipment	1	1	1	2	2	2	3	2
Codes Enforcement								
Sport Utility Vehicles	2	2	2	3	3	3	3	3
Cars	0	0	0	1	1	1	2	2
Public Health & Welfare								
Stormwater								
Pickup Trucks	0	0	1	1	2	2	3	3
Heavy Equipment	0	0	0	0	0	0	1	1
Solid Waste Management (Residential, Commercial & Brush)								
Cars	1	1	2	2	2	0	0	0
Sport Utility Vehicle	1	1	1	1	1	0	1	1
Trucks	3	4	4	4	5	5	5	4
Heavy Equipment	11	12	19	21	21	21	22	20
Other Equipment	15	16	21	21	21	21	21	21
Social, Cultural & Recreational Services								
Parks & Recreation Office Building	1	1	1	1	1	1	1	1
Senior Center Building	1	1	1	1	1	1	1	1
Everett Gym Building	1	1	1	1	1	1	1	1
Pools	1	1	1	1	1	1	1	1
Concession Stands	2	2	2	2	2	2	3	3
Greenbelt & Park Pavilions/Gazebos	6	6	6	6	6	6	6	6
Public Library (New)	1	1	1	1	1	1	1	1
Other General Government								
Industrial Development Parks	3	3	3	4	4	4	4	4
Parking Garages	1	1	1	1	1	2	2	2
Commercial Buildings	1	1	1	1	1	1	1	1

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 18
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM (Continued)
Last Seven Fiscal Years

	Fiscal Year Ending							
	2002	2003	2004	2005	2006	2007	2008	2009
Public Works Street & Grounds Departments								
Salt Storage Building	1	1	1	1	1	1	1	1
Bridges	30	30	30	30	30	30	30	30
City Streets	709	712	712	714	714	720	765	766
Sports Utility Vehicles	1	1	1	1	1	1	1	1
Trucks	11	12	13	13	14	13	12	12
Heavy Equipment	7	7	9	9	13	13	12	13
Other Equipment	39	46	51	58	59	57	57	53
Fleet Maintenance								
Fleet Maintenance Building	1	1	1	1	1	1	1	1
Trucks	1	1	2	2	2	2	2	2
Other Equipment	1	1	1	1	1	1	1	1
Maryville City Schools								
Central Office	1	1	1	1	1	1	1	1
Elementary Schools	4	4	4	4	4	4	4	4
Middle Schools	1	1	1	1	1	1	1	1
Intermediate Schools	1	1	1	1	1	1	1	1
High Schools	1	1	1	1	1	1	1	1
Bus	2	2	2	3	3	3	4	4
Cars-Drivers Ed	2	2	2	2	2	2	2	2
Vans	6	7	7	7	8	9	10	10
Trucks	5	5	6	6	6	6	6	6
Other Equipment	4	4	4	4	4	5	5	6

Sources: City government capital asset records

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CITY OF MARYVILLE, TENNESSEE

SECTION FOUR

SINGLE AUDIT SECTION

June 30, 2009

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CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended June 30, 2009

