

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

**FOR THE YEAR ENDED JUNE 30, 2018**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT**  
**LOUDON COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

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

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

***AMY SOSVILLE, CPA***  
***Senior Auditor***

***AMY MOORE, CGFM***  
***ANGIE COLLINS, CPA, CFE***  
***STEPHEN ALRED***  
***CODY EIDSON***  
***DOUG SANDIDGE, CISA, CFE***  
***State Auditors***

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

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# ***Summary of Audit Findings***

Annual Financial Report  
Loudon County, Tennessee  
For the Year Ended June 30, 2018

## ***Scope***

We have audited the basic financial statements of Loudon County as of and for the year ended June 30, 2018.

## ***Results***

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

Our audit resulted in no findings.

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# INTRODUCTORY SECTION

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Loudon County Officials  
June 30, 2018

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**Officials**

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

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

Brian Brown  
Craig Simon  
Philip Moffett  
Melissa Best  
Gary Ubben

**Audit Committee**

Matthew Tinker, Chairman  
Van Shaver  
Stephen Harrelson  
Charlie Bettis



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## FINANCIAL SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

## 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, 2018, 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, 2018, and the respective changes in financial position thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As described in Note V.B., Loudon County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

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

We draw attention to Note I.D.9. to the financial statements, which describes restatements reducing the beginning net position of the Governmental Activities of the primary government and the beginning net position of the discretely presented Loudon County School Department by \$4,666,687 and \$3,592,713, respectively, on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedules of county and school changes in the total other postemployment

benefits liability and related ratios on pages 99-107 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service and the General Capital Projects funds, combining and individual fund financial statements of the Loudon County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section 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 also 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 not a required part of the basic financial statements.

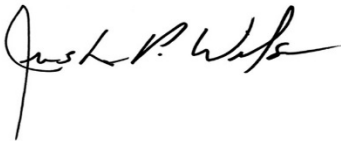
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Loudon County School Department (a discretely presented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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2019, 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,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

January 16, 2019

JPW/tg

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Loudon County, Tennessee  
Statement of Net Position  
June 30, 2018

	Primary Governmental Activities	Component Unit Loudon County School Department
<u>ASSETS</u>		
Cash	\$ 6,095	\$ 142,897
Equity in Pooled Cash and Investments	28,280,108	8,993,069
Accounts Receivable	190,107	15,965
Due from Other Governments	2,277,070	1,731,674
Property Taxes Receivable	16,880,293	10,206,451
Allowance for Uncollectible Property Taxes	(307,238)	(192,542)
Prepaid Items	627,160	708,425
Net Pension Asset - Teacher Retirement Plan	0	118,690
Net Pension Asset - Teacher Legacy Plan	0	158,795
Capital Assets:		
Assets Not Depreciated:		
Land	5,915,130	3,946,406
Construction in Progress	1,710,664	38,439
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	10,673,508	75,427,131
Other Capital Assets	2,400,328	1,400,206
Infrastructure	23,131,806	91,282
Total Assets	<u>\$ 91,785,031</u>	<u>\$ 102,786,888</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 91,589	\$ 129,791
Pension Changes in Assumptions	574,273	1,542,795
Net Pension Changes in Investment Earnings	0	24,105
Pension Contributions after Measurement Date	956,568	2,015,954
Pension Other Deferrals	0	147,324
Accumulated Decrease in Fair Value of Hedging Derivatives	300,717	0
Deferred Charges on Refunding	46,145	0
OPEB Contributions after Measurement Date	0	244,165
Total Deferred Outflows of Resources	<u>\$ 1,969,292</u>	<u>\$ 4,104,134</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 320,034	\$ 786,794
Accrued Payroll	158,631	6,699
Accrued Interest Payable	140,959	0
Payroll Deductions Payable	145,477	1,228,348
Contracts Payable	248,418	0
Retainage Payable	12,213	0
Due to State of Tennessee	8,330	0
Due to Litigants, Heirs, and Others	20,703	0
Derivative - Interest Rate Swap	300,717	0
Other Current Liabilities	40,031	16,046
Noncurrent Liabilities:		
Due Within One Year	4,844,798	0
Due in More Than One Year	70,065,693	4,947,521
Total Liabilities	<u>\$ 76,306,004</u>	<u>\$ 6,985,408</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	\$ 16,303,465	\$ 9,838,470
Pension Changes in Experience	327,144	3,394,098
Pension Changes in Investment Earnings	10,808	9,914
Pension Other Deferrals	0	2,899
OPEB changes in Assumptions	<u>547,723</u>	<u>215,038</u>
Total Deferred Inflows of Resources	<u>\$ 17,189,140</u>	<u>\$ 13,460,419</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 40,182,197	\$ 80,903,464
Restricted for:		
General Government	35,799	0
Finance	43,591	0
Administration of Justice	396,779	0
Public Safety	601,685	0
Public Health and Welfare	485	0
Social, Cultural, and Recreational	217,413	0
Highways	1,897,703	0
Education	0	201,743
Pensions	0	277,485
Debt Service	1,805,435	0
Capital Projects	358,569	2,508,007
Unrestricted	<u>(45,280,477)</u>	<u>2,554,496</u>
Total Net Position	<u>\$ 259,179</u>	<u>\$ 86,445,195</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, 2018

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	\$ 4,220,148	\$ 1,197,190	\$ 121,842	\$ 0	\$ (2,901,116)	\$ 0
Finance	2,388,789	1,431,245	74,416	0	(883,128)	0
Administration of Justice	2,961,012	1,255,978	22,807	0	(1,682,227)	0
Public Safety	8,547,783	303,697	265,622	9,610	(7,968,854)	0
Public Health and Welfare	1,577,918	217,806	394,379	0	(965,733)	0
Social, Cultural, and Recreational Services	617,477	11,336	117,691	0	(488,450)	0
Agriculture and Natural Resources	182,170	0	0	0	(182,170)	0
Highways	3,861,114	10,663	2,145,517	91,872	(1,613,062)	0
Education	88,483				(88,483)	
Interest on Long-term Debt	2,090,219	0	198,311	0	(1,891,908)	0
<b>Total Primary Government</b>	<b>\$ 26,535,113</b>	<b>\$ 4,427,915</b>	<b>\$ 3,340,585</b>	<b>\$ 101,482</b>	<b>\$ (18,665,131)</b>	<b>\$ 0</b>
Component Unit:						
Loudon County School Department	\$ 45,256,875	\$ 469,488	\$ 5,143,754	\$ 24,883	\$ 0	\$ (39,618,750)
<b>Total Component Unit</b>	<b>\$ 45,256,875</b>	<b>\$ 469,488</b>	<b>\$ 5,143,754</b>	<b>\$ 24,883</b>	<b>\$ 0</b>	<b>\$ (39,618,750)</b>

(Continued)

Exhibit B

Loudon County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental	Unit
				Total	Loudon County School Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 9,221,101	\$ 10,708,307
Property Taxes Levied for Public Library					323,601	0
Property Taxes Levied for Highway/Public Works					569,534	0
Property Taxes Levied for General Debt Service					1,180,074	0
Property Taxes Levied for Education Debt Service					4,346,364	0
Property Taxes Levied for Capital Projects					171,467	0
Property Taxes Levied for Highway Capital Projects					294,595	0
Sales Taxes					1,160,340	4,209,819
Hotel/Motel Tax					480,472	0
Business Tax					643,946	0
Litigation Tax					512,001	0
Mineral Severance Tax					68,272	0
Adequate Facilities/Development Tax					0	798,192
Other Local Taxes					114,121	0
Bank Excise Tax					38,417	0
Mixed Drink Tax					32,700	0
Grants and Contributions Not Restricted to Specific Programs					2,061,659	23,312,687
Unrestricted Investment Income					284,617	39,598
Miscellaneous					235,668	74,930
Revenue from Joint Ventures					26,546	0
<b>Total General Revenues</b>					<b>\$ 21,765,495</b>	<b>\$ 39,143,533</b>
Change in Net Position					\$ 3,100,364	\$ (475,217)
Net Position, July 1, 2017					1,825,502	90,513,125
Restatement - See Note I.D.9.					(4,666,687)	(3,592,713)
<b>Net Position, June 30, 2018</b>					<b>\$ 259,179</b>	<b>\$ 86,445,195</b>

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, 2018

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 970	\$ 500	\$ 0	\$ 0	\$ 4,625	\$ 6,095
Equity in Pooled Cash and Investments	6,238,147	1,443,626	8,178,284	9,077,830	3,342,221	28,280,108
Accounts Receivable	123,679	136	0	0	66,292	190,107
Due from Other Governments	1,701,062	406,183	0	37,968	131,857	2,277,070
Due from Other Funds	7,847	0	0	0	0	7,847
Property Taxes Receivable	9,928,949	576,266	4,400,390	172,717	1,801,971	16,880,293
Allowance for Uncollectible Property Taxes	(179,045)	(10,720)	(80,575)	(3,220)	(33,678)	(307,238)
Prepaid Items	479,146	140,919	0	0	7,095	627,160
Total Assets	\$ 18,300,755	\$ 2,556,910	\$ 12,498,099	\$ 9,285,295	\$ 5,320,383	\$ 47,961,442
<u>LIABILITIES</u>						
Accounts Payable	\$ 276,449	\$ 20,800	\$ 0	\$ 0	\$ 22,785	\$ 320,034
Accrued Payroll	132,179	15,665	0	0	10,787	158,631
Payroll Deductions Payable	127,989	11,380	0	0	6,108	145,477
Contracts Payable	0	0	0	248,418	0	248,418
Retainage Payable	0	0	0	12,213	0	12,213
Due to Other Funds	0	0	0	0	7,847	7,847
Due to State of Tennessee	8,330	0	0	0	0	8,330
Due to Litigants, Heirs, and Others	0	0	0	0	20,703	20,703
Other Current Liabilities	40,031	0	0	0	0	40,031
Total Liabilities	\$ 584,978	\$ 47,845	\$ 0	\$ 260,631	\$ 68,230	\$ 961,684

(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	General Capital Projects	Other Govern- mental Funds	
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Deferred Current Property Taxes	\$ 9,594,400	\$ 555,917	\$ 4,248,649	\$ 166,600	\$ 1,737,899	\$ 16,303,465
Deferred Delinquent Property Taxes	126,267	7,819	62,695	2,352	24,680	223,813
Other Deferred/Unavailable Revenue	522,461	191,477	0	18,984	56,557	789,479
Total Deferred Inflows of Resources	<u>\$ 10,243,128</u>	<u>\$ 755,213</u>	<u>\$ 4,311,344</u>	<u>\$ 187,936</u>	<u>\$ 1,819,136</u>	<u>\$ 17,316,757</u>

**FUND BALANCES**

Nonspendable:						
Prepaid Items	\$ 479,146	\$ 140,919	\$ 0	\$ 0	\$ 7,095	\$ 627,160
Restricted:						
Restricted for General Government	35,799	0	0	0	0	35,799
Restricted for Finance	43,591	0	0	0	0	43,591
Restricted for Administration of Justice	377,115	0	0	0	19,664	396,779
Restricted for Public Safety	31,597	0	0	0	569,848	601,445
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	206,607	206,607
Restricted for Highways/Public Works	0	1,612,933	0	0	0	1,612,933
Restricted for Debt Service	0	0	8,186,755	0	1,823,113	10,009,868
Restricted for Capital Projects	0	0	0	8,305,717	356,217	8,661,934
Committed:						
Committed for Public Safety	32,512	0	0	0	0	32,512
Committed for Public Health and Welfare	51,548	0	0	0	329,531	381,079
Committed for Other Operations	0	0	0	0	67,982	67,982
Committed for Debt Service	0	0	0	0	52,960	52,960
Committed for Capital Projects	0	0	0	531,011	0	531,011
Assigned:						
Assigned for General Government	1,896,969	0	0	0	0	1,896,969

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	Education Debt Service	General Capital Projects	Funds Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>						
Assigned (Cont.):						
Assigned for Finance	\$ 18,415	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,415
Assigned for Administration of Justice	23,961	0	0	0	0	23,961
Assigned for Public Safety	82,774	0	0	0	0	82,774
Assigned for Public Health and Welfare	802	0	0	0	0	802
Assigned for Agriculture and Natural Resources	1,082	0	0	0	0	1,082
Assigned for Other Operations	448	0	0	0	0	448
Unassigned	4,396,890	0	0	0	0	4,396,890
Total Fund Balances	<u>\$ 7,472,649</u>	<u>\$ 1,753,852</u>	<u>\$ 8,186,755</u>	<u>\$ 8,836,728</u>	<u>\$ 3,433,017</u>	<u>\$ 29,683,001</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,300,755</u>	<u>\$ 2,556,910</u>	<u>\$ 12,498,099</u>	<u>\$ 9,285,295</u>	<u>\$ 5,320,383</u>	<u>\$ 47,961,442</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, 2018

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)		\$ 29,683,001
(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	1,710,664	
Add: infrastructure net of accumulated depreciation	23,131,806	
Add: buildings and improvements net of accumulated depreciation	10,673,508	
Add: other capital assets net of accumulated depreciation	<u>2,400,328</u>	43,831,436
(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	\$ (215,000)	
Less: bonds payable	(52,110,000)	
Less: other loans payable	(8,294,931)	
Add: deferred amount on refunding	46,145	
Less: unamortized portion of debt premiums	(1,817,823)	
Less: accrued interest on notes, bonds, and other loans	(140,959)	
Less: OPEB liability	(11,826,699)	
Less: compensated absences payable	<u>(562,872)</u>	(74,922,139)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 1,622,430	
Less: deferred inflows of resources related to pensions	(337,952)	
Less: deferred inflows related to OPEB	<u>(547,723)</u>	736,755
(4) Net pension liabilities of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		(83,166)
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,013,292</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 259,179</u></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, 2018

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 11,998,261	\$ 667,195	\$ 4,595,086	\$ 365,020	\$ 2,602,127	\$ 20,227,689
Licenses and Permits	858,508	0	0	0	0	858,508
Fines, Forfeitures, and Penalties	420,577	0	0	0	39,247	459,824
Charges for Current Services	118,209	0	0	0	19,467	137,676
Other Local Revenues	207,595	108,266	129,273	84,478	242,406	772,018
Fees Received From County Officials	2,585,055	0	0	0	0	2,585,055
State of Tennessee	1,805,248	2,178,457	0	0	90,655	4,074,360
Federal Government	252,154	111,958	0	1,306	5,754	371,172
Other Governments and Citizens Groups	104,031	4,000	0	0	234,849	342,880
<b>Total Revenues</b>	<b>\$ 18,349,638</b>	<b>\$ 3,069,876</b>	<b>\$ 4,724,359</b>	<b>\$ 450,804</b>	<b>\$ 3,234,505</b>	<b>\$ 29,829,182</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 3,079,676	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,079,676
Finance	2,337,275	0	0	0	9,003	2,346,278
Administration of Justice	2,903,347	0	0	0	0	2,903,347
Public Safety	7,941,800	0	0	0	69,379	8,011,179
Public Health and Welfare	668,312	0	0	0	808,645	1,476,957
Social, Cultural, and Recreational Services	241,396	0	0	0	323,531	564,927
Agriculture and Natural Resources	178,338	0	0	0	0	178,338
Other Operations	756,721	0	0	3,390	29,606	789,717
Highways	0	2,523,418	0	0	0	2,523,418
Debt Service:						
Principal on Debt	48,483	0	3,400,300	0	1,228,000	4,676,783
Interest on Debt	0	0	1,632,951	0	229,757	1,862,708
Other Debt Service	0	0	88,483	138,386	222,673	449,542

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor	Total	
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds		Governmental Funds
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 2,095,233	\$ 346,258	\$ 2,441,491
Total Expenditures	\$ 18,155,348	\$ 2,523,418	\$ 5,121,734	\$ 2,237,009	\$ 3,266,852	\$ 31,304,361
Excess (Deficiency) of Revenues Over Expenditures	\$ 194,290	\$ 546,458	\$ (397,375)	\$ (1,786,205)	\$ (32,347)	\$ (1,475,179)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 9,675,000	\$ 0	\$ 9,675,000
Premiums on Debt Sold	0	0	0	320,603	0	320,603
Proceeds from Sale of Capital Assets	0	49,500	0	147,822	0	197,322
Insurance Recovery	22,811	28,338	0	0	0	51,149
Transfers In	75,150	0	0	31,285	184,408	290,843
Transfers Out	(31,285)	(84,408)	0	(75,150)	(100,000)	(290,843)
Total Other Financing Sources (Uses)	\$ 66,676	\$ (6,570)	\$ 0	\$ 10,099,560	\$ 84,408	\$ 10,244,074
Net Change in Fund Balances	\$ 260,966	\$ 539,888	\$ (397,375)	\$ 8,313,355	\$ 52,061	\$ 8,768,895
Fund Balance, July 1, 2017	7,211,683	1,213,964	8,584,130	523,373	3,380,956	20,914,106
Fund Balance, June 30, 2018	\$ 7,472,649	\$ 1,753,852	\$ 8,186,755	\$ 8,836,728	\$ 3,433,017	\$ 29,683,001

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, 2018

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)		\$ 8,768,895
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 2,200,540	
Less: current-year depreciation expense	<u>(1,834,932)</u>	365,608
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.</p>		
Add: assets donated and capitalized	\$ 9,610	
Less: book value of capital assets disposed	<u>(135,299)</u>	(125,689)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Less: deferred delinquent property taxes and other deferred June 30, 2017	\$ (1,278,630)	
Add: deferred delinquent property taxes and other deferred June 30, 2018	<u>1,013,292</u>	(265,338)
<p>(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.</p>		
Add: principal payments on notes	\$ 39,000	
Add: principal payments on other loans	1,757,783	
Add: principal payments on bonds	2,880,000	
Less: change in premium on debt issues	(148,012)	
Less: change in deferred charge on refunding	(23,336)	
Less: bond proceeds	<u>(9,675,000)</u>	(5,169,565)
<p>(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.</p>		
Change in accrued interest payable	\$ (15,707)	
Change in compensated absences payable	(10,530)	
Change in net OPEB liability (net of restatement)	(524,730)	
Change in net pension liability/asset	827,450	
Change in deferred outflows related to pensions	(357,429)	
Change in deferred inflows related to pensions	155,122	
Change in deferred inflows related to OPEB	<u>(547,723)</u>	(473,547)
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,100,364</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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,998,261	\$ 0	\$ 0	\$ 11,998,261	\$ 11,401,139	\$ 11,784,908	\$ 213,353
Licenses and Permits	858,508	0	0	858,508	717,000	857,860	648
Fines, Forfeitures, and Penalties	420,577	0	0	420,577	395,413	426,313	(5,736)
Charges for Current Services	118,209	0	0	118,209	87,000	97,000	21,209
Other Local Revenues	207,595	0	0	207,595	178,217	158,023	49,572
Fees Received From County Officials	2,585,055	0	0	2,585,055	2,327,730	2,534,730	50,325
State of Tennessee	1,805,248	0	0	1,805,248	1,503,703	1,683,240	122,008
Federal Government	252,154	0	0	252,154	50,762	142,134	110,020
Other Governments and Citizens Groups	104,031	0	0	104,031	46,000	106,302	(2,271)
<b>Total Revenues</b>	<b>\$ 18,349,638</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 18,349,638</b>	<b>\$ 16,706,964</b>	<b>\$ 17,790,510</b>	<b>\$ 559,128</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 260,419	\$ (113,875)	\$ 50,347	\$ 196,891	\$ 191,016	\$ 211,217	\$ 14,326
Board of Equalization	1,462	0	0	1,462	2,600	2,600	1,138
Beer Board	4,184	0	0	4,184	7,000	7,000	2,816
Other Boards and Committees	5,850	0	0	5,850	7,150	7,150	1,300
County Mayor/Executive	210,553	0	0	210,553	241,081	226,621	16,068
Personnel Office	36,146	0	0	36,146	43,942	43,982	7,836
County Attorney	93,007	0	3,500	96,507	155,000	155,000	58,493
Election Commission	262,431	0	52,089	314,520	823,063	344,621	30,101
Register of Deeds	287,711	0	0	287,711	303,824	296,331	8,620
Planning	106,683	0	0	106,683	114,571	112,836	6,153
Codes Compliance	225,331	0	0	225,331	246,000	236,394	11,063
Geographical Information Systems	65,631	0	0	65,631	66,980	67,395	1,764
County Buildings	1,228,446	0	2,495	1,230,941	1,305,611	1,287,283	56,342
Other General Administration	291,822	0	0	291,822	304,000	300,881	9,059
<u>Finance</u>							
Accounting and Budgeting	614,316	(700)	1,086	614,702	625,494	625,536	10,834
Purchasing	242,293	(5,192)	1,239	238,340	254,211	251,365	13,025

(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 7/1/2017	Add: Encumbrances 6/30/2018	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	\$ 401,571	\$ (608)	\$ 14,139	\$ 415,102	\$ 456,082	\$ 452,919	\$ 37,817
County Trustee's Office	356,416	0	0	356,416	366,389	368,617	12,201
County Clerk's Office	581,651	0	1,950	583,601	588,898	610,385	26,784
Data Processing	141,028	0	0	141,028	162,443	151,563	10,535
<u>Administration of Justice</u>							
Circuit Court	412,558	0	13,334	425,892	421,930	451,567	25,675
General Sessions Court	592,429	0	7,806	600,235	678,439	711,872	111,637
General Sessions Judge	460,740	0	0	460,740	477,629	475,486	14,746
Chancery Court	1,028,682	(1,417)	914	1,028,179	249,233	1,043,805	15,626
Juvenile Court	294,382	0	1,907	296,289	307,348	307,595	11,306
Judicial Commissioners	57,888	0	0	57,888	64,197	64,197	6,309
Other Administration of Justice	17,141	0	0	17,141	16,260	20,160	3,019
Courtroom Security	19,481	0	0	19,481	5,000	24,878	5,397
Victim Assistance Programs	20,046	0	0	20,046	20,000	21,450	1,404
<u>Public Safety</u>							
Sheriff's Department	4,335,873	(20,970)	10,123	4,325,026	4,577,528	4,506,729	181,703
Special Patrols	12,444	0	4,650	17,094	20,000	20,000	2,906
Traffic Control	2,122	0	0	2,122	10,500	10,500	8,378
Administration of the Sexual Offender Registry	384	0	0	384	1,500	1,500	1,116
Jail	2,467,256	(5,799)	0	2,461,457	2,300,992	2,585,972	124,515
Rural Fire Protection	221,123	(30,000)	60,000	251,123	215,000	251,123	0
Civil Defense	227,150	(38,057)	2,571	191,664	195,156	195,397	3,733
Other Emergency Management	34,103	(10,912)	5,430	28,621	16,000	44,622	16,001
County Coroner/Medical Examiner	99,845	0	0	99,845	69,000	142,640	42,795
Other Public Safety	541,500	0	0	541,500	541,500	541,500	0
<u>Public Health and Welfare</u>							
Local Health Center	30,330	0	0	30,330	44,425	41,932	11,602
Rabies and Animal Control	352,066	0	802	352,868	417,035	424,675	71,807
Maternal and Child Health Services	15,961	0	0	15,961	16,100	16,100	139

(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 7/1/2017	Add: Encumbrances 6/30/2018	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	\$ 269,955	\$ 0	\$ 0	\$ 269,955	\$ 345,100	\$ 366,700	\$ 96,745
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	2,500	0	0	2,500	2,500	2,500	0
Senior Citizens Assistance	238,896	0	0	238,896	239,741	253,594	14,698
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	155,905	0	1,082	156,987	170,031	170,031	13,044
Soil Conservation	16,973	0	0	16,973	20,104	20,304	3,331
Flood Control	2,000	0	0	2,000	2,000	2,000	0
Storm Water Management	3,460	0	0	3,460	4,000	4,000	540
<u>Other Operations</u>							
Tourism	139,337	0	0	139,337	127,600	154,282	14,945
Industrial Development	166,429	0	0	166,429	166,430	166,430	1
Housing and Urban Development	3,000	0	0	3,000	3,750	6,750	3,750
Veterans' Services	42,312	0	448	42,760	47,546	48,046	5,286
Contributions to Other Agencies	71,100	0	0	71,100	71,100	71,100	0
Employee Benefits	1,641	0	0	1,641	2,500	2,500	859
Miscellaneous	332,902	0	0	332,902	325,000	338,320	5,418
<u>Principal on Debt</u>							
General Government	48,483	0	0	48,483	50,000	48,483	0
Total Expenditures	\$ 18,155,348	\$ (227,530)	\$ 235,912	\$ 18,163,730	\$ 18,507,529	\$ 19,318,436	\$ 1,154,706
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 194,290	\$ 227,530	\$ (235,912)	\$ 185,908	\$ (1,800,565)	\$ (1,527,926)	\$ 1,713,834
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 22,811	\$ 0	\$ 0	\$ 22,811	\$ 0	\$ 20,854	\$ 1,957
Transfers In	75,150	0	0	75,150	0	75,150	0
Transfers Out	(31,285)	0	0	(31,285)	0	(31,285)	0
Total Other Financing Sources	\$ 66,676	\$ 0	\$ 0	\$ 66,676	\$ 0	\$ 64,719	\$ 1,957

