

ANNUAL FINANCIAL REPORT
LOUDON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2019

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
ROBERT ANDERSON, CPA, CGFM
Senior Auditors

AMY MOORE, CGFM
ANGIE COLLINS, CPA, CFE, CGFM
ANDREW HUGHETT
DOUG SANDIDGE, CISA, CFE
State Auditors

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

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Summary of Audit Findings

Annual Financial Report
Loudon County, Tennessee
For the Year Ended June 30, 2019

Scope

We have audited the basic financial statements of Loudon County as of and for the year ended June 30, 2019.

Results

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

Our audit resulted in no findings.

INTRODUCTORY SECTION

Loudon County Officials
June 30, 2019

Officials

Rollen Bradshaw, County Mayor
Eddie Simpson, Highway Superintendent
Michael Garren, Interim Director of Schools
George Miller, II, Trustee
Michael Campbell, Assessor of Property
Carrie McKelvey, County Clerk
Stephen Harrelson, Circuit, General Sessions, and Juvenile Courts Clerk
Lisa Niles, 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

Henry Cullen, Chairman	Michael Waller
Harold Duff	David Meers
Julia Hurley	Van Shaver
Matthew Tinker	Kelly Littleton-Brewster
Bill Satterfield	Gary Whitfield

Board of Education

Craig Simon, Chairman	Brian Brown
Kimberly Bridges	William Jenkins
Scott Newman	Philip Moffett
Bobby Johnson, Jr.	Zack Cusick
Kenny Ridings	Gary Ubben

Audit Committee

Matthew Tinker, Chairman
Van Shaver
Gary Whitfield
Charlie Bettis

FINANCIAL SECTION



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, 2019, 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, 2019, 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.

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 schedule of county and school changes in the total other postemployment benefits liability and related ratios, as listed in the table of contents, 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.

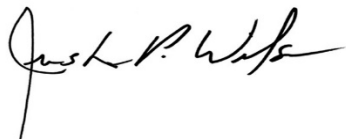
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Loudon County School Department (a discretely presented 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 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 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 February 10, 2020, 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

February 10, 2020

JPW/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Loudon County, Tennessee
Statement of Net Position
June 30, 2019

	Primary Governmental Activities	Component Unit Loudon County School Department
<u>ASSETS</u>		
Cash	\$ 5,920	\$ 159,917
Equity in Pooled Cash and Investments	28,934,536	9,133,034
Accounts Receivable	241,413	9,392
Due from Other Governments	2,419,063	1,210,090
Due from Component Units	580	0
Property Taxes Receivable	17,646,448	10,184,257
Allowance for Uncollectible Property Taxes	(278,784)	(164,522)
Prepaid Items	249,474	38,797
Net Pension Asset - Agent Plan	348,873	116,974
Net Pension Asset - Teacher Retirement Plan	0	190,863
Net Pension Asset - Teacher Legacy Plan	0	1,713,632
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	94,330
Capital Assets:		
Assets Not Depreciated:		
Land	5,915,130	3,946,406
Construction in Progress	11,052,505	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	10,416,459	74,293,787
Other Capital Assets	2,633,308	1,300,290
Infrastructure	22,143,477	89,360
Total Assets	<u>\$ 101,728,402</u>	<u>\$ 102,316,607</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 368,832	\$ 0
Deferred Amount on Refunding	28,352	0
Pension Changes in Experience	380,935	484,917
Pension Changes in Assumptions	427,849	1,164,537
Pension Changes in Proportion	0	109,922
Pension Contributions after Measurement Date	1,006,727	2,166,653
OPEB Changes in Assumption	947,901	100,651
OPEB Changes in Proportion	0	32,022
OPEB Contributions after Measurement Date	0	247,461
Total Deferred Outflows of Resources	<u>\$ 3,160,596</u>	<u>\$ 4,306,163</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 525,571	\$ 371,744
Accrued Payroll	181,623	2,545
Accrued Interest Payable	148,909	0
Payroll Deductions Payable	127,835	1,377,213
Contracts Payable	1,234,436	0
Retainage Payable	64,220	0
Due to Primary Government	0	580
Due to State of Tennessee	9,120	0
Due to Litigants, Heirs, and Others	3,959	0
Derivative - Interest Rate Swap	368,832	0
Other Current Liabilities	43,772	14,872
Noncurrent Liabilities:		
Due Within One Year - Debt	4,497,300	0
Due Within One Year - Other	560,074	0
Due in More Than One Year - Debt	61,520,344	0
Due in More than One Year - Other	12,520,192	4,268,170
Total Liabilities	<u>\$ 81,806,187</u>	<u>\$ 6,035,124</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 Current Property Taxes	\$ 17,085,425	\$ 9,849,211
Pension Changes in Experience	153,294	2,370,825
Net Pension Changes in Investment Earnings	151,592	434,566
Pension Changes in Proportion	0	2,174
OPEB Changes in Experience	1,153,995	891,177
OPEB Changes in Assumptions	491,775	193,744
Total Deferred Inflows of Resources	<u>\$ 19,036,081</u>	<u>\$ 13,741,697</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 40,033,509	\$ 79,629,843
Restricted for:		
General Government	41,909	0
Finance	51,909	0
Administration of Justice	358,920	0
Public Safety	603,926	0
Social, Cultural, and Recreational	246,503	0
Highways	880,544	0
Education	0	322,316
Pensions	348,873	2,115,799
Debt Service	1,805,713	0
Capital Projects	430,657	2,633,997
Unrestricted	<u>(40,755,733)</u>	<u>2,143,994</u>
Total Net Position	<u>\$ 4,046,730</u>	<u>\$ 86,845,949</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, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Government Total	Unit
				Governmental Activities	Loudon County School Department	
Primary Government:						
Governmental Activities:						
General Government	\$ 4,273,238	\$ 1,154,468	\$ 159,786	\$ 0	\$ (2,958,984)	\$ 0
Finance	2,474,072	1,454,524	0	0	(1,019,548)	0
Administration of Justice	2,259,957	1,157,750	10,485	0	(1,091,722)	0
Public Safety	8,700,127	292,465	172,235	0	(8,235,427)	0
Public Health and Welfare	1,611,068	164,986	349,992	0	(1,096,090)	0
Social, Cultural, and Recreational Services	657,168	10,323	115,470	0	(531,375)	0
Agriculture and Natural Resources	187,752	0	0	0	(187,752)	0
Highways	6,115,253	6,075	2,253,258	1,268,588	(2,587,332)	0
Education	89,951	0	0	0	(89,951)	0
Interest on Long-term Debt	2,201,630	0	203,472	0	(1,998,158)	0
Total Primary Government	\$ 28,570,216	\$ 4,240,591	\$ 3,264,698	\$ 1,268,588	\$ (19,796,339)	\$ 0
Component Unit:						
Loudon County School Department	\$ 44,969,673	\$ 511,532	\$ 5,437,942	\$ 0	\$ 0	\$ (39,020,199)
Total Component Unit	\$ 44,969,673	\$ 511,532	\$ 5,437,942	\$ 0	\$ 0	\$ (39,020,199)

(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
					Total Governmental Activities	Unit Loudon County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 9,886,129	\$ 10,383,941
Property Taxes Levied for Public Library					321,594	0
Property Taxes Levied for Highway/Public Works					572,425	0
Property Taxes Levied for General Debt Service					1,172,862	0
Property Taxes Levied for Education Debt Service					4,383,030	0
Property Taxes Levied for Capital Projects					171,401	0
Property Taxes Levied for Highway Capital Projects					294,195	0
Sales Taxes					1,276,863	4,308,907
Hotel/Motel Tax					497,189	0
Business Tax					632,815	0
Litigation Tax					550,120	0
Mineral Severance Tax					59,514	0
Adequate Facilities/Development Tax					0	881,144
Other Local Taxes					103,494	0
Bank Excise Tax					34,674	0
Mixed Drink Tax					34,494	0
Grants and Contributions Not Restricted to Specific Programs					1,866,068	23,657,846
Unrestricted Investment Income					612,721	94,404
Gain on Investments					0	4,762
Miscellaneous					392,794	89,949
Revenue from Joint Ventures					25,470	0
Gain on Fire Damage to Courthouse					696,038	0
Total General Revenues					\$ 23,583,890	\$ 39,420,953
Change in Net Position					\$ 3,787,551	\$ 400,754
Net Position, July 1, 2018					259,179	86,445,195
Net Position, June 30, 2019					\$ 4,046,730	\$ 86,845,949

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, 2019

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	Education Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 970	\$ 500	\$ 0	\$ 0	\$ 4,450	\$ 5,920
Equity in Pooled Cash and Investments	6,817,460	610,283	7,995,008	9,855,790	3,655,995	28,934,536
Accounts Receivable	136,384	48,660	0	0	56,369	241,413
Due from Other Governments	1,653,284	545,523	0	36,312	183,944	2,419,063
Due from Other Funds	11,660	0	0	0	4,892	16,552
Due from Component Units	580	0	0	0	0	580
Property Taxes Receivable	11,047,675	576,875	3,503,833	172,515	2,345,550	17,646,448
Allowance for Uncollectible Property Taxes	(170,028)	(9,333)	(63,007)	(2,794)	(33,622)	(278,784)
Prepaid Items	243,613	0	0	0	5,861	249,474
Total Assets	<u>\$ 19,741,598</u>	<u>\$ 1,772,508</u>	<u>\$ 11,435,834</u>	<u>\$ 10,061,823</u>	<u>\$ 6,223,439</u>	<u>\$ 49,235,202</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 266,336	\$ 246,390	\$ 0	\$ 0	\$ 12,845	\$ 525,571
Accrued Payroll	155,445	15,915	0	0	10,263	181,623
Payroll Deductions Payable	115,071	9,163	0	0	3,601	127,835
Contracts Payable	0	0	0	1,234,436	0	1,234,436
Retainage Payable	0	0	0	64,220	0	64,220
Due to Other Funds	4,892	0	0	209	11,451	16,552
Due to State of Tennessee	9,120	0	0	0	0	9,120
Due to Litigants, Heirs, and Others	0	0	0	0	3,959	3,959
Other Current Liabilities	43,772	0	0	0	0	43,772
Total Liabilities	<u>\$ 594,636</u>	<u>\$ 271,468</u>	<u>\$ 0</u>	<u>\$ 1,298,865</u>	<u>\$ 42,119</u>	<u>\$ 2,207,088</u>

(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	Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 10,710,435	\$ 557,854	\$ 3,368,678	\$ 166,818	\$ 2,281,640	\$ 17,085,425
Deferred Delinquent Property Taxes	137,975	7,878	63,677	2,358	24,574	236,462
Other Deferred/Unavailable Revenue	516,651	198,970	0	18,156	104,661	838,438
Total Deferred Inflows of Resources	\$ 11,365,061	\$ 764,702	\$ 3,432,355	\$ 187,332	\$ 2,410,875	\$ 18,160,325
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 243,613	\$ 0	\$ 0	\$ 0	\$ 5,861	\$ 249,474
Restricted:						
Restricted for General Government	41,909	0	0	0	0	41,909
Restricted for Finance	51,909	0	0	0	0	51,909
Restricted for Administration of Justice	337,545	0	0	0	21,375	358,920
Restricted for Public Safety	36,529	0	0	0	551,255	587,784
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	236,229	236,229
Restricted for Highways/Public Works	0	717,010	0	0	0	717,010
Restricted for Debt Service	0	0	7,700,961	0	1,837,797	9,538,758
Restricted for Capital Projects	0	0	0	7,012,312	428,299	7,440,611
Committed:						
Committed for Public Safety	36,373	0	0	0	0	36,373
Committed for Public Health and Welfare	87,408	0	0	0	433,638	521,046
Committed for Social, Cultural, and Recreational Services	0	0	0	0	10,960	10,960
Committed for Other Operations	0	0	0	0	81,724	81,724
Committed for Highways/Public Works	0	19,328	0	0	0	19,328
Committed for Debt Service	0	0	302,518	0	163,307	465,825
Committed for Capital Projects	0	0	0	1,563,314	0	1,563,314

(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:						
Assigned for General Government	\$ 3,551,106	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,551,106
Assigned for Finance	10,854	0	0	0	0	10,854
Assigned for Administration of Justice	67,598	0	0	0	0	67,598
Assigned for Public Safety	119,189	0	0	0	0	119,189
Unassigned	3,197,868	0	0	0	0	3,197,868
Total Fund Balances	<u>\$ 7,781,901</u>	<u>\$ 736,338</u>	<u>\$ 8,003,479</u>	<u>\$ 8,575,626</u>	<u>\$ 3,770,445</u>	<u>\$ 28,867,789</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,741,598</u>	<u>\$ 1,772,508</u>	<u>\$ 11,435,834</u>	<u>\$ 10,061,823</u>	<u>\$ 6,223,439</u>	<u>\$ 49,235,202</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, 2019

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)		\$	28,867,789
(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		11,052,505	
Add: infrastructure net of accumulated depreciation		22,143,477	
Add: buildings and improvements net of accumulated depreciation		10,416,459	
Add: other capital assets net of accumulated depreciation		<u>2,633,308</u>	52,160,879
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(174,000)	
Less: bonds payable		(57,215,000)	
Less: other loans payable		(6,911,577)	
Less: accrued interest on notes, bonds, and other loans		(148,909)	
Less: unamortized premium on debt		(1,717,067)	
Add: deferred amount on refunding		28,352	
Less: net OPEB liability		(12,514,700)	
Less: compensated absences payable		<u>(565,566)</u>	(79,218,467)
(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	\$	1,815,511	
Less: deferred inflows of resources related to pensions		(304,886)	
Add: deferred outflows related to OPEB		947,901	
Less: deferred inflows related to OPEB		<u>(1,645,770)</u>	812,756
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			348,873
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,074,900</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>4,046,730</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, 2019

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	Education Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 12,290,556	\$ 651,208	\$ 4,554,248	\$ 507,660	\$ 2,786,329	\$ 20,790,001
Licenses and Permits	817,144	0	0	0	0	817,144
Fines, Forfeitures, and Penalties	425,394	0	0	0	75,870	501,264
Charges for Current Services	118,116	0	0	0	11,443	129,559
Other Local Revenues	367,475	34,534	195,552	196,554	206,738	1,000,853
Fees Received From County Officials	2,465,707	0	0	0	0	2,465,707
State of Tennessee	1,506,133	2,978,246	0	0	71,121	4,555,500
Federal Government	215,107	535,695	0	495	5,892	757,189
Other Governments and Citizens Groups	53,120	0	150,490	0	241,860	445,470
Total Revenues	\$ 18,258,752	\$ 4,199,683	\$ 4,900,290	\$ 704,709	\$ 3,399,253	\$ 31,462,687
<u>Expenditures</u>						
Current:						
General Government	\$ 3,201,567	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,201,567
Finance	2,463,124	0	0	0	1,551	2,464,675
Administration of Justice	2,245,146	0	0	0	0	2,245,146
Public Safety	8,112,445	0	0	0	137,456	8,249,901
Public Health and Welfare	676,899	0	0	0	832,845	1,509,744
Social, Cultural, and Recreational Services	257,225	0	0	0	351,825	609,050
Agriculture and Natural Resources	186,764	0	0	0	0	186,764
Other Operations	794,884	0	0	3,408	8,813	807,105
Highways	0	5,238,487	0	0	0	5,238,487
Debt Service:						
Principal on Debt	43,054	0	3,455,300	0	831,000	4,329,354
Interest on Debt	0	0	1,538,315	0	448,212	1,986,527
Other Debt Service	0	0	89,951	136,301	232,993	459,245

(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	General Capital Projects	Funds Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 10,008,736	\$ 297,598	\$ 10,306,334
Total Expenditures	\$ 17,981,108	\$ 5,238,487	\$ 5,083,566	\$ 10,148,445	\$ 3,142,293	\$ 41,593,899
Excess (Deficiency) of Revenues Over Expenditures	\$ 277,644	\$ (1,038,804)	\$ (183,276)	\$ (9,443,736)	\$ 256,960	\$ (10,131,212)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 8,010,000	\$ 0	\$ 8,010,000
Premiums on Debt Sold	0	0	0	79,178	0	79,178
Proceeds from Sale of Capital Assets	0	61,290	0	204,456	65,493	331,239
Insurance Recovery	31,608	0	0	849,000	14,975	895,583
Transfers In	0	0	0	40,000	125,000	165,000
Transfers Out	0	(40,000)	0	0	(125,000)	(165,000)
Total Other Financing Sources (Uses)	\$ 31,608	\$ 21,290	\$ 0	\$ 9,182,634	\$ 80,468	\$ 9,316,000
Net Change in Fund Balances	\$ 309,252	\$ (1,017,514)	\$ (183,276)	\$ (261,102)	\$ 337,428	\$ (815,212)
Fund Balance, July 1, 2018	7,472,649	1,753,852	8,186,755	8,836,728	3,433,017	29,683,001
Fund Balance, June 30, 2019	\$ 7,781,901	\$ 736,338	\$ 8,003,479	\$ 8,575,626	\$ 3,770,445	\$ 28,867,789

