

**ANNUAL FINANCIAL REPORT**  
**LOUDON COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2015**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT**  
**LOUDON COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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

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

***MARK TREECE, CPA, CGFM***  
***Audit Manager***

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***STEPHEN ALRED***  
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***DOUG SANDIDGE, CISA, CFE***  
***State Auditors***

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

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# ***Summary of Audit Findings***

Annual Financial Report  
Loudon County, Tennessee  
For the Year Ended June 30, 2015

## ***Scope***

We have audited the basic financial statements of Loudon County as of and for the year ended June 30, 2015.

## ***Results***

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

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

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS**

- ◆ Expenditures exceeded appropriations.

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### **OFFICE OF DIRECTOR SCHOOLS**

- ◆ Paid lunch prices did not meet federal requirements of the School Nutrition Program.

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### **OFFICE OF SHERIFF**

- ◆ Duties were not segregated adequately.
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# INTRODUCTORY SECTION

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Loudon County Officials  
June 30, 2015

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**Officials**

Rollen Bradshaw, 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  
Joan Lovelace, Purchasing Agent

**Board of County Commissioners**

Stephen Harrelson, Chairman	Earlena Maples
Harold Duff	David Meers
Leo Bradshaw	Van Shaver
Matthew Tinker	Kelly Littleton-Brewster
Bill Satterfield	Henry Cullen

**Board of Education**

Ric Best, Chairman	Jeremy Buckles
Scott Newman, Vice Chairman	Craig Simon
William Jenkins	Philip Moffett
Bobby Johnson, Jr.	Leroy Tate
Kenny Ridings	Gary Ubben

**Audit Committee**

David Meers  
Harold Duff  
Stephen Harrelson  
Charlie Bettis

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# FINANCIAL SECTION

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

Independent Auditor's Report

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, 2015, 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 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, 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, 2015, 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.

### ***Change in Accounting Principle***

As described in Note V.B., Loudon County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions; GASB Statement No. 69, Government Combinations and Disposals of Government Operations; and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Our opinion is not modified with respect to this matter.

### ***Emphasis of Matter***

We draw attention to Note I.D.9 to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$1,318,989, and the discretely presented School Department's net position by \$6,921,454 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

We also draw attention to Note I.D.10 to the financial statements, which describes a prior-period adjustment decreasing the discretely presented School Department's beginning net position by \$633,776 on the Government-wide Statement of Activities and to the beginning fund balances of the School Department's governmental funds. This adjustment was necessary to correct an error in the accrual of employee insurance premiums at June 30, 2014. Our opinion is not modified with respect to this matter.

## ***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 schedule of changes in the county's net pension liability and related ratios, schedule of county contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress – pension plan and other postemployment benefits plan on pages 86-92 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, the major debt service funds, and the major capital projects fund, 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, the major debt service funds, and the major capital projects fund, combining and individual fund financial statements of the Loudon County School Department (a discretely presented component unit), and miscellaneous schedules is 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

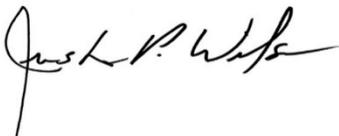
reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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, the major debt service funds, and the major capital projects fund, 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 October 29, 2015, 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

October 29, 2015

JPW/yu

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Loudon County, Tennessee  
Statement of Net Position  
June 30, 2015

	Primary Governmental Activities	Component Unit Loudon County School Department
<u>ASSETS</u>		
Cash	\$ 3,400	\$ 63,019
Equity in Pooled Cash and Investments	20,789,500	19,467,249
Accounts Receivable	136,211	40,971
Due from Other Governments	2,462,412	1,013,610
Property Taxes Receivable	15,611,906	10,680,521
Allowance for Uncollectible Property Taxes	(395,605)	(271,737)
Prepaid Items	49,682	640,444
Other Current Assets	174,684	2,333
Net Pension Asset	287,028	284,509
Capital Assets:		
Assets Not Depreciated:		
Land	5,915,130	3,946,406
Construction in Progress	2,975	168,761
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	11,156,517	70,782,354
Other Capital Assets	2,723,207	845,068
Infrastructure - Roads, Streets, and Bridges	25,433,068	0
Total Assets	<u>\$ 84,350,115</u>	<u>\$ 107,663,508</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 0	\$ 189,216
Pension Contributions after Measurement Date	871,880	1,991,742
Pension Other Deferrals	0	213,561
Accumulated Decrease in Fair Value of Hedging Derivatives	830,874	0
Deferred Charges on Refunding	130,909	0
Total Deferred Outflows of Resources	<u>\$ 1,833,663</u>	<u>\$ 2,394,519</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 190,398	\$ 232,072
Accrued Payroll	350,727	11,892
Accrued Interest Payable	152,834	0
Payroll Deductions Payable	12,721	1,049,520
Contracts Payable	12	0
Due to State of Tennessee	12,213	0
Due to Litigants, Heirs, and Others	4,025	0
Derivative - Interest Rate Swap	830,874	0
Other Current Liabilities	28,649	13,510
Noncurrent Liabilities:		
Due Within One Year	4,407,826	0
Due in More Than One Year (net of unamortized premium on debt)	67,367,266	1,005,181
Total Liabilities	<u>\$ 73,357,545</u>	<u>\$ 2,312,175</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Units Loudon County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Revenue - Property Taxes	\$ 14,924,733	\$ 10,207,644
Pension Changes in Experience	295,161	212,424
Changes in Investment Earnings	1,334,899	7,382,370
Total Deferred Inflows of Resources	<u>\$ 16,554,793</u>	<u>\$ 17,802,438</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 39,579,391	\$ 75,742,589
Restricted for:		
General Government	26,098	0
Administration of Justice	497,670	0
Public Safety	559,206	0
Public Health and Welfare	5,527	0
Finance	2,579	0
Highways	1,248,819	0
Education	0	806,125
Debt Service	1,639,322	0
Capital Projects	1,489,518	0
Capital Projects - Education	0	11,312,153
Social, Cultural, and Recreational	217,858	0
Unrestricted	<u>(48,994,548)</u>	<u>2,082,547</u>
Total Net Position	<u>\$ (3,728,560)</u>	<u>\$ 89,943,414</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, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total	Component Unit Loudon County School Department
					Governmental Activities	
Primary Government:						
Governmental Activities:						
General Government	\$ 4,069,623	\$ 833,651	\$ 321,599	\$ 0	\$ (2,914,373)	\$ 0
Finance	2,194,130	1,285,333	0	0	(908,797)	0
Administration of Justice	1,703,950	1,154,818	10,500	0	(538,632)	0
Public Safety	7,513,797	315,502	105,701	23,861	(7,068,733)	0
Public Health and Welfare	1,548,517	176,794	448,242	19,699	(903,782)	0
Social, Cultural, and Recreational Services	540,424	10,691	60,560	0	(469,173)	0
Agriculture and Natural Resources	167,384	0	0	0	(167,384)	0
Highways	3,611,770	9,823	1,639,978	1,047,894	(914,075)	0
Education	9,989,173	0	0	0	(9,989,173)	0
Interest on Long-term Debt	2,222,984	0	234,420	0	(1,988,564)	0
<b>Total Primary Government</b>	<b>\$ 33,561,752</b>	<b>\$ 3,786,612</b>	<b>\$ 2,821,000</b>	<b>\$ 1,091,454</b>	<b>\$ (25,862,686)</b>	<b>\$ 0</b>
Component Unit:						
Loudon County School Department	\$ 40,458,943	\$ 487,436	\$ 4,934,659	\$ 9,846,722	\$ 0	\$ (25,190,126)
<b>Total Component Unit</b>	<b>\$ 40,458,943</b>	<b>\$ 487,436</b>	<b>\$ 4,934,659</b>	<b>\$ 9,846,722</b>	<b>\$ 0</b>	<b>\$ (25,190,126)</b>

(Continued)

Exhibit B

Loudon County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental	Unit
				Total	Loudon County School Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 8,091,130	\$ 10,481,247
Property Taxes Levied for Public Library					223,784	0
Property Taxes Levied for Highway/Public Works					571,166	0
Property Taxes Levied for General Debt Service					1,187,823	0
Property Taxes Levied for Education Debt Service					4,750,224	0
Property Taxes Levied for Capital Projects					175,278	0
Property Taxes Levied for Highway Capital Projects					296,482	0
Sales Taxes					1,004,527	3,381,964
Hotel/Motel Tax					432,320	0
Business Tax					483,900	0
Litigation Tax					298,168	0
Mineral Severance Tax					37,848	0
Adequate Facilities/Development Tax					0	542,076
Other Local Taxes					95,576	0
Bank Excise Tax					30,665	0
Mixed Drink Tax					15,794	0
Grants and Contributions Not Restricted to Specific Programs					1,309,793	21,436,418
Unrestricted Investment Income					80,630	21,629
Miscellaneous					263,472	133,557
Revenue from Joint Ventures					32,501	0
Pension Income					0	31,249
Total General Revenues					\$ 19,381,081	\$ 36,028,140
Special Item - Loss on Disposal of School Capital Assets (See Note IV.C.)					0	(2,838,746)
Change in Net Position					\$ (6,481,605)	\$ 7,999,268
Net Position, July 1, 2014					4,072,034	89,499,376
Prior-period Adjustment (see Note I.D.10)					0	(633,776)
Restatement- Pension Liability (see Note I.D.9)					(1,318,989)	(6,921,454)
Net Position, June 30, 2015					\$ (3,728,560)	\$ 89,943,414

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

Exhibit C-1

Loudon County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2015

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	General	Education	General	Other Govern- mental Funds	
		Debt Service	Debt Service	Capital Projects		
<u>ASSETS</u>						
Cash	\$ 1,000	\$ 0	\$ 0	\$ 0	\$ 2,400	\$ 3,400
Equity in Pooled Cash and Investments	6,188,735	2,615,954	7,910,737	1,241,589	2,832,485	20,789,500
Accounts Receivable	64,158	58,605	0	0	13,448	136,211
Due from Other Governments	1,997,548	0	0	0	464,864	2,462,412
Due from Other Funds	3,695	0	1,010,000	0	0	1,013,695
Property Taxes Receivable	8,257,849	1,212,323	4,852,104	175,699	1,113,931	15,611,906
Allowance for Uncollectible Property Taxes	(210,099)	(30,845)	(121,849)	(4,470)	(28,342)	(395,605)
Prepaid Items	44,073	0	0	0	5,609	49,682
Other Current Assets	144,327	0	0	0	30,357	174,684
Total Assets	\$ 16,491,286	\$ 3,856,037	\$ 13,650,992	\$ 1,412,818	\$ 4,434,752	\$ 39,845,885
<u>LIABILITIES</u>						
Accounts Payable	\$ 143,918	\$ 0	\$ 0	\$ 0	\$ 46,480	\$ 190,398
Accrued Payroll	293,014	0	0	0	57,713	350,727
Payroll Deductions Payable	11,051	0	0	0	1,670	12,721
Contracts Payable	0	0	0	12	0	12
Due to Other Funds	0	1,010,000	0	0	3,695	1,013,695
Due to State of Tennessee	12,213	0	0	0	0	12,213
Due to Litigants, Heirs, and Others	0	0	0	0	4,025	4,025
Other Current Liabilities	28,649	0	0	0	0	28,649
Total Liabilities	\$ 488,845	\$ 1,010,000	\$ 0	\$ 12	\$ 113,583	\$ 1,612,440

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
				Other		
	General	General Debt Service	Education Debt Service	General Capital Projects	Other Govern- mental Funds	
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Deferred Current Property Taxes	\$ 7,892,235	\$ 1,158,647	\$ 4,641,319	\$ 167,920	\$ 1,064,612	\$ 14,924,733
Deferred Delinquent Property Taxes	139,112	20,423	80,518	2,960	18,764	261,777
Other Deferred/Unavailable Revenue	638,536	0	0	0	210,152	848,688
<b>Total Deferred Inflows of Resources</b>	<b>\$ 8,669,883</b>	<b>\$ 1,179,070</b>	<b>\$ 4,721,837</b>	<b>\$ 170,880</b>	<b>\$ 1,293,528</b>	<b>\$ 16,035,198</b>
<b><u>FUND BALANCES</u></b>						
Nonspendable:						
Prepaid Items	\$ 44,073	\$ 0	\$ 0	\$ 0	\$ 5,609	\$ 49,682
Restricted:						
Restricted for General Government	26,098	0	0	0	0	26,098
Restricted for Finance	2,579	0	0	0	0	2,579
Restricted for Administration of Justice	483,907	0	0	0	13,763	497,670
Restricted for Public Safety	71,053	0	0	0	488,153	559,206
Restricted for Public Health and Welfare	5,527	0	0	0	0	5,527
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	209,375	209,375
Restricted for Highways/Public Works	0	0	0	0	1,152,092	1,152,092
Restricted for Debt Service	0	1,644,606	8,929,155	0	0	10,573,761
Restricted for Capital Projects	0	0	0	1,241,926	239,541	1,481,467
Committed:						
Committed for Public Health and Welfare	7,227	0	0	0	854,876	862,103
Committed for Other Operations	0	0	0	0	64,232	64,232
Committed for Debt Service	0	22,361	0	0	0	22,361
Assigned:						
Assigned for General Government	1,551,873	0	0	0	0	1,551,873
Assigned for Finance	71,807	0	0	0	0	71,807

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	General	Education	General	Other Govern- mental Funds	
		Debt Service	Debt Service	Capital Projects		
<u>FUND BALANCES (Cont.)</u>						
Assigned (Cont.):						
Assigned for Administration of Justice	\$ 6,002	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,002
Assigned for Public Safety	65,163	0	0	0	0	65,163
Assigned for Public Health and Welfare	19,981	0	0	0	0	19,981
Assigned for Social, Cultural, and Recreational Services	25,221	0	0	0	0	25,221
Assigned for Agriculture and Natural Resources	444	0	0	0	0	444
Assigned for Other Operations	7,712	0	0	0	0	7,712
Unassigned	4,943,891	0	0	0	0	4,943,891
Total Fund Balances	<u>\$ 7,332,558</u>	<u>\$ 1,666,967</u>	<u>\$ 8,929,155</u>	<u>\$ 1,241,926</u>	<u>\$ 3,027,641</u>	<u>\$ 22,198,247</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,491,286</u>	<u>\$ 3,856,037</u>	<u>\$ 13,650,992</u>	<u>\$ 1,412,818</u>	<u>\$ 4,434,752</u>	<u>\$ 39,845,885</u>

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, 2015

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)		\$ 22,198,247	
(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	2,975		
Add: infrastructure net of accumulated depreciation	25,433,068		
Add: buildings and improvements net of accumulated depreciation	11,156,517		
Add: other capital assets net of accumulated depreciation	<u>2,723,207</u>	45,230,897	
(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	\$ (329,000)		
Less: bonds payable	(50,795,000)		
Less: other loans payable	(13,369,101)		
Add: deferred amount on refunding	130,909		
Less: unamortized portion of debt premiums	(1,992,093)		
Less: accrued interest on notes, bonds, and other loans	(152,834)		
Less: other postemployment benefits liability	(4,711,053)		
Less: compensated absences payable	<u>(578,845)</u>	(71,797,017)	
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: net pension asset	287,028		
Add: deferred outflows of resources related to pensions	871,880		
Less: deferred inflows of resources related to pensions	<u>(1,630,060)</u>	(471,152)	
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,110,465</u>
Net position of governmental activities (Exhibit A)			<u>\$ (3,728,560)</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, 2015

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Education Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 9,671,906	\$ 1,190,117	\$ 4,760,748	\$ 175,607	\$ 1,922,766	\$ 17,721,144
Licenses and Permits	562,093	0	0	0	0	562,093
Fines, Forfeitures, and Penalties	428,042	0	0	0	77,853	505,895
Charges for Current Services	77,435	0	0	0	22,594	100,029
Other Local Revenues	209,815	37,881	49,246	28,586	207,666	533,194
Fees Received from County Officials	2,234,734	0	0	0	0	2,234,734
State of Tennessee	1,931,236	0	0	0	1,738,659	3,669,895
Federal Government	105,317	0	0	19,699	4,190	129,206
Other Governments and Citizens Groups	69,393	234,420	0	20,000	47,980	371,793
<b>Total Revenues</b>	<b>\$ 15,289,971</b>	<b>\$ 1,462,418</b>	<b>\$ 4,809,994</b>	<b>\$ 243,892</b>	<b>\$ 4,021,708</b>	<b>\$ 25,827,983</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 2,994,920	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,994,920
Finance	2,199,914	0	0	0	9,379	2,209,293
Administration of Justice	1,717,094	0	0	0	2,520	1,719,614
Public Safety	6,911,387	0	0	0	160,139	7,071,526
Public Health and Welfare	700,089	0	0	0	734,143	1,434,232
Social, Cultural, and Recreational Services	202,150	0	0	0	286,724	488,874
Agriculture and Natural Resources	167,384	0	0	0	0	167,384
Other Operations	699,031	0	0	3,413	19,479	721,923
Highways	0	0	0	0	2,119,345	2,119,345
Debt Service:						
Principal on Debt	47,634	1,087,000	2,740,300	0	0	3,874,934
Interest on Debt	0	133,468	1,793,825	0	0	1,927,293
Other Debt Service	0	304,482	94,880	144,359	0	543,721

(Continued)

Exhibit C-3

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

	Major Funds			General Capital Projects	Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Education Debt Service		Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 10,584,297	\$ 491,456	\$ 11,075,753
Total Expenditures	\$ 15,639,603	\$ 1,524,950	\$ 4,629,005	\$ 10,732,069	\$ 3,823,185	\$ 36,348,812
Excess (Deficiency) of Revenues Over Expenditures	\$ (349,632)	\$ (62,532)	\$ 180,989	\$ (10,488,177)	\$ 198,523	\$ (10,520,829)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 9,845,000	\$ 0	\$ 9,845,000
Refunding Debt Issued	0	2,600,000	0	0	0	2,600,000
Premiums on Debt Issued	0	155,813	0	144,173	0	299,986
Insurance Recovery	12,902	0	0	0	0	12,902
Transfers In	0	77,863	0	400,000	0	477,863
Transfers Out	(400,000)	0	0	0	(77,863)	(477,863)
Payments to Refunded Debt Escrow Agent	0	(2,742,606)	0	0	0	(2,742,606)
Total Other Financing Sources (Uses)	\$ (387,098)	\$ 91,070	\$ 0	\$ 10,389,173	\$ (77,863)	\$ 10,015,282
Net Change in Fund Balances	\$ (736,730)	\$ 28,538	\$ 180,989	\$ (99,004)	\$ 120,660	\$ (505,547)
Fund Balance, July 1, 2014	8,069,288	1,638,429	8,748,166	1,340,930	2,906,981	22,703,794
Fund Balance, June 30, 2015	\$ 7,332,558	\$ 1,666,967	\$ 8,929,155	\$ 1,241,926	\$ 3,027,641	\$ 22,198,247

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, 2015

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)		\$ (505,547)
(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	\$ 712,128	
Less: current-year depreciation expense	<u>(1,864,132)</u>	(1,152,004)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 1,071,755	
Less: book value of capital assets disposed	<u>(22,087)</u>	1,049,668
(3) 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, 2014	\$ (930,056)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>1,110,465</u>	180,409
(4) 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.		
Add: principal payments on notes	\$ 36,000	
Add: principal payments on other loans	1,568,934	
Add: principal payments on bonds	2,270,000	
Less: change in premium on debt issues	(151,122)	
Less: bond proceeds	(9,845,000)	
Less: refunding debt issued	(2,600,000)	
Add: bonds refunded	2,745,000	
Less: change in deferred charge on refunding	<u>(37,271)</u>	(6,013,459)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ (10,316)	
Change in compensated absences payable	(20,119)	
Change in other postemployment benefits liability	(858,074)	
Change in net pension liability/asset	1,606,017	
Change in deferred outflows related to pensions	871,880	
Change in deferred inflows related to pensions	<u>(1,630,060)</u>	<u>(40,672)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (6,481,605)</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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,671,906	\$ 0	\$ 0	\$ 9,671,906	\$ 9,383,031	\$ 9,351,309	\$ 320,597
Licenses and Permits	562,093	0	0	562,093	582,300	567,900	(5,807)
Fines, Forfeitures, and Penalties	428,042	0	0	428,042	437,950	432,450	(4,408)
Charges for Current Services	77,435	0	0	77,435	86,400	76,400	1,035
Other Local Revenues	209,815	0	0	209,815	71,260	191,001	18,814
Fees Received from County Officials	2,234,734	0	0	2,234,734	2,236,250	2,276,250	(41,516)
State of Tennessee	1,931,236	0	0	1,931,236	1,577,441	1,676,009	255,227
Federal Government	105,317	0	0	105,317	84,006	115,006	(9,689)
Other Governments and Citizens Groups	69,393	0	0	69,393	33,000	49,658	19,735
<b>Total Revenues</b>	<b>\$ 15,289,971</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 15,289,971</b>	<b>\$ 14,491,638</b>	<b>\$ 14,735,983</b>	<b>\$ 553,988</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 143,878	\$ 0	\$ 25,000	\$ 168,878	\$ 143,270	\$ 179,472	\$ 10,594
Board of Equalization	1,159	0	0	1,159	2,500	2,500	1,341
Beer Board	6,125	0	0	6,125	4,750	7,000	875
Other Boards and Committees	3,950	0	0	3,950	5,000	5,000	1,050
County Mayor/Executive	210,582	(1,327)	272	209,527	210,481	215,979	6,452
Personnel Office	58,262	0	0	58,262	71,108	63,122	4,860
County Attorney	174,387	0	0	174,387	155,000	175,730	1,343
Election Commission	297,519	0	5,492	303,011	341,228	349,761	46,750
Register of Deeds	267,064	0	5,834	272,898	280,499	278,263	5,365
Planning	80,043	0	734	80,777	180,726	90,046	9,269
Codes Compliance	215,341	0	907	216,248	238,588	231,318	15,070
Geographical Information Systems	60,799	0	0	60,799	64,936	63,739	2,940
County Buildings	1,186,315	(16,664)	32,596	1,202,247	1,301,308	1,278,992	76,745
Other General Administration	289,496	0	348	289,844	292,228	292,228	2,384
<u>Finance</u>							
Accounting and Budgeting	555,443	0	25,148	580,591	569,710	589,116	8,525
Purchasing	248,322	0	3,902	252,224	254,029	253,246	1,022
Property Assessor's Office	403,235	0	31,643	434,878	445,423	448,548	13,670

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Trustee's Office	\$ 327,878	\$ 0	\$ 4,303	\$ 332,181	\$ 342,335	\$ 342,861	\$ 10,680
County Clerk's Office	519,062	(2,863)	5,392	521,591	505,572	532,374	10,783
Data Processing	145,974	(700)	1,420	146,694	156,220	156,407	9,713
<u>Administration of Justice</u>							
Circuit Court	331,758	(300)	592	332,050	373,700	374,092	42,042
General Sessions Court	461,672	0	4,137	465,809	514,540	527,250	61,441
General Sessions Judge	255,746	0	0	255,746	285,083	266,455	10,709
Chancery Court	208,960	0	285	209,245	224,246	218,664	9,419
Juvenile Court	294,061	(7,450)	946	287,557	321,234	311,046	23,489
Judicial Commissioners	136,307	0	42	136,349	131,437	138,548	2,199
Other Administration of Justice	10,721	0	0	10,721	15,500	15,500	4,779
Victims Assistance Programs	17,869	0	0	17,869	0	19,500	1,631
<u>Public Safety</u>							
Sheriff's Department	4,064,698	(2,427)	7,371	4,069,642	4,325,652	4,356,429	286,787
Special Patrols	19,419	(2,158)	0	17,261	20,000	20,000	2,739
Traffic Control	1,358	0	0	1,358	1,500	1,500	142
Administration of the Sexual Offender Registry	258	0	0	258	1,800	1,800	1,542
Jail	1,813,383	(3,109)	24,595	1,834,869	2,015,663	1,972,853	137,984
Juvenile Services	21,914	0	0	21,914	32,196	32,196	10,282
Rural Fire Protection	180,000	(25,000)	25,000	180,000	180,000	180,000	0
Civil Defense	169,048	(279)	8,197	176,966	189,254	190,978	14,012
Other Emergency Management	28,385	0	0	28,385	12,500	28,500	115
County Coroner/Medical Examiner	61,500	0	0	61,500	70,500	70,500	9,000
Other Public Safety	551,424	0	0	551,424	551,613	551,424	0
<u>Public Health and Welfare</u>							
Local Health Center	81,843	0	974	82,817	88,818	91,461	8,644
Rabies and Animal Control	330,855	0	11,724	342,579	373,808	371,615	29,036
Maternal and Child Health Services	35,811	0	7,283	43,094	38,103	64,171	21,077
Other Local Health Services	251,580	0	0	251,580	421,900	421,900	170,320

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	\$ 2,500	\$ 0	\$ 0	\$ 2,500	\$ 2,500	\$ 2,500	\$ 0
Senior Citizens Assistance	199,650	(1,239)	221	198,632	207,386	202,209	3,577
Parks and Fair Boards	0	0	25,000	25,000	25,000	25,000	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	145,247	(121)	323	145,449	150,248	150,248	4,799
Soil Conservation	16,677	0	121	16,798	19,090	19,090	2,292
Flood Control	2,000	0	0	2,000	2,000	2,000	0
Storm Water Management	3,460	0	0	3,460	4,000	4,000	540
<u>Other Operations</u>							
Tourism	142,175	(13,513)	7,710	136,372	115,000	121,000	(15,372)
Industrial Development	171,429	0	0	171,429	171,430	171,430	1
Housing and Urban Development	1,500	0	0	1,500	5,000	5,000	3,500
Veterans' Services	35,522	0	0	35,522	32,053	40,490	4,968
Contributions to Other Agencies	61,583	0	0	61,583	62,285	61,583	0
Employee Benefits	0	0	0	0	9,000	9,000	9,000
Miscellaneous	286,822	0	0	286,822	316,500	321,500	34,678
<u>Principal on Debt</u>							
General Government	47,634	0	0	47,634	41,287	47,634	0
Total Expenditures	\$ 15,639,603	\$ (77,150)	\$ 267,512	\$ 15,829,965	\$ 16,916,737	\$ 16,964,768	\$ 1,134,803
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (349,632)	\$ 77,150	\$ (267,512)	\$ (539,994)	\$ (2,425,099)	\$ (2,228,785)	\$ 1,688,791
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 12,902	\$ 0	\$ 0	\$ 12,902	\$ 0	\$ 12,901	\$ 1
Transfers Out	(400,000)	0	0	(400,000)	0	(400,000)	0
Total Other Financing Sources	\$ (387,098)	\$ 0	\$ 0	\$ (387,098)	\$ 0	\$ (387,099)	\$ 1
Net Change in Fund Balance							
Fund Balance, July 1, 2014	\$ 8,069,288	\$ (77,150)	\$ 0	\$ 7,992,138	\$ 5,801,593	\$ 5,801,593	\$ 2,190,545
Fund Balance, June 30, 2015	\$ 7,332,558	\$ 0	\$ (267,512)	\$ 7,065,046	\$ 3,376,494	\$ 3,185,709	\$ 3,879,337

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, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 621,667
Equity in Pooled Cash and Investments	3,258,262
Accounts Receivable	564
Due from Other Governments	1,054,416
Taxes Receivable	5,594,469
Allowance for Uncollectible Taxes	<u>(142,336)</u>
Total Assets	<u>\$ 10,387,042</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 5,318
Due to Other Taxing Units	6,730,781
Due to Litigants, Heirs, and Others	621,667
Due to Joint Ventures	<u>3,029,276</u>
Total Liabilities	<u>\$ 10,387,042</u>

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

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**LOUDON COUNTY, TENNESSEE**  
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**LOUDON COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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 financial statements of the Loudon County Emergency Communications District were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

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 \$9,844,814 were contributed by the county to the School Department during the year ended June 30, 2015.