(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 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 260,966	\$ 227,530	\$ (235,912)	\$ 252,584	\$ (1,800,565)	\$ (1,463,207)	\$ 1,715,791
Fund Balance, July 1, 2017	7,211,683	(227,530)	0	6,984,153	5,883,314	5,883,314	1,100,839
Fund Balance, June 30, 2018	\$ 7,472,649	\$ 0	\$ (235,912)	\$ 7,236,737	\$ 4,082,749	\$ 4,420,107	\$ 2,816,630

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 667,195	\$ 0	\$ 0	\$ 667,195	\$ 624,017	\$ 647,817	\$ 19,378
Other Local Revenues	108,266	0	0	108,266	36,721	118,565	(10,299)
State of Tennessee	2,178,457	0	0	2,178,457	3,320,925	3,329,563	(1,151,106)
Federal Government	111,958	0	0	111,958	636,000	1,663,322	(1,551,364)
Other Governments and Citizens Groups	4,000	0	0	4,000	0	4,000	0
Total Revenues	<u>\$ 3,069,876</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,069,876</u>	<u>\$ 4,617,663</u>	<u>\$ 5,763,267</u>	<u>\$ (2,693,391)</u>
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 772,387	\$ 0	\$ 0	\$ 772,387	\$ 822,545	\$ 805,745	\$ 33,358
Highway and Bridge Maintenance	696,059	0	2,210	698,269	663,597	795,129	96,860
Operation and Maintenance of Equipment	232,925	0	0	232,925	249,000	330,478	97,553
Other Charges	177,105	(389)	300	177,016	185,000	192,800	15,784
Employee Benefits	450,203	0	0	450,203	442,828	466,302	16,099
Capital Outlay	194,739	(22,500)	1,242,832	1,415,071	2,252,898	3,371,178	1,956,107
Total Expenditures	<u>\$ 2,523,418</u>	<u>\$ (22,889)</u>	<u>\$ 1,245,342</u>	<u>\$ 3,745,871</u>	<u>\$ 4,615,868</u>	<u>\$ 5,961,632</u>	<u>\$ 2,215,761</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 546,458</u>	<u>\$ 22,889</u>	<u>\$ (1,245,342)</u>	<u>\$ (675,995)</u>	<u>\$ 1,795</u>	<u>\$ (198,365)</u>	<u>\$ (477,630)</u>
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 49,500	\$ 0	\$ 0	\$ 49,500	\$ 0	\$ 137,600	\$ (88,100)
Insurance Recovery	28,338	0	0	28,338	0	28,337	1
Transfers Out	(84,408)	0	0	(84,408)	(126,595)	(86,595)	2,187
Total Other Financing Sources	<u>\$ (6,570)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,570)</u>	<u>\$ (126,595)</u>	<u>\$ 79,342</u>	<u>\$ (85,912)</u>

(Continued)

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 539,888	\$ 22,889	\$ (1,245,342)	\$ (682,565)	\$ (124,800)	\$ (119,023)	\$ (563,542)
Fund Balance, July 1, 2017	1,213,964	(22,889)	0	1,191,075	564,447	564,447	626,628
Fund Balance, June 30, 2018	\$ 1,753,852	\$ 0	\$ (1,245,342)	\$ 508,510	\$ 439,647	\$ 445,424	\$ 63,086

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, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 589,797
Equity in Pooled Cash and Investments	3,829,723
Accounts Receivable	31,461
Due from Other Governments	1,196,181
Taxes Receivable	4,929,914
Allowance for Uncollectible Taxes	<u>(93,002)</u>
Total Assets	<u>\$ 10,484,074</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 10,132
Due to Other Taxing Units	6,242,770
Due to Litigants, Heirs, and Others	589,797
Due to Joint Ventures	<u>3,641,375</u>
Total Liabilities	<u>\$ 10,484,074</u>

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



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## LOUDON COUNTY, TENNESSEE

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**LOUDON COUNTY, TENNESSEE**  
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**LOUDON COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**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, 2018.

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 for 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.

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

Additionally, Loudon County reports the following fund type:

**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 resources provided to the School Department for building construction, renovations, and other capital outlays.

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 .95 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, pension changes in assumptions, changes in pension plan investment earnings, employer contributions made to the pension plan after the measurement date, pension other deferrals, OPEB contributions after the measurement date, accumulated decrease in the fair value of hedging derivatives, and deferred charges on refundings.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, pension other deferrals, pension changes in investment earnings, OPEB changes in assumptions, 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 are 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, 2018, Loudon County had \$48,980,900 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 (\$235,912) and fund balance appropriated for use in the 2018-2019 budget (\$1,788,539). Assigned fund balance in the General Purpose School Fund consists of amounts assigned for encumbrances (\$239,302) and fund balance appropriated for use in the 2018-2019 budget (\$3,138,024).

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

## **9. Restatement**

In prior years, the government was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Loudon County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Restatements reducing the beginning net position of the Governmental Activities of the primary government and the beginning net position of the discretely presented Loudon County School Department by \$4,666,687 and \$3,592,713, respectively, have been recognized to account for the transitional requirements.

**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.

**F. Other Postemployment Benefit (OPEB) Plans**

**Primary Government**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Loudon County. For this purpose, Loudon County recognizes benefit payments when due and payable in accordance with benefit terms. Loudon County's OPEB plan is not administered through a trust.

**Discretely Presented Loudon County School Department**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Loudon County School Department. For this purpose, the School Department recognizes benefit payments when due and payable in

accordance with benefit terms. The School Department's OPEB plan is not administered through a trust.

## 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, 2018, Loudon County and the Loudon County School Department reported encumbrances in the following budgeted funds:

Fund	Amount
Primary Government:	
General	\$ 235,912
Highway/Public Works	1,245,342
General Capital Projects	15,423,722
Nonmajor governmental	244,079
Discretely Presented School Department:	
General Purpose School	\$ 239,302
Education Capital Projects	6,561

**B. Fund Deficit**

The School Federal Projects Fund of the discretely presented School Department had a deficit in unassigned fund balance of \$8,736 at June 30, 2018. This deficit is expected to be liquidated upon the receipt of federal funds subsequent to year-end.

**C. Results of Investigation**

The Comptroller of the Treasury, Division of Investigations is conducting an investigation related to potential fraud at an individual school cafeteria that the county discovered and reported. Any report that may result from this



investigation can be found on the Comptroller of the Treasury's website, <https://www.comptroller.tn.gov/ia/> and may be disclosed in subsequent audit reports.

#### 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, 2018, 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 Notes	4/15/19	\$ 994,100
Total		<u>\$ 994,100</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, 2018, 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, 2018, 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 2018 financial statements is as follows:

Type	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2018</u>		6-30-18 Notional
	Classification	Amount	Classification	Amount	Amount
<b>Governmental Activities</b>					
Cash Flow Hedge:					
Pay fixed interest rate swap:					
\$12.5M Swap	Deferred	\$ 251,437	Debt	\$ (300,717)	\$ 6,790,000
	Outflow				
Total		<u>\$ 251,437</u>		<u>\$ (300,717)</u>	<u>\$ 6,790,000</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, 2018, 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>-1.58</u>
Net interest rate swap payments		1.55 %
Variable-rate bond coupon payments		<u>2.01</u>
Synthetic interest rate on bonds		<u><u>3.56 %</u></u>

**Fair value.** As of June 30, 2018, the swap had a negative fair value of \$300,717. 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, 2018, 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 "Baa1/BBB+" by Moody's and Standard and Poor's as of June 30, 2018, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/A- by Moody's, Standard and Poor's, and Fitch, respectively.

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

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

to the counterparty for a payment equal to the swap's fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap's fair value.

**Swap payments and associated debt.** As of June 30, 2018, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Fiscal Year Ending June 30	Variable Rate Bonds		Net Interest Rate	Total
	Principal	Interest	Swap Payment	
2019	\$ 810,000	\$ 136,695	\$ 105,024	\$ 1,051,719
2020	855,000	120,388	92,496	1,067,884
2021	910,000	103,175	79,271	1,092,446
2022	965,000	84,855	65,196	1,115,051
2023	1,020,000	65,428	50,269	1,135,697
2024-2025	2,230,000	67,945	52,203	2,350,148
Total	\$ 6,790,000	\$ 578,486	\$ 444,459	\$ 7,812,945

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2018, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance			Balance
	7-1-17	Increases	Decreases	6-30-18
Capital Assets Not Depreciated:				
Land	\$ 5,915,130	\$ 0	\$ 0	\$ 5,915,130
Construction in Progress	75,100	1,635,564	0	1,710,664
Total Capital Assets Not Depreciated	<u>\$ 5,990,230</u>	<u>\$ 1,635,564</u>	<u>\$ 0</u>	<u>\$ 7,625,794</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,853,726	\$ 15,446	\$ 0	\$ 14,869,172
Infrastructure	49,096,941	0	0	49,096,941
Other Capital Assets	9,183,089	559,140	(413,381)	9,328,848
Total Capital Assets Depreciated	<u>\$ 73,133,756</u>	<u>\$ 574,586</u>	<u>\$ (413,381)</u>	<u>\$ 73,294,961</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,939,745	\$ 255,919	\$ 0	\$ 4,195,664
Infrastructure	24,976,807	988,328	0	25,965,135
Other Capital Assets	6,615,917	590,685	(278,082)	6,928,520
Total Accumulated Depreciation	<u>\$ 35,532,469</u>	<u>\$ 1,834,932</u>	<u>\$ (278,082)</u>	<u>\$ 37,089,319</u>
Total Capital Assets Depreciated, Net	<u>\$ 37,601,287</u>	<u>\$ (1,260,346)</u>	<u>\$ (135,299)</u>	<u>\$ 36,205,642</u>
Governmental Activities Capital Assets, Net	<u>\$ 43,591,517</u>	<u>\$ 375,218</u>	<u>\$ (135,299)</u>	<u>\$ 43,831,436</u>

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	\$	162,042
Finance		3,824
Administration of Justice		20,194
Public Safety		434,611
Public Health and Welfare		75,977
Social, Cultural, and Recreational Services		31,482
Highways/Public Works		<u>1,106,802</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>1,834,932</u></u>

**Discretely Presented Loudon County School Department**

**Governmental Activities:**

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 3,946,406	\$ 0	\$ 0	\$ 3,946,406
Construction in Progress	9,303,935	464,855	(9,730,351)	38,439
Total Capital Assets Not Depreciated	<u>\$ 13,250,341</u>	<u>\$ 464,855</u>	<u>\$ (9,730,351)</u>	<u>\$ 3,984,845</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 86,701,529	\$ 9,391,955	\$ 0	\$ 96,093,484
Infrastructure	96,087	0	0	96,087
Other Capital Assets	1,737,871	710,207	0	2,448,078
Total Capital Assets Depreciated	<u>\$ 88,535,487</u>	<u>\$ 10,102,162</u>	<u>\$ 0</u>	<u>\$ 98,637,649</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 18,883,539	\$ 1,782,814	\$ 0	\$ 20,666,353
Infrastructure	2,883	1,922	0	4,805
Other Capital Assets	868,601	179,271	0	1,047,872
Total Accumulated Depreciation	<u>\$ 19,755,023</u>	<u>\$ 1,964,007</u>	<u>\$ 0</u>	<u>\$ 21,719,030</u>
Total Capital Assets Depreciated, Net	<u>\$ 68,780,464</u>	<u>\$ 8,138,155</u>	<u>\$ 0</u>	<u>\$ 76,918,619</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 82,030,805</u></u>	<u><u>8,603,010</u></u>	<u><u>(9,730,351)</u></u>	<u><u>\$ 80,903,464</u></u>

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

**Governmental Activities:**

Instruction	\$ 56,690
Support Services	1,893,866
Operation of Non-instructional Services	<u>13,451</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 1,964,007</u>

**D. Commitments**

**1. Construction Commitments**

At June 30, 2018, the General Capital Projects Fund had uncompleted contracts of \$15,422,531 for the expansion of the justice center. Funding will be provided for this future expenditure through a debt issue in fiscal year 2018-2019.

**2. Liquidation of Delinquent Property Tax Liens for Certain Properties within the Tellico Village Development**

During October 2017, the Loudon County Chancery Court held a delinquent tax sale of certain properties within the county. For 435 parcels of property, 421 of which were within the Tellico Village development, the county became the purchaser at the sale. The properties within the development were encumbered by delinquent property owner association fees and no other bids were received which equaled or exceeded the amount of delinquent county taxes on those properties (including associated interest, penalties, costs, and fees). Although the delinquent property owner association fees do not transfer to new owners, current fees do accrue to new owners.

Those properties purchased within the Tellico Village development were subject to an earlier agreement whereby the county committed to purchase the properties at the tax sale and ultimately transfer the ownership of the properties free of any delinquent tax liens to the Tellico Village Property Owners Association (TVPOA) through its designee TV Holdings, LLC (THL). The agreement provides that upon transferring ownership of the properties to TVPOA through THL, the only consideration to be given for the property by TVPOA is its covenant to not assess property owner fees during the time the county owns the property. The county expects that the transaction will result in future property tax revenues being collectible for the properties through TVPOA or subsequent owners. The agreement was approved by the



county commission pursuant to statutory authority in Section 67-5-2516(b), Tennessee Code Annotated.

The county paid \$783,515 from the General Fund to liquidate county property taxes and other associated interest, penalties, attorney fees, and costs for properties purchased at the tax sale. Of that amount, \$763,879 was for properties within the development. State statutes provide that previous owners have up to one year from the date of the order confirming the tax sale to redeem their properties by paying into the court delinquent amounts due on those properties. \$27,509 has been recouped from previous property owners who redeemed their properties after the sale.

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

The composition of interfund balances as of June 30, 2018, is as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 7,847
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	113
Nonmajor governmental	General Purpose School	3,283

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, 2018, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In		
	General Fund	General Capital Projects Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 31,285	\$ 0
Highway/Public Works Fund	0	0	84,408
General Capital Projects Fund	75,150	0	0
Nonmajor governmental fund	0	0	100,000
<b>Total</b>	<b>\$ 75,150</b>	<b>\$ 31,285</b>	<b>\$ 184,408</b>

The General Fund transferred \$31,285 to the General Capital Projects Fund for cash flow purposes for a project. The Highway/Public Works Fund transferred \$84,408 to the nonmajor governmental funds to retire highway debt. The General Capital Projects Fund transferred \$75,150 to the General Fund to repay a prior year cash flow transfer. Within the nonmajor governmental funds, the Courthouse/Jail Maintenance Fund transferred \$100,000 to the General Debt Service Fund for future debt service for the jail project.

**Discretely Presented Loudon County School Department**

Transfers Out	Transfers In	
	Education Capital Projects Fund	Purpose
General Purpose School Fund	\$ 150,000	School Capital Project

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

**F. Payables**

The total of \$20,703 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, 2018, 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, 2018, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-18
General Obligation Bonds	1.4 to 5 %	6-1-37	\$ 61,865,000	\$ 51,005,000
General Obligation Bonds - Refunding	2.8	4-1-20	2,600,000	1,105,000
Capital Outlay Notes	2.88	2-1-23	400,000	215,000
Other Loans - City of Loudon	0	N/A	475,000	119,031
Other Loans - PBA Variable Rate	variable	6-1-25	14,835,000	7,350,000
Loan Agreement - State School Bond Authority (QZABs)	0	12-1-20	4,129,500	825,900

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, 2018:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-18	Interest Type	Variable Interest Rates as of 6-30-18	Other Fees on Variable Rate Debt
<u>Blount County</u>					
<u>Public Building Authority:</u>					
School Projects-Refunding	\$ 12,265,000	\$ 6,825,000	Variable	2.01	(1) 0.11
Various Purposes-Refunding	2,570,000	<u>525,000</u>	Variable	1.94	0.11
Total		<u>\$ 7,350,000</u>			

(2) 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 6-30-18	Interest Rates
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City of Loudon

Highlands Business Center	\$ 475,000	\$ 119,031	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 \$48,483 under the agreement.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2018, including estimated interest payments and other fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 2,905,000	\$ 1,577,953	\$ 4,482,953
2020	3,045,000	1,485,303	4,530,303
2021	3,005,000	1,382,978	4,387,978
2022	3,325,000	1,304,703	4,629,703
2023	3,375,000	1,218,728	4,593,728
2024-2028	12,595,000	4,919,153	17,514,153
2029-2033	14,220,000	2,907,864	17,127,864
2034-2037	9,640,000	616,638	10,256,638
<b>Total</b>	<b>\$ 52,110,000</b>	<b>\$ 15,413,320</b>	<b>\$ 67,523,320</b>

Year Ending June 30	Notes		
	Principal	Interest	Total
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
<b>Total</b>	<b>\$ 215,000</b>	<b>\$ 18,864</b>	<b>\$ 233,864</b>

Year Ending June 30	Other Loans - PBA and QZAB			
	Principal	Interest	Other Fees	Total
2019	\$ 1,340,300	\$ 253,143	\$ 8,038	\$ 1,601,481
2020	1,410,300	219,285	6,864	1,636,449
2021	1,190,300	183,340	5,614	1,379,254
2022	970,000	150,766	4,616	1,125,382
2023	1,025,000	116,234	3,559	1,144,793
2024-2025	2,240,000	120,684	3,695	2,364,379
Total	\$ 8,175,900	\$ 1,043,452	\$ 32,386	\$ 9,251,738

Annual requirements for the \$119,031 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 \$10,062,828 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$222, based on the 2010 federal census for residents living inside the Lenoir City School District and \$1,257 for residents living outside of the school district. Total debt per capita, including bonds, notes, other loans, and unamortized premium on debt, totaled \$247 for residents living inside the Lenoir City School District and \$1,511 for residents living outside of the school district.

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2018, was as follows:

	Bonds	Notes	Other Loans - City of Loudon
Balance, July 1, 2017	\$ 45,315,000	\$ 254,000	\$ 167,514
Additions	9,675,000	0	0
Reductions	(2,880,000)	(39,000)	(48,483)
Balance, June 30, 2018	<u>\$ 52,110,000</u>	<u>\$ 215,000</u>	<u>\$ 119,031</u>
Balance Due Within One Year	<u>\$ 2,905,000</u>	<u>\$ 41,000</u>	<u>\$ 0</u>

	Other Loans - PBA & QZAB	Compensated Absences	* Other Postemployment Benefits
Balance, July 1, 2017	\$ 9,885,200	\$ 552,342	\$ 11,301,969
Additions	0	558,498	1,072,453
Reductions	(1,709,300)	(547,968)	(547,723)
Balance, June 30, 2018	<u>\$ 8,175,900</u>	<u>\$ 562,872</u>	<u>\$ 11,826,699</u>
Balance Due Within One Year	<u>\$ 1,340,300</u>	<u>\$ 558,498</u>	<u>\$ 0</u>

	Net Pension Liability
Balance, July 1, 2017	\$ 910,616
Additions	12,738
Reductions	(840,188)
Balance, June 30, 2018	<u>\$ 83,166</u>
Balance Due Within One Year	<u>\$ 0</u>

\* Restated to comply with GASB Statement No. 75. See Note I.D.9.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 73,092,668
Less: Balance Due Within One Year	(4,844,798)
Add: Unamortized Premium on Debt	<u>1,817,823</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 70,065,693</u>
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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, 2018, was as follows:

	*Other Postemployment Benefits	<u>Net Pension Liability</u>	
		Agent Plan	Teacher Legacy Plan
Balance, July 1, 2017	\$ 4,968,515	\$ 314,154	\$ 3,033,188
Additions	166,895	0	0
Reductions	<u>(215,038)</u>	<u>(287,005)</u>	<u>(3,033,188)</u>
Balance, June 30, 2018	<u>\$ 4,920,372</u>	<u>\$ 27,149</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

\* Restated to comply with GASB Statement No. 75. See Note I.D.9.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 4,947,521
Less: Balance Due Within One Year	<u>0</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,947,521</u>
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**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, 2018, was \$119,031.

**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. The plan is 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 for the year ended June 30, 2018, were \$131,360. 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
2016-2017	\$23,199	\$400,698	(\$408,404)	\$15,493
2017-2018	15,493	395,088	(394,535)	16,046

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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 81, *Irrevocable Split-Interest Agreements*; Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues* became effective for the year ended June 30, 2018.

GASB Statement No. 75, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 45 and No. 57. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit

payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 81, establishes accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary.

GASB Statement No. 85, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

### **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, 2018, future principal and interest requirements were \$2,308,047 and \$219,057.

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, 2018.

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 2017-18 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 comprise 75.39 percent, the non-certified employees of the discretely presented School Department comprise 24.61 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.state.tn.us/tcrs](http://www.treasury.state.tn.us/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 are 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, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	240
Inactive Employees Entitled to But Not Yet Receiving Benefits	404
Active Employees	361
Total	1,005

*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, 2018, the employer contribution for Loudon County was \$1,277,240 based on a rate of 9.7 percent of covered payroll for general employees and 13.2 percent of covered payroll for public safety officers. 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, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	5.69	% 31 %
Developed Market		
International Equity	5.29	14
Emerging Market		
International Equity	6.36	4
Private Equity and		
Strategic Lending	5.79	20
U.S. Fixed Income	2.01	20
Real Estate	4.32	10
Short-term Securities	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 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 to 2.25



percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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, 2016	\$ 40,341,343	\$ 39,116,573	\$ 1,224,770
Changes for the Year:			
Service Cost	\$ 1,093,488	\$ 0	\$ 1,093,488
Interest	3,040,971	0	3,040,971
Differences Between Expected and Actual Experience	95,266	0	95,266
Changes in Assumptions	952,171	0	952,171
Contributions-Employer	0	1,269,682	(1,269,682)
Contributions-Employees	0	611,683	(611,683)
Net Investment Income	0	4,437,383	(4,437,383)
Benefit Payments, Including Refunds of Employee Contributions	(1,777,098)	(1,777,098)	0
Administrative Expense	0	(30,948)	30,948
Other Changes	0	8,551	(8,551)
Net Changes	<u>\$ 3,404,798</u>	<u>\$ 4,519,253</u>	<u>\$ (1,114,455)</u>
Balance, June 30, 2017	<u>\$ 43,746,141</u>	<u>\$ 43,635,826</u>	<u>\$ 110,315</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	75.39%	\$ 32,980,216	\$ 32,897,049	\$ 83,166
School Department	24.61%	10,765,925	10,738,777	27,149
Total		\$ 43,746,141	\$ 43,635,826	\$ 110,315

*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 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Loudon County	6.25%	7.25%	8.25%
Net Pension Liability	\$ 5,942,054	\$ 110,315	\$ (4,722,164)

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

*Pension Expense or Negative Pension Expense.* For the year ended June 30, 2018, Loudon County recognized pension expense of \$432,679.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, 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	\$ 121,487	\$ 433,936
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	14,337
Changes in Assumptions	761,737	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	<u>1,277,240</u>	N/A
Total	<u>\$ 2,160,464</u>	<u>\$ 448,273</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” 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	\$ 1,622,431	\$ 337,953
School Department	<u>538,033</u>	<u>110,320</u>
Total	<u>\$ 2,160,464</u>	<u>\$ 448,273</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
2019	\$ (175,681)
2020	525,118
2021	176,143
2022	(90,627)
2023	0
Thereafter	0

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

### **Payable to the Pension Plan**

At June 30, 2018, Loudon County reported a payable of \$222,709 for the outstanding amount of contributions due to the pension plan at year end.

### **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 75.39 percent and the non-certified employees of the discretely presented School Department comprise 24.61 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 publicly available financial report that can be obtained at [www.treasury.state.tn.us/tcrs](http://www.treasury.state.tn.us/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, 2018, to the Teacher Retirement Plan were \$146,595, 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, 2018, the School Department reported a liability (asset) of (\$118,690) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the 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, 2017, the School Department's proportion was .449860 percent. The proportion as of June 30, 2016, was .455135 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$53,850.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the 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	\$ 4,160	\$ 8,926
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	6,386
Changes in Assumptions	10,427	0
Changes in Proportion of Net Pension Liability (Asset)	870	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	146,595	N/A
Total	<u>\$ 162,052</u>	<u>\$ 15,312</u>

The School Department's employer contributions of \$146,595, 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, 2019. 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
2019	\$ (552)
2020	(552)
2021	(917)
2022	(2,560)
2023	451
Thereafter	4,274

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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income Real Estate	5.79	20
	2.01	20
	4.32	10
Short-term Securities	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 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 23,680	\$ (118,690)	\$ (223,118)

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

### **Payable to the Pension Plan**

At June 30, 2018, the Loudon County School Department reported a payable of \$54,414 for the outstanding amount of contributions due to the pension plan at year end.