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

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, 2019

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)		\$	(815,212)
(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	\$	10,398,148	
Less: current-year depreciation expense		<u>(1,874,900)</u>	8,523,248
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Less: book value of capital assets disposed			(193,805)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2018	\$	(1,013,292)	
Add: deferred delinquent property taxes and other deferred June 30, 2019		<u>1,074,900</u>	61,608
(4) The issuance of long-term debt (e.g., notes, other loans, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on notes	\$	41,000	
Add: principal payments on other loans		1,383,354	
Add: principal payments on bonds		2,905,000	
Add: change in unamortized premium on debt issues		100,756	
Less: change in deferred charge on refunding debt		(17,793)	
Less: bond proceeds		<u>(8,010,000)</u>	(3,597,683)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	(7,950)	
Change in compensated absences payable		(2,694)	
Change in net pension asset - agent plan		432,039	
Change in deferred outflows related to pensions		193,081	
Change in deferred inflows related to pensions		33,066	
Change in net OPEB liability		(688,001)	
Change in deferred outflows related to OPEB		947,901	
Change in deferred inflows related to OPEB		<u>(1,098,047)</u>	<u>(190,605)</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 3,787,551</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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 12,290,556	\$ 0	\$ 0	\$ 12,290,556	\$ 11,851,977	\$ 12,029,981	\$ 260,575
Licenses and Permits	817,144	0	0	817,144	849,760	825,330	(8,186)
Fines, Forfeitures, and Penalties	425,394	0	0	425,394	426,313	426,313	(919)
Charges for Current Services	118,116	0	0	118,116	87,000	119,790	(1,674)
Other Local Revenues	367,475	0	0	367,475	145,522	216,638	150,837
Fees Received From County Officials	2,465,707	0	0	2,465,707	2,527,730	2,373,250	92,457
State of Tennessee	1,506,133	0	0	1,506,133	1,151,003	1,046,420	459,713
Federal Government	215,107	0	0	215,107	38,185	213,622	1,485
Other Governments and Citizens Groups	53,120	0	0	53,120	46,000	47,000	6,120
Total Revenues	\$ 18,258,752	\$ 0	\$ 0	\$ 18,258,752	\$ 17,123,490	\$ 17,298,344	\$ 960,408
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 205,296	\$ (50,347)	\$ 50,000	\$ 204,949	\$ 191,638	\$ 216,902	\$ 11,953
Board of Equalization	1,334	0	0	1,334	2,600	2,600	1,266
Beer Board	2,682	0	0	2,682	7,000	7,000	4,318
Other Boards and Committees	5,850	0	0	5,850	7,150	7,150	1,300
County Mayor/Executive	211,428	0	0	211,428	246,461	239,008	27,580
Personnel Office	35,334	0	0	35,334	44,905	44,932	9,598
County Attorney	142,905	(3,500)	682	140,087	155,000	170,000	29,913
Election Commission	384,374	(52,089)	0	332,285	367,150	365,566	33,281
Register of Deeds	296,931	0	528	297,459	304,090	304,887	7,428
Planning	120,383	0	4,425	124,808	150,192	133,020	8,212
Codes Compliance	232,813	0	0	232,813	250,427	251,769	18,956
Geographical Information Systems	67,391	0	0	67,391	68,447	68,889	1,498
County Buildings	1,218,103	(2,495)	3,000	1,218,608	1,304,630	1,282,812	64,204
Other General Administration	276,743	0	0	276,743	304,000	287,083	10,340
<u>Finance</u>							
Accounting and Budgeting	651,497	(1,086)	7,866	658,277	675,054	677,339	19,062
Purchasing	247,041	(1,239)	1,788	247,590	259,847	258,355	10,765

(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 7/1/2018	Add: Encumbrances 6/30/2019	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	\$ 424,031	\$ (9,898)	\$ 1,200	\$ 415,333	\$ 469,138	\$ 446,789	\$ 31,456
County Trustee's Office	362,303	0	0	362,303	378,213	380,194	17,891
County Clerk's Office	621,619	(1,950)	0	619,669	621,402	643,288	23,619
Data Processing	156,633	0	0	156,633	165,313	168,670	12,037
<u>Administration of Justice</u>							
Circuit Court	427,942	(13,334)	14,306	428,914	451,260	452,613	23,699
General Sessions Court	663,503	(7,806)	9,997	665,694	719,001	716,755	51,061
General Sessions Judge	489,229	0	0	489,229	485,215	499,692	10,463
Chancery Court	258,833	(914)	42,700	300,619	267,206	312,319	11,700
Juvenile Court	309,606	(1,907)	0	307,699	320,114	330,218	22,519
Judicial Commissioners	60,672	0	595	61,267	66,133	66,133	4,866
Other Administration of Justice	12,532	0	0	12,532	18,760	18,760	6,228
Courtroom Security	1,444	0	0	1,444	24,878	11,340	9,896
Victim Assistance Programs	21,385	0	0	21,385	22,000	22,000	615
<u>Public Safety</u>							
Sheriff's Department	4,405,842	(10,123)	5,729	4,401,448	4,640,110	4,679,671	278,223
Special Patrols	3,810	(3,112)	10,275	10,973	20,000	20,000	9,027
Traffic Control	6,945	0	0	6,945	22,500	22,500	15,555
Administration of the Sexual Offender Registry	0	0	0	0	1,500	1,500	1,500
Jail	2,537,683	0	0	2,537,683	2,641,414	2,633,545	95,862
Rural Fire Protection	245,000	(60,000)	95,000	280,000	280,000	280,000	0
Civil Defense	208,175	(2,571)	7,600	213,204	206,924	212,339	(865)
Other Emergency Management	33,845	(5,430)	585	29,000	0	29,000	0
County Coroner/Medical Examiner	129,645	0	0	129,645	89,000	139,000	9,355
Other Public Safety	541,500	0	0	541,500	541,500	541,500	0
<u>Public Health and Welfare</u>							
Local Health Center	33,697	0	0	33,697	41,918	41,397	7,700
Rabies and Animal Control	386,070	(802)	0	385,268	441,065	482,392	97,124
Other Local Health Services	257,132	0	0	257,132	366,700	413,600	156,468

(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 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	\$ 3,000	\$ 0	\$ 0	\$ 3,000	\$ 3,000	\$ 3,000	\$ 0
Senior Citizens Assistance	254,225	0	0	254,225	255,448	267,288	13,063
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	164,636	(1,082)	0	163,554	170,031	174,802	11,248
Soil Conservation	16,668	0	0	16,668	20,797	20,797	4,129
Flood Control	2,000	0	0	2,000	2,000	2,000	0
Storm Water Management	3,460	0	0	3,460	4,000	3,460	0
<u>Other Operations</u>							
Tourism	144,185	0	0	144,185	127,600	148,480	4,295
Industrial Development	166,429	0	0	166,429	166,430	166,430	1
Housing and Urban Development	6,750	0	0	6,750	6,750	6,750	0
Veterans' Services	46,149	(448)	0	45,701	55,518	58,680	12,979
Contributions to Other Agencies	80,600	0	0	80,600	78,100	80,600	0
Employee Benefits	832	0	0	832	2,500	2,500	1,668
Miscellaneous	349,939	0	0	349,939	330,000	346,000	(3,939)
<u>Principal on Debt</u>							
General Government	43,054	0	0	43,054	50,000	43,054	0
Total Expenditures	\$ 17,981,108	\$ (230,133)	\$ 256,276	\$ 18,007,251	\$ 18,912,029	\$ 19,206,368	\$ 1,199,117
Excess (Deficiency) of Revenues Over Expenditures	\$ 277,644	\$ 230,133	\$ (256,276)	\$ 251,501	\$ (1,788,539)	\$ (1,908,024)	\$ 2,159,525
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 31,608	\$ 0	\$ 0	\$ 31,608	\$ 0	\$ 24,402	\$ 7,206
Total Other Financing Sources	\$ 31,608	\$ 0	\$ 0	\$ 31,608	\$ 0	\$ 24,402	\$ 7,206

(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 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 309,252	\$ 230,133	\$ (256,276)	\$ 283,109	\$ (1,788,539)	\$ (1,883,622)	\$ 2,166,731
Fund Balance, July 1, 2018	7,472,649	(230,133)	0	7,242,516	4,911,783	4,911,783	2,330,733
Fund Balance, June 30, 2019	\$ 7,781,901	\$ 0	\$ (256,276)	\$ 7,525,625	\$ 3,123,244	\$ 3,028,161	\$ 4,497,464

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 651,208	\$ 0	\$ 0	\$ 651,208	\$ 629,847	\$ 641,347	\$ 9,861
Other Local Revenues	34,534	0	0	34,534	36,721	58,576	(24,042)
State of Tennessee	2,978,246	0	0	2,978,246	3,702,167	3,315,672	(337,426)
Federal Government	535,695	0	0	535,695	1,569,618	1,550,384	(1,014,689)
Total Revenues	\$ 4,199,683	\$ 0	\$ 0	\$ 4,199,683	\$ 5,938,353	\$ 5,565,979	\$ (1,366,296)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 816,303	\$ 0	\$ 0	\$ 816,303	\$ 823,867	\$ 825,463	\$ 9,160
Highway and Bridge Maintenance	1,615,545	(2,210)	0	1,613,335	640,560	1,861,779	248,444
Operation and Maintenance of Equipment	282,105	0	0	282,105	314,000	350,685	68,580
Other Charges	170,194	(300)	0	169,894	183,400	183,900	14,006
Employee Benefits	474,452	0	0	474,452	443,325	494,157	19,705
Capital Outlay	1,879,888	(1,242,832)	5,000	642,056	3,376,037	2,004,943	1,362,887
Total Expenditures	\$ 5,238,487	\$ (1,245,342)	\$ 5,000	\$ 3,998,145	\$ 5,781,189	\$ 5,720,927	\$ 1,722,782
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,038,804)	\$ 1,245,342	\$ (5,000)	\$ 201,538	\$ 157,164	\$ (154,948)	\$ 356,486
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 61,290	\$ 0	\$ 0	\$ 61,290	\$ 0	\$ 0	\$ 61,290
Transfers Out	(40,000)	0	0	(40,000)	(40,000)	(40,000)	0
Total Other Financing Sources	\$ 21,290	\$ 0	\$ 0	\$ 21,290	\$ (40,000)	\$ (40,000)	\$ 61,290
Net Change in Fund Balance	\$ (1,017,514)	\$ 1,245,342	\$ (5,000)	\$ 222,828	\$ 117,164	\$ (194,948)	\$ 417,776
Fund Balance, July 1, 2018	1,753,852	(1,245,342)	0	508,510	1,063,522	1,063,522	(555,012)
Fund Balance, June 30, 2019	\$ 736,338	\$ 0	\$ (5,000)	\$ 731,338	\$ 1,180,686	\$ 868,574	\$ (137,236)

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, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 576,727
Equity in Pooled Cash and Investments	4,037,013
Accounts Receivable	30,766
Due from Other Governments	1,299,479
Taxes Receivable	5,002,526
Allowance for Uncollectible Taxes	<u>(80,813)</u>
Total Assets	<u>\$ 10,865,698</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 2,554
Due to Other Taxing Units	6,426,131
Due to Litigants, Heirs, and Others	576,727
Due to Joint Ventures	<u>3,860,286</u>
Total Liabilities	<u>\$ 10,865,698</u>

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

LOUDON COUNTY, TENNESSEE
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LOUDON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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, 2019.

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; the State Treasurer's Intermediate Term investment Fund; 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. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, 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. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America. All other investments are reported at fair value. Other than the pension stabilization trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

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 .82 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. **Restricted Assets**

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Loudon County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Loudon County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Loudon County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. **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

6. 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, employer contributions made to the pension plan after the measurement date, pension other deferrals, OPEB contributions after the measurement date, OPEB changes in assumptions, OPEB changes in proportion, 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 changes in proportion, pension changes in investment earnings, OPEB changes in assumptions, OPEB changes in experience, and various receivables for revenues, which do not meet the availability criteria in governmental funds.

7. 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.

8. Long-term Debt and 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.

9. 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.

The government-wide Statement of Net Position for the primary government reports \$4,768,954 of restricted net position, of which \$462,192 is restricted by enabling legislation. The government-wide Statement of Net Position for the school department reports \$5,072,112 of restricted net position, of which \$2,633,997 is restricted by enabling legislation.

As of June 30, 2019, Loudon County had \$45,525,600 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 (\$256,276) and fund balance appropriated for use in the 2019-2020 budget (\$3,492,471). Assigned fund balance in the General Purpose School Fund consists of amounts assigned for encumbrances (\$224,818) and fund balance appropriated for use in the 2019-2020 budget (\$1,914,832).

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

E. Pension Plans

Primary Government

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

Discretely Presented Loudon County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee

Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

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, 2019, Loudon County and the Loudon County School Department reported encumbrances in the following budgeted funds:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
General	\$ 256,276
Highway/Public Works	5,000
General Capital Projects	6,592,216
Nonmajor Governmental	70,347
School Department:	
General Purpose School	224,818
Nonmajor Governmental	154

B. Fund Deficit

The School Federal Projects Fund of the discretely presented school department had a deficit in unassigned fund balance of \$3,929 at June 30, 2019. This deficit is expected to be liquidated upon the receipt of federal funds subsequent to year-end.

C. Suspension of Director of Schools

On June 13, 2019, the Loudon County Board of Education voted to suspend Director of Schools, Jason Vance, with pay, and appointed Michael Garren as interim Director of Schools. See Note V.K. for further information on this suspension and the buyout of Jason Vance’s employment contract subsequent to the fiscal year end.

D. Settlement with Deutsche Bank Regarding Derivative Contracts

During April 2019, Loudon County received \$150,490 in a settlement with Deutsche Bank regarding the bank’s role in derivative contracts (interest rate swap agreements) affecting Loudon County for the period January 1, 2005 through December 31, 2010. The settlement is the result of an investigation by attorneys general of 44 states and the District of Columbia into the manipulation of benchmark interest rates, including the London Interbank Offered Rate (LIBOR), and instruments referencing those rates as potential violations of various state and federal antitrust laws, unfair and deceptive acts and practices laws, false claims statutes, securities laws, fraud statutes, and common law. Further details of that settlement and investigation are available at <http://www.deutschebanksagliborsettlement.com/>

E. School Cafeteria Investigation

An investigative report was issued by the Comptroller of the Treasury, Division of Investigations on August 23, 2019, concerning allegations of

malfeasance related to the National School Lunch Program at Eaton Elementary School. The report disclosed that during the period August 8, 2017 to May 18, 2018, Loudon County Schools inappropriately claimed and received \$1,500 for meals reflected as served to absent students. Both the cafeteria manager's and cafeteria cashier's employment were terminated as a result of these false meal claims. School officials have contacted the United States Department of Agriculture to report the event and determine what resolution they require. The investigative report can be found at www.comptroller.tn.gov/ia.

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. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. 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. Other than the TCRS Stabilization Trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2019.

TCRS Stabilization Trust

Legal Provisions. The Loudon County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by 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 trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Loudon County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The

TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value or amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined using amortized cost, which approximates fair value.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter’s NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2019, the Loudon County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 29,243
Developed Market International Equity	N/A	N/A	13,206
Emerging Market International Equity	N/A	N/A	3,773
U.S. Fixed Income	N/A	N/A	18,866
Real Estate	N/A	N/A	9,433
Short-term Securities	N/A	N/A	943
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	<u>18,866</u>
Total			<u><u>\$ 94,330</u></u>

Investment by Fair Value Level	Fair Value 6-30-19	Fair Value Measurements Using			Amortized Cost NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 29,243	\$ 29,243	\$ 0	\$ 0	0
Developed Market International Equity	13,206	13,206	0	0	0
Emerging Market International Equity	3,773	3,773	0	0	0
U.S. Fixed Income	18,866	0	18,866	0	0
Real Estate	9,433	0	0	9,433	0
Short-term Securities	943	0	943	0	0
Private Equity and Strategic Lending	<u>18,866</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,866</u>
Total	<u>\$ 94,330</u>	<u>\$ 46,222</u>	<u>\$ 19,809</u>	<u>\$ 9,433</u>	<u>\$ 18,866</u>

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Loudon County School Department does not have the ability to limit trust investment maturities as a

means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Loudon County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county’s investment in a single issuer. Loudon County School Department places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Loudon County School Department to pay retirement benefits of the school department employees.

For further information concerning the school department’s investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2019/ag18092.pdf>.

