

ANNUAL FINANCIAL REPORT
LOUDON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2017



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2017

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

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Summary of Audit Findings

Annual Financial Report
Loudon County, Tennessee
For the Year Ended June 30, 2017

Scope

We have audited the basic financial statements of Loudon County as of and for the year ended June 30, 2017.

Results

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

Our audit resulted in no findings.

INTRODUCTORY SECTION

Loudon County Officials
June 30, 2017

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
Susan Huskey, Purchasing Agent

Board of County Commissioners

Stephen Harrelson, Chairman
Harold Duff
Leo Bradshaw
Matthew Tinker
Bill Satterfield

Earlena Maples
David Meers
Van Shaver
Kelly Littleton-Brewster
Henry Cullen

Board of Education

Leroy Tate, Chairman
William Jenkins, Vice-Chairman
Scott Newman
Bobby Johnson, Jr.
Kenny Ridings

Brian Brown
Craig Simon
Philip Moffett
Ric Best
Gary Ubben

Audit Committee

Matthew Tinker, Chairman
Van Shaver
Stephen Harrelson
Charlie Bettis

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

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, 2017, 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, 2017, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund and Highway/Public Works Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 - other postemployment benefit plans on pages 91-98 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Loudon County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Loudon County School Department (a discretely presented component unit), miscellaneous schedules, and schedule expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Loudon County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

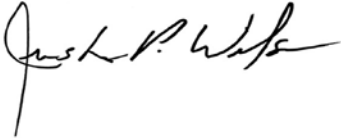
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 12, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance

and the results of that testing, and not to provide an opinion on the effectiveness of Loudon County's 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,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 12, 2018

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Loudon County, Tennessee
Statement of Net Position
June 30, 2017

	Primary Governmental Activities	Component Unit Loudon County School Department
<u>ASSETS</u>		
Cash	\$ 6,270	\$ 19,240
Equity in Pooled Cash and Investments	19,181,090	10,377,727
Accounts Receivable	206,441	101,199
Due from Other Governments	2,290,325	1,214,942
Property Taxes Receivable	16,760,879	11,028,100
Allowance for Uncollectible Property Taxes	(371,951)	(245,543)
Prepaid Items	639,979	668,295
Net Pension Asset - Teacher Retirement Plan	0	47,381
Capital Assets:		
Assets Not Depreciated:		
Land	5,915,130	3,946,406
Construction in Progress	75,100	9,303,935
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	10,913,981	67,817,990
Other Capital Assets	2,567,172	869,270
Infrastructure	24,120,134	93,204
Total Assets	<u>\$ 82,304,550</u>	<u>\$ 105,242,146</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 50,493	\$ 149,657
Net Pension Changes in Investment Earnings	972,253	3,729,770
Pension Contributions after Measurement Date	957,113	1,981,768
Pension Other Deferrals	0	195,584
Accumulated Decrease in Fair Value of Hedging Derivatives	552,154	0
Deferred Charges on Refunding	69,481	0
Total Deferred Outflows of Resources	<u>\$ 2,601,494</u>	<u>\$ 6,056,779</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 301,648	\$ 326,964
Accrued Payroll	147,625	2,349
Accrued Interest Payable	125,252	0
Payroll Deductions Payable	125,426	1,177,463
Contracts Payable	0	466,882
Retainage Payable	0	19,348
Due to State of Tennessee	8,587	0
Due to Litigants, Heirs, and Others	19,136	0
Derivative - Interest Rate Swap	552,154	0
Other Current Liabilities	35,115	15,493
Noncurrent Liabilities:		
Due Within One Year	5,092,146	0
Due in More Than One Year	60,297,619	4,491,458
Total Liabilities	<u>\$ 66,704,708</u>	<u>\$ 6,499,957</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Loudon County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Revenue - Property Taxes	\$ 15,863,660	\$ 10,434,544
Deferred Grants Received in Advance	19,100	0
Pension Changes in Experience	493,074	3,847,754
Pension Other Deferrals	0	3,545
Total Deferred Inflows of Resources	<u>\$ 16,375,834</u>	<u>\$ 14,285,843</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 40,338,168	\$ 82,030,805
Restricted for:		
General Government	29,700	0
Finance	34,033	0
Administration of Justice	465,278	0
Public Safety	615,881	0
Public Health and Welfare	8,864	0
Social, Cultural, and Recreational	156,166	0
Highways	1,344,774	0
Education	0	235,511
Pensions	0	47,381
Debt Service	1,831,367	0
Capital Projects	917,717	2,316,811
Unrestricted	<u>(43,916,446)</u>	<u>5,882,617</u>
Total Net Position	<u>\$ 1,825,502</u>	<u>\$ 90,513,125</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, 2017

Functions/Programs					Net (Expense) Revenue and Changes in Net Position	
	Expenses	Program Revenues		Primary Governmental Activities	Component Unit Loudon County School Department	
		Charges for Services	Operating Grants and Contributions			Capital Grants and Contributions
Primary Government:						
Governmental Activities:						
General Government	\$ 4,286,741	\$ 1,045,266	\$ 79,753	\$ 0	\$ (3,161,722)	\$ 0
Finance	2,401,063	1,379,294	0	0	(1,021,769)	0
Administration of Justice	2,010,810	1,049,812	10,500	0	(950,498)	0
Public Safety	8,321,435	381,679	166,161	89,999	(7,683,596)	0
Public Health and Welfare	1,822,108	210,812	367,608	163,812	(1,079,876)	0
Social, Cultural, and Recreational Services	584,346	12,340	136,803	0	(435,203)	0
Agriculture and Natural Resources	186,955	0	0	0	(186,955)	0
Highways	3,753,398	15,497	1,748,431	239,034	(1,750,436)	0
Education	92,152	0	0	0	(92,152)	0
Interest on Long-term Debt	1,935,742	0	227,268	0	(1,708,474)	0
Total Primary Government	\$ 25,394,750	\$ 4,094,700	\$ 2,736,524	\$ 492,845	\$ (18,070,681)	\$ 0
Component Unit:						
Loudon County School Department	\$ 43,397,078	\$ 492,175	\$ 5,231,684	\$ 57,361	\$ 0	\$ (37,615,858)
Total Component Unit	\$ 43,397,078	\$ 492,175	\$ 5,231,684	\$ 57,361	\$ 0	\$ (37,615,858)

(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 Governmental	Component Unit
					Total Governmental Activities	Loudon County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 9,022,328	\$ 10,632,748
Property Taxes Levied for Public Library					230,333	0
Property Taxes Levied for Highway/Public Works					588,243	0
Property Taxes Levied for General Debt Service					1,222,570	0
Property Taxes Levied for Education Debt Service					4,601,150	0
Property Taxes Levied for Capital Projects					177,185	0
Property Taxes Levied for Highway Capital Projects					304,755	0
Sales Taxes					998,230	4,006,391
Hotel/Motel Tax					442,375	0
Business Tax					651,757	0
Litigation Tax					480,140	0
Mineral Severance Tax					77,273	0
Adequate Facilities/Development Tax					0	726,728
Other Local Taxes					110,051	0
Bank Excise Tax					32,386	0
Mixed Drink Tax					21,815	0
Grants and Contributions Not Restricted to Specific Programs					1,347,048	22,560,769
Unrestricted Investment Income					264,274	42,113
Miscellaneous					234,058	81,217
Revenue from Joint Ventures					31,147	0
Total General Revenues					\$ 20,837,118	\$ 38,049,966
Change in Net Position					\$ 2,766,437	\$ 434,108
Net Position, July 1, 2016					(940,935)	90,079,017
Net Position, June 30, 2017					\$ 1,825,502	\$ 90,513,125

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, 2017

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 970	\$ 500	\$ 0	\$ 4,800	\$ 6,270
Equity in Pooled Cash and Investments	5,856,328	927,795	8,575,165	3,821,802	19,181,090
Accounts Receivable	134,809	0	0	71,632	206,441
Due from Other Governments	1,850,054	326,958	0	113,313	2,290,325
Due from Other Funds	7,176	0	0	0	7,176
Property Taxes Receivable	9,377,177	610,435	4,765,449	2,007,818	16,760,879
Allowance for Uncollectible Property Taxes	(208,785)	(13,592)	(104,869)	(44,705)	(371,951)
Prepaid Items	485,027	149,667	0	5,285	639,979
Total Assets	\$ 17,502,756	\$ 2,001,763	\$ 13,235,745	\$ 5,979,945	\$ 38,720,209
<u>LIABILITIES</u>					
Accounts Payable	\$ 259,251	\$ 16,012	\$ 0	\$ 26,385	\$ 301,648
Accrued Payroll	123,193	15,303	0	9,129	147,625
Payroll Deductions Payable	110,836	8,773	0	5,817	125,426
Due to Other Funds	0	0	0	7,176	7,176
Due to State of Tennessee	8,587	0	0	0	8,587
Due to Litigants, Heirs, and Others	0	0	0	19,136	19,136
Other Current Liabilities	35,115	0	0	0	35,115
Total Liabilities	\$ 536,982	\$ 40,088	\$ 0	\$ 67,643	\$ 644,713
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 8,872,477	\$ 577,580	\$ 4,513,850	\$ 1,899,753	\$ 15,863,660
Deferred Delinquent Property Taxes	272,042	17,709	137,765	58,248	485,764

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Deferred Grants Received in Advance	\$ 16,100	\$ 0	\$ 0	\$ 3,000	\$ 19,100
Other Deferred/Unavailable Revenue	593,472	152,422	0	46,972	792,866
Total Deferred Inflows of Resources	<u>\$ 9,754,091</u>	<u>\$ 747,711</u>	<u>\$ 4,651,615</u>	<u>\$ 2,007,973</u>	<u>\$ 17,161,390</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 485,027	\$ 149,667	\$ 0	\$ 5,285	\$ 639,979
Restricted:					
Restricted for General Government	29,700	0	0	0	29,700
Restricted for Finance	34,033	0	0	0	34,033
Restricted for Administration of Justice	447,562	0	0	17,716	465,278
Restricted for Public Safety	66,982	0	0	548,567	615,549
Restricted for Public Health and Welfare	8,400	0	0	0	8,400
Restricted for Social, Cultural, and Recreational Services	0	0	0	144,743	144,743
Restricted for Highways/Public Works	0	1,064,297	0	0	1,064,297
Restricted for Debt Service	0	0	8,584,130	1,806,786	10,390,916
Restricted for Capital Projects	0	0	0	912,383	912,383
Committed:					
Committed for Public Health and Welfare	22,293	0	0	358,451	380,744
Committed for Other Operations	0	0	0	68,797	68,797
Committed for Debt Service	0	0	0	41,601	41,601
Assigned:					
Assigned for General Government	1,914,440	0	0	0	1,914,440
Assigned for Finance	6,500	0	0	0	6,500
Assigned for Administration of Justice	1,417	0	0	0	1,417

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>					
Assigned (Cont.):					
Assigned for Public Safety	\$ 105,930	\$ 0	\$ 0	\$ 0	\$ 105,930
Unassigned	4,089,399	0	0	0	4,089,399
Total Fund Balances	<u>\$ 7,211,683</u>	<u>\$ 1,213,964</u>	<u>\$ 8,584,130</u>	<u>\$ 3,904,329</u>	<u>\$ 20,914,106</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,502,756</u>	<u>\$ 2,001,763</u>	<u>\$ 13,235,745</u>	<u>\$ 5,979,945</u>	<u>\$ 38,720,209</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, 2017

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)		\$ 20,914,106
(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	75,100	
Add: infrastructure net of accumulated depreciation	24,120,134	
Add: buildings and improvements net of accumulated depreciation	10,913,981	
Add: other capital assets net of accumulated depreciation	<u>2,567,172</u>	43,591,517
(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	\$ (254,000)	
Less: bonds payable	(45,315,000)	
Less: other loans payable	(10,052,714)	
Add: deferred amount on refunding	69,481	
Less: unamortized portion of debt premiums	(1,669,811)	
Less: accrued interest on notes, bonds, and other loans	(125,252)	
Less: other postemployment benefits liability	(6,635,282)	
Less: compensated absences payable	(552,342)	
Less: net pension liability - agent plan	<u>(910,616)</u>	(65,445,536)
(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: deferred outflows of resources related to pensions	1,979,859	
Less: deferred inflows of resources related to pensions	<u>(493,074)</u>	1,486,785
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,278,630</u>
Net position of governmental activities (Exhibit A)		<u>\$ 1,825,502</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, 2017

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	Education Debt Service	Funds Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 11,191,085	\$ 659,065	\$ 4,551,271	\$ 2,568,296	\$ 18,969,717
Licenses and Permits	736,789	0	0	0	736,789
Fines, Forfeitures, and Penalties	404,478	0	0	69,283	473,761
Charges for Current Services	87,328	0	0	17,282	104,610
Other Local Revenues	232,457	31,794	226,614	254,087	744,952
Fees Received From County Officials	2,323,750	0	0	0	2,323,750
State of Tennessee	1,657,088	1,758,130	0	67,139	3,482,357
Federal Government	260,944	14,000	0	169,174	444,118
Other Governments and Citizens Groups	83,118	0	0	271,506	354,624
Total Revenues	\$ 16,977,037	\$ 2,462,989	\$ 4,777,885	\$ 3,416,767	\$ 27,634,678
<u>Expenditures</u>					
Current:					
General Government	\$ 3,293,973	\$ 0	\$ 0	\$ 0	\$ 3,293,973
Finance	2,337,640	0	0	5,167	2,342,807
Administration of Justice	1,917,882	0	0	130	1,918,012
Public Safety	7,655,759	0	0	235,127	7,890,886
Public Health and Welfare	704,558	0	0	796,764	1,501,322
Social, Cultural, and Recreational Services	261,766	0	0	325,543	587,309
Agriculture and Natural Resources	186,955	0	0	0	186,955
Other Operations	723,978	0	0	26,957	750,935
Highways	0	2,400,975	0	0	2,400,975
Debt Service:					
Principal on Debt	47,322	0	3,275,300	1,189,000	4,511,622
Interest on Debt	0	0	1,732,034	91,245	1,823,279
Other Debt Service	0	0	92,152	254,383	346,535

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 1,227,819	\$ 1,227,819
Total Expenditures	\$ 17,129,833	\$ 2,400,975	\$ 5,099,486	\$ 4,152,135	\$ 28,782,429
Excess (Deficiency) of Revenues Over Expenditures					
	\$ (152,796)	\$ 62,014	\$ (321,601)	\$ (735,368)	\$ (1,147,751)
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 20,075	\$ 0	\$ 0	\$ 286,133	\$ 306,208
Insurance Recovery	66,443	0	0	0	66,443
Transfers In	16,555	0	0	295,395	311,950
Transfers Out	(172,778)	(122,617)	0	(16,555)	(311,950)
Total Other Financing Sources (Uses)	\$ (69,705)	\$ (122,617)	\$ 0	\$ 564,973	\$ 372,651
Net Change in Fund Balances					
Fund Balance, July 1, 2016	\$ 7,434,184	\$ 1,274,567	\$ 8,905,731	\$ 4,074,724	\$ 21,689,206
Fund Balance, June 30, 2017					
	\$ 7,211,683	\$ 1,213,964	\$ 8,584,130	\$ 3,904,329	\$ 20,914,106

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, 2017

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)		\$ (775,100)
(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	\$ 997,645	
Less: current-year depreciation expense	<u>(1,907,516)</u>	(909,871)
(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	\$ 309,791	
Less: book value of capital assets disposed	<u>(229,927)</u>	79,864
(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, 2016	\$ (1,138,193)	
Add: deferred delinquent property taxes and other deferred June 30, 2017	<u>1,278,630</u>	140,437
(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	\$ 38,000	
Add: principal payments on other loans	1,698,622	
Add: principal payments on bonds	2,775,000	
Add: change in premium on debt issues	161,141	
Less: change in deferred charge on refunding	<u>(28,409)</u>	4,644,354
(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	\$ 9,188	
Change in compensated absences payable	10,798	
Change in other postemployment benefits liability	(1,036,916)	
Change in net pension liability/asset	(505,758)	
Change in deferred outflows related to pensions	1,013,176	
Change in deferred inflows related to pensions	<u>96,265</u>	(413,247)
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,766,437</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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,191,085	\$ 0	\$ 0	\$ 11,191,085	\$ 10,955,694	\$ 11,004,590	\$ 186,495
Licenses and Permits	736,789	0	0	736,789	590,500	717,000	19,789
Fines, Forfeitures, and Penalties	404,478	0	0	404,478	432,950	395,413	9,065
Charges for Current Services	87,328	0	0	87,328	86,400	87,000	328
Other Local Revenues	232,457	0	0	232,457	151,162	249,416	(16,959)
Fees Received From County Officials	2,323,750	0	0	2,323,750	2,176,250	2,327,730	(3,980)
State of Tennessee	1,657,088	0	0	1,657,088	1,527,287	1,588,021	69,067
Federal Government	260,944	0	0	260,944	86,244	153,750	107,194
Other Governments and Citizens Groups	83,118	0	0	83,118	33,000	61,412	21,706
Total Revenues	\$ 16,977,037	\$ 0	\$ 0	\$ 16,977,037	\$ 16,039,487	\$ 16,584,332	\$ 392,705
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 246,651	\$ (72,100)	\$ 113,875	\$ 288,426	\$ 192,458	\$ 293,241	\$ 4,815
Board of Equalization	2,128	0	0	2,128	2,000	2,000	(128)
Beer Board	4,608	0	0	4,608	7,000	7,000	2,392
Other Boards and Committees	5,300	0	0	5,300	7,150	7,150	1,850
County Mayor/Executive	215,394	(260)	0	215,134	232,125	229,605	14,471
Personnel Office	33,509	(1,380)	0	32,129	42,943	42,911	10,782
County Attorney	204,982	(8,726)	0	196,256	155,000	238,000	41,744
Election Commission	328,283	(660)	0	327,623	358,076	360,323	32,700
Register of Deeds	295,145	(72)	0	295,073	293,615	302,716	7,643
Planning	101,636	(1,072)	0	100,564	107,383	108,175	7,611
Codes Compliance	219,913	(305)	0	219,608	242,463	246,160	26,552
Geographical Information Systems	63,753	0	0	63,753	60,071	65,587	1,834
County Buildings	1,277,281	(6,474)	0	1,270,807	1,287,671	1,308,747	37,940
Other General Administration	295,390	(1,000)	0	294,390	304,000	306,262	11,872
<u>Finance</u>							
Accounting and Budgeting	608,928	(5,029)	700	604,599	611,703	611,701	7,102
Purchasing	238,795	(3,483)	5,192	240,504	251,369	247,426	6,922

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Property Assessor's Office	\$ 466,840	\$ (32,438)	\$ 608	\$ 435,010	\$ 433,801	\$ 469,469	\$ 34,459
County Trustee's Office	340,530	(1,002)	0	339,528	338,915	354,281	14,753
County Clerk's Office	535,186	(4,441)	0	530,745	549,999	547,460	16,715
Data Processing	147,361	(50)	0	147,311	157,482	158,416	11,105
<u>Administration of Justice</u>							
Circuit Court	362,619	0	0	362,619	382,304	390,191	27,572
General Sessions Court	507,705	(1,700)	0	506,005	546,397	561,008	55,003
General Sessions Judge	456,123	(497)	0	455,626	466,173	472,312	16,686
Chancery Court	213,368	0	1,417	214,785	222,203	226,669	11,884
Juvenile Court	286,344	(840)	0	285,504	296,263	305,883	20,379
Judicial Commissioners	55,843	0	0	55,843	58,052	58,052	2,209
Other Administration of Justice	14,511	0	0	14,511	16,260	16,260	1,749
Courtroom Security	545	0	0	545	0	3,000	2,455
Victim Assistance Programs	20,824	0	0	20,824	20,000	24,000	3,176
<u>Public Safety</u>							
Sheriff's Department	4,371,127	(5,779)	20,970	4,386,318	4,407,290	4,540,160	153,842
Special Patrols	19,366	(81)	0	19,285	20,000	20,000	715
Traffic Control	6,091	0	0	6,091	1,500	10,500	4,409
Administration of the Sexual Offender Registry	0	0	0	0	3,750	3,750	3,750
Jail	2,181,231	(5,327)	5,799	2,181,703	2,014,760	2,260,459	78,756
Rural Fire Protection	231,279	(38,750)	30,000	222,529	212,500	222,529	0
Civil Defense	190,526	(9,818)	38,249	218,957	191,633	227,155	8,198
Other Emergency Management	29,987	(12,500)	10,912	28,399	16,000	44,500	16,101
County Coroner/Medical Examiner	84,652	(11,050)	0	73,602	69,000	69,000	(4,602)
Other Public Safety	541,500	0	0	541,500	541,500	541,500	0
<u>Public Health and Welfare</u>							
Local Health Center	53,036	(1,230)	0	51,806	91,598	91,925	40,119
Rabies and Animal Control	349,609	(1,897)	0	347,712	364,457	400,864	53,152
Maternal and Child Health Services	16,987	0	0	16,987	34,293	17,290	303

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Other Local Health Services	\$ 274,926	\$ 0	\$ 0	\$ 274,926	\$ 331,200	\$ 331,200	\$ 56,274
Other Public Health and Welfare	10,000	0	0	10,000	0	10,000	0
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	2,500	0	0	2,500	2,500	2,500	0
Senior Citizens Assistance	259,266	(1,963)	0	257,303	218,458	275,170	17,867
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	161,985	(31,849)	0	130,136	155,355	155,355	25,219
Soil Conservation	17,510	0	0	17,510	19,783	19,783	2,273
Flood Control	4,000	(2,000)	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	135,264	(6,975)	0	128,289	125,000	143,400	15,111
Industrial Development	166,429	0	0	166,429	166,430	166,430	1
Housing and Urban Development	3,750	0	0	3,750	3,750	3,750	0
Veterans' Services	31,793	0	0	31,793	42,048	41,989	10,196
Contributions to Other Agencies	69,100	(3,000)	0	66,100	64,100	66,100	0
Employee Benefits	371	0	0	371	280,000	5,000	4,629
Miscellaneous	317,271	0	0	317,271	300,000	335,000	17,729
<u>Principal on Debt</u>							
General Government	47,322	0	0	47,322	43,465	47,322	0
Total Expenditures	\$ 17,129,833	\$ (273,748)	\$ 227,722	\$ 17,083,807	\$ 17,369,246	\$ 18,022,636	\$ 938,829
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (152,796)	\$ 273,748	\$ (227,722)	\$ (106,770)	\$ (1,329,759)	\$ (1,438,304)	\$ 1,331,534
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 20,075	\$ 0	\$ 0	\$ 20,075	\$ 0	\$ 0	\$ 20,075
Insurance Recovery	66,443	0	0	66,443	0	43,657	22,786
Transfers In	16,555	0	0	16,555	0	16,555	0

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Transfers Out	\$ (172,778)	\$ 0	\$ 0	\$ (172,778)	\$ 0	\$ (172,778)	\$ 0
Total Other Financing Sources	\$ (69,705)	\$ 0	\$ 0	\$ (69,705)	\$ 0	\$ (112,566)	\$ 42,861
Net Change in Fund Balance	\$ (222,501)	\$ 273,748	\$ (227,722)	\$ (176,475)	\$ (1,329,759)	\$ (1,550,870)	\$ 1,374,395
Fund Balance, July 1, 2016	7,434,184	(273,748)	0	7,160,436	5,680,125	5,680,125	1,480,311
Fund Balance, June 30, 2017	\$ 7,211,683	\$ 0	\$ (227,722)	\$ 6,983,961	\$ 4,350,366	\$ 4,129,255	\$ 2,854,706

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

Exhibit C-6

Loudon County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 659,065	\$ 0	\$ 0	\$ 659,065	\$ 622,610	\$ 622,610	\$ 36,455
Other Local Revenues	31,794	0	0	31,794	32,077	39,592	(7,798)
State of Tennessee	1,758,130	0	0	1,758,130	2,332,829	2,230,552	(472,422)
Federal Government	14,000	0	0	14,000	0	636,000	(622,000)
Total Revenues	<u>\$ 2,462,989</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,462,989</u>	<u>\$ 2,987,516</u>	<u>\$ 3,528,754</u>	<u>\$ (1,065,765)</u>
Expenditures							
<u>Highways</u>							
Administration	\$ 786,904	\$ 0	\$ 0	\$ 786,904	\$ 808,398	\$ 795,082	\$ 8,178
Highway and Bridge Maintenance	726,491	(90,662)	0	635,829	384,000	725,275	89,446
Operation and Maintenance of Equipment	191,267	(3,500)	0	187,767	321,500	271,630	83,863
Other Charges	175,285	(441)	389	175,233	181,402	200,073	24,840
Employee Benefits	425,667	0	0	425,667	389,053	433,208	7,541
Capital Outlay	95,361	0	31,030	126,391	895,494	1,590,987	1,464,596
Total Expenditures	<u>\$ 2,400,975</u>	<u>\$ (94,603)</u>	<u>\$ 31,419</u>	<u>\$ 2,337,791</u>	<u>\$ 2,979,847</u>	<u>\$ 4,016,255</u>	<u>\$ 1,678,464</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 62,014</u>	<u>\$ 94,603</u>	<u>\$ (31,419)</u>	<u>\$ 125,198</u>	<u>\$ 7,669</u>	<u>\$ (487,501)</u>	<u>\$ 612,699</u>
Other Financing Sources (Uses)							
Transfers Out	\$ (122,617)	\$ 0	\$ 0	\$ (122,617)	\$ (88,016)	\$ (128,016)	\$ 5,399
Total Other Financing Sources	<u>\$ (122,617)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (122,617)</u>	<u>\$ (88,016)</u>	<u>\$ (128,016)</u>	<u>\$ 5,399</u>
Net Change in Fund Balance	\$ (60,603)	\$ 94,603	\$ (31,419)	\$ 2,581	\$ (80,347)	\$ (615,517)	\$ 618,098
Fund Balance, July 1, 2016	<u>1,274,567</u>	<u>(94,603)</u>	<u>0</u>	<u>1,179,964</u>	<u>1,122,257</u>	<u>1,122,257</u>	<u>57,707</u>
Fund Balance, June 30, 2017	<u>\$ 1,213,964</u>	<u>\$ 0</u>	<u>\$ (31,419)</u>	<u>\$ 1,182,545</u>	<u>\$ 1,041,910</u>	<u>\$ 506,740</u>	<u>\$ 675,805</u>

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, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 508,086
Equity in Pooled Cash and Investments	3,520,595
Accounts Receivable	58,918
Due from Other Governments	1,221,854
Taxes Receivable	5,635,696
Allowance for Uncollectible Taxes	<u>(125,479)</u>
Total Assets	<u>\$ 10,819,670</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 47,821
Due to Other Taxing Units	6,850,017
Due to Litigants, Heirs, and Others	508,466
Due to Joint Ventures	<u>3,413,366</u>
Total Liabilities	<u>\$ 10,819,670</u>

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

LOUDON COUNTY, TENNESSEE
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LOUDON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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 financial statements of the Loudon County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of its omission did not affect the independent auditor's opinion thereon. 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 material to the component units' opinion unit and therefore have been omitted from this report.