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. It has no enterprise funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. 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. All other investments are reported at fair value.

## **2. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund loans) or as advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported 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 1.31 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. Deferred outflows of resources represent a consumption of net position that applies to a 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. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience, employer contributions made to the pension plan after the measurement date, pension other deferrals, accumulated decrease in the fair value of hedging derivatives, and deferred charges on refundings.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) 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 items are from the following sources: current and delinquent property taxes, pension changes in experience, changes in investment earnings, 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, 2015. 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, 2015, Loudon County had \$58,851,800 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 by resolution 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 (\$267,512) and fund balance appropriated for use in the 2015-2016 budget (\$1,480,691). Assigned fund balance in the General Purpose School Fund consists of amounts assigned for encumbrances (\$416,043) and fund balance appropriated for use in the 2015-2016 budget (\$1,952,502).

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**

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement decreasing Loudon County’s beginning net position has been recognized on the Statement of Activities totaling (\$1,318,989). In addition, a restatement decreasing the discretely presented School Department’s beginning net position totaling (\$6,921,454) has been recognized in the Statement of Activities for liabilities of the pension agent plan (\$949,264) and the pension cost-sharing plan (\$5,972,190).

**10. Prior-period Adjustment**

Beginning net position for the discretely presented School Department and beginning fund balances of the School Department’s governmental

funds have been decreased by \$633,776 to correct accruals of employee insurance premiums in the prior year.

**E. Pension Plans**

**Primary Government**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Loudon County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Loudon County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

**Discretely Presented Loudon County School Department**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

**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**

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.

At June 30, 2015, Loudon County reported the following significant encumbrances:

Fund	Description	Amount
Primary Government		
Major Fund:		
General Capital Projects	Water line extensions	\$ 456,944
Nonmajor Fund:		
Highway/Public Works	Paving	88,272
Discretely Presented School Department		
Major Fund:		
Education Capital Projects	Renovations	254,826

**B. Fund Deficit**

The School Federal Projects Fund of the discretely presented School Department had a deficit in unassigned fund balance of \$8,449 at June 30, 2015. This deficit is expected to be liquidated upon the receipt of federal funds subsequent to year-end.

**C. Cash Shortage**

A cash shortage of at least \$13,976.84 was discovered in the Office of Sheriff. Details of the cash shortage are discussed in the Schedule of Findings and Questioned Costs in the annual financial report for the year ended June 30, 2014. Funds totaling \$6,649.84 were recovered from the trunk of a county vehicle on August 25, 2014, leaving an outstanding cash shortage of \$7,327. A former Sheriff Department employee was indicted on criminal charges related to the cash shortage and was later granted judicial diversion by the criminal court on charges of theft. On May 5, 2015, the former employee liquidated the remaining cash shortage by paying restitution of \$7,327 into the court.

**D. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in the Tourism major appropriations category (the legal level of control) of the General Fund by \$15,372. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the General Fund.

**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, 2015, 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	Fair Value or Amortized		Ratings		
		Cost	Moody's	S&P	Fitch	
Federal Home Loan Bank	7-20-15	\$ 249,998				
Federal Home Loan Bank	1-15-16	500,250	Aaa	AA+		
Federal Home Loan Bank	2-28-17	500,265		AA+		
Federal Farm Credit Bank	10-14-16	501,385	Aaa	AA+		
Brick TWP N J, GO IMPT BDS, Landfill Closure Ser 2010	11-1-15	302,730		AA		
California St GO BDS	11-1-15	915,127	Aa3	A+	A+	
Cook CNTY IL SCH DIST No 037 2015	12-1-15	216,558		AAA		
Des Plaines Ill CABS 2009A 2007	12-1-15	137,766	Aa2			
	3-1-16	205,938	Aa1	AA+	AA+	
Hawaii St, GO Ref BDS Ser 2005	7-1-15	400,000	Aa2	AA		
Iving Tex, GO Ref Ser 2005A	11-15-15	375,765	Aaa	AAA		
Leander TX INDPT SCH Dist, Texas Permanent School Fund	8-15-15	259,917		AAA		
Metropolitan GOVT Nashville & Davidson CNTY TN SPORTS AUTH REV PUB IMPT REF BDS Ser 2013B	7-1-16	754,583	Aa3	AA-		
Michigan ST GO SCH Ser 2011A	4-15-16	1,019,120	Aa2	AA-		

Investment (Cont.)	Maturities	Fair Value		Ratings		
		or Amortized	Cost	Moody's	S&P	Fitch
Mississippi ST Taxable Ser 2013A	12-1-16	\$	1,019,540	Aa2	AA	AA+
New Hartford NY Ser 2015 Bank Qualified	6-15-16		188,642	Aa3		
New York NY Taxable Ser 2009	4-1-16		520,050	Aa2	AA	AA
Oxford AL, GO WTS Ser 2013B	9-1-15		230,492	Aa2		
Rhode Island ST & Providence Plantations Ser 2006A	8-1-15		200,618	Aa2	AA	AA
San Jose Evergreen CA CMNTY COLLEGE DIST, GO BDS, Ser B	9-1-15		175,795	Aa1	AA	
Stratford Conn Go BDS, Ser 2013	8-15-16		506,855	A1	AA	
Washington St, Taxable GO BDS Ser 2010	8-1-16		257,418	Aa1	AA+	AA+
West Hartford CONN, GO, BDS Ser 2005	10-1-15		<u>252,913</u>	Aaa	AAA	
Total		\$	<u>9,691,725</u>			

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. 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.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Loudon County places no limit on the amount the county may invest in one issuer. More than five percent of the county's investments are in the Federal Home Loan Bank (12.9%); Federal Farm Credit Bank (5.2%); California State (9.4%); Metropolitan government Nashville and Davidson County (7.8%); Michigan State (10.5%); Mississippi State (10.5%); New York, NY (5.4%); and Stratford, Connecticut (5.2%).

## **B. Derivative Instrument**

At June 30, 2015, Loudon County had the following derivative instrument 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 balance and notional amount of the derivative instrument outstanding at June 30, 2015, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2015 financial statements is as follows:

Type	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2015</u>		6-30-15 Notional Amount
	Classification	Amount	Classification	Amount	
<b>Governmental Activities</b>					
Cash Flow Hedges:					
Pay fixed interest rate swaps:					
\$12.5M Swap	Deferred Outflow	\$ 70,591	Debt	\$ (830,874)	\$ 8,955,000
Total		<u>\$ 70,591</u>		<u>\$ (830,874)</u>	<u>\$ 8,955,000</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, 2015, 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, 2015, the swap had a negative fair value of \$830,874. 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, 2015, 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, 2015, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/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, 2015, 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			Total
	Principal	Interest	Net Interest Rate Swap Payment	
2016	\$ 680,000	\$ 60,943	\$ 239,095	\$ 980,038
2017	720,000	56,316	220,940	997,256
2018	765,000	51,416	201,716	1,018,132
2019	810,000	46,209	181,291	1,037,500
2020	855,000	40,697	159,664	1,055,361
2021-2025	5,125,000	108,650	426,260	5,659,910
Total	\$ 8,955,000	\$ 364,231	\$ 1,428,966	\$ 10,748,197

### C. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

#### Primary Government

##### **Governmental Activities:**

	Restated Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 5,915,130	\$ 0	\$ 0	\$ 5,915,130
Construction in Progress	36,800	2,975	(36,800)	2,975
Total Capital Assets Not Depreciated	\$ 5,951,930	\$ 2,975	\$ (36,800)	\$ 5,918,105
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,480,048	\$ 110,717	\$ 0	\$ 14,590,765
Infrastructure	47,353,860	1,085,963	0	48,439,823
Other Capital Assets	8,312,964	621,028	(190,156)	8,743,836
Total Capital Assets Depreciated	\$ 70,146,872	\$ 1,817,708	\$ (190,156)	\$ 71,774,424
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,185,444	\$ 248,804	\$ 0	\$ 3,434,248
Infrastructure	22,053,690	953,065	0	23,006,755
Other Capital Assets	5,526,435	662,263	(168,069)	6,020,629
Total Accumulated Depreciation	\$ 30,765,569	\$ 1,864,132	\$ (168,069)	\$ 32,461,632

**Governmental Activities (Cont.):**

	Restated			Balance
	Balance	Increases	Decreases	Balance
	7-1-14			6-30-15
Total Capital Assets				
Depreciated, Net	\$ 39,381,303	\$ (46,424)	\$ (22,087)	\$ 39,312,792
Governmental Activities				
Capital Assets, Net	\$ 45,333,233	\$ (43,449)	\$ (58,887)	\$ 45,230,897

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	\$ 120,311
Finance	1,174
Administration of Justice	26,407
Public Safety	549,837
Public Health and Welfare	77,254
Social, Cultural, and Recreational Services	27,302
Highways/Public Works	<u>1,061,847</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,864,132</u>

**Discretely Presented Loudon County School Department**

**Governmental Activities:**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 3,946,406	\$ 0	\$ 0	\$ 3,946,406
Construction in Progress	19,872,687	2,392,611	(22,096,537)	168,761
Total Capital Assets Not Depreciated	<u>\$ 23,819,093</u>	<u>\$ 2,392,611</u>	<u>\$ (22,096,537)</u>	<u>\$ 4,115,167</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 68,167,659	\$ 22,080,578	\$ (3,940,560)	\$ 86,307,677
Other Capital Assets	1,182,193	333,593	(35,118)	1,480,668
Total Capital Assets Depreciated	<u>\$ 69,349,852</u>	<u>\$ 22,414,171</u>	<u>\$ (3,975,678)</u>	<u>\$ 87,788,345</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 15,647,121	\$ 1,491,112	\$ (1,612,910)	\$ 15,525,323
Other Capital Assets	563,909	90,713	(19,022)	635,600
Total Accumulated Depreciation	<u>\$ 16,211,030</u>	<u>\$ 1,581,825</u>	<u>\$ (1,631,932)</u>	<u>\$ 16,160,923</u>
Total Capital Assets Depreciated, Net	<u>\$ 53,138,822</u>	<u>\$ 20,832,346</u>	<u>\$ (2,343,746)</u>	<u>\$ 71,627,422</u>
Governmental Activities Capital Assets, Net	<u>\$ 76,957,915</u>	<u>\$ 23,224,957</u>	<u>\$ (24,440,283)</u>	<u>\$ 75,742,589</u>

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

**Governmental Activities:**

Instruction	\$ 22,609
Support Services	1,544,163
Operation of Non-instructional Services	<u>15,053</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,581,825</u>

**Demolition of School Building (Special Item)**

During the year, the Board of Education elected to demolish a school building and certain attached equipment. The building and equipment were not fully depreciated and had a net carrying value of \$2,343,746. The building had been abandoned by the School Department upon completion of the new Greenback school. A loss of \$2,838,746 is reflected on the government-wide

Statement of Activities due to the demolition. The amount reported for the loss includes the net carrying value of the assets (\$2,343,746) along with \$495,000 the School Department paid to have the assets demolished. The loss is reported as a special item on the government-wide Statement of Activities since it is considered significant, infrequent or unusual, and within the control of management.

**D. Construction Commitments**

At June 30, 2015, the General Capital Projects Fund had uncompleted contracts of approximately \$456,944 for the extension of waterlines. Funding is being provided for this future expenditure through a Community Development Block Grant.

The discretely presented School Department’s Education Capital Projects Fund had uncompleted contracts totaling \$254,826 for the Loudon County High renovation project. Funding has been provided for these future expenditures.

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

The composition of interfund balances as of June 30, 2015, is as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 3,695
Education Debt Service	General Debt Service	1,010,000
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	22,860

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. The amount payable to the Education Debt Service Fund relates to an internal financing arrangement, which is discussed in Note IV.K. The remaining balance of the loan at June 30, 2015, (\$1,010,000) is scheduled to be repaid within one year.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2015, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In	
	General Debt Service Fund	General Capital Projects Fund
General Fund	\$ 0	\$ 400,000
Nonmajor governmental funds	77,863	0

The transfer of \$77,863 from the nonmajor governmental funds to the General Debt Service Fund is to retire Highway debt. The county made one-time transfers from the General Fund to the General Capital Projects Fund of \$100,000 and \$300,000 to subsidize the county’s matching share of a federal grant and for the construction of an addition to a county building, respectively.

**F. Payables**

A total of \$4,025 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 Agreement**

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, 2015, will be retired from the General Fund and the debt service funds.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds	1.4 to 5 %	6-1-36	\$ 52,190,000	\$ 48,195,000
General Obligation Bonds - Refunding	2.8	4-1-20	2,600,000	2,600,000
Capital Outlay Notes	2.88	2-1-23	400,000	329,000
Other Loans - City of Loudon	0	N/A	475,000	258,301
Other Loans - PBA Variable Rate	variable	6-1-25	19,835,000	11,459,000
Loan Agreement - State School Bond Authority (QZABs)	0	12-1-20	4,129,500	1,651,800

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, 2015:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-15	Interest Type	Variable Interest Rates as of 6-30-15	Other Fees on Variable Rate Debt
<u>Montgomery County</u>					
<u>Public Building Authority:</u>					
Various Purposes	\$ 5,000,000	\$ 1,204,000	Variable	0.06 %	.75 %
<u>Blount County</u>					
<u>Public Building Authority:</u>					
School Projects-Refunding	12,265,000	9,005,000	Variable	0.68 (1)	.12
Various Purposes-Refunding	2,570,000	<u>1,250,000</u>	Variable	0.68	.12
Total		<u>\$ 11,459,000</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 6-30-15	Interest Rates
<u>City of Loudon</u>			
Highlands Business Center	\$ 475,000	\$ 258,301	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 \$47,634 under the agreement.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2015, including estimated interest payments and other fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 2,705,000	\$ 1,611,090	\$ 4,316,090
2017	2,775,000	1,495,475	4,270,475
2018	2,880,000	1,405,225	4,285,225
2019	2,905,000	1,318,125	4,223,125
2020	3,045,000	1,225,475	4,270,475
2021-2025	12,170,000	4,970,125	17,140,125
2026-2030	10,365,000	3,300,000	13,665,000
2031-2035	12,000,000	1,552,589	13,552,589
2036	1,950,000	67,163	2,017,163
Total	\$ 50,795,000	\$ 16,945,267	\$ 67,740,267

Year Ending June 30	Notes		
	Principal	Interest	Total
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
2021-2023	132,000	7,661	139,661
Total	\$ 329,000	\$ 44,064	\$ 373,064

Year Ending June 30	Other Loans - PBA and QZAB			
	Principal	Interest	Other Fees	Total
2016	\$ 1,574,300	\$ 310,875	\$ 21,336	\$ 1,906,511
2017	1,651,300	286,167	17,327	1,954,794
2018	1,709,300	259,942	13,149	1,982,391
2019	1,340,300	232,202	8,820	1,581,322
2020	1,410,300	203,202	7,542	1,621,044
2021-2025	5,425,300	537,340	19,248	5,981,888
Total	\$ 13,110,800	\$ 1,829,728	\$ 87,422	\$ 15,027,950

Annual requirements for the \$258,301 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 Instrument.

There is \$10,596,122 available in the debt service funds to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$116, for residents inside Lenoir City, and \$1,591, 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, 2015, was as follows:

	Bonds	Notes	Other Loans - City of Loudon
Balance, July 1, 2014	\$ 43,365,000	\$ 365,000	\$ 305,935
Additions	12,445,000	0	0
Reductions	(5,015,000)	(36,000)	(47,634)
Balance, June 30, 2015	<u>\$ 50,795,000</u>	<u>\$ 329,000</u>	<u>\$ 258,301</u>
Balance Due Within One Year	<u>\$ 2,705,000</u>	<u>\$ 37,000</u>	<u>\$ 0</u>

	Other Loans - PBA & QZAB	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2014	\$ 14,632,100	\$ 558,726	\$ 3,852,979
Additions	0	544,718	1,047,101
Reductions	(1,521,300)	(524,599)	(189,027)
Balance, June 30, 2015	<u>\$ 13,110,800</u>	<u>\$ 578,845</u>	<u>\$ 4,711,053</u>
Balance Due Within One Year	<u>\$ 1,574,300</u>	<u>\$ 91,526</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 69,782,999
Less: Balance Due Within One Year	(4,407,826)
Add: Unamortized Premium on Debt	<u>1,992,093</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 67,367,266</u>

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

Current Refunding

On December 30, 2014, Loudon County current refunded a general obligation bond issue with a separate general obligation bond issue. The county issued \$2,600,000 of general obligation refunding bonds to provide resources to redeem the refunded debt (\$2,745,000 of the Series 2004 general obligation refunding bonds). As a result, the liability for the refunded bonds has been removed from the county's long-term debt. As a result of the refunding, total debt service payments over the next five years will be reduced by \$229,207, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$220,079 was obtained.

**Discretely Presented Loudon County School Department**

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2014	\$ 924,123
Additions	444,952
Reductions	<u>(363,894)</u>
Balance, June 30, 2015	<u>\$ 1,005,181</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, 2015, was \$258,301.

**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, 2015, were \$154,562 and \$31,125, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**K. Internal Financing**

In-lieu-of issuing debt with financial institutions, Loudon County has chosen to internally finance certain projects with idle county funds. During the prior year, the County Commission authorized an internal three-year capital outlay note totaling \$1,300,000 to fund capital expenditures of the General Capital Projects Fund. The General Debt Service Fund borrowed \$1,300,000 from the Education Debt Service Fund and transferred that amount to the General Capital Projects Fund. The General Debt Service Fund is repaying the Education Debt Service Fund for that loan over a three-year period. The following table summarizes the outstanding loan.

	Original Amount of Loan	Interest Rate	Date of Issue	Last Maturity Date
Series 2013 Internal Capital Outlay Note	\$ 1,300,000	.5%	10-4-13	6-1-16
	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-15
Series 2013 Internal Capital Outlay Note	\$ 1,155,000	\$ 0	(145,000)	\$ 1,010,000

**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
2013-2014	\$21,257	\$367,049	(\$360,176)	\$28,130
2014-2015	28,130	360,962	(375,582)	13,510

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. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension*

*Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**C. Contingent Liabilities**

Loudon County is contingently liable for a public building authority loan agreement and a State of Tennessee revolving loan agreement of a joint venture, Tellico Area Services System (TASS). Loudon County would become liable for these loan agreements in the event of default by TASS. As of June 30, 2015, future principal and interest requirements were \$365,000 and \$44,203, respectively, for the public building authority loan, and \$3,231,874 and \$269,102, respectively, for the State of Tennessee revolving loan.

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.

**D. Change in Administration**

On August 31, 2014, Estelle Herron left the office of County Mayor and was succeeded by Rollen Bradshaw.

**E. Joint Ventures**

The 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 Ninth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Ninth Judicial District; Roane, Loudon, Meigs, and Morgan counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors, which includes the district attorney general, sheriffs, and police chiefs of participating law enforcement

agencies within each judicial district. Loudon County made no contributions to the DTF for the year ended June 30, 2015. Complete financial statements for the Ninth Judicial DTF can be obtained through its administrative office at the following address:

Administrative Office:

Office of District Attorney General  
Ninth Judicial District Drug Task Force  
P.O. Box 703  
Kingston, TN 37763

The Loudon County Economic Development Agency, Inc., was designated to function as the Joint Economic and Community Development Board under Public Chapter 1101. 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 \$162,545 in financial support during the 2014-15 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

**F. 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.

**G. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Loudon County and non-certified employees of the discretely presented Loudon County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 58.15 percent and the non-certified employees of the discretely present School Department comprise 41.85 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	213
Inactive Employees Entitled to But Not Yet Receiving Benefits	387
Active Employees	<u>356</u>
 Total	 <u><u>956</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Loudon County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Loudon County were \$1,179,193 based on a rate of 9.7 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Loudon County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

Loudon County’s net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
Short-term Securities	0.98	29
	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Loudon County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 34,944,544	\$ 31,512,272	\$ 3,432,272
Changes for the year:			
Service Cost	\$ 1,030,236	\$ 0	\$ 1,030,236
Interest	2,640,126	0	2,640,126
Differences Between Expected and Actual Experience	(634,481)	0	(634,481)
Contributions-Employer	0	1,164,019	(1,164,019)
Contributions-Employees	0	572,872	(572,872)
Net Investment Income	0	5,239,536	(5,239,536)
Benefit Payments, Including Refunds of Employee Contributions	(1,546,219)	(1,546,219)	0
Administrative Expense	0	(14,675)	14,675
Other Changes	0	0	0
Net Changes	\$ 1,489,662	\$ 5,415,533	\$ (3,925,871)
Balance, June 30, 2014	\$ 36,434,206	\$ 36,927,805	\$ (493,599)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	58.15%	\$ 21,186,491	\$ 21,473,519	\$ (287,028)
School Department	41.85%	15,247,715	15,454,286	(206,571)
Total		\$ 36,434,206	\$ 36,927,805	\$ (493,599)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Loudon County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Loudon County	6.5%	7.5%	8.5%
Net Pension Liability	\$ 4,349,378	\$ (493,599)	\$ (4,506,482)

**Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions**

*Pension Expense.* For the year ended June 30, 2015, Loudon County recognized pension expense of \$41,346.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, Loudon County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 507,585
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,295,613
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>1,179,193</u>	N/A
Total	<u>\$ 1,179,193</u>	<u>\$ 2,803,198</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 871,880	\$ 1,630,060
School Department	<u>307,313</u>	<u>1,173,138</u>
Total	<u>\$ 1,179,193</u>	<u>\$ 2,803,198</u>

Amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (700,799)
2017	(700,799)
2018	(700,799)
2019	(700,799)
2020	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

## **Discretely Presented Loudon County School Department**

### **Non-certified Employees**

#### **General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Loudon County and non-certified employees of the discretely presented Loudon County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 58.15 percent and the non-certified employees of the discretely present School Department comprise 41.85 percent of the plan based on census data.

### **Certified Employees**

#### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Loudon County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service

is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$38,942, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### **Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liabilities.* Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

*Pension Expense.* Since the measurement date is June 30, 2014, the Loudon County School Department did not recognize any pension expense at June 30, 2015.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the Loudon County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 38,942	N/A

The Loudon County School Department’s employer contributions of \$38,942 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ended June 30, 2016.