B. Derivative Instrument

At June 30, 2019, 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, 2019, 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 2019 financial statements is as follows:

Type	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2019</u>		6-30-19
	Classification	Amount	Classification	Amount	Notional Amount
Governmental Activities					
Cash Flow Hedge:					
Pay fixed interest rate swap:					
\$12.5M Swap	Deferred	\$ (68,115)	Debt	\$ (368,832)	\$ 5,980,000
	Outflow				
Total		<u>\$ (68,115)</u>		<u>\$ (368,832)</u>	<u>\$ 5,980,000</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, 2019, 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>-1.77</u>
Net interest rate swap payments		1.36 %
Variable-rate bond coupon payments		<u>2.23</u>
Synthetic interest rate on bonds		<u>3.59 %</u>

Fair value. As of June 30, 2019, the swap had a negative fair value of \$368,832. 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, 2019, 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, 2019, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/BBB+ 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, 2019, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Fiscal Year Ending June 30	Variable Rate Bonds		Net Interest Rate	
	Principal	Interest	Swap Payment	Total
2020	\$ 855,000	\$ 133,270	\$ 81,638	\$ 1,069,908
2021	910,000	114,216	69,965	1,094,181
2022	965,000	93,935	57,542	1,116,477
2023	1,020,000	72,430	44,368	1,136,798
2024	1,085,000	49,698	30,444	1,165,142
2025	1,145,000	25,517	15,631	1,186,148
Total	\$ 5,980,000	\$ 489,066	\$ 299,588	\$ 6,768,654

C. Capital Assets

Capital assets activity for the year ended June 30, 2019, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 5,915,130	\$ 0	\$ 0	\$ 5,915,130
Construction in Progress	1,710,664	9,341,841	0	11,052,505
Total Capital Assets Not Depreciated	\$ 7,625,794	\$ 9,341,841	\$ 0	\$ 16,967,635
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,869,172	\$ 0	\$ 0	\$ 14,869,172
Infrastructure	49,096,941	0	0	49,096,941
Other Capital Assets	9,328,848	1,056,307	(659,850)	9,725,305
Total Capital Assets Depreciated	\$ 73,294,961	\$ 1,056,307	\$ (659,850)	\$ 73,691,418
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,195,664	\$ 257,049	\$ 0	\$ 4,452,713
Infrastructure	25,965,135	988,329	0	26,953,464
Other Capital Assets	6,928,520	629,522	(466,045)	7,091,997
Total Accumulated Depreciation	\$ 37,089,319	\$ 1,874,900	\$ (466,045)	\$ 38,498,174
Total Capital Assets Depreciated, Net	\$ 36,205,642	\$ (818,593)	\$ (193,805)	\$ 35,193,244
Governmental Activities Capital Assets, Net	\$ 43,831,436	\$ 8,523,248	\$ (193,805)	\$ 52,160,879

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.H.

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

Governmental Activities:

General Government	\$ 190,692
Finance	12,560
Administration of Justice	12,916
Public Safety	416,612
Public Health and Welfare	77,828
Social, Cultural, and Recreational Services	30,529
Highways/Public Works	<u>1,133,763</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,874,900</u></u>

Discretely Presented Loudon County School Department

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 3,946,406	\$ 0	\$ 0	\$ 3,946,406
Construction in Progress	38,439	685,132	(723,571)	0
Total Capital Assets Not Depreciated	\$ 3,984,845	\$ 685,132	\$ (723,571)	\$ 3,946,406
Capital Assets Depreciated:				
Buildings and Improvements	\$ 96,093,484	\$ 723,571	\$ 0	\$ 96,817,055
Infrastructure	96,087	0	0	96,087
Other Capital Assets	2,448,078	91,930	0	2,540,008
Total Capital Assets Depreciated	\$ 98,637,649	\$ 815,501	\$ 0	\$ 99,453,150
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 20,666,353	\$ 1,856,915	\$ 0	\$ 22,523,268
Infrastructure	4,805	1,922	0	6,727
Other Capital Assets	1,047,872	191,846	0	1,239,718
Total Accumulated Depreciation	\$ 21,719,030	\$ 2,050,683	\$ 0	\$ 23,769,713
Total Capital Assets Depreciated, Net	\$ 76,918,619	\$ (1,235,182)	\$ 0	\$ 75,683,437
Governmental Activities Capital Assets, Net	\$ 80,903,464	\$ (550,050)	\$ (723,571)	\$ 79,629,843

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

Governmental Activities:

Instruction	\$ 64,106
Support Services	1,972,888
Operation of Non-instructional Services	<u>13,689</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,050,683</u>

D. Asset Impairment and Insurance Recoveries

Primary Government

The Loudon County Courthouse suffered massive fire damage on April 23, 2019, and is no longer useable for county office space. The courthouse was built in 1872 and was fully depreciated with a carrying value of \$0 at the time of the fire. The only offices housed in the facility at the time of the fire were those of the Circuit Court Clerk, Clerk and Master, and Soil Conservation. Those offices have been relocated. Expenses of the primary government governmental activities for cleanup and office relocation costs related to fire, smoke, and water damage amounted to \$152,962 and have been reported net of associated insurance recoveries of \$849,000, resulting in a gain of \$696,038.

Discretely Presented School Department

Program expenses of the discretely presented Loudon County School Department include \$868,269 in repair and restoration costs related to wind and hail damage to school buildings resulting from storms in Loudon County. These expenses have been reported net of associated insurance recoveries of \$853,611.

E. Construction Commitments

At June 30, 2019, the General Capital Projects Fund had uncompleted contracts of \$6,484,562 for the expansion of the justice center. Funding was obtained for these future expenditures through a debt issue in fiscal year 2018-2019.

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	General Capital Projects	\$ 209
"	Nonmajor governmental	11,451
Nonmajor governmental	General	4,892
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	6,575

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government:	School Department:	
General	General Purpose School	\$ 580

Interfund Transfers:

Interfund transfers for the year ended June 30, 2019, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Capital Projects Fund	Nonmajor Governmental Funds
Highway/Public Works Fund	\$ 40,000	\$ 0
Nonmajor governmental funds	0	125,000
Total	\$ 40,000	\$ 125,000

The Highway/Public Works Fund transferred \$40,000 to the General Capital Projects fund for highway capital purchases. Within the nonmajor governmental funds, the Courthouse/Jail Maintenance Fund transferred \$125,000 to the General Debt Service Fund for future debt service for the jail 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.

G. Payables

The total of \$3,959 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.

H. 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.

I. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds – Loudon County issues general obligation bonds 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 have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 25 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2019, will be retired from the General Debt Service and Education Debt Service funds.

Direct Borrowing and Direct Placements – Loudon County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital Outlay Notes and other loans outstanding were issued for original terms of up to ten years for notes and 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 notes and other loans included in long-term debt as of June 30, 2019, 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, 2019, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-19
General Obligation Bonds	1.4 to 5 %	6-1-38	\$ 69,875,000	\$ 56,650,000
General Obligation Bonds - Refunding	2.8	4-1-20	2,600,000	565,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	2.88	2-1-23	400,000	174,000
Other Loans - City of Loudon	0	N/A	475,000	75,977
Other Loans - PBA Variable Rate Loan Agreement - State School Bond Authority (QZABs)	variable	6-1-25	14,835,000	6,285,000
	0	12-1-20	4,129,500	550,600

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, 2019:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-19	Interest Type	Variable Interest Rates as of 6-30-19	Other Fees on Variable Rate Debt
<u>Blount County</u>					
<u>Public Building Authority:</u>					
School Projects-Refunding	\$ 12,265,000	\$ 6,010,000	Variable	2.23 (1)	0.11
Various Purposes-Refunding	2,570,000	<u>275,000</u>	Variable	2.26	0.11
Total		<u>\$ 6,285,000</u>			

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

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

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-19	Interest Rates
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City of Loudon

Highlands Business Center	\$ 475,000	\$ 75,977	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 \$43,054 under the agreement.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2019, including estimated interest payments and other fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 3,045,000	\$ 1,753,003	\$ 4,798,003
2021	3,340,000	1,650,678	4,990,678
2022	3,670,000	1,559,003	5,229,003
2023	3,735,000	1,459,228	5,194,228
2024	2,795,000	1,361,828	4,156,828
2025-2029	14,880,000	5,509,259	20,389,259
2030-2034	17,025,000	3,101,805	20,126,805
2035-2038	8,725,000	507,825	9,232,825
Total	\$ 57,215,000	\$ 16,902,629	\$ 74,117,629

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
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	\$ 174,000	\$ 12,672	\$ 186,672

Year Ending June 30	Other Loans - PBA and QZAB - Direct Placement			
	Principal	Interest	Other Fees	Total
2020	\$ 1,410,300	\$ 221,969	\$ 6,851	\$ 1,639,120
2021	1,190,300	184,885	5,613	1,380,798
2022	970,000	152,037	4,616	1,126,653
2023	1,025,000	117,214	3,559	1,145,773
2024	1,090,000	80,416	2,442	1,172,858
2025	1,150,000	41,285	1,253	1,192,538
Total	\$ 6,835,600	\$ 797,806	\$ 24,334	\$ 7,657,740

Annual requirements for the \$75,977 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 \$10,004,583 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$376, based on the 2010 federal census for residents living inside the Lenoir City School District and \$1,352 for residents living outside of the school district. Total debt per capita, including bonds, notes, other loans, and unamortized premium on debt, totaled \$395 for residents living inside the Lenoir City School District and \$1,569 for residents living outside of the school district.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2019, was as follows:

	<u>Bonds</u>	<u>Notes - Direct Placement</u>
Balance, July 1, 2018	\$ 52,110,000	\$ 215,000
Additions	8,010,000	0
Reductions	<u>(2,905,000)</u>	<u>(41,000)</u>
Balance, June 30, 2019	<u>\$ 57,215,000</u>	<u>\$ 174,000</u>
Balance Due Within One Year	<u>\$ 3,045,000</u>	<u>\$ 42,000</u>

	<u>Other Loans City of Loudon - Direct Placement</u>	<u>Other Loans PBA & QZAB - Direct Placement</u>
Balance, July 1, 2018	\$ 119,031	\$ 8,175,900
Additions	0	0
Reductions	<u>(43,054)</u>	<u>(1,340,300)</u>
Balance, June 30, 2019	<u>\$ 75,977</u>	<u>\$ 6,835,600</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 1,410,300</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 64,300,577
Less: Balance Due Within One Year - Debt	(4,497,300)
Add: Unamortized Premium on Debt	<u>1,717,067</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 61,520,344</u>

On June 24, 2019, the Loudon County Commission authorized the issuance of general obligation bonds not to exceed \$7,000,000 for construction of a new courthouse annex. As of the date of this report, no further action has been taken to issue the bonds.

J. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2019, was as follows:

	Compensated Absences	Other Postemployment Benefits	Net Pension Liability
Balance, July 1, 2018	\$ 562,872	\$ 11,826,699	\$ 83,166
Additions	560,074	1,786,048	0
Reductions	(557,380)	(1,098,047)	(83,166)
Balance, June 30, 2019	<u>\$ 565,566</u>	<u>\$ 12,514,700</u>	<u>0</u>
Balance Due Within One Year	<u>\$ 560,074</u>	<u>\$ 0</u>	<u>0</u>

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

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 13,080,266
Less: Balance Due Within One Year - Other	<u>(560,074)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 12,520,192</u>

Discretely Presented Loudon County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented school department for the year ended June 30, 2019, was as follows:

	Other Postemployment Benefits	Net Pension Liability - Agent Plan
Balance, July 1, 2018	\$ 4,920,372	\$ 27,149
Additions	217,681	0
Reductions	(869,883)	(27,149)
Balance, June 30, 2019	<u>\$ 4,268,170</u>	<u>0</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>0</u>

K. Pledges of Future Revenues

Tax Incremental Revenues Pledged for Retirement of County Debt

As discussed in Note IV.I., 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, 2019, was \$75,977.

L. 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, 2019, were \$126,464. 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
2017-2018	\$15,493	\$395,088	(\$394,535)	\$16,046
2018-2019	16,046	413,070	(414,244)	14,872

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. 83, *Certain Asset Retirement Obligations*; Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* became effective for the year ended June 30, 2019. In addition, Loudon County early implemented the provisions of GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*.

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes accounting and reporting requirements for certain asset retirement obligations (AROs) associated with tangible capital assets. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, and expense/expenditures. In addition, this standard establishes note disclosure requirements for AROs.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements* addresses note disclosure requirements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should report when disclosing information related to debt. These required disclosures include direct borrowings and direct placements, unused lines of credit, assets pledged as collateral for debt, terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant acceleration clauses.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period* amends paragraphs 5 through 22 of GASB Statement No. 62. This standard establishes that interest cost incurred before the end of a construction period should be recognized as an expense/expenditure. The changes adopted to conform with this standard are to be applied prospectively.

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, 2019, future principal and interest requirements were \$2,137,360 and \$185,689.

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. Changes in Administration

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 Courts Clerk and was succeeded by Stephen Harrelson, and Fred Chaney left the Office of Clerk and Master and was succeeded by Lisa Niles.

On June 13, 2019, the Board of Education suspended, with pay, Director of Schools Jason Vance and appointed Michael Garren as interim director. See Note V.K. for further discussion.

E. Joint Ventures

The Loudon County Solid Waste Disposal Commission (LCSWDC) is a joint venture formed by an interlocal governmental agreement between Loudon County, the City of Loudon, and Lenoir City. The joint venture operates the Loudon County regional landfill. The LCSWDC is governed by a seven-member board appointed by the participating governments.

The 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, 2019.

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 2018-19 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

F. 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.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Loudon County and non-certified employees of the discretely presented Loudon County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 74.89 percent, the non-certified employees of the discretely presented school department comprise 25.11 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the

CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	236
Inactive Employees Entitled to But Not Yet Receiving Benefits	433
Active Employees	357
Total	1,026

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, 2019, the employer contribution for Loudon County was \$1,332,833 based on a rate of 9.71 percent of covered payroll for general employees and 13.21 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, 2018, and the total pension liability 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, 2018, 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 3.44% 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, 2018, 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
		100 %
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.

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 (Asset) (a)-(b)
Balance, July 1, 2017	\$ 43,746,141	\$ 43,635,826	\$ 110,315
Changes for the Year:			
Service Cost	\$ 1,180,630	\$ 0	\$ 1,180,630
Interest	3,188,872	0	3,188,872
Differences Between Expected and Actual Experience	536,079	0	536,079
Changes in Assumptions	0	0	0
Contributions-Employer	0	1,277,244	(1,277,244)
Contributions-Employees	0	617,873	(617,873)
Net Investment Income	0	3,621,037	(3,621,037)
Benefit Payments, Including Refunds of Employee Contributions	(1,884,649)	(1,884,649)	0
Administrative Expense	0	(34,411)	34,411
Other Changes	0	0	0
Net Changes	\$ 3,020,932	\$ 3,597,094	\$ (576,162)
Balance, June 30, 2018	\$ 46,767,073	\$ 47,232,920	\$ (465,847)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	74.89%	\$ 35,023,861	\$ 35,372,734	\$ (348,873)
School Department	25.11%	11,743,212	11,860,186	(116,974)
Total		\$ 46,767,073	\$ 47,232,920	\$ (465,847)

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 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 5,732,373	\$ (465,847)	\$ (5,592,982)

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

Pension Expense. For the year ended June 30, 2019, Loudon County recognized pension expense of \$463,182.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, 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	\$ 508,659	\$ 204,692
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	202,419
Changes in Assumptions	571,303	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	1,332,833	N/A
Total	<u>\$ 2,412,795</u>	<u>\$ 407,111</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” 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	\$ 1,815,511	\$ 304,886
School Department	<u>597,284</u>	<u>102,225</u>
Total	<u>\$ 2,412,795</u>	<u>\$ 407,111</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
2020	\$ 540,672
2021	191,697
2022	(75,073)
2023	15,554
2024	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, 2019, Loudon County reported a payable of \$188,985 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 74.89 percent and the non-certified employees of the discretely presented school department comprise 25.11 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.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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, 2019, to the Teacher Retirement Plan were \$84,690, which is 1.94 percent of covered payroll. In addition, employer contributions of \$90,219 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, 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, 2019, the school department reported a liability (asset) of (\$190,863) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, 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 share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018,

the school department's proportion was .420840 percent. The proportion as of June 30, 2017, was .449860 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of \$65,820.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, 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	\$ 10,810	\$ 7,602
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	10,781
Changes in Assumptions	9,004	0
Changes in Proportion of Net Pension Liability (Asset)	7,823	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	84,690	N/A
Total	<u>\$ 112,327</u>	<u>\$ 18,383</u>

The school department's employer contributions of \$84,690, 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, 2020. 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
2020	\$ (757)
2021	(1,099)
2022	(2,635)
2023	182
2024	1,618
Thereafter	11,945

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, 2018, 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 3.44% 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, 2018, 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.

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	\$ 29,508	\$ (190,863)	\$ (353,224)

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, 2019, the Loudon County School Department reported a payable of \$65,368 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.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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, 2019, to the Teacher Legacy Pension Plan were \$1,755,857, which is 10.46 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, 2019, the school department reported a liability (asset) of (\$1,713,632) for its proportionate share of

the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, 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, 2018, the school department's proportion was .486977 percent. The proportion measured at June 30, 2017, was .485341 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized (negative) pension expense of (\$450,168).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, 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
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 346,383	\$ 2,311,825
Changes in Assumptions	1,012,079	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	372,958
Changes in Proportion of Net Pension Liability (Asset)	102,099	2,174
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	<u>1,755,857</u>	N/A
Total	<u>\$ 3,216,418</u>	<u>\$ 2,686,957</u>

The school department's employer contributions of \$1,755,857 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, 2020. 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
2020	\$ 393,622
2021	(506,885)
2022	(955,820)
2023	(157,312)
2024	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, 2018, 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 3.44% 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, 2018, 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.

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 \$ 13,209,752 \$ (1,713,632) \$ (14,060,653)

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, 2019, the Loudon County School Department reported a payable of \$409,786 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 \$213,317 and teachers contributed \$122,010 to this deferred compensation pension plan.

H. 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, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	51
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	222
Total	273

Total OPEB Liability

The county’s total OPEB liability of \$12,514,700 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018, 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	3.50%
Healthcare Cost Trend Rates	9% in 2018 with an ultimate rate of 5% by 2022
Retirees share of Benefit-related Cost	Discussed under Benefits Provided

The discount rate was based on the Bond Buyer’s 20-year bond index.

The mortality rates are from the RPH-2014 Total Dataset mortality table projected with projection scale MP-2018.