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. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2017.

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.

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

Education Debt Service Fund – This fund accounts resources, accumulated and payments made for principal and interest on debt issued by Loudon County that is subsequently contributed to the discretely presented Loudon County School Department for construction and renovation projects.

Additionally, Loudon County reports the following fund types:

Capital Projects Funds – These 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.

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 receipt of debt issued by Loudon County and contributed to the School Department for building construction and renovations.

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

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

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

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

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

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

1. Deposits and Investments

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Loudon County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Income from these pooled investments is allocated to various funds based on their cash balances at the time the income is received. Loudon County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

Activity between funds 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 1.16 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 acquisition 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. These items are for pension changes in experience, changes in pension plan investment earnings, 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, deferred grants received in advance, pension changes in experience, pension other deferrals, and various receivables for revenues, which do not meet the availability criteria in governmental funds.

6. Compensated Absences

It is the primary government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. School Department employees must use their vacation benefits within the year earned. There is no liability for unpaid accumulated sick leave since the primary government and the School Department do not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide 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, 2017, Loudon County had \$52,381,200 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 makes 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 (\$227,722) and fund balance appropriated for use in the 2017-2018 budget (\$1,800,565). Assigned fund balance in the General Purpose School Fund consists of amounts assigned for encumbrances (\$423,546) and fund balance appropriated for use in the 2017-2018 budget (\$2,203,350).

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.

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, 2017, Loudon County reported the following significant encumbrances:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Primary Government		
Nonmajor Fund:		
General Capital Projects	Engineering Services on Jail	\$ 926,900
Discretely Presented School Department		
Major Fund:		
Education Capital Projects	Various Renovation Projects	\$ 850,413

B. Fund Deficit

The School Federal Projects Fund of the discretely presented School Department had a deficit in unassigned fund balance of \$3,599 at June 30, 2017. This deficit is expected to be liquidated upon the receipt of federal funds subsequent to year-end.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Board of Equalization and County Coroner/Medical Examiner major appropriations categories (the legal level of control) of the General Fund by \$128 and \$4,602, respectively. 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, 2017, Loudon County had the following investments carried at fair value within the fair value hierarchy established by generally accepted accounting principles. Investments reported in the following table are held 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.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Investments at Fair Value:		
U.S. Treasury Bills	7/27/17	999,450
U.S. Treasury Notes	4/15/18	995,900
"	4/15/19	<u>991,250</u>
Total		<u><u>\$ 2,986,600</u></u>

The measurements of the fair value of the U.S. Treasury Bills and Notes were made using quoted prices in active markets for identical assets (Level 1).

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.

B. Derivative Instrument

At June 30, 2017, 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, 2017, classified by type, and the changes in fair value using a pay fixed, receive percentage of LIBOR pricing model (Level 2 inputs of the GAAP fair value hierarchy) of such derivative instruments for the year then ended as reported in the 2017 financial statements is as follows:

Type	<u>Changes in Fair Value</u> Classification	Amount	<u>Fair Value at June 30, 2017</u> Classification	Amount	6-30-17 Notional Amount
Governmental Activities					
Cash Flow Hedge:					
Pay fixed interest rate swaps:					
\$12.5M Swap	Deferred	\$ 397,038	Debt	\$ (552,154)	\$ 7,555,000
	Outflow				
Total		<u>\$ 397,038</u>		<u>\$ (552,154)</u>	<u>\$ 7,555,000</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, 2017, 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>-1.07</u>
Net interest rate swap payments		2.06 %
Variable-rate bond coupon payments		<u>1.41</u>
 Synthetic interest rate on bonds		 <u><u>3.47 %</u></u>

Fair value. As of June 30, 2017, the swap had a negative fair value of \$552,154. 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, 2017, 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, Raymond James Financial Products ("RJFP", formerly Morgan Keegan Financial Products) was rated "BBB" by Standard and Poor's as of June 30, 2017, with its Credit Support Provider, Deutsche Bank, rated Baa2/A-/A- by Moody's, Standard and Poor's, and Fitch, respectively.

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

Termination risk. The swap agreement contract uses the International Swap Dealers Association Master Agreement, which includes standard termination

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

Swap payments and associated debt. As of June 30, 2017, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Fiscal Year Ending June 30	Variable Rate Bonds		Net Interest Rate	
	Principal	Interest	Swap Payment	Total
2018	\$ 765,000	\$ 106,278	\$ 155,475	\$ 1,026,753
2019	810,000	95,516	139,732	1,045,248
2020	855,000	84,122	123,063	1,062,185
2021	910,000	72,095	105,468	1,087,563
2022	965,000	59,293	86,741	1,111,034
2023-2025	3,250,000	93,195	136,336	3,479,531
Total	\$ 7,555,000	\$ 510,499	\$ 746,815	\$ 8,812,314

C. Capital Assets

Capital assets activity for the year ended June 30, 2017, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 5,915,130	\$ 0	\$ 0	\$ 5,915,130
Construction in Progress	0	75,100	0	75,100
Total Capital Assets Not Depreciated	\$ 5,915,130	\$ 75,100	\$ 0	\$ 5,990,230
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,853,726	\$ 0	\$ 0	\$ 14,853,726
Infrastructure	48,877,149	219,792	0	49,096,941
Other Capital Assets	8,691,826	1,012,544	(521,281)	9,183,089
Total Capital Assets Depreciated	\$ 72,422,701	\$ 1,232,336	\$ (521,281)	\$ 73,133,756
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,685,188	\$ 254,557	\$ 0	\$ 3,939,745
Infrastructure	23,989,578	987,229	0	24,976,807
Other Capital Assets	6,241,541	665,730	(291,354)	6,615,917
Total Accumulated Depreciation	\$ 33,916,307	\$ 1,907,516	\$ (291,354)	\$ 35,532,469
Total Capital Assets Depreciated, Net	\$ 38,506,394	\$ (675,180)	\$ (229,927)	\$ 37,601,287
Governmental Activities Capital Assets, Net	\$ 44,421,524	\$ (600,080)	\$ (229,927)	\$ 43,591,517

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	\$ 170,962
Finance	1,238
Administration of Justice	28,414
Public Safety	487,517
Public Health and Welfare	79,136
Social, Cultural, and Recreational Services	28,937
Highways/Public Works	<u>1,111,312</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,907,516</u></u>

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

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 3,946,406	\$ 0	\$ 0	\$ 3,946,406
Construction in Progress	2,454,100	6,849,835	0	9,303,935
Total Capital Assets Not Depreciated	<u>\$ 6,400,506</u>	<u>\$ 6,849,835</u>	<u>\$ 0</u>	<u>\$ 13,250,341</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 86,833,352	\$ 0	\$ (131,823)	\$ 86,701,529
Infrastructure	96,087	0	0	96,087
Other Capital Assets	1,595,073	142,798	0	1,737,871
Total Capital Assets Depreciated	<u>\$ 88,524,512</u>	<u>\$ 142,798</u>	<u>\$ (131,823)</u>	<u>\$ 88,535,487</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 17,226,249	\$ 1,716,061	\$ (58,771)	\$ 18,883,539
Infrastructure	961	1,922	0	2,883
Other Capital Assets	748,540	120,061	0	868,601
Total Accumulated Depreciation	<u>\$ 17,975,750</u>	<u>\$ 1,838,044</u>	<u>\$ (58,771)</u>	<u>\$ 19,755,023</u>
Total Capital Assets Depreciated, Net	<u>\$ 70,548,762</u>	<u>\$ (1,695,246)</u>	<u>\$ (73,052)</u>	<u>\$ 68,780,464</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 76,949,268</u></u>	<u><u>\$ 5,154,589</u></u>	<u><u>\$ (73,052)</u></u>	<u><u>\$ 82,030,805</u></u>

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

Governmental Activities:

Instruction	\$ 29,132
Support Services	1,795,421
Operation of Non-instructional Services	<u>13,491</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,838,044</u></u>

D. Construction Commitments

At June 30, 2017, the General Capital Projects Fund had an uncompleted contract of \$926,900 for the architect and engineering services for renovations and expansion of the justice center. Funding will be provided for this future expenditure through a debt issue in fiscal year 2017-2018.

At June 30, 2017, the discretely presented School Department's Education Capital Projects Fund had uncompleted contracts totaling \$38,425 for the Loudon County High project and \$431,522 for the Highland Park School Renovations. Funding has been provided for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 7,176
Discretely Presented School Department:		
General Purpose School	Educational Capital Projects	17,366
"	Nonmajor governmental	113
Nonmajor governmental	General Purpose School	3,878

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2017, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 172,778
Highway/Public Works Fund	0	122,617
Nonmajor governmental fund	16,555	0
Total	\$ 16,555	\$ 295,395

The General Fund transferred \$172,778 to the General Capital Projects Fund for cash flow purposes on two projects. The Highway/Public Works Fund transferred \$82,617 to the General Debt Service Fund to retire highway debt. The Highway/Public Works Fund also transferred \$40,000 to the General Capital Projects Fund for highway capital purchases. The General Capital Projects Fund transferred \$16,555 to the General Fund to repay for various projects.

Discretely Presented Loudon County School Department

Transfers Out	Transfers In	
	Nonmajor Governmental Fund	Purpose
General Purpose School Fund	\$ 288,000	Cafeteria Operations

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

F. Payables

The total of \$19,136 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, 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, 2017, 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, 2017, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-17
General Obligation Bonds	1.4 to 5 %	6-1-36	\$ 52,190,000	\$ 43,685,000
General Obligation Bonds - Refunding	2.8	4-1-20	2,600,000	1,630,000
Capital Outlay Notes	2.88	2-1-23	400,000	254,000
Other Loans - City of Loudon	0	N/A	475,000	167,514
Other Loans - PBA Variable Rate	variable	6-1-25	19,835,000	8,784,000
Loan Agreement - State School Bond Authority (QZABs)	0	12-1-20	4,129,500	1,101,200

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, 2017:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-17	Interest Type	Variable Interest Rates as of 6-30-17	Other Fees on Variable Rate Debt
<u>Montgomery County</u>					
<u>Public Building Authority:</u>					
Various Purposes	\$ 5,000,000	\$ 414,000	Variable	1.04 %	0.75 %
<u>Blount County</u>					
<u>Public Building Authority:</u>					
School Projects-Refunding	12,265,000	7,595,000	Variable	1.41	(1) 0.11
Various Purposes-Refunding	2,570,000	<u>775,000</u>	Variable	1.44	0.11
Total		<u>\$ 8,784,000</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 6-30-17	Interest Rates
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City of Loudon

Highlands Business Center	\$ 475,000	\$ 167,514	0 %
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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 \$47,322 under the agreement.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2017, including estimated interest payments and other fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2023-2027	10,795,000	4,297,851	15,092,851
2028-2032	10,925,000	2,628,337	13,553,337
2033-2036	9,375,000	767,614	10,142,614
Total	\$ 45,315,000	\$ 13,838,702	\$ 59,153,702

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 254,000	\$ 26,179	\$ 280,179

Year Ending June 30	Other Loans - PBA and QZAB			
	Principal	Interest	Other Fees	Total
2018	\$ 1,709,300	\$ 277,192	\$ 12,249	\$ 1,998,741
2019	1,340,300	242,986	8,011	1,591,297
2020	1,410,300	211,530	6,851	1,628,681
2021	1,190,300	178,190	5,613	1,374,103
2022	970,000	146,531	4,616	1,121,147
2023-2025	3,265,000	230,263	7,254	3,502,517
Total	\$ 9,885,200	\$ 1,286,692	\$ 44,594	\$ 11,216,486

Annual requirements for the \$167,514 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 \$10,432,517 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$34, based on the 2010 federal census for residents living inside the Lenoir City School District and \$1,128 for residents living outside of the school district. Total debt per capita, including bonds, notes, other loans, and unamortized premium on debt, totaled \$68 for residents living inside the Lenoir City School District and \$1,421 for residents living outside of the school district.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2017, was as follows:

	Bonds	Notes	Other Loans - City of Loudon
Balance, July 1, 2016	\$ 48,090,000	\$ 292,000	\$ 214,836
Additions	0	0	0
Reductions	(2,775,000)	(38,000)	(47,322)
Balance, June 30, 2017	\$ 45,315,000	\$ 254,000	\$ 167,514
Balance Due Within One Year	\$ 2,800,000	\$ 39,000	\$ 0

	Other Loans - PBA & QZAB	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2016	\$ 11,536,500	\$ 563,140	\$ 5,598,366
Additions	0	543,846	1,201,683
Reductions	(1,651,300)	(554,644)	(164,767)
Balance, June 30, 2017	<u>\$ 9,885,200</u>	<u>\$ 552,342</u>	<u>\$ 6,635,282</u>
Balance Due Within One Year	<u>\$ 1,709,300</u>	<u>\$ 543,846</u>	<u>\$ 0</u>

	Net Pension Liability
Balance, July 1, 2016	\$ 404,858
Additions	2,320,120
Reductions	(1,814,362)
Balance, June 30, 2017	<u>\$ 910,616</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 63,719,954
Less: Balance Due Within One Year	(5,092,146)
Add: Unamortized Premium on Debt	<u>1,669,811</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 60,297,619</u>

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

Discretely Presented Loudon County School Department

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2017, was as follows:

	Other Postemployment Benefits	Net Pension Liability	
		Agent Plan	Teacher Legacy Plan
Balance, July 1, 2016	\$ 1,105,274	\$ 142,692	\$ 199,009
Additions	483,834	799,644	6,112,742
Reductions	(444,992)	(628,182)	(3,278,563)
Balance, June 30, 2017	\$ 1,144,116	\$ 314,154	\$ 3,033,188
Balance Due Within One Year	\$ 0	\$ 0	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 4,491,458
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,491,458</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, 2017, was \$167,514.

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, 2017, were \$141,888 and \$33,813, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

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
2015-2016	\$13,510	\$369,757	(\$360,068)	\$23,199
2016-2017	23,199	400,698	(408,404)	15,493

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. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units*; and Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*, became effective for the year ended June 30, 2017.

GASB Statement No. 74, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose external financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 43 and No. 57. It also includes requirements for defined contribution OPEB plans that replace the requirements in Statements No. 25, No. 43, and No. 50. The scope of this statement includes OPEB plans, both defined benefit and defined contribution, administered through trusts meeting the necessary criteria as well as reporting assets accumulated through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 77, establishes reporting requirements for tax abatements. This standard requires the disclosure of information about the nature and magnitude of tax abatement agreements entered into by state and local governments that reduce the government's tax revenues.

GASB Statement No. 78, amends Statement No. 68 to exclude certain pensions provided to employees of state or local governments through a cost-sharing multiple-employer pension plans that are not state or local plans and meet specific other criteria. This statement establishes recognition, measurement, and reporting criteria for these plans.

GASB Statement No. 80, amends the blending requirements of paragraph 53 of Statement No. 14. This standard adds additional blending criterion, which requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to

a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying Statement No. 67, and employee contributions for the purposes of applying Statement No. 68. This standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

C. Contingent Liabilities

Loudon County is contingently liable for a State of Tennessee revolving loan agreement of a joint venture, Tellico Area Services System (TASS). Loudon County would become liable for this loan agreement in the event of default by TASS. As of June 30, 2017, future principal and interest requirements were \$2,722,258 and \$278,926.

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. 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 Center Executive 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.C., Loudon County is contingently liable for certain debt issued by the county on behalf of this joint venture.

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, 2017.

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 2016-17 year.

Loudon County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for these joint ventures can be obtained from their respective administrative office at the following addresses:

Administrative Offices:

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

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

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

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

E. Jointly Governed Organization

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.

F. 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 comprised 74.35 percent, the non-certified employees of the discretely presented School Department comprised 25.65 percent of the plan based on contribution 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.

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, 2016, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	229
Inactive Employees Entitled to But Not Yet Receiving Benefits	399
Active Employees	360
 Total	 <u>988</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, 2017, the employer contribution for Loudon County was \$1,269,610 based on a rate of 10.38 percent of covered 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

contributions (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, 2016, 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, 2016, 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	2.50%

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, 2016, 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	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 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, 2015	\$ 38,587,013	\$ 38,039,463	\$ 547,550
Changes for the year:			
Service Cost	\$ 1,055,657	\$ 0	\$ 1,055,657
Interest	2,909,485	0	2,909,485
Differences Between Expected and Actual Experience	(511,733)	0	(511,733)
Contributions-Employer	0	1,210,474	(1,210,474)
Contributions-Employees	0	583,304	(583,304)
Net Investment Income	0	1,009,897	(1,009,897)
Benefit Payments, Including Refunds of Employee Contributions	(1,699,079)	(1,699,079)	0
Administrative Expense	0	(27,486)	27,486
Other Changes	0	0	0
Net Changes	\$ 1,754,330	\$ 1,077,110	\$ 677,220
Balance, June 30, 2016	\$ 40,341,343	\$ 39,116,573	\$ 1,224,770

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	74.35%	\$ 29,993,789	\$ 29,083,173	\$ 910,616
School Department	25.65%	10,347,554	10,033,400	314,154
Total		\$ 40,341,343	\$ 39,116,573	\$ 1,224,770

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
<u>Loudon County</u>	<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>
Net Pension Liability	\$ 6,523,101	\$ 1,224,770	\$ (3,174,617)

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

Pension Expense. For the year ended June 30, 2017, Loudon County recognized pension expense of \$468,790.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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
Difference Between Expected and Actual Experience	\$ 67,912	\$ 663,179
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,307,670	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	<u>1,269,610</u>	<u>N/A</u>
Total	<u>\$ 2,645,192</u>	<u>\$ 663,179</u>

1. The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” 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	\$ 1,979,859	\$ 493,074
School Department	665,333	170,105
Total	<u>\$ 2,645,192</u>	<u>\$ 663,179</u>

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

Year Ending June 30	Amount
2018	\$ (85,054)
2019	(85,054)
2020	615,745
2021	266,770
2022	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 74.35 percent and the non-certified employees of the discretely presented School Department comprise 25.65 percent of the plan based on contribution 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.

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 with an unreduced benefit 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. 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 60 or pursuant to the rule of 80. 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 percent and one percent. Members who leave 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 or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. 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 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, 2017, to the Teacher Retirement Plan were \$117,936, which is four percent of covered 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 (Assets). At June 30, 2017, the Loudon County School Department reported an asset of \$47,381 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, 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 share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Loudon County School Department's proportion was .455135 percent. The revised proportion measured at June 30, 2015, was .466246 percent.

Pension Expense. For the year ended June 30, 2017, the Loudon County School Department recognized pension expense of \$39,694.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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
Difference Between Expected and Actual Experience	\$ 4,591	\$ 5,463
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,758	0
Changes in proportion of of Net Pension Liability (Asset)	312	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	117,936	N/A
Total	<u>\$ 130,597</u>	<u>\$ 5,463</u>

The Loudon County School Department's employer contributions of \$117,936, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2018. 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
2018	\$ 1,944
2019	1,944
2020	1,944
2021	1,574
2022	(88)
Thereafter	(120)

Actuarial Assumptions. The total pension liability in the June 30, 2016, 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, 2016, 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 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 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 the 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 the Loudon County School Department's proportionate share of 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:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ 22,374 \$ (47,381) \$ (98,776)

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

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 publicly available financial report that can be obtained at 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. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs 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 are required to contribute five percent of their salaries. 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, 2017, to the Teacher Legacy Pension Plan were \$1,551,335, which is 9.04 percent of covered 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 Liability (Assets). At June 30, 2017, the Loudon County School Department reported a liability of \$3,033,188 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Loudon County School Department's proportion of the net pension liability (asset) was based on the Loudon County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Loudon County School Department's proportion was .485353 percent. The proportion measured at June 30, 2015, was .485820 percent.

Pension Expense. For the year ended June 30, 2017, the Loudon County School Department recognized pension expense of \$405,568.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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
Difference Between Expected and Actual Experience	\$ 127,647	\$ 3,672,186
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,386,595	0
Changes in Proportion of Net Pension Liability (Asset)	195,272	3,545
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	<u>1,551,335</u>	<u>N/A</u>
Total	<u>\$ 5,260,849</u>	<u>\$ 3,675,731</u>

The Loudon County School Department's employer contributions of \$1,551,335 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2018. 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
2018	\$ (519,450)
2019	(519,450)
2020	1,105,098
2021	207,594
2022	(240,007)
Thereafter	0

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, 2016, 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 adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, 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 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 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 the 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 the Loudon County School Department's proportionate share of 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:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ 16,655,757 \$ 3,033,188 \$ (8,251,134)

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 \$144,596 to the 401 (k) portion of the hybrid pension plan on-behalf of the plan participants.

