
ANNUAL FINANCIAL REPORT LOUDON COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2013



ANNUAL FINANCIAL REPORT
LOUDON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2013

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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This financial report is available at www.comptroller.tn.gov

LOUDON COUNTY, TENNESSEE

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Audit Highlights

Annual Financial Report
Loudon County, Tennessee
For the Year Ended June 30, 2013

Scope

We have audited the basic financial statements of Loudon County as of and for the year ended June 30, 2013.

Results

Our report on Loudon County's financial statements is unmodified.

Our audit resulted in two findings and recommendations, which we have reviewed with Loudon County management. Details of the findings and recommendations are included in the Single Audit section of this report.

Findings

The following is a summary of the audit findings:

OFFICES OF DIRECTOR OF SCHOOLS AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ Expenditures exceeded appropriations.

OFFICE OF SHERIFF

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Loudon County Officials
June 30, 2013

Officials

Estelle Herron, County Mayor
Eddie Simpson, Highway Superintendent
Jason Vance, Director of Schools
George Miller, II, Trustee
Michael Campbell, Assessor of Property
Darlene Russell, County Clerk
Lisa Niles, Circuit, General Sessions, and Juvenile Courts Clerk
Fred Chaney, Clerk and Master
Tracie Littleton, Register of Deeds
Tim Guider, Sheriff
Tracy Blair, Director of Accounts and Budgets
Leo Bradshaw, Purchasing Agent

Board of County Commissioners

Roy Bledsoe, Chairman
Harold Duff
Bob Franke
Stephen Harrelson
Brian Jenkins

Earlena Maples
David Meers
Don Miller
Rosemary Quillen
Sharon Yarbrough

Board of Education

Scott Newman, Chairman
William Jenkins, Vice Chairman
Thomas Best
Bobby Johnson, Jr.
Kenny Ridings

Jeremy Buckles
Craig Simon
Philip Moffett
Leroy Tate
Gary Ubben

Audit Committee

David Meers, Chairman
Harold Duff
Stephen Harrelson
Charlie Bettis

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Loudon County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Loudon County Emergency Communications District, which represent 2.4 percent, 1.6 percent, and 1.6 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Loudon County Emergency Communications District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally

accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Loudon County, Tennessee, as of June 30, 2013, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note V.B., Loudon County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60 *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which became effective for the year ended June 30, 2013. Loudon County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

We draw attention to Note I.D.9. in the financial statements, which describes a restatement to the beginning net position of the governmental activities of the primary government for

\$281,208. This restatement was necessary due to the implementation of GASB Statement No. 65.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefits plan on pages 82 - 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Loudon County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the major debt service and capital projects funds, combining and individual fund financial statements of the Loudon County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements; budgetary comparison schedules of nonmajor governmental funds and the General Debt Service, Education Debt Service, and General Capital Projects funds; combining and individual fund financial statements of the Loudon County School Department (a discretely presented component unit); and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing

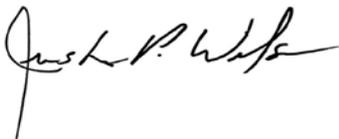
procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements; budgetary comparison schedules of nonmajor governmental funds and the General Debt Service, Education Debt Service, and General Capital Projects funds; combining and individual fund financial statements of the Loudon County School Department (a discretely presented component unit); and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2014, on our consideration of Loudon County’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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Loudon County’s internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 23, 2014

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Loudon County, Tennessee
Statement of Net Position
June 30, 2013

| | Primary Governmental Activities | Component Units | |
|--|---------------------------------------|--|--|
| | | Loudon County School Department | Emergency Communica- tions District |
| <u>ASSETS</u> | | | |
| Cash | \$ 3,794 | \$ 80,800 | \$ 761,638 |
| Equity in Pooled Cash and Investments | 21,528,664 | 24,787,039 | 0 |
| Accounts Receivable | 234,133 | 3,131 | 34,584 |
| Due from Other Governments | 2,562,387 | 1,044,416 | 0 |
| Due from Primary Government | 0 | 13 | 0 |
| Property Taxes Receivable | 17,093,834 | 11,173,275 | 0 |
| Allowance for Uncollectible Property Taxes | (621,137) | (418,951) | 0 |
| Prepaid Items | 794,485 | 553,624 | 35,035 |
| Other Current Assets | 26,931 | 2,042 | |
| Capital Assets: | | | |
| Assets Not Depreciated: | | | |
| Land | 5,915,130 | 3,946,406 | 0 |
| Construction in Progress | 36,800 | 34,528,383 | 0 |
| Assets Net of Accumulated Depreciation: | | | |
| Buildings and Improvements | 11,467,538 | 29,063,508 | 1,476,952 |
| Other Capital Assets | 1,760,239 | 667,898 | 337,865 |
| Infrastructure - Roads, Streets, and Bridges | 26,241,351 | 0 | 0 |
| Total Assets | <u>\$ 87,044,149</u> | <u>\$ 105,431,584</u> | <u>\$ 2,646,074</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Accumulated Decrease in Fair Value of Hedging Derivatives | \$ 982,589 | \$ 0 | \$ 0 |
| Deferred Charges on Refunding | 209,494 | 0 | 0 |
| Total Deferred Outflows of Resources | <u>\$ 1,192,083</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 203,363 | \$ 194,102 | \$ 7,488 |
| Accrued Payroll | 289,702 | 602 | 23,162 |
| Accrued Interest Payable | 269,804 | 0 | 664 |
| Payroll Deductions Payable | 50 | 341,665 | 0 |
| Contracts Payable | 673,626 | 2,491,243 | 0 |
| Retainage Payable | 33,994 | 130,456 | 0 |
| Due to Component Units | 13 | 0 | 0 |
| Due to State of Tennessee | 15,496 | 0 | 0 |
| Due to Litigants, Heirs, and Others | 9,197 | 0 | 0 |
| General Obligation Bonds Payable - Current | 800,000 | 0 | 0 |
| Derivative - Interest Rate Swap | 982,589 | 0 | 0 |
| Other Current Liabilities | 30,034 | 21,257 | 0 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 3,359,739 | 0 | 55,292 |
| Due in More Than One Year (net of unamortized premium on debt) | 64,046,158 | 907,328 | 1,104,627 |
| Total Liabilities | <u>\$ 70,713,765</u> | <u>\$ 4,086,653</u> | <u>\$ 1,191,233</u> |

(Continued)

Exhibit A

Loudon County, Tennessee
Statement of Net Position (Cont.)

| | Primary Governmental Activities | Component Units | |
|--------------------------------------|---------------------------------------|--|--|
| | | Loudon County School Department | Emergency Communica- tions District |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Revenue - Property Taxes | \$ 16,233,350 | \$ 10,587,043 | \$ 0 |
| Total Deferred Inflows of Resources | <u>\$ 16,233,350</u> | <u>\$ 10,587,043</u> | <u>\$ 0</u> |
| <u>NET POSITION</u> | | | |
| Net Investment in Capital Assets | \$ 37,035,625 | \$ 68,206,195 | \$ 666,220 |
| Restricted for: | | | |
| General Government | 12,412 | 0 | 0 |
| Administration of Justice | 532,665 | 0 | 0 |
| Public Safety | 301,214 | 0 | 0 |
| Public Health and Welfare | 4,838 | 0 | 0 |
| Finance | 6,364 | 0 | 0 |
| Highways | 1,364,445 | 0 | 0 |
| Education | 0 | 1,257,871 | 0 |
| Debt Service | 2,808,776 | 0 | 0 |
| Capital Projects | 333,924 | 0 | 0 |
| Capital Projects - Education | 0 | 13,409,448 | 0 |
| Social, Cultural, and Recreational | 211,295 | 0 | 0 |
| Other Purposes | 0 | 0 | 37,072 |
| Unrestricted | <u>(41,322,441)</u> | <u>7,884,374</u> | <u>751,549</u> |
| Total Net Position | <u>\$ 1,289,117</u> | <u>\$ 90,757,888</u> | <u>\$ 1,454,841</u> |

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

Exhibit B

Loudon County, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2013

| Functions/Programs | Net (Expense) Revenue and Changes in Net Position | | | | | | |
|---|--|-------------------------|--|--|------------------------|--|--|
| | Program Revenues | | | Capital Grants and Contributions | Government Total | Component Units | |
| | Expenses | Charges for Services | Operating Grants and Contributions | | | Loudon County School Department | Emergency Communica- tions District |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 5,198,239 | \$ 903,124 | \$ 116,172 | \$ 0 | \$ (4,178,943) | \$ 0 | \$ 0 |
| Finance | 2,112,533 | 1,262,828 | 0 | 0 | (849,705) | 0 | 0 |
| Administration of Justice | 1,748,821 | 1,320,089 | 10,418 | 0 | (418,314) | 0 | 0 |
| Public Safety | 7,044,535 | 264,797 | 236,533 | 0 | (6,543,205) | 0 | 0 |
| Public Health and Welfare | 1,537,949 | 204,277 | 526,557 | 468,277 | (338,838) | 0 | 0 |
| Social, Cultural, and Recreational Services | 519,991 | 4,254 | 10,654 | 0 | (505,083) | 0 | 0 |
| Agriculture and Natural Resources | 164,094 | 0 | 0 | 0 | (164,094) | 0 | 0 |
| Other Operations | 735,623 | 0 | 0 | 328,432 | (407,191) | 0 | 0 |
| Highways | 3,708,934 | 20,568 | 1,661,404 | 199,074 | (1,827,888) | 0 | 0 |
| Education | 42,467,443 | 0 | 0 | 0 | (42,467,443) | 0 | 0 |
| Interest on Long-term Debt | 1,956,684 | 0 | 0 | 0 | (1,956,684) | 0 | 0 |
| Other Debt Service | 1,165,959 | 0 | 582,794 | 0 | (583,165) | 0 | 0 |
| Total Primary Government | \$ 68,360,805 | \$ 3,979,937 | \$ 3,144,532 | \$ 995,783 | \$ (60,240,553) | \$ 0 | \$ 0 |
| Component Units: | | | | | | | |
| Loudon County School Department | \$ 41,025,079 | \$ 625,843 | \$ 4,606,863 | \$ 42,467,443 | \$ 0 | \$ 6,675,070 | \$ 0 |
| Emergency Communications District | 1,139,408 | 518,872 | 0 | 824,159 | 0 | 0 | 203,623 |
| Total Component Units | \$ 42,164,487 | \$ 1,144,715 | \$ 4,606,863 | \$ 43,291,602 | \$ 0 | \$ 6,675,070 | \$ 203,623 |

(Continued)

Exhibit B

Loudon County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Net (Expense) Revenue and Changes in Net Position | | | | | |
|--|--|--|--|-------------------------------------|--|--|
| | Program Revenues | | | Primary Government | | Component Units |
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total Governmental Activities | Loudon County School Department | Emergency Communica- tions District |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 7,957,000 | \$ 10,808,166 | \$ 0 |
| Property Taxes Levied for Public Library | | | | 274,759 | 0 | 0 |
| Property Taxes Levied for Solid Waste/Sanitation | | | | 94 | 0 | 0 |
| Property Taxes Levied for Highway/Public Works | | | | 549,647 | 0 | 0 |
| Property Taxes Levied for General Debt Service | | | | 1,201,330 | 0 | 0 |
| Property Taxes Levied for Education Debt Service | | | | 5,483,422 | 0 | 0 |
| Property Taxes Levied for Capital Projects | | | | 94,446 | 0 | 0 |
| Property Taxes Levied for Highway Capital Projects | | | | 320,609 | 0 | 0 |
| Sales Taxes | | | | 1,137,255 | 3,181,782 | 0 |
| Hotel/Motel Tax | | | | 417,949 | 0 | 0 |
| Business Tax | | | | 473,842 | 0 | 0 |
| Litigation Tax | | | | 283,152 | 0 | 0 |
| Mineral Severance Tax | | | | 38,265 | 0 | 0 |
| Adequate Facilities/Development Tax | | | | 0 | 373,606 | 0 |
| Other Local Taxes | | | | 97,805 | 7,855 | 0 |
| Grants and Contributions Not Restricted to Specific Programs | | | | 1,182,441 | 21,509,490 | 0 |
| Unrestricted Investment Income | | | | 143,340 | 8,059 | 0 |
| Miscellaneous | | | | 238,311 | 77,059 | 0 |
| Revenue from Joint Ventures | | | | 32,905 | 0 | 0 |
| Gain on Sale of Property | | | | 28,056 | 0 | 0 |
| Total General Revenues | | | | \$ 19,954,628 | \$ 35,966,017 | \$ 0 |
| Change in Net Position | | | | \$ (40,285,925) | \$ 42,641,087 | \$ 203,623 |
| Net Position, July 1, 2012 | | | | 41,856,250 | 48,116,801 | 1,251,218 |
| Restatement - see Note I.D.9. | | | | (281,208) | 0 | 0 |
| Net Position, June 30, 2013 | | | | \$ 1,289,117 | \$ 90,757,888 | \$ 1,454,841 |

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

Loudon County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2013

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|--|---------------|--------------|------------------------|--------------------------|----------------|--------------------|--------------------------|
| | General | Debt Service | Education Debt Service | General Capital Projects | Other | Governmental Funds | |
| \$ | 1,394 | \$ | 0 | \$ | 0 | \$ | 3,794 |
| Equity in Pooled Cash and Investments | 6,024,720 | 2,709,554 | 8,206,887 | 1,717,714 | 2,869,789 | | 21,528,664 |
| Accounts Receivable | 163,084 | 58,605 | 0 | 0 | 12,444 | | 234,133 |
| Due from Other Governments | 1,647,497 | 0 | 0 | 328,432 | 586,458 | | 2,562,387 |
| Due from Other Funds | 2,656 | 71,597 | 0 | 238 | 16 | | 74,507 |
| Property Taxes Receivable | 8,713,446 | 1,257,140 | 5,688,260 | 274,606 | 1,160,982 | | 17,093,834 |
| Allowance for Uncollectible Property Taxes | (315,784) | (46,442) | (208,145) | (7,060) | (43,706) | | (621,137) |
| Prepaid Items | 624,785 | 0 | 0 | 0 | 169,700 | | 794,485 |
| Other Current Assets | 19,402 | 0 | 0 | 0 | 7,529 | | 26,931 |
| Total Assets | \$ 16,881,200 | \$ 4,050,454 | \$ 13,687,002 | \$ 2,313,930 | \$ 4,765,012 | \$ | \$ 41,697,598 |

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Due from Other Governments
 Due from Other Funds
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes
 Prepaid Items
 Other Current Assets

Total Assets

LIABILITIES

Accounts Payable
 Accrued Payroll
 Payroll Deductions Payable
 Contracts Payable
 Retainage Payable
 Due to Other Funds
 Due to Component Units
 Due to State of Tennessee
 Due to Litigants, Heirs, and Others
 General Obligation Bonds Payable
 Other Current Liabilities
 Total Liabilities

| | | | | | | | | | |
|----|---------|----|---|----|---------|----|---------|----|--------------|
| \$ | 161,002 | \$ | 0 | \$ | 0 | \$ | 42,361 | \$ | 203,363 |
| | 245,097 | | 0 | | 0 | | 44,605 | | 289,702 |
| | 0 | | 0 | | 0 | | 50 | | 50 |
| | 0 | | 0 | | 646,126 | | 27,500 | | 673,626 |
| | 0 | | 0 | | 33,994 | | 0 | | 33,994 |
| | 254 | | 0 | | 768 | | 73,485 | | 74,507 |
| | 13 | | 0 | | 0 | | 0 | | 13 |
| | 15,496 | | 0 | | 0 | | 0 | | 15,496 |
| | 0 | | 0 | | 0 | | 9,197 | | 9,197 |
| | 0 | | 0 | | 800,000 | | 0 | | 800,000 |
| | 30,034 | | 0 | | 0 | | 0 | | 30,034 |
| \$ | 451,896 | \$ | 0 | \$ | 800,000 | \$ | 680,888 | \$ | 197,198 |
| | | | | | | | | | \$ 2,129,982 |

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
 Deferred Delinquent Property Taxes
 Other Deferred/Unavailable Revenue
 Total Deferred Inflows of Resources

| | | | | | | | | | | | |
|----|-----------|----|-----------|----|-----------|----|---------|----|-----------|----|------------|
| \$ | 8,276,356 | \$ | 1,192,459 | \$ | 5,399,254 | \$ | 266,143 | \$ | 1,099,138 | \$ | 16,233,350 |
| | 105,620 | | 15,865 | | 71,500 | | 1,220 | | 15,256 | | 209,361 |
| | 661,296 | | 0 | | 0 | | 328,432 | | 163,868 | | 1,153,596 |
| \$ | 9,043,172 | \$ | 1,208,324 | \$ | 5,470,754 | \$ | 595,795 | \$ | 1,278,262 | \$ | 17,596,307 |

(Continued)

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

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|--|----------------------|---------------------|------------------------|--------------------------|--------------------------|----------------------|--------------------------|
| | General | Debt Service | Education Debt Service | General Capital Projects | Other Governmental Funds | | |
| FUND BALANCES | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid Items | \$ 624,785 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 169,700 | \$ 794,485 |
| Restricted: | | | | | | | |
| Restricted for General Government | 12,412 | 0 | 0 | 0 | 0 | 0 | 12,412 |
| Restricted for Finance | 6,364 | 0 | 0 | 0 | 0 | 0 | 6,364 |
| Restricted for Administration of Justice | 523,540 | 0 | 0 | 0 | 0 | 9,125 | 532,665 |
| Restricted for Public Safety | 44,299 | 0 | 0 | 0 | 0 | 256,915 | 301,214 |
| Restricted for Public Health and Welfare | 1,177 | 0 | 0 | 0 | 0 | 0 | 1,177 |
| Restricted for Social, Cultural, and Recreational Services | 0 | 0 | 0 | 0 | 0 | 204,096 | 204,096 |
| Restricted for Highways/Public Works | 0 | 0 | 7,416,248 | 0 | 0 | 1,085,080 | 1,085,080 |
| Restricted for Debt Service | 0 | 2,826,617 | 0 | 0 | 0 | 0 | 10,242,865 |
| Restricted for Capital Projects | 0 | 0 | 0 | 1,037,247 | 0 | 320,706 | 1,357,953 |
| Committed: | | | | | | | |
| Committed for Public Health and Welfare | 2,723 | 0 | 0 | 0 | 0 | 1,191,898 | 1,194,621 |
| Committed for Other Operations | 0 | 0 | 0 | 0 | 0 | 52,032 | 52,032 |
| Committed for Debt Service | 0 | 15,513 | 0 | 0 | 0 | 0 | 15,513 |
| Assigned: | | | | | | | |
| Assigned for General Government | 68,280 | 0 | 0 | 0 | 0 | 0 | 68,280 |
| Assigned for Finance | 8,075 | 0 | 0 | 0 | 0 | 0 | 8,075 |
| Assigned for Administration of Justice | 22,889 | 0 | 0 | 0 | 0 | 0 | 22,889 |
| Assigned for Public Safety | 20,710 | 0 | 0 | 0 | 0 | 0 | 20,710 |
| Unassigned | 6,050,878 | 0 | 0 | 0 | 0 | 0 | 6,050,878 |
| Total Fund Balances | \$ 7,386,132 | \$ 2,842,130 | \$ 7,416,248 | \$ 1,037,247 | \$ 3,289,552 | \$ 4,765,012 | \$ 21,971,309 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 16,881,200 | \$ 4,050,454 | \$ 13,687,002 | \$ 2,313,930 | \$ 4,765,012 | \$ 41,697,598 | |

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

Exhibit C-2

Loudon County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2013

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

| | | |
|---|------------------|---------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit C-1) | | \$ 21,971,309 |
| | | |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| Add: land | \$ 5,915,130 | |
| Add: construction in progress | 36,800 | |
| Add: infrastructure net of accumulated depreciation | 26,241,351 | |
| Add: buildings and improvements net of accumulated depreciation | 11,467,538 | |
| Add: other capital assets net of accumulated depreciation | <u>1,760,239</u> | 45,421,058 |
| | | |
| (2) Long-term liabilities, including other loans payable, are not due and payable in the current period and therefore are not reported in the governmental funds. | | |
| Less: notes payable | \$ (400,000) | |
| Less: bonds payable | (45,140,000) | |
| Less: other loans payable | (16,428,622) | |
| Add: deferred amount on refunding | 209,494 | |
| Less: unamortized portion of debt premiums | (1,966,658) | |
| Less: accrued interest on notes, bonds, and other loans | (269,804) | |
| Less: other postemployment benefits liability | (3,065,067) | |
| Less: compensated absences payable | <u>(405,550)</u> | (67,466,207) |
| | | |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | <u>1,362,957</u> |
| Net position of governmental activities (Exhibit A) | | <u>\$ 1,289,117</u> |

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

Exhibit C-3

Loudon County, Tennessee
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2013

| | Major Funds | | | | | Nonmajor Funds | | Total Governmental Funds |
|--|----------------------|----------------------|---------------------|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | General | Debt Service | | Education Debt Service | General Capital Projects | Other Governmental Funds | | |
| | | General Debt Service | Debt Service | | | Capital Projects | Other Governmental Funds | |
| Revenues | | | | | | | | |
| Local Taxes | \$ 9,454,691 | \$ 1,197,696 | \$ 5,470,757 | \$ 95,999 | \$ 2,069,476 | \$ 18,288,619 | | |
| Licenses and Permits | 521,345 | 0 | 0 | 0 | 0 | 521,345 | | |
| Fines, Forfeitures, and Penalties | 428,305 | 0 | 0 | 0 | 109,082 | 537,387 | | |
| Charges for Current Services | 77,534 | 0 | 0 | 0 | 9,147 | 86,681 | | |
| Other Local Revenues | 391,248 | 35,131 | 67,541 | 2,602 | 224,058 | 720,580 | | |
| Fees Received from County Officials | 2,405,711 | 0 | 0 | 0 | 0 | 2,405,711 | | |
| State of Tennessee | 1,657,574 | 0 | 0 | 468,277 | 1,865,497 | 3,991,348 | | |
| Federal Government | 83,266 | 0 | 0 | 20,000 | 87,484 | 190,750 | | |
| Other Governments and Citizens Groups | 68,830 | 582,794 | 0 | 45,549 | 32,354 | 729,527 | | |
| Total Revenues | \$ 15,088,504 | \$ 1,815,621 | \$ 5,538,298 | \$ 632,427 | \$ 4,397,098 | \$ 27,471,948 | | |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| General Government | \$ 2,900,308 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2,900,308 | | |
| Finance | 1,997,158 | 0 | 0 | 0 | 373 | 1,997,531 | | |
| Administration of Justice | 1,693,292 | 0 | 0 | 0 | 0 | 1,693,292 | | |
| Public Safety | 6,385,416 | 0 | 0 | 0 | 184,979 | 6,570,395 | | |
| Public Health and Welfare | 760,088 | 0 | 0 | 0 | 676,983 | 1,437,071 | | |
| Social, Cultural, and Recreational Services | 200,578 | 0 | 0 | 0 | 266,609 | 467,187 | | |
| Agriculture and Natural Resources | 164,094 | 0 | 0 | 0 | 0 | 164,094 | | |
| Other Operations | 663,572 | 0 | 0 | 2,317 | 28,584 | 694,473 | | |
| Highways | 0 | 0 | 0 | 0 | 2,486,799 | 2,486,799 | | |
| Debt Service: | | | | | | | | |
| Principal on Debt | 31,470 | 948,000 | 2,059,734 | 0 | 0 | 3,039,204 | | |
| Interest on Debt | 0 | 201,580 | 1,501,797 | 0 | 0 | 1,703,377 | | |
| Other Debt Service | 0 | 612,364 | 129,849 | 423,746 | 0 | 1,165,959 | | |
| Capital Projects | 0 | 0 | 0 | 2,217,282 | 242,171 | 2,459,453 | | |
| Capital Projects - Donated | 0 | 0 | 1,977,000 | 40,490,443 | 0 | 42,467,443 | | |
| Total Expenditures | \$ 14,785,976 | \$ 1,761,944 | \$ 5,668,380 | \$ 43,133,788 | \$ 3,886,498 | \$ 69,246,586 | | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 292,528 | \$ 53,677 | \$ (130,082) | \$ (42,501,361) | \$ 510,600 | \$ (41,774,638) | | |
| Other Financing Sources (Uses) | | | | | | | | |
| Bonds Issued | \$ 0 | \$ 0 | \$ 0 | \$ 32,350,000 | \$ 0 | \$ 32,350,000 | | |
| Notes Issued | 0 | 0 | 0 | 400,000 | 0 | 400,000 | | |
| Premiums on Debt Issued | 0 | 0 | 0 | 2,015,993 | 0 | 2,015,993 | | |
| Insurance Recovery | 6,165 | 0 | 0 | 0 | 2,383 | 8,548 | | |
| Transfers In | 0 | 74,326 | 0 | 0 | 0 | 74,326 | | |
| Transfers Out | 0 | 0 | 0 | 0 | (74,326) | (74,326) | | |
| Total Other Financing Sources (Uses) | \$ 6,165 | \$ 74,326 | \$ 0 | \$ 34,765,993 | \$ (71,943) | \$ 34,774,541 | | |

(Continued)

Exhibit C-3

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

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|-----------------------------|--------------|--------------|------------------------|--------------------------|--------------------------|--------------------|--------------------------|
| | General | Debt Service | Education Debt Service | General Capital Projects | Other Governmental Funds | Governmental Funds | |
| Net Change in Fund Balances | \$ 298,693 | \$ 128,003 | \$ (130,082) | \$ (7,735,368) | \$ 438,657 | \$ (7,000,097) | |
| Fund Balance, July 1, 2012 | 7,087,439 | 2,714,127 | 7,546,330 | 8,772,615 | 2,850,895 | 28,971,406 | |
| Fund Balance, June 30, 2013 | \$ 7,386,132 | \$ 2,842,130 | \$ 7,416,248 | \$ 1,037,247 | \$ 3,289,552 | \$ 21,971,309 | |

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

Exhibit C-4

Loudon County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2013

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

| | | | |
|---|--|----|------------------------|
| Net change in fund balances - total governmental funds (Exhibit C-3) | | \$ | (7,000,097) |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | | |
| Add: capital assets purchased in the current period | | \$ | 500,142 |
| Less: current-year depreciation expense | | | <u>(1,761,154)</u> |
| | | | (1,261,012) |
| (2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | | |
| Less: deferred delinquent property taxes and other deferred June 30, 2012 | | \$ | (799,828) |
| Add: deferred delinquent property taxes and other deferred June 30, 2013 | | | <u>1,362,957</u> |
| | | | 563,129 |
| (3) The issuance of long-term debt (e.g., notes, other loans, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items. | | | |
| Less: bond proceeds | | \$ | (32,350,000) |
| Less: note proceeds | | | (400,000) |
| Add: principal payments on notes | | | 384,434 |
| Add: principal payments on other loans | | | 1,434,770 |
| Add: principal payments on bonds | | | 1,220,000 |
| Less: change in premium on debt issues | | | (1,958,590) |
| Less: change in deferred charge on refunding | | | <u>(45,102)</u> |
| | | | (31,714,488) |
| (4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | | |
| Change in accrued interest payable | | \$ | (208,205) |
| Change in compensated absences payable | | | 107,277 |
| Change in other postemployment benefits liability | | | <u>(772,529)</u> |
| | | \$ | (873,457) |
| Change in net position of governmental activities (Exhibit B) | | | <u>\$ (40,285,925)</u> |

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

Exhibit C-5

Loudon County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund
 For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 9,454,691 | \$ 0 | \$ 0 | \$ 9,454,691 | \$ 9,055,318 | \$ 9,222,218 | \$ 232,473 |
| Licenses and Permits | 521,345 | 0 | 0 | 521,345 | 408,300 | 525,984 | (4,639) |
| Fines, Forfeitures, and Penalties | 428,305 | 0 | 0 | 428,305 | 441,950 | 442,250 | (13,945) |
| Charges for Current Services | 77,534 | 0 | 0 | 77,534 | 61,400 | 77,400 | 134 |
| Other Local Revenues | 391,248 | 0 | 0 | 391,248 | 146,221 | 385,379 | 5,869 |
| Fees Received from County Officials | 2,405,711 | 0 | 0 | 2,405,711 | 2,085,000 | 2,309,000 | 96,711 |
| State of Tennessee | 1,657,574 | 0 | 0 | 1,657,574 | 1,408,694 | 1,497,209 | 160,365 |
| Federal Government | 83,266 | 0 | 0 | 83,266 | 0 | 86,080 | (2,814) |
| Other Governments and Citizens Groups | 68,830 | 0 | 0 | 68,830 | 44,192 | 68,859 | (29) |
| Total Revenues | \$ 15,088,504 | \$ 0 | \$ 0 | \$ 15,088,504 | \$ 13,651,075 | \$ 14,614,379 | \$ 474,125 |

| | | | | | | | |
|----------------------------------|------------|---------|----------|------------|------------|------------|----------|
| <u>Expenditures</u> | | | | | | | |
| <u>General Government</u> | | | | | | | |
| County Commission | \$ 192,057 | \$ 0 | \$ 3,250 | \$ 195,307 | \$ 141,455 | \$ 200,582 | \$ 5,275 |
| Board of Equalization | 520 | 0 | 0 | 520 | 2,000 | 2,000 | 1,480 |
| Beer Board | 4,024 | 0 | 0 | 4,024 | 3,500 | 4,100 | 76 |
| Other Boards and Committees | 5,100 | 0 | 0 | 5,100 | 5,000 | 5,100 | 0 |
| County Mayor/Executive | 166,475 | 0 | 0 | 166,475 | 179,477 | 171,184 | 4,709 |
| Personnel Office | 58,289 | 0 | 0 | 58,289 | 67,670 | 62,236 | 3,947 |
| County Attorney | 112,877 | 0 | 0 | 112,877 | 83,000 | 155,000 | 42,123 |
| Election Commission | 297,178 | (2,783) | 0 | 294,395 | 349,514 | 347,037 | 52,642 |
| Register of Deeds | 266,233 | 0 | 0 | 266,233 | 280,375 | 268,639 | 2,406 |
| Planning | 332,821 | 0 | 0 | 332,821 | 379,163 | 397,662 | 64,841 |
| Geographical Information Systems | 58,216 | 0 | 0 | 58,216 | 62,865 | 60,761 | 2,545 |
| County Buildings | 1,151,183 | (3,673) | 1,625 | 1,149,135 | 1,220,918 | 1,207,203 | 58,068 |
| Other General Administration | 255,335 | 0 | 0 | 255,335 | 263,800 | 256,358 | 1,023 |
| <u>Finance</u> | | | | | | | |
| Accounting and Budgeting | 525,763 | (2,620) | 8,074 | 531,217 | 588,305 | 554,280 | 23,063 |
| Purchasing | 212,399 | 0 | 0 | 212,399 | 193,821 | 218,546 | 6,147 |

(Continued)

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) | |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|------------|--|-------|
| | | | | | Original | | | Final |
| | | | | | Original | Final | | |
| <u>Expenditures (Cont.)</u> | | | | | | | | |
| <u>Finance (Cont.)</u> | | | | | | | | |
| Property Assessor's Office | \$ 366,378 | \$ (968) | \$ 0 | \$ 365,410 | \$ 408,178 | \$ 390,110 | \$ 24,700 | |
| County Trustee's Office | 308,588 | 0 | 0 | 308,588 | 305,231 | 316,878 | 8,290 | |
| County Clerk's Office | 473,332 | (1,837) | 0 | 471,495 | 484,599 | 485,900 | 14,405 | |
| Data Processing | 110,698 | 0 | 0 | 110,698 | 115,501 | 115,698 | 5,000 | |
| <u>Administration of Justice</u> | | | | | | | | |
| Circuit Court | 304,632 | 0 | 961 | 305,593 | 299,991 | 312,255 | 6,662 | |
| Criminal Court | 10,650 | 0 | 0 | 10,650 | 0 | 10,650 | 0 | |
| General Sessions Court | 533,524 | 0 | 0 | 533,524 | 517,348 | 539,585 | 6,061 | |
| General Sessions Judge | 262,756 | 0 | 0 | 262,756 | 256,409 | 276,625 | 13,869 | |
| Chancery Court | 234,760 | 0 | 0 | 234,760 | 236,877 | 235,711 | 951 | |
| Juvenile Court | 336,100 | 0 | 2,318 | 338,418 | 402,076 | 367,464 | 29,046 | |
| Other Administration of Justice | 9,603 | 0 | 2,810 | 12,413 | 15,500 | 15,500 | 3,087 | |
| Courtroom Security | 1,267 | 0 | 16,800 | 18,067 | 0 | 31,267 | 13,200 | |
| <u>Public Safety</u> | | | | | | | | |
| Sheriff's Department | 3,750,741 | 0 | 19,992 | 3,770,733 | 3,808,164 | 3,999,186 | 228,453 | |
| Special Patrols | 15,489 | 0 | 0 | 15,489 | 16,000 | 16,100 | 611 | |
| Traffic Control | 828 | 0 | 0 | 828 | 1,000 | 1,000 | 172 | |
| Administration of the Sexual Offender Registry | 829 | 0 | 0 | 829 | 1,800 | 1,800 | 971 | |
| Jail | 1,660,124 | 0 | 0 | 1,660,124 | 1,533,558 | 1,767,539 | 107,415 | |
| Juvenile Services | 22,561 | 0 | 0 | 22,561 | 20,865 | 26,265 | 3,704 | |
| Rural Fire Protection | 180,000 | 0 | 0 | 180,000 | 180,000 | 180,000 | 0 | |
| Civil Defense | 144,390 | 0 | 719 | 145,109 | 145,258 | 145,158 | 49 | |
| Other Emergency Management | 15,794 | 0 | 0 | 15,794 | 0 | 16,000 | 206 | |
| County Coroner/Medical Examiner | 43,500 | 0 | 0 | 43,500 | 49,000 | 49,000 | 5,500 | |
| Other Public Safety | 551,160 | 0 | 0 | 551,160 | 550,871 | 551,160 | 0 | |
| <u>Public Health and Welfare</u> | | | | | | | | |
| Local Health Center | 118,337 | 0 | 0 | 118,337 | 128,946 | 126,875 | 8,538 | |
| Rabies and Animal Control | 312,538 | 0 | 0 | 312,538 | 309,293 | 340,347 | 27,809 | |

(Continued)

Exhibit C-5

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Public Health and Welfare (Cont.)</u> | | | | | | | |
| Other Local Health Services | \$ 329,213 | \$ 0 | \$ 0 | \$ 329,213 | \$ 404,140 | \$ 404,577 | \$ 75,364 |
| <u>Social, Cultural, and Recreational Services</u> | | | | | | | |
| Adult Activities | 2,500 | 0 | 0 | 2,500 | 2,500 | 2,500 | 0 |
| Senior Citizens Assistance | 198,078 | 0 | 0 | 198,078 | 203,985 | 208,589 | 10,511 |
| <u>Agriculture and Natural Resources</u> | | | | | | | |
| Agriculture Extension Service | 143,312 | 0 | 0 | 143,312 | 144,860 | 144,860 | 1,548 |
| Soil Conservation | 15,093 | 0 | 0 | 15,093 | 16,939 | 16,939 | 1,846 |
| Flood Control | 2,000 | 0 | 0 | 2,000 | 2,000 | 2,000 | 0 |
| Storm Water Management | 3,689 | 0 | 0 | 3,689 | 3,460 | 3,690 | 1 |
| <u>Other Operations</u> | | | | | | | |
| Tourism | 134,146 | 0 | 0 | 134,146 | 100,000 | 134,150 | 4 |
| Industrial Development | 171,429 | 0 | 0 | 171,429 | 170,675 | 171,430 | 1 |
| Housing and Urban Development | 5,000 | 0 | 0 | 5,000 | 5,000 | 5,000 | 0 |
| Veterans' Services | 13,747 | 0 | 0 | 13,747 | 9,886 | 14,762 | 1,015 |
| Contributions to Other Agencies | 55,160 | 0 | 0 | 55,160 | 55,160 | 55,160 | 0 |
| Employee Benefits | 80 | 0 | 0 | 80 | 9,525 | 2,175 | 2,095 |
| Miscellaneous | 284,010 | 0 | 0 | 284,010 | 306,500 | 316,500 | 32,490 |
| <u>Principal on Debt</u> | | | | | | | |
| General Government | 31,470 | 0 | 0 | 31,470 | 15,000 | 31,500 | 30 |
| Total Expenditures | \$ 14,795,976 | \$ (11,881) | \$ 56,549 | \$ 14,840,644 | \$ 15,056,958 | \$ 15,742,593 | \$ 901,949 |
| <u>Excess (Deficiency) of Revenues</u> | | | | | | | |
| Over Expenditures | \$ 292,528 | \$ 11,881 | \$ (56,549) | \$ 247,860 | \$ (1,405,883) | \$ (1,128,214) | \$ 1,376,074 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Insurance Recovery | \$ 6,165 | \$ 0 | \$ 0 | \$ 6,165 | \$ 0 | \$ 6,164 | \$ 1 |
| Transfers In | 0 | 0 | 0 | 0 | 1,000,000 | 0 | 0 |
| Total Other Financing Sources | \$ 6,165 | \$ 0 | \$ 0 | \$ 6,165 | \$ 1,000,000 | \$ 6,164 | \$ 1 |

(Continued)

Exhibit C-5

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|-----------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
| | | | | | Original | Final | |
| Net Change in Fund Balance | \$ 298,693 | \$ 11,881 | \$ (56,549) | \$ 254,025 | \$ (405,883) | \$ (1,122,050) | \$ 1,376,075 |
| Fund Balance, July 1, 2012 | 7,087,439 | (11,881) | 0 | 7,075,558 | 5,152,393 | 5,152,393 | 1,923,165 |
| Fund Balance, June 30, 2013 | \$ 7,386,132 | \$ 0 | \$ (56,549) | \$ 7,329,583 | \$ 4,746,510 | \$ 4,030,343 | \$ 3,299,240 |

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

Exhibit D

Loudon County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

| | <u>Agency Funds</u> |
|---------------------------------------|-------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 691,970 |
| Equity in Pooled Cash and Investments | 2,769,515 |
| Due from Other Governments | 928,452 |
| Taxes Receivable | 5,457,717 |
| Allowance for Uncollectible Taxes | <u>(202,181)</u> |
| Total Assets | <u>\$ 9,645,473</u> |
| <u>LIABILITIES</u> | |
| Due to Other Taxing Units | \$ 6,373,913 |
| Due to Litigants, Heirs, and Others | 691,970 |
| Due to Joint Ventures | <u>2,579,590</u> |
| Total Liabilities | <u>\$ 9,645,473</u> |

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

LOUDON COUNTY, TENNESSEE
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LOUDON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Loudon County is a public municipal corporation governed by an elected ten-member board. As required by GAAP, these financial statements present Loudon County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Loudon County School Department operates the public school system in the county, and the voters of Loudon County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

The Loudon County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Loudon County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Loudon County Emergency
Communications District
500 John Parris Drive
Loudon, TN 37774

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Loudon County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Loudon County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Loudon County issues all debt for the discretely presented Loudon County School Department. Net debt issues totaling \$42,467,443 were contributed by the county to the School Department during the year ended June 30, 2013.