The actuarial assumptions used in the June 30, 2018, 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, 2018	<u>\$ 11,826,699</u>
Changes for the Year:	
Service Cost	\$ 756,915
Interest	444,584
Changes in Benefit Terms	0
Difference between Expected and Actuarial Experience	(1,282,217)
Changes in Assumption and Other Inputs	1,053,224
Benefit Payments	<u>(284,505)</u>
Net Changes	<u>\$ 688,001</u>
Balance June 30, 2019	<u><u>\$ 12,514,700</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.87 percent in 2018 to 3.5 percent in 2019, the mortality projections scale was updated from the SOA MP-2016 scale to the SOA MP-2018 scale, and the trend rate was reset to 9 percent in 2018, grading down to 5 percent in 2022.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the county recognized OPEB expense of \$1,122,652. At June 30, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 0	\$ 1,153,995
Changes of Assumptions/Inputs	947,901	491,775
Net Difference Between Projected and Actual Investments	<u>0</u>	<u>0</u>
Total	<u>\$ 947,901</u>	<u>\$ 1,645,770</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
2020	\$ (78,847)
2021	(78,847)
2022	(78,847)
2023	(78,847)
2024	(78,847)
Thereafter	(303,634)

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 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	\$ 13,899,223	\$ 12,514,700	\$ 10,100,158

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 (7% decreasing to 4%)	Current Trend Rate (8% decreasing to 5%)	1% Increase (9% decreasing to 6%)
Total OPEB Liability	\$ 10,497,681	\$ 12,514,700	\$ 15,170,417

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.

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 (LEP) 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.

The post-65 certified retirees of Loudon County School Department may 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, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2018, 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, 2018 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.62%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting 6.75% for the 2019 calendar year, and gradually decreasing 32-year period to an ultimate trend of rate of 3.53 percent with .32% added to approximate the effect of the excise tax
Retirees Share of Benefit Related Cost	Discussed under Benefits Provided

The discount rate was 3.62 percent, 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, 2018, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, 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 percent load for males and a -3 percent 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 percent load.

Changes in Assumptions. The discount rate changed from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of the measurement date of June 30, 2018. The assumed initial costs and premium amounts were revised to reflect rates adopted for the 2019 plan year. The assumed initial trend rate applicable to the 2019 plan year was revised from 5.4 percent to 6.75 percent.

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 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 20 percent 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, 2018, 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	427
Total	<u><u>464</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 \$247,461 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 68.6098%</u>	<u>State of TN 31.3902%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2017	\$ 4,920,372	\$ 2,319,461	\$ 7,239,833
Changes for the Year:			
Service Cost	\$ 253,631	\$ 116,041	\$ 369,672
Interest	181,277	82,937	264,214
Changes in Benefit Terms	(1,701)	(778)	(2,479)
Difference between Expected and Actuarial Experience	(985,984)	(451,105)	(1,437,089)
Changes in Assumption and Other Inputs	111,359	50,948	162,307
Change in Proportion Benefit Payments	46,863	(46,863)	0
Net Changes	<u>\$ (652,202)</u>	<u>\$ (366,698)</u>	<u>\$ (1,018,900)</u>
Balance June 30, 2018	<u>\$ 4,268,170</u>	<u>\$ 1,952,763</u>	<u>\$ 6,220,933</u>

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 \$145,636 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 68.6098 percent and the State of Tennessee's share was 31.3902 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized OPEB expense of \$474,809, which includes expenses funded by subsidies provided by the state. At June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 891,177
Changes of Assumptions/Inputs	100,651	193,744
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	32,022	0
Benefits Paid After the Measurement Date of June 30, 2018	<u>247,461</u>	<u>0</u>
Total	<u>\$ 380,134</u>	<u>\$ 1,084,921</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>
2020	\$ (104,035)
2021	(104,035)
2022	(104,035)
2023	(104,035)
2024	(104,035)
Thereafter	(432,073)

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
	2.62%	3.62%	4.62%

Proportionate Share of the Collective Total OPEB Liability	\$ 4,589,395	\$ 4,268,170	\$ 3,964,784
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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
	5.75 to 2.85%	6.75 to 3.85%	7.75 to 4.85%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,790,633	\$ 4,268,170	\$ 4,837,665
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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 June 13, 2019, the Loudon County Board of Education voted to suspend Director of Schools Jason Vance with pay. On July 17, 2019, the board approved a mediation agreement for the buyout of Vance's employment contract which called for Vance to resign his position on July 18, 2019. Payments by the board and its insurance carrier under the agreement are expected to total approximately \$448,192 and consist of the following: (1) \$303,012 to be paid by the board to Vance over a 36-month period in-lieu of wages; (2) \$72,000 to be paid by the board to Vance over a 36-month period for various disputed claims; (3) \$50,000 to be paid by the board's insurance carrier to Vance in a one-time payment for various disputed claims; and (4) payroll taxes expected to be paid to the federal government by the board over a 36-month period totaling approximately \$23,180.

On July 17, 2019, Interim Director of Schools Mike Garren was appointed director of schools.

Subsequent to June 30, 2019, Loudon County approved the issuance of \$6,500,000 of bonds for the benefit of Tellico Areas Services System, a joint venture of Loudon and Monroe Counties. The authorizing resolution calls for those bonds to be payable solely from revenues of the joint venture.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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	2018
Total Pension Liability					
Service Cost	\$ 1,030,236	\$ 1,049,591	\$ 1,055,657	\$ 1,093,488	\$ 1,180,630
Interest	2,640,126	2,745,456	2,909,485	3,040,971	3,188,872
Differences Between Actual and Expected Experience	(634,481)	113,188	(511,733)	95,266	536,079
Changes in Assumptions	0	0	0	952,171	0
Benefit Payments, Including Refunds of Employee Contributions	(1,546,219)	(1,755,428)	(1,699,079)	(1,777,098)	(1,884,649)
Net Change in Total Pension Liability	\$ 1,489,662	\$ 2,152,807	\$ 1,754,330	\$ 3,404,798	\$ 3,020,932
Total Pension Liability, Beginning	34,944,544	36,434,206	38,587,013	40,341,343	43,746,141
Total Pension Liability, Ending (a)	\$ 36,434,206	\$ 38,587,013	\$ 40,341,343	\$ 43,746,141	\$ 46,767,073
Plan Fiduciary Net Position					
Contributions - Employer	\$ 1,164,019	\$ 1,179,065	\$ 1,210,474	\$ 1,269,682	\$ 1,277,244
Contributions - Employee	572,872	569,765	583,304	611,683	617,873
Net Investment Income	5,239,536	1,136,952	1,009,897	4,437,383	3,621,037
Benefit Payments, Including Refunds of Employee Contributions	(1,546,219)	(1,755,428)	(1,699,079)	(1,777,098)	(1,884,649)
Administrative Expense	(14,675)	(18,696)	(27,486)	(30,948)	(34,411)
Other Changes	0	0	0	8,551	0
Net Change in Plan Fiduciary Net Position	\$ 5,415,533	\$ 1,111,658	\$ 1,077,110	\$ 4,519,253	\$ 3,597,094
Plan Fiduciary Net Position, Beginning	31,512,272	36,927,805	38,039,463	39,116,573	43,635,826
Plan Fiduciary Net Position, Ending (b)	\$ 36,927,805	\$ 38,039,463	\$ 39,116,573	\$ 43,635,826	\$ 47,232,920
Net Pension Liability (Asset), Ending (a - b)	\$ (493,599)	\$ 547,550	\$ 1,224,770	\$ 110,315	\$ (465,847)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.35%	98.58%	96.96%	99.75%	101.00%
Covered Payroll	\$ 11,217,514	\$ 11,373,353	\$ 11,697,786	\$ 12,233,651	\$ 12,357,383
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(4.40%)	4.81%	10.47%	0.90%	(3.77)

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

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the 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	2019
Actuarially Determined Contribution	\$ 1,164,019	\$ 1,179,065	\$ 1,210,474	\$ 1,263,736	\$ 1,277,244	\$ 1,332,833
Less Contributions in Relation to the Actuarially Determined Contribution	(1,164,019)	(1,179,065)	(1,210,474)	(1,269,682)	(1,277,244)	(1,332,833)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (5,946)	\$ 0	\$ 0
Covered Payroll	\$ 11,217,514	\$ 11,373,353	11,697,786	12,233,651	12,357,383	12,868,943
Contributions as a Percentage of Covered Payroll	10.38%	10.37%	10.35%	10.38%	10.34%	10.36%

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

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the 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	2019*
Contractually Required Contribution	\$ 39,566	\$ 80,105	\$ 118,104	\$ 147,105	\$ 84,690
Less Contributions in Relation to the Contractually Required Contribution	(39,566)	(80,105)	(118,104)	(147,105)	(84,690)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Payroll	 \$ 989,143	 \$ 2,002,608	 \$ 2,952,609	 \$ 3,677,638	 \$ 4,365,467
 Contributions as a Percentage of Covered Payroll	 4.00%	 4.00%	 4.00%	 4.00%	 1.94%

* - In FY 2019 the school department placed the actuarially determined contribution into the pension plan and placed \$90,219 into the Pension Stabilization Reserve Trust.

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	2019
Contractually Required Contribution	\$ 1,671,722	\$ 1,644,078	\$ 1,583,832	\$ 1,550,954	\$ 1,548,354	\$ 1,755,857
Less Contributions in Relation to the Contractually Required Contribution	(1,671,722)	(1,644,078)	(1,583,832)	(1,550,954)	(1,548,354)	(1,755,857)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 18,825,699	\$ 18,186,701	\$ 17,520,275	\$ 17,156,583	\$ 17,052,345	\$ 16,786,379
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%

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

Exhibit E-5

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.476072%	0.455135%	0.449860%	0.420840%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (19,152)	\$ (47,381)	\$ (118,690)	\$ (190,863)
Covered Payroll	\$ 989,143	\$ 2,002,608	\$ 2,952,609	\$ 3,677,638
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%

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

	2014	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.479637%	0.485820%	0.485353%	0.485341%	0.486977%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ 77,939 \$	199,009 \$	3,033,188 \$	(158,795) \$	(1,713,632)
Covered Payroll	\$ 18,825,699 \$	18,186,701 \$	17,520,275 \$	17,156,583 \$	17,052,345
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%)	(10.05%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%

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>	<u>2019</u>
Total OPEB Liability		
Service Cost	\$ 860,669	\$ 756,915
Interest	432,499	444,584
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(1,282,217)
Changes in Assumptions or Other Inputs	(603,671)	1,053,224
Benefit Payments	<u>(164,767)</u>	<u>(284,505)</u>
Net Change in Total OPEB Liability	\$ 524,730	\$ 688,001
Total OPEB Liability, Beginning	<u>11,301,969</u>	<u>11,826,699</u>
Total OPEB Liability, Ending	<u>\$ 11,826,699</u>	<u>\$ 12,514,700</u>
Covered Employee Payroll	\$ 8,262,028	\$ 8,959,101
Net OPEB Liability as a Percentage of Covered Employee Payroll	143.15%	139.69%

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>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 400,311	\$ 369,672
Interest	220,183	264,214
Changes in Benefit Terms	0	(2,479)
Differences Between Actual and Expected Experience	0	(1,437,089)
Changes in Assumptions or Other Inputs	(350,429)	162,307
Benefit Payments	(340,903)	(375,525)
Net Change in Total OPEB Liability	\$ (70,838)	\$ (1,018,900)
Total OPEB Liability, Beginning	<u>7,310,671</u>	<u>7,239,833</u>
Total OPEB Liability, Ending	<u>\$ 7,239,833</u>	<u>\$ 6,220,933</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,319,461	\$ 1,952,763
Employer Proportionate Share of the Total OPEB Liability	4,920,372	4,268,170
Covered Employee Payroll	\$ 24,267,070	\$ 25,265,415
Net OPEB Liability as a Percentage of Covered Employee Payroll	20.28%	16.89%

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

Note 2. Changes in assumptions.

(a) The following are the discount rates used in each period:

2016 2.92%

2017 3.56%

2018 3.62%

(b) The assumed initial trend rate applicable to the 2019 plan year was revised from 5.4% to 6.75%.

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, 2019

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2017, 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	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation Averaging 4%
Investment Rate of Return	7.25%, 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	2.25%

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 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 percent; and modified mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Debt Service Funds

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

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

Capital Project Funds

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.

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, 2019

	<u>Special Revenue Funds</u>					
	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	440,817	21,631	253,757	366,907	81,724	107,258
Accounts Receivable	0	0	110	5,060	0	0
Due from Other Governments	0	0	0	167,802	0	16,142
Due from Other Funds	0	0	0	0	0	0
Property Taxes Receivable	0	0	324,591	0	0	0
Allowance for Uncollectible Property Taxes	0	0	(5,246)	0	0	0
Prepaid Items	0	0	5,861	0	0	0
Total Assets	<u>\$ 440,817</u>	<u>\$ 21,631</u>	<u>\$ 579,323</u>	<u>\$ 539,769</u>	<u>\$ 81,724</u>	<u>\$ 123,400</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 256	\$ 2,310	\$ 7,148	\$ 0	\$ 631
Accrued Payroll	0	0	3,609	6,654	0	0
Payroll Deductions Payable	0	0	1,654	1,947	0	0
Due to Other Funds	0	0	382	1,863	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0	3,959
Total Liabilities	<u>\$ 0</u>	<u>\$ 256</u>	<u>\$ 7,955</u>	<u>\$ 17,612</u>	<u>\$ 0</u>	<u>\$ 4,590</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 313,905	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	0	4,413	0	0	0

(Continued)

Exhibit F-1

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

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 0	\$ 0	\$ 0	\$ 88,519	\$ 0	\$ 16,142
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 318,318	\$ 88,519	\$ 0	\$ 16,142
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 0	\$ 0	\$ 5,861	\$ 0	\$ 0	\$ 0
Restricted:						
Restricted for Administration of Justice	0	21,375	0	0	0	0
Restricted for Public Safety	440,817	0	0	0	0	102,668
Restricted for Social, Cultural, and Recreational Services	0	0	236,229	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	433,638	0	0
Committed for Social, Cultural, and Recreational Services	0	0	10,960	0	0	0
Committed for Other Operations	0	0	0	0	81,724	0
Committed for Debt Service	0	0	0	0	0	0
Total Fund Balances	\$ 440,817	\$ 21,375	\$ 253,050	\$ 433,638	\$ 81,724	\$ 102,668
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 440,817	\$ 21,631	\$ 579,323	\$ 539,769	\$ 81,724	\$ 123,400

(Continued)

Exhibit F-1

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Other Special Revenue</u>	<u>Constitutional Officers - Fees</u>	<u>Total</u>	<u>General Debt Service</u>	<u>Highway Capital Projects</u>	
<u>ASSETS</u>						
Cash	\$ 0	\$ 4,200	\$ 4,450	\$ 0	\$ 0	\$ 4,450
Equity in Pooled Cash and Investments	7,553	0	1,279,647	1,948,985	427,363	3,655,995
Accounts Receivable	0	331	5,501	50,868	0	56,369
Due from Other Governments	0	0	183,944	0	0	183,944
Due from Other Funds	4,892	0	4,892	0	0	4,892
Property Taxes Receivable	0	0	324,591	1,724,178	296,781	2,345,550
Allowance for Uncollectible Property Taxes	0	0	(5,246)	(23,576)	(4,800)	(33,622)
Prepaid Items	0	0	5,861	0	0	5,861
Total Assets	\$ 12,445	\$ 4,531	\$ 1,803,640	\$ 3,700,455	\$ 719,344	\$ 6,223,439
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 10,345	\$ 2,500	\$ 0	\$ 12,845
Accrued Payroll	0	0	10,263	0	0	10,263
Payroll Deductions Payable	0	0	3,601	0	0	3,601
Due to Other Funds	4,675	4,531	11,451	0	0	11,451
Due to Litigants, Heirs, and Others	0	0	3,959	0	0	3,959
Total Liabilities	\$ 4,675	\$ 4,531	\$ 39,619	\$ 2,500	\$ 0	\$ 42,119
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 313,905	\$ 1,680,736	\$ 286,999	\$ 2,281,640
Deferred Delinquent Property Taxes	0	0	4,413	16,115	4,046	24,574

(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>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 0	\$ 0	\$ 104,661	\$ 0	\$ 0	\$ 104,661
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 422,979	\$ 1,696,851	\$ 291,045	\$ 2,410,875
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 0	\$ 0	\$ 5,861	\$ 0	\$ 0	\$ 5,861
Restricted:						
Restricted for Administration of Justice	0	0	21,375	0	0	21,375
Restricted for Public Safety	7,770	0	551,255	0	0	551,255
Restricted for Social, Cultural, and Recreational Services	0	0	236,229	0	0	236,229
Restricted for Debt Service	0	0	0	1,837,797	0	1,837,797
Restricted for Capital Projects	0	0	0	0	428,299	428,299
Committed:						
Committed for Public Health and Welfare	0	0	433,638	0	0	433,638
Committed for Social, Cultural, and Recreational Services	0	0	10,960	0	0	10,960
Committed for Other Operations	0	0	81,724	0	0	81,724
Committed for Debt Service	0	0	0	163,307	0	163,307
Total Fund Balances	\$ 7,770	\$ 0	\$ 1,341,042	\$ 2,001,104	\$ 428,299	\$ 3,770,445
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,445	\$ 4,531	\$ 1,803,640	\$ 3,700,455	\$ 719,344	\$ 6,223,439