**Teacher Legacy Pension Plan**

**General Information About the Pension Plan**

*Plan Description.* Teachers of the Loudon County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits

are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Loudon County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$1,645,487 which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### **Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Assets.* At June 30, 2015, the Loudon County School Department reported an asset of \$77,939 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Loudon County School Department's proportion of the net pension asset was based on the Loudon County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Loudon County School Department's proportion was .479637 percent. The proportion measured as of June 30, 2013, was .464496 percent.

*Pension Income.* For the year ended June 30, 2015, the Loudon County School Department recognized a pension income of \$31,249.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the Loudon County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 189,216	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	6,421,656
Changes in proportion of Net Pension Liability(Asset)	213,561	0
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>1,645,487</u>	<u>N/A</u>
Total	<u>\$ 2,048,264</u>	<u>\$ 6,421,656</u>

The Loudon County School Department's employer contributions of \$1,645,487 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (1,538,285)
2017	(1,538,285)
2018	(1,538,285)
2019	(1,538,285)
2020	67,129
Thereafter	67,129

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

*Actuarial Assumptions.* The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents Loudon County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Loudon County School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
---------------------------------------------------------------------------------------	------------------------	-------------------------------------	------------------------

Net Pension Liability    \$ 13,145,248    \$ (77,939)    \$ (11,025,304)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

**2. Deferred Compensation**

Teachers hired after July 1, 2014, by the discretely presented Loudon County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Loudon County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Loudon County School Department contributed \$48,677 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

**H. 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. During the year ended June 30, 2015, Loudon County contributed \$189,027 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Commercial Plan
	<hr/>
ARC	\$ 1,077,994
Interest on the NOPEBO	154,119
Adjustment to the ARC	(185,012)
Annual OPEB cost	<hr/> \$ 1,047,101
Amount of contribution	(189,027)
Increase/decrease in NOPEBO	<hr/> \$ 858,074
Net OPEB obligation, 7-1-14	<hr/> 3,852,979
	<hr/>
Net OPEB obligation, 6-30-15	<u><u>\$ 4,711,053</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Loudon County	\$ 889,669	13.1%	\$ 3,065,067
6-30-14	"	936,451	15.9	3,852,979
6-30-15	"	1,047,101	18.1	4,711,053

The funded status of the plan as of July 1, 2014, was as follows:

	Local Government Commercial Plan
	<hr/>
Actuarial valuation date	7-1-14
Actuarial accrued liability (AAL)	\$ 8,407,208
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 8,407,208
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 7,916,394
UAAL as a % of covered payroll	106%

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, 2014, 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 by 2018. 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 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 \$297 to \$1,144 based on the years of service and type of coverage. During the year ended June 30, 2015, the School Department contributed \$363,894 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 444,000
Interest on the NOPEBO	36,965
Adjustment to the ARC	(36,013)
Annual OPEB cost	<hr/> \$ 444,952
Amount of contribution	(363,894)
Increase/decrease in NOPEBO	<hr/> \$ 81,058
Net OPEB obligation, 7-1-14	<hr/> 924,123
Net OPEB obligation, 6-30-15	<hr/> <hr/> \$ 1,005,181

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 593,326	62	% \$ 907,328
6-30-14	"	429,935	96	924,123
6-30-15	"	444,952	82	1,005,181

### Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 4,074,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,074,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 21,954,885
UAAL as a % of covered payroll	19%

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, 2013, 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 seven percent for fiscal year 2015. The trend rate will decrease to 6.5 percent in fiscal year 2016 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. An inflation rate of 2.5 percent is assumed. 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.

**I. 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.
- make timely application for this benefit on appropriate forms and presents these to the director for approval.
- are 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, 2015, the School Department paid \$63,415 to those who participated. There are no further incentive amounts due to individuals who retired prior to June 30, 2015.

**J. 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.

**K. 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.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**LOUDON COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2015**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	5 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

Exhibit E-1

Loudon County, Tennessee  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on  
Participation in the Public Employee Pension Plan of TCRS  
Primary Government  
For the Fiscal Year Ended June 30

	<u>2014</u>
<b>Total Pension Liability (Asset)</b>	
Service Cost	\$ 1,030,236
Interest	2,640,126
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(634,481)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,546,219)</u>
Net Change in Total Pension Liability (Asset)	\$ 1,489,662
Total Pension Liability (Asset), Beginning	<u>34,944,544</u>
 Total Pension Liability (Asset), Ending (a)	 \$ <u>36,434,206</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 1,164,019
Contributions - Employee	572,872
Net Investment Income	5,239,536
Benefit Payments, Including Refunds of Employee Contributions	(1,546,219)
Administrative Expense	<u>(14,675)</u>
Net Change in Plan Fiduciary Net Position	\$ 5,415,533
Plan Fiduciary Net Position, Beginning	<u>31,512,272</u>
 Plan Fiduciary Net Position, Ending (b)	 \$ <u>36,927,805</u>
 Net Pension Liability (Asset), Ending (a - b)	 \$ <u><u>(493,599)</u></u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 101.35%
Covered Employee Payroll	\$ 11,217,514
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	4.40%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit E-2

Loudon County, Tennessee  
Schedule of Contributions Based on Participation in the Public  
Employee Pension Plan of TCRS  
Primary Government  
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,164,019	\$ 1,179,193
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(1,164,019)</u>	<u>(1,179,193)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 11,217,514	 \$ 13,196,092
 Contributions as a Percentage of Covered Employee Payroll	 10.38%	 8.94%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit E-3

Loudon County, Tennessee  
Schedule of Contributions Based on Participation in the Teacher  
Retirement Plan of TCRS  
Discretely Presented Loudon County School Department  
For the Fiscal Year Ended June 30

	<u>2015</u>
Actuarially Determined Contribution	\$ 24,339
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(38,942)</u>
Contribution Deficiency (Excess)	<u>\$ (14,603)</u>
Covered Employee Payroll	\$ 973,549
Contributions as a Percentage of Covered Employee Payroll	4.00%

Note: ten years of data will be presented when available.

Exhibit E-4

Loudon County, Tennessee  
Schedule of Contributions Based on Participation in the Teacher  
Legacy Pension Plan of TCRS  
Discretely Presented Loudon County School Department  
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,671,722	\$ 1,645,487
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(1,671,722)</u>	<u>(1,645,487)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 18,825,425	 \$ 18,202,295
 Contributions as a Percentage of Covered Employee Payroll	 8.88%	 9.04%

Note: ten years of data will be presented when available.

Exhibit E-5

Loudon County, Tennessee  
Schedule of Proportionate Share of the Net Pension Asset  
in the Teacher Legacy Pension Plan of TCRS  
Discretely Presented Loudon County School Department  
For the Fiscal Year Ended June 30 \*

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.479637%
School Department's Proportionate Share of the Net Pension Asset	\$ 77,939
Covered Employee Payroll	\$ 18,825,425
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

\* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit E-6

Loudon County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Loudon County School Department  
June 30, 2015

(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	7-1-10	\$ 0	\$ 4,846	4,846	0 %	\$ 7,101	68.2 %
"	7-1-12	0	7,147	7,147	0	7,367	97.0
"	7-1-14	0	8,407	8,407	0	7,916	106.2

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	7-1-10	\$ 0	\$ 4,578	\$ 4,578	0 %	\$ 22,340	20.49 %
"	7-1-11	0	5,124	5,124	0	22,065	23.22
"	7-1-13	0	4,074	4,074	0	21,955	18.56

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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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 of deeds, 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 Funds

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

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

ExhibitF-1

Loudon County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2015

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 250	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	330,372	13,809	213,634	781,262	64,232	107,501
Accounts Receivable	0	0	26	10,609	0	2,500
Due from Other Governments	0	0	0	162,084	0	0
Property Taxes Receivable	0	0	228,409	0	0	0
Allowance for Uncollectible Property Taxes	0	0	(5,812)	0	0	0
Prepaid Items	0	0	4,311	487	0	0
Other Current Assets	0	0	5,658	8,128	0	0
Total Assets	<u>\$ 330,372</u>	<u>\$ 13,809</u>	<u>\$ 446,476</u>	<u>\$ 962,570</u>	<u>\$ 64,232</u>	<u>\$ 110,001</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 46	\$ 754	\$ 29,458	\$ 0	\$ 657
Accrued Payroll	0	0	9,489	13,098	0	0
Payroll Deductions Payable	0	0	79	199	0	0
Due to Other Funds	0	0	0	1,732	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0	4,025
Total Liabilities	<u>\$ 0</u>	<u>\$ 46</u>	<u>\$ 10,322</u>	<u>\$ 44,487</u>	<u>\$ 0</u>	<u>\$ 4,682</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 218,296	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	0	3,847	0	0	0

(Continued)

ExhibitF-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
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 0	\$ 0	\$ 325	\$ 62,720	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 222,468	\$ 62,720	\$ 0	\$ 0
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 0	\$ 0	\$ 4,311	\$ 487	\$ 0	\$ 0
Restricted:						
Restricted for Administration of Justice	0	13,763	0	0	0	0
Restricted for Public Safety	330,372	0	0	0	0	105,319
Restricted for Social, Cultural, and Recreational Services	0	0	209,375	0	0	0
Restricted for Highways/Public Works	0	0	0	0	0	0
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Public Health and Welfare	0	0	0	854,876	0	0
Committed for Other Operations	0	0	0	0	64,232	0
Total Fund Balances	\$ 330,372	\$ 13,763	\$ 213,686	\$ 855,363	\$ 64,232	\$ 105,319
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 330,372	\$ 13,809	\$ 446,476	\$ 962,570	\$ 64,232	\$ 110,001

(Continued)

ExhibitF-1

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

	<u>Special Revenue Funds (Cont.)</u>				<u>Capital</u>	<u>Total</u>
	<u>Other</u>	<u>Constitu -</u>	<u>Highway /</u>	<u>Total</u>	<u>Projects</u>	
	<u>Special</u>	<u>tional</u>	<u>Public</u>		<u>Highway</u>	<u>Nonmajor</u>
	<u>Revenue</u>	<u>Officers -</u>	<u>Works</u>		<u>Capital</u>	<u>Governmental</u>
		<u>Fees</u>			<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>						
Cash	\$ 0	\$ 1,650	\$ 500	\$ 2,400	\$ 0	\$ 2,400
Equity in Pooled Cash and Investments	52,462	0	1,030,272	2,593,544	238,941	2,832,485
Accounts Receivable	0	313	0	13,448	0	13,448
Due from Other Governments	0	0	302,780	464,864	0	464,864
Property Taxes Receivable	0	0	583,320	811,729	302,202	1,113,931
Allowance for Uncollectible Property Taxes	0	0	(14,841)	(20,653)	(7,689)	(28,342)
Prepaid Items	0	0	811	5,609	0	5,609
Other Current Assets	0	0	16,571	30,357	0	30,357
<b>Total Assets</b>	<b>\$ 52,462</b>	<b>\$ 1,963</b>	<b>\$ 1,919,413</b>	<b>\$ 3,901,298</b>	<b>\$ 533,454</b>	<b>\$ 4,434,752</b>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 15,565	\$ 46,480	\$ 0	\$ 46,480
Accrued Payroll	0	0	35,126	57,713	0	57,713
Payroll Deductions Payable	0	0	1,392	1,670	0	1,670
Due to Other Funds	0	1,963	0	3,695	0	3,695
Due to Litigants, Heirs, and Others	0	0	0	4,025	0	4,025
<b>Total Liabilities</b>	<b>\$ 0</b>	<b>\$ 1,963</b>	<b>\$ 52,083</b>	<b>\$ 113,583</b>	<b>\$ 0</b>	<b>\$ 113,583</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 557,494	\$ 775,790	\$ 288,822	\$ 1,064,612
Deferred Delinquent Property Taxes	0	0	9,826	13,673	5,091	18,764

(Continued)

ExhibitF-1

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

	<u>Special Revenue Funds (Cont.)</u>				<u>Capital</u>	<u>Total</u>
	<u>Other</u>	<u>Constitu -</u>	<u>Highway /</u>	<u>Total</u>	<u>Projects</u>	
	<u>Special</u>	<u>tional</u>	<u>Public</u>		<u>Capital</u>	<u>Nonmajor</u>
	<u>Revenue</u>	<u>Officers -</u>	<u>Works</u>		<u>Projects</u>	<u>Governmental</u>
		<u>Fees</u>				<u>Funds</u>
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 0	\$ 0	\$ 147,107	\$ 210,152	\$ 0	\$ 210,152
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 714,427	\$ 999,615	\$ 293,913	\$ 1,293,528
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 0	\$ 0	\$ 811	\$ 5,609	\$ 0	\$ 5,609
Restricted:						
Restricted for Administration of Justice	0	0	0	13,763	0	13,763
Restricted for Public Safety	52,462	0	0	488,153	0	488,153
Restricted for Social, Cultural, and Recreational Services	0	0	0	209,375	0	209,375
Restricted for Highways/Public Works	0	0	1,152,092	1,152,092	0	1,152,092
Restricted for Capital Projects	0	0	0	0	239,541	239,541
Committed:						
Committed for Public Health and Welfare	0	0	0	854,876	0	854,876
Committed for Other Operations	0	0	0	64,232	0	64,232
Total Fund Balances	\$ 52,462	\$ 0	\$ 1,152,903	\$ 2,788,100	\$ 239,541	\$ 3,027,641
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 52,462	\$ 1,963	\$ 1,919,413	\$ 3,901,298	\$ 533,454	\$ 4,434,752

Exhibit F-2

Loudon County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2015

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control
<u>Revenues</u>						
Local Taxes	\$ 116,949	\$ 4,733	\$ 224,212	\$ 669,718	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	0	77,853
Charges for Current Services	0	0	10,691	0	0	4
Other Local Revenues	0	0	2,352	119,575	13,386	51,572
State of Tennessee	0	0	1,252	90,655	0	0
Federal Government	0	0	0	0	0	0
Other Governments and Citizens Groups	0	0	47,980	0	0	0
<b>Total Revenues</b>	<b>\$ 116,949</b>	<b>\$ 4,733</b>	<b>\$ 286,487</b>	<b>\$ 879,948</b>	<b>\$ 13,386</b>	<b>\$ 129,429</b>
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Administration of Justice	0	0	0	0	0	0
Public Safety	0	0	0	0	0	156,251
Public Health and Welfare	0	0	0	734,143	0	0
Social, Cultural, and Recreational Services	0	2,405	284,319	0	0	0
Other Operations	1,140	46	4,398	6,201	7,694	0
Highways	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 1,140</b>	<b>\$ 2,451</b>	<b>\$ 288,717</b>	<b>\$ 740,344</b>	<b>\$ 7,694</b>	<b>\$ 156,251</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 115,809	\$ 2,282	\$ (2,230)	\$ 139,604	\$ 5,692	\$ (26,822)

(Continued)

Exhibit F-2

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

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 115,809	\$ 2,282	\$ (2,230)	\$ 139,604	\$ 5,692	\$ (26,822)
Fund Balance, July 1, 2014	214,563	11,481	215,916	715,759	58,540	132,141
Fund Balance, June 30, 2015	\$ 330,372	\$ 13,763	\$ 213,686	\$ 855,363	\$ 64,232	\$ 105,319

(Continued)

Exhibit F-2

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

	Special Revenue Funds (Cont.)				Capital	Total
	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works	Total	Projects Fund Highway Capital Projects	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 610,106	\$ 1,625,718	\$ 297,048	\$ 1,922,766
Fines, Forfeitures, and Penalties	0	0	0	77,853	0	77,853
Charges for Current Services	0	11,899	0	22,594	0	22,594
Other Local Revenues	150	0	20,631	207,666	0	207,666
State of Tennessee	0	0	1,646,752	1,738,659	0	1,738,659
Federal Government	4,190	0	0	4,190	0	4,190
Other Governments and Citizens Groups	0	0	0	47,980	0	47,980
Total Revenues	\$ 4,340	\$ 11,899	\$ 2,277,489	\$ 3,724,660	\$ 297,048	\$ 4,021,708
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 9,379	\$ 0	\$ 9,379	\$ 0	\$ 9,379
Administration of Justice	0	2,520	0	2,520	0	2,520
Public Safety	3,888	0	0	160,139	0	160,139
Public Health and Welfare	0	0	0	734,143	0	734,143
Social, Cultural, and Recreational Services	0	0	0	286,724	0	286,724
Other Operations	0	0	0	19,479	0	19,479
Highways	0	0	2,119,345	2,119,345	0	2,119,345
Capital Projects	0	0	0	0	491,456	491,456
Total Expenditures	\$ 3,888	\$ 11,899	\$ 2,119,345	\$ 3,331,729	\$ 491,456	\$ 3,823,185
Excess (Deficiency) of Revenues Over Expenditures	\$ 452	\$ 0	\$ 158,144	\$ 392,931	\$ (194,408)	\$ 198,523

(Continued)

Exhibit F-2

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

	<u>Special Revenue Funds (Cont.)</u>				<u>Capital</u>	
	Other	Constitu -	Highway /	Total	Projects Fund	Total
	Special	tional	Public		Highway	Nonmajor
	Revenue	Officers -	Works		Capital	Governmental
		Fees			Projects	Funds
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ 0	\$ 0	\$ (77,863)	\$ (77,863)	\$ 0	\$ (77,863)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ (77,863)	\$ (77,863)	\$ 0	\$ (77,863)
Net Change in Fund Balances	\$ 452	\$ 0	\$ 80,281	\$ 315,068	\$ (194,408)	\$ 120,660
Fund Balance, July 1, 2014	52,010	0	1,072,622	2,473,032	433,949	2,906,981
Fund Balance, June 30, 2015	\$ 52,462	\$ 0	\$ 1,152,903	\$ 2,788,100	\$ 239,541	\$ 3,027,641

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, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 116,949	\$ 0	\$ 116,949	\$ 100,000	\$ 100,000	\$ 16,949
Total Revenues	<u>\$ 116,949</u>	<u>\$ 0</u>	<u>\$ 116,949</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 16,949</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Jail	\$ 0	\$ 16,000	\$ 16,000	\$ 0	\$ 20,000	\$ 4,000
<u>Other Operations</u>						
Miscellaneous	1,140	0	1,140	2,000	2,000	860
Total Expenditures	<u>\$ 1,140</u>	<u>\$ 16,000</u>	<u>\$ 17,140</u>	<u>\$ 2,000</u>	<u>\$ 22,000</u>	<u>\$ 4,860</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 115,809</u>	<u>\$ (16,000)</u>	<u>\$ 99,809</u>	<u>\$ 98,000</u>	<u>\$ 78,000</u>	<u>\$ 21,809</u>
Net Change in Fund Balance	\$ 115,809	\$ (16,000)	\$ 99,809	\$ 98,000	\$ 78,000	\$ 21,809
Fund Balance, July 1, 2014	<u>214,563</u>	<u>0</u>	<u>214,563</u>	<u>171,358</u>	<u>171,358</u>	<u>43,205</u>
Fund Balance, June 30, 2015	<u>\$ 330,372</u>	<u>\$ (16,000)</u>	<u>\$ 314,372</u>	<u>\$ 269,358</u>	<u>\$ 249,358</u>	<u>\$ 65,014</u>

Exhibit F-4

Loudon County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Law Library Fund  
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 4,733	\$ 0	\$ 4,733	\$ 4,500	\$ 4,500	\$ 233
Total Revenues	\$ 4,733	\$ 0	\$ 4,733	\$ 4,500	\$ 4,500	\$ 233
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Libraries	\$ 2,405	\$ 197	\$ 2,602	\$ 4,500	\$ 4,500	\$ 1,898
<u>Other Operations</u>						
Miscellaneous	46	0	46	150	150	104
Total Expenditures	\$ 2,451	\$ 197	\$ 2,648	\$ 4,650	\$ 4,650	\$ 2,002
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,282	\$ (197)	\$ 2,085	\$ (150)	\$ (150)	\$ 2,235
Net Change in Fund Balance	\$ 2,282	\$ (197)	\$ 2,085	\$ (150)	\$ (150)	\$ 2,235
Fund Balance, July 1, 2014	11,481	0	11,481	8,975	8,975	2,506
Fund Balance, June 30, 2015	\$ 13,763	\$ (197)	\$ 13,566	\$ 8,825	\$ 8,825	\$ 4,741

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 224,212	\$ 0	\$ 0	\$ 224,212	\$ 217,762	\$ 217,762	\$ 6,450
Charges for Current Services	10,691	0	0	10,691	8,270	9,345	1,346
Other Local Revenues	2,352	0	0	2,352	3,151	1,776	576
State of Tennessee	1,252	0	0	1,252	1,400	1,252	0
Other Governments and Citizens Groups	47,980	0	0	47,980	30,715	47,870	110
<b>Total Revenues</b>	<b>\$ 286,487</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 286,487</b>	<b>\$ 261,298</b>	<b>\$ 278,005</b>	<b>\$ 8,482</b>
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 284,319	\$ (1,322)	\$ 15,898	\$ 298,895	\$ 317,638	\$ 335,603	\$ 36,708
<u>Other Operations</u>							
Miscellaneous	4,398	0	0	4,398	6,500	6,500	2,102
<b>Total Expenditures</b>	<b>\$ 288,717</b>	<b>\$ (1,322)</b>	<b>\$ 15,898</b>	<b>\$ 303,293</b>	<b>\$ 324,138</b>	<b>\$ 342,103</b>	<b>\$ 38,810</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,230)	\$ 1,322	\$ (15,898)	\$ (16,806)	\$ (62,840)	\$ (64,098)	\$ 47,292
Net Change in Fund Balance	\$ (2,230)	\$ 1,322	\$ (15,898)	\$ (16,806)	\$ (62,840)	\$ (64,098)	\$ 47,292
Fund Balance, July 1, 2014	215,916	(1,322)	0	214,594	158,390	158,390	56,204
<b>Fund Balance, June 30, 2015</b>	<b>\$ 213,686</b>	<b>\$ 0</b>	<b>\$ (15,898)</b>	<b>\$ 197,788</b>	<b>\$ 95,550</b>	<b>\$ 94,292</b>	<b>\$ 103,496</b>

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, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 669,718	\$ 0	\$ 669,718	\$ 632,700	\$ 632,700	\$ 37,018
Other Local Revenues	119,575	0	119,575	100,479	100,479	19,096
State of Tennessee	90,655	0	90,655	40,600	72,064	18,591
Total Revenues	<u>\$ 879,948</u>	<u>\$ 0</u>	<u>\$ 879,948</u>	<u>\$ 773,779</u>	<u>\$ 805,243</u>	<u>\$ 74,705</u>
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Sanitation Education/Information	\$ 36,775	\$ 3,810	\$ 40,585	\$ 40,600	\$ 40,600	\$ 15
Convenience Centers	697,368	22,777	720,145	755,143	813,369	93,224
<u>Other Operations</u>						
Miscellaneous	6,201	0	6,201	10,000	10,000	3,799
Total Expenditures	<u>\$ 740,344</u>	<u>\$ 26,587</u>	<u>\$ 766,931</u>	<u>\$ 805,743</u>	<u>\$ 863,969</u>	<u>\$ 97,038</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 139,604</u>	<u>\$ (26,587)</u>	<u>\$ 113,017</u>	<u>\$ (31,964)</u>	<u>\$ (58,726)</u>	<u>\$ 171,743</u>
Net Change in Fund Balance	\$ 139,604	\$ (26,587)	\$ 113,017	\$ (31,964)	\$ (58,726)	\$ 171,743
Fund Balance, July 1, 2014	<u>715,759</u>	<u>0</u>	<u>715,759</u>	<u>564,887</u>	<u>564,887</u>	<u>150,872</u>
Fund Balance, June 30, 2015	<u>\$ 855,363</u>	<u>\$ (26,587)</u>	<u>\$ 828,776</u>	<u>\$ 532,923</u>	<u>\$ 506,161</u>	<u>\$ 322,615</u>

Exhibit F-7

Loudon County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Industrial/Economic Development Fund  
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 13,386	\$ 0	\$ 13,386	\$ 15,000	\$ 15,000	\$ (1,614)
Total Revenues	\$ 13,386	\$ 0	\$ 13,386	\$ 15,000	\$ 15,000	\$ (1,614)
<u>Expenditures</u>						
<u>Other Operations</u>						
Industrial Development	\$ 7,580	\$ (600)	\$ 6,980	\$ 7,500	\$ 7,500	\$ 520
Miscellaneous	114	0	114	300	300	186
Total Expenditures	\$ 7,694	\$ (600)	\$ 7,094	\$ 7,800	\$ 7,800	\$ 706
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,692	\$ 600	\$ 6,292	\$ 7,200	\$ 7,200	\$ (908)
Net Change in Fund Balance	\$ 5,692	\$ 600	\$ 6,292	\$ 7,200	\$ 7,200	\$ (908)
Fund Balance, July 1, 2014	58,540	(600)	57,940	59,232	59,232	(1,292)
Fund Balance, June 30, 2015	\$ 64,232	\$ 0	\$ 64,232	\$ 66,432	\$ 66,432	\$ (2,200)