Separate financial statements are provided for governmental funds, proprietary funds (internal service funds), and fiduciary funds. Internal service funds are reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of Loudon County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. The School Department reports one proprietary fund, an internal service fund.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Loudon County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period.

Applicable adequate facilities taxes, business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

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

Loudon County reports the following major governmental funds:

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

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

Education Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal, interest, and other related costs on certain long-term education debt of the county.

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

Additionally, Loudon County reports the following fund types:

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

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

The discretely presented Loudon County School Department reports the following major governmental funds:

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

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

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

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

Internal Service Fund – The Employee Dental and Vision Insurance Fund is used to account for the School Department’s self-insured dental health and vision programs.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund’s principal ongoing operations. The principal operating revenues of the internal service fund are charges for services. Operating expenses for the internal service fund consist of dental and vision claims.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

For purposes of the Statement of Cash Flows of the School Department’s internal service fund (the Employee Dental and Vision Insurance Fund), cash includes demand deposits.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer’s Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Loudon County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Income from these pooled investments is allocated to various funds based on their cash balances at the time the income is received. Loudon County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7 like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.96 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not

available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements. Due to litigants, heirs, and others in the nonmajor governmental funds represents law enforcement seizures awaiting disposition.

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

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 40 - 65 |
| Other Capital Assets | 3 - 15 |
| Infrastructure | 30 - 50 |

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Deferred charges on refunding are reported as deferred outflows of resources in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The accumulated decrease in fair value of hedging derivatives as discussed in Note IV.B., are also reported as a deferred outflow of resources.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Loudon County does not have a policy to pay any amounts when employees separate from service with the government. Accumulated vacation benefits of the Loudon County School Department apply to the director of schools only, per contract. Other School Department employees must use their vacation benefits within the year earned. The liability for School Department accumulated vacation benefits is considered immaterial at June 30, 2013. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

8. Net Position and Fund Balance

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

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

As of June 30, 2013, Loudon County had \$54,782,400 in outstanding debt for capital purposes for the discretely presented Loudon County School Department. This debt is a liability of Loudon County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Loudon County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county’s highest level of decision-making authority and the Board of Education, the School Department’s highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has authorized the county’s director of accounts and budgets to make assignments for the general government. The Board of Education makes assignments for the School Department. Assigned fund balance in the General Fund consists of amounts assigned for encumbrances (\$56,549) and fund balance appropriated for use in the 2013-2014 budget (\$63,405). Assigned fund balance in the General Purpose School Fund consists of amounts assigned for encumbrances (\$31,158) and fund balance appropriated for use in the 2013-2014 budget (\$910,562).

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

9. Restatement

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. A restatement to beginning net position totaling \$281,208 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Loudon County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds to the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

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

Discretely Presented Loudon County School Department

Exhibit I-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in presentation of the information for both municipal and county governments in Tennessee.

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Loudon County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the following major appropriation category (the legal level of control) of the General Purpose School Fund:

| <u>Major Appropriation Category</u> | <u>Amount Overspent</u> |
|-------------------------------------|-----------------------------|
| Operation of Plant | \$ 38,595 |

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2013, Loudon County had the following investments carried at fair value or amortized cost. Pooled investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Loudon County and the

discretely presented Loudon County School Department since both pool their deposits and investments through the county trustee.

POOLED INVESTMENTS

| Investment | Maturities | Bond Rating | Fair Value or Cost |
|--|--------------------|-------------|--------------------|
| State Treasurer's Investment Pool | 11 to 138 days (1) | | \$ 10,264,581 |
| Municipal Bonds: | | | |
| Arkansas St, FED HWY GNT ANTIC TAX REV REF BDS, Ser 2010 | 8-1-13 | Aa1/AA | 200,622 |
| Brazoria Cnty TEX, GO BDS, Ser 2010 | 9-1-13 | Aa2/AA | 312,418 |
| Burbank CA UNI SCH Dist, GO REF BDS, Ser 2011c | 8-1-13 | Aa2/AA | 200,618 |
| Cherokee Cnty GA SCH SYS, GO BDS, ST SCH AID Prog, Ser 2006 | 8-1-13 | Aa1/AA+ | 230,619 |
| Cook Cnty ILL, GO BDS, Ser 2003 B NATL Public Finance Guarantee | 11-15-13 | Aa3/AA | 502,905 |
| Georgia St, GO BDS, Ser 2005 A | 9-1-13 | Aaa/AAA | 251,965 |
| Gloucester Mass, GO BDS, Ser 2006 AMBAC | 7-15-13 | Aa3/NR | 250,350 |
| Groton City Conn, GO REF BDS Ser 2009B Bank Qualified | 7-15-13 | Aa3/AA- | 250,203 |
| Las Cruces NM SCH DIST No 002, SCH BLDG BDS, ST AID Prog., Ser 2006 | 8-1-13 | Aa1/NR | 250,710 |
| Loudon Cnty Tenn, Taxable Rural SCH BDS, Taxable INT at MATY Ser 2013B | 7-15-13 | Aa2/NR | 800,008 |
| Lubbock Tex, GO REF and IMPT BDS, INT at MATY Ser 2013 | 8-15-13 | Aa2/AA+ | 450,900 |
| Madison Wis, PROM NTS, Ser 2008-A | 10-1-13 | Aa2/NR | 403,448 |
| Mississippi St, GO BDS, Ser 2008A | 10-1-13 | Aa2/AA | 252,930 |
| Naperville ILL, GO REF BDS, Ser 2012 | 12-1-13 | Aaa/AAA | 402,992 |
| Ocean City MD, GO BDS, Build America Bonds Direct Pay Taxable Ser 2010 | 11-1-13 | Aa2/AA- | 502,015 |
| Ohio St, GO REF BDS, Ser 2009C | 8-1-13 | Aa1/AA+ | 601,866 |
| Windham ME, GO BANS Ser 2003 Ambac | 11-1-13 | Aa2/AA- | 202,468 |
| Decatur Ala, GO WTS, Ser 2012 | 7-1-13 | Aa2/AA | 200,000 |
| Grayson Cnty TX JR College Dist, GO BDS, Ser 2008 AGMC Formerly FSA | 8-15-13 | Aa2/AA- | 200,854 |
| Port WA NY UN Free SCH Dist, School District BDS, Ser 2004 AGMC Formerly FSA | 7-1-13 | Aa1/NR | 215,000 |
| Richmond VA, GO PUB IMPT BDS, Ser 2002 A AGMC Formerly FSA | 7-15-13 | Aa2/AA | 300,573 |
| Tucson Ariz, GO REF BDS, Ser 2003 | 7-1-13 | Aa3/AA- | 250,000 |
| Cook Cnty IL. CMNTY CONS SCH DIST NO 064 Park Ridge GO Ref PK BDS Ser 2001 | 12-1-13 | Aa2/NR | 306,390 |
| Delaware St, GO BDS, Ser 2009A | 1-1-14 | Aaa/AAA | 230,357 |

| Investment | Maturities | Bond Rating | Fair Value or Cost |
|---|------------|-------------|----------------------|
| King CNTY Wash, GO REF BDS, Ser 2009A | 12-1-13 | Aaa/AAA | \$ 202,316 |
| Lubbock TEX, GO REF and IMPT BDS, Ser 2013 | 2-15-14 | Aa2/AA+ | 262,730 |
| Mansfield TX INDPT SCH Dist, GO REF BDS, Ser 2009 | 2-15-14 | Aa2/AA | 204,374 |
| Milwaukee WI Area Technical College Distr, GOP PROM NTS, Ser 2010 | 12-1-13 | Aa1/NR | 493,445 |
| U.S. Treasury Bills OID | 7-5-13 | | 800,000 |
| Total | | | <u>\$ 19,997,657</u> |

(1) Weighted average maturity in days

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Loudon County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Loudon County has no investment policy that would further limit its investment choices. As of June 30, 2013, Loudon County's investment in the State Treasurer's Investment Pool was unrated. Please refer to the preceding table for ratings on Loudon County's investments in Municipal Bonds.

B. Derivative Instruments

At June 30, 2013, Loudon County had the following derivative instruments outstanding:

| Instrument | Type | Objective | Original Notional Amount | Effective Date | Maturity Date | Terms |
|--------------|------------------------------|---------------------------------------|--------------------------|----------------|---------------|---|
| \$12.5M Swap | Pay fixed interest rate swap | Variable to synthetic fixed rate swap | \$ 12,500,000 | 12-1-09 | 6-1-25 | Pay 3.13% receive 59% of LIBOR plus 35 basis points |

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2013, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2013 financial statements are as follows:

| Type | <u>Changes in Fair Value</u> | | <u>Fair Value at June 30, 2013</u> | | 6-30-13 |
|--------------------------------|------------------------------|-------------------|------------------------------------|---------------------|---------------------|
| | Classification | Amount | Classification | Amount | Notional Amount |
| Governmental Activities | | | | | |
| Cash Flow Hedges: | | | | | |
| Pay fixed interest rate swaps: | | | | | |
| \$12.5M Swap | Deferred | \$ 490,183 | Debt | \$ (982,589) | \$10,200,000 |
| | Outflow | | | | |
| Totals | | <u>\$ 490,183</u> | | <u>\$ (982,589)</u> | <u>\$10,200,000</u> |

Derivative Swap Agreement Detail

Under its loan agreement, the Public Building Authority of Blount County, Tennessee (the authority), at the request of the county, has entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series IV-H-1.

Objective of the interest rate swap: To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$12.5 million Series IV-H-1 variable-rate bonds. The intention of the swap was to effectively change the county's variable interest rate on the bonds to a synthetic fixed rate. The Series IV-H-1 bonds have since been refunded with a portion of the proceeds of the Series E-3-C bonds, and the interest rate swap is now associated with the Series E-3-C bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 3.13 percent and receives a variable payment computed as 59 percent of the three-month London Interbank Offered Rate (LIBOR) plus 35 basis points. The swap had a notional amount of \$12.5 million, and the associated variable-rate bond had a \$12.5 million principal amount. At no time will the notional amount on the interest rate swap agreement exceed the outstanding principal of the Series E-3-C Bonds. The bonds' variable-rates have historically approximated the Securities Industry and Financial Markets Association (the "SIFMA"). The bonds and the related swap agreement mature on June 1, 2025. As of June 30, 2013, rates were as follows:

| | <u>Terms</u> | <u>Rates</u> |
|------------------------------------|--------------|----------------------|
| Interest rate swap: | | |
| Fixed payment to counterparty | Fixed | 3.13 % |
| Variable payment from counterparty | % of LIBOR | <u>-0.46</u> |
| Net interest rate swap payments | | 2.67 % |
| Variable-rate bond coupon payments | | <u>0.68</u> |
| Synthetic interest rate on bonds | | <u><u>3.35 %</u></u> |

Fair value. As of June 30, 2013, the swap had a negative fair value of \$982,589. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2013, the county was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the swap agreement's fair value. The swap counterparty, Morgan Keegan Financial Products ("MKFP") was rated "A+" by Standard and Poor's as of June 30, 2013, with its Credit Support Provider, Deutsche Bank, rated A2/A+/A+ by Moody's, Standard and Poor's, and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk should the rate on the bonds increase to above 59 percent of LIBOR plus 35 basis points, thus increasing the synthetic rate on the bonds. If a change occurs that results in the rate on the bonds to be below 59 percent of LIBOR plus 35 basis points, then the synthetic rate on the bonds will decrease.

Termination risk. The swap agreement contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an "additional termination provision." The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap's fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap's fair value.

Swap payments and associated debt. As of June 30, 2013, 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 | | Net Interest Rate | | Total |
|-------------------------------|---------------------|------------|-------------------|----|------------|
| | Principal | Interest | Swap Payment | | |
| 2014 | \$ 605,000 | \$ 69,666 | \$ 272,126 | \$ | 946,792 |
| 2015 | 640,000 | 65,534 | 255,985 | | 961,519 |
| 2016 | 680,000 | 61,163 | 238,910 | | 980,073 |
| 2017 | 720,000 | 56,518 | 220,769 | | 997,287 |
| 2018 | 765,000 | 51,601 | 201,560 | | 1,018,161 |
| 2019-2023 | 4,560,000 | 173,209 | 676,579 | | 5,409,788 |
| 2024-2025 | 2,230,000 | 23,050 | 90,042 | | 2,343,092 |
| Total | \$ 10,200,000 | \$ 500,741 | \$ 1,955,971 | \$ | 12,656,712 |

C. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

Primary Government

Governmental Activities:

| | Balance 7-1-12 | | Increases | | Decreases | | Balance 6-30-13 | |
|---|-------------------|------------|-----------|-----------|-----------|----------|--------------------|------------|
| Capital Assets Not Depreciated: | | | | | | | | |
| Land | \$ | 5,915,130 | \$ | 0 | \$ | 0 | \$ | 5,915,130 |
| Construction in Progress | | 111,800 | | 0 | | (75,000) | | 36,800 |
| Total Capital Assets Not Depreciated | \$ | 6,026,930 | \$ | 0 | \$ | (75,000) | \$ | 5,951,930 |
| Capital Assets Depreciated: | | | | | | | | |
| Buildings and Improvements | \$ | 14,276,772 | \$ | 164,458 | \$ | 0 | \$ | 14,441,230 |
| Infrastructure | | 47,353,860 | | 0 | | 0 | | 47,353,860 |
| Other Capital Assets | | 6,318,116 | | 410,684 | | (17,600) | | 6,711,200 |
| Total Capital Assets Depreciated | \$ | 67,948,748 | \$ | 575,142 | \$ | (17,600) | \$ | 68,506,290 |
| Less Accumulated Depreciation For: | | | | | | | | |
| Buildings and Improvements | \$ | 2,732,972 | \$ | 240,720 | \$ | 0 | \$ | 2,973,692 |
| Infrastructure | | 20,161,455 | | 951,054 | | 0 | | 21,112,509 |
| Other Capital Assets | | 4,399,181 | | 569,380 | | (17,600) | | 4,950,961 |
| Total Accumulated Depreciation | \$ | 27,293,608 | \$ | 1,761,154 | \$ | (17,600) | \$ | 29,037,162 |

Governmental Activities (Cont.):

| | Balance 7-1-12 | Increases | Decreases | Balance 6-30-13 |
|-------------------------|-------------------|----------------|-------------|--------------------|
| Total Capital Assets | | | | |
| Depreciated, Net | \$ 40,655,140 | \$ (1,186,012) | \$ 0 | \$ 39,469,128 |
| Governmental Activities | | | | |
| Capital Assets, Net | \$ 46,682,070 | \$ (1,186,012) | \$ (75,000) | \$ 45,421,058 |

The above table does not include capital assets of a hospital facility titled to Loudon County but used in the operations of Fort Loudoun Medical Center. The construction of that facility was funded by Fort Loudoun Medical Center and, pursuant to an agreement with the county, the facility was titled to the county and leased to Fort Loudoun Medical Center. Those assets are used pursuant to a lease agreement by Fort Loudoun Medical Center for a nominal rental of \$100 per year. The lease is further discussed in Note IV.G.

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

Governmental Activities:

| | |
|---|---------------------|
| General Government | \$ 71,179 |
| Finance | 1,886 |
| Administration of Justice | 15,295 |
| Public Safety | 468,256 |
| Public Health and Welfare | 56,292 |
| Social, Cultural, and Recreational Services | 28,301 |
| Other General Government | 41,150 |
| Highways/Public Works | <u>1,078,795</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,761,154</u> |

Discretely Presented Loudon County School Department**Governmental Activities:**

| | Balance 7-1-12 | Increases | Decreases | Balance 6-30-13 |
|---------------------------------|-------------------|---------------|----------------|--------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 3,946,406 | \$ 0 | \$ 0 | \$ 3,946,406 |
| Construction in Progress | 6,644,181 | 29,362,775 | (1,478,573) | 34,528,383 |
| Total Capital Assets | | | | |
| Not Depreciated | \$ 10,590,587 | \$ 29,362,775 | \$ (1,478,573) | \$ 38,474,789 |

Governmental Activities (Cont.):

| | Balance 7-1-12 | Increases | Decreases | Balance 6-30-13 |
|--|----------------------|----------------------|-----------------------|----------------------|
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 42,176,937 | \$ 1,478,573 | \$ 0 | \$ 43,655,510 |
| Other Capital Assets | 1,081,912 | 64,204 | 0 | 1,146,116 |
| Total Capital Assets Depreciated | \$ 43,258,849 | \$ 1,542,777 | \$ 0 | \$ 44,801,626 |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 13,530,132 | \$ 1,061,870 | \$ 0 | \$ 14,592,002 |
| Other Capital Assets | 394,250 | 83,968 | 0 | 478,218 |
| Total Accumulated Depreciation | \$ 13,924,382 | \$ 1,145,838 | \$ 0 | \$ 15,070,220 |
| Total Capital Assets Depreciated, Net | \$ 29,334,467 | \$ 396,939 | \$ 0 | \$ 29,731,406 |
| Governmental Activities Capital Assets, Net | \$ 39,925,054 | \$ 29,759,714 | \$ (1,478,573) | \$ 68,206,195 |

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

Governmental Activities:

| | |
|---|----------------------------|
| Instruction | \$ 20,491 |
| Support Services | 1,114,988 |
| Operation of Non-Instructional Services | <u>10,359</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,145,838</u> |

D. Construction Commitments

The discretely presented School Department's Education Capital Projects Fund had uncompleted contracts totaling \$8,361,728 for various construction and renovation projects. Funding is being provided for these future expenditures through debt proceeds contributed by the primary government.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, is as follows:

Due to/from Other Funds:

| Receivable Fund | Payable Fund | Amount |
|--------------------------|--------------------------|----------|
| Primary Government: | | |
| General | Nonmajor governmental | \$ 1,888 |
| General | General Capital Projects | 768 |
| General Capital Projects | General | 238 |
| General Debt Service | Nonmajor governmental | 71,597 |
| Nonmajor governmental | General | 16 |

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

Due to/from Primary Government and Component Units:

| Receivable Fund | Payable Fund | Amount |
|------------------------|---------------------|--------|
| Component Unit: | | |
| School Department: | Primary Government: | |
| General Purpose School | General | \$ 13 |

Interfund Transfers:

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

Primary Government

| Transfer Out | Transfer In |
|-----------------------------|-------------|
| | General |
| | Debt |
| | Service |
| Nonmajor governmental funds | \$ 74,326 |

Discretely Presented Loudon School Department

| Transfer Out | Transfer In |
|-----------------------------|-------------|
| | General |
| | Purpose |
| | School |
| Nonmajor governmental funds | \$ 141,152 |

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

F. Payables

A total of \$9,197 in the nonmajor governmental funds Due to Litigants, Heirs, and Others account represents deposits from law enforcement seizures pending disposition by the Tennessee Department of Safety.

G. Hospital Lease Agreements

During June 2002, Loudon County entered into an agreement with Fort Sanders Medical Center (Covenant Health) to acquire a certificate of need from the Tennessee Health Facility Commission. Covenant Health agreed to build and operate a facility under a future lease agreement with Loudon County. The facility was completed and ownership was transferred to Loudon County. Loudon County has leased the facility to Fort Loudoun Medical Center, of which Covenant Health is the sole member. Fort Loudoun Medical Center has entered into an agreement to lease the property from Loudon County for a period of 20 years, commencing October 4, 2004, for a nominal annual charge of \$100. The agreement provides for two renewal terms for five years each at the option of Fort Loudoun Medical Center. This lease agreement also includes provisions for Fort Loudoun Medical Center to expend additional amounts during the original lease term for capital outlay, recruitment, and/or other community benefits projects.

H. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 25 years for bonds, up to ten years for notes, and up to 17 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, other loans, and capital outlay notes included in long-term debt as of June 30, 2013, will be retired from the General Fund and debt service funds.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2013, for governmental activities are as follows:

| Type | Interest Rate | Final Maturity | Original Amount of Issue | Balance 6-30-13 |
|--|---------------|----------------|--------------------------|-----------------|
| General Obligation Bonds | 1.4 to 5 % | 6-1-36 | \$ 42,345,000 | \$ 41,520,000 |
| General Obligation Bonds - Refunding | 1.8 to 4 | 4-1-20 | 5,225,000 | 3,620,000 |
| Capital Outlay Notes | 2.88 | 2-1-23 | 400,000 | 400,000 |
| Other Loans - City of Loudon | 0 | N/A | 475,000 | 347,222 |
| Other Loans - PBA Variable Rate | variable | 6-1-25 | 19,835,000 | 13,879,000 |
| Loan Agreement - State School Bond Authority (QZABs) | 0 | 12-1-20 | 4,129,500 | 2,202,400 |

Loudon County has entered into various loan agreements with Public Building Authorities (PBAs) to finance capital projects for the county and the discretely presented Loudon County School Department. The following table summarizes PBA loan agreements outstanding at June 30, 2013:

| Description | Original Amount of Loan Agreement | Outstanding Principal 6-30-13 | Interest Type | Variable Interest Rates as of 6-30-13 | Other Fees on Variable Rate Debt |
|-----------------------------------|-----------------------------------|-------------------------------|---------------|---------------------------------------|----------------------------------|
| <u>Montgomery County</u> | | | | | |
| <u>Public Building Authority:</u> | | | | | |
| Various Purposes | \$ 5,000,000 | \$ 1,944,000 | Variable | .32 % | .75 % |
| <u>Blount County</u> | | | | | |
| <u>Public Building Authority:</u> | | | | | |
| School Projects-Refunding | 12,265,000 | 10,260,000 | Variable | .68 (1) | .8 |
| Various Purposes-Refunding | 2,570,000 | <u>1,675,000</u> | Variable | .68 | .8 |
| Total | | <u>\$ 13,879,000</u> | | | |

(1) In addition to the interest requirements on this refunding debt, the county is also obligated for payments under a swap agreement that was entered into in connection with the refunded debt. See Note IV.B. Derivative Instruments.

Loudon County has also entered into the following agreement with the City of Loudon to provide funding for infrastructure improvements for a business development. The agreement is reflected as other loans in this report.

| Description | Original Amount of Loan Agreement | Outstanding Principal 6-30-13 | Interest Rates |
|-------------|--|-------------------------------------|-------------------|
|-------------|--|-------------------------------------|-------------------|

City of Loudon

| | | | |
|---------------------------|------------|------------|-----|
| Highlands Business Center | \$ 475,000 | \$ 347,222 | 0 % |
|---------------------------|------------|------------|-----|

Under the agreement, the county must pay its incremental tax revenues (excess of current taxes over base year amounts), from properties within the development toward the retirement of this obligation. The maximum amount the county is required to pay is \$475,000 (with no interest accruing and no stated maturity date). During the year, the county paid \$31,470 under the agreement.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2013, including estimated interest payments and other fees, are presented in the following tables:

| Year Ending June 30 | Bonds | | |
|------------------------|---------------|---------------|---------------|
| | Principal | Interest | Total |
| 2014 | \$ 1,775,000 | \$ 1,551,843 | \$ 3,326,843 |
| 2015 | 2,270,000 | 1,470,312 | 3,740,312 |
| 2016 | 2,330,000 | 1,374,600 | 3,704,600 |
| 2017 | 2,385,000 | 1,276,310 | 3,661,310 |
| 2018 | 2,500,000 | 1,185,190 | 3,685,190 |
| 2019-2023 | 12,130,000 | 4,713,790 | 16,843,790 |
| 2024-2028 | 7,525,000 | 3,172,250 | 10,697,250 |
| 2029-2033 | 8,500,000 | 1,824,224 | 10,324,224 |
| 2034-2036 | 5,725,000 | 392,226 | 6,117,226 |
| Total | \$ 45,140,000 | \$ 16,960,745 | \$ 62,100,745 |

| Year Ending June 30 | Notes | | |
|------------------------|------------|-----------|------------|
| | Principal | Interest | Total |
| 2014 | \$ 35,000 | \$ 11,520 | \$ 46,520 |
| 2015 | 36,000 | 10,512 | 46,512 |
| 2016 | 37,000 | 9,475 | 46,475 |
| 2017 | 38,000 | 8,410 | 46,410 |
| 2018 | 39,000 | 7,315 | 46,315 |
| 2019-2023 | 215,000 | 18,864 | 233,864 |
| Total | \$ 400,000 | \$ 66,096 | \$ 466,096 |

| Year Ending June 30 | Other Loans - PBA and QZAB | | | |
|------------------------|----------------------------|---------------------|-------------------|----------------------|
| | Principal | Interest | Other Fees | Total |
| 2014 | \$ 1,449,300 | \$ 361,488 | \$ 110,165 | \$ 1,920,953 |
| 2015 | 1,521,300 | 338,509 | 100,949 | 1,960,758 |
| 2016 | 1,574,300 | 314,146 | 91,162 | 1,979,608 |
| 2017 | 1,651,300 | 288,401 | 80,958 | 2,020,659 |
| 2018 | 1,709,300 | 261,105 | 70,143 | 2,040,548 |
| 2019-2023 | 5,935,900 | 859,270 | 210,540 | 7,005,710 |
| 2024-2025 | 2,240,000 | 113,561 | 27,153 | 2,380,714 |
| Total | <u>\$ 16,081,400</u> | <u>\$ 2,536,480</u> | <u>\$ 691,070</u> | <u>\$ 19,308,950</u> |

Annual requirements for the \$347,222 other loan payable for the Highlands Business Center project are not included in the schedule since the loan is to be repaid with tax increment revenues only, and there is no defined payment schedule.

Interest requirements in the above schedule include the synthetic rate the county is obligated for under a swap agreement. See Note IV.B. Derivative Instruments.

There is \$10,258,378 available in the debt service funds to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$164, for residents inside Lenoir City, and \$1,517, for residents outside Lenoir City, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2013, was as follows:

| | Other Loans - City of Loudon | | |
|-----------------------------|------------------------------|-------------------|-------------------|
| | Bonds | Notes | |
| Balance, July 1, 2012 | \$ 14,010,000 | \$ 384,434 | \$ 378,692 |
| Additions | 32,350,000 | 400,000 | 0 |
| Reductions | (1,220,000) | (384,434) | (31,470) |
| Balance, June 30, 2013 | <u>\$ 45,140,000</u> | <u>\$ 400,000</u> | <u>\$ 347,222</u> |
| Balance Due Within One Year | <u>\$ 1,775,000</u> | <u>\$ 35,000</u> | <u>\$ 0</u> |

| | Other Loans - PBA & QZAB | Compensated Absences | Other Postemployment Benefits |
|-----------------------------|--------------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2012 | \$ 17,484,700 | \$ 512,827 | \$ 2,292,538 |
| Additions | 0 | 437,420 | 888,669 |
| Reductions | (1,403,300) | (544,697) | (116,140) |
| Balance, June 30, 2013 | <u>\$ 16,081,400</u> | <u>\$ 405,550</u> | <u>\$ 3,065,067</u> |
| Balance Due Within One Year | <u>\$ 1,449,300</u> | <u>\$ 100,439</u> | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|----------------------|
| Total Noncurrent Liabilities, June 30, 2013 | \$ 65,439,239 |
| Less: Balance Due Within One Year | (3,359,739) |
| Add: Unamortized Premium on Debt | <u>1,966,658</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 64,046,158</u> |

In addition to the long-term bonds discussed above, Loudon County also issued \$2,000,000 in short-term general obligation bonds as discussed in Note IV.K.

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Discretely Presented Loudon County School Department

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2013, was as follows:

| | Other Postemployment Benefits |
|-----------------------------|-------------------------------------|
| Balance, July 1, 2012 | \$ 680,595 |
| Additions | 593,326 |
| Reductions | <u>(366,593)</u> |
| Balance, June 30, 2013 | <u>\$ 907,328</u> |
| Balance Due Within One Year | <u>\$ 0</u> |

I. Pledges of Future Revenues

Tax Incremental Revenues Pledged for Retirement of County Debt

As discussed in Note IV.H., Loudon County has pledged incremental real and personal property tax revenues from the Highland Business Center development toward the retirement of a loan agreement entered into between the county and the City of Loudon. The principal amount of this outstanding loan at June 30, 2013, was \$347,222.

J. On-Behalf Payments – Discretely Presented Loudon County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Loudon County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2013, were \$112,161 and \$29,605, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

K. Short-term Debt

Loudon County issued short-term general obligation bonds dated May 10, 2013, with a final maturity of July 15, 2013. The bonds were issued in the aggregate amount of \$2,000,000, and \$800,000 of the bonds was outstanding at June 30, 2013. The bonds were issued in connection with the school building program and were retired from the Education Debt Service Fund.

Short-term debt activity for the year ended June 30, 2013, was as follows:

| | Balance | | | Balance |
|-----------------------------|---------|--------------|--------------|------------|
| | 7-1-12 | Issued | Paid | 6-30-13 |
| General Obligation Bonds \$ | 0 | \$ 2,000,000 | \$ 1,200,000 | \$ 800,000 |

V. OTHER INFORMATION

A. Risk Management

Loudon County School Department has established the Employee Dental and Vision Insurance Fund for risks associated with the employees’ dental and vision plans. The Employee Dental and Vision Insurance Fund is accounted

for as an internal service fund where assets are set aside for claim settlements.

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

| | Beginning of Fiscal Year Liability | Current-year Claims and Estimates | Payments | Balance at Fiscal Year-end |
|-----------|---|---|-------------|----------------------------------|
| 2011-2012 | \$35,252 | \$385,220 | (\$396,013) | \$24,459 |
| 2012-2013 | 24,459 | 366,930 | (370,132) | 21,257 |

The primary government provides health, dental, and vision coverage through commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The discretely presented Loudon County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

Loudon County and the discretely presented Loudon County School Department joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The county and the School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Loudon County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets

and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

C. Subsequent Events

On June 30, 2013, Leo Bradshaw resigned as purchasing agent and was succeeded by Joan Lovelace.

On July 15, 2013, the Loudon County Commission authorized \$1,300,000 in capital outlay notes. Those notes have not been issued as of the date of this report.

D. Contingent Liabilities

Loudon County is contingently liable for a public building authority loan agreement of a joint venture, Tellico Area Services System (TASS). Loudon County would become liable for this loan agreement in the event of default by TASS. As of June 30, 2013, future principal and interest requirements of this loan were \$415,000 and \$60,452, respectively.

The county is involved in several pending lawsuits. Management estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

E. Changes in Administration

On December 31, 2012, George Miller, Sr., resigned as trustee. On January 7, 2013, the Loudon County Commission appointed George Miller, II, as trustee. LouAnn Malone served as interim trustee from January 1, 2013, through January 6, 2013.

F. Joint Ventures

Loudon County Solid Waste Disposal Commission (LCSWDC) is a joint venture formed by an interlocal governmental agreement between Loudon County, the City of Loudon, and Lenoir City. The joint venture operates the Loudon County regional landfill. The LCSWDC is governed by a seven-member board appointed by the participating governments. The county and cities do not retain an equity interest in the entity. Financial

statements for the LCSWDC can be obtained from its administrative office at the following address:

Administrative Office:

Loudon County Solid Waste Disposal Commission
101 Mulberry Street, Suite 102
Loudon, TN 37774

The Center Board is a joint venture formed by an interlocal agreement between Loudon County and Lenoir City. The purpose of the board is to provide operation and maintenance for the Career Center Building jointly owned by Loudon County and Lenoir City. The Center Executive Board members are approved by the city and county legislative bodies. The interlocal agreement calls for any excess revenue over the operational and maintenance cost to be remitted back to the county and city based on the percentage of prior construction costs provided by each entity. However, the county and city may be required to compensate the federal government for its fair share based on contributions made by federal grants. The financial transactions of this joint venture are channeled through the county Trustee's Office, and the county accounts for these transactions in an agency fund.