<u>Program Name</u>	<u>Fund</u>	<u>CFDA Number</u>	<u>Grant/ Contract Number</u>	<u>Grantor Agency</u>	<u>Balance July 1, 2008</u>		<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Returned To Grantor</u>	<u>Balance June 30, 2009</u>	
Title I #08.01	Federal Projects	84.010A	N/A	Tennessee Department of Education	\$ 151,880	*	\$ 151,880	\$ -	\$ -	\$ -	
Title I #09.01	Federal Projects	84.010A	N/A	Tennessee Department of Education	-		444,129	626,044	-	181,915	*
Title I #07.21	Federal Projects	84.010A	N/A	Tennessee Department of Education	<u>12,277</u>	*	<u>12,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	
				Program Total	<u>164,157</u>	*	<u>608,286</u>	<u>626,044</u>	<u>-</u>	<u>181,915</u>	*
IDEA (Part B) #08.01	Federal Projects	84.027	N/A	Tennessee Department of Education	292,048	*	392,541	100,493	-	-	
IDEA (Part B) #08.21	Federal Projects	84.027	N/A	Tennessee Department of Education	-		51,284	51,284	-	-	
IDEA (Part B) #09.01	Federal Projects	84.027	N/A	Tennessee Department of Education	<u>-</u>		<u>354,371</u>	<u>899,404</u>	<u>-</u>	<u>545,033</u>	*
				Program Total	<u>292,048</u>	*	<u>798,196</u>	<u>1,051,181</u>	<u>-</u>	<u>545,033</u>	*
IDEA Preschool #08.01	Federal Projects	81.173	N/A	Tennessee Department of Education	16,831	*	24,384	2,849	-	(4,704)	**
IDEA Preschool #09.01	Federal Projects	81.173	N/A	Tennessee Department of Education	<u>-</u>		<u>12,394</u>	<u>33,512</u>	<u>-</u>	<u>21,118</u>	*
				Program Total	<u>16,831</u>	*	<u>36,778</u>	<u>36,361</u>	<u>-</u>	<u>16,414</u>	*
Title V (Part A) #09.01	Federal Projects	84.298A	N/A	Tennessee Department of Education	<u>-</u>		<u>6,200</u>	<u>6,200</u>	<u>-</u>	<u>-</u>	
Title II (Part A) #09.01	Federal Projects	84.367A	N/A	Tennessee Department of Education	<u>-</u>		<u>145,301</u>	<u>176,580</u>	<u>-</u>	<u>31,279</u>	*
Title III (Part A) #09.01	Federal Projects	84.365A	N/A	Tennessee Department of Education	<u>-</u>		<u>14,213</u>	<u>14,280</u>	<u>-</u>	<u>67</u>	*
Title IV (Part A) (SDFS) #08.01	Federal Projects	84.186A	N/A	Tennessee Department of Education	4,179	*	4,179	-	-	-	
Title IV (Part A) (SDFS) #09.01	Federal Projects	84.186A	N/A	Tennessee Department of Education	<u>-</u>		<u>4,961</u>	<u>11,115</u>	<u>-</u>	<u>6,154</u>	*
				Program Total	<u>4,179</u>	*	<u>9,140</u>	<u>11,115</u>	<u>-</u>	<u>6,154</u>	*
Title IV (Hurricane Education)	Federal Projects	84.938	N/A	Tennessee Department of Education	<u>(10,058)</u>	**	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,058)</u>	**

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE (Continued)
For the Fiscal Year Ended June 30, 2009

<u>Program Name</u>	<u>Fund</u>	<u>CFDA Number</u>	<u>Grant/ Contract Number</u>	<u>Grantor Agency</u>	<u>Balance July 1, 2008</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Returned To Grantor</u>	<u>Balance June 30, 2009</u>	
Title II (Part D) #09.01	Federal Projects	84.318X	N/A	Tennessee Department of Education	-	2,668	4,801	-	2,133	*
Carl Perkins #08.01	Federal Projects	84.048A	N/A	Tennessee Department of Education	19,553	19,553	-	-	-	*
Carl Perkins #09.01	Federal Projects	84.048A	N/A	Tennessee Department of Education	-	57,465	59,884	-	2,419	*
				Program Total	<u>19,553</u>	<u>77,018</u>	<u>59,884</u>	-	<u>2,419</u>	*
Family Resource Center	General Purpose School	93.645	09-11906	Tennessee Department of Education	-	22,541	33,300	-	10,759	*
Family Resource Center	General Purpose School	93.645	08-120-05	Tennessee Department of Education	10,985	10,985	-	-	-	*
				Program Total	<u>10,985</u>	<u>33,526</u>	<u>33,300</u>	-	<u>10,759</u>	*
Safe Schools Act of 1998	General Purpose School	N/A	SY08-09	Tennessee Department of Education	-	16,161	20,900	-	4,739	*
Safe Schools Act of 1998	General Purpose School	N/A	SY07-08	Tennessee Department of Education	15,580	15,580	-	-	-	*
				Program Total	<u>15,580</u>	<u>31,741</u>	<u>20,900</u>	-	<u>4,739</u>	*
Microsoft Software Settlement	General Purpose School	N/A	N/A	Tennessee Department of Education	11,950	14,028	2,078	-	-	
Early Childhood Education (Lottery)	General Purpose School	N/A	MW9ACX	Tennessee Department of Education	-	39,124	82,586	-	43,462	*
Early Childhood Education (Lottery)	General Purpose School	N/A	N/A	Tennessee Department of Education	39,693	39,693	-	-	-	
				Program Total	<u>39,693</u>	<u>78,817</u>	<u>82,586</u>	-	<u>43,462</u>	*

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE (Continued)
For the Fiscal Year Ended June 30, 2009