Exhibit F-8

Loudon County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 77,853	\$ 0	\$ 77,853	\$ 92,000	\$ 92,000	\$ (14,147)
Charges for Current Services	4	0	4	0	0	4
Other Local Revenues	51,572	0	51,572	20,000	40,000	11,572
Total Revenues	\$ 129,429	\$ 0	\$ 129,429	\$ 112,000	\$ 132,000	\$ (2,571)
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 156,251	\$ 1,936	\$ 158,187	\$ 143,900	\$ 178,900	\$ 20,713
Total Expenditures	\$ 156,251	\$ 1,936	\$ 158,187	\$ 143,900	\$ 178,900	\$ 20,713
Excess (Deficiency) of Revenues Over Expenditures	\$ (26,822)	\$ (1,936)	\$ (28,758)	\$ (31,900)	\$ (46,900)	\$ 18,142
Net Change in Fund Balance	\$ (26,822)	\$ (1,936)	\$ (28,758)	\$ (31,900)	\$ (46,900)	\$ 18,142
Fund Balance, July 1, 2014	132,141	0	132,141	71,972	71,972	60,169
Fund Balance, June 30, 2015	\$ 105,319	\$ (1,936)	\$ 103,383	\$ 40,072	\$ 25,072	\$ 78,311

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 0	\$ 12,000	\$ 0	\$ 0
Other Local Revenues	150	0	0	150
Federal Government	4,190	0	12,000	(7,810)
Total Revenues	<u>\$ 4,340</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ (7,660)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 3,888	\$ 11,000	\$ 11,000	\$ 7,112
Total Expenditures	<u>\$ 3,888</u>	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ 7,112</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 452</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ (548)</u>
Net Change in Fund Balance	\$ 452	\$ 1,000	\$ 1,000	\$ (548)
Fund Balance, July 1, 2014	<u>52,010</u>	<u>41,935</u>	<u>41,935</u>	<u>10,075</u>
Fund Balance, June 30, 2015	<u>\$ 52,462</u>	<u>\$ 42,935</u>	<u>\$ 42,935</u>	<u>\$ 9,527</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, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 610,106	\$ 0	\$ 610,106	\$ 596,526	\$ 596,526	\$ 13,580
Other Local Revenues	20,631	0	20,631	31,786	31,644	(11,013)
State of Tennessee	1,646,752	0	1,646,752	1,824,550	1,824,550	(177,798)
<b>Total Revenues</b>	<b>\$ 2,277,489</b>	<b>\$ 0</b>	<b>\$ 2,277,489</b>	<b>\$ 2,452,862</b>	<b>\$ 2,452,720</b>	<b>\$ (175,231)</b>
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 756,255	\$ 150	\$ 756,405	\$ 764,627	\$ 764,627	\$ 8,222
Highway and Bridge Maintenance	630,490	105,883	736,373	544,432	846,932	110,559
Operation and Maintenance of Equipment	223,606	5,077	228,683	301,500	331,500	102,817
Other Charges	156,116	1,769	157,885	172,728	179,402	21,517
Employee Benefits	339,354	0	339,354	349,482	352,631	13,277
Capital Outlay	13,524	0	13,524	420,920	390,420	376,896
<b>Total Expenditures</b>	<b>\$ 2,119,345</b>	<b>\$ 112,879</b>	<b>\$ 2,232,224</b>	<b>\$ 2,553,689</b>	<b>\$ 2,865,512</b>	<b>\$ 633,288</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 158,144	\$ (112,879)	\$ 45,265	\$ (100,827)	\$ (412,792)	\$ 458,057
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (77,863)	\$ 0	\$ (77,863)	\$ (90,687)	\$ (90,687)	\$ 12,824
<b>Total Other Financing Sources</b>	<b>\$ (77,863)</b>	<b>\$ 0</b>	<b>\$ (77,863)</b>	<b>\$ (90,687)</b>	<b>\$ (90,687)</b>	<b>\$ 12,824</b>
Net Change in Fund Balance	\$ 80,281	\$ (112,879)	\$ (32,598)	\$ (191,514)	\$ (503,479)	\$ 470,881
Fund Balance, July 1, 2014	1,072,622	0	1,072,622	560,391	560,391	512,231
<b>Fund Balance, June 30, 2015</b>	<b>\$ 1,152,903</b>	<b>\$ (112,879)</b>	<b>\$ 1,040,024</b>	<b>\$ 368,877</b>	<b>\$ 56,912</b>	<b>\$ 983,112</b>

Exhibit F-11

Loudon County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway Capital Projects Fund  
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 297,048	\$ 0	\$ 0	\$ 297,048	\$ 288,218	\$ 288,218	\$ 8,830
Total Revenues	\$ 297,048	\$ 0	\$ 0	\$ 297,048	\$ 288,218	\$ 288,218	\$ 8,830
<u>Expenditures</u>							
<u>Capital Projects</u>							
Highway and Street Capital Projects	\$ 491,456	\$ (12,105)	\$ 3,325	\$ 482,676	\$ 516,932	\$ 490,800	\$ 8,124
Total Expenditures	\$ 491,456	\$ (12,105)	\$ 3,325	\$ 482,676	\$ 516,932	\$ 490,800	\$ 8,124
Excess (Deficiency) of Revenues Over Expenditures	\$ (194,408)	\$ 12,105	\$ (3,325)	\$ (185,628)	\$ (228,714)	\$ (202,582)	\$ 16,954
Net Change in Fund Balance	\$ (194,408)	\$ 12,105	\$ (3,325)	\$ (185,628)	\$ (228,714)	\$ (202,582)	\$ 16,954
Fund Balance, July 1, 2014	433,949	(12,105)	0	421,844	330,542	330,542	91,302
Fund Balance, June 30, 2015	\$ 239,541	\$ 0	\$ (3,325)	\$ 236,216	\$ 101,828	\$ 127,960	\$ 108,256

# Major Governmental Funds

## Debt Service Funds

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

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

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

---

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county funded either by the issuance of debt or other revenue including property tax.

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,190,117	\$ 1,195,039	\$ 1,148,527	\$ 41,590
Other Local Revenues	37,881	30,000	30,000	7,881
Other Governments and Citizens Groups	234,420	234,420	234,420	0
Total Revenues	<u>\$ 1,462,418</u>	<u>\$ 1,459,459</u>	<u>\$ 1,412,947</u>	<u>\$ 49,471</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,087,000	\$ 1,087,000	\$ 1,087,000	\$ 0
<u>Interest on Debt</u>				
General Government	133,468	287,421	260,201	126,733
<u>Other Debt Service</u>				
General Government	304,482	271,920	351,117	46,635
Total Expenditures	<u>\$ 1,524,950</u>	<u>\$ 1,646,341</u>	<u>\$ 1,698,318</u>	<u>\$ 173,368</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (62,532)</u>	<u>\$ (186,882)</u>	<u>\$ (285,371)</u>	<u>\$ 222,839</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 2,600,000	\$ 0	\$ 2,600,000	\$ 0
Premiums on Debt Issued	155,813	0	155,813	0
Transfers In	77,863	90,687	90,687	(12,824)
Payments to Refunded Debt Escrow Agent	(2,742,606)	0	(2,742,606)	0
Total Other Financing Sources	<u>\$ 91,070</u>	<u>\$ 90,687</u>	<u>\$ 103,894</u>	<u>\$ (12,824)</u>
Net Change in Fund Balance	\$ 28,538	\$ (96,195)	\$ (181,477)	\$ 210,015
Fund Balance, July 1, 2014	<u>1,638,429</u>	<u>1,469,217</u>	<u>1,469,217</u>	<u>169,212</u>
Fund Balance, June 30, 2015	<u>\$ 1,666,967</u>	<u>\$ 1,373,022</u>	<u>\$ 1,287,740</u>	<u>\$ 379,227</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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,760,748	\$ 4,600,240	\$ 4,600,240	\$ 160,508
Other Local Revenues	49,246	125,000	188,771	(139,525)
Total Revenues	<u>\$ 4,809,994</u>	<u>\$ 4,725,240</u>	<u>\$ 4,789,011</u>	<u>\$ 20,983</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 2,740,300	\$ 2,740,000	\$ 2,803,771	\$ 63,471
<u>Interest on Debt</u>				
Education	1,793,825	1,784,613	1,891,719	97,894
<u>Other Debt Service</u>				
Education	94,880	130,000	130,000	35,120
Total Expenditures	<u>\$ 4,629,005</u>	<u>\$ 4,654,613</u>	<u>\$ 4,825,490</u>	<u>\$ 196,485</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 180,989</u>	<u>\$ 70,627</u>	<u>\$ (36,479)</u>	<u>\$ 217,468</u>
Net Change in Fund Balance	\$ 180,989	\$ 70,627	\$ (36,479)	\$ 217,468
Fund Balance, July 1, 2014	<u>8,748,166</u>	<u>8,478,175</u>	<u>8,478,175</u>	<u>269,991</u>
Fund Balance, June 30, 2015	<u>\$ 8,929,155</u>	<u>\$ 8,548,802</u>	<u>\$ 8,441,696</u>	<u>\$ 487,459</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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 175,607	\$ 0	\$ 0	\$ 175,607	\$ 285,449	\$ 170,416	\$ 5,191
Other Local Revenues	28,586	0	0	28,586	1,000	28,000	586
State of Tennessee	0	0	0	0	0	80,000	(80,000)
Federal Government	19,699	0	0	19,699	0	60,240	(40,541)
Other Governments and Citizens Groups	20,000	0	0	20,000	0	20,000	0
<b>Total Revenues</b>	<b>\$ 243,892</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 243,892</b>	<b>\$ 286,449</b>	<b>\$ 358,656</b>	<b>\$ (114,764)</b>
<u>Expenditures</u>							
<u>Other Operations</u>							
Miscellaneous	\$ 3,413	\$ 0	\$ 0	\$ 3,413	\$ 9,500	\$ 9,500	\$ 6,087
<u>Other Debt Service</u>							
Education	144,359	0	0	144,359	0	144,359	0
<u>Capital Projects</u>							
General Administration Projects	249,294	(21,346)	57,062	285,010	291,000	294,200	9,190
Administration of Justice Projects	4,884	(4,884)	0	0	0	0	0
Public Safety Projects	321,574	(74,648)	360	247,286	248,289	248,289	1,003
Public Health and Welfare Projects	56,479	(2,848)	0	53,631	119,300	56,650	3,019
Social, Cultural, and Recreation Projects	18,088	0	81,300	99,388	0	100,000	612
Agriculture and Natural Resources Projects	0	0	2,500	2,500	2,500	2,500	0
Public Utility Projects	3,321	(460,265)	456,944	0	0	0	0
Other General Government Projects	27,000	0	26,702	53,702	176,900	231,290	177,588
Highway and Street Capital Projects	58,843	(55,122)	8,082	11,803	51,928	112,168	100,365
Education Capital Projects	9,844,814	0	0	9,844,814	0	9,844,814	0
<b>Total Expenditures</b>	<b>\$ 10,732,069</b>	<b>\$ (619,113)</b>	<b>\$ 632,950</b>	<b>\$ 10,745,906</b>	<b>\$ 899,417</b>	<b>\$ 11,043,770</b>	<b>\$ 297,864</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (10,488,177)</b>	<b>\$ 619,113</b>	<b>\$ (632,950)</b>	<b>\$ (10,502,014)</b>	<b>\$ (612,968)</b>	<b>\$ (10,685,114)</b>	<b>\$ 183,100</b>
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 9,845,000	\$ 0	\$ 0	\$ 9,845,000	\$ 0	\$ 9,845,000	\$ 0

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Premiums on Debt Issued	\$ 144,173	\$ 0	\$ 0	\$ 144,173	\$ 0	\$ 144,173	\$ 0
Transfers In	400,000	0	0	400,000	0	400,000	0
Total Other Financing Sources	<u>\$ 10,389,173</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,389,173</u>	<u>\$ 0</u>	<u>\$ 10,389,173</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (99,004)	\$ 619,113	\$ (632,950)	\$ (112,841)	\$ (612,968)	\$ (295,941)	\$ 183,100
Fund Balance, July 1, 2014	<u>1,340,930</u>	<u>(619,113)</u>	<u>0</u>	<u>721,817</u>	<u>1,156,774</u>	<u>1,156,774</u>	<u>(434,957)</u>
Fund Balance, June 30, 2015	<u>\$ 1,241,926</u>	<u>\$ 0</u>	<u>\$ (632,950)</u>	<u>\$ 608,976</u>	<u>\$ 543,806</u>	<u>\$ 860,833</u>	<u>\$ (251,857)</u>

# Fiduciary Funds

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

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

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 of deeds, 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, 2015

	Agency Funds				Total
	Cities - Sales Tax	City School ADA - Lenoir City	Constitu- tional Officers - Agency	Other Agency	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 621,667	\$ 0	\$ 621,667
Equity in Pooled Cash and Investments	0	224,232	0	3,034,030	3,258,262
Accounts Receivable	0	0	0	564	564
Due from Other Governments	736,205	318,211	0	0	1,054,416
Taxes Receivable	0	5,594,469	0	0	5,594,469
Allowance for Uncollectible Taxes	0	(142,336)	0	0	(142,336)
Total Assets	<u>\$ 736,205</u>	<u>\$ 5,994,576</u>	<u>\$ 621,667</u>	<u>\$ 3,034,594</u>	<u>\$ 10,387,042</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 5,318	\$ 5,318
Due to Other Taxing Units	736,205	5,994,576	0	0	6,730,781
Due to Litigants, Heirs, and Others	0	0	621,667	0	621,667
Due to Joint Ventures	0	0	0	3,029,276	3,029,276
Total Liabilities	<u>\$ 736,205</u>	<u>\$ 5,994,576</u>	<u>\$ 621,667</u>	<u>\$ 3,034,594</u>	<u>\$ 10,387,042</u>

## Exhibit H-2

Loudon County, Tennessee  
Combining Statement of Changes in Assets  
and Liabilities - All Agency Funds  
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,109,689	\$ 4,109,689	\$ 0
Due from Other Governments	703,394	736,205	703,394	736,205
Total Assets	\$ 703,394	\$ 4,845,894	\$ 4,813,083	\$ 736,205
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 703,394	\$ 4,845,894	\$ 4,813,083	\$ 736,205
Total Liabilities	\$ 703,394	\$ 4,845,894	\$ 4,813,083	\$ 736,205
<u>City School ADA - Lenoir City Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 443,030	\$ 7,341,019	\$ 7,559,817	\$ 224,232
Due from Other Governments	301,493	318,211	301,493	318,211
Taxes Receivable	5,427,495	5,594,469	5,427,495	5,594,469
Allowance for Uncollectible Taxes	(168,754)	(142,336)	(168,754)	(142,336)
Total Assets	\$ 6,003,264	\$ 13,111,363	\$ 13,120,051	\$ 5,994,576
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,003,264	\$ 13,111,363	\$ 13,120,051	\$ 5,994,576
Total Liabilities	\$ 6,003,264	\$ 13,111,363	\$ 13,120,051	\$ 5,994,576
<u>Center Board</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 50,452	\$ 158,769	\$ 209,221	\$ 0
Accounts Receivable	5,120	0	5,120	0
Due from Other Governments	1,802	0	1,802	0
Total Assets	\$ 57,374	\$ 158,769	\$ 216,143	\$ 0
<u>Liabilities</u>				
Accounts Payable	\$ 1,609	0	\$ 1,609	\$ 0
Due to Joint Ventures	55,765	\$ 158,769	214,534	0
Total Liabilities	\$ 57,374	\$ 158,769	\$ 214,534	\$ 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	\$ 726,268	\$ 9,019,740	\$ 9,124,341	\$ 621,667
Total Assets	\$ 726,268	\$ 9,019,740	\$ 9,124,341	\$ 621,667
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 726,268	\$ 9,019,740	\$ 9,124,341	\$ 621,667
Total Liabilities	\$ 726,268	\$ 9,019,740	\$ 9,124,341	\$ 621,667
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 2,846,609	\$ 292,985	\$ 105,564	\$ 3,034,030
Accounts Receivable	0	564	0	564
Total Assets	\$ 2,846,609	\$ 293,549	\$ 105,564	\$ 3,034,594
<u>Liabilities</u>				
Due to Joint Ventures	\$ 2,846,609	\$ 288,231	\$ 105,564	\$ 3,029,276
Accounts Payable	0	5,318	0	5,318
Total Liabilities	\$ 2,846,609	\$ 293,549	\$ 105,564	\$ 3,034,594
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 726,268	\$ 9,019,740	\$ 9,124,341	\$ 621,667
Equity in Pooled Cash and Investments	3,340,091	11,902,462	11,984,291	3,258,262
Accounts Receivable	5,120	564	5,120	564
Due from Other Governments	1,006,689	1,054,416	1,006,689	1,054,416
Taxes Receivable	5,427,495	5,594,469	5,427,495	5,594,469
Allowance for Uncollectible Taxes	(168,754)	(142,336)	(168,754)	(142,336)
Total Assets	\$ 10,336,909	\$ 27,429,315	\$ 27,379,182	\$ 10,387,042
<u>Liabilities</u>				
Accounts Payable	\$ 1,609	\$ 5,318	\$ 1,609	\$ 5,318
Due to Other Taxing Units	6,706,658	17,957,257	17,933,134	6,730,781
Due to Litigants, Heirs, and Others	726,268	9,019,740	9,124,341	621,667
Due to Joint Venture	2,902,374	447,000	320,098	3,029,276
Total Liabilities	\$ 10,336,909	\$ 27,429,315	\$ 27,379,182	\$ 10,387,042

# Loudon County School Department

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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.

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

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

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for 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, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>Governmental Activities:</b>					
Instruction	\$ 23,790,364	\$ 0	\$ 1,369,691	\$ 1,908	\$ (22,418,765)
Support Services	13,196,685	1,266	452,974	0	(12,742,445)
Operation of Non-instructional Services	3,471,894	486,170	3,111,994	9,844,814	9,971,084
<b>Total Governmental Activities</b>	<b>\$ 40,458,943</b>	<b>\$ 487,436</b>	<b>\$ 4,934,659</b>	<b>\$ 9,846,722</b>	<b>\$ (25,190,126)</b>
<b>General Revenues:</b>					
<b>Taxes:</b>					
Property Taxes Levied for General Purposes					\$ 10,481,247
Local Option Sales Taxes					3,381,964
Adequate Facilities/Development Tax					542,076
Grants and Contributions Not Restricted for Specific Programs					21,436,418
Unrestricted Investment Income					21,629
Pension Income					31,249
Miscellaneous					133,557
<b>Total General Revenues</b>					<b>\$ 36,028,140</b>
Special Item - Loss on Disposal of School Capital Assets (See Note IV.C.)					(2,838,746)
<b>Change in Net Position</b>					<b>\$ 7,999,268</b>
Net Position, July 1, 2014					89,499,376
Restatement- Pension Liability (see Note I.D.9.)					(6,921,454)
Prior-period Adjustment (see Note I.D.10)					(633,776)
<b>Net Position, June 30, 2015</b>					<b>\$ 89,943,414</b>

Exhibit I-2

Loudon County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Loudon County School Department  
June 30, 2015

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Other</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 1,000	\$ 0	\$ 1,200	\$ 2,200
Equity in Pooled Cash and Investments	7,232,226	11,312,153	922,870	19,467,249
Accounts Receivable	659	0	40,312	40,971
Due from Other Governments	915,452	0	98,158	1,013,610
Due from Other Funds	0	0	22,860	22,860
Property Taxes Receivable	10,680,521	0	0	10,680,521
Allowance for Uncollectible Property Taxes	(271,737)	0	0	(271,737)
Prepaid Items	631,920	0	8,524	640,444
Other Current Assets	0	0	2,333	2,333
Total Assets	<u>\$ 19,190,041</u>	<u>\$ 11,312,153</u>	<u>\$ 1,096,257</u>	<u>\$ 31,598,451</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 227,919	\$ 0	\$ 4,153	\$ 232,072
Accrued Payroll	11,531	0	361	11,892
Payroll Deductions Payable	914,301	0	135,219	1,049,520
Due to Other Funds	22,860	0	0	22,860
Total Liabilities	<u>\$ 1,176,611</u>	<u>\$ 0</u>	<u>\$ 139,733</u>	<u>\$ 1,316,344</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 10,207,644	\$ 0	\$ 0	\$ 10,207,644
Deferred Delinquent Property Taxes	179,924	0	0	179,924
Other Deferred/Unavailable Revenue	308,306	0	0	308,306
Total Deferred Inflows of Resources	<u>\$ 10,695,874</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,695,874</u>

(Continued)

Exhibit I-2

Loudon County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Loudon County School Department (Cont.)

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Other</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 631,920	\$ 0	\$ 8,524	\$ 640,444
Restricted:				
Restricted for Education	141,152	0	656,449	797,601
Restricted for Capital Projects	0	11,312,153	0	11,312,153
Committed:				
Committed for Education	0	0	300,000	300,000
Assigned:				
Assigned for Education	2,368,545	0	0	2,368,545
Unassigned	4,175,939	0	(8,449)	4,167,490
Total Fund Balances	<u>\$ 7,317,556</u>	<u>\$ 11,312,153</u>	<u>\$ 956,524</u>	<u>\$ 19,586,233</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,190,041</u>	<u>\$ 11,312,153</u>	<u>\$ 1,096,257</u>	<u>\$ 31,598,451</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, 2015

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)		\$ 19,586,233
(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	168,761	
Add: buildings and improvements net of accumulated depreciation	70,782,354	
Add: other capital assets net of accumulated depreciation	<u>845,068</u>	75,742,589
(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.		47,309
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		488,230
(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		(1,005,181)
(5) Amounts reflected as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 2,394,519	
Less: deferred inflows of resources related to pensions	<u>(7,594,794)</u>	(5,200,275)
(6) Net pension assets of the cost-sharing plan are not current financial resources and therefore are not reported in the governmental funds.		<u>284,509</u>
Net position of governmental activities (Exhibit A)		<u>\$ 89,943,414</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, 2015

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 13,902,045	\$ 536,603	\$ 0	\$ 14,438,648
Licenses and Permits	1,354	0	0	1,354
Charges for Current Services	16,070	0	486,170	502,240
Other Local Revenues	125,235	0	28,871	154,106
State of Tennessee	22,145,718	20,000	24,285	22,190,003
Federal Government	287,753	0	3,804,243	4,091,996
Other Governments and Citizens Groups	1,908	9,844,814	0	9,846,722
Total Revenues	<u>\$ 36,480,083</u>	<u>\$ 10,401,417</u>	<u>\$ 4,343,569</u>	<u>\$ 51,225,069</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 23,708,795	\$ 0	\$ 1,434,827	\$ 25,143,622
Support Services	11,433,589	0	679,897	12,113,486
Operation of Non-instructional Services	1,311,369	0	2,411,702	3,723,071
Capital Outlay	293,472	0	0	293,472
Capital Projects	0	2,779,551	0	2,779,551
Total Expenditures	<u>\$ 36,747,225</u>	<u>\$ 2,779,551</u>	<u>\$ 4,526,426</u>	<u>\$ 44,053,202</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (267,142)	\$ 7,621,866	\$ (182,857)	\$ 7,171,867
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 82,678	\$ 0	\$ 0	\$ 82,678
Total Other Financing Sources (Uses)	<u>\$ 82,678</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 82,678</u>
Net Change in Fund Balances	\$ (184,464)	\$ 7,621,866	\$ (182,857)	\$ 7,254,545
Prior-period Adjustment	(576,460)	0	(57,316)	(633,776)
Fund Balance, July 1, 2014	<u>8,078,480</u>	<u>3,690,287</u>	<u>1,196,697</u>	<u>12,965,464</u>
Fund Balance, June 30, 2015	<u>\$ 7,317,556</u>	<u>\$ 11,312,153</u>	<u>\$ 956,524</u>	<u>\$ 19,586,233</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, 2015

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)		\$ 7,254,545
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,710,245	
Less: current-year depreciation expense	<u>(1,581,825)</u>	1,128,420
(2) The net effect of various miscellaneous transactions that do not provide current financial resources are not reported as revenues in the funds.		
Less: book value of capital assets disposed		(2,343,746)
(3) 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, 2014	\$ (447,591)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>488,230</u>	40,639
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability	(81,058)	
Change in net pension liability/asset	7,205,963	
Change in deferred outflows related to pensions	2,394,519	
Change in deferred inflows related to pensions	<u>(7,594,794)</u>	1,924,630
(5) 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>(5,220)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 7,999,268</u>

Exhibit I-6

Loudon County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Loudon County School Department  
June 30, 2015

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,200	\$ 1,200
Equity in Pooled Cash and Investments	258,176	664,694	922,870
Accounts Receivable	0	40,312	40,312
Due from Other Governments	98,158	0	98,158
Due from Other Funds	0	22,860	22,860
Prepaid Items	8,524	0	8,524
Other Current Assets	0	2,333	2,333
Total Assets	<u>\$ 364,858</u>	<u>\$ 731,399</u>	<u>\$ 1,096,257</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,581	\$ 1,572	\$ 4,153
Accrued Payroll	0	361	361
Payroll Deductions Payable	62,202	73,017	135,219
Total Liabilities	<u>\$ 64,783</u>	<u>\$ 74,950</u>	<u>\$ 139,733</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$ 8,524	\$ 0	\$ 8,524
Restricted:			
Restricted for Education	0	656,449	656,449
Committed:			
Committed for Education	300,000	0	300,000
Unassigned	(8,449)	0	(8,449)
Total Fund Balances	<u>\$ 300,075</u>	<u>\$ 656,449</u>	<u>\$ 956,524</u>
Total Liabilities and Fund Balances	<u>\$ 364,858</u>	<u>\$ 731,399</u>	<u>\$ 1,096,257</u>