### **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.state.tn.us/tcrs](http://www.treasury.state.tn.us/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, 2018, to the Teacher Legacy Pension Plan were \$1,548,687, which is 9.08 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, 2018, the School Department reported a liability (asset) of (\$158,795) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department’s proportion of the net pension liability (asset) was based on the 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, 2017, the School Department’s proportion was .485341 percent. The proportion measured at June 30, 2016, was .485353 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$62,836.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the 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	\$ 95,733	\$ 3,278,380
Changes in Assumptions	1,344,905	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	24,105	0
Changes in Proportion of Net Pension Liability (Asset)	146,454	2,899
LEA’s Contributions Subsequent to the Measurement Date of June 30, 2017	1,548,687	N/A
Total	<u>\$ 3,159,884</u>	<u>\$ 3,281,279</u>

The School Department’s employer contributions of \$1,548,687 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2019. 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
2019	\$ (1,075,263)
2020	549,245
2021	(348,237)
2022	(795,828)
2023	0
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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent.

The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	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 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%

Net Pension Liability    \$ 14,248,479    \$ (158,795)    \$ (12,067,357)

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

**Payable to the Pension Plan**

At June 30, 2018, the Loudon County School Department reported a payable of \$385,774 for the outstanding amount of contributions due to the pension plan at year end.

**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 consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(K) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt of the employee portion. During the year, the Loudon County School Department contributed \$180,868 and teachers contributed \$84,293 to this deferred compensation pension plan.

**G. Other Postemployment Benefits (OPEB)**

**Primary Government**

*Plan Description.* Loudon County participates in a commercial postemployment benefits plan administered by United Health Care for its pre-65 retirees and through Humana for its post-65 retirees. Employees are eligible for OPEB benefits if they retire at any age with at least 30 years of service or if they are over the age 60 and have at least 5 years of service. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by the county commission. The plan is funded on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

*Benefits Provided.* The United Health Care portion of the plan provides healthcare and life insurance benefits for retirees until they are Medicare eligible. Post-65 benefits are provided through the Humana portion of the plan. Spouse benefits are provided while the retiree is eligible for coverage. Surviving spouse benefits are not provided. The benefit terms provide for the county to pay 50 percent of the medical premiums for pre-65 retirees and 100% of the Humana premium for post-65 retirees. Post-65 retirees pay the Medicare Part B premium. The county pays 50% of life insurance premiums.

**Employees Covered by Benefit Terms**

As of July 1, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	43
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	222
Total	<u><u>265</u></u>

**Total OPEB Liability**

The county's total OPEB liability of \$11,826,699 was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2016, and updated to the measurement date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:



Actuarial Cost Method	Entry Age
Salary Increases	3.5%
Payroll Growth Rate	2.5%
Inflation	2%
Discount Rate	3.87%
Healthcare Cost Trend Rates	9% initially with an ultimate rate of 5% by 2020
Retirees share of Benefit-related Cost	Discussed under Benefits Provided

The discount rate was based on the Bond Buyer's 20 bond index.

The mortality rates are from the RPH-2014 Total Dataset mortality table projected with projection scale MP-2016.

The actuarial assumptions used in the June 30, 2016, valuation were based on plan data and costs presented by the county with concurrence by the actuary.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2017	<u>\$ 11,301,969</u>
Changes for the Year:	
Service Cost	\$ 860,669
Interest	432,499
Changes in Benefit Terms	0
Difference between Expected and Actuarial Experience	0
Changes in Assumption and Other Inputs	(603,671)
Benefit Payments	<u>(164,767)</u>
Net Changes	<u>\$ 524,730</u>
Balance June 30, 2018	<u><u>\$ 11,826,699</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the county recognized OPEB expense of \$1,237,220. At June 30, 2018, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	547,723
Net Difference Between Projected and Actual Investments	<u>0</u>	<u>0</u>
Total	<u>\$ 0</u>	<u>\$ 547,723</u>

Amounts reported as deferred outflows and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2019	\$ (55,948)
2020	(55,948)
2021	(55,948)
2022	(55,948)
2023	(55,948)
Thereafter	(267,983)

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

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the county calculated using the current discount rate, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Total OPEB Liability	\$ 14,092,110	\$ 11,826,699	\$ 10,025,722

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability

would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (8% decreasing to 4%)	Current Trend Rate (9% decreasing to 5%)	1% Increase (10% decreasing to 6%)
Total OPEB Liability	\$ 9,744,046	\$ 11,826,699	\$ 14,593,411

**Discretely Presented Loudon County School Department**

The discretely presented Loudon County School Department provides OPEB benefits to its retirees through a state administered public entity risk pool. For reporting purposes the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The School Department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Loudon County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the School Department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The School Department’s total OPEB liability was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs.* The total OPEB liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2107 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.56%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting 7.5% for the 2018 calendar year, and gradually decreasing 33-year period to an ultimate trend of rate of 3.53 percent with .18% added to approximate the effect of the excise tax
Retirees Share of Benefit Related Cost	Discussed under Benefits Provided

The discount rate was 3.56%, based on the daily rate of Fidelity's 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2017, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2017 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

*Changes in Assumptions.* The discount rate changed from 2.92 percent as of the beginning of the measurement period to 3.56 percent as of the measurement date of June 30, 2017.

*Plan Description.* Employees of the Loudon County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This

plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits Provided.* The Loudon County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Loudon County School Department provides a direct subsidy \$150 per month for certified retirees with 30 years of service. The School Department does not provide a direct subsidy for noncertified retirees. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees premiums based on years of service. Retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	37
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	473
Total	<u><u>510</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates.

Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the School Department paid \$244,165 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Loudon County School Department 67.9625%</u>	<u>State of TN 32.0375%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2016	\$ 4,968,515	\$ 2,342,156	\$ 7,310,671
Changes for the Year:			
Service Cost	\$ 272,061	\$ 128,250	\$ 400,311
Interest	149,642	70,541	220,183
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	0	0	0
Changes in Assumption and Other Inputs	(238,160)	(112,269)	(350,429)
Benefit Payments	(231,686)	(109,217)	(340,903)
Net Changes	\$ (48,143)	\$ (22,695)	\$ (70,838)
Balance June 30, 2017	\$ 4,920,372	\$ 2,319,461	\$ 7,239,833

The Loudon County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Loudon County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$187,891 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Loudon County School Department's proportionate share of the collective OPEB liability was 67.9625% and the State of Tennessee's share was 32.0375%.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the School Department recognized OPEB expense of \$586,472, which includes expenses funded by subsidies provided by the state. At June 30, 2018, the School Department

reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	215,038
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employee and Nonemployer Contributors As Benefits Came Due	0	0
Benefits Paid After the Measurement Date	<u>244,165</u>	<u>0</u>
Total	<u>\$ 244,165</u>	<u>\$ 215,038</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>School Department</u>
2019	\$ (23,122)
2020	(23,122)
2021	(23,122)
2022	(23,122)
2023	(23,122)
Thereafter	(99,428)

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

*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.56%	3.56%	4.56%

Proportionate Share of the Collective Total OPEB Liability	\$ 5,295,639	\$ 4,920,372	\$ 4,565,387
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*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rates	1% Increase
	6.5 to 2.71%	7.5 to 3.71%	8.5 to 4.71%

Proportionate Share of the Collective Total OPEB Liability	\$ 4,357,695	\$ 4,920,372	\$ 5,592,653
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#### **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, 2018, the School Department did not have any participants in the bonus program.

**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 August 31, 2018, Darlene Russell left the Office of County Clerk and was succeeded by Carrie McKelvey.

On November 30, 2018 Lisa Niles left the Office of Circuit and General Sessions Court Clerk and was succeeded by Steve Harrelson.

On November 30, 2018, Fred Chaney left the Office of Clerk and Master and was succeeded by Lisa Niles.

On November 30, 2018, Loudon County issued \$8,010,000 in general obligation bonds for renovations and expansion of the justice center.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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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	2017
<b>Total Pension Liability</b>				
Service Cost	\$ 1,030,236	\$ 1,049,591	\$ 1,055,657	\$ 1,093,488
Interest	2,640,126	2,745,456	2,909,485	3,040,971
Differences Between Actual and Expected Experience	(634,481)	113,188	(511,733)	95,266
Changes in Assumptions	0	0	0	952,171
Benefit Payments, Including Refunds of Employee Contributions	(1,546,219)	(1,755,428)	(1,699,079)	(1,777,098)
Net Change in Total Pension Liability	\$ 1,489,662	\$ 2,152,807	\$ 1,754,330	\$ 3,404,798
Total Pension Liability, Beginning	34,944,544	36,434,206	38,587,013	40,341,343
Total Pension Liability, Ending (a)	\$ 36,434,206	\$ 38,587,013	\$ 40,341,343	\$ 43,746,141
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 1,164,019	\$ 1,179,065	\$ 1,210,474	\$ 1,269,682
Contributions - Employee	572,872	569,765	583,304	611,683
Net Investment Income	5,239,536	1,136,952	1,009,897	4,437,383
Benefit Payments, Including Refunds of Employee Contributions	(1,546,219)	(1,755,428)	(1,699,079)	(1,777,098)
Administrative Expense	(14,675)	(18,696)	(27,486)	(30,948)
Other Changes	0	0	0	8,551
Net Change in Plan Fiduciary Net Position	\$ 5,415,533	\$ 1,111,658	\$ 1,077,110	\$ 4,519,253
Plan Fiduciary Net Position, Beginning	31,512,272	36,927,805	38,039,463	39,116,573
Plan Fiduciary Net Position, Ending (b)	\$ 36,927,805	\$ 38,039,463	\$ 39,116,573	\$ 43,635,826
Net Pension Liability (Asset), Ending (a - b)	\$ (493,599)	\$ 547,550	\$ 1,224,770	\$ 110,315
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.35%	98.58%	96.96%	99.75%
Covered Payroll	\$ 11,217,514	\$ 11,373,353	\$ 11,697,786	\$ 12,233,651
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(4.40%)	4.81%	10.47%	0.90%

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	2018
Actuarially Determined Contribution	\$ 1,164,019	\$ 1,179,065	\$ 1,210,474	\$ 1,263,736	\$ 1,277,240
Less Contributions in Relation to the Actuarially Determined Contribution	(1,164,019)	(1,179,065)	(1,210,474)	(1,269,682)	(1,277,240)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,946)</u>	<u>\$ 0</u>
Covered Payroll	\$ 11,217,514	\$ 11,373,353	11,697,786	12,233,651	12,347,351
Contributions as a Percentage of Covered Payroll	10.38%	10.37%	10.35%	10.38%	10.34%

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	2018
Contractually Required Contribution	\$ 39,566	\$ 80,105	\$ 118,104	\$ 146,595
Less Contributions in Relation to the Contractually Required Contribution	(39,566)	(80,105)	(118,104)	(146,595)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Payroll	 \$ 989,143	 \$ 2,002,608	 \$ 2,952,609	 \$ 3,674,345
 Contributions as a Percentage of Covered Payroll	 4.00%	 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	2018
Contractually Required Contribution	\$ 1,671,722	\$ 1,644,078	\$ 1,583,832	\$ 1,550,954	\$ 1,548,687
Less Contributions in Relation to the Contractually Required Contribution	(1,671,722)	(1,644,078)	(1,583,832)	(1,550,954)	(1,548,687)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 18,825,699	\$ 18,186,701	\$ 17,520,275	\$ 17,156,583	\$ 17,056,013
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%

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 \*

	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.476072%	0.455135%	0.449860%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (19,152)	\$ (47,381)	\$ (118,690)
Covered Payroll	\$ 989,143	\$ 2,002,608	\$ 2,952,609
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%

\* 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 Liability (Asset)  
in the Teacher Legacy Pension Plan of TCRS  
Discretely Presented Loudon County School Department  
For the Fiscal Year Ended June 30 \*

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.479637%	0.485820%	0.485353%	0.485341%
School Department's Proportionate Share of the Net Pension Asset	\$ 77,939	\$ 199,009	\$ 3,033,188	\$ (158,795)
Covered Payroll	\$ 18,825,699	\$ 18,186,701	\$ 17,520,275	\$ 17,156,583
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(.93%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

\* 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 Changes in the Total OPEB Liability and Related Ratios - Loudon County Plan  
For the Fiscal Year Ended June 30

	<u>2018</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 860,669
Interest	432,499
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(603,671)
Benefit Payments	<u>(164,767)</u>
Net Change in Total OPEB Liability	\$ 524,730
Total OPEB Liability, Beginning	<u>11,301,969</u>
 Total OPEB Liability, Ending	 <u><u>\$ 11,826,699</u></u>
 Covered Employee Payroll	 \$ 8,262,028
Net OPEB Liability as a Percentage of Covered Employee Payroll	143.15%

Note 1: Ten years of data will be presented when available.

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Exhibit E-8

Loudon County, Tennessee  
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan  
Discretely Presented Loudon County School Department  
For the Fiscal Year Ended June 30 \*

	<u>2017</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 400,311
Interest	220,183
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(350,429)
Benefit Payments	<u>(340,903)</u>
Net Change in Total OPEB Liability	\$ (70,838)
Total OPEB Liability, Beginning	<u>7,310,671</u>
Total OPEB Liability, Ending	<u><u>\$ 7,239,833</u></u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,319,461
Employer Proportionate Share of the Total OPEB Liability	4,920,372
Covered Employee Payroll	\$ 24,267,070
Net OPEB Liability as a Percentage of Covered Employee Payroll	20.28%

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

Note 1: ten years of data will be presented when available.

Note 2. Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**LOUDON COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2018**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal year 2017 were calculated based on the June 30, 2016, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
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
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%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

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

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

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

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

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

# Debt Service Funds

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

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

# Capital Project Funds

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

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

Exhibit F-1

Loudon County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2018

	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	446,393	19,664	212,497	270,502	71,582	141,970
Accounts Receivable	0	0	426	14,748	0	0
Due from Other Governments	0	0	0	131,857	0	0
Property Taxes Receivable	0	0	323,669	0	0	0
Allowance for Uncollectible Property Taxes	0	0	(6,051)	0	0	0
Prepaid Items	0	0	6,370	485	0	240
Total Assets	<u>\$ 446,393</u>	<u>\$ 19,664</u>	<u>\$ 537,161</u>	<u>\$ 417,592</u>	<u>\$ 71,582</u>	<u>\$ 142,210</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 1,464	\$ 17,031	\$ 3,600	\$ 690
Accrued Payroll	0	0	3,932	6,855	0	0
Payroll Deductions Payable	0	0	2,197	3,911	0	0
Due to Other Funds	0	0	0	3,222	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0	20,703
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,593</u>	<u>\$ 31,019</u>	<u>\$ 3,600</u>	<u>\$ 21,393</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 312,155	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	0	4,436	0	0	0
Other Deferred/Unavailable Revenue	0	0	0	56,557	0	0
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 316,591</u>	<u>\$ 56,557</u>	<u>\$ 0</u>	<u>\$ 0</u>

(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>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 0	\$ 0	\$ 6,370	\$ 485	\$ 0	\$ 240
Restricted:						
Restricted for Administration of Justice	0	19,664	0	0	0	0
Restricted for Public Safety	446,393	0	0	0	0	120,577
Restricted for Social, Cultural, and Recreational Services	0	0	206,607	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	329,531	0	0
Committed for Other Operations	0	0	0	0	67,982	0
Committed for Debt Service	0	0	0	0	0	0
Total Fund Balances	<u>\$ 446,393</u>	<u>\$ 19,664</u>	<u>\$ 212,977</u>	<u>\$ 330,016</u>	<u>\$ 67,982</u>	<u>\$ 120,817</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 446,393</u>	<u>\$ 19,664</u>	<u>\$ 537,161</u>	<u>\$ 417,592</u>	<u>\$ 71,582</u>	<u>\$ 142,210</u>

(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>Total</u>
	<u>Other</u>	<u>Constitu -</u>	<u>Total</u>	<u>Fund</u>	<u>Projects Fund</u>	
	<u>Special</u>	<u>tional</u>			<u>General</u>	<u>Highway</u>
	<u>Revenue</u>	<u>Officers -</u>		<u>Debt</u>	<u>Capital</u>	<u>Governmental</u>
		<u>Fees</u>		<u>Service</u>	<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>						
Cash	\$ 0	\$ 4,375	\$ 4,625	\$ 0	\$ 0	\$ 4,625
Equity in Pooled Cash and Investments	2,878	0	1,165,486	1,821,454	355,281	3,342,221
Accounts Receivable	0	250	15,424	50,868	0	66,292
Due from Other Governments	0	0	131,857	0	0	131,857
Property Taxes Receivable	0	0	323,669	1,181,943	296,359	1,801,971
Allowance for Uncollectible Property Taxes	0	0	(6,051)	(22,098)	(5,529)	(33,678)
Prepaid Items	0	0	7,095	0	0	7,095
Total Assets	\$ 2,878	\$ 4,625	\$ 1,642,105	\$ 3,032,167	\$ 646,111	\$ 5,320,383
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 22,785	\$ 0	\$ 0	\$ 22,785
Accrued Payroll	0	0	10,787	0	0	10,787
Payroll Deductions Payable	0	0	6,108	0	0	6,108
Due to Other Funds	0	4,625	7,847	0	0	7,847
Due to Litigants, Heirs, and Others	0	0	20,703	0	0	20,703
Total Liabilities	\$ 0	\$ 4,625	\$ 68,230	\$ 0	\$ 0	\$ 68,230
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 312,155	\$ 1,139,894	\$ 285,850	\$ 1,737,899
Deferred Delinquent Property Taxes	0	0	4,436	16,200	4,044	24,680
Other Deferred/Unavailable Revenue	0	0	56,557	0	0	56,557
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 373,148	\$ 1,156,094	\$ 289,894	\$ 1,819,136

(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>Total</u>
	<u>Other</u>	<u>Constitu -</u>	<u>Total</u>	<u>Fund</u>	<u>Projects Fund</u>	
	<u>Special</u>	<u>tional</u>			<u>General</u>	<u>Highway</u>
	<u>Revenue</u>	<u>Officers -</u>		<u>Debt</u>	<u>Capital</u>	<u>Governmental</u>
		<u>Fees</u>		<u>Service</u>	<u>Projects</u>	<u>Funds</u>
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$	0	\$	0	\$	7,095
Restricted:						
Restricted for Administration of Justice		0	0	19,664	0	19,664
Restricted for Public Safety	2,878	0	569,848	0	0	569,848
Restricted for Social, Cultural, and Recreational Services	0	0	206,607	0	0	206,607
Restricted for Debt Service	0	0	0	1,823,113	0	1,823,113
Restricted for Capital Projects	0	0	0	0	356,217	356,217
Committed:						
Committed for Public Health and Welfare	0	0	329,531	0	0	329,531
Committed for Other Operations	0	0	67,982	0	0	67,982
Committed for Debt Service	0	0	0	52,960	0	52,960
Total Fund Balances	\$	2,878	\$	0	\$	1,200,727
				\$	\$	1,876,073
					\$	356,217
					\$	3,433,017
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	2,878	\$	4,625	\$	1,642,105
				\$	\$	3,032,167
					\$	646,111
					\$	5,320,383

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, 2018

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control
<u>Revenues</u>						
Local Taxes	\$ 112,821	\$ 4,531	\$ 337,163	\$ 550,310	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	0	39,247
Charges for Current Services	0	0	10,464	0	0	0
Other Local Revenues	0	0	4,418	144,031	15,995	40,057
State of Tennessee	0	0	0	90,655	0	0
Federal Government	0	0	2,509	0	0	3,245
Other Governments and Citizens Groups	0	0	36,538	0	0	0
Total Revenues	<u>\$ 112,821</u>	<u>\$ 4,531</u>	<u>\$ 391,092</u>	<u>\$ 784,996</u>	<u>\$ 15,995</u>	<u>\$ 82,549</u>
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	0	0	0	0	69,379
Public Health and Welfare	0	0	0	808,645	0	0
Social, Cultural, and Recreational Services	0	2,537	320,994	0	0	0
Other Operations	1,147	46	6,353	5,250	16,810	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	3,655	0	0	0	0	0
Total Expenditures	<u>\$ 4,802</u>	<u>\$ 2,583</u>	<u>\$ 327,347</u>	<u>\$ 813,895</u>	<u>\$ 16,810</u>	<u>\$ 69,379</u>

(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	\$ 108,019	\$ 1,948	\$ 63,745	\$ (28,899)	\$ (815)	\$ 13,170
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out	(100,000)	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ (100,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 8,019	\$ 1,948	\$ 63,745	\$ (28,899)	\$ (815)	\$ 13,170
Fund Balance, July 1, 2017	438,374	17,716	149,232	358,915	68,797	107,647
Fund Balance, June 30, 2018	\$ 446,393	\$ 19,664	\$ 212,977	\$ 330,016	\$ 67,982	\$ 120,817

(Continued)

Exhibit F-2

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>	
	<u>Other</u>	<u>Constitu -</u>	<u>Total</u>	<u>Fund</u>	<u>Projects Fund</u>		
	<u>Special</u>	<u>tional</u>			<u>General</u>	<u>Highway</u>	<u>Nonmajor</u>
	<u>Revenue</u>	<u>Officers -</u>		<u>Debt</u>	<u>Capital</u>	<u>Governmental</u>	
		<u>Fees</u>		<u>Service</u>	<u>Projects</u>	<u>Funds</u>	
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 0	\$ 1,004,825	\$ 1,287,492	\$ 309,810	\$ 2,602,127	
Fines, Forfeitures, and Penalties	0	0	39,247	0	0	39,247	
Charges for Current Services	0	9,003	19,467	0	0	19,467	
Other Local Revenues	0	0	204,501	37,905	0	242,406	
State of Tennessee	0	0	90,655	0	0	90,655	
Federal Government	0	0	5,754	0	0	5,754	
Other Governments and Citizens Groups	0	0	36,538	198,311	0	234,849	
<b>Total Revenues</b>	<b>\$ 0</b>	<b>\$ 9,003</b>	<b>\$ 1,400,987</b>	<b>\$ 1,523,708</b>	<b>\$ 309,810</b>	<b>\$ 3,234,505</b>	
<u>Expenditures</u>							
Current:							
Finance	\$ 0	\$ 9,003	\$ 9,003	\$ 0	\$ 0	\$ 9,003	
Public Safety	0	0	69,379	0	0	69,379	
Public Health and Welfare	0	0	808,645	0	0	808,645	
Social, Cultural, and Recreational Services	0	0	323,531	0	0	323,531	
Other Operations	0	0	29,606	0	0	29,606	
Debt Service:							
Principal on Debt	0	0	0	1,228,000	0	1,228,000	
Interest on Debt	0	0	0	229,757	0	229,757	
Other Debt Service	0	0	0	222,673	0	222,673	
Capital Projects	0	0	3,655	0	342,603	346,258	
<b>Total Expenditures</b>	<b>\$ 0</b>	<b>\$ 9,003</b>	<b>\$ 1,243,819</b>	<b>\$ 1,680,430</b>	<b>\$ 342,603</b>	<b>\$ 3,266,852</b>	

(Continued)

Exhibit F-2

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
	<u>Other</u>	<u>Constitu -</u>	<u>Total</u>	<u>Fund</u>	<u>Projects Fund</u>	
	<u>Special</u>	<u>tional</u>			<u>General</u>	<u>Highway</u>
	<u>Revenue</u>	<u>Officers -</u>		<u>Debt</u>	<u>Capital</u>	<u>Governmental</u>
		<u>Fees</u>		<u>Service</u>	<u>Projects</u>	<u>Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 157,168	\$ (156,722)	\$ (32,793)	\$ (32,347)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 184,408	\$ 0	\$ 184,408
Transfers Out	0	0	(100,000)	0	0	(100,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ (100,000)	\$ 184,408	\$ 0	\$ 84,408
Net Change in Fund Balances	\$ 0	\$ 0	\$ 57,168	\$ 27,686	\$ (32,793)	\$ 52,061
Fund Balance, July 1, 2017	2,878	0	1,143,559	1,848,387	389,010	3,380,956
Fund Balance, June 30, 2018	\$ 2,878	\$ 0	\$ 1,200,727	\$ 1,876,073	\$ 356,217	\$ 3,433,017

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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 112,821	\$ 100,000	\$ 100,000	\$ 12,821
Total Revenues	\$ 112,821	\$ 100,000	\$ 100,000	\$ 12,821
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 1,147	\$ 2,000	\$ 2,000	\$ 853
<u>Capital Projects</u>				
Administration of Justice Projects	3,655	0	3,656	1
Total Expenditures	\$ 4,802	\$ 2,000	\$ 5,656	\$ 854
Excess (Deficiency) of Revenues Over Expenditures	\$ 108,019	\$ 98,000	\$ 94,344	\$ 13,675
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ 0
Total Other Financing Sources	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ 0
Net Change in Fund Balance	\$ 8,019	\$ (2,000)	\$ (5,656)	\$ 13,675
Fund Balance, July 1, 2017	438,374	438,374	438,374	0
Fund Balance, June 30, 2018	\$ 446,393	\$ 436,374	\$ 432,718	\$ 13,675