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, 2019

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control
<u>Revenues</u>						
Local Taxes	\$ 120,636	\$ 4,821	\$ 332,577	\$ 764,820	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	0	75,870
Charges for Current Services	0	0	9,892	0	0	0
Other Local Revenues	0	0	6,979	100,526	21,295	28,462
State of Tennessee	0	0	0	71,121	0	0
Federal Government	0	0	1,000	0	0	0
Other Governments and Citizens Groups	0	0	38,388	0	0	0
Total Revenues	\$ 120,636	\$ 4,821	\$ 388,836	\$ 936,467	\$ 21,295	\$ 104,332
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	0	0	0	0	137,456
Public Health and Welfare	0	0	0	832,845	0	0
Social, Cultural, and Recreational Services	0	3,062	348,763	0	0	0
Other Operations	1,212	48	0	0	7,553	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	0	0	0	0	0	0
Total Expenditures	\$ 1,212	\$ 3,110	\$ 348,763	\$ 832,845	\$ 7,553	\$ 137,456

(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	\$ 119,424	\$ 1,711	\$ 40,073	\$ 103,622	\$ 13,742	\$ (33,124)
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Recovery	0	0	0	0	0	14,975
Transfers In	0	0	0	0	0	0
Transfers Out	(125,000)	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ (125,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,975
Net Change in Fund Balances	\$ (5,576)	\$ 1,711	\$ 40,073	\$ 103,622	\$ 13,742	\$ (18,149)
Fund Balance, July 1, 2018	446,393	19,664	212,977	330,016	67,982	120,817
Fund Balance, June 30, 2019	\$ 440,817	\$ 21,375	\$ 253,050	\$ 433,638	\$ 81,724	\$ 102,668

(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</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>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 1,222,854	\$ 1,259,288	\$ 304,187	\$ 2,786,329
Fines, Forfeitures, and Penalties	0	0	75,870	0	0	75,870
Charges for Current Services	0	1,551	11,443	0	0	11,443
Other Local Revenues	0	0	157,262	49,476	0	206,738
State of Tennessee	0	0	71,121	0	0	71,121
Federal Government	4,892	0	5,892	0	0	5,892
Other Governments and Citizens Groups	0	0	38,388	203,472	0	241,860
Total Revenues	\$ 4,892	\$ 1,551	\$ 1,582,830	\$ 1,512,236	\$ 304,187	\$ 3,399,253
<u>Expenditures</u>						
<u>Current:</u>						
Finance	\$ 0	\$ 1,551	\$ 1,551	\$ 0	\$ 0	\$ 1,551
Public Safety	0	0	137,456	0	0	137,456
Public Health and Welfare	0	0	832,845	0	0	832,845
Social, Cultural, and Recreational Services	0	0	351,825	0	0	351,825
Other Operations	0	0	8,813	0	0	8,813
<u>Debt Service:</u>						
Principal on Debt	0	0	0	831,000	0	831,000
Interest on Debt	0	0	0	448,212	0	448,212
Other Debt Service	0	0	0	232,993	0	232,993
Capital Projects	0	0	0	0	297,598	297,598
Total Expenditures	\$ 0	\$ 1,551	\$ 1,332,490	\$ 1,512,205	\$ 297,598	\$ 3,142,293

(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</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>
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,892	\$ 0	\$ 250,340	\$ 31	\$ 6,589	\$ 256,960
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 65,493	\$ 65,493
Insurance Recovery	0	0	14,975	0	0	14,975
Transfers In	0	0	0	125,000	0	125,000
Transfers Out	0	0	(125,000)	0	0	(125,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ (110,025)	\$ 125,000	\$ 65,493	\$ 80,468
Net Change in Fund Balances	\$ 4,892	\$ 0	\$ 140,315	\$ 125,031	\$ 72,082	\$ 337,428
Fund Balance, July 1, 2018	2,878	0	1,200,727	1,876,073	356,217	3,433,017
Fund Balance, June 30, 2019	\$ 7,770	\$ 0	\$ 1,341,042	\$ 2,001,104	\$ 428,299	\$ 3,770,445

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 120,636	\$ 100,000	\$ 100,000	\$ 20,636
Total Revenues	\$ 120,636	\$ 100,000	\$ 100,000	\$ 20,636
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 1,212	\$ 2,000	\$ 2,000	\$ 788
Total Expenditures	\$ 1,212	\$ 2,000	\$ 2,000	\$ 788
Excess (Deficiency) of Revenues Over Expenditures	\$ 119,424	\$ 98,000	\$ 98,000	\$ 21,424
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (125,000)	\$ (125,000)	\$ (125,000)	\$ 0
Total Other Financing Sources	\$ (125,000)	\$ (125,000)	\$ (125,000)	\$ 0
Net Change in Fund Balance	\$ (5,576)	\$ (27,000)	\$ (27,000)	\$ 21,424
Fund Balance, July 1, 2018	446,393	432,718	432,718	13,675
Fund Balance, June 30, 2019	\$ 440,817	\$ 405,718	\$ 405,718	\$ 35,099

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,821	\$ 4,500	\$ 4,500	\$ 321
Total Revenues	\$ 4,821	\$ 4,500	\$ 4,500	\$ 321
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 3,062	\$ 4,600	\$ 4,600	\$ 1,538
<u>Other Operations</u>				
Miscellaneous	48	150	150	102
Total Expenditures	\$ 3,110	\$ 4,750	\$ 4,750	\$ 1,640
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,711	\$ (250)	\$ (250)	\$ 1,961
Net Change in Fund Balance	\$ 1,711	\$ (250)	\$ (250)	\$ 1,961
Fund Balance, July 1, 2018	19,664	17,566	17,566	2,098
Fund Balance, June 30, 2019	\$ 21,375	\$ 17,316	\$ 17,316	\$ 4,059

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 332,577	\$ 0	\$ 332,577	\$ 324,775	\$ 324,775	\$ 7,802
Charges for Current Services	9,892	0	9,892	10,400	11,452	(1,560)
Other Local Revenues	6,979	0	6,979	1,546	6,676	303
Federal Government	1,000	0	1,000	0	1,000	0
Other Governments and Citizens Groups	38,388	0	38,388	34,415	38,365	23
Total Revenues	\$ 388,836	\$ 0	\$ 388,836	\$ 371,136	\$ 382,268	\$ 6,568
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Libraries	\$ 348,763	\$ (114)	\$ 348,649	\$ 336,286	\$ 373,577	\$ 24,928
<u>Other Operations</u>						
Miscellaneous	0	0	0	6,500	0	0
Total Expenditures	\$ 348,763	\$ (114)	\$ 348,649	\$ 342,786	\$ 373,577	\$ 24,928
Excess (Deficiency) of Revenues Over Expenditures	\$ 40,073	\$ 114	\$ 40,187	\$ 28,350	\$ 8,691	\$ 31,496
Net Change in Fund Balance	\$ 40,073	\$ 114	\$ 40,187	\$ 28,350	\$ 8,691	\$ 31,496
Fund Balance, July 1, 2018	212,977	(114)	212,863	183,038	183,038	29,825
Fund Balance, June 30, 2019	\$ 253,050	\$ 0	\$ 253,050	\$ 211,388	\$ 191,729	\$ 61,321

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, 2019

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 764,820	\$ 0	\$ 764,820	\$ 581,720	\$ 733,720	\$ 31,100
Other Local Revenues	100,526	0	100,526	131,082	100,369	157
State of Tennessee	71,121	0	71,121	99,200	111,149	(40,028)
Total Revenues	\$ 936,467	\$ 0	\$ 936,467	\$ 812,002	\$ 945,238	\$ (8,771)
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Sanitation Education/Information	\$ 42,256	\$ 0	\$ 42,256	\$ 49,200	\$ 49,200	\$ 6,944
Convenience Centers	761,399	57,347	818,746	841,110	870,399	51,653
Other Waste Collection	29,190	0	29,190	50,000	50,000	20,810
<u>Other Operations</u>						
Miscellaneous	0	0	0	5,000	0	0
Total Expenditures	\$ 832,845	\$ 57,347	\$ 890,192	\$ 945,310	\$ 969,599	\$ 79,407
Excess (Deficiency) of Revenues Over Expenditures	\$ 103,622	\$ (57,347)	\$ 46,275	\$ (133,308)	\$ (24,361)	\$ 70,636
Net Change in Fund Balance	\$ 103,622	\$ (57,347)	\$ 46,275	\$ (133,308)	\$ (24,361)	\$ 70,636
Fund Balance, July 1, 2018	330,016	0	330,016	154,293	154,293	175,723
Fund Balance, June 30, 2019	\$ 433,638	\$ (57,347)	\$ 376,291	\$ 20,985	\$ 129,932	\$ 246,359

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, 2019

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 21,295	\$ 0	\$ 21,295	\$ 21,295	\$ 21,295	\$ 0
Total Revenues	\$ 21,295	\$ 0	\$ 21,295	\$ 21,295	\$ 21,295	\$ 0
<u>Expenditures</u>						
<u>Other Operations</u>						
Industrial Development	\$ 7,553	\$ 13,000	\$ 20,553	\$ 12,000	\$ 83,300	\$ 62,747
Miscellaneous	0	0	0	300	0	0
Total Expenditures	\$ 7,553	\$ 13,000	\$ 20,553	\$ 12,300	\$ 83,300	\$ 62,747
Excess (Deficiency) of Revenues Over Expenditures	\$ 13,742	\$ (13,000)	\$ 742	\$ 8,995	\$ (62,005)	\$ 62,747
Net Change in Fund Balance	\$ 13,742	\$ (13,000)	\$ 742	\$ 8,995	\$ (62,005)	\$ 62,747
Fund Balance, July 1, 2018	67,982	0	67,982	72,126	72,126	(4,144)
Fund Balance, June 30, 2019	\$ 81,724	\$ (13,000)	\$ 68,724	\$ 81,121	\$ 10,121	\$ 58,603

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 75,870	\$ 0	\$ 75,870	\$ 37,000	\$ 71,000	\$ 4,870
Other Local Revenues	28,462	0	28,462	30,000	23,000	5,462
Total Revenues	\$ 104,332	\$ 0	\$ 104,332	\$ 67,000	\$ 94,000	\$ 10,332
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 137,456	\$ (43,965)	\$ 93,491	\$ 99,180	\$ 135,080	\$ 41,589
Total Expenditures	\$ 137,456	\$ (43,965)	\$ 93,491	\$ 99,180	\$ 135,080	\$ 41,589
Excess (Deficiency) of Revenues Over Expenditures	\$ (33,124)	\$ 43,965	\$ 10,841	\$ (32,180)	\$ (41,080)	\$ 51,921
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 14,975	\$ 0	\$ 14,975	\$ 0	\$ 14,975	\$ 0
Total Other Financing Sources	\$ 14,975	\$ 0	\$ 14,975	\$ 0	\$ 14,975	\$ 0
Net Change in Fund Balance	\$ (18,149)	\$ 43,965	\$ 25,816	\$ (32,180)	\$ (26,105)	\$ 51,921
Fund Balance, July 1, 2018	120,817	(43,965)	76,852	37,910	37,910	38,942
Fund Balance, June 30, 2019	\$ 102,668	\$ 0	\$ 102,668	\$ 5,730	\$ 11,805	\$ 90,863

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,892	\$ 1,000	\$ 1,000	\$ 3,892
Total Revenues	\$ 4,892	\$ 1,000	\$ 1,000	\$ 3,892
<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	\$ 4,892	\$ 0	\$ 0	\$ 4,892
Net Change in Fund Balance	\$ 4,892	\$ 0	\$ 0	\$ 4,892
Fund Balance, July 1, 2018	2,878	2,878	2,878	0
Fund Balance, June 30, 2019	\$ 7,770	\$ 2,878	\$ 2,878	\$ 4,892

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,259,288	\$ 1,250,612	\$ 1,250,612	\$ 8,676
Other Local Revenues	49,476	30,000	30,000	19,476
Other Governments and Citizens Groups	203,472	234,420	234,420	(30,948)
Total Revenues	<u>\$ 1,512,236</u>	<u>\$ 1,515,032</u>	<u>\$ 1,515,032</u>	<u>\$ (2,796)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 831,000	\$ 831,000	\$ 831,000	\$ 0
<u>Interest on Debt</u>				
General Government	448,212	325,420	460,014	11,802
<u>Other Debt Service</u>				
General Government	232,993	271,920	271,920	38,927
Total Expenditures	<u>\$ 1,512,205</u>	<u>\$ 1,428,340</u>	<u>\$ 1,562,934</u>	<u>\$ 50,729</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 31</u>	<u>\$ 86,692</u>	<u>\$ (47,902)</u>	<u>\$ 47,933</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 125,000	\$ 125,000	\$ 125,000	\$ 0
Total Other Financing Sources	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 125,031	\$ 211,692	\$ 77,098	\$ 47,933
Fund Balance, July 1, 2018	<u>1,876,073</u>	<u>1,799,751</u>	<u>1,799,751</u>	<u>76,322</u>
Fund Balance, June 30, 2019	<u>\$ 2,001,104</u>	<u>\$ 2,011,443</u>	<u>\$ 1,876,849</u>	<u>\$ 124,255</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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 304,187	\$ 0	\$ 304,187	\$ 303,342	\$ 303,342	\$ 845
Total Revenues	\$ 304,187	\$ 0	\$ 304,187	\$ 303,342	\$ 303,342	\$ 845
<u>Expenditures</u>						
<u>Capital Projects</u>						
Highway and Street Capital Projects	\$ 297,598	\$ (146,536)	\$ 151,062	\$ 358,224	\$ 423,717	\$ 272,655
Total Expenditures	\$ 297,598	\$ (146,536)	\$ 151,062	\$ 358,224	\$ 423,717	\$ 272,655
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,589	\$ 146,536	\$ 153,125	\$ (54,882)	\$ (120,375)	\$ 273,500
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 65,493	\$ 0	\$ 65,493	\$ 0	\$ 65,493	\$ 0
Total Other Financing Sources	\$ 65,493	\$ 0	\$ 65,493	\$ 0	\$ 65,493	\$ 0
Net Change in Fund Balance	\$ 72,082	\$ 146,536	\$ 218,618	\$ (54,882)	\$ (54,882)	\$ 273,500
Fund Balance, July 1, 2018	356,217	(146,536)	209,681	115,320	115,320	94,361
Fund Balance, June 30, 2019	\$ 428,299	\$ 0	\$ 428,299	\$ 60,438	\$ 60,438	\$ 367,861

Major Governmental Funds

Education Debt Service Fund

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

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,554,248	\$ 4,515,526	\$ 4,520,496	\$ 33,752
Other Local Revenues	195,552	60,000	125,234	70,318
Other Governments and Citizens Groups	150,490	0	150,490	0
Total Revenues	<u>\$ 4,900,290</u>	<u>\$ 4,575,526</u>	<u>\$ 4,796,220</u>	<u>\$ 104,070</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 3,455,300	\$ 3,455,000	\$ 3,520,234	\$ 64,934
<u>Interest on Debt</u>				
Education	1,538,315	1,592,100	1,592,100	53,785
<u>Other Debt Service</u>				
Education	89,951	130,000	130,000	40,049
Total Expenditures	<u>\$ 5,083,566</u>	<u>\$ 5,177,100</u>	<u>\$ 5,242,334</u>	<u>\$ 158,768</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (183,276)</u>	<u>\$ (601,574)</u>	<u>\$ (446,114)</u>	<u>\$ 262,838</u>
Net Change in Fund Balance	\$ (183,276)	\$ (601,574)	\$ (446,114)	\$ 262,838
Fund Balance, July 1, 2018	<u>8,186,755</u>	<u>7,944,284</u>	<u>7,944,284</u>	<u>242,471</u>
Fund Balance, June 30, 2019	<u>\$ 8,003,479</u>	<u>\$ 7,342,710</u>	<u>\$ 7,498,170</u>	<u>\$ 505,309</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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 507,660	\$ 0	\$ 0	\$ 507,660	\$ 457,809	\$ 499,562	\$ 8,098
Other Local Revenues	196,554	0	0	196,554	2,500	177,500	19,054
Federal Government	495	0	0	495	0	93,975	(93,480)
Total Revenues	\$ 704,709	\$ 0	\$ 0	\$ 704,709	\$ 460,309	\$ 771,037	\$ (66,328)
<u>Expenditures</u>							
<u>Other Operations</u>							
Miscellaneous	\$ 3,408	\$ 0	\$ 0	\$ 3,408	\$ 4,000	\$ 4,500	\$ 1,092
<u>Other Debt Service</u>							
General Government	136,301	0	0	136,301	0	136,301	0
<u>Capital Projects</u>							
General Administration Projects	282,072	0	0	282,072	131,597	323,958	41,886
Administration of Justice Projects	152,962	0	9,466	162,428	0	208,000	45,572
Public Safety Projects	9,559,478	(15,422,531)	6,484,562	621,509	218,000	744,308	122,799
Public Health and Welfare Projects	9,403	0	0	9,403	9,403	9,403	0
Social, Cultural, and Recreation Projects	3,295	0	0	3,295	0	3,295	0
Agriculture and Natural Resources Projects	988	0	4,012	5,000	5,000	5,000	0
Highway and Street Capital Projects	538	(1,191)	94,176	93,523	89,820	93,530	7
Total Expenditures	\$ 10,148,445	\$ (15,423,722)	\$ 6,592,216	\$ 1,316,939	\$ 457,820	\$ 1,528,295	\$ 211,356
Excess (Deficiency) of Revenues Over Expenditures	\$ (9,443,736)	\$ 15,423,722	\$ (6,592,216)	\$ (612,230)	\$ 2,489	\$ (757,258)	\$ 145,028
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 8,010,000	\$ 0	\$ 0	\$ 8,010,000	\$ 0	\$ 8,010,000	\$ 0
Premiums on Debt Sold	79,178	0	0	79,178	0	79,177	1
Proceeds from Sale of Capital Assets	204,456	0	0	204,456	0	204,456	0
Insurance Recovery	849,000	0	0	849,000	0	829,382	19,618
Transfers In	40,000	0	0	40,000	40,000	40,000	0
Total Other Financing Sources	\$ 9,182,634	\$ 0	\$ 0	\$ 9,182,634	\$ 40,000	\$ 9,163,015	\$ 19,619