The Tellico Area Services System (TASS), a regional water, sewer, and solid waste system is jointly owned by Monroe and Loudon counties. TASS comprises the county Boards of Public Utilities of each of the counties. Loudon County has control over budgeting and financing the joint venture only to the extent of representation by its county Board of Public Utility. As discussed in Note V.D., Loudon County is contingently liable for certain debt issued by the county on behalf of this joint venture; however, the counties do not retain an equity interest in the entity. Complete financial statements for TASS can be obtained through its administrative office at the following address:

Administrative Office:

Tellico Area Services System
P.O. Box 277
Vonore, TN 37885-0277

The Loudon County Economic Development Agency, Inc., was designated to function as the Joint Economic and Community Development Board under Public Chapter 1101. Under this role, the agency is responsible for coordinating governmental and private industrial development and economic development activities in Loudon County. The agency is a joint venture between Loudon County and the cities of Loudon and Lenoir City, and Lenoir City Industrial Committee of 100, in which each provide financial support. The agency is governed by an eight-member board comprising one member from the three governments and the remaining members from other various community organizations. Loudon County provided the agency \$167,545 in

financial support during the 2012-13 year. Financial statements for the agency can be obtained from its administrative office at the following address:

Administrative Office:

Loudon County Economic
Development Agency, Inc.
274 Blair Bend Drive
Loudon, TN 37774

G. Joint Governed Organization

Blount County, Loudon County, Monroe County, and various city school systems jointly govern the Little Tennessee Valley Educational Cooperative. The cooperative was established pursuant to an agreement between the participating governments and is governed by a board of control consisting of the director of schools of each participating government, one representative appointed by the County Commission or City Council of each participating government, and one member appointed by the Board of Education of each participating government. The cooperative was organized in order to combine resources to provide services for special education programs such as the Birth-to-Three program for handicapped children, a child development program for language and behaviorally delayed older students, and an occupational and physical therapy program, as well as psychological services. The cooperative provides educational services on a contractual basis to the various school systems. The systems may, but are not required to contract for these services.

H. Retirement Commitments

Plan Description

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

amended by the Tennessee General Assembly. Political subdivisions such as Loudon County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Loudon County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 10.33 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2013, Loudon County's annual pension cost of \$1,116,116 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was seven years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------|---------------------------------|-------------------------------------|------------------------------|
| 6-30-13 | \$1,116,116 | 100% | \$0 |
| 6-30-12 | 1,094,341 | 100 | 0 |
| 6-30-11 | 1,060,636 | 100 | 0 |

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 89.25 percent funded. The actuarial accrued liability for benefits was \$33.09 million, and the actuarial value of assets was \$29.54 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.56 million. The covered payroll (annual payroll of active employees covered by the plan) was \$10.92 million, and the ratio of the UAAL to the covered payroll was 32.57 percent.

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

SCHOOL TEACHERS

Plan Description

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

Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2013, 2012, and 2011, were \$1,600,351, \$1,630,106, and \$1,633,960, respectively, equal to the required contributions for each year.

I Other Postemployment Benefits (OPEB)

Primary Government

The primary government pays for a portion of postretirement health care benefits and life insurance for employees who have retired from Loudon County with full benefits through the Tennessee Consolidated Retirement System. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by the County Commission.

Funding Policy

The premium requirements are established and may be amended by the County Commission. The plan is through a commercial insurance company. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums. Eligible employees must be age 60 with five years of service, or any age with 30 years of service until attainment of age 65 when they become eligible for Medicare. Retirees are required to pay 50 percent of the medical premium per month for their insurance coverage. The retiree's spouse is eligible while the retiree is eligible for coverage until the spouse's age of 65.

Annual OPEB Cost and Net OPEB Obligation

| | |
|------------------------------|---|
| | Local Government Commercial Plan |
| | <hr/> |
| ARC | \$ 902,689 |
| Interest on the NOPEBO | 91,701 |
| Adjustment to the ARC | <u>(105,721)</u> |
| Annual OPEB cost | \$ 888,669 |
| Amount of contribution | <u>(116,140)</u> |
| Increase/decrease in NOPEBO | \$ 772,529 |
| Net OPEB obligation, 7-1-12 | <u>2,292,538</u> |
| | |
| Net OPEB obligation, 6-30-13 | <u><u>\$ 3,065,067</u></u> |

| Fiscal Year Ended | Plan | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|-------------------------|---------------|------------------------|---|---------------------------------------|
| 6-30-11 | Loudon County | \$ 594,454 | 20.3 | % \$ 1,811,499 |
| 6-30-12 | " | 625,062 | 23 | 2,292,538 |
| 6-30-13 | " | 889,669 | 13.1 | 3,065,067 |

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012, was as follows:

| | |
|---|---|
| | Local Government Commercial Plan |
| | <hr/> |
| Actuarial valuation date | 7-1-12 |
| Actuarial accrued liability (AAL) | \$ 7,147,354 |
| Actuarial value of plan assets | \$ 0 |
| Unfunded actuarial accrued liability (UAAL) | \$ 7,147,354 |
| Actuarial value of assets as a % of the AAL | 0% |
| Covered payroll (active plan members) | \$ 7,367,449 |
| UAAL as a % of covered payroll | 97% |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about

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

Actuarial Methods and Assumptions

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

In the July 1, 2012, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of nine percent initially, reduced by decrements to an ultimate rate of five percent. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payrolls over a 30-year period beginning with July 1, 2008.

Discretely Presented Loudon County School Department

Postemployment Healthcare Plan

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and

financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for teachers ranges from \$282 to \$1,038 based on the years of service and type of coverage. During the year ended June 30, 2013, the School Department contributed \$366,593 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

| | |
|------------------------------|-------------------------------------|
| | Local Education Group Plan |
| ARC | \$ 595,000 |
| Interest on the NOPEBO | 27,224 |
| Adjustment to the ARC | (28,898) |
| Annual OPEB cost | \$ 593,326 |
| Amount of contribution | (366,593) |
| Increase/decrease in NOPEBO | \$ 226,733 |
| Net OPEB obligation, 7-1-12 | <u>680,595</u> |
| Net OPEB obligation, 6-30-13 | <u><u>\$ 907,328</u></u> |

| Fiscal Year Ended | Plan | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|-------------------------|-----------------------|------------------------|---|---------------------------------------|
| 6-30-11 | Local Education Group | \$ 512,777 | 78 | % \$ 441,044 |
| 6-30-12 | " | 587,916 | 59 | 680,595 |
| 6-30-13 | " | 593,326 | 62 | 907,328 |

Funded Status and Funding Progress

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

| | <u>Local Education Group Plan</u> |
|---|---|
| Actuarial valuation date | 7-1-11 |
| Actuarial accrued liability (AAL) | \$ 5,950,000 |
| Actuarial value of plan assets | \$ 0 |
| Unfunded actuarial accrued liability (UAAL) | \$ 5,124,000 |
| Actuarial value of assets as a % of the AAL | 0% |
| Covered payroll (active plan members) | \$ 21,954,885 |
| UAAL as a % of covered payroll | 23% |

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

Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.75 percent for fiscal year 2013. The trend rate will decrease to 8.25 percent in fiscal year 2014 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

J. Termination Benefits

The Loudon County Board of Education offers a retirement incentive to all state licensed personnel who:

- Meet the requirements for a service retirement from the Tennessee Consolidated Retirement System (TCRS).
- Have continuously been employed by the Loudon County Board of Education as a licensed teacher or administrator for the last 20 years prior to retirement.
- Makes timely application for this benefit on appropriate forms and presents these to the director for approval.
- Is approved by the TCRS for service retirement benefits.

Retiring personnel who satisfy all the above requirements are eligible for a retirement incentive equal to 25 percent of their annual salary. During the year ended June 30, 2013, the School Department paid \$110,390 to those who participated. There are no further incentive amounts due to individuals who retired prior to June 30, 2013.

K. Office of Director of Accounts and Budgets

Loudon County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor, highway superintendent, and director of schools. The accounting functions were maintained in the Office of Director of Accounts and Budgets.

L. Purchasing Laws

Purchasing procedures for the Offices of County Mayor, Highway Superintendent, and Director of Schools are governed by the County Purchasing Act of 1957, Section 5-14-101, et seq., and the Uniform Road Law, Section 54-7-113, *Tennessee Code Annotated*. Sealed bids are required to be solicited on purchases exceeding \$10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED LOUDON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

1. Description of Organization

The Loudon County Emergency Communications District, commonly referred to as E-911, was established to provide services under the

Emergency Communications District Law, *Tennessee Code Annotated*, Chapter 86. The district was created by a resolution of the Loudon County Commission on September 12, 1989, and subsequently approved by public referendum. Under its enabling legislation, the district is a municipality with powers of perpetual success but without any power to levy or collect taxes. Charges for services authorized shall not be considered as taxes. The powers of the district are vested in and exercised by a majority of the members of the board of directors of the district who are appointed by the district's primary government.

The district is a discretely presented component unit of Loudon County, Tennessee, and the financial statements are presented in both the district's separate financial report and within the Loudon County, Tennessee, report. The district is considered a discretely presented component unit of Loudon County because the district is unable to issue debt without going through Loudon County.

2. Basis of Accounting

The financial statements of the district are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position. The statement of revenue, expenses and change in net position presents increases (revenue) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenue is recognized in the period in which it is earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues are those revenues that are generated from the primary operations of the district. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the district. All other expenses are reported in nonoperating expenses.

The district reports its financial activities under the applicable provisions of GASB 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement establishes standards for external reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net position groups:

Invested in capital assets – This component of net position of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by any payables that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component includes net position whose is subject to externally imposed stipulations that can be fulfilled by actions of the district pursuant to those stipulations or that expire by the passage of time.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “invested in capital assets.”

3. Cash and Cash Equivalents

The district considers all unrestricted deposits and highly liquid investments with original maturities of three months or less to be cash equivalents.

4. Receivables

Accounts receivable, which are deemed uncollectible based on a periodic review of the accounts, are charged to revenue. At June 30, 2013, no allowance for uncollectible accounts was considered necessary. The accounts receivable balance of \$34,584 primarily represents amounts due from AT&T for the surcharge on Loudon County telephone services for the month of June 2013, and wireless commissions due from the State of Tennessee for May through June 2013.

5. Capital Assets

Capital assets, which include buildings, communications equipment, office furnishings and equipment, and vehicles, are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are stated at historical cost, less accumulated depreciation computed on the straight-line method over their estimated useful lives as follows: buildings – 40 years; office equipment and furnishings – three to seven years; communications equipment – five to ten years. When assets are retired or otherwise disposed of, the average cost is removed from the asset account and the accumulated depreciation account. Removal cost, less any salvage value, is charged or credited to the accumulated depreciation account. The cost of maintenance and repairs is charged to earnings as incurred.

6. Estimates

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

7. **Compensated Absences**

The district had adopted the policy of Loudon County, Tennessee, which permits its employees to accumulate, in varying amounts, earned but unused vacation and sick pay benefits. Annual vacation time accrues based upon years of service for full-time employees (40 hours per week) and on a pro-rata basis for employees that are part-time. Vacation may be carried over up to a maximum of 30 days. Each January 1st, all unused vacation above the 30-day maximum is converted to sick leave. Sick leave accrues in a similar method to vacation time; however, paid sick leave is a benefit and privilege and not a right or compensation and thus will not be paid at termination of employment.

For this reporting period, \$11,322 has been recorded as accrued vacation pay.

8. **Tax Status**

Because the district was incorporated as a political subdivision under the Tennessee Communications District Law, it is exempt from federal income taxes.

9. **Use of Restricted/Unrestricted Net Position**

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the district's policy is to apply restricted net position first.

10. **Deferred Outflow/Inflows of Resources**

During the year ended June 30, 2013, the district adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. The objective of the statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The district does not have any items that qualify for reporting in this category as of June 30, 2013.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources,

represents acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The district did not have any items that qualified for reporting in this category as of June 30, 2013.

B. Budgetary Control

The district's board approves the annual budget prepared by the E-911 director based upon anticipated revenues and estimated operating expenses. The budget is adopted on a basis consistent with generally accepted accounting principles except that the budgeted cost of capital assets purchased is included as an expenditure. The district is required by Section 7-86-120, *Tennessee Code Annotated*, to adopt and operate under an annual budget. In addition, the Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts established the legal level of control, which is defined to be the line item. Budgeted amounts lapse at the end of the fiscal year and no unexpected balances are carried to the subsequent year. Budget expenses may be amended, as needed, to meet changing needs.

C. Deposits

Custodial credit risk for the district's deposits is the risk that in the event of a bank failure, the district's deposits may not be returned to it. As of June 30, 2013, the carrying amount of deposits was \$761,638 and the bank balances were \$765,462. As required by state statutes, the district's policy is to require financial institutions holding its deposits to be members of the Tennessee Collateral Pool or pledge collateral for deposits in excess of federal depository insurance. At June 30, 2013, none of the district's bank balances was exposed to credit risk.

D. Revenue

The district's primary sources of revenues are from surcharges imposed on Loudon County telephone services (net of administrative fees paid to the telephone companies) and from surcharges imposed on cell phone services, which are collected and disbursed by the Tennessee Emergency Communications Board.

E. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to minimize costs, the district insures itself against potential losses associated with these risks through the purchase of commercial insurance. There were no significant reductions in limits of liability or coverage of insurance policies in effect during 2013 from those in effect in 2012 and 2011. In addition, there have been no losses in excess of insurance coverage during the past three fiscal years.

F. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

| | Balance | | Balance |
|-------------------------------------|--------------|--------------|--------------|
| | 7-1-12 | Additions | 6-30-13 |
| Capital Assets, Being Depreciated: | | | |
| Buildings and Improvements | \$ 1,664,200 | \$ 0 | \$ 1,664,200 |
| Vehicles | 56,789 | 0 | 56,789 |
| Furniture and Fixtures | 71,242 | 0 | 71,242 |
| Office Equipment | 45,635 | 0 | 45,635 |
| Communication Equipment | 800,714 | 52,635 | 853,349 |
| | <hr/> | | <hr/> |
| Total Capital Assets | \$ 2,638,580 | \$ 52,635 | \$ 2,691,215 |
| | <hr/> | | <hr/> |
| Less Accumulated Depreciation For: | | | |
| Buildings and Improvements | \$ (145,643) | \$ (41,605) | \$ (187,248) |
| Vehicles | (39,994) | (3,678) | (43,672) |
| Furniture and Fixtures | (36,221) | (10,178) | (46,399) |
| Office Equipment | (43,023) | (932) | (43,955) |
| Communication Equipment | (454,800) | (100,324) | (555,124) |
| | <hr/> | | <hr/> |
| Total Accumulated Depreciation | \$ (719,681) | \$ (156,717) | \$ (876,398) |
| | <hr/> | | <hr/> |
| Total Assets Being Depreciated, Net | \$ 1,918,899 | \$ (104,082) | \$ 1,814,817 |
| | <hr/> | | <hr/> |

G. Bonds Payable

Emergency Communications District Revenue Bond, Series 2007, for \$1.5 million was issued May 26, 2009, for the purpose of paying the majority of the costs to construct and equip a new facility to house the district's operations. The bonds are payable in 240 monthly principal and interest payments totaling \$7,545, at an interest rate of 4.125 percent. The remaining number of monthly payments was reduced due to an additional \$200,000 paid on bonds during fiscal year 2011. The bonds are payable solely from and secured by a pledge of the income and revenues to be derived from the operations of the district and by a statutory lien on the district's system. Interest expense totaled \$48,332 in 2013, and the balance outstanding on the bonds at June 30, 2013, was \$1,148,597.

Change in debt during the year ended June 30, 2013, is as follows:

| | Beginning Balance | Retirements | Ending Balance | Due in One Year |
|--|----------------------|-------------|-------------------|--------------------|
| Long-term debt: Revenue bonds: Series 2007 | \$ 1,190,805 | \$ 42,208 | \$ 1,148,597 | \$ 43,970 |

Aggregate maturities of bonds payable are as follows:

| Year Ending June 30 | Bonds | | |
|------------------------|--------------|------------|--------------|
| | Principal | Interest | Total |
| 2014 | \$ 43,970 | \$ 46,570 | \$ 90,540 |
| 2015 | 45,818 | 44,722 | 90,540 |
| 2016 | 47,745 | 42,795 | 90,540 |
| 2017 | 49,752 | 40,788 | 90,540 |
| 2018 | 51,843 | 38,697 | 90,540 |
| 2019-2023 | 293,799 | 158,901 | 452,700 |
| 2024-2028 | 360,970 | 91,730 | 452,700 |
| 2029-2030 | 254,700 | 16,920 | 271,620 |
| Total | \$ 1,148,597 | \$ 481,123 | \$ 1,629,720 |

H. Dispatch Service Agreement

Beginning January 1, 2010, the district entered into an agreement with Loudon County, Tennessee, to take over the employment of personnel managing and operating the communications system and to provide the necessary 911 emergency and non-emergency dispatch services for Loudon County, Tennessee, from the district's location. In exchange for this coverage, Loudon County provides funding of up to \$540,000 with annual renewals subject to withdrawal or termination provisions for either party as detailed in the agreement. There has not been any change to the agreement during this fiscal year.

I. Agreement for Office Space

The district entered into an agreement with Loudon County in which it received a contribution in October 2006 for the construction of an E-911 center. In return, the district has made available to Loudon County, offices and emergency operations space for the Emergency Management Agency (EMA), a subsidiary of Loudon County for up to 30 years, with an extension possible upon mutual agreement of both parties.

J. Operating Leases

Operating leases in place during the year are as follows:

1. During fiscal year 2005, the district sold its Mobile 911 Center to Loudon County and then entered into a lease agreement with Loudon County to lease the facility for \$1 per year.
2. On October 5, 2006, the district entered into a lease agreement with the Loudon Utilities Board for a ground lease on the site of its operating center. The term of the lease is for 30 years from the date of the agreement and may be extended upon mutual consent of both parties. The lease payment to Loudon Utilities Board is \$1 per year.

K. Employee Retirement Plan

Plan Description

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

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

Funding Policy

The district requires employees to contribute five percent of their earnable compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 4.42 percent of covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the district is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2013, the district's annual pension cost of \$21,591 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increases in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market of total investments over a ten year period. The district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

| <u>Fiscal Year Ended</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|--------------------------|----------------------------------|--------------------------------------|-------------------------------|
| 6-30-13 | \$ 21,591 | 100 | % \$ 0 |
| 6-30-12 | 68,204 | 100 | 0 |

Funding Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was zero, resulting in an unfunded actuarial accrued liability (UAAL) of zero. The covered payroll (annual payroll of active employees covered by the plan) was zero, and the ratio of the UAAL to the covered payroll was zero percent.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Loudon County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government, Discretely Presented Loudon County School Department, and
Discretely Presented Loudon County Emergency Communications District
June 30, 2013

(Dollar amounts in thousands)

| Plan | Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Actuarial Liability (AAL) Frozen Entry Age (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---------------------------------------|--------------------------|------------------------------------|--|-----------------------------|--------------------|---------------------|---|
| Primary Government/School Department | 7-01-11 | \$ 29,537 | \$ 33,094 | \$ 3,557 | 89.25 % | \$ 10,920 | 32.57 % |
| " | 7-01-09 | 24,044 | 24,540 | 496 | 97.98 | 11,285 | 4.40 |
| " | 7-01-07 | 22,189 | 22,809 | 620 | 97.28 | 10,267 | 6.04 |
| Emergency Communications District (1) | 7-01-11 | 0 | 0 | 0 | 0 | 0 | 0 |

(1) The district entered the plan effective July 1, 2011.

Exhibit E-2

Loudon County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Loudon County School Department
June 30, 2013

(Dollar amounts in thousands)

Primary Government

| Plan | Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Actuarial Accrued Liability (AAL) Entry Age Normal (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|-----------------------------|--------------------------|------------------------------------|--|-----------------------------|--------------------|---------------------|---|
| Local Government Commercial | 7-1-08 | \$ 0 | \$ 5,347 | \$ 5,347 | 0 % | \$ 7,388 | 72.37 % |
| " | 7-1-10 | 0 | 4,846 | 4,846 | 0 | 7,101 | 68.2 |
| " | 7-1-12 | 0 | 7,147 | 7,147 | 0 | 7,367 | 97.01 |

Discretely Presented Loudon County School Department

| Plan | Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Actuarial Accrued Liability (AAL) Projected Unit Credit (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|-----------------------|--------------------------|------------------------------------|---|-----------------------------|--------------------|---------------------|---|
| Local Education Group | 7-1-09 | \$ 0 | \$ 4,487 | \$ 4,487 | 0 % | \$ 22,093 | 20.31 % |
| " | 7-1-10 | 0 | 4,578 | 4,578 | 0 | 22,340 | 20.49 |
| " | 7-1-11 | 0 | 5,124 | 5,124 | 0 | 22,065 | 23.22 |

LOUDON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2013

BUDGETARY INFORMATION

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplemental information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation.

Law Library Fund – The Law Library Fund is used to account for a special tax levied by a private act on litigation. Proceeds of the tax must be expended for the benefit of the county's law library.

Public Library Fund – The Public Library Fund is used to account for library transactions for various libraries in Loudon County.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions related to convenience centers maintained by the county.

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for transactions related to the Centre 75 Business Park.

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

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for revenues received from federal drug-related forfeitures and seizures.

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

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county's Highway Department.

Capital Projects Fund

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

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for general capital expenditures of the Highway Department.

Loudon County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

| | Special Revenue Funds | | | | | |
|----|---------------------------------------|----------------|-------------------|--------------------------------|---|-----------------|
| | Courthouse and Jail Maintenance | Law Library | Public Library | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control |
| \$ | 0 \$ | 0 \$ | 250 \$ | 0 \$ | 0 \$ | 0 |
| | 111,858 | 9,202 | 209,063 | 1,119,711 | 52,032 | 120,334 |
| | 8,250 | 0 | 0 | 3,956 | 0 | 0 |
| | 0 | 0 | 0 | 93,765 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 238,583 | 0 | 0 | 0 |
| | 0 | 0 | (9,707) | 0 | 0 | 0 |
| | 0 | 0 | 7,199 | 7,937 | 0 | 0 |
| | 0 | 0 | 2,363 | 3,534 | 0 | 0 |
| \$ | 120,108 \$ | 9,202 \$ | 447,751 \$ | 1,228,903 \$ | 52,032 \$ | 120,334 |

ASSETS

| | |
|--|--|
| Cash | |
| Equity in Pooled Cash and Investments | |
| Accounts Receivable | |
| Due from Other Governments | |
| Due from Other Funds | |
| Property Taxes Receivable | |
| Allowance for Uncollectible Property Taxes | |
| Prepaid Items | |
| Other Current Assets | |
| Total Assets | |

LIABILITIES

| | |
|-------------------------------------|--|
| Accounts Payable | |
| Accrued Payroll | |
| Payroll Deductions Payable | |
| Contracts Payable | |
| Due to Other Funds | |
| Due to Litigants, Heirs, and Others | |
| Total Liabilities | |

DEFERRED INFLOWS OF RESOURCES

| | |
|-------------------------------------|--|
| Deferred Current Property Taxes | |
| Deferred Delinquent Property Taxes | |
| Other Deferred/Unavailable Revenue | |
| Total Deferred Inflows of Resources | |

FUND BALANCES

| | |
|--|--|
| Nonspendable: | |
| Prepaid Items | |
| Restricted: | |
| Restricted for Administration of Justice | |
| Restricted for Public Safety | |
| Restricted for Social, Cultural, and Recreational Services | |

(Continued)

Exhibit F-1

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

| | Special Revenue Funds | | | | | |
|----|---------------------------------------|----------------|-------------------|--------------------------------|--|-----------------|
| | Courthouse and Jail Maintenance | Law Library | Public Library | Solid Waste / Sanitation | Industrial/ Economic Development | Drug Control |
| \$ | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 1,191,898 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 52,032 | 0 |
| \$ | 92,608 | 9,125 | 211,295 | 1,199,895 | 52,032 | 110,372 |
| \$ | 120,108 | 9,202 | 447,751 | 1,228,903 | 52,032 | 120,354 |

FUND BALANCES (Cont.)

Restricted (Cont.):
 Restricted for Highways/Public Works
 Restricted for Capital Projects
 Committed:
 Committed for Public Health and Welfare
 Committed for Other Operations
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

(Continued)

Exhibit F-1

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

| | Special Revenue Funds (Cont.) | | | | Capital Projects Fund | | Total Nonmajor Governmental Funds |
|--|-------------------------------|--------------------------------|------------------------|--------------|--------------------------|------|-----------------------------------|
| | Other Special Revenue | Constitutional Officers - Fees | Highway / Public Works | Total | Highway Capital Projects | Fund | |
| \$ | 0 | 1,650 | 500 | 2,400 | 0 | 0 | 2,400 |
| Equity in Pooled Cash and Investments | 54,082 | 0 | 873,440 | 2,549,722 | 320,067 | 0 | 2,869,789 |
| Accounts Receivable | 0 | 238 | 0 | 12,444 | 0 | 0 | 12,444 |
| Due from Other Governments | 0 | 0 | 492,693 | 586,458 | 0 | 0 | 586,458 |
| Due from Other Funds | 0 | 0 | 16 | 16 | 0 | 0 | 16 |
| Property Taxes Receivable | 0 | 0 | 595,270 | 833,853 | 326,529 | 0 | 1,160,382 |
| Allowance for Uncollectible Property Taxes | 0 | 0 | (21,730) | (31,437) | (12,269) | 0 | (43,706) |
| Prepaid Items | 0 | 0 | 154,564 | 169,700 | 0 | 0 | 169,700 |
| Other Current Assets | 0 | 0 | 1,632 | 7,529 | 0 | 0 | 7,529 |
| Total Assets | \$ 54,082 | \$ 1,888 | \$ 2,096,385 | \$ 4,130,685 | \$ 634,327 | \$ 0 | \$ 4,765,012 |

LIABILITIES

| | | | | | | | |
|-------------------------------------|--------|----------|------------|------------|------|------|------------|
| Accounts Payable | 147 | 0 | 34,874 | 42,361 | 0 | 0 | 42,361 |
| Accrued Payroll | 0 | 0 | 26,963 | 44,605 | 0 | 0 | 44,605 |
| Payroll Deductions Payable | 0 | 0 | 50 | 50 | 0 | 0 | 50 |
| Contracts Payable | 0 | 0 | 0 | 27,500 | 0 | 0 | 27,500 |
| Due to Other Funds | 0 | 1,888 | 71,597 | 73,485 | 0 | 0 | 73,485 |
| Due to Litigants, Heirs, and Others | 0 | 0 | 0 | 9,197 | 0 | 0 | 9,197 |
| Total Liabilities | \$ 147 | \$ 1,888 | \$ 133,484 | \$ 197,198 | \$ 0 | \$ 0 | \$ 197,198 |

DEFERRED INFLOWS OF RESOURCES

| | | | | | | | |
|-------------------------------------|------|------|------------|------------|------------|------|--------------|
| Deferred Current Property Taxes | 0 | 0 | 565,122 | 789,789 | 309,349 | 0 | 1,099,138 |
| Deferred Delinquent Property Taxes | 0 | 0 | 7,323 | 10,984 | 4,272 | 0 | 15,256 |
| Other Deferred/Unavailable Revenue | 0 | 0 | 150,812 | 163,868 | 0 | 0 | 163,868 |
| Total Deferred Inflows of Resources | \$ 0 | \$ 0 | \$ 723,257 | \$ 964,641 | \$ 313,621 | \$ 0 | \$ 1,278,262 |

FUND BALANCES

| | | | | | | | |
|--|--------|---|---|---------|---------|---|---------|
| Nonspendable: | 0 | 0 | 0 | 154,564 | 169,700 | 0 | 169,700 |
| Prepaid Items | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Restricted: | 53,935 | 0 | 0 | 9,125 | 0 | 0 | 9,125 |
| Restricted for Administration of Justice | 0 | 0 | 0 | 256,915 | 0 | 0 | 256,915 |
| Restricted for Public Safety | 0 | 0 | 0 | 204,096 | 0 | 0 | 204,096 |
| Restricted for Social, Cultural, and Recreational Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit F-1

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

| | Special Revenue Funds (Cont.) | | | Capital Projects Fund | | Total Nonmajor Governmental Funds |
|----|-------------------------------|--------------------------------|------------------------|-----------------------|--------------------------|-----------------------------------|
| | Other Special Revenue | Constitutional Officers - Fees | Highway / Public Works | Total | Highway Capital Projects | |
| \$ | 0 | 0 | 1,085,080 | 1,085,080 | 0 | 1,085,080 |
| | 0 | 0 | 0 | 0 | 320,706 | 320,706 |
| | 0 | 0 | 0 | 1,191,898 | 0 | 1,191,898 |
| | 0 | 0 | 0 | 52,032 | 0 | 52,032 |
| \$ | 53,935 | 0 | 1,239,644 | 2,968,846 | 320,706 | 3,289,552 |
| \$ | 54,082 | 1,888 | 2,096,385 | 4,130,685 | 634,327 | 4,765,012 |

FUND BALANCES (Cont.)

Restricted (Cont.):
 Restricted for Highways/Public Works
 Restricted for Capital Projects
 Committed:
 Committed for Public Health and Welfare
 Committed for Other Operations
 Total Fund Balances
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Loudon County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2013

| | Special Revenue Funds | | | | | | |
|---|---------------------------------------|-----------------|-------------------|--------------------------------|---|-------------------|-------------------|
| | Courthouse and Jail Maintenance | Law Library | Public Library | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control | |
| Revenues | | | | | | | |
| Local Taxes | \$ 121,228 | \$ 4,964 | \$ 273,921 | \$ 763,499 | \$ 0 | \$ 0 | 0 |
| Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 0 | 0 | 0 | 109,082 |
| Charges for Current Services | 0 | 0 | 8,770 | 0 | 0 | 0 | 4 |
| Other Local Revenues | 0 | 0 | 5,361 | 117,688 | 13,487 | 0 | 44,719 |
| State of Tennessee | 0 | 0 | 0 | 59,235 | 0 | 0 | 0 |
| Federal Government | 0 | 0 | 0 | 0 | 0 | 0 | 8,803 |
| Other Governments and Citizens Groups | 0 | 0 | 30,065 | 0 | 0 | 0 | 0 |
| Total Revenues | \$ 121,228 | \$ 4,964 | \$ 318,117 | \$ 940,422 | \$ 13,487 | \$ 0 | \$ 162,608 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| Finance | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Public Safety | 27,500 | 0 | 0 | 0 | 0 | 0 | 154,013 |
| Public Health and Welfare | 0 | 0 | 0 | 676,983 | 0 | 0 | 0 |
| Social, Cultural, and Recreational Services | 0 | 2,266 | 264,343 | 0 | 0 | 0 | 0 |
| Other Operations | 1,120 | 46 | 5,421 | 7,988 | 14,009 | 0 | 0 |
| Highways | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$ 28,620 | \$ 2,312 | \$ 269,764 | \$ 684,971 | \$ 14,009 | \$ 0 | \$ 154,013 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 92,608 | \$ 2,652 | \$ 48,353 | \$ 255,451 | \$ (522) | \$ 8,595 | |
| Other Financing Sources (Uses) | | | | | | | |
| Insurance Recovery | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Transfers Out | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Net Change in Fund Balances Fund Balance, July 1, 2012 | \$ 92,608 | \$ 2,652 | \$ 48,353 | \$ 255,451 | \$ (522) | \$ 8,595 | |
| Fund Balance, July 1, 2012 | 0 | 6,473 | 162,942 | 944,384 | 52,554 | 101,777 | |
| Fund Balance, June 30, 2013 | \$ 92,608 | \$ 9,125 | \$ 211,295 | \$ 1,199,835 | \$ 52,032 | \$ 110,372 | |

(Continued)

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

| | Special Revenue Funds (Cont.) | | | | Total | Capital Projects Fund | | Total Nonmajor Governmental Funds |
|---|-------------------------------|--------------------------------|------------------------|--------------|------------|--------------------------|--|-----------------------------------|
| | Other Special Revenue | Constitutional Officers - Fees | Highway / Public Works | | | Highway Capital Projects | | |
| <u>Revenues</u> | | | | | | | | |
| Local Taxes | \$ 0 | \$ 0 | \$ 586,234 | \$ 1,749,846 | \$ 319,630 | \$ 2,069,476 | | |
| Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 109,082 | 0 | 109,082 | | |
| Charges for Current Services | 0 | 373 | 0 | 9,147 | 0 | 9,147 | | |
| Other Local Revenues | 50 | 0 | 42,753 | 224,058 | 0 | 224,058 | | |
| State of Tennessee | 0 | 0 | 1,806,262 | 1,865,497 | 0 | 1,865,497 | | |
| Federal Government | 26,754 | 0 | 51,927 | 87,484 | 0 | 87,484 | | |
| Other Governments and Citizens Groups | 0 | 0 | 2,289 | 32,354 | 0 | 32,354 | | |
| Total Revenues | \$ 26,804 | \$ 373 | \$ 2,489,465 | \$ 4,077,468 | \$ 319,630 | \$ 4,397,098 | | |
| <u>Expenditures</u> | | | | | | | | |
| Current: | | | | | | | | |
| Finance | \$ 0 | \$ 373 | \$ 0 | \$ 373 | \$ 0 | \$ 373 | | |
| Public Safety | 3,466 | 0 | 0 | 184,979 | 0 | 184,979 | | |
| Public Health and Welfare | 0 | 0 | 0 | 676,983 | 0 | 676,983 | | |
| Social, Cultural, and Recreational Services | 0 | 0 | 0 | 266,609 | 0 | 266,609 | | |
| Other Operations | 0 | 0 | 0 | 28,584 | 0 | 28,584 | | |
| Highways | 0 | 0 | 2,486,799 | 2,486,799 | 0 | 2,486,799 | | |
| Capital Projects | 0 | 0 | 0 | 0 | 242,171 | 242,171 | | |
| Total Expenditures | \$ 3,466 | \$ 373 | \$ 2,486,799 | \$ 3,644,327 | \$ 242,171 | \$ 3,886,498 | | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 23,338 | \$ 0 | \$ 2,666 | \$ 433,141 | \$ 77,459 | \$ 510,600 | | |
| <u>Other Financing Sources (Uses)</u> | | | | | | | | |
| Insurance Recovery | \$ 0 | \$ 0 | \$ 2,383 | \$ 2,383 | \$ 0 | \$ 2,383 | | |
| Transfers Out | 0 | 0 | (74,326) | (74,326) | 0 | (74,326) | | |
| Total Other Financing Sources (Uses) | \$ 0 | \$ 0 | \$ (71,943) | \$ (71,943) | \$ 0 | \$ (71,943) | | |
| Net Change in Fund Balances | \$ 23,338 | \$ 0 | \$ (69,277) | \$ 361,198 | \$ 77,459 | \$ 438,657 | | |
| Fund Balance, July 1, 2012 | 30,597 | 0 | 1,308,921 | 2,607,648 | 243,247 | 2,850,895 | | |
| Fund Balance, June 30, 2013 | \$ 53,935 | \$ 0 | \$ 1,239,644 | \$ 2,968,846 | \$ 320,706 | \$ 3,289,552 | | |