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, 2015

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 486,170	\$ 486,170
Other Local Revenues	1,813	27,058	28,871
State of Tennessee	0	24,285	24,285
Federal Government	2,145,193	1,659,050	3,804,243
Total Revenues	\$ 2,147,006	\$ 2,196,563	\$ 4,343,569
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,434,827	\$ 0	\$ 1,434,827
Support Services	679,897	0	679,897
Operation of Non-instructional Services	0	2,411,702	2,411,702
Total Expenditures	\$ 2,114,724	\$ 2,411,702	\$ 4,526,426
Excess (Deficiency) of Revenues Over Expenditures	\$ 32,282	\$ (215,139)	\$ (182,857)
Net Change in Fund Balances	\$ 32,282	\$ (215,139)	\$ (182,857)
Prior-period Adjustment	(37,179)	(20,137)	(57,316)
Fund Balance, July 1, 2014	304,972	891,725	1,196,697
Fund Balance, June 30, 2015	\$ 300,075	\$ 656,449	\$ 956,524

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,902,045	\$ 0	\$ 0	\$ 13,902,045	\$ 13,295,254	\$ 13,295,254	\$ 606,791
Licenses and Permits	1,354	0	0	1,354	1,200	1,200	154
Charges for Current Services	16,070	0	0	16,070	0	0	16,070
Other Local Revenues	125,235	0	0	125,235	65,487	87,713	37,522
State of Tennessee	22,145,718	0	0	22,145,718	21,601,140	22,067,015	78,703
Federal Government	287,753	0	0	287,753	65,000	283,440	4,313
Other Governments and Citizens Groups	1,908	0	0	1,908	0	1,908	0
<b>Total Revenues</b>	<b>\$ 36,480,083</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 36,480,083</b>	<b>\$ 35,028,081</b>	<b>\$ 35,736,530</b>	<b>\$ 743,553</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 19,969,229	\$ (251,610)	\$ 57,534	\$ 19,775,153	\$ 20,475,352	\$ 20,213,233	\$ 438,080
Special Education Program	2,695,335	0	76,459	2,771,794	2,832,422	2,899,673	127,879
Vocational Education Program	1,044,231	(18,825)	13,927	1,039,333	1,053,226	1,055,226	15,893
<u>Support Services</u>							
Health Services	270,287	0	1,260	271,547	282,068	277,568	6,021
Other Student Support	1,102,529	0	0	1,102,529	1,071,709	1,111,938	9,409
Regular Instruction Program	1,400,239	0	2,780	1,403,019	1,420,573	1,421,285	18,266
Special Education Program	351,549	0	0	351,549	382,660	371,705	20,156
Vocational Education Program	147,934	0	0	147,934	148,899	149,197	1,263
Other Programs	185,687	0	0	185,687	0	185,687	0
Board of Education	669,417	0	0	669,417	626,870	690,763	21,346
Director of Schools	281,027	0	5,797	286,824	320,658	315,376	28,552
Office of the Principal	987,650	(27,319)	18,532	978,863	983,263	1,012,028	33,165
Fiscal Services	70,021	0	0	70,021	69,657	70,061	40
Operation of Plant	2,954,958	(80,994)	32,194	2,906,158	2,699,988	3,065,006	158,848
Maintenance of Plant	517,882	(182,495)	143,835	479,222	200,000	617,579	138,357
Transportation	1,711,583	0	8,612	1,720,195	1,856,567	1,776,864	56,669
Central and Other	782,826	(49,175)	31,392	765,043	768,217	782,709	17,666

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 518,580	\$ (89)	\$ 23,721	\$ 542,212	\$ 212,401	\$ 565,659	\$ 23,447
Early Childhood Education	792,789	0	0	792,789	795,471	795,471	2,682
<u>Capital Outlay</u>							
Regular Capital Outlay	293,472	(293,472)	0	0	0	12,776	12,776
Total Expenditures	\$ 36,747,225	\$ (903,979)	\$ 416,043	\$ 36,259,289	\$ 36,200,001	\$ 37,389,804	\$ 1,130,515
Excess (Deficiency) of Revenues Over Expenditures	\$ (267,142)	\$ 903,979	\$ (416,043)	\$ 220,794	\$ (1,171,920)	\$ (1,653,274)	\$ 1,874,068
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 82,678	\$ 0	\$ 0	\$ 82,678	\$ 0	\$ 113,079	\$ (30,401)
Transfers In	0	0	0	0	0	6,992	(6,992)
Total Other Financing Sources	\$ 82,678	\$ 0	\$ 0	\$ 82,678	\$ 0	\$ 120,071	\$ (37,393)
Net Change in Fund Balance	\$ (184,464)	\$ 903,979	\$ (416,043)	\$ 303,472	\$ (1,171,920)	\$ (1,533,203)	\$ 1,836,675
Prior-period Adjustment	(576,460)	0	0	(576,460)	0	0	(576,460)
Fund Balance, July 1, 2014	8,078,480	(903,979)	0	7,174,501	5,544,367	5,544,367	1,630,134
Fund Balance, June 30, 2015	\$ 7,317,556	\$ 0	\$ (416,043)	\$ 6,901,513	\$ 4,372,447	\$ 4,011,164	\$ 2,890,349

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 1,813	\$ 0	\$ 0	\$ 1,813	\$ 0	\$ 0	\$ 1,813
Federal Government	2,145,193	0	0	2,145,193	2,008,763	2,424,083	(278,890)
<b>Total Revenues</b>	<b>\$ 2,147,006</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,147,006</b>	<b>\$ 2,008,763</b>	<b>\$ 2,424,083</b>	<b>\$ (277,077)</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 724,019	\$ (10,279)	\$ 0	\$ 713,740	\$ 650,326	\$ 851,653	\$ 137,913
Special Education Program	663,577	0	768	664,345	670,625	698,351	34,006
Vocational Education Program	47,231	0	0	47,231	47,338	47,234	3
<u>Support Services</u>							
Other Student Support	78,750	0	1,135	79,885	56,862	94,488	14,603
Regular Instruction Program	354,085	0	2,211	356,296	354,188	465,829	109,533
Special Education Program	243,722	0	0	243,722	226,086	256,199	12,477
Vocational Education Program	3,340	0	0	3,340	3,340	3,340	0
<b>Total Expenditures</b>	<b>\$ 2,114,724</b>	<b>\$ (10,279)</b>	<b>\$ 4,114</b>	<b>\$ 2,108,559</b>	<b>\$ 2,008,765</b>	<b>\$ 2,417,094</b>	<b>\$ 308,535</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 32,282	\$ 10,279	\$ (4,114)	\$ 38,447	\$ (2)	\$ 6,989	\$ 31,458
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (6,992)	\$ 6,992
<b>Total Other Financing Sources</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (6,992)</b>	<b>\$ 6,992</b>
Net Change in Fund Balance	\$ 32,282	\$ 10,279	\$ (4,114)	\$ 38,447	\$ (2)	\$ (3)	\$ 38,450
Prior-period Adjustment	(37,179)	0	0	(37,179)	0	0	(37,179)
Fund Balance, July 1, 2014	304,972	(10,279)	0	294,693	324,081	324,081	(29,388)
<b>Fund Balance, June 30, 2015</b>	<b>\$ 300,075</b>	<b>\$ 0</b>	<b>\$ (4,114)</b>	<b>\$ 295,961</b>	<b>\$ 324,079</b>	<b>\$ 324,078</b>	<b>\$ (28,117)</b>

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 486,170	\$ 0	\$ 0	\$ 486,170	\$ 750,750	\$ 750,750	\$ (264,580)
Other Local Revenues	27,058	0	0	27,058	0	334	26,724
State of Tennessee	24,285	0	0	24,285	27,000	27,000	(2,715)
Federal Government	1,659,050	0	0	1,659,050	1,816,052	1,816,052	(157,002)
Total Revenues	\$ 2,196,563	\$ 0	\$ 0	\$ 2,196,563	\$ 2,593,802	\$ 2,594,136	\$ (397,573)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 2,411,702	\$ (43,433)	\$ 85,127	\$ 2,453,396	\$ 2,639,090	\$ 2,639,424	\$ 186,028
Total Expenditures	\$ 2,411,702	\$ (43,433)	\$ 85,127	\$ 2,453,396	\$ 2,639,090	\$ 2,639,424	\$ 186,028
Excess (Deficiency) of Revenues Over Expenditures	\$ (215,139)	\$ 43,433	\$ (85,127)	\$ (256,833)	\$ (45,288)	\$ (45,288)	\$ (211,545)
Net Change in Fund Balance	\$ (215,139)	\$ 43,433	\$ (85,127)	\$ (256,833)	\$ (45,288)	\$ (45,288)	\$ (211,545)
Prior-period Adjustment	(20,137)	0	0	(20,137)	0	0	(20,137)
Fund Balance, July 1, 2014	891,725	(43,433)	0	848,292	1,028,931	1,028,931	(180,639)
Fund Balance, June 30, 2015	\$ 656,449	\$ 0	\$ (85,127)	\$ 571,322	\$ 983,643	\$ 983,643	\$ (412,321)

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 536,603	\$ 0	\$ 0	\$ 536,603	\$ 300,000	\$ 440,800	\$ 95,803
State of Tennessee	20,000	0	0	20,000	0	20,000	0
Other Governments and Citizens Groups	9,844,814	0	0	9,844,814	0	9,844,814	0
Total Revenues	<u>\$ 10,401,417</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,401,417</u>	<u>\$ 300,000</u>	<u>\$ 10,305,614</u>	<u>\$ 95,803</u>
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 2,779,551	\$ (2,002,138)	\$ 514,071	\$ 1,291,484	\$ 0	\$ 2,265,623	\$ 974,139
Total Expenditures	<u>\$ 2,779,551</u>	<u>\$ (2,002,138)</u>	<u>\$ 514,071</u>	<u>\$ 1,291,484</u>	<u>\$ 0</u>	<u>\$ 2,265,623</u>	<u>\$ 974,139</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 7,621,866</u>	<u>\$ 2,002,138</u>	<u>\$ (514,071)</u>	<u>\$ 9,109,933</u>	<u>\$ 300,000</u>	<u>\$ 8,039,991</u>	<u>\$ 1,069,942</u>
Net Change in Fund Balance	\$ 7,621,866	\$ 2,002,138	\$ (514,071)	\$ 9,109,933	\$ 300,000	\$ 8,039,991	\$ 1,069,942
Fund Balance, July 1, 2014	3,690,287	(2,002,138)	0	1,688,149	229,889	229,889	1,458,260
Fund Balance, June 30, 2015	<u>\$ 11,312,153</u>	<u>\$ 0</u>	<u>\$ (514,071)</u>	<u>\$ 10,798,082</u>	<u>\$ 529,889</u>	<u>\$ 8,269,880</u>	<u>\$ 2,528,202</u>

Exhibit I-12

Loudon County, Tennessee  
Statement of Net Position - Proprietary Fund  
Discretely Presented Loudon County School Department  
June 30, 2015

	Internal Service Fund
	Employee Dental and Vision Insurance Fund
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 60,819
Total Assets	<u>\$ 60,819</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Other Current Liabilities	\$ 13,510
Total Liabilities	<u>\$ 13,510</u>
<u>NET POSITION</u>	
Net Position - Unrestricted	<u>\$ 47,309</u>
Total Net Position	<u><u>\$ 47,309</u></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, 2015

	Internal Service Fund
	<u>Employee Dental and Vision Insurance Fund</u>
<u>Operating Revenues</u>	
Charges for Services	\$ 355,896
Total Operating Revenues	<u>\$ 355,896</u>
<u>Operating Expenses</u>	
Bank Charges	\$ 154
Medical and Dental Services	360,962
Total Operating Expenses	<u>\$ 361,116</u>
Operating Income (Loss)	<u>\$ (5,220)</u>
Change in Net Position	\$ (5,220)
Net Position, July 1, 2014	<u>52,529</u>
Net Position, June 30, 2015	<u><u>\$ 47,309</u></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, 2015

	Internal Service Fund
	<u>Employee Dental and Vision Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 355,896
Payments for Bank Charges	(154)
Payments for Claims	<u>(375,582)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (19,840)</u>
Increase (Decrease) in Cash	\$ (19,840)
Cash, July 1, 2014	<u>80,659</u>
Cash, June 30, 2015	<u><u>\$ 60,819</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (5,220)
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>(14,620)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (19,840)</u></u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Loudon County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
For the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-15
<b>NOTES PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Del Conca Waterline Extension	\$ 400,000	2.88%	2-1-13	2-1-23	\$ 365,000	\$ 0	\$ 36,000	\$ 0	\$ 329,000
Total Payable through General Debt Service Fund					\$ 365,000	\$ 0	\$ 36,000	\$ 0	\$ 329,000
Total Notes Payable					\$ 365,000	\$ 0	\$ 36,000	\$ 0	\$ 329,000
<b>OTHER LOANS PAYABLE</b>									
<u>Payable through General Fund</u>									
City of Loudon - Highlands Business Center	475,000	0	5-1-00	(1)	\$ 305,935	\$ 0	\$ 47,634	\$ 0	\$ 258,301
Total Payable through General Fund					\$ 305,935	\$ 0	\$ 47,634	\$ 0	\$ 258,301
<u>Payable through General Debt Service Fund</u>									
Montgomery County PBA Loan	5,000,000	Variable	5-8-03	5-25-18	\$ 1,580,000	\$ 0	\$ 376,000	\$ 0	\$ 1,204,000
Blount County PBA Loan, Series E-3-C - Refunding	2,570,000	Variable	7-31-08	6-1-20	1,475,000	0	225,000	0	1,250,000
Total Payable through General Debt Service Fund					\$ 3,055,000	\$ 0	\$ 601,000	\$ 0	\$ 2,454,000
<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	\$ 9,650,000	\$ 0	\$ 645,000	\$ 0	\$ 9,005,000
Qualified Zone Academy Bonds - Energy Efficiency	4,129,500	0	12-28-05	12-1-20	1,927,100	0	275,300	0	1,651,800
Total Payable through Education Debt Service Fund					\$ 11,577,100	\$ 0	\$ 920,300	\$ 0	\$ 10,656,800
Total Other Loans Payable					\$ 14,938,035	\$ 0	\$ 1,568,934	\$ 0	\$ 13,369,101

(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 7-1-14	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-15
<b><u>BONDS PAYABLE</u></b>									
<b><u>Payable through General Debt Service Fund</u></b>									
General Obligation Refunding Series 2004	\$ 5,225,000	1.8 to 4%	3-31-04	4-1-20	\$ 3,195,000	\$ 0	\$ 450,000	\$ 2,745,000	\$ 0
General Obligation Refunding Series 2014A	2,600,000	2.8	12-30-14	4-1-20	0	2,600,000	0	0	2,600,000
<b>Total Payable through General Debt Service Fund</b>					<b>\$ 3,195,000</b>	<b>\$ 2,600,000</b>	<b>\$ 450,000</b>	<b>\$ 2,745,000</b>	<b>\$ 2,600,000</b>
<b><u>Payable through Education Debt Service Fund</u></b>									
Rural School Bonds, Series 2011	9,995,000	3.17	11-1-11	6-1-36	\$ 9,795,000	\$ 0	\$ 95,000	\$ 0	\$ 9,700,000
Rural School Bonds, Series 2012	23,500,000	2 to 4	7-25-12	6-1-36	22,075,000	0	725,000	0	21,350,000
Rural School Bonds, Series 2013A	8,850,000	1.4 to 5	5-10-13	6-1-23	8,300,000	0	1,000,000	0	7,300,000
Rural School Bonds, Series 2014B	9,845,000	2.59	12-30-14	4-1-35	0	9,845,000	0	0	9,845,000
<b>Total Payable through Education Debt Service Fund</b>					<b>\$ 40,170,000</b>	<b>\$ 9,845,000</b>	<b>\$ 1,820,000</b>	<b>\$ 0</b>	<b>\$ 48,195,000</b>
<b>Total Bonds Payable</b>					<b>\$ 43,365,000</b>	<b>\$ 12,445,000</b>	<b>\$ 2,270,000</b>	<b>\$ 2,745,000</b>	<b>\$ 50,795,000</b>

- (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.

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 329,000	\$ 44,064	\$ 373,064

Year Ending June 30	Other Loans			
	Principal (1)	Interest	Other Fees	Total
2016	\$ 1,574,300	\$ 310,875	\$ 21,336	\$ 1,906,511
2017	1,651,300	286,167	17,327	1,954,794
2018	1,709,300	259,942	13,149	1,982,391
2019	1,340,300	232,201	8,820	1,581,321
2020	1,410,300	203,202	7,542	1,621,044
2021	1,190,300	172,525	6,180	1,369,005
2022	970,000	141,873	5,082	1,116,955
2023	1,025,000	109,378	3,918	1,138,296
2024	1,090,000	75,040	2,688	1,167,728
2025	1,150,000	38,525	1,380	1,189,905
Total	\$ 13,110,800	\$ 1,829,728	\$ 87,422	\$ 15,027,950

(1) Does not include the City of Loudon - Highland Business Center note (\$258,301) 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
2016	\$ 2,705,000	\$ 1,611,090	\$ 4,316,090
2017	2,775,000	1,495,475	4,270,475
2018	2,880,000	1,405,225	4,285,225
2019	2,905,000	1,318,125	4,223,125
2020	3,045,000	1,225,475	4,270,475
2021	2,540,000	1,130,125	3,670,125
2022	2,850,000	1,065,950	3,915,950
2023	2,885,000	994,450	3,879,450
2024	1,920,000	920,250	2,840,250
2025	1,975,000	859,350	2,834,350
2026	1,990,000	794,663	2,784,663
2027	2,025,000	729,138	2,754,138
2028	2,060,000	660,638	2,720,638
2029	2,125,000	589,368	2,714,368
2030	2,165,000	526,193	2,691,193
2031	2,205,000	460,863	2,665,863
2032	2,370,000	391,275	2,761,275
2033	2,415,000	314,775	2,729,775
2034	2,480,000	234,188	2,714,188
2035	2,530,000	151,488	2,681,488
2036	1,950,000	67,163	2,017,163
Total	\$ 50,795,000	\$ 16,945,267	\$ 67,740,267

Exhibit J-3

Loudon County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Highway/Public Works	General Debt Service	Debt retirement	\$ 77,863
General	General Capital Projects	Internal financing of capital expenditures	300,000
General	General Capital Projects	Cash flow transfer	<u>100,000</u>
Total Transfers			<u>\$ 477,863</u>

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, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Estelle Herron (7-1-14 to 8-31-14)	Section 8-24-102, <i>TCA</i>	\$ 14,386	\$ 50,000	Western Surety Company
Rollen Bradshaw (9-1-14 to 6-30-15)	Section 8-24-102, <i>TCA</i>	71,930	100,000	Western Surety Company
Highway Superintendent	Section 8-24-102, <i>TCA</i>	82,205	100,000	"
Director of Schools	State Board of Education and County Board of Education	123,000 (1)	50,000	"
Trustee	Section 8-24-102, <i>TCA</i>	70,263	1,466,000	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	70,263	10,000	"
Director of Accounts and Budgets	County Commission	70,263	25,000	"
Purchasing Agent	County Commission	52,020	50,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	70,263	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	70,263	50,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	70,263 (3)	50,000	Ohio Farmers Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	70,263	25,000	Western Surety Company
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	82,205 (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.

(3) Does not include special commissioner fees of \$2,460.

Exhibit J-5

Loudon County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2015

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 7,770,849	\$ 0	\$ 0	\$ 214,934	\$ 0	\$ 0
Trustee's Collections - Prior Year	131,321	0	0	3,677	0	0
Trustee's Collections - Bankruptcy	3,924	0	0	129	0	0
Circuit/Clerk and Master Collections - Prior Years	154,432	0	0	4,208	0	0
Interest and Penalty	30,604	0	0	836	0	0
Payments in-Lieu-of Taxes - Other	26,434	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	334,809	0	0	0	669,718	0
Hotel/Motel Tax	432,320	0	0	0	0	0
Litigation Tax - General	101,851	0	0	0	0	0
Litigation Tax - Special Purpose	74,635	0	4,733	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	116,949	0	0	0	0
Business Tax	483,900	0	0	0	0	0
Mixed Drink Tax	15,794	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	15,457	0	0	428	0	0
Wholesale Beer Tax	95,576	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 9,671,906</b>	<b>\$ 116,949</b>	<b>\$ 4,733</b>	<b>\$ 224,212</b>	<b>\$ 669,718</b>	<b>\$ 0</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 59,362	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	307,637	0	0	0	0	0

(Continued)

Exhibit J-5

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
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 4,038	\$ 0	\$ 0	\$ 0	\$ 0	0
Building Permits	177,371	0	0	0	0	0
Other Permits	13,685	0	0	0	0	0
Total Licenses and Permits	<u>\$ 562,093</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Interpreter Fee	\$ 50	\$ 0	\$ 0	\$ 0	\$ 0	0
DUI Treatment Fines	2,141	0	0	0	0	0
Data Entry Fee - Circuit Court	990	0	0	0	0	0
Courtroom Security Fee	6,316	0	0	0	0	0
<u>Criminal Court</u>						
Fines	5,687	0	0	0	0	0
Officers Costs	25,618	0	0	0	0	0
Drug Control Fines	1,753	0	0	0	0	0
Jail Fees	1,739	0	0	0	0	0
Data Entry Fee - Criminal Court	1,272	0	0	0	0	0
Victims Assistance Assessments	1,134	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	54,358	0	0	0	0	0
Officers Costs	120,659	0	0	0	0	0
Game and Fish Fines	466	0	0	0	0	0
Drug Control Fines	6,701	0	0	0	0	0
Jail Fees	7,310	0	0	0	0	0
DUI Treatment Fines	17,113	0	0	0	0	0

(Continued)

Exhibit J-5

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
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Data Entry Fee - General Sessions Court	\$ 20,965	\$ 0	\$ 0	\$ 0	\$ 0	0
Courtroom Security Fee	110,103	0	0	0	0	0
Victims Assistance Assessments	16,735	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	43	0	0	0	0	0
Interpreter Fee	33	0	0	0	0	0
Data Entry Fee - Juvenile Court	446	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	11,522	0	0	0	0	0
Data Entry Fee - Chancery Court	5,860	0	0	0	0	0
Courtroom Security Fee	2,008	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	6,740	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	280	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 428,042</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Charges for Current Services</u>						
<u>Fees</u>						
Copy Fees	\$ 0	\$ 0	\$ 0	\$ 5,527	\$ 0	0
Library Fees	0	0	0	5,164	0	0
Greenbelt Late Application Fee	500	0	0	0	0	0

(Continued)

Exhibit J-5

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
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 42,276	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vending Machine Collections	148	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	20,696	0	0	0	0	0
Data Processing Fee - Sheriff	10,170	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,850	0	0	0	0	0
Data Processing Fee - County Clerk	795	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 77,435</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10,691</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 26,004	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	5,000	0	0	0	0	13,386
Sale of Materials and Supplies	2,650	0	0	451	0	0
Commissary Sales	10,719	0	0	0	0	0
Sale of Maps	231	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	117,432	0
Retirees' Insurance Payments	62,523	0	0	1,157	478	0
Cobra Insurance Payments	2,001	0	0	0	0	0
Miscellaneous Refunds	46,576	0	0	152	266	0
Expenditure Credits	1,203	0	0	0	0	0
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	0	0	0	0	0	0
Sale of Equipment	12,706	0	0	0	1,399	0

(Continued)

Exhibit J-5

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
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Contributions and Gifts	\$ 40,202	\$ 0	\$ 0	\$ 592	\$ 0	\$ 0
Total Other Local Revenues	\$ 209,815	\$ 0	\$ 0	\$ 2,352	\$ 119,575	\$ 13,386
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 453,872	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	96,663	0	0	0	0	0
General Sessions Court Clerk	406,872	0	0	0	0	0
Clerk and Master	142,928	0	0	0	0	0
Register	290,620	0	0	0	0	0
Sheriff	22,552	0	0	0	0	0
Trustee	821,227	0	0	0	0	0
Total Fees Received from County Officials	\$ 2,234,734	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 10,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	10,963	0	0	0	0	0
Solid Waste Grants	0	0	0	0	23,101	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	28,200	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	284,511	0	0	0	0	0
Other Health and Welfare Grants	64,171	0	0	0	0	0

(Continued)