G. Other Postemployment Benefits (OPEB)

Primary Government

Plan Description

Loudon County participates in a commercial postemployment benefits plan administered by United Health Care for medical benefits and Blue Cross Blue Shield for life insurance for retirees and their beneficiaries. 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. 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, 2017, Loudon County contributed \$164,767 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Commercial Plan
ARC	\$ 1,258,652
Interest on the NOPEBO	223,934
Adjustment to the ARC	<u>(280,903)</u>
Annual OPEB cost	\$ 1,201,683
Amount of contribution	<u>(164,767)</u>
Increase/decrease in NOPEBO	\$ 1,036,916
Net OPEB obligation, 7-1-16	<u>5,598,366</u>
Net OPEB obligation, 6-30-17	<u><u>\$ 6,635,282</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Loudon County	\$ 1,047,101	18.1%	\$ 4,711,053
6-30-16	"	1,100,251	19.4	5,598,366
6-30-17	"	1,201,683	13.7	6,635,282

	Local Government Commercial Plan
Actuarial valuation date	7-1-16
Actuarial accrued liability (AAL)	\$ 9,473,242
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 9,473,242
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 8,262,028
UAAL as a % of covered payroll	114.7%

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, 2016, 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 2020. The rate includes 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

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 <https://www.tn.gov/finance/fa/fa-accounting-financial/fa-accfin-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. During the year ended June 30, 2017, the School Department contributed \$444,992 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 484,000
Interest on the NOPEBO	41,448
Adjustment to the ARC	<u>(41,614)</u>
Annual OPEB cost	\$ 483,834
Amount of contribution	<u>(444,992)</u>
Increase/decrease in NOPEBO	\$ 38,842
Net OPEB obligation, 7-1-15	<u>1,105,274</u>
Net OPEB obligation, 6-30-16	<u><u>\$ 1,144,116</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Local Education Group	\$ 444,952	82 %	\$ 1,005,181
6-30-16	"	467,849	79	1,105,274
6-30-17	"	483,834	92	1,144,116

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

	Local Education Group Plan
Actuarial valuation date	7-1-15
Actuarial accrued liability (AAL)	\$ 4,309,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,309,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 23,743,386
UAAL as a % of covered payroll	18.15%

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, 2015, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of six percent in fiscal year 2017, and then be reduced by decrements to an ultimate rate of 4.645 percent by fiscal year 2050. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 35-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

H. 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, 2017, the School Department did not have any participants.

I. Office of Director of Accounts and Budgets

Loudon County operates under the provisions of the Fiscal Control Acts of 1957, which provide for a central system of accounting and budgeting covering all funds of the county. These funds are maintained in the Office of Central Accounting and Budgeting under the supervision of the director of accounts and budgets.

J. Purchasing Laws

Purchasing procedures for the Offices of County Mayor, Director of Schools, and Highway Superintendent are governed by the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Highway Department are also governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for a

purchasing agent and require competitive bids on all purchases exceeding \$25,000.

K. Subsequent Events

On October 31, 2017, Loudon County issued \$9,675,000 in general obligation bonds for renovations and expansion of the justice center.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 1,030,236	\$ 1,049,591	\$ 1,055,657
Interest	2,640,126	2,745,456	2,909,485
Differences Between Actual and Expected Experience	(634,481)	113,188	(511,733)
Benefit Payments, Including Refunds of Employee Contributions	(1,546,219)	(1,755,428)	(1,699,079)
Net Change in Total Pension Liability	\$ 1,489,662	\$ 2,152,807	\$ 1,754,330
Total Pension Liability, Beginning	34,944,544	36,434,206	38,587,013
Total Pension Liability, Ending (a)	\$ 36,434,206	\$ 38,587,013	\$ 40,341,343
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,164,019	\$ 1,179,065	\$ 1,210,474
Contributions - Employee	572,872	569,765	583,304
Net Investment Income	5,239,536	1,136,952	1,009,897
Benefit Payments, Including Refunds of Employee Contributions	(1,546,219)	(1,755,428)	(1,699,079)
Administrative Expense	(14,675)	(18,696)	(27,486)
Net Change in Plan Fiduciary Net Position	\$ 5,415,533	\$ 1,111,658	\$ 1,077,110
Plan Fiduciary Net Position, Beginning	31,512,272	36,927,805	38,039,463
Plan Fiduciary Net Position, Ending (b)	\$ 36,927,805	\$ 38,039,463	\$ 39,116,573
Net Pension Liability (Asset), Ending (a - b)	\$ (493,599)	\$ 547,550	\$ 1,224,770
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.35%	98.58%	96.96%
Covered Payroll	\$ 11,217,514	\$ 11,373,353	\$ 11,697,786
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(4.40%)	4.81%	10.47%

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

	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 1,164,019	\$ 1,179,065	\$ 1,210,474	\$ 1,269,610
Less Contributions in Relation to the Actuarially Determined Contribution	(1,164,019)	(1,179,065)	(1,210,474)	(1,269,610)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 11,217,514	\$ 11,373,353	11,697,786	12,233,423
Contributions as a Percentage of Covered Payroll	10.38%	10.37%	10.35%	10.38%

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

	2015	2016	2017
Contractually Required Contribution	\$ 39,566	\$ 80,105	\$ 117,936
Less Contributions in Relation to the Contractually Required Contribution	(39,566)	(80,105)	(117,936)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Payroll	 \$ 989,143	 \$ 2,002,608	 \$ 2,948,402
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	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

	2014	2015	2016	2017
Contractually Required Contribution	\$ 1,671,722	\$ 1,644,078	\$ 1,583,832	\$ 1,551,335
Less Contributions in Relation to the Contractually Required Contribution	(1,671,722)	(1,644,078)	(1,583,832)	(1,551,335)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 18,825,699	\$ 18,186,701	\$ 17,520,275	\$ 17,160,789
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%

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

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

	<u>2016</u>	<u>2017</u>
School Department's Proportion of the Net Pension Liability/Asset	0.476072%	0.455135%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (19,152)	\$ (47,381)
Covered Payroll	\$ 989,143	\$ 2,002,608
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%

* 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 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>2015</u>	<u>2016</u>	<u>2017</u>
School Department's Proportion of the Net Pension Liability/Asset	0.479637%	0.485820%	0.485353%
School Department's Proportionate Share of the Net Pension Asset	\$ 77,939 \$	199,009 \$	3,033,188
Covered Payroll	\$ 18,825,699 \$	18,186,701 \$	17,520,275
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%

* 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-7

Loudon County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Loudon County School Department
June 30, 2017

(Dollar amounts in thousands)

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)
<u>PRIMARY GOVERNMENT</u>							
Local Government Commercial	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
"	7-1-16	0	9,473	9,473	0	8,262	114.7
<u>DISCRETELY PRESENTED LOUDON COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-11	\$ 0	\$ 5,124	\$ 5,124	0 %	\$ 22,065	23.2 %
"	7-1-13	0	4,074	4,074	0	21,955	18.6
"	7-1-15	0	4,309	4,309	0	23,743	18.2

LOUDON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2017 were calculated based on the July 1, 2015, 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	Varies by Year
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%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Debt Service Funds

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

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

Capital Projects Funds

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.

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

Exhibit F-1

Loudon County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	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	438,374	17,716	152,984	322,911	71,197	129,801
Accounts Receivable	0	0	260	14,006	0	0
Due from Other Governments	0	0	0	82,008	0	0
Property Taxes Receivable	0	0	239,026	0	0	0
Allowance for Uncollectible Property Taxes	0	0	(5,322)	0	0	0
Prepaid Items	0	0	4,489	464	0	332
Total Assets	<u>\$ 438,374</u>	<u>\$ 17,716</u>	<u>\$ 391,687</u>	<u>\$ 419,389</u>	<u>\$ 71,197</u>	<u>\$ 130,133</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 504	\$ 17,631	\$ 2,400	\$ 3,350
Accrued Payroll	0	0	3,697	5,432	0	0
Payroll Deductions Payable	0	0	2,159	3,658	0	0
Due to Other Funds	0	0	0	2,433	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0	19,136
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,360</u>	<u>\$ 29,154</u>	<u>\$ 2,400</u>	<u>\$ 22,486</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 226,161	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	0	6,934	0	0	0
Deferred Grants Received in Advance	0	0	3,000	0	0	0

(Continued)

Exhibit F-1

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

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 0	\$ 0	\$ 0	\$ 31,320	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 236,095	\$ 31,320	\$ 0	\$ 0
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 0	\$ 0	\$ 4,489	\$ 464	\$ 0	\$ 332
Restricted:						
Restricted for Administration of Justice	0	17,716	0	0	0	0
Restricted for Public Safety	438,374	0	0	0	0	107,315
Restricted for Social, Cultural, and Recreational Services	0	0	144,743	0	0	0
Restricted for Debt Service	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	358,451	0	0
Committed for Other Operations	0	0	0	0	68,797	0
Committed for Debt Service	0	0	0	0	0	0
Total Fund Balances	\$ 438,374	\$ 17,716	\$ 149,232	\$ 358,915	\$ 68,797	\$ 107,647
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 438,374	\$ 17,716	\$ 391,687	\$ 419,389	\$ 71,197	\$ 130,133

(Continued)

Exhibit F-1

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service</u>	<u>Capital</u>
	<u>Other</u>	<u>Constitu -</u>	<u>Total</u>	<u>Fund</u>	<u>Projects</u>
	<u>Special</u>	<u>tional</u>		<u>General</u>	<u>General</u>
	<u>Revenue</u>	<u>Officers -</u>		<u>Debt</u>	<u>Capital</u>
		<u>Fees</u>		<u>Service</u>	<u>Projects</u>
<u>ASSETS</u>					
Cash	\$ 0	\$ 4,550	\$ 4,800	\$ 0	\$ 0
Equity in Pooled Cash and Investments	2,878	0	1,135,861	1,791,734	506,002
Accounts Receivable	0	193	14,459	55,923	1,250
Due from Other Governments	0	0	82,008	0	31,305
Property Taxes Receivable	0	0	239,026	1,268,677	183,866
Allowance for Uncollectible Property Taxes	0	0	(5,322)	(28,247)	(4,094)
Prepaid Items	0	0	5,285	0	0
Total Assets	\$ 2,878	\$ 4,743	\$ 1,476,117	\$ 3,088,087	\$ 718,329
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 23,885	\$ 2,500	\$ 0
Accrued Payroll	0	0	9,129	0	0
Payroll Deductions Payable	0	0	5,817	0	0
Due to Other Funds	0	4,743	7,176	0	0
Due to Litigants, Heirs, and Others	0	0	19,136	0	0
Total Liabilities	\$ 0	\$ 4,743	\$ 65,143	\$ 2,500	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 226,161	\$ 1,200,394	\$ 173,970
Deferred Delinquent Property Taxes	0	0	6,934	36,806	5,334
Deferred Grants Received in Advance	0	0	3,000	0	0

(Continued)

Exhibit F-1

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service</u>	<u>Capital</u>
	<u>Other</u>	<u>Constitu -</u>	<u>Total</u>	<u>Fund</u>	<u>Projects</u>
	<u>Special</u>	<u>tional</u>		<u>General</u>	<u>General</u>
	<u>Revenue</u>	<u>Officers -</u>		<u>Debt</u>	<u>Capital</u>
		<u>Fees</u>		<u>Service</u>	<u>Projects</u>
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 0	\$ 0	\$ 31,320	\$ 0	\$ 15,652
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 267,415	\$ 1,237,200	\$ 194,956
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 0	\$ 0	\$ 5,285	\$ 0	\$ 0
Restricted:					
Restricted for Administration of Justice	0	0	17,716	0	0
Restricted for Public Safety	2,878	0	548,567	0	0
Restricted for Social, Cultural, and Recreational Services	0	0	144,743	0	0
Restricted for Debt Service	0	0	0	1,806,786	0
Restricted for Capital Projects	0	0	0	0	523,373
Committed:					
Committed for Public Health and Welfare	0	0	358,451	0	0
Committed for Other Operations	0	0	68,797	0	0
Committed for Debt Service	0	0	0	41,601	0
Total Fund Balances	\$ 2,878	\$ 0	\$ 1,143,559	\$ 1,848,387	\$ 523,373
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,878	\$ 4,743	\$ 1,476,117	\$ 3,088,087	\$ 718,329

(Continued)

Exhibit F-1

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

<u>ASSETS</u>	<u>Capital Projects Funds (Cont.)</u>		
	Highway Capital Projects	Total	Total Nonmajor Governmental Funds
Cash	\$ 0	\$ 0	\$ 4,800
Equity in Pooled Cash and Investments	388,205	894,207	3,821,802
Accounts Receivable	0	1,250	71,632
Due from Other Governments	0	31,305	113,313
Property Taxes Receivable	316,249	500,115	2,007,818
Allowance for Uncollectible Property Taxes	(7,042)	(11,136)	(44,705)
Prepaid Items	0	0	5,285
Total Assets	<u>\$ 697,412</u>	<u>\$ 1,415,741</u>	<u>\$ 5,979,945</u>
 <u>LIABILITIES</u> 			
Accounts Payable	\$ 0	\$ 0	\$ 26,385
Accrued Payroll	0	0	9,129
Payroll Deductions Payable	0	0	5,817
Due to Other Funds	0	0	7,176
Due to Litigants, Heirs, and Others	0	0	19,136
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 67,643</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u> 			
Deferred Current Property Taxes	\$ 299,228	\$ 473,198	\$ 1,899,753
Deferred Delinquent Property Taxes	9,174	14,508	58,248
Deferred Grants Received in Advance	0	0	3,000

(Continued)

Exhibit F-1

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

DEFERRED INFLOWS OF RESOURCES (Cont.)

Other Deferred/Unavailable Revenue
 Total Deferred Inflows of Resources

<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
Highway Capital Projects	Total	
\$ 0	\$ 15,652	\$ 46,972
<u>\$ 308,402</u>	<u>\$ 503,358</u>	<u>\$ 2,007,973</u>

FUND BALANCES

Nonspendable:

Prepaid Items

\$ 0 \$ 0 \$ 5,285

Restricted:

Restricted for Administration of Justice

0 0 17,716

Restricted for Public Safety

0 0 548,567

Restricted for Social, Cultural, and Recreational Services

0 0 144,743

Restricted for Debt Service

0 0 1,806,786

Restricted for Capital Projects

389,010 912,383 912,383

Committed:

Committed for Public Health and Welfare

0 0 358,451

Committed for Other Operations

0 0 68,797

Committed for Debt Service

0 0 41,601

Total Fund Balances

\$ 389,010 \$ 912,383 \$ 3,904,329

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

\$ 697,412 \$ 1,415,741 \$ 5,979,945

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, 2017

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control
<u>Revenues</u>						
Local Taxes	\$ 106,893	\$ 4,346	\$ 227,823	\$ 331,241	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	0	69,283
Charges for Current Services	0	0	11,985	0	0	0
Other Local Revenues	0	0	1,734	146,522	11,384	48,988
State of Tennessee	0	0	0	67,139	0	0
Federal Government	0	0	0	0	0	0
Other Governments and Citizens Groups	0	0	44,238	0	0	0
Total Revenues	\$ 106,893	\$ 4,346	\$ 285,780	\$ 544,902	\$ 11,384	\$ 118,271
<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	187,664
Public Health and Welfare	0	0	0	796,764	0	0
Social, Cultural, and Recreational Services	0	2,420	323,123	0	0	0
Other Operations	1,024	42	4,471	3,335	14,646	0
Debt Service:						
Principal on Debt	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0
Capital Projects	43,447	0	0	0	0	0
Total Expenditures	\$ 44,471	\$ 2,462	\$ 327,594	\$ 800,099	\$ 14,646	\$ 187,664

(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
Excess (Deficiency) of Revenues Over Expenditures	\$ 62,422	\$ 1,884	\$ (41,814)	\$ (255,197)	\$ (3,262)	\$ (69,393)
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	13,000
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	13,000
Net Change in Fund Balances	\$ 62,422	\$ 1,884	\$ (41,814)	\$ (255,197)	\$ (3,262)	\$ (56,393)
Fund Balance, July 1, 2016	375,952	15,832	191,046	614,112	72,059	164,040
Fund Balance, June 30, 2017	\$ 438,374	\$ 17,716	\$ 149,232	\$ 358,915	\$ 68,797	\$ 107,647

(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.)			Debt Service	Capital
	Other Special Revenue	Constitu - tional Officers - Fees	Total	Fund General Debt Service	Projects Funds General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 670,303	\$ 1,255,647	\$ 340,924
Fines, Forfeitures, and Penalties	0	0	69,283	0	0
Charges for Current Services	0	5,297	17,282	0	0
Other Local Revenues	0	0	208,628	41,573	3,886
State of Tennessee	0	0	67,139	0	0
Federal Government	120	0	120	0	169,054
Other Governments and Citizens Groups	0	0	44,238	227,268	0
Total Revenues	\$ 120	\$ 5,297	\$ 1,076,993	\$ 1,524,488	\$ 513,864
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 5,167	\$ 5,167	\$ 0	\$ 0
Administration of Justice	0	130	130	0	0
Public Safety	47,463	0	235,127	0	0
Public Health and Welfare	0	0	796,764	0	0
Social, Cultural, and Recreational Services	0	0	325,543	0	0
Other Operations	0	0	23,518	0	3,439
Debt Service:					
Principal on Debt	0	0	0	1,189,000	0
Interest on Debt	0	0	0	91,245	0
Other Debt Service	0	0	0	254,383	0
Capital Projects	0	0	43,447	0	1,084,514
Total Expenditures	\$ 47,463	\$ 5,297	\$ 1,429,696	\$ 1,534,628	\$ 1,087,953

(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.)			Debt Service	Capital
	Other Special Revenue	Constitu - tional Officers - Fees	Total	Fund General Debt Service	Projects Funds General Capital Projects
Excess (Deficiency) of Revenues Over Expenditures	\$ (47,343)	\$ 0	\$ (352,703)	\$ (10,140)	\$ (574,089)
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 13,000	\$ 0	\$ 190,852
Transfers In	0	0	0	82,617	212,778
Transfers Out	0	0	0	0	(16,555)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 13,000	\$ 82,617	\$ 387,075
Net Change in Fund Balances	\$ (47,343)	\$ 0	\$ (339,703)	\$ 72,477	\$ (187,014)
Fund Balance, July 1, 2016	50,221	0	1,483,262	1,775,910	710,387
Fund Balance, June 30, 2017	\$ 2,878	\$ 0	\$ 1,143,559	\$ 1,848,387	\$ 523,373

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Highway Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 301,422	\$ 642,346	\$ 2,568,296
Fines, Forfeitures, and Penalties	0	0	69,283
Charges for Current Services	0	0	17,282
Other Local Revenues	0	3,886	254,087
State of Tennessee	0	0	67,139
Federal Government	0	169,054	169,174
Other Governments and Citizens Groups	0	0	271,506
Total Revenues	<u>\$ 301,422</u>	<u>\$ 815,286</u>	<u>\$ 3,416,767</u>
<u>Expenditures</u>			
Current:			
Finance	\$ 0	\$ 0	\$ 5,167
Administration of Justice	0	0	130
Public Safety	0	0	235,127
Public Health and Welfare	0	0	796,764
Social, Cultural, and Recreational Services	0	0	325,543
Other Operations	0	3,439	26,957
Debt Service:			
Principal on Debt	0	0	1,189,000
Interest on Debt	0	0	91,245
Other Debt Service	0	0	254,383
Capital Projects	99,858	1,184,372	1,227,819
Total Expenditures	<u>\$ 99,858</u>	<u>\$ 1,187,811</u>	<u>\$ 4,152,135</u>

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Highway Capital Projects	Total	
Excess (Deficiency) of Revenues Over Expenditures	\$ 201,564	\$ (372,525)	\$ (735,368)
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Capital Assets	\$ 82,281	\$ 273,133	\$ 286,133
Transfers In	0	212,778	295,395
Transfers Out	0	(16,555)	(16,555)
Total Other Financing Sources (Uses)	\$ 82,281	\$ 469,356	\$ 564,973
Net Change in Fund Balances	\$ 283,845	\$ 96,831	\$ (170,395)
Fund Balance, July 1, 2016	105,165	815,552	4,074,724
Fund Balance, June 30, 2017	\$ 389,010	\$ 912,383	\$ 3,904,329

Exhibit F-3

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 106,893	\$ 100,000	\$ 100,000	\$ 6,893
Total Revenues	<u>\$ 106,893</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 6,893</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 1,024	\$ 2,000	\$ 2,000	\$ 976
<u>Capital Projects</u>				
Administration of Justice Projects	43,447	0	44,000	553
Total Expenditures	<u>\$ 44,471</u>	<u>\$ 2,000</u>	<u>\$ 46,000</u>	<u>\$ 1,529</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 62,422</u>	<u>\$ 98,000</u>	<u>\$ 54,000</u>	<u>\$ 8,422</u>
Net Change in Fund Balance	\$ 62,422	\$ 98,000	\$ 54,000	\$ 8,422
Fund Balance, July 1, 2016	<u>375,952</u>	<u>368,010</u>	<u>368,010</u>	<u>7,942</u>
Fund Balance, June 30, 2017	<u><u>\$ 438,374</u></u>	<u><u>\$ 466,010</u></u>	<u><u>\$ 422,010</u></u>	<u><u>\$ 16,364</u></u>

Exhibit F-4

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Law Library Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,346	\$ 4,500	\$ 4,500	\$ (154)
Total Revenues	\$ 4,346	\$ 4,500	\$ 4,500	\$ (154)
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 2,420	\$ 4,500	\$ 4,500	\$ 2,080
<u>Other Operations</u>				
Miscellaneous	42	150	150	108
Total Expenditures	\$ 2,462	\$ 4,650	\$ 4,650	\$ 2,188
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,884	\$ (150)	\$ (150)	\$ 2,034
Net Change in Fund Balance	\$ 1,884	\$ (150)	\$ (150)	\$ 2,034
Fund Balance, July 1, 2016	15,832	13,613	13,613	2,219
Fund Balance, June 30, 2017	\$ 17,716	\$ 13,463	\$ 13,463	\$ 4,253

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 227,823	\$ 0	\$ 227,823	\$ 223,107	\$ 223,107	\$ 4,716
Charges for Current Services	11,985	0	11,985	10,100	10,100	1,885
Other Local Revenues	1,734	0	1,734	1,421	1,421	313
Other Governments and Citizens Groups	44,238	0	44,238	33,815	46,315	(2,077)
Total Revenues	\$ 285,780	\$ 0	\$ 285,780	\$ 268,443	\$ 280,943	\$ 4,837
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Libraries	\$ 323,123	\$ (5,693)	\$ 317,430	\$ 317,337	\$ 344,436	\$ 27,006
<u>Other Operations</u>						
Miscellaneous	4,471	0	4,471	6,500	6,500	2,029
Total Expenditures	\$ 327,594	\$ (5,693)	\$ 321,901	\$ 323,837	\$ 350,936	\$ 29,035
Excess (Deficiency) of Revenues Over Expenditures	\$ (41,814)	\$ 5,693	\$ (36,121)	\$ (55,394)	\$ (69,993)	\$ 33,872
Net Change in Fund Balance	\$ (41,814)	\$ 5,693	\$ (36,121)	\$ (55,394)	\$ (69,993)	\$ 33,872
Fund Balance, July 1, 2016	191,046	(5,693)	185,353	132,544	132,544	52,809
Fund Balance, June 30, 2017	\$ 149,232	\$ 0	\$ 149,232	\$ 77,150	\$ 62,551	\$ 86,681