Exhibit F-3

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|------------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 121,228 \$ | 0 \$ | 121,228 \$ | 0 \$ | 100,000 \$ | 21,228 |
| Total Revenues | \$ 121,228 \$ | 0 \$ | 121,228 \$ | 0 \$ | 100,000 \$ | 21,228 |
| <u>Expenditures</u> | | | | | | |
| Public Safety | | | | | | |
| Jail | \$ 27,500 \$ | 19,250 \$ | 46,750 \$ | 0 \$ | 46,750 \$ | 0 |
| Other Operations | 1,120 | 0 | 1,120 | 0 | 2,000 | 880 |
| Miscellaneous | \$ 28,620 \$ | 19,250 \$ | 47,870 \$ | 0 \$ | 48,750 \$ | 880 |
| Total Expenditures | | | | | | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 92,608 \$ | (19,250) \$ | 73,358 \$ | 0 \$ | 51,250 \$ | 22,108 |
| Net Change in Fund Balance Fund Balance, July 1, 2012 | \$ 92,608 \$ | (19,250) \$ | 73,358 \$ | 0 \$ | 51,250 \$ | 22,108 |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| Fund Balance, June 30, 2013 | \$ 92,608 \$ | (19,250) \$ | 73,358 \$ | 0 \$ | 51,250 \$ | 22,108 |

Exhibit F-4

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Law Library Fund
For the Year Ended June 30, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|----------|------------------|----------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 4,964 | \$ 4,500 | \$ 4,500 | \$ 464 |
| Total Revenues | \$ 4,964 | \$ 4,500 | \$ 4,500 | \$ 464 |
| <u>Expenditures</u> | | | | |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Libraries | \$ 2,266 | \$ 4,000 | \$ 4,000 | \$ 1,734 |
| <u>Other Operations</u> | | | | |
| Miscellaneous | 46 | 150 | 150 | 104 |
| Total Expenditures | \$ 2,312 | \$ 4,150 | \$ 4,150 | \$ 1,838 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 2,652 | \$ 350 | \$ 350 | \$ 2,302 |
| Net Change in Fund Balance | \$ 2,652 | \$ 350 | \$ 350 | \$ 2,302 |
| Fund Balance, July 1, 2012 | 6,473 | 3,951 | 3,951 | 2,522 |
| Fund Balance, June 30, 2013 | \$ 9,125 | \$ 4,301 | \$ 4,301 | \$ 4,824 |

Exhibit F-5

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Public Library Fund
For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|------------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 273,921 \$ | 0 \$ | 273,921 \$ | 251,031 \$ | 264,131 \$ | 9,790 |
| Charges for Current Services | 8,770 | 0 | 8,770 | 9,025 | 9,025 | (255) |
| Other Local Revenues | 5,361 | 0 | 5,361 | 75 | 5,108 | 253 |
| Other Governments and Citizens Groups | 30,065 | 0 | 30,065 | 28,265 | 29,895 | 170 |
| Total Revenues | \$ 318,117 \$ | 0 \$ | 318,117 \$ | 288,396 \$ | 308,159 \$ | 9,958 |
| <u>Expenditures</u> | | | | | | |
| Social, Cultural, and Recreational Services | \$ 264,343 \$ | (3,088) \$ | 261,255 \$ | 280,704 \$ | 294,105 \$ | 32,850 |
| Libraries | | | | | | |
| Other Operations | 5,421 | 0 | 5,421 | 6,019 | 6,019 | 598 |
| Miscellaneous | 269,764 \$ | (3,088) \$ | 266,676 \$ | 286,723 \$ | 300,124 \$ | 33,448 |
| Total Expenditures | \$ 48,353 \$ | 3,088 \$ | 51,441 \$ | 1,673 \$ | 8,035 \$ | 43,406 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 48,353 \$ | 3,088 \$ | 51,441 \$ | 1,673 \$ | 8,035 \$ | 43,406 |
| Net Change in Fund Balance Fund Balance, July 1, 2012 | 162,942 | (3,088) | 159,854 | 149,927 | 149,927 | 9,927 |
| Fund Balance, June 30, 2013 | \$ 211,295 \$ | 0 \$ | 211,295 \$ | 151,600 \$ | 157,962 \$ | 53,333 |

Exhibit F-6

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 763,499 | \$ 0 | \$ 0 | \$ 763,499 | \$ 545,250 | \$ 650,200 | \$ 113,299 |
| Other Local Revenues | 117,688 | 0 | 0 | 117,688 | 115,805 | 103,926 | 13,762 |
| State of Tennessee | 59,235 | 0 | 0 | 59,235 | 48,700 | 59,236 | (1) |
| Total Revenues | \$ 940,422 | \$ 0 | \$ 0 | \$ 940,422 | \$ 709,755 | \$ 813,362 | \$ 127,060 |
| <u>Expenditures</u> | | | | | | | |
| Public Health and Welfare | | | | | | | |
| Sanitation Education/Information Convenience Centers | \$ 48,957 | \$ 0 | \$ 0 | \$ 48,957 | \$ 48,700 | \$ 48,960 | \$ 3 |
| Other Operations | 628,026 | (11,317) | 7,640 | 624,349 | 686,710 | 703,994 | 79,645 |
| Miscellaneous | 7,988 | 0 | 0 | 7,988 | 10,000 | 10,000 | 2,012 |
| Total Expenditures | \$ 684,971 | \$ (11,317) | \$ 7,640 | \$ 681,294 | \$ 745,410 | \$ 762,954 | \$ 81,660 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 255,451 | \$ 11,317 | \$ (7,640) | \$ 259,128 | \$ (35,655) | \$ 50,408 | \$ 208,720 |
| Net Change in Fund Balance Fund Balance, July 1, 2012 | \$ 255,451 | \$ 11,317 | \$ (7,640) | \$ 259,128 | \$ (35,655) | \$ 50,408 | \$ 208,720 |
| | 944,384 | (11,317) | 0 | 933,067 | 741,098 | 741,098 | 191,969 |
| Fund Balance, June 30, 2013 | \$ 1,199,835 | \$ 0 | \$ (7,640) | \$ 1,192,195 | \$ 705,443 | \$ 791,506 | \$ 400,689 |

Exhibit F-7

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|-----------|------------------|------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Other Local Revenues | \$ 13,487 | \$ 15,000 | \$ 15,000 | \$ (1,513) |
| Total Revenues | \$ 13,487 | \$ 15,000 | \$ 15,000 | \$ (1,513) |
| <u>Expenditures</u> | | | | |
| <u>Other Operations</u> | | | | |
| Industrial Development | \$ 13,874 | \$ 8,000 | \$ 20,000 | \$ 6,126 |
| Miscellaneous | 135 | 300 | 300 | 165 |
| Total Expenditures | \$ 14,009 | \$ 8,300 | \$ 20,300 | \$ 6,291 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (522) | \$ 6,700 | \$ (5,300) | \$ 4,778 |
| Net Change in Fund Balance | \$ (522) | \$ 6,700 | \$ (5,300) | \$ 4,778 |
| Fund Balance, July 1, 2012 | 52,554 | 51,758 | 51,758 | 796 |
| Fund Balance, June 30, 2013 | \$ 52,032 | \$ 58,458 | \$ 46,458 | \$ 5,574 |

Exhibit F-8

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|--------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Fines, Forfeitures, and Penalties | \$ 109,082 | \$ 125,000 | \$ 112,000 | \$ (2,918) |
| Charges for Current Services | 4 | 0 | 0 | 4 |
| Other Local Revenues | 44,719 | 15,000 | 43,500 | 1,219 |
| Federal Government | 8,803 | 0 | 8,803 | 0 |
| Total Revenues | <u>\$ 162,608</u> | <u>\$ 140,000</u> | <u>\$ 164,303</u> | <u>\$ (1,695)</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Drug Enforcement | \$ 154,013 | \$ 135,900 | \$ 196,900 | \$ 42,887 |
| Total Expenditures | <u>\$ 154,013</u> | <u>\$ 135,900</u> | <u>\$ 196,900</u> | <u>\$ 42,887</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 8,595</u> | <u>\$ 4,100</u> | <u>\$ (32,597)</u> | <u>\$ 41,192</u> |
| Net Change in Fund Balance | \$ 8,595 | \$ 4,100 | \$ (32,597) | \$ 41,192 |
| Fund Balance, July 1, 2012 | <u>101,777</u> | <u>32,340</u> | <u>32,340</u> | <u>69,437</u> |
| Fund Balance, June 30, 2013 | <u>\$ 110,372</u> | <u>\$ 36,440</u> | <u>\$ (257)</u> | <u>\$ 110,629</u> |

Exhibit F-9

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|------------------|--------------------|--------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Fines, Forfeitures, and Penalties | \$ 0 | \$ 10,000 | \$ 10,000 | \$ (10,000) |
| Other Local Revenues | 50 | 0 | 0 | 50 |
| Federal Government | 26,754 | 0 | 0 | 26,754 |
| Total Revenues | <u>\$ 26,804</u> | <u>\$ 10,000</u> | <u>\$ 10,000</u> | <u>\$ 16,804</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Drug Enforcement | \$ 3,466 | \$ 27,500 | \$ 27,500 | \$ 24,034 |
| Total Expenditures | <u>\$ 3,466</u> | <u>\$ 27,500</u> | <u>\$ 27,500</u> | <u>\$ 24,034</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 23,338</u> | <u>\$ (17,500)</u> | <u>\$ (17,500)</u> | <u>\$ 40,838</u> |
| Net Change in Fund Balance | \$ 23,338 | \$ (17,500) | \$ (17,500) | \$ 40,838 |
| Fund Balance, July 1, 2012 | 30,597 | 29,591 | 29,591 | 1,006 |
| Fund Balance, June 30, 2013 | <u>\$ 53,935</u> | <u>\$ 12,091</u> | <u>\$ 12,091</u> | <u>\$ 41,844</u> |

Exhibit F-10

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 586,234 | \$ 0 | \$ 0 | \$ 586,234 | \$ 583,162 | \$ 586,702 | \$ (468) |
| Other Local Revenues | 42,753 | 0 | 0 | 42,753 | 20,256 | 36,086 | 6,667 |
| State of Tennessee | 1,806,262 | 0 | 0 | 1,806,262 | 2,042,631 | 1,836,725 | (30,463) |
| Federal Government | 51,927 | 0 | 0 | 51,927 | 0 | 51,927 | 0 |
| Other Governments and Citizens Groups | 2,289 | 0 | 0 | 2,289 | 0 | 2,289 | 0 |
| Total Revenues | \$ 2,489,465 | \$ 0 | \$ 0 | \$ 2,489,465 | \$ 2,646,049 | \$ 2,513,729 | \$ (24,264) |
| <u>Expenditures</u> | | | | | | | |
| <u>Highways</u> | | | | | | | |
| Administration | \$ 711,251 | \$ 0 | \$ 0 | \$ 711,251 | \$ 752,384 | \$ 738,394 | \$ 27,143 |
| Highway and Bridge Maintenance | 574,048 | 0 | 0 | 574,048 | 353,983 | 634,412 | 60,364 |
| Operation and Maintenance of Equipment | 247,656 | 0 | 900 | 248,556 | 288,000 | 313,591 | 65,035 |
| Other Charges | 148,652 | 0 | 0 | 148,652 | 165,805 | 172,406 | 23,754 |
| Employee Benefits | 343,363 | 0 | 0 | 343,363 | 384,600 | 353,073 | 9,710 |
| Capital Outlay | 461,829 | (137,340) | 0 | 324,489 | 718,066 | 469,006 | 144,517 |
| Total Expenditures | \$ 2,486,799 | \$ (137,340) | \$ 900 | \$ 2,350,359 | \$ 2,662,838 | \$ 2,680,882 | \$ 330,523 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 2,666 | \$ 137,340 | \$ (900) | \$ 139,106 | \$ (16,789) | \$ (167,153) | \$ 306,259 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Insurance Recovery | \$ 2,383 | \$ 0 | \$ 0 | \$ 2,383 | \$ 0 | \$ 0 | \$ 2,383 |
| Transfers Out | (74,326) | 0 | 0 | (74,326) | (93,276) | (93,276) | 18,950 |
| Total Other Financing Sources | \$ (71,943) | \$ 0 | \$ 0 | \$ (71,943) | \$ (93,276) | \$ (93,276) | \$ 21,333 |
| Net Change in Fund Balance Fund Balance, July 1, 2012 | \$ (69,277) | \$ 137,340 | \$ (900) | \$ 67,163 | \$ (110,065) | \$ (260,429) | \$ 327,592 |
| Fund Balance, July 1, 2012 | 1,308,921 | (137,340) | 0 | 1,171,581 | 528,296 | 528,296 | 643,285 |
| Fund Balance, June 30, 2013 | \$ 1,239,644 | \$ 0 | \$ (900) | \$ 1,238,744 | \$ 418,231 | \$ 267,867 | \$ 970,877 |

Exhibit F-11

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway Capital Projects Fund
For the Year Ended June 30, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|------------|------------------|--------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 319,630 | \$ 301,870 | \$ 318,870 | \$ 760 |
| Total Revenues | \$ 319,630 | \$ 301,870 | \$ 318,870 | \$ 760 |
| <u>Expenditures</u> | | | | |
| <u>Capital Projects</u> | | | | |
| Highway and Street Capital Projects | \$ 242,171 | \$ 287,618 | \$ 519,418 | \$ 277,247 |
| Total Expenditures | \$ 242,171 | \$ 287,618 | \$ 519,418 | \$ 277,247 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 77,459 | \$ 14,252 | \$ (200,548) | \$ 278,007 |
| Net Change in Fund Balance | \$ 77,459 | \$ 14,252 | \$ (200,548) | \$ 278,007 |
| Fund Balance, July 1, 2012 | 243,247 | 200,548 | 200,548 | 42,699 |
| Fund Balance, June 30, 2013 | \$ 320,706 | \$ 214,800 | \$ 0 | \$ 320,706 |

Major Governmental Funds

Debt Service Funds

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

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

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

Capital Projects Fund

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

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

Exhibit G-1

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|----------------------------|----------------------------|----------------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 1,197,696 | \$ 1,157,702 | \$ 1,186,140 | \$ 11,556 |
| Other Local Revenues | 35,131 | 34,000 | 30,000 | 5,131 |
| Other Governments and Citizens Groups | 582,794 | 266,150 | 583,000 | (206) |
| Total Revenues | <u>\$ 1,815,621</u> | <u>\$ 1,457,852</u> | <u>\$ 1,799,140</u> | <u>\$ 16,481</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 948,000 | \$ 948,000 | \$ 948,000 | \$ 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 201,580 | 355,780 | 355,780 | 154,200 |
| <u>Other Debt Service</u> | | | | |
| General Government | 612,364 | 303,650 | 620,500 | 8,136 |
| Total Expenditures | <u>\$ 1,761,944</u> | <u>\$ 1,607,430</u> | <u>\$ 1,924,280</u> | <u>\$ 162,336</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 53,677</u> | <u>\$ (149,578)</u> | <u>\$ (125,140)</u> | <u>\$ 178,817</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 74,326 | \$ 93,275 | \$ 93,275 | \$ (18,949) |
| Total Other Financing Sources | <u>\$ 74,326</u> | <u>\$ 93,275</u> | <u>\$ 93,275</u> | <u>\$ (18,949)</u> |
| Net Change in Fund Balance | \$ 128,003 | \$ (56,303) | \$ (31,865) | \$ 159,868 |
| Fund Balance, July 1, 2012 | <u>2,714,127</u> | <u>2,527,828</u> | <u>2,527,828</u> | <u>186,299</u> |
| Fund Balance, June 30, 2013 | <u><u>\$ 2,842,130</u></u> | <u><u>\$ 2,471,525</u></u> | <u><u>\$ 2,495,963</u></u> | <u><u>\$ 346,167</u></u> |

Exhibit G-2

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|----------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 5,470,757 | \$ 5,016,964 | \$ 5,380,164 | \$ 90,593 |
| Other Local Revenues | 67,541 | 10,000 | 85,000 | (17,459) |
| Total Revenues | <u>\$ 5,538,298</u> | <u>\$ 5,026,964</u> | <u>\$ 5,465,164</u> | <u>\$ 73,134</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| Education | \$ 2,059,734 | \$ 1,334,661 | \$ 2,060,563 | \$ 829 |
| <u>Interest on Debt</u> | | | | |
| Education | 1,501,797 | 784,113 | 1,562,081 | 60,284 |
| <u>Other Debt Service</u> | | | | |
| Education | 129,849 | 105,000 | 138,000 | 8,151 |
| <u>Capital Projects - Donated</u> | | | | |
| Capital Projects Donated to School Department | 1,977,000 | 0 | 1,977,000 | 0 |
| Total Expenditures | <u>\$ 5,668,380</u> | <u>\$ 2,223,774</u> | <u>\$ 5,737,644</u> | <u>\$ 69,264</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (130,082)</u> | <u>\$ 2,803,190</u> | <u>\$ (272,480)</u> | <u>\$ 142,398</u> |
| Net Change in Fund Balance | \$ (130,082) | \$ 2,803,190 | \$ (272,480) | \$ 142,398 |
| Fund Balance, July 1, 2012 | <u>7,546,330</u> | <u>7,447,052</u> | <u>7,447,052</u> | <u>99,278</u> |
| Fund Balance, June 30, 2013 | <u>\$ 7,416,248</u> | <u>\$ 10,250,242</u> | <u>\$ 7,174,572</u> | <u>\$ 241,676</u> |

Exhibit G-3

Loudon County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 General Capital Projects Fund
 For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|---------------------|------------------------|--|
| | | | | | Original | Final | |
| Revenues | | | | | | | |
| Local Taxes | \$ 95,999 | \$ 0 | \$ 0 | \$ 95,999 | \$ 100,677 | \$ 96,780 | \$ (781) |
| Other Local Revenues | 2,602 | 0 | 0 | 2,602 | 1,000 | 339,845 | (337,243) |
| State of Tennessee | 468,277 | 0 | 0 | 468,277 | 0 | 590,000 | (121,723) |
| Federal Government | 20,000 | 0 | 0 | 20,000 | 0 | 20,000 | 0 |
| Other Governments and Citizens Groups | 45,549 | 0 | 0 | 45,549 | 0 | 12,621 | 32,928 |
| Total Revenues | \$ 632,427 | \$ 0 | \$ 0 | \$ 632,427 | \$ 101,677 | \$ 1,059,246 | \$ (426,819) |
| Expenditures | | | | | | | |
| Other Operations | | | | | | | |
| Miscellaneous | \$ 2,317 | \$ 0 | \$ 0 | \$ 2,317 | \$ 9,500 | \$ 9,500 | \$ 7,183 |
| Instruction | | | | | | | |
| Special Education Program | 0 | 0 | 0 | 0 | 0 | 19,049 | 19,049 |
| Other Debt Service | | | | | | | |
| Education | 423,746 | 0 | 0 | 423,746 | 0 | 423,746 | 0 |
| Capital Projects | | | | | | | |
| General Administration Projects | 122,132 | 0 | 0 | 122,132 | 188,500 | 188,500 | 66,368 |
| Administration of Justice Projects | 3,905 | 0 | 1,095 | 5,000 | 5,000 | 5,000 | 0 |
| Public Safety Projects | 235,648 | (14,500) | 11,809 | 232,957 | 233,500 | 233,500 | 543 |
| Public Health and Welfare Projects | 8,700 | 0 | 0 | 8,700 | 59,500 | 59,500 | 50,800 |
| Social, Cultural, and Recreation Projects | 30,000 | 0 | 0 | 30,000 | 0 | 30,000 | 0 |
| Other General Government Projects | 1,816,659 | (11,066) | 58,096 | 1,863,689 | 0 | 1,935,901 | 72,212 |
| Education Capital Projects | 238 | 0 | 0 | 238 | 0 | 0 | (238) |
| Capital Projects - Donated | | | | | | | |
| Capital Projects Donated to School Department | 40,490,443 | 0 | 0 | 40,490,443 | 0 | 40,490,446 | 3 |
| Total Expenditures | \$ 43,133,788 | \$ (25,566) | \$ 71,000 | \$ 43,179,222 | \$ 496,000 | \$ 43,395,142 | \$ 215,920 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (42,501,361) | \$ 25,566 | \$ (71,000) | \$ (42,546,795) | \$ (394,323) | \$ (42,335,896) | \$ (210,899) |

(Continued)

Exhibit G-3

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
| | | | | | Original | Final | |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Bonds Issued | \$ 32,350,000 | \$ 0 | \$ 0 | \$ 32,350,000 | \$ 0 | \$ 32,350,001 | \$ (1) |
| Notes Issued | 400,000 | 0 | 0 | 400,000 | 0 | 400,000 | 0 |
| Premiums on Debt Issued | 2,015,993 | 0 | 0 | 2,015,993 | 0 | 2,015,993 | 0 |
| Transfers Out | 0 | 0 | 0 | 0 | (1,000,000) | 0 | 0 |
| Total Other Financing Sources | \$ 34,765,993 | \$ 0 | \$ 0 | \$ 34,765,993 | \$ (1,000,000) | \$ 34,765,994 | \$ (1) |
| Net Change in Fund Balance | \$ (7,735,368) | \$ 25,566 | \$ (71,000) | \$ (7,780,802) | \$ (1,394,323) | \$ (7,569,902) | \$ (210,900) |
| Fund Balance, July 1, 2012 | 8,772,615 | (25,566) | 0 | 8,747,049 | 7,569,902 | 7,569,902 | 1,177,147 |
| Fund Balance, June 30, 2013 | \$ 1,037,247 | \$ 0 | \$ (71,000) | \$ 966,247 | \$ 6,175,579 | \$ 0 | \$ 966,247 |

Fiduciary Funds

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

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

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

Center Board Fund – The Center Board Fund is used to account for amounts handled in an agency capacity for the Center Board, a joint venture of the county and Lenoir City.

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

Other Agency Fund – The Other Agency Fund is used to account for the transactions of the Loudon County Solid Waste Disposal Commission, a joint venture of the county and cities. Transactions of the Loudon County Solid Waste Disposal Commission are channeled through the Trustee’s Office, and the county accounts for those transactions in an agency capacity.

Exhibit H-1

Loudon County, Tennessee
 Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

| | Agency Funds | | | | | Total |
|---------------------------------------|--------------------------|--|---|-----------------|------|--------------|
| | Cities - Sales Tax | City School ADA - Lenoir City | Constitu- tional Officers - Agency | Other Agency | | |
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 691,970 | \$ 0 | \$ 0 | \$ 691,970 |
| Equity in Pooled Cash and Investments | 0 | 189,925 | 0 | 2,579,590 | 0 | 2,769,515 |
| Due from Other Governments | 648,194 | 280,258 | 0 | 0 | 0 | 928,452 |
| Taxes Receivable | 0 | 5,457,717 | 0 | 0 | 0 | 5,457,717 |
| Allowance for Uncollectible Taxes | 0 | (202,181) | 0 | 0 | 0 | (202,181) |
| Total Assets | \$ 648,194 | \$ 5,725,719 | \$ 691,970 | \$ 2,579,590 | \$ 0 | \$ 9,645,473 |
| <u>LIABILITIES</u> | | | | | | |
| Due to Other Taxing Units | \$ 648,194 | \$ 5,725,719 | \$ 0 | \$ 0 | \$ 0 | \$ 6,373,913 |
| Due to Litigants, Heirs, and Others | 0 | 0 | 691,970 | 0 | 0 | 691,970 |
| Due to Joint Ventures | 0 | 0 | 0 | 2,579,590 | 0 | 2,579,590 |
| Total Liabilities | \$ 648,194 | \$ 5,725,719 | \$ 691,970 | \$ 2,579,590 | \$ 0 | \$ 9,645,473 |

Exhibit H-2

Loudon County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2013

| | Beginning Balance | Additions | Deductions | Ending Balance |
|---|----------------------|---------------|---------------|-------------------|
| <u>Cities - Sales Tax Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 3,623,901 | \$ 3,623,901 | \$ 0 |
| Due from Other Governments | 668,213 | 648,194 | 668,213 | 648,194 |
| Total Assets | \$ 668,213 | \$ 4,272,095 | \$ 4,292,114 | \$ 648,194 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 668,213 | \$ 4,272,095 | \$ 4,292,114 | \$ 648,194 |
| Total Liabilities | \$ 668,213 | \$ 4,272,095 | \$ 4,292,114 | \$ 648,194 |
| <u>City School ADA - Lenoir City Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 228,422 | \$ 6,762,056 | \$ 6,800,553 | \$ 189,925 |
| Due from Other Governments | 272,579 | 280,258 | 272,579 | 280,258 |
| Taxes Receivable | 5,157,357 | 5,457,717 | 5,157,357 | 5,457,717 |
| Allowance for Uncollectible Taxes | (255,658) | (202,181) | (255,658) | (202,181) |
| Total Assets | \$ 5,402,700 | \$ 12,297,850 | \$ 11,974,831 | \$ 5,725,719 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 5,402,700 | \$ 12,297,850 | \$ 11,974,831 | \$ 5,725,719 |
| Total Liabilities | \$ 5,402,700 | \$ 12,297,850 | \$ 11,974,831 | \$ 5,725,719 |
| <u>Center Board</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 146,970 | \$ 146,970 | \$ 0 |
| Total Assets | \$ 0 | \$ 146,970 | \$ 146,970 | \$ 0 |
| <u>Liabilities</u> | | | | |
| Due to Joint Ventures | \$ 0 | \$ 146,970 | \$ 146,970 | \$ 0 |
| Total Liabilities | \$ 0 | \$ 146,970 | \$ 146,970 | \$ 0 |

(Continued)

Exhibit H-2

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

| | Beginning Balance | Additions | Deductions | Ending Balance |
|--|----------------------|---------------|---------------|-------------------|
| <u>Constitutional Officers - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 510,527 | \$ 9,885,293 | \$ 9,703,850 | \$ 691,970 |
| Total Assets | \$ 510,527 | \$ 9,885,293 | \$ 9,703,850 | \$ 691,970 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 510,527 | \$ 9,885,293 | \$ 9,703,850 | \$ 691,970 |
| Total Liabilities | \$ 510,527 | \$ 9,885,293 | \$ 9,703,850 | \$ 691,970 |
| <u>Other Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 2,338,628 | \$ 426,424 | \$ 185,462 | \$ 2,579,590 |
| Total Assets | \$ 2,338,628 | \$ 426,424 | \$ 185,462 | \$ 2,579,590 |
| <u>Liabilities</u> | | | | |
| Due to Joint Ventures | \$ 2,338,628 | \$ 426,424 | \$ 185,462 | \$ 2,579,590 |
| Total Liabilities | \$ 2,338,628 | \$ 426,424 | \$ 185,462 | \$ 2,579,590 |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 510,527 | \$ 9,885,293 | \$ 9,703,850 | \$ 691,970 |
| Equity in Pooled Cash and Investments | 2,567,050 | 10,959,351 | 10,756,886 | 2,769,515 |
| Due from Other Governments | 940,792 | 928,452 | 940,792 | 928,452 |
| Taxes Receivable | 5,157,357 | 5,457,717 | 5,157,357 | 5,457,717 |
| Allowance for Uncollectible Taxes | (255,658) | (202,181) | (255,658) | (202,181) |
| Total Assets | \$ 8,920,068 | \$ 27,028,632 | \$ 26,303,227 | \$ 9,645,473 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 6,070,913 | \$ 16,569,945 | \$ 16,266,945 | \$ 6,373,913 |
| Due to Litigants, Heirs, and Others | 510,527 | 9,885,293 | 9,703,850 | 691,970 |
| Due to Joint Venture | 2,338,628 | 573,394 | 332,432 | 2,579,590 |
| Total Liabilities | \$ 8,920,068 | \$ 27,028,632 | \$ 26,303,227 | \$ 9,645,473 |

Loudon County School Department

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

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

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

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

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

Employee Dental and Vision Insurance Fund – The Employee Dental and Vision Insurance Fund is used to account for transactions pertaining to the School Department's self-insured group dental and vision plans.

Exhibit I-1

Loudon County, Tennessee
Statement of Activities
Discretely Presented Loudon County School Department
For the Year Ended June 30, 2013

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | |
|---|----------------------|-------------------------|--|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | | Capital Grants and Contributions |
| Governmental Activities: | | | | | |
| Instruction | \$ 25,337,541 | \$ 0 | \$ 1,673,986 | \$ 0 | \$ (23,663,555) |
| Support Services | 12,254,734 | 138 | 215,469 | 42,467,443 | 30,428,316 |
| Operation of Non-Instructional Services | 3,432,804 | 625,705 | 2,717,408 | 0 | (89,691) |
| Total Governmental Activities | \$ 41,025,079 | \$ 625,843 | \$ 4,606,863 | \$ 42,467,443 | \$ 6,675,070 |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes Levied for General Purposes | | | | \$ | \$ 10,808,166 |
| Local Option Sales Taxes | | | | | 3,181,782 |
| Adequate Facilities/Development Tax | | | | | 373,606 |
| Other Local Taxes | | | | | 7,855 |
| Grants and Contributions Not Restricted for Specific Programs | | | | | 21,509,490 |
| Unrestricted Investment Income | | | | | 8,059 |
| Miscellaneous | | | | | 77,059 |
| Total General Revenues | | | | \$ | \$ 35,966,017 |
| Change in Net Position | | | | \$ | \$ 42,641,087 |
| Net Position, July 1, 2012 | | | | | 48,116,801 |
| Net Position, June 30, 2013 | | | | \$ | \$ 90,757,888 |

Exhibit I-2

Loudon County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Loudon County School Department
June 30, 2013

| | Major Funds | | Nonmajor Funds | Total Governmental Funds |
|---|------------------------------|----------------------------------|-------------------------------------|--------------------------------|
| | General Purpose School | Education Capital Projects | Other Govern- mental Funds | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 1,000 | \$ 0 | \$ 1,200 | \$ 2,200 |
| Equity in Pooled Cash and Investments | 7,528,725 | 16,031,255 | 1,227,059 | 24,787,039 |
| Accounts Receivable | 2,953 | 0 | 178 | 3,131 |
| Due from Other Governments | 784,556 | 0 | 259,860 | 1,044,416 |
| Due from Primary Government | 13 | 0 | 0 | 13 |
| Property Taxes Receivable | 11,173,275 | 0 | 0 | 11,173,275 |
| Allowance for Uncollectible Property Taxes | (418,951) | 0 | 0 | (418,951) |
| Prepaid Items | 552,664 | 0 | 960 | 553,624 |
| Other Current Assets | 2,042 | 0 | 0 | 2,042 |
| Total Assets | <u>\$ 19,626,277</u> | <u>\$ 16,031,255</u> | <u>\$ 1,489,257</u> | <u>\$ 37,146,789</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 188,856 | \$ 108 | \$ 5,138 | \$ 194,102 |
| Accrued Payroll | 602 | 0 | 0 | 602 |
| Payroll Deductions Payable | 274,265 | 0 | 67,400 | 341,665 |
| Contracts Payable | 0 | 2,491,243 | 0 | 2,491,243 |
| Retainage Payable | 0 | 130,456 | 0 | 130,456 |
| Total Liabilities | <u>\$ 463,723</u> | <u>\$ 2,621,807</u> | <u>\$ 72,538</u> | <u>\$ 3,158,068</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Deferred Current Property Taxes | \$ 10,587,043 | \$ 0 | \$ 0 | \$ 10,587,043 |
| Deferred Delinquent Property Taxes | 145,512 | 0 | 0 | 145,512 |
| Other Deferred/Unavailable Revenue | 291,393 | 0 | 0 | 291,393 |
| Total Deferred Inflows of Resources | <u>\$ 11,023,948</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 11,023,948</u> |
| <u>FUND BALANCES</u> | | | | |
| Nonspendable: | | | | |
| Prepaid Items | \$ 552,664 | \$ 0 | \$ 960 | \$ 553,624 |
| Restricted: | | | | |
| Restricted for Education | 141,152 | 0 | 1,115,759 | 1,256,911 |
| Restricted for Capital Projects | 0 | 13,409,448 | 0 | 13,409,448 |
| Committed: | | | | |
| Committed for Education | 0 | 0 | 300,000 | 300,000 |
| Assigned: | | | | |
| Assigned for Education | 941,720 | 0 | 0 | 941,720 |
| Unassigned | 6,503,070 | 0 | 0 | 6,503,070 |
| Total Fund Balances | <u>\$ 8,138,606</u> | <u>\$ 13,409,448</u> | <u>\$ 1,416,719</u> | <u>\$ 22,964,773</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 19,626,277</u> | <u>\$ 16,031,255</u> | <u>\$ 1,489,257</u> | <u>\$ 37,146,789</u> |

Exhibit I-3

Loudon County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Loudon County School Department
June 30, 2013

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

| | | | |
|---|----|----------------|-------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit I-2) | | \$ | 22,964,773 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | |
| Add: land | \$ | 3,946,406 | |
| Add: construction in progress | | 34,528,383 | |
| Add: buildings and improvements net of accumulated depreciation | | 29,063,508 | |
| Add: other capital assets net of accumulated depreciation | | <u>667,898</u> | 68,206,195 |
| (2) An internal service fund is used by management to charge the cost of employee dental and vision insurance to individual funds. The assets and liabilities are included in governmental activities in the statement of net position. | | | 57,343 |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | 436,905 |
| (4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | | |
| Less: other postemployment benefits liability | | | <u>(907,328)</u> |
| Net position of governmental activities (Exhibit A) | | \$ | <u>90,757,888</u> |

Exhibit I-4

Loudon County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Loudon County School Department
For the Year Ended June 30, 2013

| | Major Funds | | Nonmajor Funds | Total Governmental Funds |
|--|------------------------------|----------------------------------|-------------------------------------|--------------------------------|
| | General Purpose School | Education Capital Projects | Other Govern- mental Funds | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 13,975,903 | \$ 373,606 | \$ 0 | \$ 14,349,509 |
| Licenses and Permits | 1,420 | 0 | 0 | 1,420 |
| Charges for Current Services | 5,589 | 0 | 620,116 | 625,705 |
| Other Local Revenues | 57,664 | 0 | 27,592 | 85,256 |
| State of Tennessee | 21,901,934 | 0 | 26,094 | 21,928,028 |
| Federal Government | 147,388 | 0 | 4,034,619 | 4,182,007 |
| Other Governments and Citizens Groups | 4,898 | 42,467,443 | 0 | 42,472,341 |
| Total Revenues | <u>\$ 36,094,796</u> | <u>\$ 42,841,049</u> | <u>\$ 4,708,421</u> | <u>\$ 83,644,266</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Instruction | \$ 23,480,443 | \$ 0 | \$ 1,661,856 | \$ 25,142,299 |
| Support Services | 10,311,914 | 0 | 690,256 | 11,002,170 |
| Operation of Non-Instructional Services | 1,065,814 | 0 | 2,402,291 | 3,468,105 |
| Capital Projects | 0 | 29,477,404 | 0 | 29,477,404 |
| Total Expenditures | <u>\$ 34,858,171</u> | <u>\$ 29,477,404</u> | <u>\$ 4,754,403</u> | <u>\$ 69,089,978</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 1,236,625</u> | <u>\$ 13,363,645</u> | <u>\$ (45,982)</u> | <u>\$ 14,554,288</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 2,434 | \$ 0 | \$ 0 | \$ 2,434 |
| Transfers In | 141,152 | 0 | 0 | 141,152 |
| Transfers Out | 0 | 0 | (141,152) | (141,152) |
| Total Other Financing Sources (Uses) | <u>\$ 143,586</u> | <u>\$ 0</u> | <u>\$ (141,152)</u> | <u>\$ 2,434</u> |
| Net Change in Fund Balances | \$ 1,380,211 | \$ 13,363,645 | \$ (187,134) | \$ 14,556,722 |
| Fund Balance, July 1, 2012 | <u>6,758,395</u> | <u>45,803</u> | <u>1,603,853</u> | <u>8,408,051</u> |
| Fund Balance, June 30, 2013 | <u>\$ 8,138,606</u> | <u>\$ 13,409,448</u> | <u>\$ 1,416,719</u> | <u>\$ 22,964,773</u> |