(Continued)

Exhibit G-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ (261,102)	\$ 15,423,722	\$ (6,592,216)	\$ 8,570,404	\$ 42,489	\$ 8,405,757	\$ 164,647
Fund Balance, July 1, 2018	8,836,728	(15,423,722)	0	(6,586,994)	2,280,953	2,280,953	(8,867,947)
Fund Balance, June 30, 2019	\$ 8,575,626	\$ 0	\$ (6,592,216)	\$ 1,983,410	\$ 2,323,442	\$ 10,686,710	\$ (8,703,300)

Fiduciary Funds

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

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

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

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

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

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

Exhibit H-1

Loudon County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	Agency Funds					Total
	Cities - Sales Tax	City School ADA - Lenoir City	Constitu - tional Officers - Agency	Other Agency		
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 576,727	\$ 0	\$ 576,727	
Equity in Pooled Cash and Investments	0	204,939	0	3,832,074	4,037,013	
Accounts Receivable	0	0	0	30,766	30,766	
Due from Other Governments	922,091	377,388	0	0	1,299,479	
Property Taxes Receivable	0	5,002,526	0	0	5,002,526	
Allowance for Uncollectible Property Taxes	0	(80,813)	0	0	(80,813)	
Total Assets	<u>\$ 922,091</u>	<u>\$ 5,504,040</u>	<u>\$ 576,727</u>	<u>\$ 3,862,840</u>	<u>\$ 10,865,698</u>	
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 2,554	\$ 2,554	
Due to Other Taxing Units	922,091	5,504,040	0	0	6,426,131	
Due to Litigants, Heirs, and Others	0	0	576,727	0	576,727	
Due to Joint Ventures	0	0	0	3,860,286	3,860,286	
Total Liabilities	<u>\$ 922,091</u>	<u>\$ 5,504,040</u>	<u>\$ 576,727</u>	<u>\$ 3,862,840</u>	<u>\$ 10,865,698</u>	

Exhibit H-2

Loudon County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 5,107,848	\$ 5,107,848	\$ 0
Due from Other Governments	844,863	922,091	844,863	922,091
Total Assets	\$ 844,863	\$ 6,029,939	\$ 5,952,711	\$ 922,091
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 844,863	\$ 6,029,939	\$ 5,952,711	\$ 922,091
Total Liabilities	\$ 844,863	\$ 6,029,939	\$ 5,952,711	\$ 922,091
<u>City School ADA - Lenoir City Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 209,677	\$ 7,405,785	\$ 7,410,523	\$ 204,939
Due from Other Governments	351,318	377,388	351,318	377,388
Taxes Receivable	4,929,914	5,002,526	4,929,914	5,002,526
Allowance for Uncollectible Taxes	(93,002)	(80,813)	(93,002)	(80,813)
Total Assets	\$ 5,397,907	\$ 12,704,886	\$ 12,598,753	\$ 5,504,040
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 5,397,907	\$ 12,704,886	\$ 12,598,753	\$ 5,504,040
Total Liabilities	\$ 5,397,907	\$ 12,704,886	\$ 12,598,753	\$ 5,504,040
<u>Center Board</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 158,684	\$ 158,684	\$ 0
Total Assets	\$ 0	\$ 158,684	\$ 158,684	\$ 0
<u>Liabilities</u>				
Due to Joint Ventures	\$ 0	\$ 158,684	\$ 158,684	\$ 0
Total Liabilities	\$ 0	\$ 158,684	\$ 158,684	\$ 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	\$ 589,797	\$ 10,213,290	\$ 10,226,360	\$ 576,727
Accounts Receivable	0	0	0	0
Total Assets	\$ 589,797	\$ 10,213,290	\$ 10,226,360	\$ 576,727
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 589,797	\$ 10,213,290	\$ 10,226,360	\$ 576,727
Total Liabilities	\$ 589,797	\$ 10,213,290	\$ 10,226,360	\$ 576,727
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 3,620,046	\$ 497,927	\$ 285,899	\$ 3,832,074
Accounts Receivable	31,461	30,766	31,461	30,766
Total Assets	\$ 3,651,507	\$ 528,693	\$ 317,360	\$ 3,862,840
<u>Liabilities</u>				
Accounts Payable	\$ 10,132	\$ 2,554	\$ 10,132	\$ 2,554
Due to Joint Ventures	3,641,375	526,139	307,228	3,860,286
Total Liabilities	\$ 3,651,507	\$ 528,693	\$ 317,360	\$ 3,862,840
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 589,797	\$ 10,213,290	\$ 10,226,360	\$ 576,727
Equity in Pooled Cash and Investments	3,829,723	13,170,244	12,962,954	4,037,013
Accounts Receivable	31,461	30,766	31,461	30,766
Due from Other Governments	1,196,181	1,299,479	1,196,181	1,299,479
Taxes Receivable	4,929,914	5,002,526	4,929,914	5,002,526
Allowance for Uncollectible Taxes	(93,002)	(80,813)	(93,002)	(80,813)
Total Assets	\$ 10,484,074	\$ 29,635,492	\$ 29,253,868	\$ 10,865,698
<u>Liabilities</u>				
Accounts Payable	\$ 10,132	\$ 2,554	\$ 10,132	\$ 2,554
Due to Other Taxing Units	6,242,770	18,734,825	18,551,464	6,426,131
Due to Litigants, Heirs, and Others	589,797	10,213,290	10,226,360	576,727
Due to Joint Venture	3,641,375	684,823	465,912	3,860,286
Total Liabilities	\$ 10,484,074	\$ 29,635,492	\$ 29,253,868	\$ 10,865,698

Loudon County School Department

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

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

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

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

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

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

Exhibit I-1

Loudon County, Tennessee
Statement of Activities
Discretely Presented Loudon County School Department
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
Instruction	\$ 26,262,020	\$ 0	\$ 1,818,247	\$ 0	\$ (24,443,773)
Support Services	15,299,839	729	590,328	0	(14,708,782)
Operation of Non-instructional Services	3,407,814	510,803	3,029,367	0	132,356
Total Governmental Activities	\$ 44,969,673	\$ 511,532	\$ 5,437,942	\$ 0	\$ (39,020,199)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$	10,383,941
Local Option Sales Taxes					4,308,907
Adequate Facilities/Development Tax					881,144
Grants and Contributions Not Restricted for Specific Programs					23,657,846
Unrestricted Investment Income					94,404
Gain on Investments					4,762
Miscellaneous					89,949
Total General Revenues				\$	39,420,953
Change in Net Position				\$	400,754
Net Position, July 1, 2018					86,445,195
Net Position, June 30, 2019				\$	86,845,949

Exhibit I-2

Loudon County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Loudon County School Department
June 30, 2019

	Major Funds		Nonmajor	Total
	General	Education	Funds	
	Purpose	Capital	Other	
	School	Projects	Governmental	Governmental
			Funds	Funds
<u>ASSETS</u>				
Cash	\$ 1,000	\$ 0	\$ 117,093	\$ 118,093
Equity in Pooled Cash and Investments	5,712,138	2,633,997	786,899	9,133,034
Accounts Receivable	8,736	0	0	8,736
Due from Other Governments	1,060,940	0	149,150	1,210,090
Due from Other Funds	0	0	6,575	6,575
Property Taxes Receivable	10,184,257	0	0	10,184,257
Allowance for Uncollectible Property Taxes	(164,522)	0	0	(164,522)
Prepaid Items	38,343	0	454	38,797
Restricted Assets	94,330	0	0	94,330
Total Assets	<u>\$ 16,935,222</u>	<u>\$ 2,633,997</u>	<u>\$ 1,060,171</u>	<u>\$ 20,629,390</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 362,171	\$ 0	\$ 9,573	\$ 371,744
Accrued Payroll	0	0	2,545	2,545
Payroll Deductions Payable	1,238,001	0	139,212	1,377,213
Due to Other Funds	6,575	0	0	6,575
Due to Primary Government	580	0	0	580
Total Liabilities	<u>\$ 1,607,327</u>	<u>\$ 0</u>	<u>\$ 151,330</u>	<u>\$ 1,758,657</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 9,849,211	\$ 0	\$ 0	\$ 9,849,211
Deferred Delinquent Property Taxes	137,539	0	0	137,539
Other Deferred/Unavailable Revenue	391,190	0	0	391,190
Total Deferred Inflows of Resources	<u>\$ 10,377,940</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,377,940</u>

(Continued)

Exhibit I-2

Loudon County, Tennessee
Balance Sheet - 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	
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 38,343	\$ 0	\$ 454	\$ 38,797
Restricted:				
Restricted for Education	0	0	322,316	322,316
Restricted for Capital Projects	0	2,633,997	0	2,633,997
Restricted for Hybrid Retirement Stabilization Funds	94,330	0	0	94,330
Committed:				
Committed for Education	0	0	590,000	590,000
Assigned:				
Assigned for Education	2,139,650	0	0	2,139,650
Unassigned	2,677,632	0	(3,929)	2,673,703
Total Fund Balances	<u>\$ 4,949,955</u>	<u>\$ 2,633,997</u>	<u>\$ 908,841</u>	<u>\$ 8,492,793</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,935,222</u>	<u>\$ 2,633,997</u>	<u>\$ 1,060,171</u>	<u>\$ 20,629,390</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, 2019

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)		\$	8,492,793
(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: buildings and improvements net of accumulated depreciation		74,293,787	
Add: infrastructure net of accumulated depreciation		89,360	
Add: other capital assets net of accumulated depreciation		<u>1,300,290</u>	79,629,843
(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.			27,608
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net OPEB liability			(4,268,170)
(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	\$	3,926,029	
Less: deferred inflows of resources related to pensions		(2,807,565)	
Add: deferred outflows of resources related to OPEB		380,134	
Less: deferred inflows of resources related to OPEB		<u>(1,084,921)</u>	413,677
(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 - agent plan	\$	116,974	
Add: net pension asset - teacher retirement plan		190,863	
Add: net pension asset - teacher legacy retirement plan		<u>1,713,632</u>	2,021,469
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>528,729</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>86,845,949</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, 2019

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 14,735,390	\$ 881,144	\$ 0	\$ 15,616,534
Licenses and Permits	1,273	0	0	1,273
Charges for Current Services	25,202	0	510,803	536,005
Other Local Revenues	184,170	0	5,158	189,328
State of Tennessee	24,398,228	0	26,865	24,425,093
Federal Government	422,993	0	4,107,803	4,530,796
Other Governments and Citizens Groups	35,968	0	0	35,968
Total Revenues	<u>\$ 39,803,224</u>	<u>\$ 881,144</u>	<u>\$ 4,650,629</u>	<u>\$ 45,334,997</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 26,348,798	\$ 0	\$ 1,516,631	\$ 27,865,429
Support Services	13,963,837	0	823,822	14,787,659
Operation of Non-Instructional Services	1,321,907	0	2,195,230	3,517,137
Capital Projects	0	755,154	0	755,154
Total Expenditures	<u>\$ 41,634,542</u>	<u>\$ 755,154</u>	<u>\$ 4,535,683</u>	<u>\$ 46,925,379</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,831,318)</u>	<u>\$ 125,990</u>	<u>\$ 114,946</u>	<u>\$ (1,590,382)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 909,686	\$ 0	\$ 0	\$ 909,686
Total Other Financing Sources (Uses)	<u>\$ 909,686</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 909,686</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.)

	<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>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	
Net Change in Fund Balances	\$ (921,632)	\$ 125,990	\$ 114,946	\$ (680,696)
Fund Balance, July 1, 2018	5,871,587	2,508,007	793,895	9,173,489
Fund Balance, June 30, 2019	\$ 4,949,955	\$ 2,633,997	\$ 908,841	\$ 8,492,793

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, 2019

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)		\$ (680,696)
(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	\$ 777,062	
Less: current-year depreciation expense	<u>(2,050,683)</u>	(1,273,621)
(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, 2018	\$ (512,471)	
Add: deferred delinquent property taxes and other deferred June 30, 2019	<u>528,729</u>	16,258
(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 pension liability/asset	\$ 1,771,133	
Change in deferred outflows related to pensions	66,060	
Change in deferred inflows related to pensions	599,346	
Change in net OPEB liability	652,202	
Change in deferred outflows related to OPEB	135,969	
Change in deferred inflows related to OPEB	<u>(869,883)</u>	2,354,827
(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>(16,014)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 400,754</u>

Exhibit I-6

Loudon County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Loudon County School Department
June 30, 2019

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 2,000	\$ 115,093	\$ 117,093
Equity in Pooled Cash and Investments	267,325	519,574	786,899
Due from Other Governments	120,422	28,728	149,150
Due from Other Funds	6,575	0	6,575
Prepaid Items	454	0	454
Total Assets	<u>\$ 396,776</u>	<u>\$ 663,395</u>	<u>\$ 1,060,171</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,694	\$ 3,879	\$ 9,573
Accrued Payroll	0	2,545	2,545
Payroll Deductions Payable	92,557	46,655	139,212
Total Liabilities	<u>\$ 98,251</u>	<u>\$ 53,079</u>	<u>\$ 151,330</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$ 454	\$ 0	\$ 454
Restricted:			
Restricted for Education	0	322,316	322,316
Committed:			
Committed for Education	302,000	288,000	590,000
Unassigned	(3,929)	0	(3,929)
Total Fund Balances	<u>\$ 298,525</u>	<u>\$ 610,316</u>	<u>\$ 908,841</u>
Total Liabilities and Fund Balances	<u>\$ 396,776</u>	<u>\$ 663,395</u>	<u>\$ 1,060,171</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, 2019

	Special Revenue Funds		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 510,803	\$ 510,803
Other Local Revenues	0	5,158	5,158
State of Tennessee	0	26,865	26,865
Federal Government	2,334,826	1,772,977	4,107,803
Total Revenues	\$ 2,334,826	\$ 2,315,803	\$ 4,650,629
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,516,631	\$ 0	\$ 1,516,631
Support Services	823,822	0	823,822
Operation of Non-Instructional Services	0	2,195,230	2,195,230
Total Expenditures	\$ 2,340,453	\$ 2,195,230	\$ 4,535,683
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,627)	\$ 120,573	\$ 114,946
Net Change in Fund Balances	\$ (5,627)	\$ 120,573	\$ 114,946
Fund Balance, July 1, 2018	304,152	489,743	793,895
Fund Balance, June 30, 2019	\$ 298,525	\$ 610,316	\$ 908,841

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 14,735,390	\$ 0	\$ 0	\$ 14,735,390	\$ 13,555,506	\$ 13,555,506	\$ 1,179,884
Licenses and Permits	1,273	0	0	1,273	1,199	1,199	74
Charges for Current Services	25,202	0	0	25,202	0	20,600	4,602
Other Local Revenues	184,170	0	0	184,170	74,900	97,621	86,549
State of Tennessee	24,398,228	0	0	24,398,228	23,925,497	24,337,017	61,211
Federal Government	422,993	0	0	422,993	66,000	491,383	(68,390)
Other Governments and Citizens Groups	35,968	0	0	35,968	0	27,750	8,218
Total Revenues	\$ 39,803,224	\$ 0	\$ 0	\$ 39,803,224	\$ 37,623,102	\$ 38,531,076	\$ 1,272,148
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 22,128,381	\$ (15,473)	\$ 1,856	\$ 22,114,764	\$ 22,677,914	\$ 22,614,795	\$ 500,031
Alternative Instruction Program	249	0	0	249	0	250	1
Special Education Program	3,036,379	(35,066)	45,204	3,046,517	2,998,108	3,277,914	231,397
Career and Technical Education Program	1,183,789	0	0	1,183,789	1,201,979	1,210,644	26,855
<u>Support Services</u>							
Health Services	540,117	(7,199)	0	532,918	578,444	578,444	45,526
Other Student Support	1,228,263	0	0	1,228,263	1,194,702	1,240,018	11,755
Regular Instruction Program	1,724,150	0	22	1,724,172	1,672,787	1,778,322	54,150
Special Education Program	555,081	0	0	555,081	715,974	643,664	88,583
Career and Technical Education Program	159,409	0	0	159,409	159,538	160,138	729
Technology	954,208	(2,698)	0	951,510	928,911	959,984	8,474
Other Programs	126,464	0	0	126,464	0	126,464	0
Board of Education	734,070	0	0	734,070	646,467	762,583	28,513
Director of Schools	350,897	0	0	350,897	375,456	370,456	19,559
Office of the Principal	1,223,952	0	0	1,223,952	1,185,094	1,250,849	26,897
Fiscal Services	86,945	0	0	86,945	88,991	88,991	2,046
Operation of Plant	3,125,370	0	0	3,125,370	3,101,841	3,147,300	21,930
Maintenance of Plant	1,255,479	(129,186)	177,656	1,303,949	250,000	1,328,163	24,214