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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,531	\$ 4,500	\$ 4,500	\$ 31
Total Revenues	\$ 4,531	\$ 4,500	\$ 4,500	\$ 31
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 2,537	\$ 4,500	\$ 4,500	\$ 1,963
<u>Other Operations</u>				
Miscellaneous	46	150	150	104
Total Expenditures	\$ 2,583	\$ 4,650	\$ 4,650	\$ 2,067
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,948	\$ (150)	\$ (150)	\$ 2,098
Net Change in Fund Balance	\$ 1,948	\$ (150)	\$ (150)	\$ 2,098
Fund Balance, July 1, 2017	17,716	17,716	17,716	0
Fund Balance, June 30, 2018	\$ 19,664	\$ 17,566	\$ 17,566	\$ 2,098



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, 2018

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 337,163	\$ 0	\$ 337,163	\$ 324,689	\$ 324,689	\$ 12,474
Charges for Current Services	10,464	0	10,464	10,610	10,610	(146)
Other Local Revenues	4,418	0	4,418	1,480	2,487	1,931
Federal Government	2,509	0	2,509	0	2,509	0
Other Governments and Citizens Groups	36,538	0	36,538	35,988	36,338	200
<b>Total Revenues</b>	<b>\$ 391,092</b>	<b>\$ 0</b>	<b>\$ 391,092</b>	<b>\$ 372,767</b>	<b>\$ 376,633</b>	<b>\$ 14,459</b>
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Libraries	\$ 320,994	\$ 114	\$ 321,108	\$ 333,626	\$ 336,077	\$ 14,969
<u>Other Operations</u>						
Miscellaneous	6,353	0	6,353	6,500	6,500	147
<b>Total Expenditures</b>	<b>\$ 327,347</b>	<b>\$ 114</b>	<b>\$ 327,461</b>	<b>\$ 340,126</b>	<b>\$ 342,577</b>	<b>\$ 15,116</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 63,745	\$ (114)	\$ 63,631	\$ 32,641	\$ 34,056	\$ 29,575
Net Change in Fund Balance	\$ 63,745	\$ (114)	\$ 63,631	\$ 32,641	\$ 34,056	\$ 29,575
Fund Balance, July 1, 2017	149,232	0	149,232	149,232	149,232	0
<b>Fund Balance, June 30, 2018</b>	<b>\$ 212,977</b>	<b>\$ (114)</b>	<b>\$ 212,863</b>	<b>\$ 181,873</b>	<b>\$ 183,288</b>	<b>\$ 29,575</b>

Exhibit F-6

Loudon County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 550,310	\$ 0	\$ 550,310	\$ 471,635	\$ 471,635	\$ 78,675
Other Local Revenues	144,031	0	144,031	131,387	131,082	12,949
State of Tennessee	90,655	0	90,655	99,200	99,200	(8,545)
<b>Total Revenues</b>	<b>\$ 784,996</b>	<b>\$ 0</b>	<b>\$ 784,996</b>	<b>\$ 702,222</b>	<b>\$ 701,917</b>	<b>\$ 83,079</b>
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Sanitation Education/Information	\$ 46,508	\$ 0	\$ 46,508	\$ 49,200	\$ 49,200	\$ 2,692
Convenience Centers	739,210	(8,184)	731,026	780,636	775,763	44,737
Other Waste Collection	22,927	0	22,927	50,000	50,000	27,073
<u>Other Operations</u>						
Miscellaneous	5,250	0	5,250	5,000	5,000	(250)
<b>Total Expenditures</b>	<b>\$ 813,895</b>	<b>\$ (8,184)</b>	<b>\$ 805,711</b>	<b>\$ 884,836</b>	<b>\$ 879,963</b>	<b>\$ 74,252</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (28,899)	\$ 8,184	\$ (20,715)	\$ (182,614)	\$ (178,046)	\$ 157,331
Net Change in Fund Balance	\$ (28,899)	\$ 8,184	\$ (20,715)	\$ (182,614)	\$ (178,046)	\$ 157,331
Fund Balance, July 1, 2017	358,915	(8,184)	350,731	243,756	243,756	106,975
<b>Fund Balance, June 30, 2018</b>	<b>\$ 330,016</b>	<b>\$ 0</b>	<b>\$ 330,016</b>	<b>\$ 61,142</b>	<b>\$ 65,710</b>	<b>\$ 264,306</b>

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 15,995	\$ 0	\$ 15,995	\$ 21,295	\$ 21,295	\$ (5,300)
Total Revenues	<u>\$ 15,995</u>	<u>\$ 0</u>	<u>\$ 15,995</u>	<u>\$ 21,295</u>	<u>\$ 21,295</u>	<u>\$ (5,300)</u>
<u>Expenditures</u>						
<u>Other Operations</u>						
Industrial Development	\$ 16,650	\$ (8,000)	\$ 8,650	\$ 12,000	\$ 17,666	\$ 9,016
Miscellaneous	160	0	160	300	300	140
Total Expenditures	<u>\$ 16,810</u>	<u>\$ (8,000)</u>	<u>\$ 8,810</u>	<u>\$ 12,300</u>	<u>\$ 17,966</u>	<u>\$ 9,156</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (815)</u>	<u>\$ 8,000</u>	<u>\$ 7,185</u>	<u>\$ 8,995</u>	<u>\$ 3,329</u>	<u>\$ 3,856</u>
Net Change in Fund Balance	\$ (815)	\$ 8,000	\$ 7,185	\$ 8,995	\$ 3,329	\$ 3,856
Fund Balance, July 1, 2017	68,797	(8,000)	60,797	68,797	68,797	(8,000)
Fund Balance, June 30, 2018	<u>\$ 67,982</u>	<u>\$ 0</u>	<u>\$ 67,982</u>	<u>\$ 77,792</u>	<u>\$ 72,126</u>	<u>\$ (4,144)</u>

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, 2018

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 39,247	\$ 0	\$ 39,247	\$ 80,000	\$ 37,000	\$ 2,247
Other Local Revenues	40,057	0	40,057	30,000	30,000	10,057
Federal Government	3,245	0	3,245	21,000	16,413	(13,168)
<b>Total Revenues</b>	<b>\$ 82,549</b>	<b>\$ 0</b>	<b>\$ 82,549</b>	<b>\$ 131,000</b>	<b>\$ 83,413</b>	<b>\$ (864)</b>
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 69,379	\$ 43,965	\$ 113,344	\$ 158,150	\$ 153,150	\$ 39,806
<b>Total Expenditures</b>	<b>\$ 69,379</b>	<b>\$ 43,965</b>	<b>\$ 113,344</b>	<b>\$ 158,150</b>	<b>\$ 153,150</b>	<b>\$ 39,806</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 13,170	\$ (43,965)	\$ (30,795)	\$ (27,150)	\$ (69,737)	\$ 38,942
Net Change in Fund Balance	\$ 13,170	\$ (43,965)	\$ (30,795)	\$ (27,150)	\$ (69,737)	\$ 38,942
Fund Balance, July 1, 2017	107,647	0	107,647	107,647	107,647	0
<b>Fund Balance, June 30, 2018</b>	<b>\$ 120,817</b>	<b>\$ (43,965)</b>	<b>\$ 76,852</b>	<b>\$ 80,497</b>	<b>\$ 37,910</b>	<b>\$ 38,942</b>

Exhibit F-9

Loudon County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Other Special Revenue Fund  
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 0	\$ 1,000	\$ 1,000	\$ (1,000)
Total Revenues	\$ 0	\$ 1,000	\$ 1,000	\$ (1,000)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 0	\$ 1,000	\$ 1,000	\$ 1,000
Total Expenditures	\$ 0	\$ 1,000	\$ 1,000	\$ 1,000
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2017	2,878	3,653	3,653	(775)
Fund Balance, June 30, 2018	\$ 2,878	\$ 3,653	\$ 3,653	\$ (775)

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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,287,492	\$ 1,248,497	\$ 1,266,497	\$ 20,995
Other Local Revenues	37,905	30,000	30,000	7,905
Other Governments and Citizens Groups	198,311	234,420	234,420	(36,109)
Total Revenues	<u>\$ 1,523,708</u>	<u>\$ 1,512,917</u>	<u>\$ 1,530,917</u>	<u>\$ (7,209)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,228,000	\$ 1,228,000	\$ 1,228,000	\$ 0
<u>Interest on Debt</u>				
General Government	229,757	113,940	266,228	36,471
<u>Other Debt Service</u>				
General Government	222,673	271,920	271,920	49,247
Total Expenditures	<u>\$ 1,680,430</u>	<u>\$ 1,613,860</u>	<u>\$ 1,766,148</u>	<u>\$ 85,718</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (156,722)</u>	<u>\$ (100,943)</u>	<u>\$ (235,231)</u>	<u>\$ 78,509</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 184,408	\$ 186,595	\$ 186,595	\$ (2,187)
Total Other Financing Sources	<u>\$ 184,408</u>	<u>\$ 186,595</u>	<u>\$ 186,595</u>	<u>\$ (2,187)</u>
Net Change in Fund Balance	\$ 27,686	\$ 85,652	\$ (48,636)	\$ 76,322
Fund Balance, July 1, 2017	1,848,387	1,848,387	1,848,387	0
Fund Balance, June 30, 2018	<u>\$ 1,876,073</u>	<u>\$ 1,934,039</u>	<u>\$ 1,799,751</u>	<u>\$ 76,322</u>

Exhibit F-11

Loudon County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway Capital Projects Fund  
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 309,810	\$ 0	\$ 309,810	\$ 301,994	\$ 301,994	\$ 7,816
Total Revenues	<u>\$ 309,810</u>	<u>\$ 0</u>	<u>\$ 309,810</u>	<u>\$ 301,994</u>	<u>\$ 301,994</u>	<u>\$ 7,816</u>
<u>Expenditures</u>						
<u>Capital Projects</u>						
Highway and Street Capital Projects	\$ 342,603	\$ 200,000	\$ 542,603	\$ 684,296	\$ 575,684	\$ 33,081
Total Expenditures	<u>\$ 342,603</u>	<u>\$ 200,000</u>	<u>\$ 542,603</u>	<u>\$ 684,296</u>	<u>\$ 575,684</u>	<u>\$ 33,081</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (32,793)</u>	<u>\$ (200,000)</u>	<u>\$ (232,793)</u>	<u>\$ (382,302)</u>	<u>\$ (273,690)</u>	<u>\$ 40,897</u>
Net Change in Fund Balance	\$ (32,793)	\$ (200,000)	\$ (232,793)	\$ (382,302)	\$ (273,690)	\$ 40,897
Fund Balance, July 1, 2017	389,010	0	389,010	389,010	389,010	0
Fund Balance, June 30, 2018	<u>\$ 356,217</u>	<u>\$ (200,000)</u>	<u>\$ 156,217</u>	<u>\$ 6,708</u>	<u>\$ 115,320</u>	<u>\$ 40,897</u>

# Major Governmental Funds

## Education Debt Service Fund

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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.

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## Capital Projects Fund

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

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



Exhibit G-1

Loudon County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Education Debt Service Fund  
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,595,086	\$ 4,439,529	\$ 4,439,529	\$ 155,557
Other Local Revenues	129,273	60,000	123,880	5,393
Total Revenues	<u>\$ 4,724,359</u>	<u>\$ 4,499,529</u>	<u>\$ 4,563,409</u>	<u>\$ 160,950</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 3,400,300	\$ 3,400,000	\$ 3,463,880	\$ 63,580
<u>Interest on Debt</u>				
Education	1,632,951	1,698,100	1,698,100	65,149
<u>Other Debt Service</u>				
Education	88,483	130,000	130,000	41,517
Total Expenditures	<u>\$ 5,121,734</u>	<u>\$ 5,228,100</u>	<u>\$ 5,291,980</u>	<u>\$ 170,246</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (397,375)</u>	<u>\$ (728,571)</u>	<u>\$ (728,571)</u>	<u>\$ 331,196</u>
Net Change in Fund Balance	\$ (397,375)	\$ (728,571)	\$ (728,571)	\$ 331,196
Fund Balance, July 1, 2017	<u>8,584,130</u>	<u>8,284,673</u>	<u>8,284,673</u>	<u>299,457</u>
Fund Balance, June 30, 2018	<u>\$ 8,186,755</u>	<u>\$ 7,556,102</u>	<u>\$ 7,556,102</u>	<u>\$ 630,653</u>

Exhibit G-2

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 365,020	\$ 0	\$ 0	\$ 365,020	\$ 329,884	\$ 334,484	\$ 30,536
Other Local Revenues	84,478	0	0	84,478	2,500	75,000	9,478
Federal Government	1,306	0	0	1,306	74,355	74,355	(73,049)
Total Revenues	<u>\$ 450,804</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 450,804</u>	<u>\$ 406,739</u>	<u>\$ 483,839</u>	<u>\$ (33,035)</u>
<u>Expenditures</u>							
<u>Other Operations</u>							
Miscellaneous	\$ 3,390	\$ 0	\$ 0	\$ 3,390	\$ 4,000	\$ 4,000	\$ 610
<u>Other Debt Service</u>							
General Government	138,386	0	0	138,386	0	138,387	1
<u>Capital Projects</u>							
General Administration Projects	276,586	(34,947)	0	241,639	115,902	292,308	50,669
Public Safety Projects	1,813,509	(926,900)	15,422,531	16,309,140	180,500	16,311,715	2,575
Social, Cultural, and Recreation Projects	3,832	0	0	3,832	4,000	4,000	168
Highway and Street Capital Projects	1,306	(2,497)	1,191	0	161,677	71,857	71,857
Total Expenditures	<u>\$ 2,237,009</u>	<u>\$ (964,344)</u>	<u>\$ 15,423,722</u>	<u>\$ 16,696,387</u>	<u>\$ 466,079</u>	<u>\$ 16,822,267</u>	<u>\$ 125,880</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,786,205)</u>	<u>\$ 964,344</u>	<u>\$ (15,423,722)</u>	<u>\$ (16,245,583)</u>	<u>\$ (59,340)</u>	<u>\$ (16,338,428)</u>	<u>\$ 92,845</u>
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 9,675,000	\$ 0	\$ 0	\$ 9,675,000	\$ 0	\$ 17,685,000	\$ (8,010,000)
Premiums on Debt Sold	320,603	0	0	320,603	0	320,603	0
Proceeds from Sale of Capital Assets	147,822	0	0	147,822	0	172,237	(24,415)
Transfers In	31,285	0	0	31,285	40,000	31,285	0
Transfers Out	(75,150)	0	0	(75,150)	0	(75,150)	0
Total Other Financing Sources	<u>\$ 10,099,560</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,099,560</u>	<u>\$ 40,000</u>	<u>\$ 18,133,975</u>	<u>\$ (8,034,415)</u>
Net Change in Fund Balance	<u>\$ 8,313,355</u>	<u>\$ 964,344</u>	<u>\$ (15,423,722)</u>	<u>\$ (6,146,023)</u>	<u>\$ (19,340)</u>	<u>\$ 1,795,547</u>	<u>\$ (7,941,570)</u>
Fund Balance, July 1, 2017	<u>523,373</u>	<u>(964,344)</u>	<u>0</u>	<u>(440,971)</u>	<u>473,808</u>	<u>473,808</u>	<u>(914,779)</u>
Fund Balance, June 30, 2018	<u>\$ 8,836,728</u>	<u>\$ 0</u>	<u>\$ (15,423,722)</u>	<u>\$ (6,586,994)</u>	<u>\$ 454,468</u>	<u>\$ 2,269,355</u>	<u>\$ (8,856,349)</u>

# Fiduciary Funds

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

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

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

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

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

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

Exhibit H-1

Loudon County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2018

	Agency Funds				
	Cities - Sales Tax	City School ADA - Lenoir City	Constitu - tional Officers - Agency	Other Agency	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 589,797	\$ 0	\$ 589,797
Equity in Pooled Cash and Investments	0	209,677	0	3,620,046	3,829,723
Accounts Receivable	0	0	0	31,461	31,461
Due from Other Governments	844,863	351,318	0	0	1,196,181
Property Taxes Receivable	0	4,929,914	0	0	4,929,914
Allowance for Uncollectible Property Taxes	0	(93,002)	0	0	(93,002)
Total Assets	<u>\$ 844,863</u>	<u>\$ 5,397,907</u>	<u>\$ 589,797</u>	<u>\$ 3,651,507</u>	<u>\$ 10,484,074</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 10,132	\$ 10,132
Due to Other Taxing Units	844,863	5,397,907	0	0	6,242,770
Due to Litigants, Heirs, and Others	0	0	589,797	0	589,797
Due to Joint Ventures	0	0	0	3,641,375	3,641,375
Total Liabilities	<u>\$ 844,863</u>	<u>\$ 5,397,907</u>	<u>\$ 589,797</u>	<u>\$ 3,651,507</u>	<u>\$ 10,484,074</u>

Exhibit H-2

Loudon County, Tennessee  
Combining Statement of Changes in Assets  
and Liabilities - All Agency Funds  
For the Year Ended June 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 5,084,051	\$ 5,084,051	\$ 0
Due from Other Governments	865,598	844,863	865,598	844,863
Total Assets	\$ 865,598	\$ 5,928,914	\$ 5,949,649	\$ 844,863
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 865,598	\$ 5,928,914	\$ 5,949,649	\$ 844,863
Total Liabilities	\$ 865,598	\$ 5,928,914	\$ 5,949,649	\$ 844,863
<u>City School ADA - Lenoir City Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 117,946	\$ 7,530,219	\$ 7,438,488	\$ 209,677
Due from Other Governments	356,256	351,318	356,256	351,318
Taxes Receivable	5,635,696	4,929,914	5,635,696	4,929,914
Allowance for Uncollectible Taxes	(125,479)	(93,002)	(125,479)	(93,002)
Total Assets	\$ 5,984,419	\$ 12,718,449	\$ 13,304,961	\$ 5,397,907
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 5,984,419	\$ 12,718,449	\$ 13,304,961	\$ 5,397,907
Total Liabilities	\$ 5,984,419	\$ 12,718,449	\$ 13,304,961	\$ 5,397,907
<u>Center Board</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 153,382	\$ 153,382	\$ 0
Total Assets	\$ 0	\$ 153,382	\$ 153,382	\$ 0
<u>Liabilities</u>				
Due to Joint Ventures	\$ 0	\$ 153,382	\$ 153,382	\$ 0
Total Liabilities	\$ 0	\$ 153,382	\$ 153,382	\$ 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	\$ 508,086	\$ 11,748,705	\$ 11,666,994	\$ 589,797
Accounts Receivable	380	0	380	0
Total Assets	<u>\$ 508,466</u>	<u>\$ 11,748,705</u>	<u>\$ 11,667,374</u>	<u>\$ 589,797</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	<u>\$ 508,466</u>	<u>\$ 11,748,705</u>	<u>\$ 11,667,374</u>	<u>\$ 589,797</u>
Total Liabilities	<u>\$ 508,466</u>	<u>\$ 11,748,705</u>	<u>\$ 11,667,374</u>	<u>\$ 589,797</u>
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 3,402,649	\$ 395,859	\$ 178,462	\$ 3,620,046
Accounts Receivable	58,538	31,461	58,538	31,461
Total Assets	<u>\$ 3,461,187</u>	<u>\$ 427,320</u>	<u>\$ 237,000</u>	<u>\$ 3,651,507</u>
<u>Liabilities</u>				
Accounts Payable	\$ 47,821	\$ 10,132	\$ 47,821	\$ 10,132
Due to Joint Ventures	3,413,366	417,188	189,179	3,641,375
Total Liabilities	<u>\$ 3,461,187</u>	<u>\$ 427,320</u>	<u>\$ 237,000</u>	<u>\$ 3,651,507</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 508,086	\$ 11,748,705	\$ 11,666,994	\$ 589,797
Equity in Pooled Cash and Investments	3,520,595	13,163,511	12,854,383	3,829,723
Accounts Receivable	58,918	31,461	58,918	31,461
Due from Other Governments	1,221,854	1,196,181	1,221,854	1,196,181
Taxes Receivable	5,635,696	4,929,914	5,635,696	4,929,914
Allowance for Uncollectible Taxes	(125,479)	(93,002)	(125,479)	(93,002)
Total Assets	<u>\$ 10,819,670</u>	<u>\$ 30,976,770</u>	<u>\$ 31,312,366</u>	<u>\$ 10,484,074</u>
<u>Liabilities</u>				
Accounts Payable	\$ 47,821	\$ 10,132	\$ 47,821	\$ 10,132
Due to Other Taxing Units	6,850,017	18,647,363	19,254,610	6,242,770
Due to Litigants, Heirs, and Others	508,466	11,748,705	11,667,374	589,797
Due to Joint Venture	3,413,366	570,570	342,561	3,641,375
Total Liabilities	<u>\$ 10,819,670</u>	<u>\$ 30,976,770</u>	<u>\$ 31,312,366</u>	<u>\$ 10,484,074</u>

# Loudon County School Department

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

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

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

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

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

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

Exhibit I-1

Loudon County, Tennessee  
Statement of Activities  
Discretely Presented Loudon County School Department  
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>Governmental Activities:</b>					
Instruction	\$ 26,440,745	\$ 0	\$ 1,667,225	\$ 0	\$ (24,773,520)
Support Services	15,424,519	453	571,493	0	(14,852,573)
Operation of Non-instructional Services	3,391,611	469,035	2,905,036	24,883	7,343
<b>Total Governmental Activities</b>	<b>\$ 45,256,875</b>	<b>\$ 469,488</b>	<b>\$ 5,143,754</b>	<b>\$ 24,883</b>	<b>\$ (39,618,750)</b>
<b>General Revenues:</b>					
<b>Taxes:</b>					
Property Taxes Levied for General Purposes					\$ 10,708,307
Local Option Sales Taxes					4,209,819
Adequate Facilities/Development Tax					798,192
Grants and Contributions Not Restricted for Specific Programs					23,312,687
Unrestricted Investment Income					39,598
Miscellaneous					74,930
<b>Total General Revenues</b>					<b>\$ 39,143,533</b>
Change in Net Position					\$ (475,217)
Net Position, July 1, 2017					90,513,125
Restatement - See Note I.D.9.					(3,592,713)
<b>Net Position, June 30, 2018</b>					<b>\$ 86,445,195</b>



Exhibit I-2

Loudon County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Loudon County School Department  
June 30, 2018

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 4,396	\$ 0	\$ 80,538	\$ 84,934
Equity in Pooled Cash and Investments	5,759,490	2,508,007	725,572	8,993,069
Accounts Receivable	3,519	0	10,741	14,260
Due from Other Governments	1,640,651	0	91,023	1,731,674
Due from Other Funds	113	0	3,283	3,396
Property Taxes Receivable	10,206,451	0	0	10,206,451
Allowance for Uncollectible Property Taxes	(192,542)	0	0	(192,542)
Prepaid Items	697,537	0	10,888	708,425
Total Assets	\$ 18,119,615	\$ 2,508,007	\$ 922,045	\$ 21,549,667
<u>LIABILITIES</u>				
Accounts Payable	\$ 778,708	\$ 0	\$ 8,086	\$ 786,794
Accrued Payroll	4,196	0	2,503	6,699
Payroll Deductions Payable	1,110,900	0	117,448	1,228,348
Due to Other Funds	3,283	0	113	3,396
Total Liabilities	\$ 1,897,087	\$ 0	\$ 128,150	\$ 2,025,237
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 9,838,470	\$ 0	\$ 0	\$ 9,838,470
Deferred Delinquent Property Taxes	142,454	0	0	142,454
Other Deferred/Unavailable Revenue	370,017	0	0	370,017
Total Deferred Inflows of Resources	\$ 10,350,941	\$ 0	\$ 0	\$ 10,350,941

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 697,537	\$ 0	\$ 10,888	\$ 708,425
Restricted:				
Restricted for Education	0	0	201,743	201,743
Restricted for Capital Projects	0	2,508,007	0	2,508,007
Committed:				
Committed for Education	0	0	590,000	590,000
Assigned:				
Assigned for Education	3,377,326	0	0	3,377,326
Unassigned	1,796,724	0	(8,736)	1,787,988
Total Fund Balances	<u>\$ 5,871,587</u>	<u>\$ 2,508,007</u>	<u>\$ 793,895</u>	<u>\$ 9,173,489</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,119,615</u>	<u>\$ 2,508,007</u>	<u>\$ 922,045</u>	<u>\$ 21,549,667</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, 2018

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)		\$	9,173,489
(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		38,439	
Add: buildings and improvements net of accumulated depreciation		75,427,131	
Add: infrastructure net of accumulated depreciation		91,282	
Add: other capital assets net of accumulated depreciation		<u>1,400,206</u>	80,903,464
(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.			43,622
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: OPEB liability	\$	(4,920,372)	
Less: net pension liability - agent plan		<u>(27,149)</u>	(4,947,521)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years:			
Add: deferred outflows of resources related to pensions	\$	3,859,969	
Less: deferred inflows of resources related to pensions		(3,406,911)	
Add: deferred outflows of resources related to OPEB		244,165	
Less: deferred inflows of resources related to OPEB		<u>(215,038)</u>	482,185
(5) Net pension assets of the teacher pension plans are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - teacher retirement plan	\$	118,690	
Add: net pension asset - teacher legacy retirement plan		<u>158,795</u>	277,485
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>512,471</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>86,445,195</u></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, 2018

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 15,140,243	\$ 798,192	\$ 0	\$ 15,938,435
Licenses and Permits	1,206	0	0	1,206
Charges for Current Services	18,950	0	469,035	487,985
Other Local Revenues	111,614	0	13,062	124,676
State of Tennessee	24,171,616	0	21,086	24,192,702
Federal Government	260,325	0	3,910,082	4,170,407
Other Governments and Citizens Groups	27,678	0	0	27,678
Total Revenues	<u>\$ 39,731,632</u>	<u>\$ 798,192</u>	<u>\$ 4,413,265</u>	<u>\$ 44,943,089</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 26,523,355	\$ 0	\$ 1,477,201	\$ 28,000,556
Support Services	12,977,631	0	797,799	13,775,430
Operation of Non-Instructional Services	1,334,806	0	2,175,003	3,509,809
Capital Projects	0	756,996	0	756,996
Total Expenditures	<u>\$ 40,835,792</u>	<u>\$ 756,996</u>	<u>\$ 4,450,003</u>	<u>\$ 46,042,791</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ (1,104,160)</u>	<u>\$ 41,196</u>	<u>\$ (36,738)</u>	<u>\$ (1,099,702)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 226,634	\$ 0	\$ 0	\$ 226,634
Transfers In	0	150,000	0	150,000
Transfers Out	(150,000)	0	0	(150,000)
Total Other Financing Sources (Uses)	<u>\$ 76,634</u>	<u>\$ 150,000</u>	<u>\$ 0</u>	<u>\$ 226,634</u>

(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.)