Exhibit I-5

Loudon County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Loudon County School Department
For the Year Ended June 30, 2013

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

| | | |
|---|--------------------|----------------------|
| Net change in fund balances - total governmental funds (Exhibit I-4) | | \$ 14,556,722 |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | |
| Add: capital assets purchased in the current period | \$ 29,426,979 | |
| Less: current-year depreciation expense | <u>(1,145,838)</u> | 28,281,141 |
| (2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Less: deferred delinquent property taxes and other deferred June 30, 2012 | \$ (415,005) | |
| Add: deferred delinquent property taxes and other deferred June 30, 2013 | <u>436,905</u> | 21,900 |
| (3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in other postemployment benefits liability | | (226,733) |
| (4) The internal service fund is used by management to charge the cost of employee dental and vision benefits to individual funds. The net expense of certain activities of the internal service fund is reported with governmental activities in the statement of activities. | | <u>8,057</u> |
| Change in net position of governmental activities (Exhibit B) | | <u>\$ 42,641,087</u> |

Exhibit I-6

Loudon County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Loudon County School Department
June 30, 2013

| | Special Revenue Funds | | Total |
|---------------------------------------|-----------------------|--------------|--------------|
| | School | Central | Nonmajor |
| | Federal | Cafeteria | Governmental |
| | Projects | | Funds |
| <u>ASSETS</u> | | | |
| Cash | \$ 0 | \$ 1,200 | \$ 1,200 |
| Equity in Pooled Cash and Investments | 133,886 | 1,093,173 | 1,227,059 |
| Accounts Receivable | 0 | 178 | 178 |
| Due from Other Governments | 227,978 | 31,882 | 259,860 |
| Prepaid Items | 695 | 265 | 960 |
| | | | |
| Total Assets | \$ 362,559 | \$ 1,126,698 | \$ 1,489,257 |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 1,900 | \$ 3,238 | \$ 5,138 |
| Payroll Deductions Payable | 36,578 | 30,822 | 67,400 |
| Total Liabilities | \$ 38,478 | \$ 34,060 | \$ 72,538 |
| <u>FUND BALANCES</u> | | | |
| Nonspendable: | | | |
| Prepaid Items | \$ 695 | \$ 265 | \$ 960 |
| Restricted: | | | |
| Restricted for Education | 23,386 | 1,092,373 | 1,115,759 |
| Committed: | | | |
| Committed for Education | 300,000 | 0 | 300,000 |
| Total Fund Balances | \$ 324,081 | \$ 1,092,638 | \$ 1,416,719 |
| Total Liabilities and Fund Balances | \$ 362,559 | \$ 1,126,698 | \$ 1,489,257 |

Exhibit I-7

Loudon County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Loudon County School Department
For the Year Ended June 30, 2013

| | Special Revenue Funds | | Total Nonmajor Governmental Funds |
|--|-------------------------------|----------------------|--|
| | School Federal Projects | Central Cafeteria | |
| <u>Revenues</u> | | | |
| Charges for Current Services | \$ 0 | \$ 620,116 | \$ 620,116 |
| Other Local Revenues | 0 | 27,592 | 27,592 |
| State of Tennessee | 0 | 26,094 | 26,094 |
| Federal Government | 2,347,650 | 1,686,969 | 4,034,619 |
| Total Revenues | <u>\$ 2,347,650</u> | <u>\$ 2,360,771</u> | <u>\$ 4,708,421</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Instruction | \$ 1,661,856 | \$ 0 | \$ 1,661,856 |
| Support Services | 690,256 | 0 | 690,256 |
| Operation of Non-Instructional Services | 0 | 2,402,291 | 2,402,291 |
| Total Expenditures | <u>\$ 2,352,112</u> | <u>\$ 2,402,291</u> | <u>\$ 4,754,403</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (4,462)</u> | <u>\$ (41,520)</u> | <u>\$ (45,982)</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Transfers Out | \$ (141,152) | \$ 0 | \$ (141,152) |
| Total Other Financing Sources (Uses) | <u>\$ (141,152)</u> | <u>\$ 0</u> | <u>\$ (141,152)</u> |
| Net Change in Fund Balances | \$ (145,614) | \$ (41,520) | \$ (187,134) |
| Fund Balance, July 1, 2012 | 469,695 | 1,134,158 | 1,603,853 |
| Fund Balance, June 30, 2013 | <u>\$ 324,081</u> | <u>\$ 1,092,638</u> | <u>\$ 1,416,719</u> |

Exhibit I-8

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Loudon County School Department
General Purpose School Fund
For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
| | | | | | Original | Final | |
| Revenues | | | | | | | |
| Local Taxes | \$ 13,975,903 | \$ 0 | \$ 0 | \$ 13,975,903 | \$ 13,361,979 | \$ 13,361,979 | \$ 613,924 |
| Licenses and Permits | 1,420 | 0 | 0 | 1,420 | 1,200 | 1,200 | 220 |
| Charges for Current Services | 5,589 | 0 | 0 | 5,589 | 0 | 400 | 5,189 |
| Other Local Revenues | 57,664 | 0 | 0 | 57,664 | 22,000 | 68,029 | (10,365) |
| State of Tennessee | 21,901,934 | 0 | 0 | 21,901,934 | 21,609,078 | 21,766,859 | 135,075 |
| Federal Government | 147,388 | 0 | 0 | 147,388 | 65,000 | 145,527 | 1,861 |
| Other Governments and Citizens Groups | 4,898 | 0 | 0 | 4,898 | 0 | 4,871 | 27 |
| Total Revenues | \$ 36,094,796 | \$ 0 | \$ 0 | \$ 36,094,796 | \$ 35,059,257 | \$ 35,348,865 | \$ 745,931 |
| Expenditures | | | | | | | |
| <u>Instruction</u> | | | | | | | |
| Regular Instruction Program | \$ 19,837,135 | (14,644) | 11,316 | \$ 19,833,807 | \$ 20,430,845 | \$ 20,319,671 | \$ 485,864 |
| Special Education Program | 2,690,465 | (21,838) | 996 | 2,669,623 | 2,660,178 | 2,852,630 | 183,007 |
| Vocational Education Program | 952,843 | (691) | 4,672 | 956,824 | 986,700 | 983,042 | 26,218 |
| <u>Support Services</u> | | | | | | | |
| Health Services | 266,988 | 0 | 0 | 266,988 | 267,176 | 268,339 | 1,351 |
| Other Student Support | 1,105,554 | 0 | 0 | 1,105,554 | 1,136,966 | 1,149,411 | 43,857 |
| Regular Instruction Program | 1,356,661 | (1,308) | 0 | 1,355,353 | 1,325,531 | 1,380,473 | 25,120 |
| Special Education Program | 316,279 | 0 | 0 | 316,279 | 375,916 | 335,236 | 18,957 |
| Vocational Education Program | 136,237 | 0 | 0 | 136,237 | 138,420 | 140,904 | 4,667 |
| Other Programs | 141,766 | 0 | 0 | 141,766 | 0 | 141,766 | 0 |
| Board of Education | 590,446 | 0 | 0 | 590,446 | 578,886 | 620,107 | 29,661 |
| Director of Schools | 287,129 | 0 | 0 | 287,129 | 315,810 | 318,814 | 31,685 |
| Office of the Principal | 892,739 | 0 | 0 | 892,739 | 901,577 | 912,792 | 20,053 |
| Fiscal Services | 64,258 | 0 | 0 | 64,258 | 64,539 | 64,625 | 367 |
| Operation of Plant | 2,439,660 | 0 | 0 | 2,439,660 | 2,371,189 | 2,401,065 | (38,595) |
| Maintenance of Plant | 238,161 | (968) | 0 | 237,193 | 198,169 | 240,603 | 3,410 |
| Transportation | 1,719,223 | (1,000) | 500 | 1,718,723 | 1,772,660 | 1,772,660 | 53,937 |

(Continued)

Exhibit I-8

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Support Services (Cont.)</u> | | | | | | | |
| Central and Other | \$ 756,813 | \$ (15,236) | \$ 13,674 | \$ 755,251 | \$ 727,172 | \$ 770,186 | \$ 14,935 |
| <u>Operation of Non-Instructional Services</u> | | | | | | | |
| Community Services | 275,268 | (4,336) | 0 | 270,932 | 217,014 | 303,183 | 32,251 |
| Early Childhood Education | 790,546 | 0 | 0 | 790,546 | 794,125 | 795,471 | 4,925 |
| Total Expenditures | \$ 34,858,171 | \$ (60,021) | \$ 31,158 | \$ 34,829,308 | \$ 35,262,873 | \$ 35,770,978 | \$ 941,670 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 1,236,625 | \$ 60,021 | \$ (31,158) | \$ 1,265,488 | \$ (203,616) | \$ (422,113) | \$ 1,687,601 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Insurance Recovery | \$ 2,434 | \$ 0 | \$ 0 | \$ 2,434 | \$ 0 | \$ 2,434 | \$ 0 |
| Transfers In | 141,152 | 0 | 0 | 141,152 | 0 | 141,152 | 0 |
| Total Other Financing Sources | \$ 143,586 | \$ 0 | \$ 0 | \$ 143,586 | \$ 0 | \$ 143,586 | \$ 0 |
| Net Change in Fund Balance Fund Balance, July 1, 2012 | \$ 1,380,211 | \$ 60,021 | \$ (31,158) | \$ 1,409,074 | \$ (203,616) | \$ (278,527) | \$ 1,687,601 |
| Fund Balance, July 1, 2012 | 6,758,395 | (60,021) | 0 | 6,698,374 | 4,029,619 | 4,029,619 | 2,668,755 |
| Fund Balance, June 30, 2013 | \$ 8,138,606 | \$ 0 | \$ (31,158) | \$ 8,107,448 | \$ 3,826,003 | \$ 3,751,092 | \$ 4,356,356 |

Exhibit I-9

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Loudon County School Department
School Federal Projects Fund
For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Federal Government | \$ 2,347,650 | \$ 0 | \$ 2,347,650 | \$ 2,485,213 | \$ 2,786,975 | \$ (439,325) |
| Total Revenues | \$ 2,347,650 | \$ 0 | \$ 2,347,650 | \$ 2,485,213 | \$ 2,786,975 | \$ (439,325) |
| <u>Expenditures</u> | | | | | | |
| <u>Instruction</u> | | | | | | |
| Regular Instruction Program | \$ 841,055 | \$ 0 | \$ 841,055 | \$ 893,427 | \$ 920,206 | \$ 79,151 |
| Special Education Program | 673,812 | 0 | 673,812 | 725,363 | 709,248 | 35,436 |
| Vocational Education Program | 146,989 | (1,103) | 145,886 | 56,698 | 145,898 | 12 |
| <u>Support Services</u> | | | | | | |
| Other Student Support | 71,489 | (636) | 70,853 | 82,845 | 152,318 | 81,465 |
| Regular Instruction Program | 309,269 | (3,900) | 305,369 | 492,067 | 500,003 | 194,634 |
| Special Education Program | 305,932 | 0 | 305,932 | 231,247 | 355,736 | 49,804 |
| Vocational Education Program | 3,566 | 0 | 3,566 | 3,566 | 3,566 | 0 |
| Total Expenditures | \$ 2,352,112 | \$ (5,639) | \$ 2,346,473 | \$ 2,485,213 | \$ 2,786,975 | \$ 440,502 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (4,462) | \$ 5,639 | \$ 1,177 | \$ 0 | \$ 0 | \$ 1,177 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Transfers In | \$ 0 | \$ 0 | \$ 0 | \$ 109,177 | \$ 0 | \$ 0 |
| Transfers Out | (141,152) | 0 | (141,152) | (109,177) | (141,152) | 0 |
| Total Other Financing Sources | \$ (141,152) | \$ 0 | \$ (141,152) | \$ 0 | \$ (141,152) | \$ 0 |
| Net Change in Fund Balance Fund Balance, July 1, 2012 | \$ (145,614) | \$ 5,639 | \$ (139,975) | \$ 0 | \$ (141,152) | \$ 1,177 |
| | 469,695 | (5,639) | 464,056 | 362,848 | 362,848 | 101,208 |
| Fund Balance, June 30, 2013 | \$ 324,081 | \$ 0 | \$ 324,081 | \$ 362,848 | \$ 221,696 | \$ 102,385 |

Exhibit I-10

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Loudon County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Charges for Current Services | \$ 620,116 \$ | 0 \$ | 620,116 \$ | 841,466 \$ | 920,086 \$ | (299,970) |
| Other Local Revenues | 27,592 | 0 | 27,592 | 0 | 2,012 | 25,580 |
| State of Tennessee | 26,094 | 0 | 26,094 | 27,000 | 27,000 | (906) |
| Federal Government | 1,686,969 | 0 | 1,686,969 | 1,711,907 | 1,711,907 | (24,938) |
| Total Revenues | \$ 2,360,771 \$ | 0 \$ | 2,360,771 \$ | 2,580,373 \$ | 2,661,005 \$ | (300,234) |
| <u>Expenditures</u> | | | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | | | |
| Food Service | \$ 2,402,291 \$ | 27,701 \$ | 2,429,992 \$ | 2,580,373 \$ | 2,733,820 \$ | 303,828 |
| Total Expenditures | \$ 2,402,291 \$ | 27,701 \$ | 2,429,992 \$ | 2,580,373 \$ | 2,733,820 \$ | 303,828 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (41,520) \$ | (27,701) \$ | (69,221) \$ | 0 \$ | (72,815) \$ | 3,594 |
| Net Change in Fund Balance Fund Balance, July 1, 2012 | \$ (41,520) \$ | (27,701) \$ | (69,221) \$ | 0 \$ | (72,815) \$ | 3,594 |
| | 1,134,158 | 0 | 1,134,158 | 1,235,100 | 1,235,100 | (100,942) |
| Fund Balance, June 30, 2013 | \$ 1,092,638 \$ | (27,701) \$ | 1,064,937 \$ | 1,235,100 \$ | 1,162,285 \$ | (97,348) |

Exhibit I-11

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Loudon County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 373,606 \$ | 0 \$ | 0 \$ | 373,606 \$ | 300,000 \$ | 358,000 \$ | 15,606 |
| Other Governments and Citizens Groups | 42,467,443 | 0 | 0 | 42,467,443 | 0 | 42,467,433 | 10 |
| Total Revenues | \$ 42,841,049 \$ | 0 \$ | 0 \$ | 42,841,049 \$ | 300,000 \$ | 42,825,433 \$ | 15,616 |
| <u>Expenditures</u> | | | | | | | |
| <u>Capital Projects</u> | | | | | | | |
| Education Capital Projects | \$ 29,477,404 \$ | (18,471,681) \$ | 8,361,728 \$ | 19,367,451 \$ | 0 \$ | 42,472,443 \$ | 23,104,992 |
| Total Expenditures | \$ 29,477,404 \$ | (18,471,681) \$ | 8,361,728 \$ | 19,367,451 \$ | 0 \$ | 42,472,443 \$ | 23,104,992 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 13,363,645 \$ | 18,471,681 \$ | (8,361,728) \$ | 23,473,598 \$ | 300,000 \$ | 352,990 \$ | 23,120,608 |
| Net Change in Fund Balance Fund Balance, July 1, 2012 | \$ 13,363,645 \$ | 18,471,681 \$ | (8,361,728) \$ | 23,473,598 \$ | 300,000 \$ | 352,990 \$ | 23,120,608 |
| | 45,803 | (18,471,681) | 0 | (18,425,878) | 1,858,021 | 1,858,021 | (20,283,899) |
| Fund Balance, June 30, 2013 | \$ 13,409,448 \$ | 0 \$ | (8,361,728) \$ | 5,047,720 \$ | 2,158,021 \$ | 2,211,011 \$ | 2,836,709 |

Exhibit I-12

Loudon County, Tennessee
Statement of Net Position
Discretely Presented Loudon County School Department
Proprietary Fund
June 30, 2013

| | Internal Service Fund |
|---------------------------|--|
| | <u>Employee Dental and Vision Insurance Fund</u> |
| <u>ASSETS</u> | |
| Current Assets: | |
| Cash | \$ 78,600 |
| Total Assets | <u>\$ 78,600</u> |
| <u>LIABILITIES</u> | |
| Current Liabilities: | |
| Other Current Liabilities | \$ 21,257 |
| Total Liabilities | <u>\$ 21,257</u> |
| <u>NET POSITION</u> | |
| Unrestricted | <u>\$ 57,343</u> |
| Total Net Position | <u>\$ 57,343</u> |

Exhibit I-13

Loudon County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Loudon County School Department
Proprietary Fund
For the Year Ended June 30, 2013

| | Internal Service Fund |
|-----------------------------|--|
| | <u>Employee Dental and Vision Insurance Fund</u> |
| <u>Operating Revenues</u> | |
| Charges for Services | \$ 374,987 |
| Total Operating Revenues | <u>\$ 374,987</u> |
| <u>Operating Expenses</u> | |
| Medical and Dental Services | \$ 366,930 |
| Total Operating Expenses | <u>\$ 366,930</u> |
| Operating Income (Loss) | <u>\$ 8,057</u> |
| Change in Net Position | \$ 8,057 |
| Net Position, July 1, 2012 | <u>49,286</u> |
| Net Position, June 30, 2013 | <u>\$ 57,343</u> |

Exhibit I-14

Loudon County, Tennessee
Statement of Cash Flows
Discretely Presented Loudon County School Department
Proprietary Fund
For the Year Ended June 30, 2013

| | Internal Service Fund |
|---|--|
| | <u>Employee Dental and Vision Insurance Fund</u> |
| <u>Cash Flows from Operating Activities</u> | |
| Receipts for Self-Insurance Premiums | \$ 374,987 |
| Payments for Claims | <u>(370,132)</u> |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ 4,855</u> |
| Increase (Decrease) in Cash | \$ 4,855 |
| Cash, July 1, 2012 | <u>73,745</u> |
| Cash, June 30, 2013 | <u><u>\$ 78,600</u></u> |
| <u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u> | |
| Operating Income (Loss) | \$ 8,057 |
| Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities: | |
| Changes in Assets and Liabilities: | |
| Increase (Decrease) in Other Current Liabilities | <u>(3,202)</u> |
| Net Cash Provided By (Used In) Operating Activities | <u><u>\$ 4,855</u></u> |

MISCELLANEOUS SCHEDULES

Exhibit J-1

Loudon County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds
 For the Year Ended June 30, 2013

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-12 | Issued During Period | Paid and/or Matured | |
|--|--------------------------|---------------|---------------|--------------------|--------------------|----------------------|---------------------|---------------------|
| | | | | | | | During Period | Outstanding 6-30-13 |
| NOTES PAYABLE | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| Del Conca Waterline Extension | \$ 400,000 | 2.88% | 2-1-13 | 2-1-23 | \$ 0 | \$ 400,000 | \$ 0 | \$ 400,000 |
| Total Payable through General Debt Service Fund | | | | | \$ 0 | \$ 400,000 | \$ 0 | \$ 400,000 |
| <u>Payable through Education Debt Service Fund</u> | | | | | | | | |
| Local Government Energy Efficiency Loan Program | 499,981 | 0 | 10-20-05 | 12-1-12 | \$ 71,425 | \$ 0 | \$ 71,425 | \$ 0 |
| Capital Outlay Note - Construction Drawings for Schools | 900,000 | 2.62 | 4-12-10 | 4-12-13 | 257,128 | 0 | 257,128 | 0 |
| Capital Outlay Note - Architect and Engineering for School Project | 1,912,627 | 3.4 | 7-22-09 | 8-30-12 | 55,881 | 0 | 55,881 | 0 |
| Total Payable through Education Debt Service Fund | | | | | \$ 384,434 | \$ 0 | \$ 384,434 | \$ 0 |
| Total Notes Payable | | | | | \$ 384,434 | \$ 400,000 | \$ 384,434 | \$ 400,000 |
| OTHER LOANS PAYABLE | | | | | | | | |
| <u>Payable through General Fund</u> | | | | | | | | |
| City of Loudon - Highlands Business Center | 475,000 | 0 | 5-1-00 | (1) | \$ 378,692 | \$ 0 | \$ 31,470 | \$ 347,222 |
| Total Payable through General Fund | | | | | \$ 378,692 | \$ 0 | \$ 31,470 | \$ 347,222 |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| Montgomery County PBA Loan | 5,000,000 | Variable | 5-8-03 | 5-25-18 | \$ 2,297,000 | \$ 0 | \$ 353,000 | \$ 1,944,000 |
| Blount County PBA Loan, Series E-3-C - Refunding | 2,570,000 | Variable | 7-31-08 | 6-1-20 | 1,875,000 | 0 | 200,000 | 1,675,000 |
| Total Payable through General Debt Service Fund | | | | | \$ 4,172,000 | \$ 0 | \$ 553,000 | \$ 3,619,000 |
| <u>Payable through Education Debt Service Fund</u> | | | | | | | | |
| Blount County PBA Loan, Series E-3-C - Refunding | 12,265,000 | (2) | 7-31-08 | 6-1-25 | \$ 10,835,000 | \$ 0 | \$ 575,000 | \$ 10,260,000 |
| Qualified Zone Academy Bonds - Energy Efficiency | 4,129,500 | 0 | 12-28-05 | 12-1-20 | 2,477,700 | 0 | 275,300 | 2,202,400 |
| Total Payable through Education Debt Service Fund | | | | | \$ 13,312,700 | \$ 0 | \$ 850,300 | \$ 12,462,400 |
| Total Other Loans Payable | | | | | \$ 17,863,392 | \$ 0 | \$ 1,434,770 | \$ 16,428,622 |

(Continued)

Exhibit J-1

Loudon County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds (Cont.)

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-12 | Issued During Period | Paid and/or | |
|--|--------------------------|---------------|---------------|--------------------|--------------------|----------------------|-----------------------|---------------------|
| | | | | | | | Matured During Period | Outstanding 6-30-13 |
| BONDS PAYABLE | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| General Obligation Refunding Series 2004 | \$ 5,225,000 | 1.8 to 4% | 3-31-04 | 4-1-20 | \$ 4,015,000 | \$ 0 | \$ 395,000 | \$ 3,620,000 |
| Total Payable through General Debt Service Fund | | | | | \$ 4,015,000 | \$ 0 | \$ 395,000 | \$ 3,620,000 |
| <u>Payable through Education Debt Service Fund</u> | | | | | | | | |
| Rural School Bonds, Series 2011 | (3) 9,995,000 | 3.17 | 11-1-11 | 6-1-36 | \$ 9,995,000 | \$ 0 | \$ 100,000 | \$ 9,895,000 |
| Rural School Bonds, Series 2012 | 23,500,000 | 2 to 4 | 7-25-12 | 6-1-36 | 0 | 23,500,000 | 725,000 | 22,775,000 |
| Rural School Bonds, Series 2013A | 8,850,000 | 1.4 to 5 | 5-10-13 | 6-1-23 | 0 | 8,850,000 | 0 | 8,850,000 |
| Total Payable through Education Debt Service Fund | | | | | \$ 9,995,000 | \$ 32,350,000 | \$ 825,000 | \$ 41,520,000 |
| Total Bonds Payable (4) | | | | | \$ 14,010,000 | \$ 32,350,000 | \$ 1,220,000 | \$ 45,140,000 |

(1) The county has pledged its incremental tax revenues (excess of current taxes over base year amounts) from properties within the development toward the retirement of this obligation. The agreement requires only the payment of the tax increment each year (with no interest accruing on the unpaid balance). Therefore, no maturity date can be established.

(2) A previous issue, Series IV-H-1, was swapped from variable to synthetic fixed rate by execution of a swap agreement. That issue was refunded with proceeds of the E-3-C issue. The swap agreement was retained.

(3) This loan was erroneously reflected as payable through the General Debt Service Fund in the prior year.

(4) In addition to the long-term bonds reflected in this schedule, Loudon County also issued short-term general obligation bonds of \$2,000,000 dated May 10, 2013. Those bonds had an outstanding balance of \$800,000 at June 30, 2013, and had a final maturity date of July 15, 2013. The balance at June 30, 2013, is reflected as a current liability of the Education Debt Service Fund.

Exhibit J-2

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

| Year Ending June 30 | Notes | | |
|---------------------------|------------|-----------|------------|
| | Principal | Interest | Total |
| 2014 | \$ 35,000 | \$ 11,520 | \$ 46,520 |
| 2015 | 36,000 | 10,512 | 46,512 |
| 2016 | 37,000 | 9,475 | 46,475 |
| 2017 | 38,000 | 8,410 | 46,410 |
| 2018 | 39,000 | 7,315 | 46,315 |
| 2019 | 41,000 | 6,192 | 47,192 |
| 2020 | 42,000 | 5,011 | 47,011 |
| 2021 | 43,000 | 3,802 | 46,802 |
| 2022 | 44,000 | 2,563 | 46,563 |
| 2023 | 45,000 | 1,296 | 46,296 |
| Total | \$ 400,000 | \$ 66,096 | \$ 466,096 |

| Year Ending June 30 | Other Loans | | | |
|---------------------------|---------------|--------------|------------|---------------|
| | Principal (1) | Interest | Other Fees | Total |
| 2014 | \$ 1,449,300 | \$ 361,488 | \$ 110,165 | \$ 1,920,953 |
| 2015 | 1,521,300 | 338,509 | 100,949 | 1,960,758 |
| 2016 | 1,574,300 | 314,146 | 91,162 | 1,979,608 |
| 2017 | 1,651,300 | 288,401 | 80,958 | 2,020,659 |
| 2018 | 1,709,300 | 261,105 | 70,143 | 2,040,548 |
| 2019 | 1,340,300 | 232,261 | 58,870 | 1,631,431 |
| 2020 | 1,410,300 | 203,233 | 50,341 | 1,663,874 |
| 2021 | 1,190,300 | 172,525 | 41,253 | 1,404,078 |
| 2022 | 970,000 | 141,873 | 33,923 | 1,145,796 |
| 2023 | 1,025,000 | 109,378 | 26,153 | 1,160,531 |
| 2024 | 1,090,000 | 75,040 | 17,943 | 1,182,983 |
| 2025 | 1,150,000 | 38,521 | 9,210 | 1,197,731 |
| Total | \$ 16,081,400 | \$ 2,536,480 | \$ 691,070 | \$ 19,308,950 |

(1) Does not include the City of Loudon - Highland Business Center note (\$347,222) since the annual requirements for that note are dependent upon the amount of incremental tax revenues generated within the development each year.

(Continued)

Exhibit J-2

Loudon County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

| Year Ending June 30 | Bonds | | |
|---------------------------|---------------|---------------|---------------|
| | Principal | Interest | Total |
| 2014 | \$ 1,775,000 | \$ 1,551,843 | \$ 3,326,843 |
| 2015 | 2,270,000 | 1,470,312 | 3,740,312 |
| 2016 | 2,330,000 | 1,374,600 | 3,704,600 |
| 2017 | 2,385,000 | 1,276,310 | 3,661,310 |
| 2018 | 2,500,000 | 1,185,190 | 3,685,190 |
| 2019 | 2,535,000 | 1,101,040 | 3,636,040 |
| 2020 | 2,670,000 | 1,014,225 | 3,684,225 |
| 2021 | 2,100,000 | 923,925 | 3,023,925 |
| 2022 | 2,400,000 | 868,550 | 3,268,550 |
| 2023 | 2,425,000 | 806,050 | 3,231,050 |
| 2024 | 1,450,000 | 741,050 | 2,191,050 |
| 2025 | 1,500,000 | 689,550 | 2,189,550 |
| 2026 | 1,500,000 | 635,550 | 2,135,550 |
| 2027 | 1,525,000 | 581,050 | 2,106,050 |
| 2028 | 1,550,000 | 525,050 | 2,075,050 |
| 2029 | 1,600,000 | 467,550 | 2,067,550 |
| 2030 | 1,625,000 | 418,550 | 2,043,550 |
| 2031 | 1,650,000 | 367,800 | 2,017,800 |
| 2032 | 1,800,000 | 314,862 | 2,114,862 |
| 2033 | 1,825,000 | 255,462 | 2,080,462 |
| 2034 | 1,875,000 | 194,050 | 2,069,050 |
| 2035 | 1,900,000 | 131,012 | 2,031,012 |
| 2036 | 1,950,000 | 67,164 | 2,017,164 |
| Total | \$ 45,140,000 | \$ 16,960,745 | \$ 62,100,745 |

Exhibit J-3

Loudon County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2013

| <u>From Fund</u> | <u>To Fund</u> | <u>Purpose</u> | <u>Amount</u> |
|--|------------------------|---|---------------|
| <u>PRIMARY GOVERNMENT</u> | | | |
| Highway/Public Works | General Debt Service | Debt Retirement | \$ 74,326 |
| Total Transfers Primary Government | | | \$ 74,326 |
| <u>DISCRETELY PRESENTED LOUDON COUNTY SCHOOL DEPARTMENT</u> | | | |
| School Federal Projects | General Purpose School | To move old project balances pending final disposition. | \$ 141,152 |
| Total Transfers Discretely Presented Loudon County School Department | | | \$ 141,152 |

Exhibit J-4

Loudon County, Tennessee
 Schedule of Salaries and Official Bonds of Principal Officials
 Primary Government and Discretely Presented Loudon County School Department
 For the Year Ended June 30, 2013

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|--|--|---------------------------|-----------|---|
| County Mayor | Section 8-24-102, TCA | \$ 80,210 | \$ 50,000 | Western Surety Company |
| Highway Superintendent | Section 8-24-102, TCA | 76,390 | 100,000 | " |
| Director of Schools | State Board of Education and County Board of Education | 111,000 (1) | 50,000 | " |
| Trustee: | | | | |
| George Miller, Sr. (7-1-12 through 12-31-12) | Section 8-24-102, TCA | 32,489 | 1,650,300 | " |
| LouAnn Malone (1-1-13 through 1-6-13) | Section 8-24-102, TCA | 984 | | Covered by Blanket Policy |
| George Miller, II. (1-7-13 through 6-30-13) | Section 8-24-102, TCA | 31,504 | 1,466,000 | Western Surety Company |
| Assessor of Property | Section 8-24-102, TCA | 64,977 | 10,000 | " |
| Director of Accounts and Budgets | County Commission | 64,977 | 25,000 | " |
| Purchasing Agent | County Commission | 64,977 | 50,000 | " |
| County Clerk | Section 8-24-102, TCA | 64,977 | 50,000 | " |
| Circuit, General Sessions, and Juvenile Courts Clerk | Section 8-24-102, TCA | 64,977 | 50,000 | " |
| Clerk and Master | Section 8-24-102, TCA | 64,977 | 50,000 | Ohio Farmers Insurance Company |
| Register of Deeds | Section 8-24-102, TCA | 64,977 | 25,000 | Western Surety Company |
| Sheriff | Section 8-24-102, TCA, and County Commission | 76,390 (2) | 25,000 | " |
| Employee Blanket Bonds - All County Employees: | | | 250,000 | Coregis Insurance Organization - Blanket Policy |

(1) Includes a chief executive officer training supplement of \$1,000.

(2) Includes a county workhouse supervisor payment of \$4,915.