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 331,241	\$ 0	\$ 0	\$ 331,241	\$ 316,635	\$ 316,635	\$ 14,606
Other Local Revenues	146,522	0	0	146,522	100,479	115,387	31,135
State of Tennessee	67,139	0	0	67,139	90,600	115,200	(48,061)
Total Revenues	<u>\$ 544,902</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 544,902</u>	<u>\$ 507,714</u>	<u>\$ 547,222</u>	<u>\$ (2,320)</u>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 41,975	\$ (2,490)	\$ 0	\$ 39,485	\$ 40,600	\$ 40,600	\$ 1,115
Convenience Centers	731,848	(7,070)	8,184	732,962	770,156	799,387	66,425
Other Waste Collection	22,941	0	0	22,941	50,000	50,000	27,059
<u>Other Operations</u>							
Miscellaneous	3,335	0	0	3,335	5,000	5,000	1,665
Total Expenditures	<u>\$ 800,099</u>	<u>\$ (9,560)</u>	<u>\$ 8,184</u>	<u>\$ 798,723</u>	<u>\$ 865,756</u>	<u>\$ 894,987</u>	<u>\$ 96,264</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (255,197)</u>	<u>\$ 9,560</u>	<u>\$ (8,184)</u>	<u>\$ (253,821)</u>	<u>\$ (358,042)</u>	<u>\$ (347,765)</u>	<u>\$ 93,944</u>
Net Change in Fund Balance	\$ (255,197)	\$ 9,560	\$ (8,184)	\$ (253,821)	\$ (358,042)	\$ (347,765)	\$ 93,944
Fund Balance, July 1, 2016	614,112	(9,560)	0	604,552	466,583	466,583	137,969
Fund Balance, June 30, 2017	<u>\$ 358,915</u>	<u>\$ 0</u>	<u>\$ (8,184)</u>	<u>\$ 350,731</u>	<u>\$ 108,541</u>	<u>\$ 118,818</u>	<u>\$ 231,913</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, 2017

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 11,384	\$ 0	\$ 11,384	\$ 15,000	\$ 15,000	\$ (3,616)
Total Revenues	\$ 11,384	\$ 0	\$ 11,384	\$ 15,000	\$ 15,000	\$ (3,616)
<u>Expenditures</u>						
<u>Other Operations</u>						
Industrial Development	\$ 14,532	\$ 8,000	\$ 22,532	\$ 7,500	\$ 24,800	\$ 2,268
Miscellaneous	114	0	114	300	300	186
Total Expenditures	\$ 14,646	\$ 8,000	\$ 22,646	\$ 7,800	\$ 25,100	\$ 2,454
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,262)	\$ (8,000)	\$ (11,262)	\$ 7,200	\$ (10,100)	\$ (1,162)
Net Change in Fund Balance	\$ (3,262)	\$ (8,000)	\$ (11,262)	\$ 7,200	\$ (10,100)	\$ (1,162)
Fund Balance, July 1, 2016	72,059	0	72,059	71,432	71,432	627
Fund Balance, June 30, 2017	\$ 68,797	\$ (8,000)	\$ 60,797	\$ 78,632	\$ 61,332	\$ (535)

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 69,283	\$ 0	\$ 69,283	\$ 115,000	\$ 107,500	\$ (38,217)
Other Local Revenues	48,988	0	48,988	30,000	35,000	13,988
Federal Government	0	0	0	25,000	0	0
Total Revenues	\$ 118,271	\$ 0	\$ 118,271	\$ 170,000	\$ 142,500	\$ (24,229)
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 187,664	\$ (47,886)	\$ 139,778	\$ 185,870	\$ 175,570	\$ 35,792
Total Expenditures	\$ 187,664	\$ (47,886)	\$ 139,778	\$ 185,870	\$ 175,570	\$ 35,792
Excess (Deficiency) of Revenues Over Expenditures	\$ (69,393)	\$ 47,886	\$ (21,507)	\$ (15,870)	\$ (33,070)	\$ 11,563
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 13,000	\$ 0	\$ 13,000	\$ 0	\$ 13,000	\$ 0
Total Other Financing Sources	\$ 13,000	\$ 0	\$ 13,000	\$ 0	\$ 13,000	\$ 0
Net Change in Fund Balance	\$ (56,393)	\$ 47,886	\$ (8,507)	\$ (15,870)	\$ (20,070)	\$ 11,563
Fund Balance, July 1, 2016	164,040	(47,886)	116,154	54,815	54,815	61,339
Fund Balance, June 30, 2017	\$ 107,647	\$ 0	\$ 107,647	\$ 38,945	\$ 34,745	\$ 72,902

Exhibit F-9

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 1,000	\$ 1,000	\$ (1,000)
Federal Government	120	0	120	0	0	120
Total Revenues	\$ 120	\$ 0	\$ 120	\$ 1,000	\$ 1,000	\$ (880)
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 47,463	\$ (46,568)	\$ 895	\$ 1,000	\$ 1,000	\$ 105
Total Expenditures	\$ 47,463	\$ (46,568)	\$ 895	\$ 1,000	\$ 1,000	\$ 105
Excess (Deficiency) of Revenues Over Expenditures	\$ (47,343)	\$ 46,568	\$ (775)	\$ 0	\$ 0	\$ (775)
Net Change in Fund Balance	\$ (47,343)	\$ 46,568	\$ (775)	\$ 0	\$ 0	\$ (775)
Fund Balance, July 1, 2016	50,221	(46,568)	3,653	9,612	9,612	(5,959)
Fund Balance, June 30, 2017	\$ 2,878	\$ 0	\$ 2,878	\$ 9,612	\$ 9,612	\$ (6,734)

Exhibit F-10

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,255,647	\$ 1,249,213	\$ 1,249,213	\$ 6,434
Other Local Revenues	41,573	30,000	30,000	11,573
Other Governments and Citizens Groups	227,268	234,420	234,420	(7,152)
Total Revenues	<u>\$ 1,524,488</u>	<u>\$ 1,513,633</u>	<u>\$ 1,513,633</u>	<u>\$ 10,855</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,189,000	\$ 1,189,000	\$ 1,189,000	\$ 0
<u>Interest on Debt</u>				
General Government	91,245	157,639	157,639	66,394
<u>Other Debt Service</u>				
General Government	254,383	271,920	271,920	17,537
Total Expenditures	<u>\$ 1,534,628</u>	<u>\$ 1,618,559</u>	<u>\$ 1,618,559</u>	<u>\$ 83,931</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,140)</u>	<u>\$ (104,926)</u>	<u>\$ (104,926)</u>	<u>\$ 94,786</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 82,617	\$ 88,016	\$ 88,016	\$ (5,399)
Total Other Financing Sources	<u>\$ 82,617</u>	<u>\$ 88,016</u>	<u>\$ 88,016</u>	<u>\$ (5,399)</u>
Net Change in Fund Balance	\$ 72,477	\$ (16,910)	\$ (16,910)	\$ 89,387
Fund Balance, July 1, 2016	1,775,910	1,630,218	1,630,218	145,692
Fund Balance, June 30, 2017	<u>\$ 1,848,387</u>	<u>\$ 1,613,308</u>	<u>\$ 1,613,308</u>	<u>\$ 235,079</u>

Exhibit F-11

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 340,924	\$ 0	\$ 0	\$ 340,924	\$ 329,609	\$ 329,609	\$ 11,315
Other Local Revenues	3,886	0	0	3,886	1,000	1,000	2,886
Federal Government	169,054	0	0	169,054	0	243,722	(74,668)
Total Revenues	\$ 513,864	\$ 0	\$ 0	\$ 513,864	\$ 330,609	\$ 574,331	\$ (60,467)
<u>Expenditures</u>							
<u>Other Operations</u>							
Miscellaneous	\$ 3,439	\$ 0	\$ 0	\$ 3,439	\$ 4,000	\$ 4,000	\$ 561
<u>Capital Projects</u>							
General Administration Projects	196,916	0	34,947	231,863	130,240	245,414	13,551
Public Safety Projects	238,166	0	926,900	1,165,066	194,500	1,179,550	14,484
Public Health and Welfare Projects	24,850	0	0	24,850	25,000	25,000	150
Public Utility Projects	167,009	(163,812)	0	3,197	0	3,240	43
Other General Government Projects	10,000	0	0	10,000	0	10,000	0
Highway and Street Capital Projects	447,573	(6,725)	2,497	443,345	266,720	635,606	192,261
Total Expenditures	\$ 1,087,953	\$ (170,537)	\$ 964,344	\$ 1,881,760	\$ 620,460	\$ 2,102,810	\$ 221,050
Excess (Deficiency) of Revenues Over Expenditures	\$ (574,089)	\$ 170,537	\$ (964,344)	\$ (1,367,896)	\$ (289,851)	\$ (1,528,479)	\$ 160,583
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 926,900	\$ (926,900)
Proceeds from Sale of Capital Assets	190,852	0	0	190,852	0	190,852	0
Transfers In	212,778	0	0	212,778	0	212,778	0
Transfers Out	(16,555)	0	0	(16,555)	0	(16,555)	0
Total Other Financing Sources	\$ 387,075	\$ 0	\$ 0	\$ 387,075	\$ 0	\$ 1,313,975	\$ (926,900)
Net Change in Fund Balance	\$ (187,014)	\$ 170,537	\$ (964,344)	\$ (980,821)	\$ (289,851)	\$ (214,504)	\$ (766,317)
Fund Balance, July 1, 2016	710,387	(170,537)	0	539,850	640,965	640,965	(101,115)
Fund Balance, June 30, 2017	\$ 523,373	\$ 0	\$ (964,344)	\$ (440,971)	\$ 351,114	\$ 426,461	\$ (867,432)

Exhibit F-12

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 301,422	\$ 0	\$ 301,422	\$ 301,731	\$ 301,731	\$ (309)
Total Revenues	\$ 301,422	\$ 0	\$ 301,422	\$ 301,731	\$ 301,731	\$ (309)
<u>Expenditures</u>						
<u>Capital Projects</u>						
Highway and Street Capital Projects	\$ 99,858	\$ (600)	\$ 99,258	\$ 384,636	\$ 466,917	\$ 367,659
Total Expenditures	\$ 99,858	\$ (600)	\$ 99,258	\$ 384,636	\$ 466,917	\$ 367,659
Excess (Deficiency) of Revenues Over Expenditures	\$ 201,564	\$ 600	\$ 202,164	\$ (82,905)	\$ (165,186)	\$ 367,350
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 82,281	\$ 0	\$ 82,281	\$ 0	\$ 82,281	\$ 0
Total Other Financing Sources	\$ 82,281	\$ 0	\$ 82,281	\$ 0	\$ 82,281	\$ 0
Net Change in Fund Balance	\$ 283,845	\$ 600	\$ 284,445	\$ (82,905)	\$ (82,905)	\$ 367,350
Fund Balance, July 1, 2016	105,165	(600)	104,565	91,847	91,847	12,718
Fund Balance, June 30, 2017	\$ 389,010	\$ 0	\$ 389,010	\$ 8,942	\$ 8,942	\$ 380,068

Major Governmental Funds

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.

Exhibit G-1

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,551,271	\$ 4,534,917	\$ 4,534,917	\$ 16,354
Other Local Revenues	226,614	60,000	123,841	102,773
Total Revenues	<u>\$ 4,777,885</u>	<u>\$ 4,594,917</u>	<u>\$ 4,658,758</u>	<u>\$ 119,127</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 3,275,300	\$ 3,275,000	\$ 3,338,841	\$ 63,541
<u>Interest on Debt</u>				
Education	1,732,034	1,810,975	1,810,975	78,941
<u>Other Debt Service</u>				
Education	92,152	130,000	130,000	37,848
Total Expenditures	<u>\$ 5,099,486</u>	<u>\$ 5,215,975</u>	<u>\$ 5,279,816</u>	<u>\$ 180,330</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (321,601)</u>	<u>\$ (621,058)</u>	<u>\$ (621,058)</u>	<u>\$ 299,457</u>
Net Change in Fund Balance	\$ (321,601)	\$ (621,058)	\$ (621,058)	\$ 299,457
Fund Balance, July 1, 2016	<u>8,905,731</u>	<u>8,519,865</u>	<u>8,519,865</u>	<u>385,866</u>
Fund Balance, June 30, 2017	<u>\$ 8,584,130</u>	<u>\$ 7,898,807</u>	<u>\$ 7,898,807</u>	<u>\$ 685,323</u>

Fiduciary Funds

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

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

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register 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, 2017

	Agency Funds				
	Cities - Sales Tax	City School ADA - Lenoir City	Constitu - tional Officers - Agency	Other Agency	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 508,086	\$ 0	\$ 508,086
Equity in Pooled Cash and Investments	0	117,946	0	3,402,649	3,520,595
Accounts Receivable	0	0	380	58,538	58,918
Due from Other Governments	865,598	356,256	0	0	1,221,854
Property Taxes Receivable	0	5,635,696	0	0	5,635,696
Allowance for Uncollectible Property Taxes	0	(125,479)	0	0	(125,479)
Total Assets	<u>\$ 865,598</u>	<u>\$ 5,984,419</u>	<u>\$ 508,466</u>	<u>\$ 3,461,187</u>	<u>\$ 10,819,670</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 47,821	\$ 47,821
Due to Other Taxing Units	865,598	5,984,419	0	0	6,850,017
Due to Litigants, Heirs, and Others	0	0	508,466	0	508,466
Due to Joint Ventures	0	0	0	3,413,366	3,413,366
Total Liabilities	<u>\$ 865,598</u>	<u>\$ 5,984,419</u>	<u>\$ 508,466</u>	<u>\$ 3,461,187</u>	<u>\$ 10,819,670</u>

Exhibit H-2

Loudon County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,968,000	\$ 4,968,000	\$ 0
Due from Other Governments	786,302	865,598	786,302	865,598
Total Assets	\$ 786,302	\$ 5,833,598	\$ 5,754,302	\$ 865,598
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 786,302	\$ 5,833,598	\$ 5,754,302	\$ 865,598
Total Liabilities	\$ 786,302	\$ 5,833,598	\$ 5,754,302	\$ 865,598
<u>City School ADA - Lenoir City Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 208,973	\$ 7,521,386	\$ 7,612,413	\$ 117,946
Due from Other Governments	336,456	356,256	336,456	356,256
Taxes Receivable	6,126,653	5,635,696	6,126,653	5,635,696
Allowance for Uncollectible Taxes	(135,205)	(125,479)	(135,205)	(125,479)
Total Assets	\$ 6,536,877	\$ 13,387,859	\$ 13,940,317	\$ 5,984,419
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,536,877	\$ 13,387,859	\$ 13,940,317	\$ 5,984,419
Total Liabilities	\$ 6,536,877	\$ 13,387,859	\$ 13,940,317	\$ 5,984,419
<u>Center Board</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 151,977	\$ 151,977	\$ 0
Total Assets	\$ 0	\$ 151,977	\$ 151,977	\$ 0
<u>Liabilities</u>				
Due to Joint Ventures	\$ 0	\$ 151,977	\$ 151,977	\$ 0
Total Liabilities	\$ 0	\$ 151,977	\$ 151,977	\$ 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	\$ 511,521	\$ 9,264,966	\$ 9,268,401	\$ 508,086
Accounts Receivable	0	380	0	380
Total Assets	<u>\$ 511,521</u>	<u>\$ 9,265,346</u>	<u>\$ 9,268,401</u>	<u>\$ 508,466</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 511,521	\$ 9,265,346	\$ 9,268,401	\$ 508,466
Total Liabilities	<u>\$ 511,521</u>	<u>\$ 9,265,346</u>	<u>\$ 9,268,401</u>	<u>\$ 508,466</u>
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 3,214,658	\$ 325,056	\$ 137,065	\$ 3,402,649
Accounts Receivable	25,856	58,538	25,856	58,538
Total Assets	<u>\$ 3,240,514</u>	<u>\$ 383,594</u>	<u>\$ 162,921</u>	<u>\$ 3,461,187</u>
<u>Liabilities</u>				
Accounts Payable	\$ 31,853	\$ 47,821	\$ 31,853	\$ 47,821
Due to Joint Ventures	3,208,661	335,773	131,068	3,413,366
Total Liabilities	<u>\$ 3,240,514</u>	<u>\$ 383,594</u>	<u>\$ 162,921</u>	<u>\$ 3,461,187</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 511,521	\$ 9,264,966	\$ 9,268,401	\$ 508,086
Equity in Pooled Cash and Investments	3,423,631	12,966,419	12,869,455	3,520,595
Accounts Receivable	25,856	58,918	25,856	58,918
Due from Other Governments	1,122,758	1,221,854	1,122,758	1,221,854
Taxes Receivable	6,126,653	5,635,696	6,126,653	5,635,696
Allowance for Uncollectible Taxes	(135,205)	(125,479)	(135,205)	(125,479)
Total Assets	<u>\$ 11,075,214</u>	<u>\$ 29,022,374</u>	<u>\$ 29,277,918</u>	<u>\$ 10,819,670</u>
<u>Liabilities</u>				
Accounts Payable	\$ 31,853	\$ 47,821	\$ 31,853	\$ 47,821
Due to Other Taxing Units	7,323,179	19,221,457	19,694,619	6,850,017
Due to Litigants, Heirs, and Others	511,521	9,265,346	9,268,401	508,466
Due to Joint Venture	3,208,661	487,750	283,045	3,413,366
Total Liabilities	<u>\$ 11,075,214</u>	<u>\$ 29,022,374</u>	<u>\$ 29,277,918</u>	<u>\$ 10,819,670</u>

Loudon County School Department

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

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

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

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

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

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

Exhibit I-1

Loudon County, Tennessee
Statement of Activities
Discretely Presented Loudon County School Department
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
Instruction	\$ 25,369,168	\$ 0	\$ 1,692,450	\$ 57,361	\$ (23,619,357)
Support Services	14,562,217	305	677,271	0	(13,884,641)
Operation of Non-instructional Services	3,465,693	491,870	2,861,963	0	(111,860)
Total Governmental Activities	\$ 43,397,078	\$ 492,175	\$ 5,231,684	\$ 57,361	\$ (37,615,858)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 10,632,748
Local Option Sales Taxes					4,006,391
Adequate Facilities/Development Tax					726,728
Grants and Contributions Not Restricted for Specific Programs					22,560,769
Unrestricted Investment Income					42,113
Miscellaneous					81,217
Total General Revenues					\$ 38,049,966
Change in Net Position					\$ 434,108
Net Position, July 1, 2016					90,079,017
Net Position, June 30, 2017					\$ 90,513,125

Exhibit I-2

Loudon County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Loudon County School Department
June 30, 2017

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</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	\$ 3,200	\$ 4,200
Equity in Pooled Cash and Investments	6,716,282	2,835,509	825,936	10,377,727
Accounts Receivable	99,626	0	662	100,288
Due from Other Governments	1,086,592	0	128,350	1,214,942
Due from Other Funds	17,479	0	3,878	21,357
Property Taxes Receivable	11,028,100	0	0	11,028,100
Allowance for Uncollectible Property Taxes	(245,543)	0	0	(245,543)
Prepaid Items	659,574	0	8,721	668,295
Total Assets	<u>\$ 19,363,110</u>	<u>\$ 2,835,509</u>	<u>\$ 970,747</u>	<u>\$ 23,169,366</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 299,466	\$ 15,102	\$ 12,396	\$ 326,964
Accrued Payroll	0	0	2,349	2,349
Payroll Deductions Payable	1,052,207	0	125,256	1,177,463
Contracts Payable	0	466,882	0	466,882
Retainage Payable	0	19,348	0	19,348
Due to Other Funds	3,878	17,366	113	21,357
Total Liabilities	<u>\$ 1,355,551</u>	<u>\$ 518,698</u>	<u>\$ 140,114</u>	<u>\$ 2,014,363</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 10,434,544	\$ 0	\$ 0	\$ 10,434,544
Deferred Delinquent Property Taxes	319,938	0	0	319,938
Other Deferred/Unavailable Revenue	353,964	0	0	353,964
Total Deferred Inflows of Resources	<u>\$ 11,108,446</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,108,446</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 Funds</u>	<u>Total Governmental Funds</u>
	<u>General Purpose School</u>	<u>Education Capital Projects</u>	<u>Other Governmental Funds</u>	
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 659,574	\$ 0	\$ 8,721	\$ 668,295
Restricted:				
Restricted for Education	0	0	235,511	235,511
Restricted for Capital Projects	0	2,316,811	0	2,316,811
Committed:				
Committed for Education	0	0	590,000	590,000
Assigned:				
Assigned for Education	2,626,896	0	0	2,626,896
Unassigned	3,612,643	0	(3,599)	3,609,044
Total Fund Balances	<u>\$ 6,899,113</u>	<u>\$ 2,316,811</u>	<u>\$ 830,633</u>	<u>\$ 10,046,557</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,363,110</u>	<u>\$ 2,835,509</u>	<u>\$ 970,747</u>	<u>\$ 23,169,366</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, 2017

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)		\$ 10,046,557
(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	9,303,935	
Add: buildings and improvements net of accumulated depreciation	67,817,990	
Add: infrastructure net of accumulated depreciation	93,204	
Add: other capital assets net of accumulated depreciation	<u>869,270</u>	82,030,805
(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.		458
(3) 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	\$ (1,144,116)	
Less: net pension liability - agent plan	(314,154)	
Less: net pension liability - teacher legacy plan	<u>(3,033,188)</u>	(4,491,458)
(4) 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: deferred outflows of resources related to pensions	\$ 6,056,779	
Less: deferred inflows of resources related to pensions	<u>(3,851,299)</u>	2,205,480
(5) Net pension assets of the teacher retirement plan are not current financial resources and therefore are not reported in the governmental funds.		47,381
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>673,902</u>
Net position of governmental activities (Exhibit A)		<u>\$ 90,513,125</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, 2017

	<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>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 14,536,127	\$ 722,240	\$ 0	\$ 15,258,367
Licenses and Permits	1,230	0	0	1,230
Charges for Current Services	18,031	0	491,870	509,901
Other Local Revenues	216,389	0	4,401	220,790
State of Tennessee	23,230,197	0	22,388	23,252,585
Federal Government	299,986	0	4,044,878	4,344,864
Other Governments and Citizens Groups	89,697	0	0	89,697
Total Revenues	\$ 38,391,657	\$ 722,240	\$ 4,563,537	\$ 43,677,434
<u>Expenditures</u>				
Current:				
Instruction	\$ 24,889,516	\$ 0	\$ 1,472,423	\$ 26,361,939
Support Services	11,917,695	0	881,109	12,798,804
Operation of Non-Instructional Services	1,185,205	0	2,348,432	3,533,637
Capital Projects	0	7,118,165	0	7,118,165
Total Expenditures	\$ 37,992,416	\$ 7,118,165	\$ 4,701,964	\$ 49,812,545
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 399,241	\$ (6,395,925)	\$ (138,427)	\$ (6,135,111)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 15,178	\$ 0	\$ 0	\$ 15,178
Transfers In	0	0	288,000	288,000
Transfers Out	(288,000)	0	0	(288,000)
Total Other Financing Sources (Uses)	\$ (272,822)	\$ 0	\$ 288,000	\$ 15,178

(Continued)

Exhibit I-4

Loudon County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
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>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	
Net Change in Fund Balances	\$ 126,419	\$ (6,395,925)	\$ 149,573	\$ (6,119,933)
Fund Balance, July 1, 2016	6,772,694	8,712,736	681,060	16,166,490
Fund Balance, June 30, 2017	<u>\$ 6,899,113</u>	<u>\$ 2,316,811</u>	<u>\$ 830,633</u>	<u>\$ 10,046,557</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, 2017