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
Net Change in Fund Balances	\$ (1,027,526)	\$ 191,196	\$ (36,738)	\$ (873,068)
Fund Balance, July 1, 2017	6,899,113	2,316,811	830,633	10,046,557
Fund Balance, June 30, 2018	\$ 5,871,587	\$ 2,508,007	\$ 793,895	\$ 9,173,489

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, 2018

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)		\$	(873,068)
(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	\$	836,666	
Less: current-year depreciation expense		<u>(1,964,007)</u>	(1,127,341)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2017	\$	(673,902)	
Add: deferred delinquent property taxes and other deferred June 30, 2018		<u>512,471</u>	(161,431)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in net OPEB liability (net of restatement)	\$	48,143	
Change in deferred outflows related to OPEB (net of restatement)		12,479	
Change in deferred inflows related to OPEB		(215,038)	
Change in net pension liability - agent plan		287,005	
Change in net pension asset - teacher retirement plan		71,309	
Change in net pension asset - teacher legacy retirement plan		3,191,983	
Change in deferred outflows related to pensions		(2,196,810)	
Change in deferred inflows related to pensions		<u>444,388</u>	1,643,459
(4) The internal service fund is used by management to charge the cost of employee dental and vision benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.			<u>43,164</u>
Change in net position of governmental activities (Exhibit B)		\$	<u>(475,217)</u>

Exhibit I-6

Loudon County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Loudon County School Department  
June 30, 2018

	<u>Special Revenue Funds</u>		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 2,262	\$ 78,276	\$ 80,538
Equity in Pooled Cash and Investments	271,368	454,204	725,572
Accounts Receivable	0	10,741	10,741
Due from Other Governments	86,863	4,160	91,023
Due from Other Funds	3,283	0	3,283
Prepaid Items	10,888	0	10,888
Total Assets	<u>\$ 374,664</u>	<u>\$ 547,381</u>	<u>\$ 922,045</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 3,680	\$ 4,406	\$ 8,086
Accrued Payroll	0	2,503	2,503
Payroll Deductions Payable	66,832	50,616	117,448
Due to Other Funds	0	113	113
Total Liabilities	<u>\$ 70,512</u>	<u>\$ 57,638</u>	<u>\$ 128,150</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$ 10,888	\$ 0	\$ 10,888
Restricted:			
Restricted for Education	0	201,743	201,743
Committed:			
Committed for Education	302,000	288,000	590,000
Unassigned	(8,736)	0	(8,736)
Total Fund Balances	<u>\$ 304,152</u>	<u>\$ 489,743</u>	<u>\$ 793,895</u>
Total Liabilities and Fund Balances	<u>\$ 374,664</u>	<u>\$ 547,381</u>	<u>\$ 922,045</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, 2018

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 469,035	\$ 469,035
Other Local Revenues	0	13,062	13,062
State of Tennessee	0	21,086	21,086
Federal Government	2,272,030	1,638,052	3,910,082
Total Revenues	<u>\$ 2,272,030</u>	<u>\$ 2,141,235</u>	<u>\$ 4,413,265</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,477,201	\$ 0	\$ 1,477,201
Support Services	797,799	0	797,799
Operation of Non-Instructional Services	0	2,175,003	2,175,003
Total Expenditures	<u>\$ 2,275,000</u>	<u>\$ 2,175,003</u>	<u>\$ 4,450,003</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,970)</u>	<u>\$ (33,768)</u>	<u>\$ (36,738)</u>
Net Change in Fund Balances	\$ (2,970)	\$ (33,768)	\$ (36,738)
Fund Balance, July 1, 2017	<u>307,122</u>	<u>523,511</u>	<u>830,633</u>
Fund Balance, June 30, 2018	<u>\$ 304,152</u>	<u>\$ 489,743</u>	<u>\$ 793,895</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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 15,140,243	\$ 0	\$ 0	\$ 15,140,243	\$ 13,552,115	\$ 13,552,115	\$ 1,588,128
Licenses and Permits	1,206	0	0	1,206	1,199	1,199	7
Charges for Current Services	18,950	0	0	18,950	0	0	18,950
Other Local Revenues	111,614	0	0	111,614	73,700	81,227	30,387
State of Tennessee	24,171,616	0	0	24,171,616	23,295,497	24,095,242	76,374
Federal Government	260,325	0	0	260,325	199,000	276,823	(16,498)
Other Governments and Citizens Groups	27,678	0	0	27,678	0	26,678	1,000
<b>Total Revenues</b>	<b>\$ 39,731,632</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 39,731,632</b>	<b>\$ 37,121,511</b>	<b>\$ 38,033,284</b>	<b>\$ 1,698,348</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Regular Instruction Program	\$ 21,935,699	\$ (13,485)	\$ 15,473	\$ 21,937,687	\$ 21,731,917	\$ 22,197,015	\$ 259,328
Alternative Instruction Program	1,996	0	0	1,996	0	2,000	4
Special Education Program	3,088,229	(2,934)	35,066	3,120,361	3,049,157	3,192,274	71,913
Career and Technical Education Program	1,497,431	(242,945)	0	1,254,486	1,160,553	1,275,053	20,567
<b>Support Services</b>							
Health Services	499,661	(2,201)	7,199	504,659	511,105	520,794	16,135
Other Student Support	1,160,669	0	0	1,160,669	1,174,872	1,169,961	9,292
Regular Instruction Program	1,585,569	0	0	1,585,569	1,619,471	1,624,104	38,535
Special Education Program	426,679	0	0	426,679	440,106	443,845	17,166
Career and Technical Education Program	153,401	0	0	153,401	155,806	156,383	2,982
Technology	902,386	(60,900)	2,698	844,184	846,077	875,327	31,143
Other Programs	131,360	0	0	131,360	0	131,360	0
Board of Education	660,009	0	0	660,009	646,467	671,067	11,058
Director of Schools	328,709	0	0	328,709	347,665	348,765	20,056
Office of the Principal	1,210,779	(64,819)	0	1,145,960	1,121,243	1,213,934	67,974
Fiscal Services	85,812	0	0	85,812	87,350	86,700	888
Operation of Plant	3,120,282	0	0	3,120,282	3,100,342	3,134,432	14,150
Maintenance of Plant	923,294	(31,979)	129,186	1,020,501	250,000	1,063,373	42,872

(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 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 1,789,021	\$ (1,825)	\$ 48,315	\$ 1,835,511	\$ 1,872,329	\$ 1,888,309	\$ 52,798
<u>Operation of Non-Instructional Services</u>							
Community Services	482,305	(2,311)	1,365	481,359	387,631	504,308	22,949
Early Childhood Education	852,501	(147)	0	852,354	822,770	856,545	4,191
Total Expenditures	\$ 40,835,792	\$ (423,546)	\$ 239,302	\$ 40,651,548	\$ 39,324,861	\$ 41,355,549	\$ 704,001
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,104,160)	\$ 423,546	\$ (239,302)	\$ (919,916)	\$ (2,203,350)	\$ (3,322,265)	\$ 2,402,349
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 226,634	\$ 0	\$ 0	\$ 226,634	\$ 0	\$ 233,373	\$ (6,739)
Transfers Out	(150,000)	0	0	(150,000)	0	(150,000)	0
Total Other Financing Sources	\$ 76,634	\$ 0	\$ 0	\$ 76,634	\$ 0	\$ 83,373	\$ (6,739)
Net Change in Fund Balance	\$ (1,027,526)	\$ 423,546	\$ (239,302)	\$ (843,282)	\$ (2,203,350)	\$ (3,238,892)	\$ 2,395,610
Fund Balance, July 1, 2017	6,899,113	(423,546)	0	6,475,567	4,125,522	4,125,522	2,350,045
Fund Balance, June 30, 2018	\$ 5,871,587	\$ 0	\$ (239,302)	\$ 5,632,285	\$ 1,922,172	\$ 886,630	\$ 4,745,655

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 2,272,030	\$ 0	\$ 2,272,030	\$ 2,081,672	\$ 2,559,397	\$ (287,367)
Total Revenues	\$ 2,272,030	\$ 0	\$ 2,272,030	\$ 2,081,672	\$ 2,559,397	\$ (287,367)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 731,216	\$ (3,004)	\$ 728,212	\$ 596,027	\$ 844,800	\$ 116,588
Special Education Program	698,412	0	698,412	678,660	726,908	28,496
Career and Technical Education Program	47,573	0	47,573	43,038	51,368	3,795
<u>Support Services</u>						
Other Student Support	47,041	0	47,041	54,880	65,947	18,906
Regular Instruction Program	374,640	0	374,640	315,896	411,496	36,856
Special Education Program	367,718	0	367,718	386,169	450,478	82,760
Career and Technical Education Program	7,000	0	7,000	7,000	7,000	0
Transportation	1,400	0	1,400	0	1,400	0
Total Expenditures	\$ 2,275,000	\$ (3,004)	\$ 2,271,996	\$ 2,081,670	\$ 2,559,397	\$ 287,401
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,970)	\$ 3,004	\$ 34	\$ 2	\$ 0	\$ 34
Net Change in Fund Balance	\$ (2,970)	\$ 3,004	\$ 34	\$ 2	\$ 0	\$ 34
Fund Balance, July 1, 2017	307,122	(3,004)	304,118	302,128	302,128	1,990
Fund Balance, June 30, 2018	\$ 304,152	\$ 0	\$ 304,152	\$ 302,130	\$ 302,128	\$ 2,024

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 469,035	\$ 0	\$ 469,035	\$ 525,850	\$ 525,850	\$ (56,815)
Other Local Revenues	13,062	0	13,062	0	0	13,062
State of Tennessee	21,086	0	21,086	25,000	25,000	(3,914)
Federal Government	1,638,052	0	1,638,052	1,670,000	1,670,000	(31,948)
<b>Total Revenues</b>	<b>\$ 2,141,235</b>	<b>\$ 0</b>	<b>\$ 2,141,235</b>	<b>\$ 2,220,850</b>	<b>\$ 2,220,850</b>	<b>\$ (79,615)</b>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 2,175,003	\$ (24,883)	\$ 2,150,120	\$ 2,353,987	\$ 2,353,987	\$ 203,867
<b>Total Expenditures</b>	<b>\$ 2,175,003</b>	<b>\$ (24,883)</b>	<b>\$ 2,150,120</b>	<b>\$ 2,353,987</b>	<b>\$ 2,353,987</b>	<b>\$ 203,867</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (33,768)</b>	<b>\$ 24,883</b>	<b>\$ (8,885)</b>	<b>\$ (133,137)</b>	<b>\$ (133,137)</b>	<b>\$ 124,252</b>
<b>Net Change in Fund Balance</b>	<b>\$ (33,768)</b>	<b>\$ 24,883</b>	<b>\$ (8,885)</b>	<b>\$ (133,137)</b>	<b>\$ (133,137)</b>	<b>\$ 124,252</b>
Fund Balance, July 1, 2017	523,511	(24,883)	498,628	336,357	336,357	162,271
<b>Fund Balance, June 30, 2018</b>	<b>\$ 489,743</b>	<b>\$ 0</b>	<b>\$ 489,743</b>	<b>\$ 203,220</b>	<b>\$ 203,220</b>	<b>\$ 286,523</b>

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 798,192	\$ 0	\$ 0	\$ 798,192	\$ 500,000	\$ 718,000	\$ 80,192
Total Revenues	\$ 798,192	\$ 0	\$ 0	\$ 798,192	\$ 500,000	\$ 718,000	\$ 80,192
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 756,996	\$ (706,308)	\$ 6,561	\$ 57,249	\$ 550,000	\$ 799,058	\$ 741,809
Total Expenditures	\$ 756,996	\$ (706,308)	\$ 6,561	\$ 57,249	\$ 550,000	\$ 799,058	\$ 741,809
Excess (Deficiency) of Revenues Over Expenditures	\$ 41,196	\$ 706,308	\$ (6,561)	\$ 740,943	\$ (50,000)	\$ (81,058)	\$ 822,001
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 150,000	\$ 0	\$ 0	\$ 150,000	\$ 0	\$ 150,000	\$ 0
Total Other Financing Sources	\$ 150,000	\$ 0	\$ 0	\$ 150,000	\$ 0	\$ 150,000	\$ 0
Net Change in Fund Balance	\$ 191,196	\$ 706,308	\$ (6,561)	\$ 890,943	\$ (50,000)	\$ 68,942	\$ 822,001
Fund Balance, July 1, 2017	2,316,811	(706,308)	0	1,610,503	1,021,976	1,021,976	588,527
Fund Balance, June 30, 2018	\$ 2,508,007	\$ 0	\$ (6,561)	\$ 2,501,446	\$ 971,976	\$ 1,090,918	\$ 1,410,528

Exhibit I-12

Loudon County, Tennessee  
Statement of Net Position - Proprietary Fund  
Discretely Presented Loudon County School Department  
June 30, 2018

	Internal Service Fund
	<u>Employee Dental and Vision Insurance Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 57,963
Accounts Receivable	1,705
Total Assets	<u>\$ 59,668</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Other Current Liabilities	\$ 16,046
Total Liabilities	<u>\$ 16,046</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 43,622</u>
Total Net Position	<u>\$ 43,622</u>

Exhibit I-13

Loudon County, Tennessee  
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund  
Discretely Presented Loudon County School Department  
For the Year Ended June 30, 2018

	Internal Service Fund
	<u>Employee Dental and Vision Insurance Fund</u>
<u>Operating Revenues</u>	
Charges for Services	\$ 438,252
Total Operating Revenues	<u>\$ 438,252</u>
<u>Operating Expenses</u>	
Medical and Dental Services	\$ 395,088
Total Operating Expenses	<u>\$ 395,088</u>
Operating Income (Loss)	<u>\$ 43,164</u>
Change in Net Position	\$ 43,164
Net Position, July 1, 2017	<u>458</u>
Net Position, June 30, 2018	<u><u>\$ 43,622</u></u>

Exhibit I-14

Loudon County, Tennessee  
Statement of Cash Flows - Proprietary Fund  
Discretely Presented Loudon County School Department  
For the Year Ended June 30, 2018

	Internal Service Fund
	Employee Dental and Vision Insurance Fund
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 437,458
Payments for Claims	(394,535)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 42,923</u>
Increase (Decrease) in Cash	\$ 42,923
Cash, July 1, 2017	<u>15,040</u>
Cash, June 30, 2018	<u><u>\$ 57,963</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 43,164
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	(794)
Increase (Decrease) in Other Current Liabilities	<u>553</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 42,923</u></u>



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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Loudon County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
For the Year Ended June 30, 2018

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-18
<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	\$ 254,000	\$ 0	\$ 39,000	\$ 215,000
Total Payable through General Debt Service Fund					<u>\$ 254,000</u>	<u>\$ 0</u>	<u>\$ 39,000</u>	<u>\$ 215,000</u>
Total Notes Payable					<u>\$ 254,000</u>	<u>\$ 0</u>	<u>\$ 39,000</u>	<u>\$ 215,000</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Fund</u>								
City of Loudon - Highlands Business Center	475,000	0	5-1-00	(1)	\$ 167,514	\$ 0	\$ 48,483	\$ 119,031
Total Payable through General Fund					<u>\$ 167,514</u>	<u>\$ 0</u>	<u>\$ 48,483</u>	<u>\$ 119,031</u>
<u>Payable through General Debt Service Fund</u>								
Montgomery County PBA Loan	5,000,000	Variable	5-8-03	5-25-18	\$ 414,000	\$ 0	\$ 414,000	\$ 0
Blount County PBA Loan, Series E-3-C - Refunding	2,570,000	Variable	7-31-08	6-1-20	775,000	0	250,000	525,000
Total Payable through General Debt Service Fund					<u>\$ 1,189,000</u>	<u>\$ 0</u>	<u>\$ 664,000</u>	<u>\$ 525,000</u>
<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	\$ 7,595,000	\$ 0	\$ 770,000	\$ 6,825,000
Qualified Zone Academy Bonds - Energy Efficiency	4,129,500	0	12-28-05	12-1-20	1,101,200	0	275,300	825,900
Total Payable through Education Debt Service Fund					<u>\$ 8,696,200</u>	<u>\$ 0</u>	<u>\$ 1,045,300</u>	<u>\$ 7,650,900</u>
Total Other Loans Payable					<u>\$ 10,052,714</u>	<u>\$ 0</u>	<u>\$ 1,757,783</u>	<u>\$ 8,294,931</u>

(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 7-1-17	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-18
<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	\$ 1,630,000	\$ 0	\$ 525,000	\$ 1,105,000
General Obligation Series 2017	9,675,000	2 to 3	10-31-17	6-1-37	0	9,675,000	0	9,675,000
Total Payable through General Debt Service Fund					<u>\$ 1,630,000</u>	<u>\$ 9,675,000</u>	<u>\$ 525,000</u>	<u>\$ 10,780,000</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	\$ 9,500,000	\$ 0	\$ 250,000	\$ 9,250,000
Rural School Bonds, Series 2012	23,500,000		7-25-12	6-1-36	19,825,000	0	800,000	19,025,000
Rural School Bonds, Series 2013A	8,850,000	1.4 to 5	5-10-13	6-1-23	5,300,000	0	900,000	4,400,000
Rural School Bonds, Series 2014B	9,845,000	2.59	12-30-14	4-1-35	9,060,000	0	405,000	8,655,000
Total Payable through Education Debt Service Fund					<u>\$ 43,685,000</u>	<u>\$ 0</u>	<u>\$ 2,355,000</u>	<u>\$ 41,330,000</u>
Total Bonds Payable					<u>\$ 45,315,000</u>	<u>\$ 9,675,000</u>	<u>\$ 2,880,000</u>	<u>\$ 52,110,000</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
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	\$ 215,000	\$ 18,864	\$ 233,864

Year Ending June 30	Other Loans			
	Principal (1)	Interest	Other Fees	Total
2019	\$ 1,340,300	\$ 253,143	\$ 8,038	\$ 1,601,481
2020	1,410,300	219,285	6,864	1,636,449
2021	1,190,300	183,340	5,614	1,379,254
2022	970,000	150,766	4,616	1,125,382
2023	1,025,000	116,234	3,559	1,144,793
2024	1,090,000	79,744	2,442	1,172,186
2025	1,150,000	40,940	1,253	1,192,193
Total	\$ 8,175,900	\$ 1,043,452	\$ 32,386	\$ 9,251,738

(1) Does not include the City of Loudon - Highland Business Center note (\$119,031) since the annual requirements for that note are dependent upon the amount of incremental tax revenues generated within the development each year.

(Continued)

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 2,905,000	\$ 1,577,953	\$ 4,482,953
2020	3,045,000	1,485,303	4,530,303
2021	3,005,000	1,382,978	4,387,978
2022	3,325,000	1,304,703	4,629,703
2023	3,375,000	1,218,728	4,593,728
2024	2,425,000	1,132,128	3,557,128
2025	2,490,000	1,061,028	3,551,028
2026	2,515,000	985,940	3,500,940
2027	2,560,000	909,815	3,469,815
2028	2,605,000	830,242	3,435,242
2029	2,680,000	747,284	3,427,284
2030	2,735,000	669,593	3,404,593
2031	2,790,000	586,937	3,376,937
2032	2,975,000	499,500	3,474,500
2033	3,040,000	404,550	3,444,550
2034	3,120,000	304,988	3,424,988
2035	3,190,000	202,788	3,392,788
2036	2,630,000	98,362	2,728,362
2037	700,000	10,500	710,500
Total	\$ 52,110,000	\$ 15,413,320	\$ 67,523,320

Exhibit J-3

Loudon County, Tennessee  
Schedule of Transfers - Primary Government and Discretely Presented Loudon County School Department  
For the Year Ended June 30, 2018

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Matching Grant Funds	\$ 31,285
Highway/Public Works	General Debt Service	Debt Retirement	84,408
General Capital Projects	General	Return of cash flow transfer from prior year	75,150
Courthouse/Jail Maintenance	General Debt Service	Debt Retirement	<u>100,000</u>
Total Transfers Primary Government			<u>\$ 290,843</u>
<u>DISCRETELY PRESENTED LOUDON</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Education Capital Projects	School Construction project	<u>\$ 150,000</u>
Total Transfers Discretely Presented Loudon County School Department			<u>\$ 150,000</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, 2018

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:	Section 8-24-102, <i>TCA</i>	\$ 92,103	\$ 100,000	Western Surety Company
Highway Superintendent	Section 8-24-102, <i>TCA</i>	87,717	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>	75,274	1,466,000	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	75,274	50,000	"
Director of Accounts and Budgets	County Commission	75,274	100,000	"
Purchasing Agent	County Commission	53,636	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	75,274	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	75,274	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	75,274	50,000	Ohio Farmers Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	75,274	100,000	Western Surety Company
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	88,317 (2)	100,000	"
Employee Blanket Bonds - All County Employees			400,000	Tennessee Risk Management Trust

(1) Includes a chief executive officer training 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, 2018

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 8,918,214	\$ 0	\$ 0	\$ 313,308	\$ 0
Trustee's Collections - Prior Year	131,265	0	0	3,346	0
Trustee's Collections - Bankruptcy	17,368	0	0	557	67
Circuit Clerk/Clerk and Master Collections - Prior Years	267,794	0	0	7,978	0
Interest and Penalty	32,168	0	0	910	0
Payments in-Lieu-of Taxes - Other	542,153	0	0	10,325	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	402,389	0	0	0	550,243
Hotel/Motel Tax	480,472	0	0	0	0
Litigation Tax - General	110,240	0	0	0	0
Litigation Tax - Special Purpose	284,409	0	4,531	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	112,821	0	0	0
Business Tax	643,946	0	0	0	0
Mixed Drink Tax	32,700	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	21,022	0	0	739	0
Wholesale Beer Tax	114,121	0	0	0	0
Total Local Taxes	<u>\$ 11,998,261</u>	<u>\$ 112,821</u>	<u>\$ 4,531</u>	<u>\$ 337,163</u>	<u>\$ 550,310</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 73,901	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	341,920	0	0	0	0

(Continued)