Loudon County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2013

| | Special Revenue Funds | | | | | | |
|--|-----------------------|---------------------------------------|-----------------|-------------------|--------------------------------|--|-----------------|
| | General | Courthouse and Jail Maintenance | Law Library | Public Library | Solid Waste / Sanitation | Industrial/ Economic Development | Drug Control |
| Local Taxes | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | |
| Current Property Tax | \$ 7,340,221 | \$ 0 | \$ 0 | \$ 254,677 | \$ 0 | \$ 0 | \$ 0 |
| Trustee's Collections - Prior Year | 115,497 | 0 | 0 | 4,214 | 0 | 0 | 0 |
| Trustee's Collections - Bankruptcy | 8,338 | 0 | 0 | 137 | 92 | 0 | 0 |
| Circuit/Clerk & Master Collections - Prior Years | 397,334 | 0 | 0 | 13,831 | 0 | 0 | 0 |
| Interest and Penalty | 28,010 | 0 | 0 | 987 | 2 | 0 | 0 |
| Payments in-Lieu-of Taxes - Other | 39,420 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>County Local Option Taxes</u> | | | | | | | |
| Local Option Sales Tax | 381,703 | 0 | 0 | 0 | 763,405 | 0 | 0 |
| Hotel/Motel Tax | 417,949 | 0 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - General | 79,117 | 0 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Special Purpose | 77,843 | 0 | 4,964 | 0 | 0 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 121,228 | 0 | 0 | 0 | 0 | 0 |
| Business Tax | 473,842 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mineral Severance Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Statutory/Local Taxes</u> | | | | | | | |
| Bank Excise Tax | 2,176 | 0 | 0 | 75 | 0 | 0 | 0 |
| Wholesale Beer Tax | 93,241 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Local Taxes | \$ 9,454,691 | \$ 121,228 | \$ 4,964 | \$ 273,921 | \$ 763,499 | \$ 0 | \$ 0 |
| <u>Licenses and Permits</u> | | | | | | | |
| <u>Licenses</u> | | | | | | | |
| Animal Registration | \$ 71,234 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Cable TV Franchise | 278,468 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Permits</u> | | | | | | | |
| Beer Permits | 2,612 | 0 | 0 | 0 | 0 | 0 | 0 |
| Building Permits | 146,656 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Permits | 22,375 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Licenses and Permits | \$ 521,345 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | | |
| <u>Circuit Court</u> | | | | | | | |
| Interpreter Fees | \$ 68 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Data Entry Fee - Circuit Court | 1,274 | 0 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 5,944 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Criminal Court</u> | | | | | | | |
| Fines | 11,476 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

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

| | Special Revenue Funds | | | | | | |
|--|-----------------------|---------------------------------------|----------------|-------------------|--------------------------------|---|-----------------|
| | General | Courthouse and Jail Maintenance | Law Library | Public Library | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | | |
| <u>Criminal Court (Cont.)</u> | | | | | | | |
| Officers Costs | \$ 26,553 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 538 |
| Drug Control Fines | 2,957 | 0 | 0 | 0 | 0 | 0 | 19,336 |
| Jail Fees | 1,792 | 0 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 2,223 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Criminal Court | 3,098 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | | | |
| Fines | 54,014 | 0 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 112,489 | 0 | 0 | 0 | 0 | 0 | 76 |
| Game and Fish Fines | 650 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 7,854 | 0 | 0 | 0 | 0 | 0 | 7,712 |
| Jail Fees | 7,300 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interpreter Fees | 102 | 0 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 16,737 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - General Sessions Court | 21,119 | 0 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 113,917 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Juvenile Court</u> | | | | | | | |
| Fines | 138 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Juvenile Court | 333 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Chancery Court</u> | | | | | | | |
| Officers Costs | 21,668 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Chancery Court | 6,306 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Courts - In-county</u> | | | | | | | |
| Fines | 8,071 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Judicial District Drug Program</u> | | | | | | | |
| Drug Task Force Forfeitures and Seizures | 0 | 0 | 0 | 0 | 0 | 0 | 42,158 |
| Courtroom Security Fee | 2,222 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 0 | 0 | 0 | 39,262 |
| Total Fines, Forfeitures, and Penalties | \$ 428,305 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 109,082 |
| <u>Charges for Current Services</u> | | | | | | | |
| <u>Fees</u> | | | | | | | |
| Copy Fees | \$ 0 | \$ 0 | \$ 0 | \$ 4,516 | \$ 0 | \$ 0 | \$ 0 |
| Library Fees | 0 | 0 | 0 | 4,254 | 0 | 0 | 0 |
| Greenbelt Late Application Fee | 200 | 0 | 0 | 0 | 0 | 0 | 0 |
| Telephone Commissions | 41,799 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

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

| | Special Revenue Funds | | | | | | |
|---|-----------------------|---------------------------------------|----------------|-------------------|--------------------------------|---|------------------|
| | General | Courthouse and Jail Maintenance | Law Library | Public Library | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control |
| <u>Charges for Current Services (Cont.)</u> | | | | | | | |
| <u>Fees (Cont.)</u> | | | | | | | |
| Vending Machine Collections | \$ 174 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Register | 24,168 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 8,195 | 0 | 0 | 0 | 0 | 0 | 4 |
| Sexual Offender Registration Fees - Sheriff | 2,400 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - County Clerk | 598 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Charges for Current Services | \$ 77,534 | \$ 0 | \$ 0 | \$ 8,770 | \$ 0 | \$ 0 | \$ 4 |
| <u>Other Local Revenues</u> | | | | | | | |
| <u>Recurring Items</u> | | | | | | | |
| Investment Income | \$ 16,170 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Lease/Rentals | 5,350 | 0 | 0 | 0 | 0 | 13,487 | 0 |
| Sale of Materials and Supplies | 850 | 0 | 0 | 10 | 0 | 0 | 0 |
| Commissary Sales | 16,457 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Maps | 548 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Recycled Materials | 0 | 0 | 0 | 0 | 114,206 | 0 | 0 |
| Retirees' Insurance Payments | 43,341 | 0 | 0 | 2,604 | 488 | 0 | 0 |
| Cobra Insurance Payments | 5,912 | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous Refunds | 138,585 | 0 | 0 | 2,428 | 2,994 | 0 | 0 |
| Expenditure Credits | 480 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Nonrecurring Items</u> | | | | | | | |
| Revenue from Joint Ventures | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Equipment | 1,686 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Property | 37,010 | 0 | 0 | 0 | 0 | 0 | 0 |
| Damages Recovered from Individuals | 1,215 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contributions and Gifts | 12,568 | 0 | 0 | 319 | 0 | 0 | 44,719 |
| Performance Bond Forfeitures | 11,785 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Local Revenues</u> | | | | | | | |
| Other Local Revenues | 99,291 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other Local Revenues | \$ 391,248 | \$ 0 | \$ 0 | \$ 5,361 | \$ 117,688 | \$ 13,487 | \$ 44,719 |
| <u>Fees Received from County Officials</u> | | | | | | | |
| <u>Fees in-Lieu-of Salary</u> | | | | | | | |
| County Clerk | \$ 432,405 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Circuit Court Clerk | 107,991 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Sessions Court Clerk | 423,306 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

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

| | Special Revenue Funds | | | | | | |
|--|-----------------------|---------------------------------------|----------------|-------------------|--------------------------------|---|-----------------|
| | General | Courthouse and Jail Maintenance | Law Library | Public Library | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control |
| <u>Fees Received from County Officials (Cont.)</u> | | | | | | | |
| <u>Fees in-Lieu-of Salary (Cont.)</u> | | | | | | | |
| Clerk and Master | \$ 251,032 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Register | 339,890 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sheriff | 21,262 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trustee | 829,825 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Fees Received from County Officials | \$ 2,405,711 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>State of Tennessee</u> | | | | | | | |
| <u>General Government Grants</u> | | | | | | | |
| Juvenile Services Program | \$ 10,418 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Aging Programs | 10,654 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other General Government Grants | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Public Safety Grants</u> | | | | | | | |
| Law Enforcement Training Programs | 24,600 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Public Safety Grants | 3,069 | 0 | 0 | 0 | 0 | 0 | 0 |
| Health and Welfare Grants | | | | | | | |
| Health Department Programs | 366,459 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Public Works Grants</u> | | | | | | | |
| State Aid Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Litter Program | 0 | 0 | 0 | 0 | 48,699 | 0 | 0 |
| Tennessee Industrial Infrastructure Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Public Works Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other State Revenues</u> | | | | | | | |
| Income Tax | 941,810 | 0 | 0 | 0 | 0 | 0 | 0 |
| Beer Tax | 18,586 | 0 | 0 | 0 | 0 | 0 | 0 |
| Alcoholic Beverage Tax | 62,315 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mixed Drink Tax | 9,018 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contracted Prisoner Boarding | 174,680 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Registrar's Salary Supplement | 15,164 | 0 | 0 | 0 | 0 | 0 | 0 |
| State Shared Sales Tax - Cities | 7,651 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other State Revenues | 12,150 | 0 | 0 | 0 | 10,536 | 0 | 0 |
| Total State of Tennessee | \$ 1,657,574 | \$ 0 | \$ 0 | \$ 0 | \$ 59,235 | \$ 0 | \$ 0 |

(Continued)

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

| | Special Revenue Funds | | | | | | |
|--|-----------------------|---------------------------------------|----------------|-------------------|--------------------------------|---|-----------------|
| | General | Courthouse and Jail Maintenance | Law Library | Public Library | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control |
| <u>Federal Government</u> | | | | | | | |
| <u>Federal Through State</u> | | | | | | | |
| Civil Defense Reimbursement | \$ 51,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Disaster Relief | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Federal through State | 32,266 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Direct Federal Revenue</u> | | | | | | | |
| Asset Forfeiture Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Direct Federal Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 8,803 |
| <u>Total Federal Government</u> | \$ 83,266 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 8,803 |
| <u>Other Governments and Citizens Groups</u> | | | | | | | |
| <u>Other Governments</u> | | | | | | | |
| Contributions | \$ 8,282 | \$ 0 | \$ 0 | \$ 28,895 | \$ 0 | \$ 0 | \$ 0 |
| Contracted Services | 31,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Citizens Groups</u> | | | | | | | |
| Donations | 12,532 | 0 | 0 | 1,170 | 0 | 0 | 0 |
| Other | 17,016 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Total Other Governments and Citizens Groups</u> | \$ 68,830 | \$ 0 | \$ 0 | \$ 30,065 | \$ 0 | \$ 0 | \$ 0 |
| <u>Total</u> | \$ 15,088,504 | \$ 121,228 | \$ 4,964 | \$ 318,117 | \$ 940,422 | \$ 13,487 | \$ 162,608 |

(Continued)

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

| | Special Revenue Funds (Cont.) | | | Debt Service Funds | | | Capital Projects Funds | | | Total |
|--|-------------------------------|--------------------------------|------------------------|----------------------|------------------------|--------------------------|--------------------------|-------------------|--|-------|
| | Other Special Revenue | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | Education Debt Service | General Capital Projects | Highway Capital Projects | | | |
| Local Taxes | | | | | | | | | | |
| County Property Taxes | | | | | | | | | | |
| Current Property Tax | 0 | 0 | 509,380 | 1,103,628 | 5,050,261 | 84,882 | 297,155 | 14,640,204 | | |
| Trustee's Collections - Prior Year | 0 | 0 | 8,168 | 17,777 | 83,671 | 4,102 | 4,786 | 238,215 | | |
| Trustee's Collections - Bankruptcy | 0 | 0 | 631 | 1,286 | 1,119 | 294 | 312 | 12,209 | | |
| Circuit/Clerk & Master Collections - Prior Years | 0 | 0 | 27,664 | 59,938 | 315,456 | 5,908 | 16,136 | 836,267 | | |
| Interest and Penalty | 0 | 0 | 1,975 | 4,524 | 18,528 | 788 | 1,153 | 55,967 | | |
| Payments in-Lieu-of-Taxes - Other | 0 | 0 | 0 | 10,216 | 0 | 0 | 0 | 49,636 | | |
| County Local Option Taxes | | | | | | | | | | |
| Local Option Sales Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,145,108 | | |
| Hotel/Motel Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 417,949 | | |
| Litigation Tax - General | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 79,117 | | |
| Litigation Tax - Special Purpose | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 82,807 | | |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 121,228 | | |
| Business Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 473,842 | | |
| Mineral Severance Tax | 0 | 0 | 38,265 | 0 | 0 | 0 | 0 | 38,265 | | |
| Statutory Local Taxes | | | | | | | | | | |
| Bank Excise Tax | 0 | 0 | 151 | 327 | 1,722 | 25 | 88 | 4,564 | | |
| Wholesale Beer Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 93,241 | | |
| Total Local Taxes | 0 | 0 | 586,234 | 1,197,696 | 5,470,757 | 95,999 | 319,630 | 18,288,619 | | |
| Licenses and Permits | | | | | | | | | | |
| Licenses | | | | | | | | | | |
| Animal Registration | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 71,234 | | |
| Cable TV Franchise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 278,468 | | |
| Permits | | | | | | | | | | |
| Beer Permits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,612 | | |
| Building Permits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 146,656 | | |
| Other Permits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22,375 | | |
| Total Licenses and Permits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 521,345 | | |
| Fines, Forfeitures, and Penalties | | | | | | | | | | |
| Circuit Court | | | | | | | | | | |
| Interpreter Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 68 | | |
| Data Entry Fee - Circuit Court | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,274 | | |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,944 | | |
| Criminal Court | | | | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11,476 | | |

(Continued)

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

| | Special Revenue Funds (Cont.) | | | Debt Service Funds | | | Capital Projects Funds | | | Total |
|--|-------------------------------|--------------------------------|------------------------|----------------------|------------------------|--------------------------|--------------------------|------|---------|-------|
| | Other Special Revenue | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | Education Debt Service | General Capital Projects | Highway Capital Projects | | | |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | | | | | |
| <u>Criminal Court (Cont.)</u> | | | | | | | | | | |
| Officers Costs | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 27,091 | |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22,293 | |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,792 | |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,223 | |
| Data Entry Fee - Criminal Court | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,098 | |
| <u>General Sessions Court</u> | | | | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 54,014 | |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 112,565 | |
| Game and Fish Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 650 | |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,566 | |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,300 | |
| Interpreter Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 102 | |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,737 | |
| Data Entry Fee - General Sessions Court | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21,119 | |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 113,917 | |
| <u>Juvenile Court</u> | | | | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 138 | |
| Data Entry Fee - Juvenile Court | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 333 | |
| <u>Chancery Court</u> | | | | | | | | | | |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21,668 | |
| Data Entry Fee - Chancery Court | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,306 | |
| <u>Other Courts - In-county</u> | | | | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,071 | |
| <u>Judicial District Drug Program</u> | | | | | | | | | | |
| Drug Task Force Forfeitures and Seizures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 42,158 | |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,222 | |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39,262 | |
| Total Fines, Forfeitures, and Penalties | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 537,387 | |
| <u>Charges for Current Services</u> | | | | | | | | | | |
| <u>Fees</u> | | | | | | | | | | |
| Copy Fees | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 4,516 | |
| Library Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,254 | |
| Greenbelt Late Application Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 200 | |
| Telephone Commissions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 41,799 | |

(Continued)

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

| | Special Revenue Funds (Cont.) | | | Debt Service Funds | | | Capital Projects Funds | | | Total |
|---|-------------------------------|--------------------------------|------------------------|----------------------|------------------------|--------------------------|--------------------------|----------|----------------|-------|
| | Other Special Revenue | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | Education Debt Service | General Capital Projects | Highway Capital Projects | | | |
| Charges for Current Services (Cont.) | | | | | | | | | | |
| Fees (Cont.) | | | | | | | | | | |
| Vending Machine Collections | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 174 | |
| Constitutional Officers' Fees and Commissions | 0 | 373 | 0 | 0 | 0 | 0 | 0 | 0 | 373 | |
| Data Processing Fee - Registrar | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,168 | |
| Data Processing Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,199 | |
| Sexual Offender Registration Fees - Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,400 | |
| Data Processing Fee - County Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 598 | |
| Total Charges for Current Services | 0 | 373 | 0 | 0 | 0 | 0 | 0 | 0 | 86,681 | |
| Other Local Revenues | | | | | | | | | | |
| Recurring Items | | | | | | | | | | |
| Investment Income | 0 | 0 | 0 | 2,226 | 67,541 | 0 | 0 | 0 | 85,937 | |
| Lease/Rentals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,837 | |
| Sale of Materials and Supplies | 0 | 0 | 19,708 | 0 | 0 | 0 | 0 | 0 | 20,568 | |
| Commissary Sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,457 | |
| Sale of Maps | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 548 | |
| Sale of Recycled Materials | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 114,206 | |
| Retirees' Insurance Payments | 0 | 0 | 4,417 | 0 | 0 | 0 | 0 | 0 | 50,850 | |
| Cobra Insurance Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,912 | |
| Miscellaneous Refunds | 0 | 0 | 11,668 | 0 | 0 | 0 | 0 | 0 | 155,675 | |
| Expenditure Credits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 480 | |
| Nonrecurring Items | | | | | | | | | | |
| Revenue from Joint Ventures | 0 | 0 | 0 | 32,905 | 0 | 0 | 0 | 0 | 32,905 | |
| Sale of Equipment | 0 | 0 | 6,960 | 0 | 0 | 0 | 0 | 0 | 8,646 | |
| Sale of Property | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 37,010 | |
| Damages Recovered from Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,215 | |
| Contributions and Gifts | 50 | 0 | 0 | 0 | 0 | 2,602 | 0 | 0 | 60,258 | |
| Performance Bond Forfeitures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11,785 | |
| Other Local Revenues | | | | | | | | | | |
| Total Other Local Revenues | 50 | 0 | 42,753 | 35,131 | 67,541 | 2,602 | 0 | 0 | 99,291 | |
| Total | 50 | 373 | 42,753 | 35,131 | 67,541 | 2,602 | 0 | 0 | 720,580 | |
| Fees Received from County Officials | | | | | | | | | | |
| Fees in-Lieu-of Salary | | | | | | | | | | |
| County Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 432,405 | |
| Circuit Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 107,991 | |
| General Sessions Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 423,306 | |

(Continued)

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

| | Special Revenue Funds (Cont.) | | | Debt Service Funds | | | Capital Projects Funds | | | Total |
|--|-------------------------------|--------------------------------|------------------------|----------------------|------------------------|--------------------------|--------------------------|-------------|------------------|-------|
| | Other Special Revenue | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | Education Debt Service | General Capital Projects | Highway Capital Projects | | | |
| <u>Fees Received from County Officials (Cont.)</u> | | | | | | | | | | |
| <u>Fees in-Lieu-of Salary (Cont.)</u> | | | | | | | | | | |
| Clerk and Master | \$ 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 251,032 | |
| Register | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 339,890 | |
| Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21,262 | |
| Trustee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 829,825 | |
| Total Fees Received from County Officials | \$ 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 2,405,711 | |
| <u>State of Tennessee</u> | | | | | | | | | | |
| <u>General Government Grants</u> | | | | | | | | | | |
| Juvenile Services Program | \$ 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 10,418 | |
| Aging Programs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,654 | |
| Other General Government Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 | |
| <u>Public Safety Grants</u> | | | | | | | | | | |
| Law Enforcement Training Programs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,600 | |
| Other Public Safety Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,069 | |
| <u>Health and Welfare Grants</u> | | | | | | | | | | |
| Health Department Programs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 366,459 | |
| <u>Public Works Grants</u> | | | | | | | | | | |
| State Aid Program | 0 | 0 | 186,899 | 0 | 0 | 0 | 0 | 0 | 186,899 | |
| Litter Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 48,699 | |
| Tennessee Industrial Infrastructure Program | 0 | 0 | 0 | 0 | 0 | 468,277 | 0 | 0 | 468,277 | |
| Other Public Works Grants | 0 | 0 | 12,175 | 0 | 0 | 0 | 0 | 0 | 12,175 | |
| <u>Other State Revenues</u> | | | | | | | | | | |
| Income Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 941,810 | |
| Beer Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,586 | |
| Alcoholic Beverage Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 62,315 | |
| Mixed Drink Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,018 | |
| Contracted Prisoner Boarding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 174,680 | |
| Gasoline and Motor Fuel Tax | 0 | 0 | 1,572,153 | 0 | 0 | 0 | 0 | 0 | 1,572,153 | |
| Petroleum Special Tax | 0 | 0 | 35,035 | 0 | 0 | 0 | 0 | 0 | 35,035 | |
| Registrar's Salary Supplement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,164 | |
| State Shared Sales Tax - Cities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,651 | |
| Other State Revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22,686 | |
| Total State of Tennessee | \$ 0 \$ | 0 \$ | 1,806,262 \$ | 0 \$ | 0 \$ | 468,277 \$ | 0 \$ | 0 \$ | 3,991,348 | |

(Continued)

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

| | Special Revenue Funds (Cont.) | | | Debt Service Funds | | | Capital Projects Funds | | | Total |
|--|-------------------------------|--------------------------------|------------------------|----------------------|------------------------|--------------------------|--------------------------|---------------|------------|-------|
| | Other Special Revenue | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | Education Debt Service | General Capital Projects | Highway Capital Projects | | | |
| <u>Federal Government</u> | | | | | | | | | | |
| <u>Federal Through State</u> | | | | | | | | | | |
| Civil Defense Reimbursement | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 51,000 | |
| Disaster Relief | 0 | 0 | 51,927 | 0 | 0 | 0 | 0 | 0 | 51,927 | |
| Other Federal through State | 0 | 0 | 0 | 0 | 0 | 20,000 | 0 | 0 | 52,266 | |
| <u>Direct Federal Revenue</u> | | | | | | | | | | |
| Asset Forfeiture Funds | 26,754 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 26,754 | |
| Other Direct Federal Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,803 | |
| Total Federal Government | \$ 26,754 | \$ 0 | \$ 51,927 | \$ 0 | \$ 0 | \$ 20,000 | \$ 0 | \$ 0 | \$ 190,750 | |
| <u>Other Governments and Citizens Groups</u> | | | | | | | | | | |
| <u>Other Governments</u> | | | | | | | | | | |
| Contributions | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 37,177 | |
| Contracted Services | 0 | 0 | 2,289 | 582,794 | 0 | 45,549 | 0 | 0 | 661,632 | |
| <u>Citizens Groups</u> | | | | | | | | | | |
| Donations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13,702 | |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,016 | |
| Total Other Governments and Citizens Groups | \$ 0 | \$ 0 | \$ 2,289 | \$ 582,794 | \$ 0 | \$ 45,549 | \$ 0 | \$ 0 | \$ 729,527 | |
| Total | \$ 26,804 | \$ 373 | \$ 2,489,465 | \$ 1,815,621 | \$ 5,538,298 | \$ 632,427 | \$ 319,630 | \$ 27,471,948 | | |

Exhibit J-6

Loudon County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Loudon County School Department
 For the Year Ended June 30, 2013

| | General Purpose School | Special Revenue Funds | | Capital Projects Fund | Total |
|---|------------------------------|-------------------------------|----------------------|----------------------------------|----------------------|
| | | School Federal Projects | Central Cafeteria | Education Capital Projects | |
| <u>Local Taxes</u> | | | | | |
| <u>County Property Taxes</u> | | | | | |
| Current Property Tax | \$ 10,035,158 | \$ 0 | \$ 0 | \$ 0 | \$ 10,035,158 |
| Trustee's Collections - Prior Year | 161,659 | 0 | 0 | 0 | 161,659 |
| Trustee's Collections - Bankruptcy | 11,128 | 0 | 0 | 0 | 11,128 |
| Circuit/Clerk & Master Collections - Prior Years | 545,179 | 0 | 0 | 0 | 545,179 |
| Interest and Penalty | 38,912 | 0 | 0 | 0 | 38,912 |
| <u>County Local Option Taxes</u> | | | | | |
| Local Option Sales Tax | 3,176,234 | 0 | 0 | 0 | 3,176,234 |
| Adequate Facilities/Development Tax | 0 | 0 | 0 | 373,606 | 373,606 |
| <u>Statutory Local Taxes</u> | | | | | |
| Bank Excise Tax | 2,974 | 0 | 0 | 0 | 2,974 |
| Interstate Telecommunications Tax | 4,659 | 0 | 0 | 0 | 4,659 |
| Total Local Taxes | \$ 13,975,903 | \$ 0 | \$ 0 | \$ 373,606 | \$ 14,349,509 |
| <u>Licenses and Permits</u> | | | | | |
| <u>Licenses</u> | | | | | |
| Marriage Licenses | \$ 1,420 | \$ 0 | \$ 0 | \$ 0 | \$ 1,420 |
| Total Licenses and Permits | \$ 1,420 | \$ 0 | \$ 0 | \$ 0 | \$ 1,420 |
| <u>Charges for Current Services</u> | | | | | |
| <u>Education Charges</u> | | | | | |
| Lunch Payments - Children | \$ 0 | \$ 0 | \$ 402,409 | \$ 0 | \$ 402,409 |
| Lunch Payments - Adults | 0 | 0 | 60,120 | 0 | 60,120 |
| Income from Breakfast | 0 | 0 | 129,688 | 0 | 129,688 |
| A la carte Sales | 0 | 0 | 27,221 | 0 | 27,221 |
| Contract for Instructional Services with Other LEAs | 400 | 0 | 0 | 0 | 400 |
| Receipts from Individual Schools | 5,189 | 0 | 678 | 0 | 5,867 |
| Total Charges for Current Services | \$ 5,589 | \$ 0 | \$ 620,116 | \$ 0 | \$ 625,705 |
| <u>Other Local Revenues</u> | | | | | |
| <u>Recurring Items</u> | | | | | |
| Investment Income | \$ 7,032 | \$ 0 | \$ 1,027 | \$ 0 | \$ 8,059 |
| Sale of Recycled Materials | 138 | 0 | 0 | 0 | 138 |
| Retirees' Insurance Payments | 48,844 | 0 | 0 | 0 | 48,844 |
| Miscellaneous Refunds | 1,150 | 0 | 24,552 | 0 | 25,702 |
| <u>Nonrecurring Items</u> | | | | | |
| Sale of Equipment | 0 | 0 | 2,013 | 0 | 2,013 |
| Contributions and Gifts | 500 | 0 | 0 | 0 | 500 |
| Total Other Local Revenues | \$ 57,664 | \$ 0 | \$ 27,592 | \$ 0 | \$ 85,256 |
| <u>State of Tennessee</u> | | | | | |
| <u>General Government Grants</u> | | | | | |
| On-Behalf Contributions for OPEB | \$ 141,766 | \$ 0 | \$ 0 | \$ 0 | \$ 141,766 |
| <u>State Education Funds</u> | | | | | |
| Basic Education Program | 19,368,000 | 0 | 0 | 0 | 19,368,000 |
| Early Childhood Education | 791,924 | 0 | 0 | 0 | 791,924 |
| School Food Service | 0 | 0 | 26,094 | 0 | 26,094 |
| Other State Education Funds | 228,775 | 0 | 0 | 0 | 228,775 |
| Career Ladder Program | 138,793 | 0 | 0 | 0 | 138,793 |
| Career Ladder - Extended Contract | 75,000 | 0 | 0 | 0 | 75,000 |
| <u>Other State Revenues</u> | | | | | |
| Mixed Drink Tax | 6,056 | 0 | 0 | 0 | 6,056 |
| State Revenue Sharing - T.V.A. | 1,147,720 | 0 | 0 | 0 | 1,147,720 |
| Other State Grants | 2,000 | 0 | 0 | 0 | 2,000 |
| Other State Revenues | 1,900 | 0 | 0 | 0 | 1,900 |
| Total State of Tennessee | \$ 21,901,934 | \$ 0 | \$ 26,094 | \$ 0 | \$ 21,928,028 |

(Continued)

Exhibit J-6

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

| | General Purpose School | Special Revenue Funds | | Capital Projects Fund | Total |
|--|------------------------------|-------------------------------|----------------------|----------------------------------|---------------|
| | | School Federal Projects | Central Cafeteria | Education Capital Projects | |
| <u>Federal Government</u> | | | | | |
| <u>Federal Through State</u> | | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 1,108,945 | \$ 0 | \$ 1,108,945 |
| Breakfast | 0 | 0 | 379,900 | 0 | 379,900 |
| USDA - Other | 0 | 0 | 43,166 | 0 | 43,166 |
| Vocational Education - Basic Grants to States | 0 | 161,502 | 0 | 0 | 161,502 |
| Title I Grants to Local Education Agencies | 0 | 981,396 | 0 | 0 | 981,396 |
| Special Education - Grants to States | 80,527 | 981,537 | 0 | 0 | 1,062,064 |
| Special Education Preschool Grants | 0 | 13,419 | 0 | 0 | 13,419 |
| English Language Acquisition Grants | 0 | 18,743 | 0 | 0 | 18,743 |
| Eisenhower Professional Development State Grants | 0 | 118,099 | 0 | 0 | 118,099 |
| Race-to-the-Top - ARRA | 0 | 72,954 | 0 | 0 | 72,954 |
| Other Federal through State | 0 | 0 | 154,958 | 0 | 154,958 |
| <u>Direct Federal Revenue</u> | | | | | |
| ROTC Reimbursement | 66,861 | 0 | 0 | 0 | 66,861 |
| Total Federal Government | \$ 147,388 | \$ 2,347,650 | \$ 1,686,969 | \$ 0 | \$ 4,182,007 |
| <u>Other Governments and Citizens Groups</u> | | | | | |
| <u>Other Governments</u> | | | | | |
| Contributions | \$ 0 | \$ 0 | \$ 0 | \$ 42,467,443 | \$ 42,467,443 |
| <u>Citizens Groups</u> | | | | | |
| Donations | 4,898 | 0 | 0 | 0 | 4,898 |
| Total Other Governments and Citizens Groups | \$ 4,898 | \$ 0 | \$ 0 | \$ 42,467,443 | \$ 42,472,341 |
| Total | \$ 36,094,796 | \$ 2,347,650 | \$ 2,360,771 | \$ 42,841,049 | \$ 83,644,266 |

Exhibit J-7

Loudon County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2013

General Fund

General Government

County Commission

| | | | |
|----------------------------------|----|--------|------------|
| Bonus Payments | \$ | 73 | |
| Board and Committee Members Fees | | 77,534 | |
| Social Security | | 4,562 | |
| State Retirement | | 3,154 | |
| Life Insurance | | 450 | |
| Medical Insurance | | 9,502 | |
| Dental Insurance | | 3,516 | |
| Employer Medicare | | 1,067 | |
| Consultants | | 69,275 | |
| Dues and Memberships | | 11,908 | |
| Travel | | 2,731 | |
| Office Supplies | | 434 | |
| Other Supplies and Materials | | 1,372 | |
| Workers' Compensation Insurance | | 6,479 | |
| Total County Commission | | | \$ 192,057 |

Board of Equalization

| | | | |
|----------------------------------|----|-----|-----|
| Board and Committee Members Fees | \$ | 520 | |
| Total Board of Equalization | | | 520 |

Beer Board

| | | | |
|------------------|----|-------|-------|
| Legal Services | \$ | 3,700 | |
| Travel | | 324 | |
| Total Beer Board | | | 4,024 |

Other Boards and Committees

| | | | |
|-----------------------------------|----|-------|-------|
| Board and Committee Members Fees | \$ | 5,100 | |
| Total Other Boards and Committees | | | 5,100 |

County Mayor/Executive

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 80,210 | |
| Secretary(ies) | | 37,419 | |
| Temporary Personnel | | 940 | |
| Bonus Payments | | 146 | |
| Social Security | | 7,093 | |
| State Retirement | | 11,436 | |
| Life Insurance | | 541 | |
| Medical Insurance | | 12,981 | |
| Dental Insurance | | 1,086 | |
| Employer Medicare | | 1,659 | |
| Communication | | 2,690 | |
| Dues and Memberships | | 2,586 | |
| Postal Charges | | 86 | |
| Printing, Stationery, and Forms | | 312 | |
| Travel | | 2,769 | |
| Office Supplies | | 1,138 | |
| Premiums on Corporate Surety Bonds | | 187 | |
| Workers' Compensation Insurance | | 1,620 | |
| In Service/Staff Development | | 367 | |
| Office Equipment | | 1,209 | |
| Total County Mayor/Executive | | | 166,475 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Personnel Office

| | | | |
|---------------------------------|----|--------|-----------|
| Supervisor/Director | \$ | 4,105 | |
| Clerical Personnel | | 36,989 | |
| Bonus Payments | | 73 | |
| Social Security | | 2,523 | |
| State Retirement | | 3,995 | |
| Life Insurance | | 186 | |
| Dental Insurance | | 810 | |
| Employer Medicare | | 590 | |
| Dues and Memberships | | 60 | |
| Medical and Dental Services | | 3,921 | |
| Postal Charges | | 101 | |
| Travel | | 456 | |
| Office Supplies | | 509 | |
| Other Supplies and Materials | | 1,887 | |
| Workers' Compensation Insurance | | 810 | |
| In Service/Staff Development | | 160 | |
| Furniture and Fixtures | | 1,114 | |
| Total Personnel Office | | | \$ 58,289 |

County Attorney

| | | | |
|---------------------------|----|---------|---------|
| Other Contracted Services | \$ | 112,877 | |
| Total County Attorney | | | 112,877 |

Election Commission

| | | |
|---|----|--------|
| County Official/Administrative Officer | \$ | 58,480 |
| Secretary(ies) | | 36,566 |
| Temporary Personnel | | 9,515 |
| Overtime Pay | | 2,516 |
| Bonus Payments | | 146 |
| Election Commission | | 12,000 |
| Election Workers | | 66,519 |
| Social Security | | 9,619 |
| State Retirement | | 9,355 |
| Life Insurance | | 464 |
| Medical Insurance | | 16,777 |
| Dental Insurance | | 1,410 |
| Employer Medicare | | 2,249 |
| Communication | | 2,994 |
| Dues and Memberships | | 225 |
| Operating Lease Payments | | 2,870 |
| Legal Services | | 5,000 |
| Licenses | | 3,015 |
| Maintenance and Repair Services - Equipment | | 136 |
| Postal Charges | | 8,407 |
| Printing, Stationery, and Forms | | 3,990 |
| Travel | | 7,429 |
| Other Contracted Services | | 19,143 |
| Office Supplies | | 5,986 |
| Workers' Compensation Insurance | | 1,620 |
| In Service/Staff Development | | 300 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

| | | | |
|---------------------------|----|-------|------------|
| Furniture and Fixtures | \$ | 2,313 | |
| Office Equipment | | 8,134 | |
| Total Election Commission | | | \$ 297,178 |

Register of Deeds

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 64,977 | |
| Clerical Personnel | | 97,156 | |
| Bonus Payments | | 291 | |
| Social Security | | 9,549 | |
| State Retirement | | 15,549 | |
| Life Insurance | | 935 | |
| Medical Insurance | | 44,371 | |
| Dental Insurance | | 2,755 | |
| Employer Medicare | | 2,233 | |
| Communication | | 1,010 | |
| Dues and Memberships | | 657 | |
| Operating Lease Payments | | 2,512 | |
| Postal Charges | | 1,368 | |
| Travel | | 897 | |
| Other Contracted Services | | 17,401 | |
| Office Supplies | | 1,332 | |
| Workers' Compensation Insurance | | 3,240 | |
| Total Register of Deeds | | | 266,233 |

Planning

| | | | |
|--|----|---------|---------|
| Assistant(s) | \$ | 113,330 | |
| Supervisor/Director | | 64,555 | |
| Secretary(ies) | | 31,470 | |
| Bonus Payments | | 364 | |
| Social Security | | 12,475 | |
| State Retirement | | 20,362 | |
| Life Insurance | | 1,131 | |
| Medical Insurance | | 46,761 | |
| Dental Insurance | | 3,236 | |
| Employer Medicare | | 2,918 | |
| Communication | | 2,683 | |
| Dues and Memberships | | 650 | |
| Operating Lease Payments | | 2,731 | |
| Maintenance and Repair Services - Vehicles | | 684 | |
| Postal Charges | | 1,672 | |
| Printing, Stationery, and Forms | | 406 | |
| Travel | | 497 | |
| Other Contracted Services | | 14,110 | |
| Gasoline | | 6,997 | |
| Office Supplies | | 2,206 | |
| Tires and Tubes | | 18 | |
| Workers' Compensation Insurance | | 3,240 | |
| In Service/Staff Development | | 325 | |
| Total Planning | | | 332,821 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Geographical Information Systems

| | | | |
|--|----|--------|-----------|
| Supervisor/Director | \$ | 37,627 | |
| Bonus Payments | | 73 | |
| Social Security | | 2,201 | |
| State Retirement | | 3,660 | |
| Life Insurance | | 186 | |
| Medical Insurance | | 8,232 | |
| Dental Insurance | | 810 | |
| Employer Medicare | | 515 | |
| Other Contracted Services | | 3,000 | |
| Office Supplies | | 1,102 | |
| Workers' Compensation Insurance | | 810 | |
| Total Geographical Information Systems | | | \$ 58,216 |

County Buildings

| | | | |
|---|----|---------|-----------|
| Supervisor/Director | \$ | 42,380 | |
| Laborers | | 310,120 | |
| Overtime Pay | | 3,967 | |
| Bonus Payments | | 728 | |
| Social Security | | 20,667 | |
| State Retirement | | 34,668 | |
| Life Insurance | | 2,376 | |
| Medical Insurance | | 125,101 | |
| Dental Insurance | | 6,805 | |
| Employer Medicare | | 4,833 | |
| Communication | | 23,283 | |
| Operating Lease Payments | | 2,460 | |
| Maintenance and Repair Services - Buildings | | 78,698 | |
| Maintenance and Repair Services - Vehicles | | 6,843 | |
| Pest Control | | 5,480 | |
| Printing, Stationery, and Forms | | 141 | |
| Other Contracted Services | | 161,754 | |
| Custodial Supplies | | 6,806 | |
| Duplicating Supplies | | 9,913 | |
| Gasoline | | 16,825 | |
| Office Supplies | | 1,054 | |
| Tires and Tubes | | 1,470 | |
| Uniforms | | 5,313 | |
| Utilities | | 264,913 | |
| Other Supplies and Materials | | 160 | |
| Workers' Compensation Insurance | | 8,099 | |
| In Service/Staff Development | | 42 | |
| Maintenance Equipment | | 4,916 | |
| Office Equipment | | 1,368 | |
| Total County Buildings | | | 1,151,183 |

Other General Administration

| | | | |
|---|----|---------|---------|
| Advertising | \$ | 3,413 | |
| Legal Notices, Recording, and Court Costs | | 5,565 | |
| Other Supplies and Materials | | 3,091 | |
| Building and Contents Insurance | | 243,266 | |
| Total Other General Administration | | | 255,335 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance

Accounting and Budgeting

| | | | |
|------------------------------------|----|---------|------------|
| Assistant(s) | \$ | 45,000 | |
| Supervisor/Director | | 64,977 | |
| Accountants/Bookkeepers | | 198,591 | |
| Salary Supplements | | 3,953 | |
| Part-time Personnel | | 1,502 | |
| Overtime Pay | | 3,164 | |
| Bonus Payments | | 583 | |
| Other Salaries and Wages | | 570 | |
| Social Security | | 18,975 | |
| State Retirement | | 30,635 | |
| Life Insurance | | 1,771 | |
| Medical Insurance | | 67,869 | |
| Dental Insurance | | 4,619 | |
| Unemployment Compensation | | 1,100 | |
| Employer Medicare | | 4,438 | |
| Audit Services | | 14,567 | |
| Communication | | 2,117 | |
| Operating Lease Payments | | 3,078 | |
| Postal Charges | | 3,790 | |
| Printing, Stationery, and Forms | | 3,976 | |
| Travel | | 1,741 | |
| Other Contracted Services | | 8,579 | |
| Office Supplies | | 10,960 | |
| Premiums on Corporate Surety Bonds | | 117 | |
| Workers' Compensation Insurance | | 6,479 | |
| In Service/Staff Development | | 4,471 | |
| Furniture and Fixtures | | 401 | |
| Office Equipment | | 17,740 | |
| Total Accounting and Budgeting | | | \$ 525,763 |

Purchasing

| | | |
|---------------------------------|----|--------|
| Assistant(s) | \$ | 5,761 |
| Supervisor/Director | | 64,977 |
| Purchasing Personnel | | 72,592 |
| Part-time Personnel | | 7,400 |
| Overtime Pay | | 993 |
| Bonus Payments | | 219 |
| Social Security | | 8,751 |
| State Retirement | | 13,429 |
| Life Insurance | | 528 |
| Medical Insurance | | 18,762 |
| Dental Insurance | | 1,385 |
| Employer Medicare | | 2,138 |
| Communication | | 2,137 |
| Dues and Memberships | | 605 |
| Operating Lease Payments | | 1,767 |
| Postal Charges | | 294 |
| Printing, Stationery, and Forms | | 765 |
| Travel | | 1,592 |
| Other Contracted Services | | 279 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

| | | | |
|------------------------------------|----|-------|------------|
| Office Supplies | \$ | 1,917 | |
| Premiums on Corporate Surety Bonds | | 175 | |
| Workers' Compensation Insurance | | 2,430 | |
| In Service/Staff Development | | 986 | |
| Furniture and Fixtures | | 296 | |
| Office Equipment | | 2,221 | |
| Total Purchasing | | | \$ 212,399 |

Property Assessor's Office

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 64,977 | |
| Secretary(ies) | | 134,474 | |
| Temporary Personnel | | 8,516 | |
| Bonus Payments | | 291 | |
| Social Security | | 12,264 | |
| State Retirement | | 19,397 | |
| Life Insurance | | 1,139 | |
| Medical Insurance | | 37,763 | |
| Dental Insurance | | 3,586 | |
| Employer Medicare | | 2,868 | |
| Communication | | 1,589 | |
| Data Processing Services | | 8,107 | |
| Dues and Memberships | | 3,045 | |
| Operating Lease Payments | | 1,723 | |
| Maintenance Agreements | | 12,987 | |
| Maintenance and Repair Services - Vehicles | | 103 | |
| Postal Charges | | 13,172 | |
| Printing, Stationery, and Forms | | 1,760 | |
| Rentals | | 49 | |
| Travel | | 2,147 | |
| Other Contracted Services | | 25,385 | |
| Gasoline | | 1,260 | |
| Office Supplies | | 1,200 | |
| Tires and Tubes | | 508 | |
| Premiums on Corporate Surety Bonds | | 175 | |
| Workers' Compensation Insurance | | 4,049 | |
| In Service/Staff Development | | 770 | |
| Furniture and Fixtures | | 159 | |
| Office Equipment | | 2,915 | |
| Total Property Assessor's Office | | | 366,378 |

County Trustee's Office

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 64,977 | |
| Clerical Personnel | | 105,780 | |
| Temporary Personnel | | 9,443 | |
| Overtime Pay | | 18 | |
| Bonus Payments | | 219 | |
| Social Security | | 10,626 | |
| State Retirement | | 16,505 | |
| Life Insurance | | 814 | |
| Medical Insurance | | 39,220 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

| | | | |
|------------------------------------|----|--------|------------|
| Dental Insurance | \$ | 3,270 | |
| Employer Medicare | | 2,485 | |
| Communication | | 1,031 | |
| Dues and Memberships | | 532 | |
| Operating Lease Payments | | 1,575 | |
| Maintenance Agreements | | 6,397 | |
| Postal Charges | | 13,840 | |
| Printing, Stationery, and Forms | | 2,022 | |
| Other Contracted Services | | 14,798 | |
| Office Supplies | | 2,228 | |
| Premiums on Corporate Surety Bonds | | 8,538 | |
| Workers' Compensation Insurance | | 3,240 | |
| Office Equipment | | 1,030 | |
| Total County Trustee's Office | | | \$ 308,588 |

County Clerk's Office

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 64,977 | |
| Clerical Personnel | | 188,424 | |
| Temporary Personnel | | 7,145 | |
| Part-time Personnel | | 26,686 | |
| Bonus Payments | | 583 | |
| Social Security | | 16,373 | |
| State Retirement | | 24,646 | |
| Life Insurance | | 1,999 | |
| Medical Insurance | | 80,738 | |
| Dental Insurance | | 6,042 | |
| Employer Medicare | | 3,938 | |
| Communication | | 2,008 | |
| Dues and Memberships | | 672 | |
| Operating Lease Payments | | 2,705 | |
| Postal Charges | | 13,451 | |
| Travel | | 736 | |
| Other Contracted Services | | 16,540 | |
| Office Supplies | | 6,927 | |
| Premiums on Corporate Surety Bonds | | 266 | |
| Workers' Compensation Insurance | | 6,479 | |
| Furniture and Fixtures | | 1,549 | |
| Office Equipment | | 448 | |
| Total County Clerk's Office | | | 473,332 |

Data Processing

| | | | |
|------------------------|----|--------|--|
| Computer Programmer(s) | \$ | 45,011 | |
| Part-time Personnel | | 14,226 | |
| Overtime Pay | | 552 | |
| Bonus Payments | | 73 | |
| Social Security | | 3,523 | |
| State Retirement | | 4,432 | |
| Life Insurance | | 186 | |
| Medical Insurance | | 9,502 | |
| Dental Insurance | | 810 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| Employer Medicare | \$ | 824 | |
| Communication | | 7,994 | |
| Travel | | 696 | |
| Other Contracted Services | | 7,208 | |
| Office Supplies | | 397 | |
| Workers' Compensation Insurance | | 810 | |
| Data Processing Equipment | | 13,457 | |
| Office Equipment | | 997 | |
| Total Data Processing | | | \$ 110,698 |

Administration of Justice

Circuit Court

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 64,977 | |
| Clerical Personnel | | 122,387 | |
| Overtime Pay | | 4,143 | |
| Bonus Payments | | 364 | |
| Social Security | | 11,279 | |
| State Retirement | | 18,624 | |
| Life Insurance | | 1,121 | |
| Medical Insurance | | 47,689 | |
| Dental Insurance | | 3,565 | |
| Employer Medicare | | 2,638 | |
| Communication | | 1,098 | |
| Dues and Memberships | | 672 | |
| Operating Lease Payments | | 3,371 | |
| Postal Charges | | 2,510 | |
| Printing, Stationery, and Forms | | 1,635 | |
| Travel | | 1,718 | |
| Other Contracted Services | | 8,527 | |
| Office Supplies | | 3,413 | |
| Premiums on Corporate Surety Bonds | | 175 | |
| Workers' Compensation Insurance | | 4,049 | |
| In Service/Staff Development | | 677 | |
| Total Circuit Court | | | 304,632 |

Criminal Court

| | | | |
|------------------------|----|--------|--------|
| Evaluation and Testing | \$ | 10,650 | |
| Total Criminal Court | | | 10,650 |

General Sessions Court

| | | | |
|--------------------------|----|---------|--|
| Clerical Personnel | \$ | 268,173 | |
| Temporary Personnel | | 14,193 | |
| Part-time Personnel | | 19,741 | |
| Overtime Pay | | 7,755 | |
| Bonus Payments | | 583 | |
| Other Salaries and Wages | | 31,400 | |
| Social Security | | 20,339 | |
| State Retirement | | 29,839 | |
| Life Insurance | | 1,914 | |
| Medical Insurance | | 52,608 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| Dental Insurance | \$ | 5,030 | |
| Unemployment Compensation | | 2,869 | |
| Employer Medicare | | 4,757 | |
| Communication | | 3,139 | |
| Dues and Memberships | | 280 | |
| Operating Lease Payments | | 6,482 | |
| Maintenance Agreements | | 860 | |
| Postal Charges | | 5,593 | |
| Printing, Stationery, and Forms | | 5,962 | |
| Travel | | 2,181 | |
| Other Contracted Services | | 16,644 | |
| Office Supplies | | 5,662 | |
| Workers' Compensation Insurance | | 8,099 | |
| In Service/Staff Development | | 862 | |
| Data Processing Equipment | | 17,981 | |
| Office Equipment | | 578 | |
| Total General Sessions Court | | | \$ 533,524 |

General Sessions Judge

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 145,404 | |
| Clerical Personnel | | 47,611 | |
| Bonus Payments | | 73 | |
| Social Security | | 9,761 | |
| State Retirement | | 18,765 | |
| Life Insurance | | 487 | |
| Medical Insurance | | 15,698 | |
| Dental Insurance | | 1,763 | |
| Employer Medicare | | 2,762 | |
| Communication | | 350 | |
| Dues and Memberships | | 290 | |
| Evaluation and Testing | | 14,250 | |
| Travel | | 1,668 | |
| Office Supplies | | 1,228 | |
| Uniforms | | 476 | |
| Workers' Compensation Insurance | | 1,620 | |
| In Service/Staff Development | | 550 | |
| Total General Sessions Judge | | | 262,756 |

Chancery Court

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 64,977 | |
| Clerical Personnel | | 64,334 | |
| Temporary Personnel | | 9,680 | |
| Bonus Payments | | 291 | |
| Social Security | | 8,399 | |
| State Retirement | | 12,574 | |
| Life Insurance | | 557 | |
| Medical Insurance | | 45,273 | |
| Dental Insurance | | 3,708 | |
| Employer Medicare | | 1,964 | |
| Communication | | 1,077 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

| | | | |
|------------------------------------|----|--------|------------|
| Dues and Memberships | \$ | 672 | |
| Operating Lease Payments | | 1,264 | |
| Maintenance Agreements | | 1,844 | |
| Postal Charges | | 10,000 | |
| Printing, Stationery, and Forms | | 966 | |
| Travel | | 1,936 | |
| Office Supplies | | 1,166 | |
| Premiums on Corporate Surety Bonds | | 219 | |
| Workers' Compensation Insurance | | 2,430 | |
| In Service/Staff Development | | 225 | |
| Office Equipment | | 1,204 | |
| Total Chancery Court | | | \$ 234,760 |

Juvenile Court

| | | | |
|--|----|---------|---------|
| Supervisor/Director | \$ | 63,085 | |
| Social Workers | | 140,361 | |
| Part-time Personnel | | 8,613 | |
| Overtime Pay | | 3,642 | |
| Bonus Payments | | 291 | |
| Social Security | | 13,160 | |
| State Retirement | | 19,939 | |
| Life Insurance | | 906 | |
| Medical Insurance | | 23,116 | |
| Dental Insurance | | 2,172 | |
| Employer Medicare | | 3,074 | |
| Communication | | 5,107 | |
| Dues and Memberships | | 35 | |
| Operating Lease Payments | | 1,177 | |
| Maintenance and Repair Services - Vehicles | | 1,136 | |
| Postal Charges | | 184 | |
| Travel | | 2,659 | |
| Other Contracted Services | | 11,835 | |
| Gasoline | | 3,686 | |
| Office Supplies | | 2,099 | |
| Tires and Tubes | | 460 | |
| Other Supplies and Materials | | 1,271 | |
| Workers' Compensation Insurance | | 4,049 | |
| In Service/Staff Development | | 2,150 | |
| Motor Vehicles | | 21,495 | |
| Other Equipment | | 398 | |
| Total Juvenile Court | | | 336,100 |

Other Administration of Justice

| | | | |
|---------------------------------------|----|-------|-------|
| Jury and Witness Expense | \$ | 9,172 | |
| Other Contracted Services | | 431 | |
| Total Other Administration of Justice | | | 9,603 |

Courtroom Security

| | | | |
|--------------------------|----|-------|-------|
| Office Equipment | \$ | 1,267 | |
| Total Courtroom Security | | | 1,267 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

| | | | |
|---|----|-----------|--------------|
| County Official/Administrative Officer | \$ | 76,390 | |
| Assistant(s) | | 109,545 | |
| Deputy(ies) | | 1,063,629 | |
| Investigator(s) | | 179,048 | |
| Captain(s) | | 48,747 | |
| Sergeant(s) | | 129,383 | |
| Computer Programmer(s) | | 42,597 | |
| Salary Supplements | | 24,600 | |
| Secretary(ies) | | 30,285 | |
| Clerical Personnel | | 86,500 | |
| Custodial Personnel | | 25,147 | |
| Part-time Personnel | | 57,241 | |
| School Resource Officer | | 204,462 | |
| Overtime Pay | | 127,567 | |
| Bonus Payments | | 3,205 | |
| Social Security | | 131,032 | |
| State Retirement | | 274,156 | |
| Life Insurance | | 10,774 | |
| Medical Insurance | | 527,517 | |
| Dental Insurance | | 36,798 | |
| Employer Medicare | | 30,717 | |
| Communication | | 12,017 | |
| Dues and Memberships | | 2,103 | |
| Operating Lease Payments | | 1,748 | |
| Maintenance Agreements | | 8,168 | |
| Maintenance and Repair Services - Equipment | | 130 | |
| Maintenance and Repair Services - Vehicles | | 92,102 | |
| Medical and Dental Services | | 1,521 | |
| Postal Charges | | 3,051 | |
| Printing, Stationery, and Forms | | 4,827 | |
| Towing Services | | 1,349 | |
| Travel | | 8,963 | |
| Other Contracted Services | | 9,949 | |
| Food Supplies | | 309 | |
| Gasoline | | 257,540 | |
| Office Supplies | | 7,315 | |
| Tires and Tubes | | 25,059 | |
| Uniforms | | 16,854 | |
| Other Supplies and Materials | | 5,380 | |
| Workers' Compensation Insurance | | 39,685 | |
| In Service/Staff Development | | 8,717 | |
| Communication Equipment | | 417 | |
| Law Enforcement Equipment | | 5,000 | |
| Office Equipment | | 19,197 | |
| Total Sheriff's Department | | | \$ 3,750,741 |

Special Patrols

| | | | |
|---------------------------|----|--------|--------|
| Communication | \$ | 755 | |
| Law Enforcement Supplies | | 1,250 | |
| Law Enforcement Equipment | | 13,484 | |
| Total Special Patrols | | | 15,489 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Traffic Control

| | | | |
|-----------------------|----|-----|--------|
| Utilities | \$ | 828 | |
| Total Traffic Control | | | \$ 828 |

Administration of the Sexual Offender Registry

| | | | |
|--|----|-----|-----|
| Other Supplies and Materials | \$ | 189 | |
| Office Equipment | | 640 | |
| Total Administration of the Sexual Offender Registry | | | 829 |

Jail

| | | | |
|---|----|---------|-----------|
| Lieutenant(s) | \$ | 46,134 | |
| Guards | | 609,336 | |
| Cafeteria Personnel | | 58,302 | |
| Overtime Pay | | 62,114 | |
| Bonus Payments | | 1,384 | |
| Social Security | | 46,657 | |
| State Retirement | | 75,190 | |
| Life Insurance | | 3,740 | |
| Medical Insurance | | 169,168 | |
| Dental Insurance | | 10,583 | |
| Employer Medicare | | 10,912 | |
| Operating Lease Payments | | 2,476 | |
| Legal Services | | 55,000 | |
| Maintenance and Repair Services - Equipment | | 1,083 | |
| Medical and Dental Services | | 246,290 | |
| Postal Charges | | 90 | |
| Travel | | 3,992 | |
| Other Contracted Services | | 852 | |
| Custodial Supplies | | 11,953 | |
| Drugs and Medical Supplies | | 20,237 | |
| Food Preparation Supplies | | 1,427 | |
| Food Supplies | | 177,895 | |
| Office Supplies | | 4,575 | |
| Uniforms | | 4,634 | |
| Chemicals | | 478 | |
| Other Supplies and Materials | | 18,389 | |
| Workers' Compensation Insurance | | 16,198 | |
| Furniture and Fixtures | | 1,035 | |
| Total Jail | | | 1,660,124 |

Juvenile Services

| | | | |
|------------------------------|----|--------|--------|
| Other Salaries and Wages | \$ | 17,862 | |
| Other Per Diem and Fees | | 1,529 | |
| Social Security | | 1,076 | |
| State Retirement | | 1,700 | |
| Employer Medicare | | 255 | |
| Other Supplies and Materials | | 139 | |
| Total Juvenile Services | | | 22,561 |

Rural Fire Protection

| | | | |
|-----------------------------|----|---------|---------|
| Contributions | \$ | 180,000 | |
| Total Rural Fire Protection | | | 180,000 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

| | | | |
|---|----|--------|------------|
| Supervisor/Director | \$ | 50,000 | |
| Secretary(ies) | | 30,014 | |
| Bonus Payments | | 73 | |
| Social Security | | 4,908 | |
| State Retirement | | 7,779 | |
| Life Insurance | | 348 | |
| Medical Insurance | | 4,749 | |
| Dental Insurance | | 1,086 | |
| Employer Medicare | | 1,148 | |
| Communication | | 3,076 | |
| Dues and Memberships | | 100 | |
| Maintenance Agreements | | 1,100 | |
| Maintenance and Repair Services - Equipment | | 172 | |
| Maintenance and Repair Services - Vehicles | | 1,638 | |
| Postal Charges | | 82 | |
| Printing, Stationery, and Forms | | 419 | |
| Travel | | 614 | |
| Other Contracted Services | | 3,444 | |
| Gasoline | | 8,737 | |
| Natural Gas | | 650 | |
| Office Supplies | | 2,893 | |
| Tires and Tubes | | 63 | |
| Uniforms | | 2,132 | |
| Other Supplies and Materials | | 1,739 | |
| Workers' Compensation Insurance | | 1,620 | |
| In Service/Staff Development | | 260 | |
| Furniture and Fixtures | | 7,081 | |
| Office Equipment | | 8,465 | |
| Total Civil Defense | | | \$ 144,390 |

Other Emergency Management

| | | | |
|----------------------------------|----|-------|--------|
| Office Supplies | \$ | 1,697 | |
| Vehicle Parts | | 3,027 | |
| Communication Equipment | | 4,236 | |
| Data Processing Equipment | | 860 | |
| Furniture and Fixtures | | 567 | |
| Office Equipment | | 5,407 | |
| Total Other Emergency Management | | | 15,794 |

County Coroner/Medical Examiner

| | | | |
|---------------------------------------|----|--------|--------|
| Medical Personnel | \$ | 9,000 | |
| Other Contracted Services | | 34,500 | |
| Total County Coroner/Medical Examiner | | | 43,500 |

Other Public Safety

| | | | |
|---------------------------|----|---------|---------|
| Bonus Payments | \$ | 73 | |
| Medical Insurance | | 5,587 | |
| Contributions | | 545,500 | |
| Total Other Public Safety | | | 551,160 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

| | | | |
|---------------------------------|----|--------|------------|
| Assistant(s) | \$ | 22,054 | |
| Bonus Payments | | 73 | |
| Social Security | | 1,193 | |
| State Retirement | | 2,145 | |
| Life Insurance | | 186 | |
| Medical Insurance | | 12,662 | |
| Dental Insurance | | 810 | |
| Employer Medicare | | 279 | |
| Communication | | 3,770 | |
| Contributions | | 3,797 | |
| Dues and Memberships | | 200 | |
| Operating Lease Payments | | 1,368 | |
| Postal Charges | | 1,231 | |
| Printing, Stationery, and Forms | | 3,853 | |
| Travel | | 1,052 | |
| Other Contracted Services | | 5,886 | |
| Drugs and Medical Supplies | | 50,277 | |
| Office Supplies | | 5,035 | |
| Other Supplies and Materials | | 48 | |
| Workers' Compensation Insurance | | 810 | |
| In Service/Staff Development | | 598 | |
| Office Equipment | | 1,010 | |
| Total Local Health Center | | | \$ 118,337 |

Rabies and Animal Control

| | | |
|--|----|---------|
| Supervisor/Director | \$ | 34,931 |
| Part-time Personnel | | 17,382 |
| Overtime Pay | | 9,223 |
| Bonus Payments | | 291 |
| Other Salaries and Wages | | 103,893 |
| Social Security | | 9,549 |
| State Retirement | | 14,321 |
| Life Insurance | | 986 |
| Medical Insurance | | 47,990 |
| Dental Insurance | | 2,934 |
| Unemployment Compensation | | 1,131 |
| Employer Medicare | | 2,233 |
| Communication | | 2,748 |
| Operating Lease Payments | | 410 |
| Licenses | | 322 |
| Maintenance and Repair Services - Vehicles | | 365 |
| Postal Charges | | 62 |
| Printing, Stationery, and Forms | | 797 |
| Travel | | 1,185 |
| Veterinary Services | | 20,271 |
| Other Contracted Services | | 248 |
| Animal Food and Supplies | | 15,359 |
| Custodial Supplies | | 2,503 |
| Gasoline | | 6,388 |
| Office Supplies | | 1,596 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

| | | | |
|---------------------------------|----|-------|------------|
| Tires and Tubes | \$ | 520 | |
| Uniforms | | 1,486 | |
| Utilities | | 7,659 | |
| Other Supplies and Materials | | 1,272 | |
| Workers' Compensation Insurance | | 3,240 | |
| In Service/Staff Development | | 590 | |
| Office Equipment | | 653 | |
| Total Rabies and Animal Control | | | \$ 312,538 |

Other Local Health Services

| | | | |
|-----------------------------------|----|---------|---------|
| Bonus Payments | \$ | 437 | |
| Other Salaries and Wages | | 193,661 | |
| Social Security | | 11,431 | |
| State Retirement | | 16,298 | |
| Life Insurance | | 1,252 | |
| Medical Insurance | | 83,380 | |
| Dental Insurance | | 4,933 | |
| Employer Medicare | | 2,673 | |
| Travel | | 9,479 | |
| Workers' Compensation Insurance | | 5,669 | |
| Total Other Local Health Services | | | 329,213 |

Social, Cultural, and Recreational Services

Adult Activities

| | | | |
|------------------------|----|-------|-------|
| Contributions | \$ | 2,500 | |
| Total Adult Activities | | | 2,500 |

Senior Citizens Assistance

| | | | |
|--|----|--------|--|
| Assistant(s) | \$ | 38,057 | |
| Secretary(ies) | | 28,891 | |
| Part-time Personnel | | 13,104 | |
| Bonus Payments | | 219 | |
| Other Salaries and Wages | | 48,006 | |
| Social Security | | 7,579 | |
| State Retirement | | 11,179 | |
| Life Insurance | | 836 | |
| Medical Insurance | | 17,284 | |
| Dental Insurance | | 3,030 | |
| Employer Medicare | | 1,773 | |
| Communication | | 1,871 | |
| Operating Lease Payments | | 1,508 | |
| Licenses | | 1,400 | |
| Maintenance and Repair Services - Vehicles | | 1,597 | |
| Postal Charges | | 458 | |
| Travel | | 577 | |
| Other Contracted Services | | 1,772 | |
| Custodial Supplies | | 112 | |
| Gasoline | | 1,629 | |
| Office Supplies | | 856 | |
| Utilities | | 12,500 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

| | | | |
|----------------------------------|----|-------|------------|
| Workers' Compensation Insurance | \$ | 3,240 | |
| In Service/Staff Development | | 600 | |
| Total Senior Citizens Assistance | | | \$ 198,078 |

Agriculture and Natural Resources

Agriculture Extension Service

| | | | |
|-------------------------------------|----|---------|---------|
| Communication | \$ | 4,253 | |
| Contracts with Government Agencies | | 135,701 | |
| Operating Lease Payments | | 1,452 | |
| Office Supplies | | 122 | |
| Other Supplies and Materials | | 109 | |
| Office Equipment | | 1,675 | |
| Total Agriculture Extension Service | | | 143,312 |

Soil Conservation

| | | | |
|-------------------------|----|--------|--------|
| Clerical Personnel | \$ | 11,311 | |
| Social Security | | 701 | |
| Employer Medicare | | 164 | |
| Communication | | 411 | |
| Contributions | | 2,000 | |
| Travel | | 506 | |
| Total Soil Conservation | | | 15,093 |

Flood Control

| | | | |
|---------------------|----|-------|-------|
| Contributions | \$ | 2,000 | |
| Total Flood Control | | | 2,000 |

Storm Water Management

| | | | |
|------------------------------|----|-------|-------|
| Permits | \$ | 3,689 | |
| Total Storm Water Management | | | 3,689 |

Other Operations

Tourism

| | | | |
|---------------|----|---------|---------|
| Contributions | \$ | 134,146 | |
| Total Tourism | | | 134,146 |

Industrial Development

| | | | |
|------------------------------|----|---------|---------|
| Contributions | \$ | 167,545 | |
| Dues and Memberships | | 3,884 | |
| Total Industrial Development | | | 171,429 |

Housing and Urban Development

| | | | |
|-------------------------------------|----|-------|-------|
| Pauper Burials | \$ | 5,000 | |
| Total Housing and Urban Development | | | 5,000 |

Veterans' Services

| | | | |
|--------------------------|----|--------|--|
| Other Salaries and Wages | \$ | 10,107 | |
| Social Security | | 627 | |
| Employer Medicare | | 147 | |
| Communication | | 329 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

| | | | |
|--------------------------|----|------------|--------|
| Contributions | \$ | 1,800 | |
| Postal Charges | | 46 | |
| Travel | | 445 | |
| Office Supplies | | <u>246</u> | |
| Total Veterans' Services | \$ | | 13,747 |

Contributions to Other Agencies

| | | | |
|---------------------------------------|----|---------------|--------|
| Contributions | \$ | <u>55,160</u> | |
| Total Contributions to Other Agencies | | | 55,160 |

Employee Benefits

| | | | |
|----------------------------------|----|-----------|----|
| Employee and Dependent Insurance | \$ | <u>80</u> | |
| Total Employee Benefits | | | 80 |

Miscellaneous

| | | | |
|------------------------------------|----|---------------|---------|
| Contracts with Government Agencies | \$ | 1,433 | |
| Trustee's Commission | | 197,877 | |
| Tax Relief Program | | <u>84,700</u> | |
| Total Miscellaneous | | | 284,010 |

Principal on Debt

General Government

| | | | |
|--------------------------|----|---------------|---------------|
| Principal on Other Loans | \$ | <u>31,470</u> | |
| Total General Government | | | <u>31,470</u> |

Total General Fund \$ 14,795,976

Courthouse and Jail Maintenance Fund

Public Safety

Jail

| | | | |
|------------|----|---------------|--------|
| Architects | \$ | <u>27,500</u> | |
| Total Jail | \$ | | 27,500 |

Other Operations

Miscellaneous

| | | | |
|----------------------|----|--------------|--------------|
| Trustee's Commission | \$ | <u>1,120</u> | |
| Total Miscellaneous | | | <u>1,120</u> |

Total Courthouse and Jail Maintenance Fund 28,620

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

| | | | |
|---------------------|----|------------|-------|
| Communication | \$ | 1,401 | |
| Library Books/Media | | <u>865</u> | |
| Total Libraries | \$ | | 2,266 |

Other Operations

Miscellaneous

| | | | |
|----------------------|----|-----------|-----------|
| Trustee's Commission | \$ | <u>46</u> | |
| Total Miscellaneous | | | <u>46</u> |

Total Law Library Fund 2,312

(Continued)

Exhibit J-7

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

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

| | | | |
|--|----|---------|------------|
| Clerical Personnel | \$ | 109,758 | |
| Temporary Personnel | | 9,602 | |
| Part-time Personnel | | 35,976 | |
| Overtime Pay | | 147 | |
| Bonus Payments | | 291 | |
| Social Security | | 9,514 | |
| State Retirement | | 10,683 | |
| Life Insurance | | 1,044 | |
| Medical Insurance | | 25,299 | |
| Dental Insurance | | 1,727 | |
| Employer Medicare | | 2,225 | |
| Advertising | | 94 | |
| Communication | | 5,357 | |
| Contributions | | 17,000 | |
| Janitorial Services | | 1,003 | |
| Operating Lease Payments | | 992 | |
| Licenses | | 3,341 | |
| Maintenance Agreements | | 311 | |
| Maintenance and Repair Services - Office Equipment | | 719 | |
| Postal Charges | | 503 | |
| Travel | | 932 | |
| Other Contracted Services | | 100 | |
| Custodial Supplies | | 524 | |
| Electricity | | 1,203 | |
| Food Supplies | | 172 | |
| Instructional Supplies and Materials | | 366 | |
| Library Books/Media | | 11,313 | |
| Office Supplies | | 3,287 | |
| Periodicals | | 524 | |
| Other Supplies and Materials | | 1,400 | |
| Workers' Compensation Insurance | | 4,049 | |
| In Service/Staff Development | | 553 | |
| Office Equipment | | 4,334 | |
| Total Libraries | | | \$ 264,343 |

Other Operations

Miscellaneous

| | | | |
|----------------------|----|-------|-------|
| Trustee's Commission | \$ | 5,421 | |
| Total Miscellaneous | | | 5,421 |

Total Public Library Fund \$ 269,764

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

| | | | |
|---------------------|----|-------|--|
| Guards | \$ | 9,009 | |
| Part-time Personnel | | 1,715 | |
| Social Security | | 638 | |
| State Retirement | | 954 | |
| Life Insurance | | 50 | |

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

| | | | |
|--|----|--------|-----------|
| Medical Insurance | \$ | 2,501 | |
| Dental Insurance | | 211 | |
| Employer Medicare | | 149 | |
| Maintenance and Repair Services - Vehicles | | 1,866 | |
| Other Contracted Services | | 18,964 | |
| Diesel Fuel | | 7,418 | |
| Other Supplies and Materials | | 5,482 | |
| Total Sanitation Education/Information | | | \$ 48,957 |

Convenience Centers

| | | | |
|---|----|---------|---------|
| Supervisor/Director | \$ | 53,911 | |
| Foremen | | 79,977 | |
| Attendants | | 56,023 | |
| Part-time Personnel | | 97,420 | |
| Overtime Pay | | 2,545 | |
| Bonus Payments | | 364 | |
| Social Security | | 17,116 | |
| State Retirement | | 18,716 | |
| Life Insurance | | 1,352 | |
| Medical Insurance | | 45,489 | |
| Dental Insurance | | 3,493 | |
| Employer Medicare | | 4,103 | |
| Communication | | 2,774 | |
| Dues and Memberships | | 54 | |
| Maintenance and Repair Services - Equipment | | 3,527 | |
| Maintenance and Repair Services - Vehicles | | 631 | |
| Pest Control | | 324 | |
| Postal Charges | | 25 | |
| Rentals | | 2,640 | |
| Travel | | 692 | |
| Disposal Fees | | 115,086 | |
| Other Contracted Services | | 38,846 | |
| Custodial Supplies | | 2,973 | |
| Fuel Oil | | 262 | |
| Gasoline | | 3,983 | |
| Office Supplies | | 276 | |
| Propane Gas | | 3,212 | |
| Tires and Tubes | | 164 | |
| Uniforms | | 5,224 | |
| Utilities | | 11,442 | |
| Other Supplies and Materials | | 4,713 | |
| Workers' Compensation Insurance | | 5,669 | |
| In Service/Staff Development | | 279 | |
| Solid Waste Equipment | | 41,871 | |
| Other Equipment | | 2,850 | |
| Total Convenience Centers | | | 628,026 |

Other Operations

Miscellaneous

| | | | |
|----------------------|----|-------|-------|
| Trustee's Commission | \$ | 7,988 | |
| Total Miscellaneous | | | 7,988 |

Total Solid Waste/Sanitation Fund \$ 684,971

(Continued)

Exhibit J-7

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

Industrial/Economic Development Fund

Other Operations

Industrial Development

| | | |
|------------------------------|-----------|-----------|
| Other Contracted Services | \$ 13,874 | |
| Total Industrial Development | | \$ 13,874 |

Miscellaneous

| | | |
|----------------------|--------|------------|
| Trustee's Commission | \$ 135 | |
| Total Miscellaneous | | <u>135</u> |

| | | |
|--|--|-----------|
| Total Industrial/Economic Development Fund | | \$ 14,009 |
|--|--|-----------|

Drug Control Fund

Public Safety

Drug Enforcement

| | | |
|------------------------------|---------------|-------------------|
| Salary Supplements | \$ 15,000 | |
| Other Contracted Services | 22,118 | |
| Law Enforcement Supplies | 2,995 | |
| Other Supplies and Materials | 12,568 | |
| Trustee's Commission | 763 | |
| In Service/Staff Development | 3,205 | |
| Other Charges | 15,000 | |
| Law Enforcement Equipment | 40,573 | |
| Motor Vehicles | <u>41,791</u> | |
| Total Drug Enforcement | | <u>\$ 154,013</u> |

| | | |
|-------------------------|--|---------|
| Total Drug Control Fund | | 154,013 |
|-------------------------|--|---------|

Other Special Revenue Fund

Public Safety

Drug Enforcement

| | | |
|------------------------------|----------|-----------------|
| Other Supplies and Materials | \$ 3,466 | |
| Total Drug Enforcement | | <u>\$ 3,466</u> |

| | | |
|----------------------------------|--|-------|
| Total Other Special Revenue Fund | | 3,466 |
|----------------------------------|--|-------|

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

| | | |
|---|--------|---------------|
| Constitutional Officers' Operating Expenses | \$ 373 | |
| Total County Clerk's Office | | <u>\$ 373</u> |

| | | |
|---|--|-----|
| Total Constitutional Officers - Fees Fund | | 373 |
|---|--|-----|

Highway/Public Works Fund

Highways

Administration

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 76,390 |
| Foremen | 57,886 |
| Mechanic(s) | 57,863 |
| Equipment Operators | 147,909 |
| Truck Drivers | 272,616 |
| Clerical Personnel | 31,699 |

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| Temporary Personnel | \$ | 24,828 | |
| Overtime Pay | | 31,621 | |
| Dues and Memberships | | 3,760 | |
| Postal Charges | | 83 | |
| Printing, Stationery, and Forms | | 170 | |
| Towing Services | | 2,449 | |
| Travel | | 640 | |
| Office Supplies | | 1,650 | |
| In Service/Staff Development | | 600 | |
| Office Equipment | | 1,087 | |
| Total Administration | | | \$ 711,251 |