<u>Program Name</u>	<u>Fund</u>	<u>CFDA Number</u>	<u>Grant/ Contract Number</u>	<u>Grantor Agency</u>	<u>Balance July 1, 2008</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Returned To Grantor</u>	<u>Balance June 30, 2009</u>		
Early Childhood Education (Pilot & Voluntary State Funded Classrooms)	General Purpose School	N/A	N/A	Tennessee Department of Education	40,480	*	40,480	-	-	-	
Early Childhood Education (Pilot & Voluntary State Funded Classrooms)	General Purpose School	N/A	MX9AAX	Tennessee Department of Education	-		43,798	82,586	-	38,788	*
				Program Total	40,480	*	84,278	82,586	-	38,788	*
Coordinated School Health Expansion	General Purpose School	N/A	N/A	Tennessee Department of Education	29,846	*	29,846	-	-	-	
Coordinated School Health Expansion	General Purpose School	N/A	GZ8/AAX/9	Tennessee Department of Education	-		83,695	105,000	-	21,305	*
				Program Total	29,846	*	113,541	105,000	-	21,305	*
				Total Education	635,244	*	2,053,731	2,312,896	-	894,409	*
Highway Safety Grant	Local Grant Special Revenue Fund	N/A	Z09214629	Tennessee Dept. of Transportation	-		2,537	2,537	-	-	
Highway Safety Grant	Local Grant Special Revenue Fund	N/A	Z080238240	Tennessee Dept. of Transportation	-		17,004	17,004	-	-	
Highway Safety Grant	Local Grant Special Revenue Fund	N/A	Z0802407200	Tennessee Dept. of Transportation	-		41,778	41,778	-	-	
				Program Total	-		61,319	61,319	-	-	
Assistance to Firefighters	Local Grant Special Revenue Fund	97.044	N/A	United States Department of Homeland Security	70,707	**	17,787	88,494	-	-	

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE (Continued)
For the Fiscal Year Ended June 30, 2009

<u>Program Name</u>	<u>Fund</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Grantor Agency</u>	<u>Balance July 1, 2009</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Returned To Grantor</u>	<u>Balance June 30, 2009</u>	
Congressionally Mandated Projects	Local Grant Special Revenue Fund	66.202	N/A	Environmental Protection Agency	-	51,753	53,675	-	1,922	*
Bullet Proof Vest Program	Local Grant Special Revenue Fund	16.607	N/A	United States Department of Justice	-	2,633	2,633	-	-	
Community Tree Planting Project	School Construction Fund	N/A	N/A	Tennessee Department of Agriculture	-	20,000	20,000	-	-	
Local Park and Recreation Fund	Local Grant Special Revenue Fund	N/A	Z07031391	Tennessee Department of Environment and Conservation	-	6,079	31,798	-	25,719	*
Highway Planning and Construction	Local Grant Special Revenue Fund	20.205	N/A	Tennessee Department of Transportation	-	5,700,573	7,199,000	-	1,498,427	*
Total					<u>\$ 564,537</u>	<u>\$ 7,913,875</u>	<u>\$ 9,769,815</u>	<u>\$ -</u>	<u>\$ 2,420,477</u>	*
									(1)	

The Schedule of Federal and State Financial Assistance is presented in conformity with accounting principles generally accepted in the United States of America.

(1)	June 30, 2009	
	Accrued Grants Receivable	\$ 2,435,239 *
	Deferred Revenue	<u>(14,762) **</u>
		<u>\$ 2,420,477</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF PERFORMANCE BASED ASSISTANCE, LOANS AND ENTITLEMENTS
For the Fiscal Year Ended June 30, 2009

<u>CFDA Number</u>	<u>State Grant Number</u>	<u>Program Name</u>	<u>Grantor Agency</u>	<u>Balance July 1, 2008</u>	<u>Amount Earned</u>	<u>Receipts</u>	<u>Balance June 30, 2009</u>
10.555	N/A	National School Lunch Program	U. S. Department of Agriculture	\$ 100,118	\$ 543,548	\$ 599,702	\$ 43,964
10.553	N/A	School Breakfast Program	U. S. Department of Agriculture	<u>25,349</u>	<u>678,649</u>	<u>692,204</u>	<u>11,794</u>
	Total			<u>\$ 125,467</u>	<u>\$ 1,222,197</u>	<u>\$ 1,291,906</u>	<u>\$ 55,758</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF NON-CASH ASSISTANCE
For the Fiscal Year Ended June 30, 2009