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)		\$ (6,119,933)
(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	\$ 6,992,633	
Less: current-year depreciation expense	<u>(1,838,044)</u>	5,154,589
(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		(73,052)
(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, 2016	\$ (520,150)	
Add: deferred delinquent property taxes and other deferred June 30, 2017	<u>673,902</u>	153,752
(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	(38,842)	
Change in net pension liability - agent plan	(171,462)	
Change in net pension asset - teacher retirement plan	28,229	
Change in net pension liability - teacher legacy plan	(2,834,179)	
Change in deferred outflows related to pensions	3,655,375	
Change in deferred inflows related to pensions	<u>743,561</u>	1,382,682
(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>(63,930)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 434,108</u>

Exhibit I-6

Loudon County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Loudon County School Department
June 30, 2017

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Cash	\$ 2,000	\$ 1,200	\$ 3,200
Equity in Pooled Cash and Investments	261,998	563,938	825,936
Accounts Receivable	0	662	662
Due from Other Governments	110,694	17,656	128,350
Due from Other Funds	3,878	0	3,878
Prepaid Items	8,721	0	8,721
Total Assets	<u>\$ 387,291</u>	<u>\$ 583,456</u>	<u>\$ 970,747</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 9,536	\$ 2,860	\$ 12,396
Accrued Payroll	0	2,349	2,349
Payroll Deductions Payable	70,633	54,623	125,256
Due to Other Funds	0	113	113
Total Liabilities	<u>\$ 80,169</u>	<u>\$ 59,945</u>	<u>\$ 140,114</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$ 8,721	\$ 0	\$ 8,721
Restricted:			
Restricted for Education	0	235,511	235,511
Committed:			
Committed for Education	302,000	288,000	590,000
Unassigned	(3,599)	0	(3,599)
Total Fund Balances	<u>\$ 307,122</u>	<u>\$ 523,511</u>	<u>\$ 830,633</u>
Total Liabilities and Fund Balances	<u>\$ 387,291</u>	<u>\$ 583,456</u>	<u>\$ 970,747</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, 2017

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 491,870	\$ 491,870
Other Local Revenues	2,000	2,401	4,401
State of Tennessee	0	22,388	22,388
Federal Government	2,356,526	1,688,352	4,044,878
Total Revenues	<u>\$ 2,358,526</u>	<u>\$ 2,205,011</u>	<u>\$ 4,563,537</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,472,423	\$ 0	\$ 1,472,423
Support Services	881,109	0	881,109
Operation of Non-Instructional Services	0	2,348,432	2,348,432
Total Expenditures	<u>\$ 2,353,532</u>	<u>\$ 2,348,432</u>	<u>\$ 4,701,964</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,994</u>	<u>\$ (143,421)</u>	<u>\$ (138,427)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 0	\$ 288,000	\$ 288,000
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 288,000</u>	<u>\$ 288,000</u>
Net Change in Fund Balances	\$ 4,994	\$ 144,579	\$ 149,573
Fund Balance, July 1, 2016	302,128	378,932	681,060
Fund Balance, June 30, 2017	<u>\$ 307,122</u>	<u>\$ 523,511</u>	<u>\$ 830,633</u>

Exhibit I-8

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Loudon County School Department
General Purpose School Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 14,536,127	\$ 0	\$ 0	\$ 14,536,127	\$ 13,536,778	\$ 13,541,278	\$ 994,849
Licenses and Permits	1,230	0	0	1,230	1,200	1,200	30
Charges for Current Services	18,031	0	0	18,031	0	0	18,031
Other Local Revenues	216,389	0	0	216,389	65,487	74,102	142,287
State of Tennessee	23,230,197	0	0	23,230,197	23,086,703	23,279,867	(49,670)
Federal Government	299,986	0	0	299,986	66,000	307,854	(7,868)
Other Governments and Citizens Groups	89,697	0	0	89,697	0	89,531	166
Total Revenues	\$ 38,391,657	\$ 0	\$ 0	\$ 38,391,657	\$ 36,756,168	\$ 37,293,832	\$ 1,097,825
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 20,852,513	\$ (18,713)	\$ 13,485	\$ 20,847,285	\$ 21,510,222	\$ 21,277,959	\$ 430,674
Special Education Program	2,936,703	(47,766)	2,934	2,891,871	2,956,294	3,095,852	203,981
Career and Technical Education Program	1,100,300	(8,455)	242,945	1,334,790	1,103,839	1,357,524	22,734
<u>Support Services</u>							
Health Services	455,767	(1,504)	2,201	456,464	457,100	465,080	8,616
Other Student Support	1,105,783	0	0	1,105,783	1,200,553	1,206,641	100,858
Regular Instruction Program	1,438,908	(88)	0	1,438,820	1,501,956	1,492,367	53,547
Special Education Program	435,879	0	0	435,879	416,180	444,645	8,766
Career and Technical Education Program	148,365	0	0	148,365	154,933	153,133	4,768
Technology	797,664	0	60,900	858,564	0	881,311	22,747
Other Programs	175,701	0	0	175,701	0	175,701	0
Board of Education	662,514	(8)	0	662,506	642,685	676,516	14,010
Director of Schools	311,850	(6,156)	0	305,694	336,476	326,132	20,438
Office of the Principal	1,177,625	(31,257)	64,819	1,211,187	1,053,465	1,302,797	91,610
Fiscal Services	84,445	0	0	84,445	85,627	85,627	1,182
Operation of Plant	2,994,577	(12,570)	0	2,982,007	3,018,497	3,060,986	78,979
Maintenance of Plant	406,778	(63,693)	31,979	375,064	250,000	439,115	64,051
Transportation	1,709,790	(1,434)	1,825	1,710,181	1,870,934	1,783,459	73,278

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Central and Other	\$ 12,049	\$ (12,049)	\$ 0	\$ 0	\$ 837,027	\$ 0	\$ 0
<u>Operation of Non-Instructional Services</u>							
Community Services	358,526	0	2,311	360,837	371,191	398,869	38,032
Early Childhood Education	826,679	(8,742)	147	818,084	810,380	821,674	3,590
Total Expenditures	\$ 37,992,416	\$ (212,435)	\$ 423,546	\$ 38,203,527	\$ 38,577,359	\$ 39,445,388	\$ 1,241,861
Excess (Deficiency) of Revenues Over Expenditures	\$ 399,241	\$ 212,435	\$ (423,546)	\$ 188,130	\$ (1,821,191)	\$ (2,151,556)	\$ 2,339,686
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 15,178	\$ 0	\$ 0	\$ 15,178	\$ 0	\$ 8,440	\$ 6,738
Transfers Out	(288,000)	0	0	(288,000)	0	(288,000)	0
Total Other Financing Sources	\$ (272,822)	\$ 0	\$ 0	\$ (272,822)	\$ 0	\$ (279,560)	\$ 6,738
Net Change in Fund Balance	\$ 126,419	\$ 212,435	\$ (423,546)	\$ (84,692)	\$ (1,821,191)	\$ (2,431,116)	\$ 2,346,424
Fund Balance, July 1, 2016	6,772,694	(212,435)	0	6,560,259	4,002,138	4,002,138	2,558,121
Fund Balance, June 30, 2017	\$ 6,899,113	\$ 0	\$ (423,546)	\$ 6,475,567	\$ 2,180,947	\$ 1,571,022	\$ 4,904,545

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 2,000	\$ 0	\$ 0	\$ 2,000	\$ 0	\$ 0	\$ 2,000
Federal Government	2,356,526	0	0	2,356,526	2,214,131	2,687,731	(331,205)
Total Revenues	<u>\$ 2,358,526</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,358,526</u>	<u>\$ 2,214,131</u>	<u>\$ 2,687,731</u>	<u>\$ (329,205)</u>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 683,835	\$ 0	\$ 3,004	\$ 686,839	\$ 655,410	\$ 815,617	\$ 128,778
Special Education Program	738,496	0	0	738,496	755,487	792,929	54,433
Career and Technical Education Program	50,092	0	0	50,092	50,092	50,092	0
<u>Support Services</u>							
Other Student Support	46,634	0	0	46,634	63,219	65,197	18,563
Regular Instruction Program	483,175	0	0	483,175	394,626	564,818	81,643
Special Education Program	340,300	(200)	0	340,100	284,298	388,077	47,977
Career and Technical Education Program	7,000	0	0	7,000	7,000	7,000	0
Transportation	4,000	0	0	4,000	4,000	4,000	0
Total Expenditures	<u>\$ 2,353,532</u>	<u>\$ (200)</u>	<u>\$ 3,004</u>	<u>\$ 2,356,336</u>	<u>\$ 2,214,132</u>	<u>\$ 2,687,730</u>	<u>\$ 331,394</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,994</u>	<u>\$ 200</u>	<u>\$ (3,004)</u>	<u>\$ 2,190</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ 2,189</u>
Net Change in Fund Balance	\$ 4,994	\$ 200	\$ (3,004)	\$ 2,190	\$ (1)	\$ 1	\$ 2,189
Fund Balance, July 1, 2016	302,128	(200)	0	301,928	300,075	300,075	1,853
Fund Balance, June 30, 2017	<u>\$ 307,122</u>	<u>\$ 0</u>	<u>\$ (3,004)</u>	<u>\$ 304,118</u>	<u>\$ 300,074</u>	<u>\$ 300,076</u>	<u>\$ 4,042</u>

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, 2017

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive - (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 491,870	\$ 0	\$ 491,870	\$ 525,850	\$ 525,850	\$ (33,980)
Other Local Revenues	2,401	0	2,401	0	0	2,401
State of Tennessee	22,388	0	22,388	25,000	25,000	(2,612)
Federal Government	1,688,352	0	1,688,352	1,670,000	1,695,000	(6,648)
Total Revenues	\$ 2,205,011	\$ 0	\$ 2,205,011	\$ 2,220,850	\$ 2,245,850	\$ (40,839)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 2,348,432	\$ 24,883	\$ 2,373,315	\$ 2,595,425	\$ 2,576,425	\$ 203,110
Total Expenditures	\$ 2,348,432	\$ 24,883	\$ 2,373,315	\$ 2,595,425	\$ 2,576,425	\$ 203,110
Excess (Deficiency) of Revenues Over Expenditures	\$ (143,421)	\$ (24,883)	\$ (168,304)	\$ (374,575)	\$ (330,575)	\$ 162,271
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 288,000	\$ 0	\$ 288,000	\$ 0	\$ 288,000	\$ 0
Total Other Financing Sources	\$ 288,000	\$ 0	\$ 288,000	\$ 0	\$ 288,000	\$ 0
Net Change in Fund Balance	\$ 144,579	\$ (24,883)	\$ 119,696	\$ (374,575)	\$ (42,575)	\$ 162,271
Fund Balance, July 1, 2016	378,932	0	378,932	393,202	393,202	(14,270)
Fund Balance, June 30, 2017	\$ 523,511	\$ (24,883)	\$ 498,628	\$ 18,627	\$ 350,627	\$ 148,001

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 722,240	\$ 0	\$ 0	\$ 722,240	\$ 300,000	\$ 615,000	\$ 107,240
Total Revenues	\$ 722,240	\$ 0	\$ 0	\$ 722,240	\$ 300,000	\$ 615,000	\$ 107,240
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 7,118,165	\$ (4,384,773)	\$ 850,413	\$ 3,583,805	\$ 0	\$ 4,470,987	\$ 887,182
Total Expenditures	\$ 7,118,165	\$ (4,384,773)	\$ 850,413	\$ 3,583,805	\$ 0	\$ 4,470,987	\$ 887,182
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,395,925)	\$ 4,384,773	\$ (850,413)	\$ (2,861,565)	\$ 300,000	\$ (3,855,987)	\$ 994,422
Net Change in Fund Balance	\$ (6,395,925)	\$ 4,384,773	\$ (850,413)	\$ (2,861,565)	\$ 300,000	\$ (3,855,987)	\$ 994,422
Fund Balance, July 1, 2016	8,712,736	(4,384,773)	0	4,327,963	4,626,349	4,626,349	(298,386)
Fund Balance, June 30, 2017	\$ 2,316,811	\$ 0	\$ (850,413)	\$ 1,466,398	\$ 4,926,349	\$ 770,362	\$ 696,036

Loudon County, Tennessee
Statement of Net Position - Proprietary Fund
Discretely Presented Loudon County School Department
June 30, 2017

	Internal Service Fund
	<u>Employee Dental and Vision Insurance Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 15,040
Accounts Receivable	911
Total Assets	<u>\$ 15,951</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Other Current Liabilities	\$ 15,493
Total Liabilities	<u>\$ 15,493</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 458</u>
Total Net Position	<u><u>\$ 458</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, 2017

	<u>Internal Service Fund</u> <u>Employee Dental and Vision Insurance Fund</u>
<u>Operating Revenues</u>	
Charges for Services	\$ 336,768
Total Operating Revenues	<u>\$ 336,768</u>
<u>Operating Expenses</u>	
Medical and Dental Services	\$ 400,698
Total Operating Expenses	<u>\$ 400,698</u>
Operating Income (Loss)	<u>\$ (63,930)</u>
Change in Net Position	\$ (63,930)
Net Position, July 1, 2016	<u>64,388</u>
Net Position, June 30, 2017	<u><u>\$ 458</u></u>

Loudon County, Tennessee
Statement of Cash Flows
Discretely Presented Loudon County School Department
Proprietary Fund
For the Year Ended June 30, 2017

	Internal Service Fund
	<u>Employee Dental and Vision Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 335,857
Payments for Claims	(408,404)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (72,547)</u>
Increase (Decrease) in Cash	\$ (72,547)
Cash, July 1, 2016	<u>87,587</u>
Cash, June 30, 2017	<u><u>\$ 15,040</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (63,930)
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivables	(911)
Increase (Decrease) in Other Current Liabilities	<u>(7,706)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (72,547)</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Loudon County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2017

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-16	Paid and/or Matured During Period	Outstanding 6-30-17
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Del Conca Waterline Extension	\$ 400,000	2.88%	2-1-13	2-1-23	\$ 292,000	\$ 38,000	\$ 254,000
Total Payable through General Debt Service Fund					\$ 292,000	\$ 38,000	\$ 254,000
Total Notes Payable					\$ 292,000	\$ 38,000	\$ 254,000
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Fund</u>							
City of Loudon - Highlands Business Center	475,000	0	5-1-00	(1)	\$ 214,836	\$ 47,322	\$ 167,514
Total Payable through General Fund					\$ 214,836	\$ 47,322	\$ 167,514
<u>Payable through General Debt Service Fund</u>							
Montgomery County PBA Loan	5,000,000	Variable	5-8-03	5-25-18	\$ 815,000	\$ 401,000	\$ 414,000
Blount County PBA Loan, Series E-3-C - Refunding	2,570,000	Variable	7-31-08	6-1-20	1,025,000	250,000	775,000
Total Payable through General Debt Service Fund					\$ 1,840,000	\$ 651,000	\$ 1,189,000
<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	\$ 8,320,000	\$ 725,000	\$ 7,595,000
Qualified Zone Academy Bonds - Energy Efficiency	4,129,500	0	12-28-05	12-1-20	1,376,500	275,300	1,101,200
Total Payable through Education Debt Service Fund					\$ 9,696,500	\$ 1,000,300	\$ 8,696,200
Total Other Loans Payable					\$ 11,751,336	\$ 1,698,622	\$ 10,052,714

(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 7-1-16	Paid and/or Matured During Period	Outstanding 6-30-17
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Refunding Series 2014A	\$ 2,600,000	2.8%	12-30-14	4-1-20	\$ 2,130,000	\$ 500,000	\$ 1,630,000
Total Payable through General Debt Service Fund					<u>\$ 2,130,000</u>	<u>\$ 500,000</u>	<u>\$ 1,630,000</u>
<u>Payable through Education Debt Service Fund</u>							
Rural School Bonds, Series 2011	9,995,000	3.17	11-1-11	6-1-36	\$ 9,600,000	\$ 100,000	\$ 9,500,000
Rural School Bonds, Series 2012	23,500,000	2 to 4	7-25-12	6-1-36	20,600,000	775,000	19,825,000
Rural School Bonds, Series 2013A	8,850,000	1.4 to 5	5-10-13	6-1-23	6,300,000	1,000,000	5,300,000
Rural School Bonds, Series 2014B	9,845,000	2.59	12-30-14	4-1-35	9,460,000	400,000	9,060,000
Total Payable through Education Debt Service Fund					<u>\$ 45,960,000</u>	<u>\$ 2,275,000</u>	<u>\$ 43,685,000</u>
Total Bonds Payable					<u>\$ 48,090,000</u>	<u>\$ 2,775,000</u>	<u>\$ 45,315,000</u>

- (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
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	\$ 254,000	\$ 26,179	\$ 280,179

Year Ending June 30	Other Loans			
	Principal (1)	Interest	Other Fees	Total
2018	\$ 1,709,300	\$ 277,192	\$ 12,249	\$ 1,998,741
2019	1,340,300	242,986	8,011	1,591,297
2020	1,410,300	211,530	6,851	1,628,681
2021	1,190,300	178,190	5,613	1,374,103
2022	970,000	146,531	4,616	1,121,147
2023	1,025,000	112,969	3,559	1,141,528
2024	1,090,000	77,504	2,442	1,169,946
2025	1,150,000	39,790	1,253	1,191,043
Total	\$ 9,885,200	\$ 1,286,692	\$ 44,594	\$ 11,216,486

(1) Does not include the City of Loudon - Highland Business Center note (\$167,514) 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		Total
	Principal	Interest	
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	\$ 45,315,000	\$ 13,838,702	\$ 59,153,702

Exhibit J-3

Loudon County, Tennessee
Schedule of Transfers - Primary Government and Discretely Presented Loudon County School Department
For the Year Ended June 30, 2017

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Cash Flow	\$ 172,778
Highway/Public Works	General Debt Service	Debt Retirement	82,617
"	General Capital Projects	Reimbursement for Capital Purchase	40,000
General Capital Projects	General	Return of cash flow transfer from prior years	<u>16,555</u>
Total Transfers Primary Government			<u>\$ 311,950</u>
<u>DISCRETELY PRESENTED LOUDON</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Central Cafeteria	Operations	<u>\$ 288,000</u>
Total Transfers Discretely Presented Loudon County School Department			<u>\$ 288,000</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, 2017

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:	Section 8-24-102, <i>TCA</i>	\$ 87,963	\$ 100,000	Western Surety Company
Highway Superintendent	Section 8-24-102, <i>TCA</i>	83,774	100,000	"
Director of Schools	State Board of Education and County Board of Education	136,720 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	71,690	1,466,000	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	71,690	50,000	"
Director of Accounts and Budgets	County Commission	71,690	100,000	"
Purchasing Agent	County Commission	49,633	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	71,690	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	71,690	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	71,690	50,000	Ohio Farmers Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	71,690	100,000	Western Surety Company
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	84,374 (2)	100,000	"
Employee Blanket Bonds - All County Employees:			400,000	Tennessee Risk Management Trust

(1) Includes career ladder supplement of \$1,000 and travel stipend of \$7,200.

(2) Includes a county workhouse supervisor payment of \$4,915 and a law enforcement training supplement of \$600.

Exhibit J-5

Loudon County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2017

	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	\$ 8,608,049	\$ 0	\$ 0	\$ 219,413	\$ 0	\$ 0
Trustee's Collections - Prior Year	127,913	0	0	3,576	0	0
Trustee's Collections - Bankruptcy	4,445	0	0	115	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	135,901	0	0	3,464	0	0
Interest and Penalty	29,600	0	0	798	0	0
Payments in-Lieu-of Taxes - Other	176,256	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	496,905	0	0	0	331,237	0
Hotel/Motel Tax	442,375	0	0	0	0	0
Litigation Tax - General	105,449	0	0	0	0	0
Litigation Tax - Special Purpose	263,452	0	4,346	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	106,893	0	0	0	0
Business Tax	651,757	0	0	0	0	0
Mixed Drink Tax	21,815	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	17,117	0	0	457	4	0
Wholesale Beer Tax	110,051	0	0	0	0	0
Total Local Taxes	\$ 11,191,085	\$ 106,893	\$ 4,346	\$ 227,823	\$ 331,241	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 64,826	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	338,751	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	\$ 2,945	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	278,298	0	0	0	0	0
Other Permits	51,969	0	0	0	0	0
Total Licenses and Permits	<u>\$ 736,789</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>						
DUI Treatment Fines	\$ 2,755	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Circuit Court	935	0	0	0	0	0
Courtroom Security Fee	5,913	0	0	0	0	0
<u>Criminal Court</u>						
Fines	10,833	0	0	0	0	0
Officers Costs	24,988	0	0	0	0	0
Drug Control Fines	2,763	0	0	0	0	0
Jail Fees	1,584	0	0	0	0	0
Data Entry Fee - Criminal Court	925	0	0	0	0	0
Victims Assistance Assessments	3,396	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	43,604	0	0	0	0	0
Officers Costs	117,911	0	0	0	0	0
Game and Fish Fines	298	0	0	0	0	0
Drug Control Fines	7,085	0	0	0	0	0
Jail Fees	5,095	0	0	0	0	0
DUI Treatment Fines	15,399	0	0	0	0	0
Data Entry Fee - General Sessions Court	18,799	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>						
Courtroom Security Fee	\$ 100,224	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Victims Assistance Assessments	17,429	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	1,430	0	0	0	0	0
Data Entry Fee - Juvenile Court	675	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	10,071	0	0	0	0	0
Data Entry Fee - Chancery Court	4,700	0	0	0	0	0
Courtroom Security Fee	2,230	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	5,436	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
Total Fines, Forfeitures, and Penalties	\$ 404,478	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>Fees</u>						
Copy Fees	\$ 0	\$ 0	\$ 0	\$ 5,469	\$ 0	\$ 0
Library Fees	0	0	0	6,516	0	0
Greenbelt Late Application Fee	100	0	0	0	0	0
Telephone Commissions	52,144	0	0	0	0	0
Vending Machine Collections	60	0	0	0	0	0
Constitutional Officers' Fees and Commissions	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					
	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>						
Data Processing Fee - Register	\$ 22,522	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Sheriff	8,269	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,300	0	0	0	0	0
Data Processing Fee - County Clerk	933	0	0	0	0	0
Total Charges for Current Services	<u>\$ 87,328</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,985</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 27,234	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	3,100	0	0	0	0	11,384
Sale of Materials and Supplies	2,528	0	0	355	0	0
Commissary Sales	16,978	0	0	0	0	0
Sale of Recycled Materials	190	0	0	0	145,796	0
Retirees' Insurance Payments	69,505	0	0	666	263	0
Cobra Insurance Payments	2,408	0	0	0	0	0
Miscellaneous Refunds	66,075	0	0	293	463	0
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	0	0	0	0	0	0
Sale of Equipment	1,543	0	0	0	0	0
Damages Recovered from Individuals	215	0	0	0	0	0
Contributions and Gifts	42,681	0	0	420	0	0
Total Other Local Revenues	<u>\$ 232,457</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,734</u>	<u>\$ 146,522</u>	<u>\$ 11,384</u>