Exhibit J-5

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

	<u>Special Revenue Funds</u>				
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 2,945	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	406,855	0	0	0	0
Other Permits	32,887	0	0	0	0
Total Licenses and Permits	<u>\$ 858,508</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 230	\$ 0	\$ 0	\$ 0	\$ 0
DUI Treatment Fines	1,731	0	0	0	0
Data Entry Fee - Circuit Court	836	0	0	0	0
Courtroom Security Fee	5,059	0	0	0	0
<u>Criminal Court</u>					
Fines	9,986	0	0	0	0
Officers Costs	21,675	0	0	0	0
Drug Control Fines	2,739	0	0	0	0
Jail Fees	1,232	0	0	0	0
Data Entry Fee - Criminal Court	825	0	0	0	0
Victims Assistance Assessments	3,053	0	0	0	0
<u>General Sessions Court</u>					
Fines	36,393	0	0	0	0
Officers Costs	111,406	0	0	0	0
Game and Fish Fines	321	0	0	0	0
Drug Control Fines	6,414	0	0	0	0
Jail Fees	5,100	0	0	0	0
DUI Treatment Fines	12,128	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
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Data Entry Fee - General Sessions Court	\$ 20,135	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	107,498	0	0	0	0
Victims Assistance Assessments	16,993	0	0	0	0
<u>Juvenile Court</u>					
Fines	2,720	0	0	0	0
Data Entry Fee - Juvenile Court	632	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	31,278	0	0	0	0
Data Entry Fee - Chancery Court	13,670	0	0	0	0
Courtroom Security Fee	1,668	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	6,855	0	0	0	0
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 420,577</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Other General Service Charges	\$ 34,869	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees</u>					
Copy Fees	9	0	0	4,831	0
Library Fees	0	0	0	5,633	0
Greenbelt Late Application Fee	200	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
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Telephone Commissions	\$ 49,104	\$ 0	\$ 0	\$ 0	\$ 0
Vending Machine Collections	60	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Data Processing Fee - Register	22,246	0	0	0	0
Data Processing Fee - Sheriff	7,380	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,500	0	0	0	0
Data Processing Fee - County Clerk	531	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	310	0	0	0	0
Total Charges for Current Services	<u>\$ 118,209</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,464</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 64,545	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	3,100	0	0	0	0
Sale of Materials and Supplies	2,625	0	0	297	0
Commissary Sales	23,287	0	0	0	0
Sale of Recycled Materials	0	0	0	0	143,905
E-Rate Funding	0	0	0	566	0
Retirees' Insurance Payments	54,094	0	0	1,629	82
Miscellaneous Refunds	1,830	0	0	28	44
Expenditure Credits	462	0	0	0	0
<u>Nonrecurring Items</u>					
Revenue from Joint Ventures	0	0	0	0	0
Sale of Equipment	4,718	0	0	903	0
Sale of Property	3,910	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
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items (Cont.)</u>					
Damages Recovered from Individuals	\$ 4,491	\$ 0	\$ 0	\$ 0	\$ 0
Contributions and Gifts	44,533	0	0	995	0
<b>Total Other Local Revenues</b>	<b>\$ 207,595</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,418</b>	<b>\$ 144,031</b>
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 539,798	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	78,204	0	0	0	0
General Sessions Court Clerk	402,724	0	0	0	0
Clerk and Master	315,226	0	0	0	0
Register	333,488	0	0	0	0
Sheriff	34,012	0	0	0	0
Trustee	881,603	0	0	0	0
<b>Total Fees Received From County Officials</b>	<b>\$ 2,585,055</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	13,528	0	0	0	0
Solid Waste Grants	0	0	0	0	27,579
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	25,800	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	163,235	0	0	0	0
Other Health and Welfare Grants	16,100	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
<u>State of Tennessee (Cont.)</u>					
<u>Public Works Grants</u>					
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 0	0
Litter Program	0	0	0	0	46,507
Other Public Works Grants	676	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	1,184,287	0	0	0	0
Beer Tax	17,839	0	0	0	0
Vehicle Certificate of Title Fees	11,001	0	0	0	0
Alcoholic Beverage Tax	79,157	0	0	0	0
State Revenue Sharing - Telecommunications	60,679	0	0	0	0
Board of Jurors	2,498	0	0	0	0
Contracted Prisoner Boarding	183,339	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
State Shared Sales Tax - Cities	7,651	0	0	0	0
Other State Grants	12,307	0	0	0	0
Other State Revenues	2,987	0	0	0	16,569
Total State of Tennessee	\$ 1,805,248	\$ 0	\$ 0	\$ 0	90,655
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 16,000	\$ 0	\$ 0	\$ 0	0
Disaster Relief	7,326	0	0	0	0
Homeland Security Grants	25,122	0	0	0	0
Other Federal through State	195,504	0	0	2,509	0

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>				
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	\$ 8,202	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	<u>\$ 252,154</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,509</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	8,282	0	0	33,338	0
Contracted Services	74,416	0	0	0	0
<u>Citizens Groups</u>					
Donations	21,333	0	0	3,200	0
Total Other Governments and Citizens Groups	<u>\$ 104,031</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 36,538</u>	<u>\$ 0</u>
Total	<u>\$ 18,349,638</u>	<u>\$ 112,821</u>	<u>\$ 4,531</u>	<u>\$ 391,092</u>	<u>\$ 784,996</u>

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Industrial / Economic Development	Drug Control	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	\$ 552,196	\$ 1,144,202	\$ 4,200,134
Trustee's Collections - Prior Year	0	0	0	8,545	17,760	59,214
Trustee's Collections - Bankruptcy	0	0	0	1,145	2,350	8,950
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	15,454	32,051	138,221
Interest and Penalty	0	0	0	2,084	4,317	14,915
Payments in-Lieu-of Taxes - Other	0	0	0	18,197	84,115	162,060
<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	68,272	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	1,302	2,697	11,592
Wholesale Beer Tax	0	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 667,195	\$ 1,287,492	\$ 4,595,086
<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	
	Industrial / Economic Development	Drug Control	Constitu - tional 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	<u>\$ 0</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>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DUI Treatment Fines	0	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
<u>Criminal Court</u>						
Fines	0	0	0	0	0	0
Officers Costs	0	67	0	0	0	0
Drug Control Fines	0	7,872	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	0	6,414	0	0	0	0
Jail Fees	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0

(Continued)



Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Data Entry Fee - General Sessions Court	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	0	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	0
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	0	9,296	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	15,598	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 39,247	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other General Service Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees</u>						
Copy Fees	0	0	0	0	0	0
Library Fees	0	0	0	0	0	0
Greenbelt Late Application Fee	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vending Machine Collections	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	9,003	0	0	0
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
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 9,003</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	11,359	\$ 129,273
Lease/Rentals	15,995	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	6,663	0	0
Commissary Sales	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	577	0	0
E-Rate Funding	0	0	0	0	0	0
Retirees' Insurance Payments	0	0	0	22,164	0	0
Miscellaneous Refunds	0	0	0	355	0	0
Expenditure Credits	0	0	0	0	0	0
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	0	0	0	0	26,546	0
Sale of Equipment	0	0	0	78,417	0	0
Sale of Property	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	
	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Damages Recovered from Individuals	\$ 0	\$ 0	\$ 0	90	\$ 0	0
Contributions and Gifts	0	40,057	0	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 15,995</b>	<b>\$ 40,057</b>	<b>\$ 0</b>	<b>\$ 108,266</b>	<b>\$ 37,905</b>	<b>\$ 129,273</b>
<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
<b>Total Fees Received From County Officials</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	0	0	0	0	0	0
Solid Waste Grants	0	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	0
Other Health and Welfare Grants	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 72,312	\$ 0	\$ 0
Litter Program	0	0	0	0	0	0
Other Public Works Grants	0	0	0	8,638	0	0
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	0
Beer Tax	0	0	0	0	0	0
Vehicle Certificate of Title Fees	0	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0
State Revenue Sharing - Telecommunications	0	0	0	0	0	0
Board of Jurors	0	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,062,472	0	0
Petroleum Special Tax	0	0	0	35,035	0	0
Registrar's Salary Supplement	0	0	0	0	0	0
State Shared Sales Tax - Cities	0	0	0	0	0	0
Other State Grants	0	0	0	0	0	0
Other State Revenues	0	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 2,178,457	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	0	0	0	93,704	0	0
Homeland Security Grants	0	0	0	0	0	0
Other Federal through State	0	0	0	18,254	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 0	\$ 3,245	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 0	\$ 3,245	\$ 0	\$ 111,958	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 4,000	\$ 0	\$ 0
Contributions	0	0	0	0	0	0
Contracted Services	0	0	0	0	198,311	0
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 4,000	\$ 198,311	\$ 0
Total	\$ 15,995	\$ 82,549	\$ 9,003	\$ 3,069,876	\$ 1,523,708	\$ 4,724,359

(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	\$ 166,179	\$ 285,620	\$ 15,579,853
Trustee's Collections - Prior Year	2,574	4,427	227,131
Trustee's Collections - Bankruptcy	396	599	31,432
Circuit Clerk/Clerk and Master Collections - Prior Years	4,652	7,997	474,147
Interest and Penalty	648	1,082	56,124
Payments in-Lieu-of Taxes - Other	5,476	9,412	831,738
<u>County Local Option Taxes</u>			
Local Option Sales Tax	184,703	0	1,137,335
Hotel/Motel Tax	0	0	480,472
Litigation Tax - General	0	0	110,240
Litigation Tax - Special Purpose	0	0	288,940
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	112,821
Business Tax	0	0	643,946
Mixed Drink Tax	0	0	32,700
Mineral Severance Tax	0	0	68,272
<u>Statutory Local Taxes</u>			
Bank Excise Tax	392	673	38,417
Wholesale Beer Tax	0	0	114,121
Total Local Taxes	<u>\$ 365,020</u>	<u>\$ 309,810</u>	<u>\$ 20,227,689</u>
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Animal Registration	\$ 0	\$ 0	\$ 73,901
Cable TV Franchise	0	0	341,920

(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	406,855
Other Permits	0	0	32,887
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 858,508</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 0	\$ 230
DUI Treatment Fines	0	0	1,731
Data Entry Fee - Circuit Court	0	0	836
Courtroom Security Fee	0	0	5,059
<u>Criminal Court</u>			
Fines	0	0	9,986
Officers Costs	0	0	21,742
Drug Control Fines	0	0	10,611
Jail Fees	0	0	1,232
Data Entry Fee - Criminal Court	0	0	825
Victims Assistance Assessments	0	0	3,053
<u>General Sessions Court</u>			
Fines	0	0	36,393
Officers Costs	0	0	111,406
Game and Fish Fines	0	0	321
Drug Control Fines	0	0	12,828
Jail Fees	0	0	5,100
DUI Treatment Fines	0	0	12,128

(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>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
Data Entry Fee - General Sessions Court	\$ 0	\$ 0	\$ 20,135
Courtroom Security Fee	0	0	107,498
Victims Assistance Assessments	0	0	16,993
<u>Juvenile Court</u>			
Fines	0	0	2,720
Data Entry Fee - Juvenile Court	0	0	632
<u>Chancery Court</u>			
Officers Costs	0	0	31,278
Data Entry Fee - Chancery Court	0	0	13,670
Courtroom Security Fee	0	0	1,668
<u>Other Courts - In-county</u>			
Fines	0	0	6,855
<u>Judicial District Drug Program</u>			
Drug Task Force Forfeitures and Seizures	0	0	9,296
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	0	15,598
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 459,824</u>
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Other General Service Charges	\$ 0	\$ 0	\$ 34,869
<u>Fees</u>			
Copy Fees	0	0	4,840
Library Fees	0	0	5,633
Greenbelt Late Application Fee	0	0	200

(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>			
Telephone Commissions	\$ 0	\$ 0	\$ 49,104
Vending Machine Collections	0	0	60
Constitutional Officers' Fees and Commissions	0	0	9,003
Data Processing Fee - Register	0	0	22,246
Data Processing Fee - Sheriff	0	0	7,380
Sexual Offender Registration Fee - Sheriff	0	0	3,500
Data Processing Fee - County Clerk	0	0	531
Vehicle Insurance Coverage and Reinstatement Fees	0	0	310
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 137,676</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 79,440	\$ 0	\$ 284,617
Lease/Rentals	0	0	19,095
Sale of Materials and Supplies	0	0	9,585
Commissary Sales	0	0	23,287
Sale of Recycled Materials	0	0	144,482
E-Rate Funding	0	0	566
Retirees' Insurance Payments	0	0	77,969
Miscellaneous Refunds	0	0	2,257
Expenditure Credits	0	0	462
<u>Nonrecurring Items</u>			
Revenue from Joint Ventures	0	0	26,546
Sale of Equipment	0	0	84,038
Sale of Property	0	0	3,910

(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>Other Local Revenues (Cont.)</u>			
<u>Nonrecurring Items (Cont.)</u>			
Damages Recovered from Individuals	\$ 0	\$ 0	\$ 4,581
Contributions and Gifts	5,038	0	90,623
Total Other Local Revenues	<u>\$ 84,478</u>	<u>\$ 0</u>	<u>\$ 772,018</u>
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$ 0	\$ 539,798
Circuit Court Clerk	0	0	78,204
General Sessions Court Clerk	0	0	402,724
Clerk and Master	0	0	315,226
Register	0	0	333,488
Sheriff	0	0	34,012
Trustee	0	0	881,603
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,585,055</u>
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 0	\$ 9,000
Aging Programs	0	0	13,528
Solid Waste Grants	0	0	27,579
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	0	25,800
<u>Health and Welfare Grants</u>			
Health Department Programs	0	0	163,235
Other Health and Welfare Grants	0	0	16,100

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		Total
	General Capital Projects	Highway Capital Projects	
<u>State of Tennessee (Cont.)</u>			
<u>Public Works Grants</u>			
State Aid Program	\$ 0	\$ 0	\$ 72,312
Litter Program	0	0	46,507
Other Public Works Grants	0	0	9,314
<u>Other State Revenues</u>			
Income Tax	0	0	1,184,287
Beer Tax	0	0	17,839
Vehicle Certificate of Title Fees	0	0	11,001
Alcoholic Beverage Tax	0	0	79,157
State Revenue Sharing - Telecommunications	0	0	60,679
Board of Jurors	0	0	2,498
Contracted Prisoner Boarding	0	0	183,339
Gasoline and Motor Fuel Tax	0	0	2,062,472
Petroleum Special Tax	0	0	35,035
Registrar's Salary Supplement	0	0	15,164
State Shared Sales Tax - Cities	0	0	7,651
Other State Grants	0	0	12,307
Other State Revenues	0	0	19,556
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,074,360</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 16,000
Disaster Relief	0	0	101,030
Homeland Security Grants	0	0	25,122
Other Federal through State	1,306	0	217,573

(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>
<u>Federal Government (Cont.)</u>			
<u>Direct Federal Revenue</u>			
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 11,447
Total Federal Government	\$ 1,306	\$ 0	\$ 371,172
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Paving and Maintenance	\$ 0	\$ 0	\$ 4,000
Contributions	0	0	41,620
Contracted Services	0	0	272,727
<u>Citizens Groups</u>			
Donations	0	0	24,533
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 342,880
Total	\$ 450,804	\$ 309,810	\$ 29,829,182

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, 2018

	<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>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 10,061,559	\$ 0	\$ 0	\$ 0	\$ 10,061,559
Trustee's Collections - Prior Year	157,829	0	0	0	157,829
Trustee's Collections - Bankruptcy	20,744	0	0	0	20,744
Circuit Clerk/Clerk and Master Collections - Prior Years	282,108	0	0	0	282,108
Interest and Penalty	38,154	0	0	0	38,154
Payments in-Lieu-of Taxes - Other	325,397	0	0	0	325,397
<u>County Local Option Taxes</u>					
Local Option Sales Tax	4,194,716	0	0	0	4,194,716
Mixed Drink Tax	36,458	0	0	0	36,458
Adequate Facilities/Development Tax	0	0	0	798,192	798,192
<u>Statutory Local Taxes</u>					
Bank Excise Tax	23,278	0	0	0	23,278
<b>Total Local Taxes</b>	<b>\$ 15,140,243</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 798,192</b>	<b>\$ 15,938,435</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,206	\$ 0	\$ 0	\$ 0	\$ 1,206
<b>Total Licenses and Permits</b>	<b>\$ 1,206</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,206</b>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 427,359	\$ 0	\$ 427,359
Lunch Payments - Adults	0	0	31,832	0	31,832
Income from Breakfast	0	0	608	0	608

(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	\$ 9,179	\$ 0	\$ 9,179
Receipts from Individual Schools	18,950	0	57	0	19,007
<b>Total Charges for Current Services</b>	<b>\$ 18,950</b>	<b>\$ 0</b>	<b>\$ 469,035</b>	<b>\$ 0</b>	<b>\$ 487,985</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 37,181	\$ 0	\$ 2,417	\$ 0	\$ 39,598
Sale of Materials and Supplies	453	0	0	0	453
Retirees' Insurance Payments	63,299	0	0	0	63,299
Commodity Rebates	0	0	10,645	0	10,645
Miscellaneous Refunds	8,991	0	0	0	8,991
<u>Nonrecurring Items</u>					
Sale of Equipment	1,590	0	0	0	1,590
Damages Recovered from Individuals	100	0	0	0	100
<b>Total Other Local Revenues</b>	<b>\$ 111,614</b>	<b>\$ 0</b>	<b>\$ 13,062</b>	<b>\$ 0</b>	<b>\$ 124,676</b>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 131,360	\$ 0	\$ 0	\$ 0	\$ 131,360
<u>State Education Funds</u>					
Basic Education Program	21,177,000	0	0	0	21,177,000
Early Childhood Education	839,194	0	0	0	839,194
School Food Service	0	0	21,086	0	21,086
Other State Education Funds	466,819	0	0	0	466,819

(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>					
Coordinated School Health	\$ 142,748	\$ 0	\$ 0	\$ 0	\$ 142,748
Internet Connectivity	12,252	0	0	0	12,252
Family Resource Centers	29,964	0	0	0	29,964
Career Ladder Program	78,992	0	0	0	78,992
Vocational Equipment	125,000	0	0	0	125,000
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	1,157,337	0	0	0	1,157,337
Other State Grants	10,600	0	0	0	10,600
Other State Revenues	350	0	0	0	350
<b>Total State of Tennessee</b>	<b>\$ 24,171,616</b>	<b>\$ 0</b>	<b>\$ 21,086</b>	<b>\$ 0</b>	<b>\$ 24,192,702</b>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,091,161	\$ 0	\$ 1,091,161
Breakfast	0	0	331,527	0	331,527
USDA - Other	0	0	38,354	0	38,354
Vocational Education - Basic Grants to States	0	72,773	0	0	72,773
Title I Grants to Local Education Agencies	0	917,408	0	0	917,408
Special Education - Grants to States	45,000	1,055,226	0	0	1,100,226
Special Education Preschool Grants	0	12,079	0	0	12,079
English Language Acquisition Grants	0	16,231	0	0	16,231
Safe and Drug-free Schools - State Grants	0	18,285	0	0	18,285
Eisenhower Professional Development State Grants	0	180,028	0	0	180,028
Other Federal through State	165,059	0	24,883	0	189,942

(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>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	\$ 50,266	\$ 0	\$ 0	\$ 0	\$ 50,266
Other Direct Federal Revenue	0	0	152,127	0	152,127
Total Federal Government	<u>\$ 260,325</u>	<u>\$ 2,272,030</u>	<u>\$ 1,638,052</u>	<u>\$ 0</u>	<u>\$ 4,170,407</u>
<u>Other Governments and Citizens Groups</u>					
<u>Citizens Groups</u>					
Donations	\$ 20,178	\$ 0	\$ 0	\$ 0	\$ 20,178
<u>Other</u>					
Other	7,500	0	0	0	7,500
Total Other Governments and Citizens Groups	<u>\$ 27,678</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,678</u>
Total	<u>\$ 39,731,632</u>	<u>\$ 2,272,030</u>	<u>\$ 2,141,235</u>	<u>\$ 798,192</u>	<u>\$ 44,943,089</u>



Exhibit J-7

Loudon County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2018

General Fund

General Government

County Commission

County Official/Administrative Officer	\$	80,210	
Social Security		3,975	
Pensions		2,561	
Life Insurance		858	
Medical Insurance		18,944	
Dental Insurance		2,150	
Employer Medicare		1,127	
Consultants		128,867	
Dues and Memberships		10,936	
Travel		204	
Other Contracted Services		85	
Other Supplies and Materials		1,904	
Workers' Compensation Insurance		8,413	
In Service/Staff Development		185	
Total County Commission			\$ 260,419

Board of Equalization

Board and Committee Members Fees	\$	1,220	
Travel		242	
Total Board of Equalization			1,462

Beer Board

Board and Committee Members Fees	\$	650	
Social Security		3	
Pensions		5	
Employer Medicare		1	
Legal Services		3,525	
Total Beer Board			4,184

Other Boards and Committees

Board and Committee Members Fees	\$	5,800	
In Service/Staff Development		50	
Total Other Boards and Committees			5,850

County Mayor/Executive

County Official/Administrative Officer	\$	92,103	
Supervisor/Director		4,358	
Secretary(ies)		38,230	
Clerical Personnel		351	
Temporary Personnel		3,884	
Part-time Personnel		5,510	
Social Security		8,545	
Pensions		13,099	
Life Insurance		1,032	
Medical Insurance		24,217	
Dental Insurance		1,980	
Employer Medicare		2,038	

(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	\$	1,874	
Dues and Memberships		1,825	
Operating Lease Payments		3,532	
Maintenance and Repair Services - Vehicles		135	
Postal Charges		33	
Travel		1,994	
Gasoline		1,874	
Office Supplies		593	
Other Supplies and Materials		18	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		2,524	
In Service/Staff Development		325	
Furniture and Fixtures		129	
Total County Mayor/Executive	\$		210,553

Personnel Office

Part-time Personnel	\$	22,807	
Life Insurance		192	
Dental Insurance		333	
Employer Medicare		331	
Dues and Memberships		60	
Operating Lease Payments		969	
Medical and Dental Services		3,547	
Postal Charges		104	
Printing, Stationery, and Forms		445	
Travel		219	
Other Contracted Services		5,410	
Office Supplies		346	
Other Supplies and Materials		50	
In Service/Staff Development		479	
Office Equipment		854	
Total Personnel Office			36,146

County Attorney

Legal Services	\$	74,386	
Other Contracted Services		18,621	
Total County Attorney			93,007

Election Commission

County Official/Administrative Officer	\$	67,747	
Secretary(ies)		40,435	
Temporary Personnel		9,844	
Overtime Pay		635	
Election Commission		13,500	
Election Workers		37,471	
Social Security		8,901	
Pensions		10,494	

(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.)