Exhibit J-5

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
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
Litter Program	\$ 0	\$ 0	\$ 0	\$ 0	40,600	\$ 0
<u>Other State Revenues</u>						
Income Tax	1,182,785	0	0	0	0	0
Beer Tax	18,055	0	0	0	0	0
Vehicle Certificate of Title Fees	6,678	0	0	0	0	0
Alcoholic Beverage Tax	68,165	0	0	0	0	0
Contracted Prisoner Boarding	226,931	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
State Shared Sales Tax - Cities	7,651	0	0	0	0	0
Other State Grants	0	0	0	1,252	0	0
Other State Revenues	7,462	0	0	0	26,954	0
Total State of Tennessee	\$ 1,931,236	\$ 0	\$ 0	\$ 1,252	\$ 90,655	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	55,497	0	0	0	0	0
Homeland Security Grants	12,496	0	0	0	0	0
Law Enforcement Grants	5,318	0	0	0	0	0
Other Federal through State	32,006	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	0	0	0	0	0	0
Total Federal Government	\$ 105,317	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 8,282	\$ 0	\$ 0	\$ 38,680	\$ 0	\$ 0
Contracted Services	33,222	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	16,224	0	0	9,300	0	0
<u>Other</u>						
Other	11,665	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 69,393</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 47,980</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 15,289,971</u>	<u>\$ 116,949</u>	<u>\$ 4,733</u>	<u>\$ 286,487</u>	<u>\$ 879,948</u>	<u>\$ 13,386</u>

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 548,915	\$ 1,140,826	\$ 4,541,149
Trustee's Collections - Prior Year	0	0	0	9,249	19,516	75,112
Trustee's Collections - Bankruptcy	0	0	0	273	586	2,846
Circuit/Clerk and Master Collections - Prior Years	0	0	0	10,618	22,336	113,802
Interest and Penalty	0	0	0	2,111	4,559	17,315
Payments in-Lieu-of Taxes - Other	0	0	0	0	25	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0	0
Litigation Tax - General	0	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	0	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	37,848	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	1,092	2,269	10,524
Wholesale Beer Tax	0	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 610,106</b>	<b>\$ 1,190,117</b>	<b>\$ 4,760,748</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Building Permits	0	0	0	0	0	0
Other Permits	0	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Interpreter Fee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
DUI Treatment Fines	0	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
<u>Criminal Court</u>						
Fines	0	0	0	0	0	0
Officers Costs	161	0	0	0	0	0
Drug Control Fines	10,802	0	0	0	0	0
Jail Fees	0	0	0	0	0	0
Data Entry Fee - Criminal Court	0	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	0
Officers Costs	62	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0	0
Drug Control Fines	6,701	0	0	0	0	0
Jail Fees	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Data Entry Fee - General Sessions Court	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Courtroom Security Fee	0	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	0
Interpreter Fee	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	0	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	0	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	31,723	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	28,404	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 77,853</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<u>Charges for Current Services</u>						
<u>Fees</u>						
Copy Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Library Fees	0	0	0	0	0	0
Greenbelt Late Application Fee	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vending Machine Collections	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	9,439	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	2,460	0	0	0
Data Processing Fee - Register	0	0	0	0	0	0
Data Processing Fee - Sheriff	4	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0
Data Processing Fee - County Clerk	0	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 4</b>	<b>\$ 0</b>	<b>\$ 11,899</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,380	\$ 49,246
Lease/Rentals	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	6,722	0	0
Commissary Sales	0	0	0	0	0	0
Sale of Maps	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0	0
Retirees' Insurance Payments	0	0	0	2,771	0	0
Cobra Insurance Payments	0	0	0	0	0	0
Miscellaneous Refunds	0	0	0	6,137	0	0
Expenditure Credits	0	0	0	0	0	0
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	0	0	0	0	32,501	0
Sale of Equipment	0	0	0	5,001	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Contributions and Gifts	\$ 51,572	\$ 150	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 51,572	\$ 150	\$ 0	\$ 20,631	\$ 37,881	\$ 49,246
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	0	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0	0
Clerk and Master	0	0	0	0	0	0
Register	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0
Trustee	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	0	0	0	0	0	0
Solid Waste Grants	0	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	0
Other Health and Welfare Grants	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
Litter Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	0
Beer Tax	0	0	0	0	0	0
Vehicle Certificate of Title Fees	0	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	1,611,717	0	0
Petroleum Special Tax	0	0	0	35,035	0	0
Registrar's Salary Supplement	0	0	0	0	0	0
State Shared Sales Tax - Cities	0	0	0	0	0	0
Other State Grants	0	0	0	0	0	0
Other State Revenues	0	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 1,646,752	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	0	0	0	0	0	0
Homeland Security Grants	0	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	0	4,190	0	0	0	0
Total Federal Government	\$ 0	\$ 4,190	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	0	0	0	0	234,420	0
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	0
<u>Other</u>						
Other	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 234,420	\$ 0
Total	\$ 129,429	\$ 4,340	\$ 11,899	\$ 2,277,489	\$ 1,462,418	\$ 4,809,994

(Continued)

Exhibit J-5

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

	Capital Projects Funds		Total
	General Capital Projects	Highway Capital Projects	
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 165,333	\$ 284,377	\$ 14,666,383
Trustee's Collections - Prior Year	4,356	5,063	248,294
Trustee's Collections - Bankruptcy	70	156	7,984
Circuit/Clerk and Master Collections - Prior Years	4,627	5,748	315,771
Interest and Penalty	892	1,138	57,455
Payments in-Lieu-of Taxes - Other	0	0	26,459
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	0	1,004,527
Hotel/Motel Tax	0	0	432,320
Litigation Tax - General	0	0	101,851
Litigation Tax - Special Purpose	0	0	79,368
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	116,949
Business Tax	0	0	483,900
Mixed Drink Tax	0	0	15,794
Mineral Severance Tax	0	0	37,848
<u>Statutory Local Taxes</u>			
Bank Excise Tax	329	566	30,665
Wholesale Beer Tax	0	0	95,576
Total Local Taxes	\$ 175,607	\$ 297,048	\$ 17,721,144
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Animal Registration	\$ 0	\$ 0	\$ 59,362
Cable TV Franchise	0	0	307,637

(Continued)

Exhibit J-5

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

	Capital Projects Funds		Total
	General Capital Projects	Highway Capital Projects	
<u>Licenses and Permits (Cont.)</u>			
<u>Permits</u>			
Beer Permits	\$ 0	\$ 0	\$ 4,038
Building Permits	0	0	177,371
Other Permits	0	0	13,685
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 562,093</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Interpreter Fee	\$ 0	\$ 0	\$ 50
DUI Treatment Fines	0	0	2,141
Data Entry Fee - Circuit Court	0	0	990
Courtroom Security Fee	0	0	6,316
<u>Criminal Court</u>			
Fines	0	0	5,687
Officers Costs	0	0	25,779
Drug Control Fines	0	0	12,555
Jail Fees	0	0	1,739
Data Entry Fee - Criminal Court	0	0	1,272
Victims Assistance Assessments	0	0	1,134
<u>General Sessions Court</u>			
Fines	0	0	54,358
Officers Costs	0	0	120,721
Game and Fish Fines	0	0	466
Drug Control Fines	0	0	13,402
Jail Fees	0	0	7,310
DUI Treatment Fines	0	0	17,113

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		Total
	<u>General Capital Projects</u>	<u>Highway Capital Projects</u>	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
Data Entry Fee - General Sessions Court	\$ 0	\$ 0	\$ 20,965
Courtroom Security Fee	0	0	110,103
Victims Assistance Assessments	0	0	16,735
<u>Juvenile Court</u>			
Fines	0	0	43
Interpreter Fee	0	0	33
Data Entry Fee - Juvenile Court	0	0	446
<u>Chancery Court</u>			
Officers Costs	0	0	11,522
Data Entry Fee - Chancery Court	0	0	5,860
Courtroom Security Fee	0	0	2,008
<u>Other Courts - In-county</u>			
Fines	0	0	6,740
<u>Judicial District Drug Program</u>			
Drug Task Force Forfeitures and Seizures	0	0	31,723
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	0	28,404
Other Fines, Forfeitures, and Penalties	0	0	280
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 505,895</u>
<u>Charges for Current Services</u>			
<u>Fees</u>			
Copy Fees	\$ 0	\$ 0	\$ 5,527
Library Fees	0	0	5,164
Greenbelt Late Application Fee	0	0	500

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		Total
	General Capital Projects	Highway Capital Projects	
<u>Charges for Current Services (Cont.)</u>			
<u>Fees (Cont.)</u>			
Telephone Commissions	\$ 0	\$ 0	\$ 42,276
Vending Machine Collections	0	0	148
Constitutional Officers' Fees and Commissions	0	0	9,439
Special Commissioner Fees/Special Master Fees	0	0	2,460
Data Processing Fee - Register	0	0	20,696
Data Processing Fee - Sheriff	0	0	10,174
Sexual Offender Registration Fee - Sheriff	0	0	2,850
Data Processing Fee - County Clerk	0	0	795
<b>Total Charges for Current Services</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 100,029</b>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 0	\$ 0	\$ 80,630
Lease/Rentals	0	0	18,386
Sale of Materials and Supplies	0	0	9,823
Commissary Sales	0	0	10,719
Sale of Maps	0	0	231
Sale of Recycled Materials	0	0	117,432
Retirees' Insurance Payments	0	0	66,929
Cobra Insurance Payments	0	0	2,001
Miscellaneous Refunds	27,000	0	80,131
Expenditure Credits	0	0	1,203
<u>Nonrecurring Items</u>			
Revenue from Joint Ventures	0	0	32,501
Sale of Equipment	0	0	19,106

(Continued)

Exhibit J-5

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

	Capital Projects Funds		Total
	General Capital Projects	Highway Capital Projects	
<u>Other Local Revenues (Cont.)</u>			
<u>Nonrecurring Items (Cont.)</u>			
Contributions and Gifts	\$ 1,586	\$ 0	\$ 94,102
Total Other Local Revenues	\$ 28,586	\$ 0	\$ 533,194
<u>Fees Received from County Officials</u>			
<u>Fees in-Lieu-of Salary</u>			
County Clerk	\$ 0	\$ 0	\$ 453,872
Circuit Court Clerk	0	0	96,663
General Sessions Court Clerk	0	0	406,872
Clerk and Master	0	0	142,928
Register	0	0	290,620
Sheriff	0	0	22,552
Trustee	0	0	821,227
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 2,234,734
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 0	\$ 10,500
Aging Programs	0	0	10,963
Solid Waste Grants	0	0	23,101
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	0	28,200
<u>Health and Welfare Grants</u>			
Health Department Programs	0	0	284,511
Other Health and Welfare Grants	0	0	64,171

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		Total
	General Capital Projects	Highway Capital Projects	
<u>State of Tennessee (Cont.)</u>			
<u>Public Works Grants</u>			
Litter Program	\$ 0	\$ 0	\$ 40,600
<u>Other State Revenues</u>			
Income Tax	0	0	1,182,785
Beer Tax	0	0	18,055
Vehicle Certificate of Title Fees	0	0	6,678
Alcoholic Beverage Tax	0	0	68,165
Contracted Prisoner Boarding	0	0	226,931
Gasoline and Motor Fuel Tax	0	0	1,611,717
Petroleum Special Tax	0	0	35,035
Registrar's Salary Supplement	0	0	15,164
State Shared Sales Tax - Cities	0	0	7,651
Other State Grants	0	0	1,252
Other State Revenues	0	0	34,416
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,669,895</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
Community Development	\$ 19,699	\$ 0	\$ 19,699
Civil Defense Reimbursement	0	0	55,497
Homeland Security Grants	0	0	12,496
Law Enforcement Grants	0	0	5,318
Other Federal through State	0	0	32,006
<u>Direct Federal Revenue</u>			
Asset Forfeiture Funds	0	0	4,190
Total Federal Government	<u>\$ 19,699</u>	<u>\$ 0</u>	<u>\$ 129,206</u>

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		<u>Total</u>
	<u>General Capital Projects</u>	<u>Highway Capital Projects</u>	
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 0	\$ 0	\$ 46,962
Contracted Services	0	0	267,642
<u>Citizens Groups</u>			
Donations	20,000	0	45,524
<u>Other</u>			
Other	0	0	11,665
Total Other Governments and Citizens Groups	<u>\$ 20,000</u>	<u>\$ 0</u>	<u>\$ 371,793</u>
Total	<u>\$ 243,892</u>	<u>\$ 297,048</u>	<u>\$ 25,827,983</u>

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, 2015

	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	\$ 10,050,622	\$ 0	\$ 0	\$ 0	\$ 10,050,622
Trustee's Collections - Prior Year	169,279	0	0	0	169,279
Trustee's Collections - Bankruptcy	5,429	0	0	0	5,429
Circuit/Clerk and Master Collections - Prior Years	194,386	0	0	0	194,386
Interest and Penalty	38,658	0	0	0	38,658
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,366,725	0	0	0	3,366,725
Mixed Drink Tax	56,135	0	0	0	56,135
Adequate Facilities/Development Tax	0	0	0	536,603	536,603
<u>Statutory Local Taxes</u>					
Bank Excise Tax	15,519	0	0	0	15,519
Interstate Telecommunications Tax	5,292	0	0	0	5,292
<b>Total Local Taxes</b>	<b>\$ 13,902,045</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 536,603</b>	<b>\$ 14,438,648</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,354	\$ 0	\$ 0	\$ 0	\$ 1,354
<b>Total Licenses and Permits</b>	<b>\$ 1,354</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,354</b>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 328,941	\$ 0	\$ 328,941
Lunch Payments - Adults	0	0	43,050	0	43,050
Income from Breakfast	0	0	91,809	0	91,809

(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>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
A la carte Sales	\$ 0	\$ 0	\$ 21,708	\$ 0	\$ 21,708
Receipts from Individual Schools	16,070	0	662	0	16,732
Total Charges for Current Services	\$ 16,070	\$ 0	\$ 486,170	\$ 0	\$ 502,240
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 19,843	\$ 0	\$ 1,786	\$ 0	\$ 21,629
Sale of Materials and Supplies	1,266	0	0	0	1,266
Retirees' Insurance Payments	53,714	0	0	0	53,714
Miscellaneous Refunds	38,216	1,813	25,272	0	65,301
<u>Nonrecurring Items</u>					
Sale of Equipment	12,196	0	0	0	12,196
Total Other Local Revenues	\$ 125,235	\$ 1,813	\$ 27,058	\$ 0	\$ 154,106
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 185,687	\$ 0	\$ 0	\$ 0	\$ 185,687
<u>State Education Funds</u>					
Basic Education Program	19,299,000	0	0	0	19,299,000
Early Childhood Education	790,103	0	0	0	790,103
School Food Service	0	0	24,285	0	24,285
Other State Education Funds	526,798	0	0	0	526,798
Career Ladder Program	116,235	0	0	0	116,235
Career Ladder - Extended Contract	59,170	0	0	0	59,170

(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>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	\$ 1,165,395	\$ 0	\$ 0	\$ 0	\$ 1,165,395
Other State Grants	3,330	0	0	0	3,330
Other State Revenues	0	0	0	20,000	20,000
Total State of Tennessee	\$ 22,145,718	\$ 0	\$ 24,285	\$ 20,000	\$ 22,190,003
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,074,237	\$ 0	\$ 1,074,237
Breakfast	0	0	346,598	0	346,598
USDA - Other	0	0	95,059	0	95,059
Vocational Education - Basic Grants to States	0	78,175	0	0	78,175
Title I Grants to Local Education Agencies	0	899,015	0	0	899,015
Special Education - Grants to States	45,000	907,084	0	0	952,084
Special Education Preschool Grants	0	17,187	0	0	17,187
English Language Acquisition Grants	0	21,843	0	0	21,843
Eisenhower Professional Development State Grants	0	184,776	0	0	184,776
Race to the Top - ARRA	0	37,113	0	0	37,113
Other Federal through State	173,440	0	143,156	0	316,596
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	69,313	0	0	0	69,313
Total Federal Government	\$ 287,753	\$ 2,145,193	\$ 1,659,050	\$ 0	\$ 4,091,996

(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>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 9,844,814	\$ 9,844,814
<u>Citizens Groups</u>					
Donations	1,908	0	0	0	1,908
Total Other Governments and Citizens Groups	\$ 1,908	\$ 0	\$ 0	\$ 9,844,814	\$ 9,846,722
Total	\$ 36,480,083	\$ 2,147,006	\$ 2,196,563	\$ 10,401,417	\$ 51,225,069

Exhibit J-7

Loudon County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	80,210	
Social Security		4,079	
Pensions		3,111	
Life Insurance		848	
Medical Insurance		17,334	
Dental Insurance		2,971	
Employer Medicare		1,110	
Consultants		7,128	
Dues and Memberships		11,236	
Printing, Stationery, and Forms		135	
Travel		939	
Other Contracted Services		2,375	
Office Supplies		480	
Road Signs		300	
Other Supplies and Materials		2,587	
Workers' Compensation Insurance		8,887	
In Service/Staff Development		100	
Furniture and Fixtures		48	
Total County Commission			\$ 143,878

Board of Equalization

Board and Committee Members Fees	\$	840	
Travel		319	
Total Board of Equalization			1,159

Beer Board

Board and Committee Members Fees	\$	2,250	
Legal Services		3,875	
Total Beer Board			6,125

Other Boards and Committees

Board and Committee Members Fees	\$	3,950	
Total Other Boards and Committees			3,950

County Mayor/Executive

County Official/Administrative Officer	\$	86,316	
Secretary(ies)		40,216	
Clerical Personnel		17,667	
Temporary Personnel		1,359	
Overtime Pay		229	
Social Security		8,894	
Pensions		13,573	
Life Insurance		940	
Medical Insurance		19,934	
Dental Insurance		1,825	
Employer Medicare		2,080	
Communication		1,912	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Dues and Memberships	\$	1,800	
Operating Lease Payments		1,735	
Maintenance and Repair Services - Vehicles		35	
Postal Charges		101	
Printing, Stationery, and Forms		2,102	
Travel		1,205	
Gasoline		1,086	
Office Supplies		980	
Other Supplies and Materials		18	
Premiums on Corporate Surety Bonds		367	
Workers' Compensation Insurance		2,666	
In Service/Staff Development		200	
Furniture and Fixtures		2,162	
Office Equipment		1,180	
Total County Mayor/Executive			\$ 210,582

Personnel Office

Supervisor/Director	\$	2,617	
Clerical Personnel		23,137	
Part-time Personnel		8,533	
Social Security		1,467	
Pensions		2,375	
Life Insurance		297	
Medical Insurance		7,095	
Dental Insurance		780	
Unemployment Compensation		3,353	
Employer Medicare		467	
Operating Lease Payments		1,001	
Medical and Dental Services		4,522	
Postal Charges		83	
Printing, Stationery, and Forms		343	
Travel		65	
Office Supplies		439	
Other Supplies and Materials		674	
Workers' Compensation Insurance		889	
In Service/Staff Development		125	
Total Personnel Office			58,262

County Attorney

Legal Services	\$	174,387	
Total County Attorney			174,387

Election Commission

County Official/Administrative Officer	\$	63,237	
Secretary(ies)		38,210	
Temporary Personnel		10,316	
Overtime Pay		2,434	

(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.)

Election Commission	\$	12,000	
Election Workers		75,267	
Social Security		10,433	
Pensions		9,927	
Life Insurance		452	
Medical Insurance		16,389	
Dental Insurance		1,372	
Employer Medicare		2,440	
Communication		2,942	
Dues and Memberships		225	
Operating Lease Payments		1,836	
Legal Notices, Recording, and Court Costs		4,094	
Licenses		3,350	
Maintenance and Repair Services - Equipment		478	
Postal Charges		7,095	
Printing, Stationery, and Forms		2,195	
Travel		4,210	
Other Contracted Services		20,283	
Office Supplies		4,246	
Workers' Compensation Insurance		1,777	
Furniture and Fixtures		425	
Office Equipment		1,886	
Total Election Commission			\$ 297,519

Register of Deeds

County Official/Administrative Officer	\$	70,263	
Clerical Personnel		99,159	
Social Security		9,944	
Pensions		16,433	
Life Insurance		832	
Medical Insurance		42,185	
Dental Insurance		2,669	
Employer Medicare		2,326	
Communication		1,180	
Dues and Memberships		757	
Operating Lease Payments		1,427	
Postal Charges		1,209	
Travel		618	
Other Contracted Services		13,372	
Office Supplies		1,018	
Premiums on Corporate Surety Bonds		117	
Workers' Compensation Insurance		3,555	
Total Register of Deeds			267,064

Planning

Supervisor/Director	\$	46,333	
Social Security		2,695	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Pensions	\$	4,494	
Life Insurance		634	
Medical Insurance		13,210	
Dental Insurance		1,235	
Employer Medicare		630	
Communication		901	
Dues and Memberships		620	
Operating Lease Payments		478	
Maintenance and Repair Services - Vehicles		397	
Postal Charges		398	
Printing, Stationery, and Forms		685	
Travel		986	
Gasoline		589	
Office Supplies		544	
Other Supplies and Materials		380	
Workers' Compensation Insurance		889	
In Service/Staff Development		814	
Furniture and Fixtures		1,071	
Office Equipment		2,060	
Total Planning			\$ 80,043

Codes Compliance

Assistant(s)	\$	48,504	
Supervisor/Director		52,000	
Secretary(ies)		32,886	
Social Security		7,736	
Pensions		12,938	
Life Insurance		538	
Medical Insurance		37,693	
Dental Insurance		2,344	
Employer Medicare		1,809	
Communication		2,187	
Dues and Memberships		180	
Operating Lease Payments		2,637	
Maintenance and Repair Services - Vehicles		4,582	
Postal Charges		281	
Printing, Stationery, and Forms		720	
Gasoline		2,886	
Office Supplies		828	
Tires and Tubes		982	
Workers' Compensation Insurance		2,666	
In Service/Staff Development		190	
Office Equipment		754	
Total Codes Compliance			215,341

Geographical Information Systems

Supervisor/Director	\$	39,317	
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(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 (Cont.)