(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 7/1/2018	Add: Encumbrances 6/30/2019	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	\$ 1,899,432	\$ (48,315)	\$ 0	\$ 1,851,117	\$ 1,877,588	\$ 1,885,588	\$ 34,471
<u>Operation of Non-Instructional Services</u>							
Food Service	789	0	0	789	0	1,206	417
Community Services	513,844	(1,365)	80	512,559	284,562	573,681	61,122
Early Childhood Education	807,274	0	0	807,274	822,770	819,556	12,282
Total Expenditures	\$ 41,634,542	\$ (239,302)	\$ 224,818	\$ 41,620,058	\$ 40,761,126	\$ 42,819,010	\$ 1,198,952
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,831,318)	\$ 239,302	\$ (224,818)	\$ (1,816,834)	\$ (3,138,024)	\$ (4,287,934)	\$ 2,471,100
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 909,686	\$ 0	\$ 0	\$ 909,686	\$ 0	\$ 1,071,163	\$ (161,477)
Total Other Financing Sources	\$ 909,686	\$ 0	\$ 0	\$ 909,686	\$ 0	\$ 1,071,163	\$ (161,477)
Net Change in Fund Balance	\$ (921,632)	\$ 239,302	\$ (224,818)	\$ (907,148)	\$ (3,138,024)	\$ (3,216,771)	\$ 2,309,623
Fund Balance, July 1, 2018	5,871,587	(239,302)	0	5,632,285	3,660,221	3,660,221	1,972,064
Fund Balance, June 30, 2019	\$ 4,949,955	\$ 0	\$ (224,818)	\$ 4,725,137	\$ 522,197	\$ 443,450	\$ 4,281,687

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, 2019

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 2,334,826	\$ 0	\$ 2,334,826	\$ 2,146,800	\$ 2,576,396	\$ (241,570)
Total Revenues	\$ 2,334,826	\$ 0	\$ 2,334,826	\$ 2,146,800	\$ 2,576,396	\$ (241,570)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 758,786	\$ 0	\$ 758,786	\$ 683,064	\$ 811,949	\$ 53,163
Special Education Program	668,098	154	668,252	636,745	760,343	92,091
Career and Technical Education Program	89,747	0	89,747	36,920	90,477	730
<u>Support Services</u>						
Other Student Support	50,441	0	50,441	65,303	67,413	16,972
Regular Instruction Program	377,072	0	377,072	345,619	422,593	45,521
Special Education Program	389,356	0	389,356	372,149	416,621	27,265
Career and Technical Education Program	6,953	0	6,953	7,000	7,000	47
Total Expenditures	\$ 2,340,453	\$ 154	\$ 2,340,607	\$ 2,146,800	\$ 2,576,396	\$ 235,789
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,627)	\$ (154)	\$ (5,781)	\$ 0	\$ 0	\$ (5,781)
Net Change in Fund Balance	\$ (5,627)	\$ (154)	\$ (5,781)	\$ 0	\$ 0	\$ (5,781)
Fund Balance, July 1, 2018	304,152	0	304,152	307,122	307,122	(2,970)
Fund Balance, June 30, 2019	\$ 298,525	\$ (154)	\$ 298,371	\$ 307,122	\$ 307,122	\$ (8,751)

Exhibit I-10

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Loudon County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 510,803	\$ 554,316	\$ 554,316	\$ (43,513)
Other Local Revenues	5,158	0	0	5,158
State of Tennessee	26,865	25,000	30,500	(3,635)
Federal Government	1,772,977	1,772,000	1,798,513	(25,536)
Total Revenues	<u>\$ 2,315,803</u>	<u>\$ 2,351,316</u>	<u>\$ 2,383,329</u>	<u>\$ (67,526)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,195,230	\$ 2,351,316	\$ 2,383,329	\$ 188,099
Total Expenditures	<u>\$ 2,195,230</u>	<u>\$ 2,351,316</u>	<u>\$ 2,383,329</u>	<u>\$ 188,099</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 120,573</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 120,573</u>
Net Change in Fund Balance	\$ 120,573	\$ 0	\$ 0	\$ 120,573
Fund Balance, July 1, 2018	489,743	365,491	365,491	124,252
Fund Balance, June 30, 2019	<u>\$ 610,316</u>	<u>\$ 365,491</u>	<u>\$ 365,491</u>	<u>\$ 244,825</u>

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 881,144	\$ 0	\$ 881,144	\$ 500,000	\$ 650,000	\$ 231,144
Total Revenues	\$ 881,144	\$ 0	\$ 881,144	\$ 500,000	\$ 650,000	\$ 231,144
<u>Expenditures</u>						
<u>Capital Projects</u>						
Education Capital Projects	\$ 755,154	\$ (6,561)	\$ 748,593	\$ 87,500	\$ 763,834	\$ 15,241
Total Expenditures	\$ 755,154	\$ (6,561)	\$ 748,593	\$ 87,500	\$ 763,834	\$ 15,241
Excess (Deficiency) of Revenues Over Expenditures	\$ 125,990	\$ 6,561	\$ 132,551	\$ 412,500	\$ (113,834)	\$ 246,385
Net Change in Fund Balance	\$ 125,990	\$ 6,561	\$ 132,551	\$ 412,500	\$ (113,834)	\$ 246,385
Fund Balance, July 1, 2018	2,508,007	(6,561)	2,501,446	1,535,339	1,535,339	966,107
Fund Balance, June 30, 2019	\$ 2,633,997	\$ 0	\$ 2,633,997	\$ 1,947,839	\$ 1,421,505	\$ 1,212,492

Exhibit I-12

Loudon County, Tennessee
Statement of Net Position - Proprietary Fund
Discretely Presented Loudon County School Department
June 30, 2019

	Internal Service Fund
	<u>Employee Dental and Vision Insurance Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 41,824
Accounts Receivable	656
Total Assets	<u>\$ 42,480</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Other Current Liabilities	\$ 14,872
Total Liabilities	<u>\$ 14,872</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 27,608</u>
Total Net Position	<u>\$ 27,608</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, 2019

	Internal Service Fund
	<u>Employee Dental and Vision Insurance Fund</u>
<u>Operating Revenues</u>	
Charges for Services	\$ 397,056
Total Operating Revenues	<u>\$ 397,056</u>
<u>Operating Expenses</u>	
Medical and Dental Services	\$ 413,070
Total Operating Expenses	<u>\$ 413,070</u>
Operating Income (Loss)	<u>\$ (16,014)</u>
Change in Net Position	\$ (16,014)
Net Position, July 1, 2018	<u>43,622</u>
Net Position, June 30, 2019	<u><u>\$ 27,608</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, 2019

	Internal Service Fund
	Employee Dental and Vision Insurance Fund
	<hr/>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 398,105
Payments for Claims	(414,244)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (16,139)</u>
Increase (Decrease) in Cash	\$ (16,139)
Cash, July 1, 2018	<u>57,963</u>
Cash, June 30, 2019	<u><u>\$ 41,824</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (16,014)
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	1,049
Increase (Decrease) in Other Current Liabilities	<u>(1,174)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (16,139)</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Loudon County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-19
<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	\$ 215,000	\$ 0	\$ 41,000	\$ 174,000
Total Payable through General Debt Service Fund					\$ 215,000	\$ 0	\$ 41,000	\$ 174,000
Total Notes Payable					\$ 215,000	\$ 0	\$ 41,000	\$ 174,000
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Fund</u>								
City of Loudon - Highlands Business Center	475,000	0	5-1-00	(1)	\$ 119,031	\$ 0	\$ 43,054	\$ 75,977
Total Payable through General Fund					\$ 119,031	\$ 0	\$ 43,054	\$ 75,977
<u>Payable through General Debt Service Fund</u>								
Blount County PBA Loan, Series E-3-C - Refunding	2,570,000	Variable	10-21-04	6-1-20	\$ 525,000	\$ 0	\$ 250,000	\$ 275,000
Total Payable through General Debt Service Fund					\$ 525,000	\$ 0	\$ 250,000	\$ 275,000
<u>Payable through Education Debt Service Fund</u>								
Blount County PBA Loan, Series E-3-C - Refunding	12,265,000	(2)	7-31-08	6-1-25	\$ 6,825,000	\$ 0	\$ 815,000	\$ 6,010,000
Qualified Zone Academy Bonds - Energy Efficiency	4,129,500	0	12-28-05	12-1-20	825,900	0	275,300	550,600
Total Payable through Education Debt Service Fund					\$ 7,650,900	\$ 0	\$ 1,090,300	\$ 6,560,600
Total Other Loans Payable					\$ 8,294,931	\$ 0	\$ 1,383,354	\$ 6,911,577

(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 7-1-18	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-19
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
General Obligation Refunding Series 2014A	\$ 2,600,000	2.8%	12-30-14	4-1-20	\$ 1,105,000	\$ 0	\$ 540,000	\$ 565,000
General Obligation Series 2017	9,675,000	2 to 3	10-31-17	6-1-37	9,675,000	0	0	9,675,000
General Obligation Series 2018	8,010,000	3 to 4	11-30-18	6-1-38	0	8,010,000	0	8,010,000
Total Payable through General Debt Service Fund					\$ 10,780,000	\$ 8,010,000	\$ 540,000	\$ 18,250,000
<u>Payable through Education Debt Service Fund</u>								
Rural School Bonds, Series 2011	9,995,000	3.17	11-1-11	6-1-36	\$ 9,250,000	\$ 0	\$ 250,000	\$ 9,000,000
Rural School Bonds, Series 2012	23,500,000	2 to 4	7-25-12	6-1-36	19,025,000	0	800,000	18,225,000
Rural School Bonds, Series 2013A	8,850,000	1.4 to 5	5-10-13	6-1-23	4,400,000	0	900,000	3,500,000
Rural School Bonds, Series 2014B	9,845,000	2.59	12-30-14	4-1-35	8,655,000	0	415,000	8,240,000
Total Payable through Education Debt Service Fund					\$ 41,330,000	\$ 0	\$ 2,365,000	\$ 38,965,000
Total Bonds Payable					\$ 52,110,000	\$ 8,010,000	\$ 2,905,000	\$ 57,215,000

- (1) The county has pledged its incremental tax revenues (excess of current taxes over base year amounts) from properties within the development toward the retirement of this obligation. The agreement requires only the payment of the tax increment each year (with no interest accruing on the unpaid balance). Therefore, no maturity date can be established.
- (2) A previous issue, Series IV-H-1, was swapped from variable to synthetic fixed rate by execution of a swap agreement. That issue was refunded with proceeds of the E-3-C issue. The swap agreement was retained.

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 174,000	\$ 12,672	\$ 186,672

Year Ending June 30	Other Loans			
	Principal (1)	Interest	Other Fees	Total
2020	\$ 1,410,300	\$ 221,969	\$ 6,851	\$ 1,639,120
2021	1,190,300	184,885	5,613	1,380,798
2022	970,000	152,037	4,616	1,126,653
2023	1,025,000	117,214	3,559	1,145,773
2024	1,090,000	80,416	2,442	1,172,858
2025	1,150,000	41,285	1,253	1,192,538
Total	\$ 6,835,600	\$ 797,806	\$ 24,334	\$ 7,657,740

(1) Does not include the City of Loudon - Highland Business Center note (\$75,977) since the annual requirements for that note are dependent upon the amount of incremental tax revenues generated within the development each year.

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 3,045,000	\$ 1,753,003	\$ 4,798,003
2021	3,340,000	1,650,678	4,990,678
2022	3,670,000	1,559,003	5,229,003
2023	3,735,000	1,459,228	5,194,228
2024	2,795,000	1,361,828	4,156,828
2025	2,870,000	1,279,628	4,149,628
2026	2,910,000	1,193,140	4,103,140
2027	2,965,000	1,105,165	4,070,165
2028	3,025,000	1,013,442	4,038,442
2029	3,110,000	917,884	4,027,884
2030	3,180,000	827,293	4,007,293
2031	3,245,000	730,174	3,975,174
2032	3,445,000	627,950	4,072,950
2033	3,530,000	516,550	4,046,550
2034	3,625,000	399,838	4,024,838
2035	3,715,000	279,963	3,994,963
2036	3,170,000	157,162	3,327,162
2037	1,260,000	50,400	1,310,400
2038	580,000	20,300	600,300
Total	\$ 57,215,000	\$ 16,902,629	\$ 74,117,629

Exhibit J-3

Loudon County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2019

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Highway/Public Works	General Capital Projects	Reimbursement for Highway Equipment	\$ 40,000
Courthouse/Jail Maintenance	General Debt Service	Debt Retirement	<u>125,000</u>
Total Transfers			<u><u>\$ 165,000</u></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, 2019

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 96,155	\$ 100,000 (5)	Western Surety Company
Highway Superintendent	Section 8-24-102, <i>TCA</i>	91,576	100,000 (5)	"
Director of Schools:				
Jason Vance (7-1-18 to 6-13-19)	State Board of Education and County Board of Education	142,960 (1)(2)	100,000 (5)	"
Michael Garren (6-14-19 to 6-30-19)	State Board of Education and County Board of Education	5,391 (2)	100,000 (5)	"
Trustee	Section 8-24-102, <i>TCA</i>	78,782	1,466,000 (5)	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	78,782	50,000 (5)	"
Director of Accounts and Budgets	County Commission	78,782	100,000 (5)	"
Purchasing Agent	County Commission	55,589	100,000 (5)	"
County Clerk:	Section 8-24-102, <i>TCA</i>			
Darlene Russell (7-1-18 through 8-31-18)		13,130	100,000 (5)	"
Carrie McKelvey (9-1-18 through 6-30-19)		65,652	100,000 (5)	"
Circuit, General Sessions, and Juvenile Courts Clerk:	Section 8-24-102, <i>TCA</i>			
Lisa Niles (7-1-18 through 11-30-18)		32,826	100,000 (5)	"
Stephen Harrelson (12-4-18 through 6-30-19)		45,628 (3)	100,000 (5)	"
Clerk and Master:	Section 8-24-102, <i>TCA</i>			
Fred Chaney (7-1-18 through 11-30-18)		32,826	100,000 (5)	Ohio Farmers Insurance Company
Lisa Niles (12-1-18 through 6-30-19)		45,956	100,000 (5)	Western Surety Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	78,782	100,000 (5)	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	92,176 (4)	100,000 (5)	"
Employee Blanket Bond - County and School Employees:				
Public Officials Liability Errors and Omissions			1,000,000	Tennessee Risk Management Trust
Employee Fidelity - County Departments			400,000	"
Employee Fidelity - School Department			400,000	"

(1) Includes a chief executive officer training supplement of \$1,000 and travel stipend of \$7,200.

(2) On June 13, 2019, Jason Vance, Director of Schools, was suspended with pay and Michael Garren served as interim director for the period of June 14 to June 30, 2019.

(3) For the period 12-1-18 through 12-3-18, responsibilities of the Circuit, General Sessions, and Juvenile Courts Clerk fell to the chief deputy of that office.

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

(5) Officials were also covered by a \$400,000 officials' blanket bond by Tennessee Risk Management Trust.