Life Insurance	\$	404	
Medical Insurance		17,246	
Dental Insurance		1,075	
Employer Medicare		2,157	
Communication		2,212	
Dues and Memberships		225	
Operating Lease Payments		2,234	
Legal Notices, Recording, and Court Costs		2,447	
Licenses		3,350	
Maintenance and Repair Services - Equipment		1,536	
Postal Charges		6,068	
Printing, Stationery, and Forms		2,652	
Travel		5,769	
Other Contracted Services		16,841	
Office Supplies		5,317	
Uniforms		830	
Other Supplies and Materials		10	
Workers' Compensation Insurance		1,683	
In Service/Staff Development		300	
Furniture and Fixtures		648	
Office Equipment		400	
Total Election Commission			\$ 262,431

Register of Deeds

County Official/Administrative Officer	\$	75,274	
Clerical Personnel		104,936	
Social Security		10,676	
Pensions		17,480	
Life Insurance		810	
Medical Insurance		46,919	
Dental Insurance		3,012	
Employer Medicare		2,497	
Communication		1,037	
Dues and Memberships		860	
Operating Lease Payments		1,414	
Postal Charges		1,148	
Travel		1,381	
Other Contracted Services		14,829	
Office Supplies		1,561	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		3,365	
Office Equipment		162	
Total Register of Deeds			287,711

Planning

Supervisor/Director	\$	61,200	
Social Security		3,498	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Pensions	\$	5,936	
Life Insurance		486	
Medical Insurance		18,081	
Dental Insurance		1,135	
Employer Medicare		818	
Communication		1,833	
Dues and Memberships		846	
Operating Lease Payments		1,460	
Maintenance Agreements		400	
Maintenance and Repair Services - Vehicles		2,725	
Postal Charges		445	
Printing, Stationery, and Forms		323	
Travel		2,909	
Gasoline		163	
Office Supplies		1,291	
Workers' Compensation Insurance		841	
In Service/Staff Development		980	
Furniture and Fixtures		346	
Office Equipment		967	
Total Planning			\$ 106,683

Codes Compliance

Assistant(s)	\$	51,314	
Supervisor/Director		55,183	
Secretary(ies)		34,798	
Social Security		8,139	
Pensions		13,706	
Life Insurance		538	
Medical Insurance		43,251	
Dental Insurance		2,406	
Employer Medicare		1,903	
Communication		2,488	
Dues and Memberships		210	
Operating Lease Payments		1,460	
Maintenance and Repair Services - Vehicles		656	
Postal Charges		262	
Printing, Stationery, and Forms		770	
Gasoline		3,796	
Office Supplies		518	
Refunds		150	
Workers' Compensation Insurance		2,524	
In Service/Staff Development		550	
Furniture and Fixtures		590	
Office Equipment		119	
Total Codes Compliance			225,331

(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	\$	41,600	
Social Security		2,551	
Pensions		4,035	
Life Insurance		387	
Medical Insurance		10,025	
Dental Insurance		1,251	
Employer Medicare		597	
Other Contracted Services		3,000	
Office Supplies		237	
Workers' Compensation Insurance		841	
Office Equipment		1,107	
Total Geographical Information Systems	\$		65,631

County Buildings

Supervisor/Director	\$	54,122	
Laborers		326,914	
Temporary Personnel		1,958	
Overtime Pay		4,910	
Social Security		22,292	
Pensions		36,998	
Life Insurance		3,218	
Medical Insurance		136,926	
Dental Insurance		8,196	
Employer Medicare		5,213	
Communication		22,312	
Dues and Memberships		60	
Operating Lease Payments		3,220	
Maintenance and Repair Services - Buildings		71,732	
Maintenance and Repair Services - Equipment		799	
Maintenance and Repair Services - Vehicles		2,213	
Medical and Dental Services		661	
Pest Control		4,476	
Other Contracted Services		180,403	
Custodial Supplies		8,473	
Diesel Fuel		2,217	
Duplicating Supplies		9,605	
Gasoline		12,365	
Office Supplies		510	
Tires and Tubes		400	
Uniforms		3,718	
Utilities		292,997	
Other Supplies and Materials		177	
Workers' Compensation Insurance		8,413	
Maintenance Equipment		2,283	
Office Equipment		665	
Total County Buildings			1,228,446

(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	\$	5,602	
Disposal Fees		6,045	
Other Supplies and Materials		194	
Building and Contents Insurance		279,981	
Total Other General Administration	\$		291,822

Finance

Accounting and Budgeting

Assistant(s)	\$	49,684	
Supervisor/Director		75,274	
Accountants/Bookkeepers		233,589	
Salary Supplements		3,842	
Temporary Personnel		980	
Part-time Personnel		7,682	
Overtime Pay		2,340	
Social Security		21,910	
Pensions		35,379	
Life Insurance		1,981	
Medical Insurance		104,371	
Dental Insurance		6,143	
Employer Medicare		5,124	
Audit Services		17,966	
Communication		1,895	
Dues and Memberships		250	
Operating Lease Payments		3,949	
Postal Charges		4,045	
Printing, Stationery, and Forms		4,158	
Travel		3,217	
Other Contracted Services		13,163	
Office Supplies		6,069	
Premiums on Corporate Surety Bonds		367	
Workers' Compensation Insurance		6,733	
In Service/Staff Development		1,883	
Furniture and Fixtures		160	
Office Equipment		2,162	
Total Accounting and Budgeting			614,316

Purchasing

Supervisor/Director	\$	53,636	
Purchasing Personnel		104,260	
Part-time Personnel		8,696	
Social Security		9,401	
Pensions		15,316	
Life Insurance		822	
Medical Insurance		23,703	
Dental Insurance		1,152	
Employer Medicare		2,325	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

Communication	\$	3,056	
Dues and Memberships		960	
Operating Lease Payments		1,378	
Maintenance and Repair Services - Vehicles		15	
Postal Charges		98	
Printing, Stationery, and Forms		564	
Travel		2,534	
Other Contracted Services		1,156	
Gasoline		55	
Office Supplies		3,188	
Periodicals		20	
Other Supplies and Materials		50	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		3,365	
In Service/Staff Development		2,641	
Furniture and Fixtures		1,124	
Office Equipment		2,428	
Total Purchasing			\$ 242,293

Property Assessor's Office

County Official/Administrative Officer	\$	75,274
Secretary(ies)		163,345
Temporary Personnel		320
Educational Incentive - Other County Employees		750
Social Security		13,895
Pensions		23,082
Life Insurance		1,143
Medical Insurance		45,591
Dental Insurance		3,729
Employer Medicare		3,250
Communication		1,433
Data Processing Services		8,152
Dues and Memberships		3,191
Operating Lease Payments		1,978
Legal Services		323
Maintenance Agreements		11,800
Maintenance and Repair Services - Vehicles		515
Postal Charges		2,812
Printing, Stationery, and Forms		123
Travel		2,014
Other Contracted Services		28,723
Gasoline		1,170
Office Supplies		674
Other Supplies and Materials		38
Premiums on Corporate Surety Bonds		275
Workers' Compensation Insurance		5,048
In Service/Staff Development		1,106

(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.)

Furniture and Fixtures	\$	882	
Office Equipment		935	
Total Property Assessor's Office			\$ 401,571

County Trustee's Office

County Official/Administrative Officer	\$	75,274	
Clerical Personnel		124,606	
Social Security		11,683	
Pensions		19,389	
Life Insurance		1,134	
Medical Insurance		51,072	
Dental Insurance		3,540	
Employer Medicare		2,732	
Communication		1,920	
Dues and Memberships		635	
Operating Lease Payments		1,499	
Legal Notices, Recording, and Court Costs		146	
Maintenance Agreements		6,422	
Postal Charges		13,693	
Printing, Stationery, and Forms		3,987	
Travel		1,682	
Other Contracted Services		19,850	
Office Supplies		3,866	
Premiums on Corporate Surety Bonds		7,580	
Workers' Compensation Insurance		4,207	
In Service/Staff Development		300	
Furniture and Fixtures		1,071	
Office Equipment		128	
Total County Trustee's Office			356,416

County Clerk's Office

County Official/Administrative Officer	\$	75,274
Clerical Personnel		243,466
Part-time Personnel		39,733
Social Security		21,081
Pensions		30,767
Life Insurance		2,007
Medical Insurance		93,811
Dental Insurance		5,485
Employer Medicare		4,930
Communication		2,432
Dues and Memberships		775
Operating Lease Payments		10,554
Postal Charges		13,491
Printing, Stationery, and Forms		2,428
Travel		2,208
Other Contracted Services		15,935

(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.)

Office Supplies	\$	5,353	
Premiums on Corporate Surety Bonds		500	
Workers' Compensation Insurance		7,572	
In Service/Staff Development		975	
Communication Equipment		438	
Furniture and Fixtures		1,543	
Office Equipment		893	
Total County Clerk's Office			\$ 581,651

Data Processing

Computer Programmer(s)	\$	47,582	
Data Processing Personnel		35,484	
Social Security		5,136	
Pensions		8,057	
Life Insurance		292	
Medical Insurance		14,040	
Dental Insurance		273	
Employer Medicare		1,201	
Communication		9,364	
Travel		291	
Other Contracted Services		7,042	
Office Supplies		219	
Workers' Compensation Insurance		1,683	
Data Processing Equipment		9,490	
Office Equipment		874	
Total Data Processing			141,028

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	75,274	
Clerical Personnel		163,902	
Part-time Personnel		12,687	
Overtime Pay		3,400	
Social Security		14,720	
Pensions		23,525	
Life Insurance		1,152	
Medical Insurance		57,708	
Dental Insurance		3,108	
Employer Medicare		3,443	
Communication		1,326	
Dues and Memberships		725	
Operating Lease Payments		2,971	
Postal Charges		2,500	
Printing, Stationery, and Forms		2,939	
Travel		1,989	
Other Contracted Services		17,295	
Gasoline		53	

(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.)

Office Supplies	\$	4,300	
Premiums on Corporate Surety Bonds		500	
Workers' Compensation Insurance		5,048	
In Service/Staff Development		1,065	
Data Processing Equipment		12,928	
Total Circuit Court			\$ 412,558

General Sessions Court

Clerical Personnel	\$	310,281	
Part-time Personnel		35,932	
Overtime Pay		2,504	
Social Security		20,557	
Pensions		30,095	
Life Insurance		2,089	
Medical Insurance		97,172	
Dental Insurance		6,323	
Employer Medicare		4,808	
Communication		2,119	
Operating Lease Payments		6,651	
Licenses		118	
Maintenance Agreements		1,725	
Postal Charges		7,809	
Printing, Stationery, and Forms		6,061	
Travel		2,412	
Other Contracted Services		17,757	
Office Supplies		7,701	
Other Supplies and Materials		95	
Workers' Compensation Insurance		10,937	
In Service/Staff Development		630	
Data Processing Equipment		17,484	
Furniture and Fixtures		1,169	
Total General Sessions Court			592,429

General Sessions Judge

County Official/Administrative Officer	\$	310,485
Clerical Personnel		52,603
Social Security		18,930
Pensions		35,220
Life Insurance		538
Medical Insurance		25,907
Dental Insurance		1,604
Employer Medicare		5,186
Communication		1,345
Dues and Memberships		2,239
Travel		2,016
Office Supplies		1,513
Premiums on Corporate Surety Bonds		50

(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	\$	2,524	
In Service/Staff Development		580	
Total General Sessions Judge			\$ 460,740

Chancery Court

County Official/Administrative Officer	\$	75,274	
Clerical Personnel		62,785	
Part-time Personnel		20,475	
Social Security		9,408	
Pensions		13,392	
Life Insurance		672	
Medical Insurance		38,742	
Dental Insurance		3,516	
Employer Medicare		2,223	
Communication		1,095	
Dues and Memberships		625	
Operating Lease Payments		1,078	
Maintenance Agreements		2,668	
Postal Charges		7,198	
Printing, Stationery, and Forms		1,702	
Travel		33	
Other Contracted Services		783,515	
Office Supplies		1,176	
Premiums on Corporate Surety Bonds		481	
Workers' Compensation Insurance		2,524	
In Service/Staff Development		100	
Total Chancery Court			1,028,682

Juvenile Court

Supervisor/Director	\$	68,286	
Probation Officer(s)		76,264	
Secretary(ies)		36,899	
Part-time Personnel		17,756	
Overtime Pay		8,777	
Social Security		12,571	
Pensions		18,418	
Life Insurance		832	
Medical Insurance		22,465	
Dental Insurance		1,621	
Employer Medicare		2,940	
Communication		5,470	
Contracts with Government Agencies		8,640	
Operating Lease Payments		778	
Maintenance and Repair Services - Vehicles		240	
Postal Charges		100	
Printing, Stationery, and Forms		40	
Travel		2,101	

(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.)

Other Contracted Services	\$	1,436	
Gasoline		509	
Office Supplies		1,364	
Tires and Tubes		609	
Other Supplies and Materials		1,161	
Workers' Compensation Insurance		3,365	
In Service/Staff Development		1,490	
Communication Equipment		250	
Total Juvenile Court			\$ 294,382

Judicial Commissioners

Part-time Personnel	\$	51,915	
Social Security		3,192	
Pensions		2,035	
Employer Medicare		746	
Total Judicial Commissioners			57,888

Other Administration of Justice

Jury and Witness Expense	\$	15,192	
Communication		948	
Other Contracted Services		973	
Communication Equipment		28	
Total Other Administration of Justice			17,141

Courtroom Security

Other Contracted Services	\$	525	
Communication Equipment		11,256	
Furniture and Fixtures		7,700	
Total Courtroom Security			19,481

Victim Assistance Programs

Remittance of Revenue Collected	\$	20,046	
Total Victim Assistance Programs			20,046

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	87,717	
Assistant(s)		120,948	
Deputy(ies)		1,124,591	
Investigator(s)		126,817	
Captain(s)		51,802	
Lieutenant(s)		139,577	
Sergeant(s)		98,366	
Computer Programmer(s)		44,344	
Salary Supplements		25,800	
Secretary(ies)		33,467	
Clerical Personnel		99,358	

(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.)

Custodial Personnel	\$	27,810	
Part-time Personnel		27,766	
School Resource Officer		395,587	
Overtime Pay		134,268	
Social Security		149,235	
Pensions		317,739	
Life Insurance		10,417	
Medical Insurance		650,246	
Dental Insurance		35,633	
Employer Medicare		34,901	
Communication		13,988	
Dues and Memberships		2,165	
Operating Lease Payments		4,801	
Maintenance Agreements		13,236	
Maintenance and Repair Services - Equipment		90	
Maintenance and Repair Services - Vehicles		171,293	
Medical and Dental Services		3,295	
Postal Charges		4,425	
Printing, Stationery, and Forms		4,362	
Towing Services		3,020	
Travel		9,219	
Other Contracted Services		20,902	
Diesel Fuel		620	
Food Supplies		904	
Gasoline		183,091	
Office Supplies		4,277	
Tires and Tubes		22,478	
Uniforms		29,671	
Other Supplies and Materials		12,340	
Premiums on Corporate Surety Bonds		250	
Workers' Compensation Insurance		46,274	
In Service/Staff Development		20,785	
Communication Equipment		6,933	
Furniture and Fixtures		831	
Law Enforcement Equipment		8,199	
Office Equipment		12,035	
Total Sheriff's Department			\$ 4,335,873

Special Patrols

Communication	\$	697	
Law Enforcement Supplies		1,630	
Uniforms		4,755	
Law Enforcement Equipment		5,362	
Total Special Patrols			12,444

Traffic Control

Other Contracted Services	\$	170	
Utilities		1,952	
Total Traffic Control			2,122

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Administration of the Sexual Offender Registry

Office Equipment	\$ 384	
Total Administration of the Sexual Offender Registry		\$ 384

Jail

Captain(s)	\$ 53,821	
Guards	1,020,401	
Cafeteria Personnel	64,420	
Overtime Pay	75,908	
Social Security	73,034	
Pensions	119,599	
Life Insurance	5,424	
Medical Insurance	311,448	
Dental Insurance	16,569	
Unemployment Compensation	2,324	
Employer Medicare	17,080	
Operating Lease Payments	1,459	
Maintenance and Repair Services - Equipment	428	
Medical and Dental Services	227,240	
Travel	3,928	
Other Contracted Services	2,188	
Custodial Supplies	13,654	
Drugs and Medical Supplies	159,749	
Food Preparation Supplies	797	
Food Supplies	220,329	
Office Supplies	4,997	
Uniforms	14,214	
Other Supplies and Materials	23,503	
Workers' Compensation Insurance	25,240	
In Service/Staff Development	200	
Other Charges	926	
Communication Equipment	8,376	
Total Jail		2,467,256

Rural Fire Protection

Contributions	\$ 221,123	
Total Rural Fire Protection		221,123

Civil Defense

Supervisor/Director	\$ 55,205
Secretary(ies)	33,197
Social Security	5,226
Pensions	8,575
Life Insurance	337
Medical Insurance	16,848
Dental Insurance	1,075
Employer Medicare	1,222
Communication	4,226

(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.)

Dues and Memberships	\$	14	
Freight Expenses		308	
Operating Lease Payments		1,031	
Maintenance and Repair Services - Equipment		1,892	
Maintenance and Repair Services - Vehicles		5,711	
Postal Charges		47	
Travel		1,276	
Other Contracted Services		23,784	
Diesel Fuel		1,273	
Equipment Parts - Heavy		38,057	
Food Supplies		962	
Gasoline		5,838	
Office Supplies		2,104	
Tires and Tubes		1,113	
Uniforms		3,534	
Other Supplies and Materials		2,998	
Premiums on Corporate Surety Bonds		50	
Workers' Compensation Insurance		1,683	
In Service/Staff Development		5,051	
Communication Equipment		638	
Furniture and Fixtures		600	
Office Equipment		213	
Other Equipment		2,192	
Other Capital Outlay		870	
Total Civil Defense			\$ 227,150

Other Emergency Management

Communication Equipment	\$	18,103	
Other Equipment		16,000	
Total Other Emergency Management			34,103

County Coroner/Medical Examiner

Medical Personnel	\$	9,000	
Other Contracted Services		90,845	
Total County Coroner/Medical Examiner			99,845

Other Public Safety

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

Public Health and Welfare

Local Health Center

Life Insurance	\$	96	
Medical Insurance		857	
Dental Insurance		333	
Communication		3,945	
Contributions		3,785	

(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.)

Dues and Memberships	\$	200	
Operating Lease Payments		3,760	
Licenses		60	
Maintenance and Repair Services - Office Equipment		230	
Postal Charges		538	
Printing, Stationery, and Forms		518	
Travel		460	
Other Contracted Services		8,657	
Drugs and Medical Supplies		415	
Office Supplies		3,166	
Other Supplies and Materials		563	
In Service/Staff Development		997	
Furniture and Fixtures		333	
Office Equipment		190	
Other Equipment		1,227	
Total Local Health Center			\$ 30,330

Rabies and Animal Control

Supervisor/Director	\$	48,426
Part-time Personnel		24,315
Overtime Pay		12,236
Other Salaries and Wages		103,018
Social Security		11,270
Pensions		15,227
Life Insurance		787
Medical Insurance		32,652
Dental Insurance		1,617
Employer Medicare		2,636
Communication		4,112
Dues and Memberships		340
Operating Lease Payments		425
Licenses		740
Maintenance and Repair Services - Vehicles		1,119
Medical and Dental Services		2,052
Postal Charges		42
Printing, Stationery, and Forms		827
Travel		3,932
Veterinary Services		18,030
Disposal Fees		61
Animal Food and Supplies		39,763
Custodial Supplies		4,637
Gasoline		6,280
Office Supplies		809
Tires and Tubes		739
Uniforms		1,134
Utilities		9,855
Other Supplies and Materials		17

(Continued)



Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Refunds	\$	80	
Workers' Compensation Insurance		4,207	
In Service/Staff Development		510	
Furniture and Fixtures		171	
Total Rabies and Animal Control	\$		352,066

Maternal and Child Health Services

Other Supplies and Materials	\$	15,961	
Total Maternal and Child Health Services			15,961

Other Local Health Services

Other Salaries and Wages	\$	165,521	
Social Security		9,794	
Pensions		16,050	
Life Insurance		1,172	
Medical Insurance		56,184	
Dental Insurance		3,480	
Employer Medicare		2,294	
Travel		5,084	
Other Contracted Services		3,046	
Food Supplies		102	
Other Supplies and Materials		711	
Liability Insurance		628	
Workers' Compensation Insurance		5,889	
Total Other Local Health Services			269,955

Social, Cultural, and Recreational Services

Adult Activities

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

Senior Citizens Assistance

Supervisor/Director	\$	40,029	
Secretary(ies)		31,949	
Other Salaries and Wages		55,869	
Social Security		7,393	
Pensions		12,401	
Life Insurance		1,173	
Medical Insurance		43,610	
Dental Insurance		2,490	
Employer Medicare		1,729	
Communication		1,814	
Operating Lease Payments		1,590	
Maintenance and Repair Services - Equipment		342	
Maintenance and Repair Services - Vehicles		347	
Printing, Stationery, and Forms		760	
Travel		1,052	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Other Contracted Services	\$	2,693	
Custodial Supplies		723	
Food Supplies		3,653	
Gasoline		2,051	
Office Supplies		643	
Tires and Tubes		650	
Utilities		15,942	
Other Supplies and Materials		1,000	
Workers' Compensation Insurance		3,365	
Food Service Equipment		2,199	
Office Equipment		101	
Health Equipment		3,328	
Total Senior Citizens Assistance			\$ 238,896

Agriculture and Natural Resources

Agricultural Extension Service

Communication	\$	3,097	
Contracts with Government Agencies		151,554	
Operating Lease Payments		1,031	
Office Supplies		223	
Total Agricultural Extension Service			155,905

Soil Conservation

Clerical Personnel	\$	12,715	
Social Security		788	
Employer Medicare		184	
Communication		1,286	
Contributions		2,000	
Total Soil Conservation			16,973

Flood Control

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

Storm Water Management

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

Other Operations

Tourism

Contributions	\$	139,337	
Total Tourism			139,337

Industrial Development

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

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Housing and Urban Development

Contributions	\$ 3,000	
Total Housing and Urban Development		\$ 3,000

Veterans' Services

Part-time Personnel	\$ 12,592	
Other Salaries and Wages	21,882	
Social Security	2,137	
Employer Medicare	500	
Communication	960	
Operating Lease Payments	49	
Maintenance Agreements	399	
Maintenance and Repair Services - Vehicles	771	
Postal Charges	60	
Printing, Stationery, and Forms	56	
Travel	2,202	
Gasoline	148	
Office Supplies	556	
Total Veterans' Services		42,312

Contributions to Other Agencies

Contributions	\$ 71,100	
Total Contributions to Other Agencies		71,100

Employee Benefits

Employee and Dependent Insurance	\$ 1,641	
Total Employee Benefits		1,641

Miscellaneous

Trustee's Commission	\$ 233,512	
Fines, Assessments, and Penalties	3,318	
Tax Relief Program	96,072	
Total Miscellaneous		332,902

Principal on Debt

General Government

Principal on Other Loans	\$ 48,483	
Total General Government		48,483

Total General Fund \$ 18,155,348

Courthouse and Jail Maintenance Fund

Other Operations

Miscellaneous

Trustee's Commission	\$ 1,147	
Total Miscellaneous		\$ 1,147

(Continued)

Exhibit J-7

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

Courthouse and Jail Maintenance Fund (Cont.)

Capital Projects

Administration of Justice Projects

Other Contracted Services	\$ 3,655	
Total Administration of Justice Projects		\$ 3,655

Total Courthouse and Jail Maintenance Fund \$ 4,802

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Communication	\$ 2,041	
Library Books/Media	496	
Total Libraries		\$ 2,537

Other Operations

Miscellaneous

Trustee's Commission	\$ 46	
Total Miscellaneous		46

Total Law Library Fund 2,583

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Clerical Personnel	\$ 134,528
Temporary Personnel	10,629
Part-time Personnel	36,781
Overtime Pay	99
Social Security	10,970
Pensions	12,848
Life Insurance	886
Medical Insurance	39,875
Dental Insurance	2,832
Employer Medicare	2,566
Communication	2,894
Contributions	10,000
Dues and Memberships	14
Operating Lease Payments	1,391
Licenses	1,980
Maintenance and Repair Services - Office Equipment	275
Postal Charges	303
Printing, Stationery, and Forms	850
Travel	1,254
Disposal Fees	585
Other Contracted Services	2,983
Custodial Supplies	426
Food Supplies	31
Library Books/Media	23,194
Office Supplies	3,794

(Continued)

Exhibit J-7

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Periodicals	\$	3,214	
Water and Sewer		640	
Other Supplies and Materials		2,015	
Workers' Compensation Insurance		4,207	
Furniture and Fixtures		2,442	
Office Equipment		6,488	
Total Libraries			\$ 320,994

Other Operations

Miscellaneous

Trustee's Commission	\$	6,353	
Total Miscellaneous			6,353

Total Public Library Fund \$ 327,347

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Guards	\$	5,429	
Part-time Personnel		1,129	
Social Security		403	
Pensions		610	
Life Insurance		23	
Medical Insurance		815	
Dental Insurance		40	
Employer Medicare		94	
Maintenance and Repair Services - Vehicles		960	
Travel		47	
Other Contracted Services		25,939	
Diesel Fuel		2,589	
Tires and Tubes		1,240	
Other Supplies and Materials		7,190	
Total Sanitation Education/Information			\$ 46,508

Convenience Centers

Supervisor/Director	\$	52,020	
Foremen		89,162	
Attendants		92,385	
Part-time Personnel		114,601	
Overtime Pay		4,434	
Social Security		20,951	
Pensions		23,087	
Life Insurance		1,532	
Medical Insurance		81,358	
Dental Insurance		4,828	
Employer Medicare		4,900	
Communication		2,786	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Dues and Memberships	\$	312	
Maintenance and Repair Services - Equipment		9,022	
Maintenance and Repair Services - Vehicles		706	
Pest Control		1,440	
Disposal Fees		136,326	
Other Contracted Services		50,469	
Custodial Supplies		1,369	
Gasoline		5,649	
Office Supplies		294	
Propane Gas		4,830	
Uniforms		5,097	
Utilities		12,014	
Other Supplies and Materials		1,683	
Workers' Compensation Insurance		6,731	
Building Improvements		1,200	
Solid Waste Equipment		8,184	
Other Equipment		1,840	
Total Convenience Centers			\$ 739,210

Other Waste Collection

Other Contracted Services	\$	21,927	
Other Charges		1,000	
Total Other Waste Collection			22,927

Other Operations

Miscellaneous

Trustee's Commission	\$	5,250	
Total Miscellaneous			5,250

Total Solid Waste/Sanitation Fund \$ 813,895

Industrial/Economic Development Fund

Other Operations

Industrial Development

Dues and Memberships	\$	2,500	
Other Contracted Services		14,150	
Total Industrial Development			\$ 16,650

Miscellaneous

Trustee's Commission	\$	160	
Total Miscellaneous			160

Total Industrial/Economic Development Fund 16,810

(Continued)

Exhibit J-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Salary Supplements	\$	17,500	
Dues and Memberships		360	
Travel		3,497	
Other Contracted Services		22,014	
Law Enforcement Supplies		2,575	
Other Supplies and Materials		11,960	
Trustee's Commission		300	
In Service/Staff Development		750	
Law Enforcement Equipment		10,423	
Total Drug Enforcement			\$ 69,379

Total Drug Control Fund \$ 69,379

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	9,003	
Total County Trustee's Office			\$ 9,003

Total Constitutional Officers - Fees Fund 9,003

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	87,717	
Assistant(s)		62,424	
Foremen		1,224	
Mechanic(s)		33,881	
Equipment Operators - Heavy		173,704	
Equipment Operators - Light		229,082	
Truck Drivers		111,652	
Secretary(ies)		37,128	
Temporary Personnel		1,485	
Part-time Personnel		12,520	
Overtime Pay		11,558	
Dues and Memberships		4,134	
Postal Charges		72	
Printing, Stationery, and Forms		212	
Travel		3,120	
Office Supplies		2,055	
In Service/Staff Development		419	
Total Administration			\$ 772,387

Highway and Bridge Maintenance

Rentals	\$	2,978	
Other Contracted Services		28,811	
Asphalt - Cold Mix		2,547	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Asphalt - Hot Mix	\$	561,238	
Concrete		4,395	
Crushed Stone		34,392	
Other Road Materials		10,968	
Pipe		17,656	
Road Signs		5,927	
Salt		17,735	
Sand		396	
Other Supplies and Materials		9,016	
Total Highway and Bridge Maintenance			\$ 696,059

Operation and Maintenance of Equipment

Maintenance and Repair Services - Equipment	\$	10,358	
Maintenance and Repair Services - Vehicles		3,966	
Disposal Fees		1,130	
Diesel Fuel		49,915	
Equipment Parts - Heavy		10,374	
Equipment Parts - Light		101,734	
Gasoline		22,163	
Lubricants		1,197	
Tires and Tubes		22,127	
Other Supplies and Materials		9,926	
Other Charges		35	
Total Operation and Maintenance of Equipment			232,925

Other Charges

Communication	\$	7,992	
Pest Control		480	
Other Contracted Services		6,311	
Custodial Supplies		316	
Drugs and Medical Supplies		773	
Electricity		14,070	
Garage Supplies		2,190	
Ice		214	
Uniforms		17,626	
Liability Insurance		93,127	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		32,622	
Other Charges		645	
Communication Equipment		389	
Total Other Charges			177,105

Employee Benefits

Social Security	\$	45,187	
Pensions		72,474	
Employee and Dependent Insurance		6	
Life Insurance		4,255	

(Continued)



Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits (Cont.)