Social Security	\$	2,221	
Pensions		3,813	
Life Insurance		179	
Medical Insurance		8,260	
Dental Insurance		781	
Employer Medicare		519	
Other Contracted Services		3,000	
Office Supplies		1,629	
Workers' Compensation Insurance		889	
In Service/Staff Development		21	
Office Equipment		170	
Total Geographical Information Systems			\$ 60,799

County Buildings

Supervisor/Director	\$	51,000	
Laborers		357,556	
Overtime Pay		3,991	
Social Security		23,966	
Pensions		40,014	
Life Insurance		2,547	
Medical Insurance		134,443	
Dental Insurance		7,923	
Employer Medicare		5,605	
Communication		20,500	
Operating Lease Payments		2,402	
Maintenance and Repair Services - Buildings		64,418	
Maintenance and Repair Services - Vehicles		5,539	
Pest Control		5,143	
Postal Charges		10	
Permits		45	
Other Contracted Services		140,719	
Custodial Supplies		7,797	
Diesel Fuel		709	
Duplicating Supplies		9,487	
Gasoline		17,637	
Office Supplies		906	
Tires and Tubes		750	
Uniforms		8,121	
Utilities		264,018	
Other Supplies and Materials		264	
Workers' Compensation Insurance		9,775	
In Service/Staff Development		247	
Furniture and Fixtures		480	
Maintenance Equipment		303	
Total County Buildings			1,186,315

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration

Legal Notices, Recording, and Court Costs	\$	10,628	
Disposal Fees		6,335	
Building and Contents Insurance		269,354	
Land		3,179	
Total Other General Administration	\$		289,496

Finance

Accounting and Budgeting

Assistant(s)	\$	46,818	
Supervisor/Director		70,263	
Accountants/Bookkeepers		195,000	
Salary Supplements		2,336	
Part-time Personnel		9,167	
Overtime Pay		2,771	
Social Security		19,054	
Pensions		30,757	
Life Insurance		1,967	
Medical Insurance		101,105	
Dental Insurance		6,975	
Employer Medicare		4,456	
Audit Services		14,567	
Communication		1,813	
Consultants		3,250	
Dues and Memberships		150	
Operating Lease Payments		4,211	
Legal Notices, Recording, and Court Costs		1,056	
Postal Charges		4,162	
Printing, Stationery, and Forms		5,435	
Travel		1,627	
Other Contracted Services		10,601	
Office Supplies		8,168	
Premiums on Corporate Surety Bonds		117	
Workers' Compensation Insurance		7,109	
In Service/Staff Development		1,563	
Office Equipment		945	
Total Accounting and Budgeting			555,443

Purchasing

Supervisor/Director	\$	52,020	
Purchasing Personnel		105,552	
Part-time Personnel		9,782	
Overtime Pay		997	
Social Security		9,544	
Pensions		15,380	
Life Insurance		684	
Medical Insurance		24,456	
Dental Insurance		1,739	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

Employer Medicare	\$	2,374	
Communication		2,710	
Dues and Memberships		770	
Operating Lease Payments		1,453	
Maintenance and Repair Services - Vehicles		353	
Postal Charges		67	
Printing, Stationery, and Forms		642	
Travel		2,420	
Other Contracted Services		3,260	
Gasoline		357	
Office Supplies		3,184	
Premiums on Corporate Surety Bonds		225	
Workers' Compensation Insurance		3,555	
In Service/Staff Development		200	
Other Charges		69	
Furniture and Fixtures		2,047	
Office Equipment		4,482	
Total Purchasing			\$ 248,322

Property Assessor's Office

County Official/Administrative Officer	\$	70,263	
Secretary(ies)		155,911	
Social Security		13,157	
Pensions		21,938	
Life Insurance		1,189	
Medical Insurance		45,221	
Dental Insurance		4,045	
Employer Medicare		3,077	
Communication		1,504	
Data Processing Services		8,111	
Dues and Memberships		3,646	
Operating Lease Payments		1,540	
Legal Services		6,650	
Legal Notices, Recording, and Court Costs		100	
Maintenance Agreements		11,620	
Maintenance and Repair Services - Vehicles		478	
Postal Charges		2,950	
Printing, Stationery, and Forms		387	
Travel		909	
Other Contracted Services		41,245	
Gasoline		1,293	
Office Supplies		858	
Premiums on Corporate Surety Bonds		175	
Workers' Compensation Insurance		5,332	
In Service/Staff Development		1,482	
Office Equipment		154	
Total Property Assessor's Office			403,235

(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

County Official/Administrative Officer	\$	70,263	
Clerical Personnel		97,760	
Temporary Personnel		15,182	
Social Security		10,623	
Pensions		16,297	
Life Insurance		1,024	
Medical Insurance		49,580	
Dental Insurance		3,450	
Employer Medicare		2,484	
Communication		942	
Dues and Memberships		532	
Operating Lease Payments		1,494	
Maintenance Agreements		6,622	
Postal Charges		13,610	
Printing, Stationery, and Forms		6,125	
Travel		627	
Other Contracted Services		14,865	
Office Supplies		3,329	
Premiums on Corporate Surety Bonds		7,597	
Workers' Compensation Insurance		3,555	
In Service/Staff Development		300	
Office Equipment		1,617	
Total County Trustee's Office			\$ 327,878

County Clerk's Office

County Official/Administrative Officer	\$	70,263	
Clerical Personnel		206,123	
Temporary Personnel		5,392	
Part-time Personnel		31,021	
Social Security		18,343	
Pensions		26,808	
Life Insurance		1,950	
Medical Insurance		79,513	
Dental Insurance		4,948	
Employer Medicare		4,290	
Communication		1,568	
Dues and Memberships		672	
Operating Lease Payments		5,364	
Postal Charges		12,610	
Printing, Stationery, and Forms		1,619	
Travel		689	
Other Contracted Services		19,690	
Office Supplies		5,224	
Premiums on Corporate Surety Bonds		517	
Workers' Compensation Insurance		7,109	
Data Processing Equipment		580	
Furniture and Fixtures		4,017	
Office Equipment		10,752	
Total County Clerk's Office			519,062

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Data Processing

Computer Programmer(s)	\$	50,129	
Data Processing Personnel		31,323	
Overtime Pay		12	
Social Security		4,774	
Pensions		7,901	
Life Insurance		337	
Medical Insurance		14,573	
Dental Insurance		1,048	
Employer Medicare		1,117	
Communication		7,738	
Travel		766	
Other Contracted Services		5,043	
Gasoline		35	
Office Supplies		10	
Workers' Compensation Insurance		1,777	
In Service/Staff Development		1,933	
Data Processing Equipment		16,422	
Office Equipment		1,036	
Total Data Processing	\$		145,974

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	70,263	
Clerical Personnel		130,688	
Part-time Personnel		8,495	
Overtime Pay		5,576	
Social Security		12,547	
Pensions		20,032	
Life Insurance		1,088	
Medical Insurance		38,701	
Dental Insurance		2,935	
Employer Medicare		2,934	
Communication		1,103	
Dues and Memberships		696	
Operating Lease Payments		3,325	
Postal Charges		2,349	
Printing, Stationery, and Forms		2,540	
Travel		2,282	
Other Contracted Services		13,731	
Office Supplies		2,175	
Premiums on Corporate Surety Bonds		192	
Workers' Compensation Insurance		4,443	
In Service/Staff Development		705	
Data Processing Equipment		4,958	
Total Circuit Court			331,758

(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

Clerical Personnel	\$	251,094	
Part-time Personnel		33,457	
Overtime Pay		8,670	
Other Salaries and Wages		1,812	
Social Security		17,309	
Pensions		25,376	
Life Insurance		1,879	
Medical Insurance		52,779	
Dental Insurance		4,533	
Employer Medicare		4,048	
Communication		2,729	
Dues and Memberships		376	
Operating Lease Payments		4,254	
Maintenance Agreements		1,774	
Postal Charges		5,900	
Printing, Stationery, and Forms		7,183	
Travel		2,280	
Other Contracted Services		15,712	
Office Supplies		5,423	
Workers' Compensation Insurance		8,887	
In Service/Staff Development		728	
Data Processing Equipment		4,549	
Office Equipment		920	
Total General Sessions Court			\$ 461,672

General Sessions Judge

County Official/Administrative Officer	\$	150,685	
Clerical Personnel		49,736	
Temporary Personnel		2,400	
Social Security		10,240	
Pensions		19,444	
Life Insurance		359	
Medical Insurance		9,868	
Dental Insurance		1,113	
Employer Medicare		2,864	
Communication		1,167	
Dues and Memberships		845	
Evaluation and Testing		1,800	
Travel		1,407	
Office Supplies		984	
Workers' Compensation Insurance		1,777	
In Service/Staff Development		340	
Office Equipment		717	
Total General Sessions Judge			255,746

Chancery Court

County Official/Administrative Officer	\$	70,263	
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(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.)

Clerical Personnel	\$	39,317	
Part-time Personnel		28,282	
Social Security		7,580	
Pensions		10,629	
Life Insurance		551	
Medical Insurance		24,981	
Dental Insurance		2,841	
Employer Medicare		1,931	
Communication		925	
Dues and Memberships		672	
Operating Lease Payments		1,242	
Maintenance Agreements		2,100	
Postal Charges		10,000	
Printing, Stationery, and Forms		1,191	
Travel		1,224	
Other Contracted Services		500	
Office Supplies		1,241	
Premiums on Corporate Surety Bonds		219	
Workers' Compensation Insurance		1,777	
In Service/Staff Development		325	
Office Equipment		1,169	
Total Chancery Court			\$ 208,960

Juvenile Court

Supervisor/Director	\$	81,220
Probation Officer(s)		66,439
Secretary(ies)		34,870
Part-time Personnel		13,315
Overtime Pay		5,106
Other Salaries and Wages		311
Social Security		12,387
Pensions		17,405
Life Insurance		830
Medical Insurance		24,099
Dental Insurance		1,718
Unemployment Compensation		2,867
Employer Medicare		2,896
Communication		5,741
Contracts with Government Agencies		480
Dues and Memberships		45
Operating Lease Payments		821
Maintenance and Repair Services - Vehicles		2,325
Medical and Dental Services		175
Printing, Stationery, and Forms		160
Travel		578
Other Contracted Services		667
Gasoline		712

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Office Supplies	\$	1,251	
Tires and Tubes		405	
Other Supplies and Materials		1,036	
Workers' Compensation Insurance		3,555	
In Service/Staff Development		1,401	
Communication Equipment		3,231	
Furniture and Fixtures		565	
Motor Vehicles		7,450	
Total Juvenile Court			\$ 294,061

Judicial Commissioners

Supervisor/Director	\$	91,402	
Social Security		5,533	
Pensions		8,866	
Life Insurance		149	
Medical Insurance		11,658	
Dental Insurance		651	
Employer Medicare		1,294	
Communication		843	
Dues and Memberships		70	
Printing, Stationery, and Forms		462	
Office Supplies		242	
Uniforms		514	
Workers' Compensation Insurance		889	
In Service/Staff Development		170	
Office Equipment		13,564	
Total Judicial Commissioners			136,307

Other Administration of Justice

Jury and Witness Expense	\$	8,566	
Other Contracted Services		941	
Office Equipment		1,214	
Total Other Administration of Justice			10,721

Victim Assistance Programs

Remittance of Revenue Collected	\$	17,869	
Total Victim Assistance Programs			17,869

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	82,205	
Assistant(s)		113,971	
Deputy(ies)		1,063,336	
Investigator(s)		139,041	
Captain(s)		50,716	
Lieutenant(s)		94,092	
Sergeant(s)		92,692	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Computer Programmer(s)	\$	41,628	
Salary Supplements		28,200	
Secretary(ies)		31,412	
Clerical Personnel		88,416	
Custodial Personnel		26,288	
Part-time Personnel		62,498	
School Resource Officer		368,893	
Overtime Pay		133,746	
Social Security		143,118	
Pensions		299,345	
Life Insurance		10,788	
Medical Insurance		554,927	
Dental Insurance		37,379	
Employer Medicare		33,602	
Communication		12,999	
Dues and Memberships		2,109	
Operating Lease Payments		2,594	
Maintenance Agreements		15,720	
Maintenance and Repair Services - Vehicles		121,549	
Medical and Dental Services		3,047	
Postal Charges		4,043	
Printing, Stationery, and Forms		2,390	
Towing Services		2,700	
Travel		13,250	
Other Contracted Services		8,022	
Diesel Fuel		702	
Gasoline		217,551	
Office Supplies		4,676	
Tires and Tubes		27,100	
Uniforms		19,454	
Other Supplies and Materials		8,941	
Premiums on Corporate Surety Bonds		142	
Workers' Compensation Insurance		47,987	
In Service/Staff Development		9,219	
Communication Equipment		14,957	
Law Enforcement Equipment		8,542	
Motor Vehicles		1,770	
Office Equipment		18,941	
Total Sheriff's Department			\$ 4,064,698

Special Patrols

Communication	\$	755	
Law Enforcement Supplies		2,725	
Law Enforcement Equipment		15,939	
Total Special Patrols			19,419

(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	\$ 1,358	
Total Traffic Control		\$ 1,358

Administration of the Sexual Offender Registry

Travel	\$ 258	
Total Administration of the Sexual Offender Registry		258

Jail

Lieutenant(s)	\$ 56,869	
Guards	784,379	
Cafeteria Personnel	60,817	
Overtime Pay	59,097	
Social Security	58,033	
Pensions	94,402	
Life Insurance	4,617	
Medical Insurance	186,117	
Dental Insurance	12,580	
Employer Medicare	13,572	
Communication	400	
Operating Lease Payments	1,994	
Maintenance and Repair Services - Equipment	1,574	
Medical and Dental Services	194,761	
Postal Charges	147	
Travel	191	
Other Contracted Services	2,478	
Custodial Supplies	11,827	
Drugs and Medical Supplies	38,249	
Food Preparation Supplies	1,008	
Food Supplies	170,337	
Office Supplies	3,865	
Uniforms	15,885	
Chemicals	643	
Other Supplies and Materials	11,008	
Workers' Compensation Insurance	24,882	
In Service/Staff Development	1,875	
Office Equipment	1,776	
Total Jail		1,813,383

Juvenile Services

Other Salaries and Wages	\$ 17,804	
Other Per Diem and Fees	824	
Social Security	1,063	
Pensions	1,674	
Employer Medicare	249	
Travel	300	
Total Juvenile Services		21,914

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Rural Fire Protection

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

Civil Defense

Supervisor/Director	\$ 52,020	
Secretary(ies)	31,574	
Overtime Pay	180	
Social Security	5,100	
Pensions	8,103	
Life Insurance	337	
Medical Insurance	14,573	
Dental Insurance	1,048	
Employer Medicare	1,193	
Communication	3,100	
Dues and Memberships	110	
Operating Lease Payments	1,330	
Licenses	1,705	
Maintenance Agreements	228	
Maintenance and Repair Services - Equipment	3,829	
Maintenance and Repair Services - Vehicles	8,535	
Postal Charges	23	
Travel	393	
Other Contracted Services	9,755	
Crushed Stone	700	
Diesel Fuel	2,300	
Food Supplies	964	
Gasoline	4,004	
Office Supplies	3,219	
Tires and Tubes	800	
Uniforms	3,653	
Other Supplies and Materials	2,107	
Workers' Compensation Insurance	1,777	
In Service/Staff Development	270	
Communication Equipment	2,772	
Furniture and Fixtures	578	
Office Equipment	420	
Other Equipment	2,348	
Total Civil Defense		169,048

Other Emergency Management

Other Contracted Services	\$ 3,280	
Office Supplies	2,604	
Other Equipment	22,501	
Total Other Emergency Management		28,385

County Coroner/Medical Examiner

Medical Personnel	\$ 9,000	
Other Contracted Services	52,500	
Total County Coroner/Medical Examiner		61,500

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

Medical Insurance	\$	5,924	
Contributions		545,500	
Total Other Public Safety			\$ 551,424

Public Health and Welfare

Local Health Center

Life Insurance	\$	88	
Medical Insurance		3,066	
Dental Insurance		298	
Communication		4,005	
Contributions		1,926	
Dues and Memberships		200	
Operating Lease Payments		2,814	
Licenses		210	
Maintenance and Repair Services - Office Equipment		100	
Postal Charges		1,865	
Printing, Stationery, and Forms		3,999	
Travel		1,631	
Other Contracted Services		8,131	
Drugs and Medical Supplies		48,515	
Office Supplies		4,103	
In Service/Staff Development		892	
Total Local Health Center			81,843

Rabies and Animal Control

Supervisor/Director	\$	41,451	
Part-time Personnel		18,515	
Overtime Pay		6,605	
Other Salaries and Wages		107,758	
Social Security		10,118	
Pensions		14,536	
Life Insurance		808	
Medical Insurance		42,534	
Dental Insurance		2,682	
Employer Medicare		2,366	
Communication		3,403	
Operating Lease Payments		456	
Licenses		330	
Maintenance and Repair Services - Vehicles		1,870	
Postal Charges		88	
Printing, Stationery, and Forms		295	
Travel		1,501	
Veterinary Services		19,165	
Other Contracted Services		622	
Animal Food and Supplies		31,125	
Custodial Supplies		3,732	
Gasoline		5,027	

(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.)

Office Supplies	\$	377	
Tires and Tubes		1,198	
Uniforms		1,003	
Utilities		7,646	
Other Supplies and Materials		691	
Workers' Compensation Insurance		4,443	
In Service/Staff Development		280	
Office Equipment		230	
Total Rabies and Animal Control			\$ 330,855

Maternal and Child Health Services

Supervisor/Director	\$	8,640	
Social Security		536	
Pensions		849	
Employer Medicare		58	
Advertising		2,600	
Other Supplies and Materials		21,743	
Liability Insurance		700	
In Service/Staff Development		685	
Total Maternal and Child Health Services			35,811

Other Local Health Services

Other Salaries and Wages	\$	159,267	
Social Security		9,527	
Pensions		14,414	
Life Insurance		1,132	
Medical Insurance		50,893	
Dental Insurance		4,000	
Employer Medicare		2,228	
Travel		3,898	
Workers' Compensation Insurance		6,221	
Total Other Local Health Services			251,580

Social, Cultural, and Recreational Services

Adult Activities

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

Senior Citizens Assistance

Assistant(s)	\$	39,595	
Secretary(ies)		30,497	
Other Salaries and Wages		49,849	
Social Security		7,024	
Pensions		11,604	
Life Insurance		1,020	
Medical Insurance		19,566	
Dental Insurance		3,215	

(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.)

Employer Medicare	\$	1,643	
Communication		2,170	
Operating Lease Payments		1,508	
Licenses		1,400	
Maintenance and Repair Services - Vehicles		663	
Postal Charges		343	
Travel		493	
Other Contracted Services		1,527	
Custodial Supplies		493	
Data Processing Supplies		2,000	
Gasoline		2,341	
Office Supplies		645	
Utilities		14,974	
Other Supplies and Materials		24	
Workers' Compensation Insurance		3,555	
Office Equipment		3,501	
Total Senior Citizens Assistance			\$ 199,650

Agriculture and Natural Resources

Agricultural Extension Service

Communication	\$	3,236	
Contracts with Government Agencies		138,255	
Operating Lease Payments		1,092	
Other Contracted Services		175	
Office Supplies		998	
Other Supplies and Materials		391	
Office Equipment		1,100	
Total Agricultural Extension Service			145,247

Soil Conservation

Clerical Personnel	\$	12,368	
Social Security		767	
Employer Medicare		179	
Communication		1,053	
Contributions		2,000	
Travel		310	
Total Soil Conservation			16,677

Flood Control

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

Storm Water Management

Permits	\$	3,460	
Total Storm Water Management			3,460

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations

Tourism

Contributions	\$ 142,175	
Total Tourism		\$ 142,175

Industrial Development

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

Housing and Urban Development

Pauper Burials	\$ 1,500	
Total Housing and Urban Development		1,500

Veterans' Services

Part-time Personnel	\$ 6,440	
Other Salaries and Wages	21,693	
Social Security	1,744	
Employer Medicare	408	
Communication	719	
Contributions	1,800	
Dues and Memberships	424	
Operating Lease Payments	175	
Postal Charges	199	
Printing, Stationery, and Forms	205	
Travel	694	
Other Contracted Services	50	
Gasoline	128	
Office Supplies	43	
Office Equipment	800	
Total Veterans' Services		35,522

Contributions to Other Agencies

Contributions	\$ 61,583	
Total Contributions to Other Agencies		61,583

Miscellaneous

Contracts with Government Agencies	\$ 1,433	
Trustee's Commission	195,652	
Tax Relief Program	89,737	
Total Miscellaneous		286,822

Principal on Debt

General Government

Principal on Other Loans	\$ 47,634	
Total General Government		47,634

Total General Fund		\$ 15,639,603
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(Continued)

Exhibit J-7

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

Courthouse and Jail Maintenance Fund

Other Operations

Miscellaneous

Trustee's Commission	\$ 1,140	
Total Miscellaneous		\$ 1,140

Total Courthouse and Jail Maintenance Fund \$ 1,140

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Communication	\$ 1,448	
Library Books/Media	957	
Total Libraries		\$ 2,405

Other Operations

Miscellaneous

Trustee's Commission	\$ 46	
Total Miscellaneous		46

Total Law Library Fund 2,451

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Clerical Personnel	\$ 136,545
Temporary Personnel	5,168
Part-time Personnel	26,958
Overtime Pay	59
Social Security	10,201
Pensions	12,830
Life Insurance	898
Medical Insurance	31,758
Dental Insurance	2,285
Employer Medicare	2,387
Communication	4,514
Dues and Memberships	50
Operating Lease Payments	983
Licenses	1,894
Maintenance Agreements	334
Maintenance and Repair Services - Office Equipment	272
Postal Charges	352
Printing, Stationery, and Forms	120
Travel	1,288
Disposal Fees	518
Other Contracted Services	3,546
Custodial Supplies	595
Food Supplies	69
Instructional Supplies and Materials	206
Library Books/Media	18,791

(Continued)

Exhibit J-7

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Office Supplies	\$	3,831	
Periodicals		1,897	
Water and Sewer		372	
Other Supplies and Materials		1,926	
Workers' Compensation Insurance		4,442	
In Service/Staff Development		79	
Furniture and Fixtures		6,149	
Office Equipment		3,002	
Total Libraries			\$ 284,319

Other Operations

Miscellaneous

Trustee's Commission	\$	4,398	
Total Miscellaneous			4,398

Total Public Library Fund \$ 288,717

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Guards	\$	7,489	
Part-time Personnel		1,277	
Social Security		541	
Pensions		826	
Life Insurance		39	
Medical Insurance		2,111	
Dental Insurance		171	
Employer Medicare		126	
Maintenance and Repair Services - Vehicles		311	
Other Contracted Services		15,293	
Diesel Fuel		5,725	
Other Supplies and Materials		2,866	
Total Sanitation Education/Information			\$ 36,775

Convenience Centers

Supervisor/Director	\$	51,511	
Foremen		83,482	
Attendants		68,226	
Part-time Personnel		103,794	
Overtime Pay		3,566	
Social Security		17,908	
Pensions		19,354	
Life Insurance		1,450	
Medical Insurance		61,776	
Dental Insurance		4,087	
Unemployment Compensation		4,802	
Employer Medicare		4,323	

(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.)

Convenience Centers (Cont.)

Communication	\$	2,522	
Dues and Memberships		200	
Maintenance and Repair Services - Equipment		2,871	
Maintenance and Repair Services - Vehicles		848	
Postal Charges		41	
Printing, Stationery, and Forms		479	
Travel		50	
Disposal Fees		105,617	
Other Contracted Services		56,975	
Custodial Supplies		1,066	
Diesel Fuel		692	
Fuel Oil		10	
Gasoline		4,183	
Office Supplies		388	
Propane Gas		4,350	
Tires and Tubes		1,018	
Uniforms		4,449	
Utilities		10,975	
Other Supplies and Materials		2,015	
Workers' Compensation Insurance		4,442	
Building Improvements		11,839	
Office Equipment		64	
Solid Waste Equipment		57,995	
Total Convenience Centers			\$ 697,368

Other Operations

Miscellaneous

Trustee's Commission	\$	6,201	
Total Miscellaneous			6,201

Total Solid Waste/Sanitation Fund \$ 740,344

Industrial/Economic Development Fund

Other Operations

Industrial Development

Other Contracted Services	\$	7,580	
Total Industrial Development			\$ 7,580

Miscellaneous

Trustee's Commission	\$	114	
Total Miscellaneous			114

Total Industrial/Economic Development Fund 7,694

(Continued)

Exhibit J-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Salary Supplements	\$	20,000	
Other Contracted Services		28,584	
Law Enforcement Supplies		4,333	
Other Supplies and Materials		13,519	
Trustee's Commission		453	
In Service/Staff Development		5,310	
Other Charges		8,470	
Law Enforcement Equipment		26,031	
Motor Vehicles		49,551	
Total Drug Enforcement			\$ 156,251

Total Drug Control Fund \$ 156,251

Other Special Revenue Fund

Public Safety

Drug Enforcement

Other Contracted Services	\$	1,000	
Other Supplies and Materials		2,888	
Total Drug Enforcement			\$ 3,888

Total Other Special Revenue Fund 3,888

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	9,379	
Total County Trustee's Office			\$ 9,379

Administration of Justice

General Sessions Court

Constitutional Officers' Operating Expenses	\$	60	
Total General Sessions Court			60

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	2,460	
Total Chancery Court			2,460

Total Constitutional Officers - Fees Fund 11,899

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	82,205	
Foremen		55,033	
Mechanic(s)		63,422	
Equipment Operators		155,681	
Truck Drivers		305,683	

(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.)

Clerical Personnel	\$	33,972	
Temporary Personnel		19,995	
Overtime Pay		25,538	
Social Security		1,851	
Pensions		2,862	
Employer Medicare		430	
Dues and Memberships		3,910	
Postal Charges		27	
Printing, Stationery, and Forms		158	
Travel		1,103	
Office Supplies		2,779	
In Service/Staff Development		325	
Office Equipment		1,281	
Total Administration	\$		756,255

Highway and Bridge Maintenance

Rentals	\$	7,075	
Other Contracted Services		26,905	
Asphalt - Cold Mix		2,346	
Asphalt - Hot Mix		486,193	
Concrete		4,034	
Crushed Stone		27,258	
Other Road Materials		5,751	
Pipe		22,532	
Road Signs		12,870	
Salt		23,794	
Chemicals		2,255	
Other Supplies and Materials		9,477	
Total Highway and Bridge Maintenance			630,490

Operation and Maintenance of Equipment

Maintenance and Repair Services - Vehicles	\$	6,699	
Towing Services		1,760	
Disposal Fees		1,954	
Diesel Fuel		50,069	
Equipment Parts - Heavy		20,910	
Equipment Parts - Light		86,098	
Gasoline		24,892	
Lubricants		6,811	
Tires and Tubes		21,364	
Other Supplies and Materials		2,897	
Other Charges		152	
Total Operation and Maintenance of Equipment			223,606

Other Charges

Communication	\$	6,700	
Pest Control		322	

(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.)