(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>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 508,916	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	87,608	0	0	0	0	0
General Sessions Court Clerk	390,433	0	0	0	0	0
Clerk and Master	98,010	0	0	0	0	0
Register	333,609	0	0	0	0	0
Sheriff	41,026	0	0	0	0	0
Trustee	864,148	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,323,750	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	12,671	0	0	0	0	0
Solid Waste Grants	0	0	0	0	28,302	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	28,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	130,607	0	0	0	0	0
Other Health and Welfare Grants	27,290	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	0	0	0	0	38,837	0
<u>Other State Revenues</u>						
Income Tax	1,055,133	0	0	0	0	0
Beer Tax	18,415	0	0	0	0	0
Vehicle Certificate of Title Fees	10,328	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>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 77,768	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Prisoner Boarding	259,962	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 Revenues	4,299	0	0	0	0	0
Total State of Tennessee	\$ 1,657,088	\$ 0	\$ 0	\$ 0	\$ 67,139	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	55,399	0	0	0	0	0
Homeland Security Grants	12,500	0	0	0	0	0
Other Federal through State	190,845	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	0	0	0	0	0	0
Other Direct Federal Revenue	2,200	0	0	0	0	0
Total Federal Government	\$ 260,944	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 8,282	\$ 0	\$ 0	\$ 29,538	\$ 0	\$ 0
Contracted Services	58,442	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 (Cont.)</u>						
<u>Citizens Groups</u>						
Donations	\$ 16,394	\$ 0	\$ 0	\$ 14,700	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 83,118	\$ 0	\$ 0	\$ 44,238	\$ 0	\$ 0
Total	\$ 16,977,037	\$ 106,893	\$ 4,346	\$ 285,780	\$ 544,902	\$ 11,384

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitu- tional 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	\$ 560,353	\$ 1,164,605	\$ 4,377,394
Trustee's Collections - Prior Year	0	0	0	9,132	18,980	65,510
Trustee's Collections - Bankruptcy	0	0	0	292	608	2,462
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	8,847	18,387	79,942
Interest and Penalty	0	0	0	2,040	4,239	15,582
Payments in-Lieu-of Taxes - Other	0	0	0	0	46,475	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	77,273	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	1,128	2,353	10,381
Wholesale Beer Tax	0	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 659,065	\$ 1,255,647	\$ 4,551,271
<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				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>						
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	319	0	0	0	0	0
Drug Control Fines	9,589	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	0	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0	0
Drug Control Fines	7,085	0	0	0	0	0
Jail Fees	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	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				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>						
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
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	21,901	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	30,389	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 69,283	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<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
Telephone Commissions	0	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	5,297	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Register	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Sheriff	0	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
Total Charges for Current Services	\$ 0	\$ 0	\$ 5,297	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,426	\$ 226,614
Lease/Rentals	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	15,497	0	0
Commissary Sales	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0	0
Retirees' Insurance Payments	0	0	0	12,579	0	0
Cobra Insurance Payments	0	0	0	0	0	0
Miscellaneous Refunds	0	0	0	3,718	0	0
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	0	0	0	0	31,147	0
Sale of Equipment	0	0	0	0	0	0
Damages Recovered from Individuals	0	0	0	0	0	0
Contributions and Gifts	48,988	0	0	0	0	0
Total Other Local Revenues	\$ 48,988	\$ 0	\$ 0	\$ 31,794	\$ 41,573	\$ 226,614

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<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
<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

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
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	1,723,095	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 Revenues	0	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 1,758,130	\$ 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
Other Federal through State	0	0	0	14,000	0	0
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	0	120	0	0	0	0
Other Direct Federal Revenue	0	0	0	0	0	0
Total Federal Government	\$ 0	\$ 120	\$ 0	\$ 14,000	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	0	0	0	0	227,268	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				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 (Cont.)</u>						
<u>Citizens Groups</u>						
Donations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 227,268	\$ 0
 Total	 \$ 118,271	 \$ 120	 \$ 5,297	 \$ 2,462,989	 \$ 1,524,488	 \$ 4,777,885

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		
	General Capital Projects	Highway Capital Projects	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 168,784	\$ 290,305	\$ 15,388,903
Trustee's Collections - Prior Year	2,751	4,731	232,593
Trustee's Collections - Bankruptcy	88	152	8,162
Circuit Clerk/Clerk and Master Collections - Prior Years	2,665	4,583	253,789
Interest and Penalty	615	1,058	53,932
Payments in-Lieu-of Taxes - Other	0	0	222,731
<u>County Local Option Taxes</u>			
Local Option Sales Tax	165,668	0	993,810
Hotel/Motel Tax	0	0	442,375
Litigation Tax - General	0	0	105,449
Litigation Tax - Special Purpose	0	0	267,798
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	106,893
Business Tax	0	0	651,757
Mixed Drink Tax	0	0	21,815
Mineral Severance Tax	0	0	77,273
<u>Statutory Local Taxes</u>			
Bank Excise Tax	353	593	32,386
Wholesale Beer Tax	0	0	110,051
Total Local Taxes	<u>\$ 340,924</u>	<u>\$ 301,422</u>	<u>\$ 18,969,717</u>
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Animal Registration	\$ 0	\$ 0	\$ 64,826
Cable TV Franchise	0	0	338,751

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		
	General Capital Projects	Highway Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>			
<u>Permits</u>			
Beer Permits	\$ 0	\$ 0	\$ 2,945
Building Permits	0	0	278,298
Other Permits	0	0	51,969
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 736,789</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
DUI Treatment Fines	\$ 0	\$ 0	\$ 2,755
Data Entry Fee - Circuit Court	0	0	935
Courtroom Security Fee	0	0	5,913
<u>Criminal Court</u>			
Fines	0	0	10,833
Officers Costs	0	0	25,307
Drug Control Fines	0	0	12,352
Jail Fees	0	0	1,584
Data Entry Fee - Criminal Court	0	0	925
Victims Assistance Assessments	0	0	3,396
<u>General Sessions Court</u>			
Fines	0	0	43,604
Officers Costs	0	0	117,911
Game and Fish Fines	0	0	298
Drug Control Fines	0	0	14,170
Jail Fees	0	0	5,095
DUI Treatment Fines	0	0	15,399
Data Entry Fee - General Sessions Court	0	0	18,799

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		
	General Capital Projects	Highway Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
Courtroom Security Fee	\$ 0	\$ 0	\$ 100,224
Victims Assistance Assessments	0	0	17,429
<u>Juvenile Court</u>			
Fines	0	0	1,430
Data Entry Fee - Juvenile Court	0	0	675
<u>Chancery Court</u>			
Officers Costs	0	0	10,071
Data Entry Fee - Chancery Court	0	0	4,700
Courtroom Security Fee	0	0	2,230
<u>Other Courts - In-county</u>			
Fines	0	0	5,436
<u>Judicial District Drug Program</u>			
Drug Task Force Forfeitures and Seizures	0	0	21,901
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	0	30,389
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 473,761</u>
<u>Charges for Current Services</u>			
<u>Fees</u>			
Copy Fees	\$ 0	\$ 0	\$ 5,469
Library Fees	0	0	6,516
Greenbelt Late Application Fee	0	0	100
Telephone Commissions	0	0	52,144
Vending Machine Collections	0	0	60
Constitutional Officers' Fees and Commissions	0	0	5,297

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		
	General Capital Projects	Highway Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>			
<u>Fees (Cont.)</u>			
Data Processing Fee - Register	\$ 0	\$ 0	\$ 22,522
Data Processing Fee - Sheriff	0	0	8,269
Sexual Offender Registration Fee - Sheriff	0	0	3,300
Data Processing Fee - County Clerk	0	0	933
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 104,610</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 0	\$ 0	\$ 264,274
Lease/Rentals	0	0	14,484
Sale of Materials and Supplies	0	0	18,380
Commissary Sales	0	0	16,978
Sale of Recycled Materials	0	0	145,986
Retirees' Insurance Payments	0	0	83,013
Cobra Insurance Payments	0	0	2,408
Miscellaneous Refunds	1,250	0	71,799
<u>Nonrecurring Items</u>			
Revenue from Joint Ventures	0	0	31,147
Sale of Equipment	0	0	1,543
Damages Recovered from Individuals	0	0	215
Contributions and Gifts	2,636	0	94,725
Total Other Local Revenues	<u>\$ 3,886</u>	<u>\$ 0</u>	<u>\$ 744,952</u>

(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>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$ 0	\$ 508,916
Circuit Court Clerk	0	0	87,608
General Sessions Court Clerk	0	0	390,433
Clerk and Master	0	0	98,010
Register	0	0	333,609
Sheriff	0	0	41,026
Trustee	0	0	864,148
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,323,750</u>
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 0	\$ 9,000
Aging Programs	0	0	12,671
Solid Waste Grants	0	0	28,302
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	0	28,800
<u>Health and Welfare Grants</u>			
Health Department Programs	0	0	130,607
Other Health and Welfare Grants	0	0	27,290
<u>Public Works Grants</u>			
Litter Program	0	0	38,837
<u>Other State Revenues</u>			
Income Tax	0	0	1,055,133
Beer Tax	0	0	18,415
Vehicle Certificate of Title Fees	0	0	10,328

(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>Other State Revenues (Cont.)</u>			
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 77,768
Contracted Prisoner Boarding	0	0	259,962
Gasoline and Motor Fuel Tax	0	0	1,723,095
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 Revenues	0	0	4,299
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,482,357</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
Community Development	\$ 163,812	\$ 0	\$ 163,812
Civil Defense Reimbursement	0	0	55,399
Homeland Security Grants	0	0	12,500
Other Federal through State	5,242	0	210,087
<u>Direct Federal Revenue</u>			
Asset Forfeiture Funds	0	0	120
Other Direct Federal Revenue	0	0	2,200
Total Federal Government	<u>\$ 169,054</u>	<u>\$ 0</u>	<u>\$ 444,118</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 0	\$ 0	\$ 37,820
Contracted Services	0	0	285,710

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		
	<u>General Capital Projects</u>	<u>Highway Capital Projects</u>	<u>Total</u>
<hr/>			
<u>Other Governments and Citizens Groups (Cont.)</u>			
<u>Citizens Groups</u>			
Donations	\$ 0	\$ 0	\$ 31,094
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 354,624
Total	\$ 513,864	\$ 301,422	\$ 27,634,678

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, 2017

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects Fund</u>	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 10,122,729	\$ 0	\$ 0	\$ 0	\$ 10,122,729
Trustee's Collections - Prior Year	169,252	0	0	0	169,252
Trustee's Collections - Bankruptcy	5,303	0	0	0	5,303
Circuit Clerk/Clerk and Master Collections - Prior Years	159,524	0	0	0	159,524
Interest and Penalty	37,420	0	0	0	37,420
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,991,541	0	0	0	3,991,541
Mixed Drink Tax	25,430	0	0	0	25,430
Adequate Facilities/Development Tax	0	0	0	722,240	722,240
<u>Statutory Local Taxes</u>					
Bank Excise Tax	20,440	0	0	0	20,440
Interstate Telecommunications Tax	4,488	0	0	0	4,488
Total Local Taxes	\$ 14,536,127	\$ 0	\$ 0	\$ 722,240	\$ 15,258,367
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,230	\$ 0	\$ 0	\$ 0	\$ 1,230
Total Licenses and Permits	\$ 1,230	\$ 0	\$ 0	\$ 0	\$ 1,230
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 444,067	\$ 0	\$ 444,067
Lunch Payments - Adults	0	0	35,491	0	35,491
Income from Breakfast	0	0	603	0	603

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
A la Carte Sales	\$ 0	\$ 0	\$ 11,442	\$ 0	\$ 11,442
Receipts from Individual Schools	18,031	0	267	0	18,298
Total Charges for Current Services	\$ 18,031	\$ 0	\$ 491,870	\$ 0	\$ 509,901
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 39,712	\$ 0	\$ 2,401	\$ 0	\$ 42,113
Sale of Materials and Supplies	305	0	0	0	305
E-Rate Funding	98,004	0	0	0	98,004
Retirees' Insurance Payments	59,810	0	0	0	59,810
Miscellaneous Refunds	10,649	0	0	0	10,649
<u>Nonrecurring Items</u>					
Sale of Equipment	7,909	0	0	0	7,909
<u>Other Local Revenues</u>					
Other Local Revenues	0	2,000	0	0	2,000
Total Other Local Revenues	\$ 216,389	\$ 2,000	\$ 2,401	\$ 0	\$ 220,790
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 175,701	\$ 0	\$ 0	\$ 0	\$ 175,701
<u>State Education Funds</u>					
Basic Education Program	20,439,000	0	0	0	20,439,000
Early Childhood Education	815,419	0	0	0	815,419
School Food Service	0	0	22,388	0	22,388

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Other State Education Funds	\$ 379,325	\$ 0	\$ 0	\$ 0	\$ 379,325
Coordinated School Health	156,532	0	0	0	156,532
Internet Connectivity	12,540	0	0	0	12,540
Career Ladder Program	92,743	0	0	0	92,743
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	1,150,937	0	0	0	1,150,937
Other State Revenues	8,000	0	0	0	8,000
Total State of Tennessee	\$ 23,230,197	\$ 0	\$ 22,388	\$ 0	\$ 23,252,585
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,092,306	\$ 0	\$ 1,092,306
Breakfast	0	0	335,302	0	335,302
USDA - Other	0	0	91,991	0	91,991
Vocational Education - Basic Grants to States	0	76,069	0	0	76,069
Title I Grants to Local Education Agencies	0	924,199	0	0	924,199
Special Education - Grants to States	51,000	1,073,934	0	0	1,124,934
Special Education Preschool Grants	0	8,316	0	0	8,316
English Language Acquisition Grants	0	19,010	0	0	19,010
Eisenhower Professional Development State Grants	0	254,998	0	0	254,998
Other Federal through State	183,258	0	0	0	183,258
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	65,728	0	0	0	65,728
Other Direct Federal Revenue	0	0	168,753	0	168,753
Total Federal Government	\$ 299,986	\$ 2,356,526	\$ 1,688,352	\$ 0	\$ 4,344,864

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>Other Governments and Citizens Groups</u>					
<u>Citizens Groups</u>					
Donations	\$ 57,361	\$ 0	\$ 0	\$ 0	\$ 57,361
<u>Other</u>					
Other	32,336	0	0	0	32,336
<u>Total Other Governments and Citizens Groups</u>	<u>\$ 89,697</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 89,697</u>
<u>Total</u>	<u>\$ 38,391,657</u>	<u>\$ 2,358,526</u>	<u>\$ 2,205,011</u>	<u>\$ 722,240</u>	<u>\$ 43,677,434</u>

Exhibit J-7

Loudon County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2017

General Fund

General Government

County Commission

County Official/Administrative Officer	\$	80,210	
Social Security		3,974	
Pensions		3,112	
Life Insurance		858	
Medical Insurance		19,485	
Dental Insurance		2,063	
Employer Medicare		1,122	
Consultants		112,303	
Dues and Memberships		10,936	
Travel		652	
Other Contracted Services		150	
Office Supplies		141	
Other Supplies and Materials		1,781	
Workers' Compensation Insurance		9,005	
In Service/Staff Development		859	
Total County Commission			\$ 246,651

Board of Equalization

Board and Committee Members Fees	\$	1,910	
Travel		218	
Total Board of Equalization			2,128

Beer Board

Board and Committee Members Fees	\$	1,050	
Social Security		11	
Pensions		19	
Employer Medicare		3	
Legal Services		3,525	
Total Beer Board			4,608

Other Boards and Committees

Board and Committee Members Fees	\$	5,300	
Total Other Boards and Committees			5,300

County Mayor/Executive

County Official/Administrative Officer	\$	87,963
Supervisor/Director		4,272
Secretary(ies)		37,626
Clerical Personnel		14,595
Temporary Personnel		2,854
Social Security		8,856
Pensions		14,012
Life Insurance		1,037
Medical Insurance		26,681
Dental Insurance		2,027
Unemployment Compensation		9
Employer Medicare		2,075

(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.)

Communication	\$	2,031	
Dues and Memberships		1,875	
Maintenance and Repair Services - Vehicles		42	
Postal Charges		23	
Travel		2,108	
Gasoline		1,342	
Office Supplies		616	
Road Signs		911	
Tires and Tubes		20	
Other Supplies and Materials		18	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		2,702	
In Service/Staff Development		150	
Furniture and Fixtures		224	
Office Equipment		975	
Total County Mayor/Executive			\$ 215,394

Personnel Office

Part-time Personnel	\$	20,224	
Life Insurance		192	
Dental Insurance		319	
Unemployment Compensation		247	
Employer Medicare		293	
Dues and Memberships		74	
Operating Lease Payments		1,049	
Medical and Dental Services		3,366	
Postal Charges		98	
Printing, Stationery, and Forms		52	
Travel		203	
Other Contracted Services		5,677	
Office Supplies		400	
Other Supplies and Materials		685	
Premiums on Corporate Surety Bonds		50	
In Service/Staff Development		50	
Furniture and Fixtures		412	
Office Equipment		118	
Total Personnel Office			33,509

County Attorney

Legal Services	\$	204,982	
Total County Attorney			204,982

Election Commission

County Official/Administrative Officer	\$	64,521	
Secretary(ies)		39,776	
Temporary Personnel		13,718	
Overtime Pay		2,078	

(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	\$	13,500	
Election Workers		80,801	
Social Security		10,408	
Pensions		10,117	
Life Insurance		416	
Medical Insurance		21,431	
Dental Insurance		1,058	
Employer Medicare		2,566	
Communication		3,152	
Dues and Memberships		225	
Operating Lease Payments		12,456	
Legal Notices, Recording, and Court Costs		1,486	
Licenses		3,350	
Maintenance and Repair Services - Equipment		482	
Postal Charges		5,687	
Printing, Stationery, and Forms		4,895	
Travel		5,022	
Other Contracted Services		19,224	
Office Supplies		4,660	
Uniforms		757	
Workers' Compensation Insurance		1,801	
Furniture and Fixtures		1,702	
Office Equipment		2,994	
Total Election Commission			\$ 328,283

Register of Deeds

County Official/Administrative Officer	\$	71,690	
Clerical Personnel		103,231	
Social Security		10,226	
Pensions		16,968	
Life Insurance		810	
Medical Insurance		53,551	
Dental Insurance		2,889	
Employer Medicare		2,392	
Communication		1,048	
Dues and Memberships		999	
Operating Lease Payments		1,462	
Postal Charges		1,196	
Travel		559	
Other Contracted Services		15,239	
Office Supplies		1,941	
Premiums on Corporate Surety Bonds		362	
Workers' Compensation Insurance		3,602	
Office Equipment		6,980	
Total Register of Deeds			295,145

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning

Supervisor/Director	\$	59,500	
Social Security		3,394	
Pensions		5,772	
Life Insurance		486	
Medical Insurance		17,862	
Dental Insurance		1,089	
Employer Medicare		794	
Communication		1,589	
Dues and Memberships		832	
Operating Lease Payments		1,547	
Maintenance Agreements		400	
Maintenance and Repair Services - Vehicles		290	
Postal Charges		392	
Printing, Stationery, and Forms		98	
Travel		2,870	
Gasoline		180	
Office Supplies		1,230	
Workers' Compensation Insurance		901	
In Service/Staff Development		1,180	
Furniture and Fixtures		222	
Office Equipment		1,008	
Total Planning			\$ 101,636

Codes Compliance

Assistant(s)	\$	50,488	
Supervisor/Director		54,101	
Secretary(ies)		34,243	
Social Security		7,987	
Pensions		13,467	
Life Insurance		538	
Medical Insurance		42,956	
Dental Insurance		2,308	
Employer Medicare		1,868	
Communication		2,345	
Dues and Memberships		575	
Operating Lease Payments		1,547	
Maintenance and Repair Services - Vehicles		244	
Postal Charges		191	
Printing, Stationery, and Forms		812	
Gasoline		2,682	
Office Supplies		538	
Tires and Tubes		21	
Workers' Compensation Insurance		2,702	
In Service/Staff Development		300	
Total Codes Compliance			219,913

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Geographical Information Systems

Supervisor/Director	\$	40,925	
Social Security		2,509	
Pensions		3,970	
Life Insurance		355	
Medical Insurance		9,696	
Dental Insurance		1,200	
Employer Medicare		587	
Other Contracted Services		3,000	
Office Supplies		610	
Workers' Compensation Insurance		901	
Total Geographical Information Systems			\$ 63,753

County Buildings

Supervisor/Director	\$	53,060	
Laborers		320,946	
Temporary Personnel		2,400	
Overtime Pay		3,913	
Social Security		21,812	
Pensions		36,648	
Life Insurance		2,868	
Medical Insurance		155,047	
Dental Insurance		8,332	
Employer Medicare		5,101	
Communication		19,381	
Dues and Memberships		55	
Operating Lease Payments		3,329	
Maintenance and Repair Services - Buildings		112,854	
Maintenance and Repair Services - Equipment		3,085	
Maintenance and Repair Services - Vehicles		3,982	
Pest Control		4,636	
Towing Services		225	
Permits		29	
Other Contracted Services		181,414	
Custodial Supplies		8,051	
Diesel Fuel		795	
Duplicating Supplies		9,500	
Gasoline		12,219	
Office Supplies		556	
Tires and Tubes		1,031	
Uniforms		6,370	
Utilities		281,903	
Other Supplies and Materials		397	
Workers' Compensation Insurance		9,005	
Other Charges		35	
Maintenance Equipment		7,772	
Office Equipment		530	
Total County Buildings			1,277,281

(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	\$	3,411	
Disposal Fees		6,017	
Other Contracted Services		1,477	
Office Supplies		313	
Building and Contents Insurance		284,172	
Total Other General Administration			\$ 295,390

Finance

Accounting and Budgeting

Assistant(s)	\$	48,710	
Supervisor/Director		71,690	
Accountants/Bookkeepers		226,057	
Salary Supplements		3,842	
Temporary Personnel		768	
Part-time Personnel		7,958	
Overtime Pay		3,113	
Social Security		21,269	
Pensions		34,281	
Life Insurance		1,991	
Medical Insurance		107,008	
Dental Insurance		5,920	
Employer Medicare		4,974	
Audit Services		17,480	
Communication		2,050	
Dues and Memberships		250	
Operating Lease Payments		4,385	
Postal Charges		3,848	
Printing, Stationery, and Forms		4,946	
Travel		2,440	
Other Contracted Services		12,213	
Office Supplies		8,647	
Premiums on Corporate Surety Bonds		367	
Workers' Compensation Insurance		7,204	
In Service/Staff Development		2,347	
Other Charges		61	
Furniture and Fixtures		1,223	
Office Equipment		3,886	
Total Accounting and Budgeting			608,928

Purchasing

Supervisor/Director	\$	49,633	
Purchasing Personnel		99,955	
Part-time Personnel		10,120	
Social Security		8,920	
Pensions		14,510	
Life Insurance		809	
Medical Insurance		26,456	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

Dental Insurance	\$	1,260	
Employer Medicare		2,233	
Communication		3,619	
Dues and Memberships		814	
Operating Lease Payments		1,429	
Maintenance and Repair Services - Vehicles		432	
Postal Charges		119	
Printing, Stationery, and Forms		557	
Travel		2,200	
Other Contracted Services		2,023	
Gasoline		175	
Office Supplies		3,087	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		3,602	
In Service/Staff Development		3,169	
Furniture and Fixtures		1,202	
Office Equipment		2,121	
Total Purchasing			\$ 238,795

Property Assessor's Office

County Official/Administrative Officer	\$	71,690
Secretary(ies)		162,321
Social Security		13,479
Pensions		22,699
Life Insurance		1,180
Medical Insurance		48,611
Dental Insurance		3,770
Employer Medicare		3,152
Communication		1,637
Data Processing Services		8,147
Dues and Memberships		2,785
Operating Lease Payments		1,737
Legal Services		22,727
Legal Notices, Recording, and Court Costs		100
Maintenance Agreements		11,735
Maintenance and Repair Services - Vehicles		737
Postal Charges		14,324
Printing, Stationery, and Forms		792
Rentals		39
Travel		3,451
Other Contracted Services		55,810
Gasoline		690
Office Supplies		2,180
Tires and Tubes		370
Uniforms		250
Premiums on Corporate Surety Bonds		192
Workers' Compensation Insurance		5,403