Medical Insurance	\$	245,368	
Dental Insurance		15,568	
Unemployment Compensation		1,879	
Employer Medicare		10,568	
Workers' Compensation Insurance		54,898	
Total Employee Benefits	\$		450,203

Capital Outlay

Engineering Services	\$	22,500	
Legal Notices, Recording, and Court Costs		318	
Matching Share		1,417	
Other Contracted Services		129	
Highway Equipment		44,974	
Motor Vehicles		55,954	
State Aid Projects		69,447	
Total Capital Outlay			194,739

Total Highway/Public Works Fund \$ 2,523,418

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	525,000	
Principal on Notes		39,000	
Principal on Other Loans		664,000	
Total General Government	\$		1,228,000

Interest on Debt

General Government

Interest on Bonds	\$	201,188	
Interest on Notes		7,315	
Interest on Other Loans		21,254	
Total General Government			229,757

Other Debt Service

General Government

Trustee's Commission	\$	23,708	
Other Debt Service		198,965	
Total General Government			222,673

Total General Debt Service Fund 1,680,430

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$	2,355,000	
Principal on Other Loans		1,045,300	
Total Education	\$		3,400,300

(Continued)

Exhibit J-7

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

Education Debt Service Fund (Cont.)

Interest on Debt

Education

Interest on Bonds	\$ 1,356,325	
Interest on Other Loans	276,626	
Total Education		\$ 1,632,951

Other Debt Service

Education

Trustee's Commission	\$ 85,765	
Other Debt Service	2,718	
Total Education		88,483

Total Education Debt Service Fund \$ 5,121,734

General Capital Projects Fund

Other Operations

Miscellaneous

Trustee's Commission	\$ 3,390	
Total Miscellaneous		\$ 3,390

Other Debt Service

General Government

Underwriter's Discount	\$ 41,316	
Other Debt Issuance Charges	97,070	
Total General Government		138,386

Capital Projects

General Administration Projects

Communication Equipment	\$ 10,449	
Heating and Air Conditioning Equipment	41,387	
Motor Vehicles	209,937	
Office Equipment	14,813	
Total General Administration Projects		276,586

Public Safety Projects

Engineering Services	\$ 822,832	
Evaluation and Testing	20,120	
Legal Notices, Recording, and Court Costs	278	
Permits	250	
Other Contracted Services	3,625	
Food Supplies	68	
Small Tools	783	
Other Charges	30,515	
Building Construction	757,095	
Furniture and Fixtures	12,298	
Motor Vehicles	165,645	
Total Public Safety Projects		1,813,509

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Social, Cultural, and Recreation Projects

Health Equipment	\$ 3,832	
Total Social, Cultural, and Recreation Projects		\$ 3,832

Highway and Street Capital Projects

Engineering Services	\$ 1,306	
Total Highway and Street Capital Projects		<u>1,306</u>

Total General Capital Projects Fund		\$ 2,237,009
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Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

Asphalt - Hot Mix	\$ 246,387	
Trustee's Commission	5,920	
Highway Equipment	<u>90,296</u>	
Total Highway and Street Capital Projects		<u>\$ 342,603</u>

Total Highway Capital Projects Fund		<u>342,603</u>
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Total Governmental Funds - Primary Government		<u><u>\$ 31,304,361</u></u>
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Exhibit J-8

Loudon County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Loudon County School Department  
For the Year Ended June 30, 2018

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 14,026,647	
Career Ladder Program	47,900	
Homebound Teachers	2,788	
Educational Assistants	1,106,061	
Other Salaries and Wages	1,835	
Certified Substitute Teachers	46,445	
Non-certified Substitute Teachers	122,310	
Social Security	904,649	
Pensions	1,348,808	
Employee and Dependent Insurance	3,333	
Life Insurance	64,361	
Medical Insurance	2,540,567	
Dental Insurance	166,227	
Unemployment Compensation	2,642	
Employer Medicare	213,096	
Travel	3,039	
Other Contracted Services	72,372	
Instructional Supplies and Materials	403,138	
Textbooks - Bound	427,344	
In Service/Staff Development	170	
Other Charges	435	
Other Equipment	431,532	
Total Regular Instruction Program		\$ 21,935,699

Alternative Instruction Program

Other Supplies and Materials	\$ 300	
Other Equipment	1,696	
Total Alternative Instruction Program		1,996

Special Education Program

Teachers	\$ 1,537,729	
Career Ladder Program	6,550	
Homebound Teachers	4,769	
Educational Assistants	379,977	
Speech Pathologist	169,803	
Other Salaries and Wages	39,320	
Certified Substitute Teachers	5,635	
Non-certified Substitute Teachers	28,380	
Social Security	125,362	
Pensions	171,688	
Employee and Dependent Insurance	875	
Life Insurance	8,022	
Medical Insurance	354,724	
Dental Insurance	20,749	
Employer Medicare	30,073	
Instructional Supplies and Materials	74,392	
Special Education Equipment	130,181	
Total Special Education Program		3,088,229

(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	\$	697,957	
Career Ladder Program		3,000	
Educational Assistants		15,928	
Certified Substitute Teachers		2,415	
Non-certified Substitute Teachers		6,300	
Social Security		42,231	
Pensions		63,082	
Employee and Dependent Insurance		301	
Life Insurance		3,060	
Medical Insurance		137,357	
Dental Insurance		6,473	
Employer Medicare		9,881	
Maintenance and Repair Services - Equipment		573	
Travel		12,931	
Instructional Supplies and Materials		74,510	
Vocational Instruction Equipment		125,000	
Other Equipment		296,432	
Total Career and Technical Education Program	\$		1,497,431

Support Services

Health Services

Supervisor/Director	\$	42,761	
Medical Personnel		239,591	
Other Salaries and Wages		38,431	
Social Security		19,433	
Pensions		27,494	
Employee and Dependent Insurance		47	
Life Insurance		1,769	
Medical Insurance		61,720	
Dental Insurance		3,224	
Employer Medicare		4,545	
Travel		2,124	
Other Contracted Services		7,362	
Drugs and Medical Supplies		3,283	
Other Supplies and Materials		28,490	
In Service/Staff Development		11,923	
Health Equipment		7,464	
Total Health Services			499,661

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		634,586	
Clerical Personnel		185,805	
Social Security		48,507	
Pensions		74,481	
Employee and Dependent Insurance		214	

(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.)

Life Insurance	\$	3,046	
Medical Insurance		147,658	
Dental Insurance		6,657	
Employer Medicare		11,345	
Evaluation and Testing		19,367	
Other Supplies and Materials		1,451	
In Service/Staff Development		5,232	
Other Equipment		21,320	
Total Other Student Support			\$ 1,160,669

Regular Instruction Program

Supervisor/Director	\$	298,261	
Career Ladder Program		4,000	
Librarians		475,775	
Secretary(ies)		282,483	
Social Security		61,633	
Pensions		97,767	
Employee and Dependent Insurance		439	
Life Insurance		5,069	
Medical Insurance		212,513	
Dental Insurance		12,240	
Employer Medicare		14,414	
Travel		4,597	
Library Books/Media		52,468	
In Service/Staff Development		63,910	
Total Regular Instruction Program			1,585,569

Special Education Program

Supervisor/Director	\$	27,432	
Career Ladder Program		1,000	
Psychological Personnel		176,064	
Speech Pathologist		58,943	
Social Security		15,292	
Pensions		23,639	
Employee and Dependent Insurance		211	
Life Insurance		1,136	
Medical Insurance		44,552	
Dental Insurance		2,702	
Employer Medicare		3,576	
Travel		7,281	
Other Contracted Services		64,851	
Total Special Education Program			426,679

Career and Technical Education Program

Supervisor/Director	\$	75,224	
Clerical Personnel		39,979	

(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 (Cont.)

Social Security	\$	7,061	
Pensions		10,708	
Employee and Dependent Insurance		106	
Life Insurance		492	
Medical Insurance		14,278	
Dental Insurance		1,174	
Employer Medicare		1,651	
Other Contracted Services		317	
In Service/Staff Development		2,411	
Total Career and Technical Education Program			\$ 153,401

Technology

Supervisor/Director	\$	95,224	
Career Ladder Program		1,000	
Computer Programmer(s)		186,775	
Social Security		16,559	
Pensions		26,404	
Life Insurance		791	
Medical Insurance		42,052	
Dental Insurance		1,813	
Employer Medicare		3,917	
Internet Connectivity		104,462	
Travel		5,625	
Other Contracted Services		7,181	
Software		155,580	
Other Supplies and Materials		2,538	
In Service/Staff Development		11,049	
Other Equipment		241,416	
Total Technology			902,386

Other Programs

On-behalf Payments to OPEB	\$	131,360	
Total Other Programs			131,360

Board of Education

Board and Committee Members Fees	\$	40,325	
Social Security		2,376	
Pensions		1,576	
Life Insurance		1,357	
Dental Insurance		1,763	
Employer Medicare		584	
Audit Services		12,000	
Legal Services		36,362	
Travel		2,080	
Liability Insurance		22,953	
Premiums on Corporate Surety Bonds		367	

(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.)

Trustee's Commission	\$	307,172	
Workers' Compensation Insurance		207,580	
In Service/Staff Development		23,514	
Total Board of Education			\$ 660,009

Director of Schools

County Official/Administrative Officer	\$	128,520	
Career Ladder Program		1,000	
Secretary(ies)		44,345	
Other Salaries and Wages		7,200	
Social Security		10,580	
Pensions		16,716	
Employee and Dependent Insurance		106	
Life Insurance		390	
Medical Insurance		17,988	
Dental Insurance		1,538	
Employer Medicare		2,612	
Advertising		622	
Communication		42,768	
Dues and Memberships		13,573	
Postal Charges		1,733	
Travel		126	
Other Contracted Services		24,353	
Office Supplies		5,718	
In Service/Staff Development		6,568	
Other Charges		2,253	
Total Director of Schools			328,709

Office of the Principal

Principals	\$	789,262	
Career Ladder Program		6,000	
Social Security		48,488	
Pensions		72,209	
Employee and Dependent Insurance		72	
Life Insurance		2,228	
Medical Insurance		87,481	
Dental Insurance		6,475	
Employer Medicare		11,371	
Communication		76,409	
Postal Charges		4,107	
Travel		23,077	
In Service/Staff Development		2,243	
Other Charges		3,088	
Other Equipment		78,269	
Total Office of the Principal			1,210,779

(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.)

Fiscal Services

Accountants/Bookkeepers	\$	65,464	
Social Security		3,800	
Pensions		6,350	
Life Insurance		203	
Medical Insurance		7,090	
Dental Insurance		363	
Employer Medicare		889	
Travel		88	
In Service/Staff Development		1,565	
Total Fiscal Services			\$ 85,812

Operation of Plant

Custodial Personnel	\$	33,096	
Social Security		2,052	
Pensions		3,210	
Employee and Dependent Insurance		287	
Life Insurance		672	
Medical Insurance		7,139	
Dental Insurance		2,546	
Employer Medicare		480	
Other Contracted Services		1,336,385	
Electricity		1,124,100	
Gasoline		283	
Natural Gas		106,643	
Water and Sewer		161,964	
Building and Contents Insurance		341,425	
Total Operation of Plant			3,120,282

Maintenance of Plant

Maintenance and Repair Services - Buildings	\$	923,294	
Total Maintenance of Plant			923,294

Transportation

Supervisor/Director	\$	52,321	
Social Security		2,801	
Pensions		5,075	
Life Insurance		160	
Medical Insurance		12,425	
Dental Insurance		363	
Employer Medicare		655	
Contracts with Private Agencies		4,775	
Contracts with Parents		12,932	
Contracts with Vehicle Owners		1,681,443	
Maintenance and Repair Services - Equipment		795	
Medical and Dental Services		1,185	
Travel		58	

(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.)

Other Contracted Services	\$	3,184	
Office Supplies		1,994	
In Service/Staff Development		3,651	
Other Charges		1,720	
Other Equipment		3,484	
Total Transportation			\$ 1,789,021

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	20,875	
Teachers		289,599	
Educational Assistants		37,263	
Other Salaries and Wages		26,943	
Social Security		23,203	
Pensions		32,276	
Life Insurance		344	
Medical Insurance		7,139	
Dental Insurance		1,203	
Employer Medicare		5,427	
Travel		1,123	
Other Contracted Services		5,202	
Food Supplies		4,610	
Other Supplies and Materials		26,390	
In Service/Staff Development		708	
Total Community Services			482,305

Early Childhood Education

Teachers	\$	385,156	
Educational Assistants		148,760	
Certified Substitute Teachers		1,050	
Non-certified Substitute Teachers		6,570	
Social Security		31,815	
Pensions		47,950	
Employee and Dependent Insurance		272	
Life Insurance		2,950	
Medical Insurance		90,605	
Dental Insurance		6,087	
Employer Medicare		7,442	
Contracts with Other School Systems		89,410	
Instructional Supplies and Materials		28,672	
In Service/Staff Development		5,437	
Other Charges		325	
Total Early Childhood Education			852,501

Total General Purpose School Fund \$ 40,835,792

(Continued)

Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	431,818	
Educational Assistants		48,019	
Certified Substitute Teachers		7,560	
Non-certified Substitute Teachers		20,730	
Social Security		29,907	
Pensions		39,751	
Life Insurance		1,357	
Medical Insurance		58,093	
Dental Insurance		2,362	
Employer Medicare		7,181	
Instructional Supplies and Materials		54,671	
Regular Instruction Equipment		29,767	
Total Regular Instruction Program			\$ 731,216

Special Education Program

Teachers	\$	89,532	
Educational Assistants		385,824	
Social Security		26,737	
Pensions		36,132	
Life Insurance		2,500	
Medical Insurance		134,245	
Dental Insurance		5,462	
Employer Medicare		6,253	
Other Contracted Services		2,800	
Instructional Supplies and Materials		8,927	
Total Special Education Program			698,412

Career and Technical Education Program

Other Supplies and Materials	\$	1,205	
Vocational Instruction Equipment		46,368	
Total Career and Technical Education Program			47,573

Support Services

Other Student Support

Other Salaries and Wages	\$	19,245	
Social Security		1,184	
Pensions		1,867	
Employer Medicare		277	
Travel		6,000	
Other Contracted Services		2,000	
In Service/Staff Development		10,200	
Other Charges		6,268	
Total Other Student Support			47,041

Regular Instruction Program

Supervisor/Director	\$	64,008	
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(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Secretary(ies)	\$	19,989	
Other Salaries and Wages		152,375	
Social Security		14,648	
Pensions		21,582	
Life Insurance		306	
Medical Insurance		14,360	
Dental Insurance		731	
Employer Medicare		3,426	
Travel		6,680	
Other Supplies and Materials		3,585	
In Service/Staff Development		63,907	
Other Equipment		9,043	
Total Regular Instruction Program			\$ 374,640

Special Education Program

Supervisor/Director	\$	64,008	
Secretary(ies)		79,958	
Other Salaries and Wages		36,170	
Social Security		11,085	
Pensions		16,857	
Life Insurance		466	
Medical Insurance		20,887	
Dental Insurance		1,063	
Employer Medicare		2,592	
Other Contracted Services		105,330	
Other Supplies and Materials		3,079	
In Service/Staff Development		26,223	
Total Special Education Program			367,718

Career and Technical Education Program

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

Transportation

Other Contracted Services	\$	1,400	
Total Transportation			1,400

Total School Federal Projects Fund \$ 2,275,000

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	803,518	
Social Security		47,816	
Pensions		49,902	

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Employee and Dependent Insurance	\$	106	
Life Insurance		5,891	
Medical Insurance		160,829	
Dental Insurance		11,042	
Employer Medicare		11,232	
Dues and Memberships		4,325	
Maintenance Agreements		11,176	
Travel		2,734	
Other Contracted Services		1,501	
Food Supplies		953,058	
Office Supplies		1,812	
Other Supplies and Materials		81,137	
In Service/Staff Development		2,377	
Other Charges		1,578	
Food Service Equipment		24,969	
Total Food Service			<u>\$ 2,175,003</u>

Total Central Cafeteria Fund \$ 2,175,003

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$	46,383	
Legal Services		316	
Other Contracted Services		162,532	
Crushed Stone		3,494	
Building Construction		540,775	
Furniture and Fixtures		3,496	
Total Education Capital Projects			<u>\$ 756,996</u>

Total Education Capital Projects Fund 756,996

Total Governmental Funds - Loudon County School Department \$ 46,042,791

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, 2018

	Cities - Sales Tax Fund	City School ADA - Lenoir City Fund	Total
<u>Cash Receipts</u>			
Current Property Taxes	\$ 0	\$ 4,843,880	\$ 4,843,880
Trustee's Collections - Prior Years	0	89,792	89,792
Trustee's Collections - Bankruptcy	0	10,024	10,024
Circuit/Clerk and Master Collections - Prior Years	0	143,051	143,051
Interest and Penalty	0	18,432	18,432
Payments in-Lieu-of-Taxes-Other	0	166,315	166,315
Local Option Sales Tax	5,084,051	2,106,178	7,190,229
Adequate Facilities/Development Tax	0	140,651	140,651
Bank Excise Tax	0	11,896	11,896
Total Cash Receipts	\$ 5,084,051	\$ 7,530,219	\$ 12,614,270
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 5,033,210	\$ 7,314,634	\$ 12,347,844
Trustee's Commission	50,841	123,854	174,695
Total Cash Disbursements	\$ 5,084,051	\$ 7,438,488	\$ 12,522,539
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ 91,731	\$ 91,731
Cash Balance, July 1, 2017	0	117,946	117,946
Cash Balance, June 30, 2018	\$ 0	\$ 209,677	\$ 209,677

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# SINGLE AUDIT SECTION

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JUSTIN P. WILSON  
Comptroller

JASON E. MUMPOWER  
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Loudon County, Tennessee, as of and for the year ended June 30, 2018, 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 16, 2019.

**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.

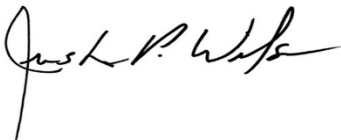
### **Compliance and Other Matters**

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 16, 2019

JPW/tg



JUSTIN P. WILSON  
Comptroller

JASON E. MUMPOWER  
Deputy Comptroller

**Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Loudon County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Loudon County's major federal programs for the year ended June 30, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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, 2018.

### **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.

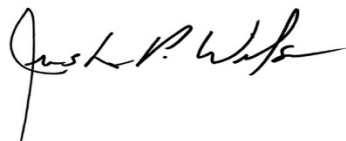
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## 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, 2018, and the related notes to the financial statements, which collectively comprise Loudon County's basic financial statements. We issued our report thereon dated January 16, 2019, 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 16, 2019

JPW/tg

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, 2018

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities Letter of Credit)	10.555	N/A	\$ 152,127 (5)
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	331,527
National School Lunch Program	10.555	N/A	1,119,127 (5)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	24,883
Passed-through East Tennessee Human Resource Agency, Inc.:			
Child Nutrition Cluster: (4)			
Summer Food Service Program for Children	10.559	N/A	10,388
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-18-55684	64,068
Total U.S. Department of Agriculture			<u>\$ 1,702,120</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	(3)	\$ 12,497 (6)
Total U.S. Department of Defense			<u>\$ 12,497</u>
U.S. Department of Justice:			
Direct Program:			
Equitable Sharing Program	16.922	N/A	\$ 3,245
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	DGA 54768	1,500
Total U.S. Department of Justice			<u>\$ 4,745</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	(3)	\$ 19,560
Passed-through Governor's Highway Safety Office:			
Alcohol Open Container Requirements	20.607	(7)	4,390
Highway Safety Cluster:			
National Priority Safety Programs	20.616	Z-17-THS387	1,166
Total U.S. Department of Transportation			<u>\$ 25,116</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(3)	\$ 2,509
Total U.S. Institute of Museum and Library Services			<u>\$ 2,509</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	(3)	\$ 16,000
Total U.S. Department of Energy			<u>\$ 16,000</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 920,155
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	1,100,451
Special Education - Preschool Grants	84.173	N/A	12,079
Career and Technical Education - Basic Grants to States	84.048	N/A	72,773
Twenty-first Century Community Learning Centers	84.287	N/A	132,236
English Language Acquisition Grants	84.365	N/A	16,229
Improving Teacher Quality State Grants	84.367	N/A	198,313
Total U.S. Department of Education			<u>\$ 2,452,236</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:			
Aging Cluster:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(3)	\$ 38,185
Passed-through State Department of Human Services:			
CCDF Cluster:			
Child Care and Development Block Grant	93.575	(3)	32,823
Passed-through State Department of Health:			
Family Planning - Services	93.217	GG-18-55684	10,897
Medicaid Cluster:			
Medical Assistance Program	93.778	GG-18-55684	25,094
Maternal and Child Health Services Block Grant to the States	93.994	GG-18-55684	10,704
Total U.S. Department of Health and Human Services			<u>\$ 117,703</u>
Executive Office of the President:			
Passed-through Laurel County, Kentucky Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	(3)	\$ 8,202
Total Executive Office of the President			<u>\$ 8,202</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4320-DR-TN	\$ 101,030
Emergency Management Performance Grants	97.042	(3)	39,500
Homeland Security Grant Program	97.067	(3)	25,122
Total U.S. Department of Homeland Security			<u>\$ 165,652</u>
Total Expenditures of Federal Grants			<u>\$ 4,506,780</u>

State Grants		Contract Number	Expenditures
Juvenile Justice - State Commission on Children and Youth	N/A	(3)	\$ 9,000
Aging Program - State Office on Aging	N/A	(3)	13,528
Used Oil Grant - State Department of Environment and Conservation	N/A	(3)	16,569
Litter Program - State Department of Transportation	N/A	(3)	46,507
Health Department Program - State Department of Health	N/A	GG-18-55684	163,235
Law Enforcement Training - State Department of Safety	N/A	(3)	25,800
Tobacco Cessation Grant - State Department of Health	N/A	(3)	16,100
Waste Tire Grant - State Department of Environment and Conservation	N/A	(3)	27,579
Court Security Grant Program - State Administrative Office of the Courts	N/A	(3)	12,307
Early Childhood Education - State Department of Education	N/A	(3)	839,194
Read to Be Ready Coaching Network Grant - State Department of Education	N/A	(3)	10,600
Coordinated School Health Program - State Department of Education	N/A	(3)	142,748
Family Resource Centers - State Department of Education	N/A	(3)	29,964
Safe Schools Act - State Department of Education	N/A	(3)	21,320
Lottery for Education and Afterschool Program - State Department of Education	N/A	(3)	288,706
Schools to Work Grant - State Department of Education	N/A	(3)	98,322
Vocational Equipment Grant - State Department of Education	N/A	(3)	125,000
Internet Connectivity - State Department of Education	N/A	(3)	12,252
Total State Grants			<u>\$ 1,898,731</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 minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$1,613,169; Special Education Cluster total \$1,112,530.
- (5) Total for CFDA No. 10.555 is \$1,271,254.
- (6) During the year ended June 30, 2018, Loudon County received excess military equipment valued at \$12,497.
- (7) Z-17-THS222: \$3,441; Z-18-THS186: \$949

Loudon County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2018

*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, 2018.

***Prior-year Financial Statement Findings***

There were no prior-year financial statement findings to report.

***Prior-year Federal Awards Findings***

There were no prior-year federal award findings to report.

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**LOUDON COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2018**

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**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? **NO**
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 Number: 84.010 Title 1 Grants to Local Educational Agencies
  - \* CFDA Numbers: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
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, 2018.

### **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, 2018.