Other Contracted Services	\$	1,261	
Custodial Supplies		752	
Drugs and Medical Supplies		332	
Electricity		9,167	
Garage Supplies		2,273	
Ice		403	
Uniforms		16,305	
Liability Insurance		89,590	
Premiums on Corporate Surety Bonds		367	
Trustee's Commission		28,196	
Other Charges		448	
Total Other Charges			\$ 156,116

Employee Benefits

Social Security	\$	42,172	
Pensions		66,907	
Life Insurance		3,457	
Medical Insurance		148,343	
Dental Insurance		10,312	
Unemployment Compensation		3,310	
Employer Medicare		9,863	
Workers' Compensation Insurance		54,990	
Total Employee Benefits			339,354

Capital Outlay

Highway Equipment	\$	13,524	
Total Capital Outlay			13,524

Total Highway/Public Works Fund \$ 2,119,345

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	450,000	
Principal on Notes		36,000	
Principal on Other Loans		601,000	
Total General Government			\$ 1,087,000

Interest on Debt

General Government

Interest on Bonds	\$	92,024	
Interest on Notes		16,287	
Interest on Other Loans		25,157	
Total General Government			133,468

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Trustee's Commission	\$ 23,552	
Underwriter's Discount	13,207	
Other Debt Issuance Charges	32,995	
Other Debt Service	234,728	
Total General Government		\$ 304,482

Total General Debt Service Fund \$ 1,524,950

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 1,820,000	
Principal on Other Loans	920,300	
Total Education		\$ 2,740,300

Interest on Debt

Education

Interest on Bonds	\$ 1,457,468	
Interest on Other Loans	336,357	
Total Education		1,793,825

Other Debt Service

Education

Trustee's Commission	\$ 92,744	
Other Debt Service	2,136	
Total Education		94,880

Total Education Debt Service Fund 4,629,005

General Capital Projects Fund

Other Operations

Miscellaneous

Trustee's Commission	\$ 3,413	
Total Miscellaneous		\$ 3,413

Other Debt Service

Education

Underwriter's Discount	\$ 68,359	
Other Debt Issuance Charges	76,000	
Total Education		144,359

Capital Projects

General Administration Projects

Other Contracted Services	\$ 229,019	
Office Equipment	20,275	
Total General Administration Projects		249,294

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Administration of Justice Projects

Furniture and Fixtures	\$ 4,884	
Total Administration of Justice Projects		\$ 4,884

Public Safety Projects

Communication Equipment	\$ 77,994	
Motor Vehicles	233,585	
Other Equipment	9,995	
Total Public Safety Projects		321,574

Public Health and Welfare Projects

Other Contracted Services	\$ 51,350	
Communication Equipment	5,129	
Total Public Health and Welfare Projects		56,479

Social, Cultural, and Recreation Projects

Legal Notices, Recording, and Court Costs	\$ 1,388	
Other Contracted Services	16,700	
Total Social, Cultural, and Recreation Projects		18,088

Public Utility Projects

Other Contracted Services	\$ 3,321	
Total Public Utility Projects		3,321

Other General Government Projects

Other Charges	\$ 27,000	
Total Other General Government Projects		27,000

Highway and Street Capital Projects

Engineering Services	\$ 1,418	
Legal Notices, Recording, and Court Costs	1,034	
Motor Vehicles	55,122	
Other Construction	1,269	
Total Highway and Street Capital Projects		58,843

Education Capital Projects

Contributions	\$ 9,844,814	
Total Education Capital Projects		<u>9,844,814</u>

Total General Capital Projects Fund		\$ 10,732,069
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Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

Other Contracted Services	\$ 1,675	
Asphalt - Hot Mix	420,051	
Trustee's Commission	5,880	
Highway Equipment	51,745	
Motor Vehicles	12,105	
Total Highway and Street Capital Projects		<u>\$ 491,456</u>

Total Highway Capital Projects Fund		<u>491,456</u>
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Total Governmental Funds - Primary Government		<u>\$ 36,348,812</u>
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Exhibit J-8

Loudon County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Loudon County School Department  
For the Year Ended June 30, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 13,072,064	
Career Ladder Program	67,445	
Career Ladder Extended Contracts	30,000	
Homebound Teachers	10,394	
Educational Assistants	950,917	
Other Salaries and Wages	63,415	
Certified Substitute Teachers	36,030	
Non-certified Substitute Teachers	103,797	
Social Security	846,005	
Pensions	1,259,452	
Employee and Dependent Insurance	2,454	
Life Insurance	68,714	
Medical Insurance	2,361,956	
Dental Insurance	149,434	
Unemployment Compensation	15,319	
Employer Medicare	199,449	
Travel	3,173	
Other Contracted Services	31,714	
Instructional Supplies and Materials	386,068	
Textbooks	18,337	
Furniture and Fixtures	85,499	
Other Equipment	207,593	
Total Regular Instruction Program		\$ 19,969,229

Special Education Program

Teachers	\$ 1,347,014	
Career Ladder Program	5,610	
Career Ladder Extended Contracts	1,500	
Homebound Teachers	8,881	
Educational Assistants	298,289	
Speech Pathologist	132,172	
Other Salaries and Wages	17,600	
Certified Substitute Teachers	7,560	
Non-certified Substitute Teachers	20,247	
Social Security	107,150	
Pensions	149,188	
Employee and Dependent Insurance	337	
Life Insurance	8,140	
Medical Insurance	318,860	
Dental Insurance	15,150	
Employer Medicare	25,408	
Other Contracted Services	141,653	
Instructional Supplies and Materials	35,048	
Special Education Equipment	55,528	
Total Special Education Program		2,695,335

(Continued)

Exhibit J-8

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

Teachers	\$	639,491	
Career Ladder Program		5,000	
Educational Assistants		19,229	
Other Salaries and Wages		1,200	
Certified Substitute Teachers		300	
Non-certified Substitute Teachers		5,992	
Social Security		40,059	
Pensions		60,220	
Employee and Dependent Insurance		117	
Life Insurance		2,798	
Medical Insurance		126,174	
Dental Insurance		5,801	
Employer Medicare		9,371	
Maintenance and Repair Services - Equipment		1,844	
Travel		2,609	
Gasoline		62	
Instructional Supplies and Materials		72,654	
Other Charges		1,515	
Other Equipment		49,795	
Total Vocational Education Program			\$ 1,044,231

Support Services

Health Services

Medical Personnel	\$	189,679	
Social Security		11,601	
Pensions		18,399	
Employee and Dependent Insurance		86	
Life Insurance		1,564	
Medical Insurance		39,711	
Dental Insurance		1,870	
Employer Medicare		2,713	
Travel		28	
Other Contracted Services		1,052	
Drugs and Medical Supplies		3,348	
In Service/Staff Development		236	
Total Health Services			270,287

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		656,731	
Career Ladder Extended Contracts		4,000	
Clerical Personnel		131,359	
Social Security		47,692	
Pensions		72,665	
Employee and Dependent Insurance		86	
Life Insurance		3,412	

(Continued)

Exhibit J-8

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 Student Support (Cont.)

Medical Insurance	\$	128,792	
Dental Insurance		6,555	
Employer Medicare		11,157	
Evaluation and Testing		14,421	
Other Equipment		22,659	
Total Other Student Support			\$ 1,102,529

Regular Instruction Program

Supervisor/Director	\$	211,891	
Career Ladder Program		6,000	
Career Ladder Extended Contracts		1,000	
Librarians		458,938	
Secretary(ies)		251,212	
Social Security		55,010	
Pensions		85,586	
Employee and Dependent Insurance		257	
Life Insurance		5,474	
Medical Insurance		195,447	
Dental Insurance		11,031	
Employer Medicare		12,865	
Travel		13,981	
Library Books/Media		48,292	
In Service/Staff Development		43,255	
Total Regular Instruction Program			1,400,239

Special Education Program

Supervisor/Director	\$	24,765	
Career Ladder Program		1,000	
Psychological Personnel		166,677	
Career Ladder Extended Contracts		2,000	
Speech Pathologist		51,882	
Social Security		14,615	
Pensions		22,268	
Employee and Dependent Insurance		154	
Life Insurance		1,238	
Medical Insurance		45,016	
Dental Insurance		2,621	
Employer Medicare		3,418	
Travel		15,895	
Total Special Education Program			351,549

Vocational Education Program

Supervisor/Director	\$	71,001	
Clerical Personnel		37,673	
Social Security		6,689	
Pensions		10,073	

(Continued)

Exhibit J-8

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.)

Vocational Education Program (Cont.)

Employee and Dependent Insurance	\$	86	
Life Insurance		516	
Medical Insurance		15,107	
Dental Insurance		1,059	
Employer Medicare		1,564	
Travel		3,176	
In Service/Staff Development		990	
Total Vocational Education Program			\$ 147,934

Other Programs

On-behalf Payments to OPEB	\$	185,687	
Total Other Programs			185,687

Board of Education

Board and Committee Members Fees	\$	36,240	
Social Security		2,247	
Pensions		1,750	
Life Insurance		1,469	
Dental Insurance		2,083	
Employer Medicare		525	
Audit Services		12,000	
Dues and Memberships		2,657	
Legal Services		8,945	
Travel		31,494	
Liability Insurance		25,868	
Premiums on Corporate Surety Bonds		192	
Refunds		22,281	
Trustee's Commission		296,881	
Workers' Compensation Insurance		199,785	
Other Charges		25,000	
Total Board of Education			669,417

Director of Schools

County Official/Administrative Officer	\$	122,000	
Career Ladder Program		1,000	
Secretary(ies)		37,203	
Social Security		9,703	
Pensions		14,728	
Employee and Dependent Insurance		86	
Life Insurance		466	
Medical Insurance		17,915	
Dental Insurance		1,406	
Employer Medicare		2,320	
Advertising		769	
Communication		12,844	
Dues and Memberships		9,577	

(Continued)

Exhibit J-8

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.)

Director of Schools (Cont.)

Operating Lease Payments	\$	1,053	
Postal Charges		28	
Travel		11,165	
Other Contracted Services		32,740	
Office Supplies		6,024	
Total Director of Schools	\$		281,027

Office of the Principal

Principals	\$	671,537	
Career Ladder Program		6,000	
Career Ladder Extended Contracts		12,000	
Social Security		41,160	
Pensions		62,336	
Employee and Dependent Insurance		146	
Life Insurance		2,339	
Medical Insurance		89,714	
Dental Insurance		6,021	
Employer Medicare		9,706	
Communication		37,235	
Postal Charges		2,166	
Uniforms		28,776	
Other Charges		6,218	
Other Equipment		12,296	
Total Office of the Principal			987,650

Fiscal Services

Accountants/Bookkeepers	\$	53,207	
Social Security		3,299	
Pensions		5,161	
Life Insurance		247	
Medical Insurance		6,988	
Dental Insurance		347	
Employer Medicare		772	
Total Fiscal Services			70,021

Operation of Plant

Custodial Personnel	\$	35,136	
Social Security		2,117	
Pensions		3,409	
Employee and Dependent Insurance		203	
Life Insurance		869	
Medical Insurance		7,754	
Dental Insurance		2,008	
Employer Medicare		503	
Other Contracted Services		1,261,116	
Electricity		1,103,893	

(Continued)

Exhibit J-8

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.)

Operation of Plant (Cont.)

Gasoline	\$	262	
Natural Gas		102,748	
Water and Sewer		116,596	
Building and Contents Insurance		318,344	
Total Operation of Plant			\$ 2,954,958

Maintenance of Plant

Maintenance and Repair Services - Buildings	\$	517,882	
Total Maintenance of Plant			517,882

Transportation

Supervisor/Director	\$	48,690	
Other Salaries and Wages		188	
Social Security		2,619	
Pensions		4,741	
Life Insurance		177	
Medical Insurance		11,625	
Dental Insurance		347	
Employer Medicare		612	
Contracts with Parents		2,476	
Contracts with Vehicle Owners		1,628,634	
Maintenance and Repair Services - Equipment		1,581	
Medical and Dental Services		1,548	
Travel		133	
Other Contracted Services		405	
Office Supplies		1,915	
In Service/Staff Development		2,684	
Other Charges		506	
Other Equipment		2,702	
Total Transportation			1,711,583

Central and Other

Supervisor/Director	\$	82,550	
Career Ladder Program		1,000	
Computer Programmer(s)		167,453	
Social Security		14,329	
Pensions		23,796	
Life Insurance		885	
Medical Insurance		54,157	
Dental Insurance		2,100	
Employer Medicare		3,351	
Maintenance and Repair Services - Equipment		263,912	
Travel		16,414	
Other Contracted Services		9,334	
Other Supplies and Materials		1,319	
In Service/Staff Development		1,392	

(Continued)

Exhibit J-8

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.)

Central and Other (Cont.)

Data Processing Equipment	\$	36,043	
Other Equipment		104,791	
Total Central and Other			\$ 782,826

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	24,749	
Educational Assistants		240,256	
Other Salaries and Wages		110,471	
Social Security		22,799	
Pensions		28,549	
Life Insurance		883	
Medical Insurance		24,572	
Dental Insurance		2,007	
Employer Medicare		5,336	
Travel		7,999	
Other Contracted Services		370	
Food Supplies		5,725	
Other Supplies and Materials		41,297	
In Service/Staff Development		2,524	
Other Equipment		1,043	
Total Community Services			518,580

Early Childhood Education

Teachers	\$	348,466	
Educational Assistants		139,038	
Certified Substitute Teachers		402	
Non-certified Substitute Teachers		5,610	
Social Security		29,201	
Pensions		44,988	
Employee and Dependent Insurance		177	
Life Insurance		3,264	
Medical Insurance		100,825	
Dental Insurance		5,722	
Employer Medicare		6,829	
Contracts with Other School Systems		87,892	
Instructional Supplies and Materials		3,916	
In Service/Staff Development		3,638	
Other Charges		412	
Other Equipment		12,409	
Total Early Childhood Education			792,789

Capital Outlay

Regular Capital Outlay

Building Construction	\$	293,472	
Total Regular Capital Outlay			293,472

Total General Purpose School Fund \$ 36,747,225  
(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

Instruction

Regular Instruction Program

Teachers	\$	366,793	
Educational Assistants		57,625	
Other Salaries and Wages		10,000	
Certified Substitute Teachers		7,740	
Non-certified Substitute Teachers		30,830	
Social Security		29,029	
Pensions		35,539	
Life Insurance		1,726	
Medical Insurance		64,403	
Dental Insurance		2,777	
Employer Medicare		6,835	
Instructional Supplies and Materials		6,221	
Regular Instruction Equipment		104,501	
Total Regular Instruction Program			\$ 724,019

Special Education Program

Teachers	\$	45,373	
Educational Assistants		417,593	
Social Security		26,458	
Pensions		32,272	
Life Insurance		3,009	
Medical Insurance		120,114	
Dental Insurance		5,218	
Employer Medicare		6,194	
Instructional Supplies and Materials		7,346	
Total Special Education Program			663,577

Vocational Education Program

Teachers	\$	6,000	
Social Security		372	
Pensions		542	
Employer Medicare		87	
Vocational Instruction Equipment		40,230	
Total Vocational Education Program			47,231

Support Services

Other Student Support

Other Salaries and Wages	\$	18,135	
Social Security		1,116	
Pensions		1,759	
Medical Insurance		270	
Employer Medicare		261	
Evaluation and Testing		33,347	
Travel		15,982	
Other Contracted Services		1,985	
Other Charges		5,895	
Total Other Student Support			78,750

(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.)

Regular Instruction Program

Supervisor/Director	\$	57,785	
Secretary(ies)		18,837	
Other Salaries and Wages		142,255	
Social Security		13,570	
Pensions		19,917	
Life Insurance		354	
Medical Insurance		13,457	
Dental Insurance		694	
Employer Medicare		3,174	
Travel		7,237	
Other Supplies and Materials		2,388	
In Service/Staff Development		60,101	
Other Equipment		14,316	
Total Regular Instruction Program			\$ 354,085

Special Education Program

Supervisor/Director	\$	57,785	
Secretary(ies)		37,673	
Other Salaries and Wages		60,685	
Social Security		9,175	
Pensions		14,359	
Life Insurance		354	
Medical Insurance		18,032	
Dental Insurance		725	
Employer Medicare		2,147	
Other Contracted Services		34,562	
In Service/Staff Development		8,225	
Total Special Education Program			243,722

Vocational Education Program

Travel	\$	3,340	
Total Vocational Education Program			3,340

Total School Federal Projects Fund \$ 2,114,724

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	56,801	
Secretary(ies)		32,253	
Cafeteria Personnel		791,749	
Social Security		50,988	
Pensions		67,037	
Employee and Dependent Insurance		86	
Life Insurance		5,459	
Medical Insurance		189,433	

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Dental Insurance	\$	10,251	
Employer Medicare		12,019	
Dues and Memberships		1,308	
Maintenance Agreements		11,423	
Maintenance and Repair Services - Equipment		21,240	
Travel		7,631	
Other Contracted Services		2,265	
Food Supplies		1,019,006	
Office Supplies		3,338	
Uniforms		3,626	
Other Supplies and Materials		79,757	
In Service/Staff Development		1,045	
Other Charges		1,243	
Food Service Equipment		43,744	
Total Food Service			\$ 2,411,702

Total Central Cafeteria Fund \$ 2,411,702

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	67,214	
Bank Charges		132	
Engineering Services		165,426	
Evaluation and Testing		592	
Maintenance and Repair Services - Buildings		20,193	
Other Contracted Services		723,319	
Crushed Stone		5,118	
Other Charges		163	
Building Construction		1,751,421	
Building Improvements		17,167	
Data Processing Equipment		1,288	
Furniture and Fixtures		24,937	
Other Equipment		2,581	
Total Education Capital Projects			\$ 2,779,551

Total Education Capital Projects Fund 2,779,551

Total Governmental Funds - Loudon County School Department \$ 44,053,202

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, 2015

	Cities - Sales Tax Fund	City School ADA - Lenoir City Fund	Total
<u>Cash Receipts</u>			
Current Property Taxes	\$ 0	\$ 5,253,418	\$ 5,253,418
Trustee's Collections - Prior Years	0	99,449	99,449
Trustee's Collections - Bankruptcy	0	2,471	2,471
Circuit/Clerk and Master Collections - Prior Years	0	97,768	97,768
Interest and Penalty	0	20,209	20,209
Local Option Sales Tax	4,109,689	1,755,448	5,865,137
Adequate Facilities/Development Tax	0	94,360	94,360
Interstate Telecommunications Tax	0	2,678	2,678
Mixed Drink Tax	0	274	274
Bank Excise Tax	0	14,944	14,944
Total Cash Receipts	<u>\$ 4,109,689</u>	<u>\$ 7,341,019</u>	<u>\$ 11,450,708</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 4,068,592	\$ 7,432,524	\$ 11,501,116
Trustee's Commission	41,097	127,293	168,390
Total Cash Disbursements	<u>\$ 4,109,689</u>	<u>\$ 7,559,817</u>	<u>\$ 11,669,506</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ (218,798)	\$ (218,798)
Cash Balance, July 1, 2014	0	443,030	443,030
Cash Balance, June 30, 2015	<u>\$ 0</u>	<u>\$ 224,232</u>	<u>\$ 224,232</u>

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# SINGLE AUDIT SECTION

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

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

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, 2015, and the related notes to the financial statements, which collectively comprise Loudon County's basic financial statements, and have issued our report thereon dated October 29, 2015.

**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. 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: 2015-003.

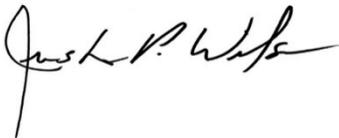
### **Compliance and Other Matters**

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2015-001 and 2015-002.

### **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

October 29, 2015

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  
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PHONE (615) 401-7841

**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 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, 2015. 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, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and is described in the accompanying Schedule of Findings and Questioned Costs as item 2015-004. Our opinion on each major federal program is not modified with respect to this matter.

Loudon County's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan. Loudon County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **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, 2015, and the related notes to the financial statements, which collectively comprise Loudon County's basic financial statements. We issued our report thereon dated October 29, 2015, 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 basic 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 basic financial statements. The 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, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 29, 2015

JPW/yu

Loudon County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2015

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	\$ 143,156 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	346,598
National School Lunch Program	10.555	N/A	1,089,379 (3)
Passed-through East Tennessee Human Resource Agency, Inc.:			
Summer Food Service Program for Children	10.559	N/A	79,917
Total U.S. Department of Agriculture			<u>\$ 1,659,050</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program	12.UNKNOWN	(2)	\$ 24,286
Total U.S. Department of Defense			<u>\$ 24,286</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(2)	\$ 19,699
Total U.S. Department of Housing and Urban Development			<u>\$ 19,699</u>
U.S. Department of Justice:			
Direct Program:			
Equitable Sharing Program	16.922	(2)	3,888
Total U.S. Department of Justice			<u>\$ 3,888</u>
U.S. Department of Transportation:			
Passed-through Governor's Highway Safety Office:			
Alcohol Open Container Requirements	20.607	(2)	\$ 5,318
Total U.S. Department of Transportation			<u>\$ 5,318</u>
U.S. Department of Energy:			
Direct Program:			
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis	81.214	N/A	\$ 15,997
Total U.S. Department of Energy			<u>\$ 15,997</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(2)	\$ 912,128
Special Education Cluster:			
Special Education - Grants to States	84.027	(2)	958,060
Special Education - Preschool Grants	84.173	(2)	17,187
Career and Technical Education - Basic Grants to States	84.048	(2)	68,538
Twenty-first Century Community Learning Centers	84.287	(2)	173,440
English Language Acquisition Grants	84.365	N/A	21,775
Improving Teacher Quality State Grants	84.367	N/A	185,985
State Fiscal Stabilization Fund (SFSF) - Race to-the-Top Incentive Grants, Recovery Act	84.395	N/A	33,232
Total U.S. Department of Education			<u>\$ 2,370,345</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 Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through East Tennessee Human Resource Agency, Inc.:			
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 32,006
Total U.S. Department of Health and Human Services			\$ 32,006
Executive Office of the President:			
Direct Program:			
High Intensity Drug Trafficking Areas Program	95.001	N/A	\$ 11,665
Total Executive Office of the President			\$ 11,665
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grant	97.042	(2)	\$ 39,500
Homeland Security Grant Program	97.067	(2)	12,496
Total U.S. Department of Homeland Security			\$ 51,996
Total Expenditures of Federal Awards			\$ 4,194,250
		Contract Number	
<u>State Grants</u>			
Juvenile Services Program - State Children's Services Commission	N/A	(2)	\$ 10,500
Aging Program - State Office on Aging	N/A	(2)	10,963
Law Enforcement Training	N/A	(2)	28,200
Health Department Grants - State Department of Health	N/A	(2)	284,511
Litter Program - State Department of Transportation	N/A	(2)	40,600
Early Childhood Development Pilot/State - State Department of Education	N/A	(2)	790,103
Leaps - State Department of Education	N/A	(2)	191,601
Coordinated School Health	N/A	(2)	220,574
Family Resource	N/A	(2)	29,611
Safe Schools	N/A	(2)	22,659
Student Industry Certifications	N/A	(2)	1,515
Student Ticket Subsidy Grant - Tennessee Arts Commission	N/A	(2)	3,330
Total State Grants			\$ 1,634,167

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 \$1,232,535.

Loudon County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2015

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below is a finding from the Annual Financial Report for Loudon County, Tennessee, for the year ended June 30, 2014, which has not been corrected.

**OFFICE OF SHERIFF**

Finding Number	Page Number	Subject
2014-003	209	Duties were not segregated adequately

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**LOUDON COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2015**

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**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 a 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 reported no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed one finding that is required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster; School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Title I Grants to Local Education Agencies (CFDA 84.010); and the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) 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 did not qualify as a low-risk auditee.

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

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

### **OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS**

#### **FINDING 2015-001**

#### **EXPENDITURES EXCEEDED APPROPRIATIONS**

(Noncompliance Under *Government Auditing Standards*)

General Fund expenditures exceeded appropriations approved by the County Commission in the tourism major appropriation category (the legal level of control) by \$15,372. 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 hold spending to the limit authorized by the County Commission, which resulted in unauthorized expenditures.

#### **RECOMMENDATION**

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

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### **OFFICE OF DIRECTOR OF SCHOOLS**

#### **FINDING 2015-002**

#### **PAID LUNCH PRICES DID NOT MEET FEDERAL REQUIREMENTS OF THE SCHOOL NUTRITION PROGRAM**

(Noncompliance Under *Government Auditing Standards* and *OMB Circular A-133*)

During the year, the State of Tennessee, Department of Education, School Nutrition Program staff conducted an administrative review of the Loudon County School Nutrition Program. The results of that review disclosed a deficiency in the pricing of paid lunches, which is determined by the Loudon County Board of Education. *Regulation 7, Code of Federal Regulations (CFR) 210.14(e)* requires that local school food authorities calculate and establish prices for paid lunches in accordance with specific guidelines. A school department currently charging less for a paid lunch than the difference between the federal reimbursement rate for such a lunch and the federal reimbursement rate for a free lunch is required to comply by either (a) raising prices charged for paid lunches or (b) through contributions from other non-federal sources. These calculations resulted in a recommended price increase of nineteen cents for school year 2014-2015. However, these federal guidelines cap the required price increase at ten cents per year. The Food Services Supervisor presented the recommended

price increase to the Board of Education at the June 12, 2014, meeting, and again at the June 11, 2015, meeting. However, the Board of Education failed to approve the required increase, and did not provide contributions from other non-federal sources as required by the federal regulations. These deficiencies could result in reduced federal funding for the School Nutrition Program and declining fund balances in the Central Cafeteria Fund.

**RECOMMENDATION**

The Board of Education should increase the paid meal price as recommended, or provide contributions from non-federal sources sufficient to meet the federal guidelines.

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**OFFICE OF SHERIFF**

**FINDING 2015-003**

**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. Effective internal controls should 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 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**

Federal Agency	Finding Number	Federal CFDA Number	Criteria	Explanation	Amount Questioned
U.S. Department of Agriculture: Passed-through State Department of Education: Child Nutrition Cluster:	2015-004				
School Breakfast Program		10.553			
National School Lunch Program		10.555			
Passed-through East Tennessee Human Resource Agency, Inc: Summer Food Service Program for Children		10.559			
			Circular A-133 Compliance Supplement, Part 3, Section N	Noncompliance - See Finding 2015-002. Paid lunch prices did not meet the federal requirements of the School Nutrition Program	\$ 0

**LOUDON COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2015**

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

**Director of Schools – Corrective Action Plan for Current-Year's Findings**

**FINDING 2015-004**

Contact person:	Jason Vance, Director of Schools Alison Millsaps, Food/Health Services Supervisor
Corrective action planned:	Director of Schools will present the USDA Paid Lunch Equity Tool to the Loudon County Board of Education and request an increase to the full pay school meal prices.
Anticipated completion date:	June 2016