Highway and Bridge Maintenance

| | | | |
|--------------------------------------|----|---------|---------|
| Rentals | \$ | 2,102 | |
| Other Contracted Services | | 21,855 | |
| Asphalt - Cold Mix | | 2,802 | |
| Asphalt - Hot Mix | | 414,346 | |
| Concrete | | 5,579 | |
| Crushed Stone | | 42,661 | |
| Other Road Supplies | | 7,060 | |
| Pipe | | 33,000 | |
| Road Signs | | 31,884 | |
| Salt | | 3,495 | |
| Chemicals | | 655 | |
| Other Supplies and Materials | | 8,609 | |
| Total Highway and Bridge Maintenance | | | 574,048 |

Operation and Maintenance of Equipment

| | | | |
|--|----|--------|---------|
| Maintenance and Repair Services - Vehicles | \$ | 31,661 | |
| Towing Services | | 1,038 | |
| Disposal Fees | | 8,149 | |
| Diesel Fuel | | 69,204 | |
| Equipment Parts - Heavy | | 16,917 | |
| Equipment Parts - Light | | 51,584 | |
| Gasoline | | 36,415 | |
| Lubricants | | 6,486 | |
| Tires and Tubes | | 18,684 | |
| Other Supplies and Materials | | 7,082 | |
| Other Charges | | 436 | |
| Total Operation and Maintenance of Equipment | | | 247,656 |

Other Charges

| | | | |
|----------------------------|----|--------|--|
| Communication | \$ | 5,872 | |
| Pest Control | | 372 | |
| Other Contracted Services | | 1,188 | |
| Custodial Supplies | | 571 | |
| Drugs and Medical Supplies | | 213 | |
| Electricity | | 10,909 | |
| Garage Supplies | | 6,203 | |
| Ice | | 372 | |

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

| | | | |
|------------------------------------|----|--------|------------|
| Uniforms | \$ | 11,740 | |
| Liability Insurance | | 80,916 | |
| Premiums on Corporate Surety Bonds | | 350 | |
| Trustee's Commission | | 28,820 | |
| Other Charges | | 1,126 | |
| Total Other Charges | | | \$ 148,652 |

Employee Benefits

| | | | |
|---------------------------------|----|---------|---------|
| Bonus Payments | \$ | 1,238 | |
| Social Security | | 41,903 | |
| State Retirement | | 65,610 | |
| Life Insurance | | 3,945 | |
| Medical Insurance | | 160,047 | |
| Dental Insurance | | 10,948 | |
| Unemployment Compensation | | 3,974 | |
| Employer Medicare | | 9,800 | |
| Workers' Compensation Insurance | | 45,898 | |
| Total Employee Benefits | | | 343,363 |

Capital Outlay

| | | | |
|----------------------|----|---------|---------|
| Matching Share | \$ | 66,599 | |
| Bridge Construction | | 117,297 | |
| Highway Equipment | | 91,034 | |
| State Aid Projects | | 186,899 | |
| Total Capital Outlay | | | 461,829 |

Total Highway/Public Works Fund \$ 2,486,799

General Debt Service Fund

Principal on Debt

General Government

| | | | |
|--------------------------|----|---------|------------|
| Principal on Bonds | \$ | 395,000 | |
| Principal on Other Loans | | 553,000 | |
| Total General Government | | | \$ 948,000 |

Interest on Debt

General Government

| | | | |
|--------------------------|----|---------|---------|
| Interest on Bonds | \$ | 148,650 | |
| Interest on Other Loans | | 52,930 | |
| Total General Government | | | 201,580 |

Other Debt Service

General Government

| | | | |
|--------------------------|----|---------|---------|
| Trustee's Commission | \$ | 28,493 | |
| Other Debt Service | | 583,871 | |
| Total General Government | | | 612,364 |

Total General Debt Service Fund 1,761,944

(Continued)

Exhibit J-7

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

Education Debt Service Fund

Principal on Debt

Education

| | | | |
|--------------------------|----|---------|--------------|
| Principal on Bonds | \$ | 825,000 | |
| Principal on Notes | | 384,434 | |
| Principal on Other Loans | | 850,300 | |
| Total Education | | | \$ 2,059,734 |

Interest on Debt

Education

| | | | |
|-------------------------|----|-----------|-----------|
| Interest on Bonds | \$ | 1,007,800 | |
| Interest on Notes | | 3,207 | |
| Interest on Other Loans | | 490,790 | |
| Total Education | | | 1,501,797 |

Other Debt Service

Education

| | | | |
|-----------------------------|----|---------|---------|
| Trustee's Commission | \$ | 106,208 | |
| Underwriter's Discount | | 2,000 | |
| Other Debt Issuance Charges | | 21,000 | |
| Other Debt Service | | 641 | |
| Total Education | | | 129,849 |

Capital Projects - Donated

Capital Projects Donated to School Department

| | | | |
|---|----|-----------|-----------|
| Contributions | \$ | 1,977,000 | |
| Total Capital Projects Donated to School Department | | | 1,977,000 |

Total Education Debt Service Fund \$ 5,668,380

General Capital Projects Fund

Other Operations

Miscellaneous

| | | | |
|----------------------|----|-------|----------|
| Trustee's Commission | \$ | 2,317 | |
| Total Miscellaneous | | | \$ 2,317 |

Other Debt Service

Education

| | | | |
|-----------------------------|----|---------|---------|
| Underwriter's Discount | \$ | 249,846 | |
| Other Debt Issuance Charges | | 173,900 | |
| Total Education | | | 423,746 |

Capital Projects

General Administration Projects

| | | | |
|---------------------------------------|----|---------|---------|
| Other Contracted Services | \$ | 110,731 | |
| Office Equipment | | 11,401 | |
| Total General Administration Projects | | | 122,132 |

Administration of Justice Projects

| | | | |
|--|----|-------|-------|
| Furniture and Fixtures | \$ | 3,905 | |
| Total Administration of Justice Projects | | | 3,905 |

(Continued)

Exhibit J-7

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

| | | |
|--|---------------|----------------------|
| <u>General Capital Projects Fund (Cont.)</u> | | |
| <u>Capital Projects (Cont.)</u> | | |
| <u>Public Safety Projects</u> | | |
| Evaluation and Testing | \$ 4,500 | |
| Communication Equipment | 115,272 | |
| Heating and Air Conditioning Equipment | 10,000 | |
| Law Enforcement Equipment | 77,922 | |
| Other Equipment | 27,954 | |
| Total Public Safety Projects | | \$ 235,648 |
| <u>Public Health and Welfare Projects</u> | | |
| Solid Waste Equipment | \$ 8,700 | |
| Total Public Health and Welfare Projects | | 8,700 |
| <u>Social, Cultural, and Recreation Projects</u> | | |
| Other Contracted Services | \$ 30,000 | |
| Total Social, Cultural, and Recreation Projects | | 30,000 |
| <u>Other General Government Projects</u> | | |
| Engineering Services | \$ 115,122 | |
| Evaluation and Testing | 48,343 | |
| Legal Services | 56,093 | |
| Legal Notices, Recording, and Court Costs | 60 | |
| Right-of-Way | 27,000 | |
| Site Development | 1,570,041 | |
| Total Other General Government Projects | | 1,816,659 |
| <u>Education Capital Projects</u> | | |
| Other Equipment | \$ 238 | |
| Total Education Capital Projects | | 238 |
| <u>Capital Projects - Donated</u> | | |
| <u>Capital Projects Donated to School Department</u> | | |
| Contributions | \$ 40,490,443 | |
| Total Capital Projects Donated to School Department | | 40,490,443 |
| Total General Capital Projects Fund | | \$ 43,133,788 |
| <u>Highway Capital Projects Fund</u> | | |
| <u>Capital Projects</u> | | |
| <u>Highway and Street Capital Projects</u> | | |
| Other Contracted Services | \$ 6,828 | |
| Asphalt - Hot Mix | 135,047 | |
| Crushed Stone | 13,105 | |
| General Construction Materials | 2,632 | |
| Pipe | 26,900 | |
| Trustee's Commission | 6,231 | |
| Highway Equipment | 30,400 | |
| Motor Vehicles | 21,028 | |
| Total Highway and Street Capital Projects | | \$ 242,171 |
| Total Highway Capital Projects Fund | | 242,171 |
| Total Governmental Funds - Primary Government | | <u>\$ 69,246,586</u> |

Loudon County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Loudon County School Department
For the Year Ended June 30, 2013

General Purpose School Fund

Instruction

Regular Instruction Program

| | | | |
|--------------------------------------|----|------------|---------------|
| Teachers | \$ | 12,578,733 | |
| Career Ladder Program | | 82,275 | |
| Career Ladder Extended Contracts | | 44,350 | |
| Homebound Teachers | | 9,594 | |
| Educational Assistants | | 935,822 | |
| Other Salaries and Wages | | 110,390 | |
| Certified Substitute Teachers | | 41,156 | |
| Non-certified Substitute Teachers | | 117,345 | |
| Social Security | | 822,261 | |
| State Retirement | | 1,182,903 | |
| Employee and Dependent Insurance | | 2,279 | |
| Life Insurance | | 72,322 | |
| Medical Insurance | | 2,302,407 | |
| Dental Insurance | | 158,870 | |
| Unemployment Compensation | | 30,946 | |
| Employer Medicare | | 193,463 | |
| Travel | | 4,052 | |
| Other Contracted Services | | 18,343 | |
| Instructional Supplies and Materials | | 343,789 | |
| Textbooks | | 318,788 | |
| Other Equipment | | 467,047 | |
| Total Regular Instruction Program | | | \$ 19,837,135 |

Special Education Program

| | | | |
|--------------------------------------|----|-----------|-----------|
| Teachers | \$ | 1,307,615 | |
| Career Ladder Program | | 6,605 | |
| Homebound Teachers | | 15,706 | |
| Educational Assistants | | 264,644 | |
| Speech Pathologist | | 40,857 | |
| Other Salaries and Wages | | 4,000 | |
| Certified Substitute Teachers | | 5,430 | |
| Non-certified Substitute Teachers | | 27,081 | |
| Social Security | | 99,705 | |
| State Retirement | | 140,912 | |
| Employee and Dependent Insurance | | 265 | |
| Life Insurance | | 10,023 | |
| Medical Insurance | | 306,134 | |
| Dental Insurance | | 17,985 | |
| Employer Medicare | | 23,319 | |
| Other Contracted Services | | 297,522 | |
| Instructional Supplies and Materials | | 53,404 | |
| Special Education Equipment | | 69,258 | |
| Total Special Education Program | | | 2,690,465 |

Vocational Education Program

| | | | |
|-------------------------------|----|---------|--|
| Teachers | \$ | 575,359 | |
| Career Ladder Program | | 6,000 | |
| Educational Assistants | | 18,478 | |
| Certified Substitute Teachers | | 870 | |

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

| | | | |
|---|----|---------|------------|
| Non-certified Substitute Teachers | \$ | 6,248 | |
| Social Security | | 36,035 | |
| State Retirement | | 53,421 | |
| Employee and Dependent Insurance | | 48 | |
| Life Insurance | | 2,607 | |
| Medical Insurance | | 104,968 | |
| Dental Insurance | | 4,974 | |
| Employer Medicare | | 8,428 | |
| Maintenance and Repair Services - Equipment | | 3,434 | |
| Travel | | 3,259 | |
| Gasoline | | 93 | |
| Instructional Supplies and Materials | | 78,134 | |
| Other Equipment | | 50,487 | |
| Total Vocational Education Program | | | \$ 952,843 |

Support Services

Health Services

| | | | |
|----------------------------------|----|---------|---------|
| Medical Personnel | \$ | 175,277 | |
| Social Security | | 10,250 | |
| State Retirement | | 16,193 | |
| Employee and Dependent Insurance | | 95 | |
| Life Insurance | | 2,484 | |
| Medical Insurance | | 48,584 | |
| Dental Insurance | | 2,818 | |
| Employer Medicare | | 2,397 | |
| Travel | | 256 | |
| Other Contracted Services | | 2,478 | |
| Drugs and Medical Supplies | | 4,803 | |
| Office Supplies | | 1,027 | |
| In Service/Staff Development | | 326 | |
| Total Health Services | | | 266,988 |

Other Student Support

| | | | |
|------------------------------------|----|---------|-----------|
| Career Ladder Program | \$ | 4,000 | |
| Guidance Personnel | | 613,165 | |
| Career Ladder Extended Contracts | | 5,000 | |
| Clerical Personnel | | 121,503 | |
| Social Security | | 45,135 | |
| State Retirement | | 66,230 | |
| Employee and Dependent Insurance | | 95 | |
| Life Insurance | | 3,554 | |
| Medical Insurance | | 102,092 | |
| Dental Insurance | | 6,182 | |
| Employer Medicare | | 10,556 | |
| Contracts with Government Agencies | | 114,166 | |
| Evaluation and Testing | | 13,876 | |
| Total Other Student Support | | | 1,105,554 |

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------|--------------|
| Supervisor/Director | \$ | 195,255 | |
| Career Ladder Program | | 7,000 | |
| Career Ladder Extended Contracts | | 3,000 | |
| Librarians | | 423,226 | |
| Secretary(ies) | | 251,494 | |
| Other Salaries and Wages | | 14,000 | |
| Social Security | | 53,165 | |
| State Retirement | | 81,215 | |
| Employee and Dependent Insurance | | 255 | |
| Life Insurance | | 5,609 | |
| Medical Insurance | | 150,933 | |
| Dental Insurance | | 10,031 | |
| Employer Medicare | | 12,434 | |
| Travel | | 26,712 | |
| Library Books/Media | | 60,729 | |
| In Service/Staff Development | | 61,603 | |
| Total Regular Instruction Program | | | \$ 1,356,661 |

Special Education Program

| | | | |
|----------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 24,194 | |
| Career Ladder Program | | 3,000 | |
| Psychological Personnel | | 143,870 | |
| Career Ladder Extended Contracts | | 4,000 | |
| Speech Pathologist | | 48,265 | |
| Social Security | | 13,463 | |
| State Retirement | | 19,832 | |
| Employee and Dependent Insurance | | 95 | |
| Life Insurance | | 1,056 | |
| Medical Insurance | | 35,180 | |
| Dental Insurance | | 2,126 | |
| Employer Medicare | | 3,149 | |
| Travel | | 18,049 | |
| Total Special Education Program | | | 316,279 |

Vocational Education Program

| | | | |
|------------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 64,285 | |
| Clerical Personnel | | 36,210 | |
| Social Security | | 6,188 | |
| State Retirement | | 9,228 | |
| Employee and Dependent Insurance | | 95 | |
| Life Insurance | | 536 | |
| Medical Insurance | | 14,038 | |
| Dental Insurance | | 1,084 | |
| Employer Medicare | | 1,447 | |
| Travel | | 2,369 | |
| In Service/Staff Development | | 757 | |
| Total Vocational Education Program | | | 136,237 |

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs

| | | |
|----------------------------|------------|------------|
| On-Behalf Payments to OPEB | \$ 141,766 | |
| Total Other Programs | | \$ 141,766 |

Board of Education

| | | |
|------------------------------------|-----------|---------|
| Board and Committee Members Fees | \$ 36,240 | |
| Social Security | 2,247 | |
| State Retirement | 1,711 | |
| Life Insurance | 1,430 | |
| Dental Insurance | 2,037 | |
| Employer Medicare | 525 | |
| Audit Services | 12,000 | |
| Legal Services | 1,847 | |
| Travel | 28,582 | |
| Liability Insurance | 22,634 | |
| Premiums on Corporate Surety Bonds | 175 | |
| Refunds | 23,813 | |
| Trustee's Commission | 285,905 | |
| Workers' Compensation Insurance | 171,300 | |
| Total Board of Education | | 590,446 |

Director of Schools

| | | |
|--|------------|---------|
| County Official/Administrative Officer | \$ 110,000 | |
| Career Ladder Program | 1,000 | |
| Secretary(ies) | 37,726 | |
| Social Security | 9,165 | |
| State Retirement | 13,524 | |
| Employee and Dependent Insurance | 95 | |
| Life Insurance | 479 | |
| Medical Insurance | 16,190 | |
| Dental Insurance | 1,546 | |
| Employer Medicare | 2,157 | |
| Advertising | 1,123 | |
| Communication | 20,780 | |
| Dues and Memberships | 13,225 | |
| Operating Lease Payments | 1,404 | |
| Postal Charges | 5,195 | |
| Travel | 9,746 | |
| Other Contracted Services | 33,251 | |
| Office Supplies | 7,523 | |
| Other Charges | 3,000 | |
| Total Director of Schools | | 287,129 |

Office of the Principal

| | | |
|----------------------------------|------------|--|
| Principals | \$ 631,462 | |
| Career Ladder Program | 6,500 | |
| Career Ladder Extended Contracts | 7,000 | |
| Social Security | 38,670 | |
| State Retirement | 57,273 | |
| Employee and Dependent Insurance | 178 | |

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

| | | | |
|-------------------------------|----|--------|------------|
| Life Insurance | \$ | 2,555 | |
| Medical Insurance | | 90,541 | |
| Dental Insurance | | 6,414 | |
| Employer Medicare | | 9,044 | |
| Communication | | 38,962 | |
| Postal Charges | | 4,140 | |
| Total Office of the Principal | | | \$ 892,739 |

Fiscal Services

| | | | |
|-------------------------|----|--------|--------|
| Accountants/Bookkeepers | \$ | 49,390 | |
| Social Security | | 3,013 | |
| State Retirement | | 4,801 | |
| Life Insurance | | 256 | |
| Medical Insurance | | 5,746 | |
| Dental Insurance | | 347 | |
| Employer Medicare | | 705 | |
| Total Fiscal Services | | | 64,258 |

Operation of Plant

| | | | |
|---------------------------------|----|-----------|-----------|
| Custodial Personnel | \$ | 56,843 | |
| Social Security | | 2,978 | |
| State Retirement | | 5,243 | |
| Life Insurance | | 959 | |
| Medical Insurance | | 13,873 | |
| Dental Insurance | | 1,766 | |
| Employer Medicare | | 705 | |
| Other Contracted Services | | 1,052,627 | |
| Electricity | | 882,129 | |
| Gasoline | | 595 | |
| Natural Gas | | 81,690 | |
| Water and Sewer | | 103,598 | |
| Building and Contents Insurance | | 236,654 | |
| Total Operation of Plant | | | 2,439,660 |

Maintenance of Plant

| | | | |
|---|----|---------|---------|
| Maintenance and Repair Services - Buildings | \$ | 238,161 | |
| Total Maintenance of Plant | | | 238,161 |

Transportation

| | | | |
|---|----|-----------|--|
| Supervisor/Director | \$ | 46,799 | |
| Social Security | | 2,506 | |
| State Retirement | | 4,549 | |
| Life Insurance | | 178 | |
| Medical Insurance | | 10,582 | |
| Dental Insurance | | 377 | |
| Employer Medicare | | 586 | |
| Contracts with Parents | | 3,525 | |
| Contracts with Vehicle Owners | | 1,639,969 | |
| Maintenance and Repair Services - Equipment | | 811 | |

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

| | | | |
|------------------------------|----|-------|--------------|
| Medical and Dental Services | \$ | 1,535 | |
| Travel | | 816 | |
| Other Contracted Services | | 883 | |
| Office Supplies | | 1,468 | |
| In Service/Staff Development | | 2,756 | |
| Other Charges | | 1,883 | |
| Total Transportation | | | \$ 1,719,223 |

Central and Other

| | | | |
|---|----|---------|---------|
| Supervisor/Director | \$ | 73,375 | |
| Career Ladder Program | | 1,000 | |
| Computer Programmer(s) | | 163,225 | |
| Social Security | | 13,323 | |
| State Retirement | | 22,470 | |
| Life Insurance | | 892 | |
| Medical Insurance | | 45,372 | |
| Dental Insurance | | 1,825 | |
| Employer Medicare | | 3,116 | |
| Maintenance and Repair Services - Equipment | | 226,791 | |
| Travel | | 11,110 | |
| Other Contracted Services | | 7,916 | |
| Other Supplies and Materials | | 2,392 | |
| In Service/Staff Development | | 3,355 | |
| Data Processing Equipment | | 112,660 | |
| Other Equipment | | 67,991 | |
| Total Central and Other | | | 756,813 |

Operation of Non-Instructional Services

Community Services

| | | | |
|------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 124,501 | |
| Other Salaries and Wages | | 62,606 | |
| Social Security | | 11,182 | |
| State Retirement | | 13,056 | |
| Life Insurance | | 729 | |
| Medical Insurance | | 16,701 | |
| Dental Insurance | | 1,736 | |
| Employer Medicare | | 2,615 | |
| Travel | | 6,620 | |
| Other Contracted Services | | 2,625 | |
| Food Supplies | | 751 | |
| Other Supplies and Materials | | 30,196 | |
| In Service/Staff Development | | 1,950 | |
| Total Community Services | | | 275,268 |

Early Childhood Education

| | | | |
|-----------------------------------|----|---------|--|
| Teachers | \$ | 338,857 | |
| Educational Assistants | | 160,634 | |
| Certified Substitute Teachers | | 60 | |
| Non-certified Substitute Teachers | | 10,200 | |

(Continued)

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

| | | | |
|-------------------------------------|----|---------|------------|
| Social Security | \$ | 29,384 | |
| State Retirement | | 43,262 | |
| Life Insurance | | 3,215 | |
| Medical Insurance | | 101,103 | |
| Dental Insurance | | 5,835 | |
| Employer Medicare | | 6,872 | |
| Contracts with Other School Systems | | 86,695 | |
| Other Supplies and Materials | | 3,776 | |
| In Service/Staff Development | | 423 | |
| Other Charges | | 230 | |
| Total Early Childhood Education | | | \$ 790,546 |

Total General Purpose School Fund \$ 34,858,171

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | | |
|--------------------------------------|----|---------|------------|
| Teachers | \$ | 358,378 | |
| Educational Assistants | | 75,820 | |
| Other Salaries and Wages | | 33,388 | |
| Certified Substitute Teachers | | 15,312 | |
| Non-certified Substitute Teachers | | 52,918 | |
| Social Security | | 33,261 | |
| State Retirement | | 40,078 | |
| Life Insurance | | 2,454 | |
| Medical Insurance | | 77,569 | |
| Dental Insurance | | 3,773 | |
| Employer Medicare | | 7,633 | |
| Instructional Supplies and Materials | | 27,810 | |
| Other Supplies and Materials | | 15,855 | |
| In Service/Staff Development | | 46 | |
| Regular Instruction Equipment | | 96,760 | |
| Total Regular Instruction Program | | | \$ 841,055 |

Special Education Program

| | | | |
|--------------------------------------|----|---------|---------|
| Teachers | \$ | 42,022 | |
| Educational Assistants | | 388,455 | |
| Other Salaries and Wages | | 12,630 | |
| Social Security | | 24,906 | |
| State Retirement | | 32,206 | |
| Life Insurance | | 3,514 | |
| Medical Insurance | | 131,153 | |
| Dental Insurance | | 6,091 | |
| Employer Medicare | | 5,825 | |
| Instructional Supplies and Materials | | 5,774 | |
| Special Education Equipment | | 21,236 | |
| Total Special Education Program | | | 673,812 |

(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

| | | | |
|--------------------------------------|----|---------|------------|
| Other Salaries and Wages | \$ | 6,000 | |
| Social Security | | 372 | |
| State Retirement | | 533 | |
| Employer Medicare | | 87 | |
| Instructional Supplies and Materials | | 29,507 | |
| Vocational Instruction Equipment | | 110,490 | |
| Total Vocational Education Program | | | \$ 146,989 |

Support Services

Other Student Support

| | | | |
|------------------------------|----|--------|--------|
| Other Salaries and Wages | \$ | 13,945 | |
| Social Security | | 861 | |
| State Retirement | | 1,355 | |
| Employer Medicare | | 201 | |
| Evaluation and Testing | | 33,840 | |
| Travel | | 10,016 | |
| Other Contracted Services | | 1,700 | |
| In Service/Staff Development | | 2,371 | |
| Other Charges | | 7,200 | |
| Total Other Student Support | | | 71,489 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 53,738 | |
| Secretary(ies) | | 15,890 | |
| Other Salaries and Wages | | 125,681 | |
| Social Security | | 12,138 | |
| State Retirement | | 16,676 | |
| Life Insurance | | 222 | |
| Medical Insurance | | 7,662 | |
| Dental Insurance | | 434 | |
| Employer Medicare | | 2,839 | |
| Travel | | 33,504 | |
| Other Supplies and Materials | | 16,257 | |
| In Service/Staff Development | | 23,761 | |
| Other Charges | | 467 | |
| Total Regular Instruction Program | | | 309,269 |

Special Education Program

| | | | |
|---------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 60,692 | |
| Secretary(ies) | | 36,210 | |
| Other Salaries and Wages | | 56,432 | |
| Social Security | | 8,978 | |
| State Retirement | | 13,920 | |
| Life Insurance | | 357 | |
| Medical Insurance | | 16,447 | |
| Dental Insurance | | 724 | |
| Employer Medicare | | 2,100 | |
| Travel | | 7,400 | |
| Other Contracted Services | | 94,804 | |
| In Service/Staff Development | | 7,868 | |
| Total Special Education Program | | | 305,932 |

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

| | | | |
|------------------------------------|----|-------|----------|
| Travel | \$ | 3,500 | |
| In Service/Staff Development | | 66 | |
| Total Vocational Education Program | | | \$ 3,566 |

Total School Federal Projects Fund \$ 2,352,112

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

| | | | |
|---|----|-----------|--------------|
| Supervisor/Director | \$ | 55,848 | |
| Secretary(ies) | | 21,088 | |
| Cafeteria Personnel | | 787,574 | |
| Social Security | | 48,440 | |
| State Retirement | | 66,738 | |
| Employee and Dependent Insurance | | 93 | |
| Life Insurance | | 3,924 | |
| Medical Insurance | | 109,972 | |
| Dental Insurance | | 9,044 | |
| Employer Medicare | | 11,498 | |
| Dues and Memberships | | 1,157 | |
| Maintenance Agreements | | 6,596 | |
| Maintenance and Repair Services - Equipment | | 53,280 | |
| Travel | | 7,830 | |
| Other Contracted Services | | 4,967 | |
| Food Supplies | | 1,105,853 | |
| Office Supplies | | 3,653 | |
| Uniforms | | 3,462 | |
| Other Supplies and Materials | | 93,946 | |
| In Service/Staff Development | | 1,812 | |
| Other Charges | | 633 | |
| Food Service Equipment | | 4,883 | |
| Total Food Service | | | \$ 2,402,291 |

Total Central Cafeteria Fund 2,402,291

Education Capital Projects Fund

Capital Projects

Education Capital Projects

| | | | |
|--|----|------------|---------------|
| Bank Charges | \$ | 1,416 | |
| Engineering Services | | 245,784 | |
| Postal Charges | | 173 | |
| Other Contracted Services | | 1,271,396 | |
| Excess Risk Insurance | | 8,452 | |
| Building Construction | | 24,391,076 | |
| Furniture and Fixtures | | 26,126 | |
| Heating and Air Conditioning Equipment | | 2,365,316 | |
| Site Development | | 1,167,665 | |
| Total Education Capital Projects | | | \$ 29,477,404 |

Total Education Capital Projects Fund 29,477,404

Total Governmental Funds - Loudon County School Department \$ 69,089,978

Exhibit J-9

Loudon County, Tennessee
Schedule of Detailed Receipts, Disbursements, and Changes
in Cash Balances - City Agency Funds
For the Year Ended June 30, 2013

| | Cities - Sales Tax Fund | City School ADA - Lenoir City Fund | Total |
|---|-------------------------------|---|----------------------|
| <u>Cash Receipts</u> | | | |
| Current Property Taxes | \$ 0 | \$ 4,914,415 | \$ 4,914,415 |
| Trustee's Collections - Prior Years | 0 | 79,535 | 79,535 |
| Trustee's Collections - Bankruptcy | 0 | 5,308 | 5,308 |
| Circuit/Clerk and Master Collections - Prior Years | 0 | 249,680 | 249,680 |
| Interest and Penalty | 0 | 19,028 | 19,028 |
| Local Option Sales Tax | 3,623,901 | 1,420,758 | 5,044,659 |
| Adequate Facilities/Development Tax | 0 | 66,861 | 66,861 |
| Bank Excise Tax | 0 | 1,454 | 1,454 |
| Interstate Telecommunications Tax | 0 | 2,125 | 2,125 |
| Mixed Drink Tax | 0 | 2,892 | 2,892 |
| Total Cash Receipts | <u>\$ 3,623,901</u> | <u>\$ 6,762,056</u> | <u>\$ 10,385,957</u> |
| <u>Cash Disbursements</u> | | | |
| Remittance of Revenues Collected | \$ 3,587,662 | \$ 6,682,056 | \$ 10,269,718 |
| Trustee's Commission | 36,239 | 118,497 | 154,736 |
| Total Cash Disbursements | <u>\$ 3,623,901</u> | <u>\$ 6,800,553</u> | <u>\$ 10,424,454</u> |
| Excess of Cash Receipts Over (Under) | | | |
| Cash Disbursements | \$ 0 | \$ (38,497) | \$ (38,497) |
| Cash Balance, July 1, 2012 | 0 | 228,422 | 228,422 |
| Cash Balance, June 30, 2013 | <u>\$ 0</u> | <u>\$ 189,925</u> | <u>\$ 189,925</u> |

SINGLE AUDIT SECTION



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

**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Loudon County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Loudon County's basic financial statements, and have issued our report thereon dated January 23, 2014. Our report includes a reference to other auditors who audited the financial statements of the Loudon County Emergency Communications District, as described in our report on Loudon County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Loudon County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Loudon County's internal control. Accordingly, we do not express an opinion on the effectiveness of Loudon County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to

prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2013-002.

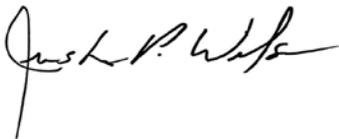
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Loudon County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Loudon County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 23, 2014

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Loudon County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Loudon County's major federal programs for the year ended

June 30, 2013. Loudon County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Loudon County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of

the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Loudon County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Loudon County's compliance.

Opinion on Each Major Federal Program

In our opinion, Loudon County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Loudon County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Loudon County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Loudon County's internal control over compliance.

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

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

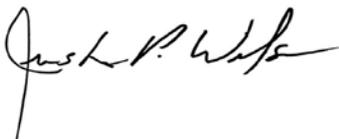
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Loudon County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Loudon County's basic financial statements. We issued our report thereon dated January 23, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 23, 2014

JPW/yu

Loudon County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2013

| Federal/Pass-through Agency/Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Expenditures |
|--|---------------------------|---|---------------------|
| | | | |
| U.S. Department of Agriculture: | | | |
| Direct Program: | | | |
| National School Lunch Program (Commodities - Letter of Credit) | 10.555 | N/A | \$ 154,958 (3) |
| Rural Business Enterprise Grants | 10.769 | N/A | 20,000 |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | N/A | 379,900 |
| National School Lunch Program | 10.555 | N/A | 1,112,979 (3) |
| Passed-through East Tennessee Human Resource Agency, Inc.: | | | |
| Summer Food Service Program for Children | 10.559 | N/A | 32,484 |
| Total U.S. Department of Agriculture | | | <u>\$ 1,700,321</u> |
| U.S. Department of Justice: | | | |
| Direct Program: | | | |
| Equitable Sharing Program | 16.922 | (2) | <u>\$ 3,466</u> |
| Total U.S. Department of Justice | | | <u>\$ 3,466</u> |
| U.S. Department of Education: | | | |
| Passed-through State Department of Education: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | (2) | \$ 837,526 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | (2) | 1,046,852 |
| Special Education - Preschool Grants | 84.173 | (2) | 13,419 |
| Career and Technical Education - Basic Grants to States | 84.048 | (2) | 162,425 |
| English Language Acquisition Grants | 84.365 | N/A | 18,935 |
| Improving Teacher Quality State Grants | 84.367 | N/A | 118,860 |
| School Improvement Grants | 84.377 | (2) | 162,265 |
| State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act | 84.395 | N/A | <u>72,954</u> |
| Total U.S. Department of Education | | | <u>\$ 2,433,236</u> |

(Continued)

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

| Federal/Pass-through Agency/Program Title | Federal CFDA Number | Pass-through | | Expenditures |
|---|---------------------------|---------------------------------|----|------------------|
| | | Entity Identifying Number | | |
| U.S. Department of Health and Human Services: | | | | |
| Passed-through East Tennessee Human Resource Agency, Inc.: | | | | |
| Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services | 93.043 | (2) | \$ | 1,498 |
| Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers | 93.044 | (2) | | 30,768 |
| Total U.S. Department of Health and Human Services | | | \$ | <u>32,266</u> |
| Executive Office of the President: | | | | |
| Direct Program: | | | | |
| High Intensity Drug Trafficking Areas Program | 95.001 | N/A | \$ | 25,819 |
| Total Executive Office of the President | | | \$ | <u>25,819</u> |
| U.S. Department of Homeland Security: | | | | |
| Passed-through State Department of Military: | | | | |
| Disaster Grants - Public Assistance | 97.036 | (2) | \$ | 51,927 |
| Emergency Management Performance Grant | 97.042 | | | 35,000 |
| Total U.S. Department of Homeland Security | | | \$ | <u>86,927</u> |
| Total Expenditures of Federal Awards | | | \$ | <u>4,282,035</u> |
| <u>State Grants</u> | | | | |
| Juvenile Services Program - State Children's Services Commission | N/A | (2) | \$ | 10,418 |
| Aging Program - State Office on Aging | N/A | (2) | | 10,654 |
| Law Enforcement Training | N/A | (2) | | 24,600 |
| Health Department Grants - State Department of Health | N/A | (2) | | 366,459 |
| Litter Program - State Department of Transportation | N/A | (2) | | 48,699 |
| State Industrial Access Grant - State Department of Transportation | N/A | (2) | | 468,277 |
| Early Childhood Development Pilot/State - State Department of Education | N/A | (2) | | 791,924 |
| Leaps - State Department of Education | N/A | (2) | | 75,879 |
| Total State Grants | | | \$ | <u>1,796,910</u> |

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) Total for CFDA No. 10.555 is \$1,267,937.

Loudon County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2013

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Loudon County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|---------------------------|------------------------|--------------------------------------|
| 12.01 | 196 | Expenditures exceeded appropriations |

OFFICE OF SHERIFF

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|---------------------------|------------------------|---------------------------------------|
| 12.02 | 196 | Duties were not segregated adequately |

LOUDON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Loudon County is unmodified.
2. The audit of the financial statements of Loudon County disclosed one significant deficiency in internal control. This deficiency was not considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Loudon County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Loudon County qualified as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response; however, management did not provide responses for inclusion in this report.

OFFICES OF DIRECTOR OF SCHOOLS AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2013-01

EXPENDITURES EXCEEDED APPROPRIATIONS

(Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the County Commission in the Operation of Plant major appropriation category (the legal level of control) of the General Purpose School Fund by \$38,595. Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to stay within the spending limits authorized by the County Commissions, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

OFFICE OF SHERIFF

FINDING 2013-02

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the official and employees in the Office of Sheriff. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management’s decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

The sheriff should segregate duties to the extent possible using available resources.

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

There were no findings and questioned costs for federal awards.

**LOUDON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2013**

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