<u>CFDA Number</u>	<u>State Grant Number</u>	<u>Program Name</u>	<u>Grantor Agency</u>	<u>Balance July 1, 2008 (Receivable)</u>	<u>Receipts</u>	<u>Expenditures (Issues)</u>	<u>Balance June 30, 2009 (Receivable)</u>
<u>FEDERAL ASSISTANCE</u>							
N/A	N/A	USDA: Commodity Supplemental Feeding – Commodities Distributed	Tennessee Department of Agriculture	\$ _____ -	\$ 123,088	\$ 123,088	\$ _____ -



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December 14, 2009

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*

Honorable Mayor, Members of
the City Council,
and City Manager
City of Maryville
Maryville, Tennessee

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maryville, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 14, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Maryville, Tennessee'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 the City of Maryville, Tennessee's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Maryville, Tennessee's internal control over financial reporting.

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be 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 described above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Maryville, Tennessee'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 one (1) instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Item 09-1.

Management's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, and the State of Tennessee and is not intended to be and should not be used by anyone other than these specified parties.

Ingram, Overholt & Bean, PC



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December 14, 2009

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

Honorable Mayor, Members of
the City Council,
and City Manager
City of Maryville
Maryville, Tennessee

Compliance

We have audited the compliance of the City of Maryville, Tennessee, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City of Maryville, Tennessee'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 grant agreements applicable to each of its major federal programs is the responsibility of the City of Maryville, Tennessee's management. Our responsibility is to express an opinion on the City of Maryville, Tennessee'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 the City of Maryville, Tennessee's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Maryville, Tennessee's compliance with those requirements.

In our opinion, the City of Maryville, Tennessee, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of the City of Maryville, Tennessee is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grant agreements applicable to federal programs. In planning and performing our audit, we considered the City of Maryville, Tennessee's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the City of Maryville, Tennessee's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We considered the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-2 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control. We do not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

Management's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of management, the City Council, the State of Tennessee, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Ingram, Overholt & Bean, PC

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Maryville, Tennessee.
2. One (1) instance of noncompliance disclosed during the audit of the financial statements of the City of Maryville, Tennessee was reported in the 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*.
3. No significant deficiencies disclosed during the audit of the financial statements are reported in the 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*.
4. One (1) significant deficiency in internal control over major federal award programs is disclosed during the audit and is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the City of Maryville, Tennessee, expresses an unqualified opinion on all major federal programs.
6. Audit findings, if any, that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133 are reported in this Schedule.
7. The following were determined to be major programs:

<u>Program</u>	<u>CFDA No.</u>
U. S. Department of Transportation: Highway Planning and Construction	20.205
U. S. Department of Agriculture: National School Lunch Program	10.555
School Breakfast Program	10.553

8. The threshold used for distinguishing between Types A and B programs was \$300,000.
9. The City of Maryville, Tennessee, did not qualify as a low-risk auditee.

B. Finding – Financial Statements Audit

09-1 Operating a Fund Without an Approved Budget

Finding:

The IDEA (PART B) Project #08-01 and IDEA Preschool Project #08-01 special revenue funds, did not have approved budgets. Tennessee Code Annotated requires all general, debt service, and special revenue funds to operate under an approved budget.(Finding 08-2, June 30, 2008)

Recommendation:

It is recommended that all general, debt service, and special revenue funds have an approved budget.

Management's Comment:

Management will comply with the recommendation and ensure that all funds operate under a legally adopted budget.

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
June 30, 2009

C. Finding and Questioned Costs – Major Federal Award Programs Audit

09-2 Excess USDA Reimbursements

Finding:

During one month of the current fiscal year, the City's request for USDA National School Lunch Program and School Breakfast Program reimbursements contained erroneous meal counts resulting in an excess reimbursement of \$338. (Finding 08-4, June 30, 2008)

Recommendation:

It is recommended that meal counts used for reimbursement request be verified against each school's lunch and breakfast count records by a responsible employee to prevent an erroneous count being used for USDA reimbursements.

Management's Comment:

Management will comply with audit recommendation. Food service managers will now submit monthly meal counts to another food service worker to be verified prior to sending to the Food Service Coordinator.

D. Disposition of Prior Year Findings

The City has taken corrective action on the following prior year findings:

- 08-1 Deficit fund balances
- 08-3 Violation of three day deposit rule