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

In Service/Staff Development	\$	920	
Other Charges		28	
Furniture and Fixtures		5,873	
Office Equipment		11	
Total Property Assessor's Office			\$ 466,840

County Trustee's Office

County Official/Administrative Officer	\$	71,690	
Clerical Personnel		117,332	
Social Security		10,899	
Pensions		18,335	
Life Insurance		1,134	
Medical Insurance		49,183	
Dental Insurance		3,204	
Employer Medicare		2,549	
Communication		1,450	
Dues and Memberships		599	
Operating Lease Payments		1,455	
Legal Notices, Recording, and Court Costs		2,598	
Maintenance Agreements		6,407	
Postal Charges		12,746	
Printing, Stationery, and Forms		4,034	
Travel		1,584	
Other Contracted Services		19,466	
Office Supplies		3,132	
Premiums on Corporate Surety Bonds		7,580	
Workers' Compensation Insurance		4,503	
In Service/Staff Development		300	
Office Equipment		350	
Total County Trustee's Office			340,530

County Clerk's Office

County Official/Administrative Officer	\$	71,690
Clerical Personnel		214,281
Temporary Personnel		13,130
Part-time Personnel		37,579
Social Security		19,839
Pensions		27,802
Life Insurance		1,804
Medical Insurance		73,516
Dental Insurance		4,614
Employer Medicare		4,640
Communication		1,888
Dues and Memberships		739
Operating Lease Payments		10,676
Postal Charges		13,144
Printing, Stationery, and Forms		2,817

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Travel	\$	1,921	
Other Contracted Services		16,624	
Office Supplies		5,214	
Premiums on Corporate Surety Bonds		500	
Workers' Compensation Insurance		7,204	
In Service/Staff Development		958	
Furniture and Fixtures		1,295	
Office Equipment		3,311	
Total County Clerk's Office			\$ 535,186

Data Processing

Computer Programmer(s)	\$	51,835	
Data Processing Personnel		30,357	
Overtime Pay		88	
Social Security		4,802	
Pensions		7,970	
Life Insurance		322	
Medical Insurance		15,724	
Dental Insurance		967	
Employer Medicare		1,123	
Communication		9,173	
Travel		887	
Other Contracted Services		8,435	
Office Supplies		227	
Workers' Compensation Insurance		1,801	
In Service/Staff Development		1,979	
Data Processing Equipment		9,085	
Furniture and Fixtures		200	
Office Equipment		2,386	
Total Data Processing			147,361

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	71,690	
Clerical Personnel		138,259	
Part-time Personnel		11,734	
Overtime Pay		5,093	
Social Security		13,026	
Pensions		20,859	
Life Insurance		1,088	
Medical Insurance		55,195	
Dental Insurance		2,863	
Employer Medicare		3,046	
Communication		1,198	
Dues and Memberships		814	
Operating Lease Payments		4,169	
Postal Charges		2,870	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Printing, Stationery, and Forms	\$	3,525	
Travel		2,679	
Other Contracted Services		15,595	
Office Supplies		2,315	
Premiums on Corporate Surety Bonds		512	
Workers' Compensation Insurance		4,503	
In Service/Staff Development		550	
Furniture and Fixtures		1,036	
Total Circuit Court			\$ 362,619

General Sessions Court

Clerical Personnel	\$	264,580	
Part-time Personnel		30,382	
Overtime Pay		4,666	
Social Security		17,387	
Pensions		25,516	
Life Insurance		2,116	
Medical Insurance		87,171	
Dental Insurance		5,672	
Employer Medicare		4,090	
Communication		3,309	
Dues and Memberships		325	
Operating Lease Payments		7,311	
Maintenance Agreements		1,675	
Postal Charges		6,439	
Printing, Stationery, and Forms		7,274	
Travel		3,465	
Other Contracted Services		18,423	
Office Supplies		8,329	
Workers' Compensation Insurance		9,005	
In Service/Staff Development		570	
Total General Sessions Court			507,705

General Sessions Judge

County Official/Administrative Officer	\$	306,500
Clerical Personnel		51,762
Social Security		17,720
Pensions		34,752
Life Insurance		538
Medical Insurance		29,132
Dental Insurance		1,858
Employer Medicare		5,112
Communication		1,509
Dues and Memberships		1,270
Maintenance Agreements		480
Travel		768
Office Supplies		1,241

(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 Judge (Cont.)

Workers' Compensation Insurance	\$	2,702	
In Service/Staff Development		455	
Office Equipment		324	
Total General Sessions Judge			\$ 456,123

Chancery Court

County Official/Administrative Officer	\$	71,690	
Clerical Personnel		40,925	
Part-time Personnel		29,631	
Social Security		7,745	
Pensions		10,924	
Life Insurance		551	
Medical Insurance		28,529	
Dental Insurance		2,796	
Employer Medicare		1,981	
Communication		1,102	
Dues and Memberships		719	
Operating Lease Payments		1,264	
Maintenance Agreements		2,465	
Postal Charges		7,320	
Printing, Stationery, and Forms		73	
Travel		1,289	
Office Supplies		778	
Premiums on Corporate Surety Bonds		425	
Workers' Compensation Insurance		1,801	
In Service/Staff Development		275	
Office Equipment		1,085	
Total Chancery Court			213,368

Juvenile Court

Supervisor/Director	\$	66,947	
Probation Officer(s)		75,236	
Secretary(ies)		36,310	
Part-time Personnel		13,051	
Overtime Pay		8,541	
Other Salaries and Wages		68	
Social Security		12,102	
Pensions		17,960	
Life Insurance		790	
Medical Insurance		22,569	
Dental Insurance		1,359	
Employer Medicare		2,830	
Advertising		492	
Communication		5,911	
Contracts with Government Agencies		8,280	
Dues and Memberships		40	
Operating Lease Payments		799	

(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.)

Maintenance and Repair Services - Vehicles	\$	440	
Postal Charges		49	
Printing, Stationery, and Forms		80	
Travel		2,987	
Other Contracted Services		1,436	
Gasoline		349	
Office Supplies		1,117	
Other Supplies and Materials		752	
Workers' Compensation Insurance		3,602	
In Service/Staff Development		1,550	
Furniture and Fixtures		398	
Office Equipment		299	
Total Juvenile Court			\$ 286,344

Judicial Commissioners

Part-time Personnel	\$	50,265	
Social Security		3,094	
Pensions		1,760	
Employer Medicare		724	
Total Judicial Commissioners			55,843

Other Administration of Justice

Jury and Witness Expense	\$	12,946	
Communication		948	
Other Contracted Services		617	
Total Other Administration of Justice			14,511

Courtroom Security

Other Contracted Services	\$	545	
Total Courtroom Security			545

Victim Assistance Programs

Remittance of Revenue Collected	\$	20,824	
Total Victim Assistance Programs			20,824

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	83,774	
Assistant(s)		130,372	
Deputy(ies)		1,166,049	
Investigator(s)		144,658	
Captain(s)		52,765	
Lieutenant(s)		97,893	
Sergeant(s)		96,437	
Computer Programmer(s)		43,552	
Salary Supplements		29,400	
Secretary(ies)		32,928	

(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.)

Clerical Personnel	\$	94,875	
Custodial Personnel		27,353	
Part-time Personnel		43,421	
School Resource Officer		381,187	
Overtime Pay		138,404	
Social Security		150,387	
Pensions		319,348	
Life Insurance		10,758	
Medical Insurance		698,791	
Dental Insurance		37,011	
Employer Medicare		35,214	
Communication		15,978	
Dues and Memberships		2,415	
Operating Lease Payments		4,350	
Maintenance Agreements		19,753	
Maintenance and Repair Services - Equipment		144	
Maintenance and Repair Services - Vehicles		124,764	
Medical and Dental Services		6,455	
Postal Charges		3,663	
Printing, Stationery, and Forms		2,776	
Towing Services		3,343	
Travel		10,581	
Other Contracted Services		11,548	
Diesel Fuel		472	
Gasoline		157,110	
Office Supplies		7,606	
Tires and Tubes		27,687	
Uniforms		33,992	
Other Supplies and Materials		9,344	
Liability Insurance		13,847	
Premiums on Corporate Surety Bonds		312	
Workers' Compensation Insurance		47,728	
In Service/Staff Development		12,333	
Communication Equipment		9,660	
Law Enforcement Equipment		17,964	
Office Equipment		12,725	
Total Sheriff's Department			\$ 4,371,127

Special Patrols

Communication	\$	755	
Law Enforcement Supplies		5,429	
Uniforms		140	
Law Enforcement Equipment		13,042	
Total Special Patrols			19,366

Traffic Control

Other Contracted Services	\$	4,036	
Utilities		2,055	
Total Traffic Control			6,091

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Lieutenant(s)	\$	48,864	
Guards		917,037	
Cafeteria Personnel		61,336	
Overtime Pay		89,706	
Social Security		66,792	
Pensions		109,830	
Life Insurance		5,201	
Medical Insurance		250,327	
Dental Insurance		14,293	
Unemployment Compensation		1,291	
Employer Medicare		15,621	
Operating Lease Payments		1,254	
Maintenance and Repair Services - Equipment		5,258	
Medical and Dental Services		220,326	
Travel		2,661	
Other Contracted Services		2,418	
Custodial Supplies		15,002	
Drugs and Medical Supplies		112,390	
Food Preparation Supplies		730	
Food Supplies		176,044	
Office Supplies		5,749	
Uniforms		15,706	
Other Supplies and Materials		15,644	
Workers' Compensation Insurance		27,016	
In Service/Staff Development		600	
Furniture and Fixtures		135	
Total Jail			\$ 2,181,231

Rural Fire Protection

Contributions	\$	231,279	
Total Rural Fire Protection			231,279

Civil Defense

Supervisor/Director	\$	54,122	
Secretary(ies)		32,649	
Social Security		5,195	
Pensions		8,417	
Life Insurance		337	
Medical Insurance		16,651	
Dental Insurance		1,031	
Employer Medicare		1,215	
Communication		3,606	
Operating Lease Payments		969	
Maintenance Agreements		671	
Maintenance and Repair Services - Equipment		9,723	
Maintenance and Repair Services - Vehicles		5,705	
Postal Charges		128	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Printing, Stationery, and Forms	\$	308	
Travel		1,054	
Other Contracted Services		21,278	
Crushed Stone		318	
Diesel Fuel		3,103	
Food Supplies		943	
Gasoline		3,929	
Office Supplies		2,071	
Tires and Tubes		1,535	
Uniforms		1,439	
Other Supplies and Materials		531	
Workers' Compensation Insurance		1,801	
In Service/Staff Development		1,115	
Communication Equipment		8,408	
Furniture and Fixtures		250	
Office Equipment		1,950	
Other Equipment		74	
Total Civil Defense			\$ 190,526

Other Emergency Management

Communication Equipment	\$	14,088	
Other Equipment		15,899	
Total Other Emergency Management			29,987

County Coroner/Medical Examiner

Medical Personnel	\$	9,000	
Other Contracted Services		75,652	
Total County Coroner/Medical Examiner			84,652

Other Public Safety

Contributions	\$	541,500	
Total Other Public Safety			541,500

Public Health and Welfare

Local Health Center

Life Insurance	\$	96	
Medical Insurance		3,365	
Dental Insurance		319	
Communication		4,380	
Contributions		5,678	
Dues and Memberships		249	
Operating Lease Payments		3,131	
Postal Charges		500	
Printing, Stationery, and Forms		2,362	
Travel		1,807	
Other Contracted Services		8,772	
Drugs and Medical Supplies		7,739	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Office Supplies	\$	7,250	
Other Supplies and Materials		302	
In Service/Staff Development		1,410	
Other Equipment		5,676	
Total Local Health Center			\$ 53,036

Rabies and Animal Control

Supervisor/Director	\$	45,043	
Part-time Personnel		24,694	
Overtime Pay		6,018	
Other Salaries and Wages		104,784	
Social Security		10,700	
Pensions		15,117	
Life Insurance		831	
Medical Insurance		48,381	
Dental Insurance		2,325	
Employer Medicare		2,502	
Communication		4,251	
Operating Lease Payments		439	
Licenses		220	
Maintenance and Repair Services - Vehicles		639	
Medical and Dental Services		1,026	
Postal Charges		28	
Printing, Stationery, and Forms		1,090	
Travel		2,460	
Veterinary Services		20,245	
Disposal Fees		89	
Other Contracted Services		1,225	
Animal Food and Supplies		30,299	
Custodial Supplies		3,794	
Gasoline		5,298	
Office Supplies		420	
Tires and Tubes		354	
Uniforms		1,828	
Utilities		8,672	
Other Supplies and Materials		208	
Workers' Compensation Insurance		4,503	
In Service/Staff Development		1,040	
Office Equipment		86	
Other Equipment		100	
Other Capital Outlay		900	
Total Rabies and Animal Control			349,609

Maternal and Child Health Services

Travel	\$	893	
Other Contracted Services		3,256	
Other Supplies and Materials		12,773	
In Service/Staff Development		65	
Total Maternal and Child Health Services			16,987

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Overtime Pay	\$	35	
Other Salaries and Wages		173,036	
Social Security		10,264	
Pensions		16,190	
Life Insurance		1,127	
Medical Insurance		56,620	
Dental Insurance		3,339	
Employer Medicare		2,400	
Travel		5,611	
Workers' Compensation Insurance		6,304	
Total Other Local Health Services	\$		274,926

Other Public Health and Welfare

Contributions	\$	10,000	
Total Other Public Health and Welfare			10,000

Social, Cultural, and Recreational Services

Adult Activities

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

Senior Citizens Assistance

Assistant(s)	\$	47,187	
Secretary(ies)		31,424	
Other Salaries and Wages		54,956	
Social Security		7,708	
Pensions		12,495	
Life Insurance		1,032	
Medical Insurance		36,264	
Dental Insurance		2,445	
Employer Medicare		1,803	
Communication		1,639	
Operating Lease Payments		1,418	
Licenses		1,400	
Maintenance and Repair Services - Vehicles		434	
Travel		509	
Other Contracted Services		2,690	
Custodial Supplies		263	
Food Supplies		1,158	
Gasoline		1,766	
Office Supplies		853	
Utilities		14,660	
Other Supplies and Materials		1,408	
Workers' Compensation Insurance		3,602	
Motor Vehicles		32,152	
Total Senior Citizens Assistance			259,266

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Communication	\$	3,056	
Contracts with Government Agencies		156,421	
Operating Lease Payments		1,084	
Office Supplies		509	
Other Supplies and Materials		104	
Office Equipment		811	
Total Agricultural Extension Service			\$ 161,985

Soil Conservation

Clerical Personnel	\$	13,023	
Social Security		807	
Employer Medicare		189	
Communication		1,296	
Contributions		2,000	
Travel		195	
Total Soil Conservation			17,510

Flood Control

Contributions	\$	4,000	
Total Flood Control			4,000

Storm Water Management

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

Other Operations

Tourism

Contributions	\$	135,264	
Total Tourism			135,264

Industrial Development

Contributions	\$	162,545	
Dues and Memberships		3,884	
Total Industrial Development			166,429

Housing and Urban Development

Pauper Burials	\$	3,750	
Total Housing and Urban Development			3,750

Veterans' Services

Part-time Personnel	\$	4,789	
Other Salaries and Wages		21,488	
Social Security		1,629	
Employer Medicare		381	
Communication		1,107	
Operating Lease Payments		91	
Maintenance Agreements		798	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Maintenance and Repair Services - Vehicles	\$	254	
Postal Charges		136	
Printing, Stationery, and Forms		136	
Travel		124	
Other Contracted Services		145	
Gasoline		113	
Office Supplies		452	
Other Supplies and Materials		150	
Total Veterans' Services			\$ 31,793

Contributions to Other Agencies

Contributions	\$	69,100	
Total Contributions to Other Agencies			69,100

Employee Benefits

Employee and Dependent Insurance	\$	371	
Total Employee Benefits			371

Miscellaneous

Trustee's Commission	\$	222,972	
Tax Relief Program		94,299	
Total Miscellaneous			317,271

Principal on Debt

General Government

Principal on Other Loans	\$	47,322	
Total General Government			47,322

Total General Fund \$ 17,129,833

Courthouse and Jail Maintenance Fund

Other Operations

Miscellaneous

Trustee's Commission	\$	1,024	
Total Miscellaneous			\$ 1,024

Capital Projects

Administration of Justice Projects

Heating and Air Conditioning Equipment	\$	43,447	
Total Administration of Justice Projects			43,447

Total Courthouse and Jail Maintenance Fund 44,471

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Communication	\$	2,043	
Library Books/Media		377	
Total Libraries			\$ 2,420

(Continued)

Exhibit J-7

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

Law Library Fund (Cont.)

Other Operations

Miscellaneous

Trustee's Commission	\$ 42	
Total Miscellaneous		\$ 42

Total Law Library Fund \$ 2,462

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Clerical Personnel	\$ 132,067	
Temporary Personnel	4,961	
Part-time Personnel	36,343	
Overtime Pay	75	
Social Security	10,465	
Pensions	12,810	
Life Insurance	853	
Medical Insurance	39,567	
Dental Insurance	2,701	
Employer Medicare	2,451	
Communication	2,684	
Contributions	10,000	
Operating Lease Payments	1,404	
Licenses	1,894	
Maintenance Agreements	392	
Maintenance and Repair Services - Office Equipment	236	
Postal Charges	275	
Printing, Stationery, and Forms	1,135	
Travel	1,045	
Disposal Fees	622	
Other Contracted Services	2,265	
Custodial Supplies	519	
Instructional Supplies and Materials	334	
Library Books/Media	23,709	
Office Supplies	4,594	
Periodicals	3,084	
Water and Sewer	669	
Other Supplies and Materials	3,146	
Workers' Compensation Insurance	4,503	
Furniture and Fixtures	1,866	
Office Equipment	16,454	
Total Libraries		\$ 323,123

Other Operations

Miscellaneous

Trustee's Commission	\$ 4,471	
Total Miscellaneous		4,471

Total Public Library Fund 327,594

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Guards	\$	5,079	
Part-time Personnel		1,329	
Social Security		393	
Pensions		589	
Life Insurance		21	
Medical Insurance		1,025	
Dental Insurance		63	
Employer Medicare		92	
Other Contracted Services		21,379	
Diesel Fuel		1,962	
Other Supplies and Materials		10,043	
Total Sanitation Education/Information	\$		41,975

Convenience Centers

Supervisor/Director	\$	51,000	
Foremen		87,326	
Attendants		90,593	
Part-time Personnel		107,522	
Overtime Pay		4,770	
Social Security		20,207	
Pensions		22,668	
Life Insurance		1,571	
Medical Insurance		84,479	
Dental Insurance		4,792	
Employer Medicare		4,726	
Communication		2,836	
Dues and Memberships		312	
Maintenance and Repair Services - Equipment		11,510	
Maintenance and Repair Services - Vehicles		995	
Pest Control		1,440	
Postal Charges		30	
Travel		535	
Disposal Fees		128,349	
Other Contracted Services		53,844	
Custodial Supplies		928	
Gasoline		4,754	
Office Supplies		552	
Propane Gas		4,600	
Tires and Tubes		460	
Uniforms		4,115	
Utilities		10,436	
Other Supplies and Materials		2,131	
Workers' Compensation Insurance		7,201	
Building Improvements		3,255	
Solid Waste Equipment		11,525	
Other Equipment		2,386	
Total Convenience Centers			731,848

(Continued)

Exhibit J-7

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

<u>Solid Waste/Sanitation Fund (Cont.)</u>			
<u>Public Health and Welfare (Cont.)</u>			
<u>Other Waste Collection</u>			
Other Contracted Services	\$	22,941	
Total Other Waste Collection			\$ 22,941
 <u>Other Operations</u>			
<u>Miscellaneous</u>			
Trustee's Commission	\$	3,335	
Total Miscellaneous			<u>3,335</u>
Total Solid Waste/Sanitation Fund			\$ 800,099
 <u>Industrial/Economic Development Fund</u>			
<u>Other Operations</u>			
<u>Industrial Development</u>			
Dues and Memberships	\$	2,500	
Other Contracted Services		<u>12,032</u>	
Total Industrial Development			\$ 14,532
 <u>Miscellaneous</u>			
Trustee's Commission	\$	114	
Total Miscellaneous			<u>114</u>
Total Industrial/Economic Development Fund			14,646
 <u>Drug Control Fund</u>			
<u>Public Safety</u>			
<u>Drug Enforcement</u>			
Salary Supplements	\$	20,000	
Dues and Memberships		520	
Other Contracted Services		30,006	
Law Enforcement Supplies		7,910	
Other Supplies and Materials		11,700	
Trustee's Commission		485	
In Service/Staff Development		6,641	
Law Enforcement Equipment		15,544	
Motor Vehicles		<u>94,858</u>	
Total Drug Enforcement			\$ <u>187,664</u>
Total Drug Control Fund			187,664
 <u>Other Special Revenue Fund</u>			
<u>Public Safety</u>			
<u>Drug Enforcement</u>			
Other Supplies and Materials	\$	895	
Motor Vehicles		<u>46,568</u>	
Total Drug Enforcement			\$ <u>47,463</u>
Total Other Special Revenue Fund			47,463

(Continued)

Exhibit J-7

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

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 5,167	
Total County Trustee's Office		\$ 5,167

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 130	
Total Circuit Court		<u>130</u>

Total Constitutional Officers - Fees Fund		\$ 5,297
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 83,774	
Foremen	61,006	
Mechanic(s)	62,786	
Equipment Operators	157,157	
Truck Drivers	338,604	
Clerical Personnel	35,809	
Temporary Personnel	13,440	
Overtime Pay	23,540	
Advertising	180	
Dues and Memberships	4,060	
Postal Charges	14	
Printing, Stationery, and Forms	275	
Travel	1,968	
Office Supplies	1,778	
In Service/Staff Development	578	
Office Equipment	<u>1,935</u>	
Total Administration		\$ 786,904

Highway and Bridge Maintenance

Rentals	\$ 3,237	
Other Contracted Services	25,522	
Asphalt - Cold Mix	1,894	
Asphalt - Hot Mix	586,655	
Concrete	1,508	
Crushed Stone	47,177	
Other Road Materials	8,551	
Pipe	17,400	
Road Signs	12,135	
Salt	12,704	
Sand	126	
Chemicals	358	
Other Supplies and Materials	<u>9,224</u>	
Total Highway and Bridge Maintenance		726,491

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Maintenance and Repair Services - Equipment	\$	6,569	
Maintenance and Repair Services - Vehicles		3,079	
Towing Services		1,225	
Disposal Fees		4,419	
Diesel Fuel		40,818	
Equipment Parts - Heavy		13,966	
Equipment Parts - Light		77,127	
Gasoline		20,613	
Lubricants		3,519	
Tires and Tubes		14,496	
Other Supplies and Materials		5,314	
Other Charges		122	
Total Operation and Maintenance of Equipment	\$		191,267

Other Charges

Communication	\$	7,773	
Pest Control		280	
Other Contracted Services		4,466	
Custodial Supplies		763	
Drugs and Medical Supplies		752	
Electricity		14,099	
Garage Supplies		3,995	
Ice		275	
Uniforms		12,858	
Liability Insurance		94,522	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		29,871	
Other Charges		1,089	
Communication Equipment		4,192	
Total Other Charges			175,285

Employee Benefits

Social Security	\$	45,821	
Pensions		73,194	
Life Insurance		3,874	
Medical Insurance		220,402	
Dental Insurance		12,892	
Unemployment Compensation		2,216	
Employer Medicare		10,716	
Workers' Compensation Insurance		56,552	
Total Employee Benefits			425,667

Capital Outlay

Engineering Services	\$	17,500	
Crushed Stone		470	
Highway Equipment		45,565	
Motor Vehicles		31,826	
Total Capital Outlay			95,361

Total Highway/Public Works Fund \$ 2,400,975

(Continued)

Exhibit J-7

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 500,000	
Principal on Notes	38,000	
Principal on Other Loans	651,000	
Total General Government		\$ 1,189,000

Interest on Debt

General Government

Interest on Bonds	\$ 58,900	
Interest on Notes	8,410	
Interest on Other Loans	23,935	
Total General Government		91,245

Other Debt Service

General Government

Trustee's Commission	\$ 23,962	
Other Debt Service	230,421	
Total General Government		<u>254,383</u>

Total General Debt Service Fund \$ 1,534,628

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 2,275,000	
Principal on Other Loans	1,000,300	
Total Education		\$ 3,275,300

Interest on Debt

Education

Interest on Bonds	\$ 1,436,575	
Interest on Other Loans	295,459	
Total Education		1,732,034

Other Debt Service

Education

Trustee's Commission	\$ 89,310	
Other Debt Service	2,842	
Total Education		<u>92,152</u>

Total Education Debt Service Fund 5,099,486

General Capital Projects Fund

Other Operations

Miscellaneous

Trustee's Commission	\$ 3,439	
Total Miscellaneous		\$ 3,439

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)

Capital Projects

General Administration Projects

Other Contracted Services	\$ 15,205	
Motor Vehicles	172,712	
Office Equipment	8,999	
Total General Administration Projects		\$ 196,916

Public Safety Projects

Engineering Services	\$ 75,100	
Motor Vehicles	163,066	
Total Public Safety Projects		238,166

Public Health and Welfare Projects

Other Contracted Services	\$ 24,850	
Total Public Health and Welfare Projects		24,850

Public Utility Projects

Other Contracted Services	\$ 167,009	
Total Public Utility Projects		167,009

Other General Government Projects

Contributions	\$ 10,000	
Total Other General Government Projects		10,000

Highway and Street Capital Projects

Contributions	\$ 274,528	
Engineering Services	4,228	
Other Contracted Services	1,608	
Highway Equipment	94,081	
Motor Vehicles	73,128	
Total Highway and Street Capital Projects		<u>447,573</u>

Total General Capital Projects Fund \$ 1,087,953

Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

Trustee's Commission	\$ 5,977	
Motor Vehicles	93,881	
Total Highway and Street Capital Projects		<u>\$ 99,858</u>

Total Highway Capital Projects Fund 99,858

Total Governmental Funds - Primary Government \$ 28,782,429

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, 2017

General Purpose School Fund

Instruction

Regular Instruction Program

Supervisor/Director	\$	3,075	
Teachers		13,650,671	
Career Ladder Program		54,820	
Homebound Teachers		7,631	
Educational Assistants		1,070,172	
Other Salaries and Wages		7,350	
Certified Substitute Teachers		42,005	
Non-certified Substitute Teachers		119,790	
Social Security		884,780	
Pensions		1,310,136	
Employee and Dependent Insurance		2,554	
Life Insurance		63,699	
Medical Insurance		2,377,477	
Dental Insurance		151,293	
Unemployment Compensation		10,024	
Employer Medicare		208,387	
Travel		5,352	
Other Contracted Services		64,015	
Instructional Supplies and Materials		367,269	
Textbooks - Bound		21,504	
In Service/Staff Development		133	
Other Charges		5,280	
Other Equipment		425,096	
Total Regular Instruction Program			\$ 20,852,513

Special Education Program

Teachers	\$	1,401,879	
Career Ladder Program		3,000	
Homebound Teachers		8,525	
Educational Assistants		321,391	
Speech Pathologist		162,220	
Other Salaries and Wages		39,985	
Certified Substitute Teachers		3,395	
Non-certified Substitute Teachers		31,920	
Social Security		115,901	
Pensions		157,229	
Employee and Dependent Insurance		636	
Life Insurance		7,919	
Medical Insurance		317,721	
Dental Insurance		18,081	
Employer Medicare		27,562	
Travel		932	
Other Contracted Services		72,875	
Instructional Supplies and Materials		78,875	
Special Education Equipment		166,657	
Total Special Education Program			2,936,703

(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.)

Career and Technical Education Program

Teachers	\$	685,743	
Career Ladder Program		3,000	
Educational Assistants		20,004	
Certified Substitute Teachers		700	
Non-certified Substitute Teachers		10,290	
Social Security		42,157	
Pensions		60,993	
Employee and Dependent Insurance		189	
Life Insurance		2,823	
Medical Insurance		128,297	
Dental Insurance		6,031	
Employer Medicare		9,863	
Maintenance and Repair Services - Equipment		1,921	
Travel		3,319	
Gasoline		20	
Instructional Supplies and Materials		75,127	
Other Equipment		49,823	
Total Career and Technical Education Program			\$ 1,100,300

Support Services

Health Services

Supervisor/Director	\$	45,625	
Medical Personnel		207,043	
Other Salaries and Wages		63,933	
Social Security		19,017	
Pensions		26,621	
Employee and Dependent Insurance		86	
Life Insurance		1,777	
Medical Insurance		56,220	
Dental Insurance		3,085	
Employer Medicare		4,448	
Travel		1,699	
Other Contracted Services		3,422	
Drugs and Medical Supplies		3,402	
Other Supplies and Materials		11,100	
In Service/Staff Development		7,310	
Health Equipment		979	
Total Health Services			455,767

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		633,320	
Clerical Personnel		135,772	
Other Salaries and Wages		26,414	
Social Security		47,342	
Pensions		72,922	

(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.)

Employee and Dependent Insurance	\$	86	
Life Insurance		2,944	
Medical Insurance		132,201	
Dental Insurance		6,104	
Employer Medicare		11,072	
Evaluation and Testing		8,772	
Travel		132	
In Service/Staff Development		5,122	
Other Equipment		21,580	
Total Other Student Support			\$ 1,105,783

Regular Instruction Program

Supervisor/Director	\$	229,447	
Career Ladder Program		4,000	
Librarians		461,693	
Secretary(ies)		270,388	
Other Salaries and Wages		2,000	
Social Security		56,232	
Pensions		89,249	
Employee and Dependent Insurance		404	
Life Insurance		5,000	
Medical Insurance		199,652	
Dental Insurance		11,455	
Employer Medicare		13,151	
Travel		3,044	
Library Books/Media		51,237	
In Service/Staff Development		41,956	
Total Regular Instruction Program			1,438,908

Special Education Program

Supervisor/Director	\$	26,930	
Career Ladder Program		1,000	
Psychological Personnel		234,153	
Speech Pathologist		55,211	
Social Security		18,717	
Pensions		28,512	
Employee and Dependent Insurance		172	
Life Insurance		1,342	
Medical Insurance		54,419	
Dental Insurance		2,946	
Employer Medicare		4,377	
Travel		7,132	
In Service/Staff Development		968	
Total Special Education Program			435,879

(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.)

Career and Technical Education Program

Supervisor/Director	\$	73,789	
Clerical Personnel		39,195	
Social Security		6,923	
Pensions		10,473	
Employee and Dependent Insurance		86	
Life Insurance		479	
Medical Insurance		13,401	
Dental Insurance		1,059	
Employer Medicare		1,619	
Travel		468	
In Service/Staff Development		873	
Total Career and Technical Education Program	\$		148,365

Technology

Supervisor/Director	\$	89,765	
Career Ladder Program		1,000	
Computer Programmer(s)		186,031	
Social Security		16,032	
Pensions		26,250	
Life Insurance		820	
Medical Insurance		48,891	
Dental Insurance		1,847	
Employer Medicare		3,749	
Internet Connectivity		64,650	
Travel		4,938	
Other Contracted Services		10,312	
Software		172,656	
Other Supplies and Materials		4,120	
In Service/Staff Development		7,390	
Other Equipment		159,213	
Total Technology			797,664

Other Programs

On-behalf Payments to OPEB	\$	175,701	
Total Other Programs			175,701

Board of Education

Board and Committee Members Fees	\$	36,240	
Social Security		2,247	
Pensions		1,455	
Life Insurance		1,407	
Dental Insurance		1,794	
Employer Medicare		525	
Audit Services		12,000	
Legal Services		11,959	
Travel		2,837	

(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.)

Board of Education (Cont.)

Liability Insurance	\$	24,078	
Premiums on Corporate Surety Bonds		384	
Refunds		32,448	
Trustee's Commission		302,674	
Workers' Compensation Insurance		207,920	
In Service/Staff Development		24,546	
Total Board of Education			\$ 662,514

Director of Schools

County Official/Administrative Officer	\$	128,520	
Career Ladder Program		1,000	
Secretary(ies)		38,706	
Other Salaries and Wages		7,200	
Social Security		9,803	
Pensions		16,114	
Employee and Dependent Insurance		86	
Life Insurance		427	
Medical Insurance		17,748	
Dental Insurance		1,406	
Employer Medicare		2,539	
Advertising		650	
Communication		33,931	
Dues and Memberships		12,950	
Postal Charges		1,000	
Travel		1,561	
Other Contracted Services		25,644	
Office Supplies		6,794	
In Service/Staff Development		3,946	
Other Charges		1,825	
Total Director of Schools			311,850

Office of the Principal

Principals	\$	739,860	
Career Ladder Program		6,000	
Other Salaries and Wages		1,125	
Social Security		45,303	
Pensions		67,528	
Employee and Dependent Insurance		130	
Life Insurance		2,289	
Medical Insurance		78,866	
Dental Insurance		6,012	
Employer Medicare		10,619	
Communication		61,951	
Postal Charges		5,035	
Travel		3,468	
In Service/Staff Development		2,410	

(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.)

Office of the Principal (Cont.)

Other Charges	\$ 6,644	
Other Equipment	140,385	
Total Office of the Principal		\$ 1,177,625

Fiscal Services

Accountants/Bookkeepers	\$ 64,180	
Social Security	3,753	
Pensions	6,225	
Life Insurance	211	
Medical Insurance	7,402	
Dental Insurance	347	
Employer Medicare	878	
Travel	36	
In Service/Staff Development	1,413	
Total Fiscal Services		84,445

Operation of Plant

Custodial Personnel	\$ 32,447	
Social Security	2,012	
Pensions	3,147	
Employee and Dependent Insurance	232	
Life Insurance	636	
Medical Insurance	6,701	
Dental Insurance	2,125	
Employer Medicare	470	
Other Contracted Services	1,262,558	
Electricity	1,123,149	
Gasoline	247	
Natural Gas	68,543	
Water and Sewer	150,882	
Building and Contents Insurance	341,428	
Total Operation of Plant		2,994,577

Maintenance of Plant

Maintenance and Repair Services - Buildings	\$ 406,778	
Total Maintenance of Plant		406,778

Transportation

Supervisor/Director	\$ 50,677	
Social Security	2,726	
Pensions	4,916	
Life Insurance	164	
Medical Insurance	11,665	
Dental Insurance	347	
Employer Medicare	637	
Contracts with Parents	9,566	

(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.)

Transportation (Cont.)

Contracts with Vehicle Owners	\$	1,572,417	
Maintenance and Repair Services - Equipment		1,140	
Medical and Dental Services		2,209	
Postal Charges		13	
Other Contracted Services		3,020	
Office Supplies		1,552	
In Service/Staff Development		1,565	
Other Charges		3,091	
Transportation Equipment		43,705	
Other Equipment		380	
Total Transportation			\$ 1,709,790

Central and Other

Other Contracted Services	\$	69	
Other Equipment		11,980	
Total Central and Other			12,049

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	20,875	
Teachers		221,567	
Educational Assistants		29,740	
Social Security		16,803	
Pensions		22,528	
Life Insurance		325	
Medical Insurance		6,701	
Dental Insurance		1,030	
Employer Medicare		3,944	
Travel		1,330	
Other Contracted Services		4,212	
Food Supplies		2,873	
Other Supplies and Materials		21,056	
In Service/Staff Development		5,031	
Other Equipment		511	
Total Community Services			358,526

Early Childhood Education

Teachers	\$	377,261	
Educational Assistants		146,338	
Certified Substitute Teachers		385	
Non-certified Substitute Teachers		7,350	
Social Security		30,937	
Pensions		47,106	
Employee and Dependent Insurance		219	
Life Insurance		2,917	
Medical Insurance		91,447	

(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.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Dental Insurance	\$	5,515	
Employer Medicare		7,237	
Contracts with Other School Systems		96,551	
Instructional Supplies and Materials		5,946	
In Service/Staff Development		25	
Other Charges		382	
Other Equipment		7,063	
Total Early Childhood Education			\$ 826,679

Total General Purpose School Fund \$ 37,992,416

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	347,545	
Educational Assistants		58,649	
Certified Substitute Teachers		8,540	
Non-certified Substitute Teachers		30,420	
Social Security		27,398	
Pensions		32,841	
Life Insurance		1,476	
Medical Insurance		43,490	
Dental Insurance		2,170	
Employer Medicare		6,435	
Instructional Supplies and Materials		48,157	
Regular Instruction Equipment		76,714	
Total Regular Instruction Program			\$ 683,835

Special Education Program

Teachers	\$	75,854	
Educational Assistants		412,589	
Social Security		27,521	
Pensions		36,653	
Life Insurance		2,872	
Medical Insurance		136,322	
Dental Insurance		5,447	
Employer Medicare		6,436	
Other Contracted Services		2,800	
Instructional Supplies and Materials		32,002	
Total Special Education Program			738,496

Career and Technical Education Program

Vocational Instruction Equipment	\$	50,092	
Total Career and Technical Education Program			50,092

(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

Other Student Support

Other Salaries and Wages	\$	18,868	
Social Security		1,161	
Pensions		1,830	
Employer Medicare		272	
Travel		6,000	
Other Contracted Services		2,500	
In Service/Staff Development		10,200	
Other Charges		5,803	
Total Other Student Support			\$ 46,634

Regular Instruction Program

Supervisor/Director	\$	60,239	
Secretary(ies)		19,597	
Other Salaries and Wages		222,577	
Social Security		18,744	
Pensions		27,466	
Life Insurance		488	
Medical Insurance		20,193	
Dental Insurance		1,041	
Employer Medicare		4,384	
Travel		8,496	
Other Contracted Services		2,200	
Other Supplies and Materials		1,250	
In Service/Staff Development		84,346	
Other Equipment		12,154	
Total Regular Instruction Program			483,175

Special Education Program

Supervisor/Director	\$	62,835	
Secretary(ies)		39,195	
Other Salaries and Wages		46,643	
Social Security		9,136	
Pensions		13,699	
Life Insurance		260	
Medical Insurance		10,576	
Dental Insurance		550	
Employer Medicare		2,136	
Other Contracted Services		94,067	
Other Supplies and Materials		3,234	
In Service/Staff Development		57,969	
Total Special Education Program			340,300

Career and Technical Education Program

Travel	\$	3,000	
In Service/Staff Development		4,000	
Total Career and Technical Education Program			7,000

(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.)

Transportation

Travel	\$	3,000	
Other Contracted Services		1,000	
Total Transportation			\$ 4,000

Total School Federal Projects Fund \$ 2,353,532

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	59,031	
Secretary(ies)		34,398	
Cafeteria Personnel		800,234	
Social Security		53,143	
Pensions		61,805	
Employee and Dependent Insurance		86	
Life Insurance		6,193	
Medical Insurance		166,449	
Dental Insurance		10,964	
Employer Medicare		12,432	
Dues and Memberships		1,280	
Maintenance Agreements		15,418	
Maintenance and Repair Services - Equipment		6,677	
Travel		4,746	
Other Contracted Services		1,887	
Food Supplies		1,017,848	
Office Supplies		2,434	
Uniforms		582	
Other Supplies and Materials		82,634	
In Service/Staff Development		2,108	
Other Charges		749	
Food Service Equipment		7,334	
Total Food Service			\$ 2,348,432

Total Central Cafeteria Fund 2,348,432

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$	189,517	
Legal Services		6,974	
Permits		125	
Other Contracted Services		403,110	
Crushed Stone		3,439	
Cabling		28,188	
Building Construction		6,113,802	
Data Processing Equipment		29,144	

(Continued)

Exhibit J-8

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

<u>Education Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Education Capital Projects (Cont.)</u>		
Furniture and Fixtures	\$ 275,310	
Heating and Air Conditioning Equipment	17,366	
Other Equipment	<u>51,190</u>	
Total Education Capital Projects		<u>\$ 7,118,165</u>
Total Education Capital Projects Fund		<u>\$ 7,118,165</u>
Total Governmental Funds - Loudon County School Department		<u><u>\$ 49,812,545</u></u>

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, 2017

	Cities - Sales Tax Fund	City School ADA - Lenoir City Fund	Total
<u>Cash Receipts</u>			
Current Property Taxes	\$ 0	\$ 5,159,596	\$ 5,159,596
Trustee's Collections - Prior Years	0	96,941	96,941
Trustee's Collections - Bankruptcy	0	2,702	2,702
Circuit/Clerk and Master Collections - Prior Years	0	84,400	84,400
Interest and Penalty	0	19,128	19,128
Local Option Sales Tax	4,968,000	2,018,779	6,986,779
Adequate Facilities/Development Tax	0	126,738	126,738
Bank Excise Tax	0	10,593	10,593
Interstate Telecommunications Tax	0	2,509	2,509
Total Cash Receipts	\$ 4,968,000	\$ 7,521,386	\$ 12,489,386
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 4,918,320	\$ 7,484,997	\$ 12,403,317
Trustee's Commission	49,680	127,416	177,096
Total Cash Disbursements	\$ 4,968,000	\$ 7,612,413	\$ 12,580,413
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ (91,027)	\$ (91,027)
Cash Balance, July 1, 2016	0	208,973	208,973
Cash Balance, June 30, 2017	\$ 0	\$ 117,946	\$ 117,946

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Independent Auditor's 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*

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, 2017, and the related notes to the financial statements, which collectively comprise Loudon County's basic financial statements, and have issued our report thereon dated January 12, 2018.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

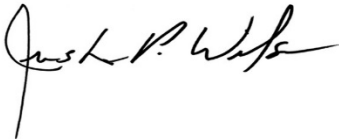
Compliance and Other Matters

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 12, 2018

JW/kp



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2017. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2017.

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 the Uniform Guidance, 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.

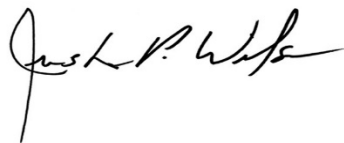
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2017, and the related notes to the financial statements, which collectively comprise Loudon County's basic financial statements. We issued our report thereon dated January 12, 2018, 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 the Uniform Guidance 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

January 12, 2018

JPW/kp

Loudon County, Tennessee, and the Loudon County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year-Ended June 30, 2017

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 335,302
National School Lunch Program	10.555	N/A	1,113,434 (5)
Summer Food Service Program for Children	10.559	N/A	70,863
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities Letter of Credit)	10.555	N/A	168,753 (5)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N/A	92,883
Total U.S. Department of Agriculture			<u>\$ 1,781,235</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	(3)	\$ 115,828 (6)
Total U.S. Department of Defense			<u>\$ 115,828</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	(3)	\$ 163,812
Total U.S. Department of Housing and Urban Development			<u>\$ 163,812</u>
U.S. Department of Justice:			
Direct Program:			
Equitable Sharing Program	16.922	(3)	\$ 47,463
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(3)	1,500
Total U.S. Department of Justice			<u>\$ 48,963</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	(3)	\$ 19,242
Passed-through Knox County Metropolitan Planning Commission:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	(3)	23,319
Passed-through Governor's Highway Safety Office:			
National Priority Safety Programs	20.616	(3)	7,016
Total U.S. Department of Transportation			<u>\$ 49,577</u>
U.S. Department of Energy:			
Passed-through State Department of Military:			
Environmental Monitoring/Cleanup, Cultural and Resource Management, Emergency Response Research, Outreach, Technical Analysis	81.214	N/A	\$ 15,899
Total U.S. Department of Energy			<u>\$ 15,899</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 921,205
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	1,125,480
Special Education - Preschool Grants	84.173	N/A	8,316
Career and Technical Education - Basic Grants to States	84.048	N/A	75,792
Twenty-first Century Community Learning Centers	84.287	N/A	125,404
English Language Acquisition Grants	84.365	N/A	18,802
Improving Teacher Quality State Grants	84.367	N/A	254,934
Total U.S. Department of Education			<u>\$ 2,529,933</u>

(Continued)

Loudon County, Tennessee, and the Loudon County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-Through Agency/State Grantor 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:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(3)	\$ 33,931
Passed-through State Department of Education:			
Child Care and Development Block Grant	93.575	(3)	57,854
Passed-through State Department of Health:			
Family Planning - Services	93.217	(3)	13,802
Medical Assistance Program	93.778	(3)	29,165
HIV Prevention Activities - Health Department Based	93.940	(3)	3,128
Maternal and Child Health Services Block Grant to the States	93.994	(3)	9,420
Total U.S. Department of Health and Human Services			<u>\$ 147,300</u>
Executive Office of the President:			
Passed-through Laurel County, Kentucky Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	(3)	\$ 10,123
Total Executive Office of the President			<u>\$ 10,123</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 39,500
Homeland Security Grant Program	97.067	(3)	12,500
Total U.S. Department of Homeland Security			<u>\$ 52,000</u>
Total Expenditures of Federal Grants			<u>\$ 4,914,670</u>
		Contract Number	
State Grants			
Juvenile Justice - State Commission on Children and Youth	N/A	(3)	\$ 9,000
Early Childhood Education - State Department of Education	N/A	(3)	815,419
Read to Be Ready Coaching Network Grant - State Department of Education	N/A	(3)	4,197
Litter Program - State Department of Transportation	N/A	(3)	38,837
Health Department Program - State Department of Health	N/A	(3)	130,607
Law Enforcement Training - State Department of Safety	N/A	(3)	28,800
Tobacco Cessation Grant - State Department of Health	N/A	(3)	17,290
Waste Tire Grant - State Department of Environment and Conservation	N/A	(3)	28,302
Coordinated School Health Program - State Department of Education	N/A	(3)	156,532
Family Resource Centers - State Department of Education	N/A	(3)	30,299
Safe Schools Act - State Department of Education	N/A	(3)	21,580
Lottery for Education and Afterschool Program - State Department of Education	N/A	(3)	210,400
Schools to Work Grant - State Department of Education	N/A	(3)	54,378
Internet Connectivity - State Department of Education	N/A	(3)	12,540
Total State Grants			<u>\$ 1,558,181</u>

CFDA = Catalog of Federal Domestic Assistance
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Loudon County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$1,688,352; Special Education Cluster total \$1,133,796.
- (5) Total for CFDA No. 10.555 is \$1,282,187.
- (6) During the year ended June 30, 2017, Loudon County received excess military equipment valued at \$115,828.

Loudon County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2017

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Loudon County, Tennessee, for the year ended June 30, 2017.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2016	229	2016-001	The Animal Shelter had Accounting Deficiencies	N/A	Corrected
2016	230	2016-002	Lunch Prices did not meet Federal Requirements of the School Nutrition Program	N/A	Corrected
2016	231	2016-003	Duties were not Segregated Adequately in the Office of Sheriff	N/A	Corrected

Prior-year Federal Audit Findings

2016	232	2016-004	Lunch Prices did not meet Federal Requirements of the School Nutrition Program	10.553, 10.555, and 10.559	Corrected
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LOUDON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Loudon County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers: 10.553, 10.555, and 10.559 Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

There were no findings relating to the financial statements of Loudon County, Tennessee, as a result of our examination for the year ended June 30, 2017.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2017.