Exhibit J-5

Loudon County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2019

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,674,962	\$ 0	\$ 0	\$ 314,854	\$ 0	\$ 0
Trustee's Collections - Prior Year	78,148	0	0	2,805	0	0
Trustee's Collections - Bankruptcy	4,906	0	0	148	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	93,577	0	0	2,857	0	0
Interest and Penalty	22,828	0	0	953	0	0
Payments in-Lieu-of Taxes - Other	394,999	0	0	10,325	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	308,954	0	0	0	764,820	0
Hotel/Motel Tax	497,189	0	0	0	0	0
Litigation Tax - General	117,201	0	0	0	0	0
Litigation Tax - Special Purpose	307,462	0	4,821	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	120,636	0	0	0	0
Business Tax	632,815	0	0	0	0	0
Mixed Drink Tax	34,494	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	19,527	0	0	635	0	0
Wholesale Beer Tax	103,494	0	0	0	0	0
Total Local Taxes	\$ 12,290,556	\$ 120,636	\$ 4,821	\$ 332,577	\$ 764,820	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 65,247	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	348,615	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 3,198	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	376,158	0	0	0	0	0
Other Permits	23,926	0	0	0	0	0
Total Licenses and Permits	\$ 817,144	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 159	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DUI Treatment Fines	1,114	0	0	0	0	0
Data Entry Fee - Circuit Court	773	0	0	0	0	0
Courtroom Security Fee	5,235	0	0	0	0	0
<u>Criminal Court</u>						
Fines	13,263	0	0	0	0	0
Officers Costs	21,049	0	0	0	0	0
Drug Control Fines	5,299	0	0	0	0	0
Jail Fees	1,064	0	0	0	0	0
Data Entry Fee - Criminal Court	2,012	0	0	0	0	0
Victims Assistance Assessments	3,333	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	59,587	0	0	0	0	0
Officers Costs	113,420	0	0	0	0	0
Game and Fish Fines	723	0	0	0	0	0
Drug Control Fines	5,622	0	0	0	0	0
Jail Fees	4,781	0	0	0	0	0
Interpreter Fee	50	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
DUI Treatment Fines	\$ 13,362	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - General Sessions Court	21,313	0	0	0	0	0
Courtroom Security Fee	114,938	0	0	0	0	0
Victims Assistance Assessments	18,052	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	223	0	0	0	0	0
Data Entry Fee - Juvenile Court	671	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	7,165	0	0	0	0	0
Data Entry Fee - Chancery Court	3,362	0	0	0	0	0
Courtroom Security Fee	1,862	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	6,945	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	17	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 425,394	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other General Service Charges	\$ 29,863	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees</u>						
Copy Fees	0	0	0	5,535	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Library Fees	\$ 0	\$ 0	\$ 0	\$ 4,357	\$ 0	\$ 0
Greenbelt Late Application Fee	100	0	0	0	0	0
Telephone Commissions	52,556	0	0	0	0	0
Vending Machine Collections	28	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	22,061	0	0	0	0	0
Data Processing Fee - Sheriff	8,025	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,100	0	0	0	0	0
Data Processing Fee - County Clerk	1,143	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	1,240	0	0	0	0	0
Total Charges for Current Services	\$ 118,116	\$ 0	\$ 0	\$ 9,892	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 200,429	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	3,100	0	0	0	0	21,295
Sale of Materials and Supplies	3,400	0	0	431	0	0
Commissary Sales	29,797	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	99,739	0
Retirees' Insurance Payments	59,381	0	0	4,622	368	0
Cobra Insurance Payments	1,948	0	0	0	0	0
Miscellaneous Refunds	1,274	0	0	262	419	0
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	0	0	0	0	0	0
Sale of Equipment	7,613	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Damages Recovered from Individuals	\$ 20	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions and Gifts	60,513	0	0	1,664	0	0
Total Other Local Revenues	\$ 367,475	\$ 0	\$ 0	\$ 6,979	\$ 100,526	\$ 21,295
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 566,559	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	141,274	0	0	0	0	0
General Sessions Court Clerk	446,568	0	0	0	0	0
Clerk and Master	68,549	0	0	0	0	0
Juvenile Court Clerk	95	0	0	0	0	0
Register	322,724	0	0	0	0	0
Sheriff	35,907	0	0	0	0	0
Trustee	884,031	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,465,707	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	13,528	0	0	0	0	0
Solid Waste Grants	0	0	0	0	50,842	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	27,600	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	168,577	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Litter Program	0	0	0	0	20,279	0
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	930,916	0	0	0	0	0
Beer Tax	17,959	0	0	0	0	0
Vehicle Certificate of Title Fees	10,035	0	0	0	0	0
Alcoholic Beverage Tax	84,206	0	0	0	0	0
State Revenue Sharing - Telecommunications	56,021	0	0	0	0	0
Board of Jurors	2,868	0	0	0	0	0
Contracted Prisoner Boarding	160,212	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
State Shared Sales Tax - Cities	7,651	0	0	0	0	0
Other State Revenues	2,396	0	0	0	0	0
Total State of Tennessee	\$ 1,506,133	\$ 0	\$ 0	\$ 0	\$ 71,121	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 16,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	19,625	0	0	0	0	0
Other Federal through State	172,594	0	0	1,000	0	0
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	4,675	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue (Cont.)</u>						
Other Direct Federal Revenue	\$ 2,213	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 215,107	\$ 0	\$ 0	\$ 1,000	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 8,282	\$ 0	\$ 0	\$ 31,438	\$ 0	\$ 0
Contracted Services	25,000	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	19,838	0	0	6,950	0	0
<u>Other</u>						
Other	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 53,120	\$ 0	\$ 0	\$ 38,388	\$ 0	\$ 0
Total	\$ 18,258,752	\$ 120,636	\$ 4,821	\$ 388,836	\$ 936,467	\$ 21,295

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 560,702	\$ 1,149,743	\$ 4,302,595
Trustee's Collections - Prior Year	0	0	0	4,570	9,274	23,274
Trustee's Collections - Bankruptcy	0	0	0	311	645	1,574
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	5,088	10,433	45,601
Interest and Penalty	0	0	0	1,695	2,852	9,004
Payments in-Lieu-of Taxes - Other	0	0	0	18,197	84,021	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	59,514	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	1,131	2,320	10,140
Wholesale Beer Tax	0	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 651,208	\$ 1,259,288	\$ 4,554,248
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	0	0	0	0	0	0
Other Permits	0	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
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	40	0	0	0	0	0
Drug Control Fines	21,083	0	0	0	0	0
Jail Fees	0	0	0	0	0	0
Data Entry Fee - Criminal Court	0	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0	0
Drug Control Fines	5,622	0	0	0	0	0
Jail Fees	0	0	0	0	0	0
Interpreter 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	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
DUI Treatment Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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	18,876	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	30,249	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 75,870	\$ 0	\$ 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

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Library Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Greenbelt Late Application Fee	0	0	0	0	0	0
Telephone Commissions	0	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	1,551	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
Total Charges for Current Services	\$ 0	\$ 0	\$ 1,551	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	24,006	\$ 195,552
Lease/Rentals	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	5,355	0	0
Commissary Sales	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	720	0	0
Retirees' Insurance Payments	0	0	0	24,518	0	0
Cobra Insurance Payments	0	0	0	0	0	0
Miscellaneous Refunds	0	0	0	0	0	0
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	0	0	0	0	25,470	0
Sale of Equipment	0	0	0	3,941	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Damages Recovered from Individuals	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions and Gifts	28,462	0	0	0	0	0
Total Other Local Revenues	\$ 28,462	\$ 0	\$ 0	\$ 34,534	\$ 49,476	\$ 195,552
<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
Juvenile Court Clerk	0	0	0	0	0	0
Register	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0
Trustee	0	0	0	0	0	0
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	0	0	0	0	0	0
Solid Waste Grants	0	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 732,398	\$ 0	\$ 0
Litter Program	0	0	0	0	0	0
Tennessee Industrial Infrastructure Program	0	0	0	980	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	2,209,833	0	0
Petroleum Special Tax	0	0	0	35,035	0	0
Registrar's Salary Supplement	0	0	0	0	0	0
State Shared Sales Tax - Cities	0	0	0	0	0	0
Other State Revenues	0	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 2,978,246	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	0	0	0	0	0	0
Other Federal through State	0	0	0	535,695	0	0
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	0	4,892	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue (Cont.)</u>						
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 0	\$ 4,892	\$ 0	\$ 535,695	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	0	0	0	0	203,472	0
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	0
<u>Other</u>						
Other	0	0	0	0	0	150,490
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 203,472	\$ 150,490
Total	\$ 104,332	\$ 4,892	\$ 1,551	\$ 4,199,683	\$ 1,512,236	\$ 4,900,290

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		
	General Capital Projects	Highway Capital Projects	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 168,037	\$ 288,315	\$ 16,459,208
Trustee's Collections - Prior Year	1,228	2,225	121,524
Trustee's Collections - Bankruptcy	94	161	7,839
Circuit Clerk/Clerk and Master Collections - Prior Years	1,525	2,616	161,697
Interest and Penalty	511	876	38,719
Payments in-Lieu-of Taxes - Other	127,735	9,412	806,749
<u>County Local Option Taxes</u>			
Local Option Sales Tax	208,191	0	1,281,965
Hotel/Motel Tax	0	0	497,189
Litigation Tax - General	0	0	117,201
Litigation Tax - Special Purpose	0	0	312,283
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	120,636
Business Tax	0	0	632,815
Mixed Drink Tax	0	0	34,494
Mineral Severance Tax	0	0	59,514
<u>Statutory Local Taxes</u>			
Bank Excise Tax	339	582	34,674
Wholesale Beer Tax	0	0	103,494
Total Local Taxes	<u>\$ 507,660</u>	<u>\$ 304,187</u>	<u>\$ 20,790,001</u>
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Animal Registration	\$ 0	\$ 0	\$ 65,247
Cable TV Franchise	0	0	348,615

(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	\$ 3,198
Building Permits	0	0	376,158
Other Permits	0	0	23,926
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 817,144</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 0	\$ 159
DUI Treatment Fines	0	0	1,114
Data Entry Fee - Circuit Court	0	0	773
Courtroom Security Fee	0	0	5,235
<u>Criminal Court</u>			
Fines	0	0	13,263
Officers Costs	0	0	21,089
Drug Control Fines	0	0	26,382
Jail Fees	0	0	1,064
Data Entry Fee - Criminal Court	0	0	2,012
Victims Assistance Assessments	0	0	3,333
<u>General Sessions Court</u>			
Fines	0	0	59,587
Officers Costs	0	0	113,420
Game and Fish Fines	0	0	723
Drug Control Fines	0	0	11,244
Jail Fees	0	0	4,781
Interpreter Fee	0	0	50

(Continued)

Exhibit J-5

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

	Capital Projects Funds		Total
	General Capital Projects	Highway Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
DUI Treatment Fines	\$ 0	\$ 0	\$ 13,362
Data Entry Fee - General Sessions Court	0	0	21,313
Courtroom Security Fee	0	0	114,938
Victims Assistance Assessments	0	0	18,052
<u>Juvenile Court</u>			
Fines	0	0	223
Data Entry Fee - Juvenile Court	0	0	671
<u>Chancery Court</u>			
Officers Costs	0	0	7,165
Data Entry Fee - Chancery Court	0	0	3,362
Courtroom Security Fee	0	0	1,862
<u>Other Courts - In-county</u>			
Fines	0	0	6,945
<u>Judicial District Drug Program</u>			
Drug Task Force Forfeitures and Seizures	0	0	18,876
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	0	30,249
Other Fines, Forfeitures, and Penalties	0	0	17
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 501,264
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Other General Service Charges	\$ 0	\$ 0	\$ 29,863
<u>Fees</u>			
Copy Fees	0	0	5,535

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		Total
	General Capital Projects	Highway Capital Projects	
<u>Charges for Current Services (Cont.)</u>			
<u>Fees (Cont.)</u>			
Library Fees	\$ 0	\$ 0	\$ 4,357
Greenbelt Late Application Fee	0	0	100
Telephone Commissions	0	0	52,556
Vending Machine Collections	0	0	28
Constitutional Officers' Fees and Commissions	0	0	1,551
Data Processing Fee - Register	0	0	22,061
Data Processing Fee - Sheriff	0	0	8,025
Sexual Offender Registration Fee - Sheriff	0	0	3,100
Data Processing Fee - County Clerk	0	0	1,143
Vehicle Insurance Coverage and Reinstatement Fees	0	0	1,240
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 129,559</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 192,734	\$ 0	\$ 612,721
Lease/Rentals	0	0	24,395
Sale of Materials and Supplies	0	0	9,186
Commissary Sales	0	0	29,797
Sale of Recycled Materials	0	0	100,459
Retirees' Insurance Payments	0	0	88,889
Cobra Insurance Payments	0	0	1,948
Miscellaneous Refunds	0	0	1,955
<u>Nonrecurring Items</u>			
Revenue from Joint Ventures	0	0	25,470
Sale of Equipment	0	0	11,554

(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	\$ 20
Contributions and Gifts	3,820	0	94,459
Total Other Local Revenues	<u>\$ 196,554</u>	<u>\$ 0</u>	<u>\$ 1,000,853</u>
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$ 0	\$ 566,559
Circuit Court Clerk	0	0	141,274
General Sessions Court Clerk	0	0	446,568
Clerk and Master	0	0	68,549
Juvenile Court Clerk	0	0	95
Register	0	0	322,724
Sheriff	0	0	35,907
Trustee	0	0	884,031
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,465,707</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	50,842
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	0	27,600
<u>Health and Welfare Grants</u>			
Health Department Programs	0	0	168,577

(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	\$ 732,398
Litter Program	0	0	20,279
Tennessee Industrial Infrastructure Program	0	0	980
<u>Other State Revenues</u>			
Income Tax	0	0	930,916
Beer Tax	0	0	17,959
Vehicle Certificate of Title Fees	0	0	10,035
Alcoholic Beverage Tax	0	0	84,206
State Revenue Sharing - Telecommunications	0	0	56,021
Board of Jurors	0	0	2,868
Contracted Prisoner Boarding	0	0	160,212
Gasoline and Motor Fuel Tax	0	0	2,209,833
Petroleum Special Tax	0	0	35,035
Registrar's Salary Supplement	0	0	15,164
State Shared Sales Tax - Cities	0	0	7,651
Other State Revenues	0	0	2,396
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,555,500</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 16,000
Homeland Security Grants	0	0	19,625
Other Federal through State	495	0	709,784
<u>Direct Federal Revenue</u>			
Asset Forfeiture Funds	0	0	9,567

(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>Federal Government (Cont.)</u>			
<u>Direct Federal Revenue (Cont.)</u>			
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 2,213
Total Federal Government	<u>\$ 495</u>	<u>\$ 0</u>	<u>\$ 757,189</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 0	\$ 0	\$ 39,720
Contracted Services	0	0	228,472
<u>Citizens Groups</u>			
Donations	0	0	26,788
<u>Other</u>			
Other	0	0	150,490
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 445,470</u>
Total	<u>\$ 704,709</u>	<u>\$ 304,187</u>	<u>\$ 31,462,687</u>

Exhibit J-6

Loudon County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Loudon County School Department
For the Year Ended June 30, 2019

	Special Revenue Funds			Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 9,869,816	\$ 0	\$ 0	\$ 0	\$ 9,869,816
Trustee's Collections - Prior Year	56,645	0	0	0	56,645
Trustee's Collections - Bankruptcy	5,657	0	0	0	5,657
Circuit Clerk/Clerk and Master Collections - Prior Years	89,151	0	0	0	89,151
Interest and Penalty	21,712	0	0	0	21,712
Payments in-Lieu-of Taxes - Other	325,397	0	0	0	325,397
<u>County Local Option Taxes</u>					
Local Option Sales Tax	4,308,907	0	0	0	4,308,907
Mixed Drink Tax	38,081	0	0	0	38,081
Adequate Facilities/Development Tax	0	0	0	881,144	881,144
<u>Statutory Local Taxes</u>					
Bank Excise Tax	20,024	0	0	0	20,024
Total Local Taxes	\$ 14,735,390	\$ 0	\$ 0	\$ 881,144	\$ 15,616,534
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,273	\$ 0	\$ 0	\$ 0	\$ 1,273
Total Licenses and Permits	\$ 1,273	\$ 0	\$ 0	\$ 0	\$ 1,273
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 455,417	\$ 0	\$ 455,417
Lunch Payments - Adults	0	0	38,455	0	38,455
Income from Breakfast	0	0	955	0	955

(Continued)

Exhibit J-6

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

	Special Revenue Funds			Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
A la Carte Sales	\$ 0	\$ 0	\$ 15,835	\$ 0	\$ 15,835
Receipts from Individual Schools	25,202	0	141	0	25,343
Total Charges for Current Services	\$ 25,202	\$ 0	\$ 510,803	\$ 0	\$ 536,005
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 94,187	\$ 0	\$ 4,979	\$ 0	\$ 99,166
Sale of Materials and Supplies	729	0	0	0	729
Retirees' Insurance Payments	68,103	0	0	0	68,103
Commodity Rebates	0	0	179	0	179
Miscellaneous Refunds	5,472	0	0	0	5,472
<u>Nonrecurring Items</u>					
Sale of Equipment	15,679	0	0	0	15,679
Total Other Local Revenues	\$ 184,170	\$ 0	\$ 5,158	\$ 0	\$ 189,328
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 126,464	\$ 0	\$ 0	\$ 0	\$ 126,464
<u>State Education Funds</u>					
Basic Education Program	21,440,697	0	0	0	21,440,697
Early Childhood Education	773,917	0	0	0	773,917
School Food Service	0	0	21,465	0	21,465
Other State Education Funds	354,147	0	0	0	354,147
Coordinated School Health	150,381	0	0	0	150,381

(Continued)

Exhibit J-6

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

	Special Revenue Funds			Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Family Resource Centers	\$ 31,212	\$ 0	\$ 0	\$ 0	\$ 31,212
Career Ladder Program	86,917	0	0	0	86,917
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	1,209,041	0	0	0	1,209,041
Other State Grants	64,888	0	5,400	0	70,288
Safe Schools	152,180	0	0	0	152,180
Other State Revenues	8,384	0	0	0	8,384
Total State of Tennessee	\$ 24,398,228	\$ 0	\$ 26,865	\$ 0	\$ 24,425,093
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,168,142	\$ 0	\$ 1,168,142
Breakfast	0	0	345,069	0	345,069
USDA - Other	0	0	77,058	0	77,058
Vocational Education - Basic Grants to States	0	116,703	0	0	116,703
Title I Grants to Local Education Agencies	0	948,730	0	0	948,730
Special Education - Grants to States	45,000	1,023,814	0	0	1,068,814
Special Education Preschool Grants	0	33,306	0	0	33,306
English Language Acquisition Grants	0	16,584	0	0	16,584
Safe and Drug-free Schools - State Grants	0	51,292	0	0	51,292
Eisenhower Professional Development State Grants	0	144,397	0	0	144,397
Other Federal through State	309,917	0	25,164	0	335,081
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	68,076	0	0	0	68,076

(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 Projects Fund</u>	
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Education Capital Projects</u>	<u>Total</u>
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue (Cont.)</u>					
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 157,544	\$ 0	\$ 157,544
Total Federal Government	\$ 422,993	\$ 2,334,826	\$ 1,772,977	\$ 0	\$ 4,530,796
<u>Other Governments and Citizens Groups</u>					
<u>Citizens Groups</u>					
Donations	\$ 35,968	\$ 0	\$ 0	\$ 0	\$ 35,968
Total Other Governments and Citizens Groups	\$ 35,968	\$ 0	\$ 0	\$ 0	\$ 35,968
Total	\$ 39,803,224	\$ 2,334,826	\$ 2,315,803	\$ 881,144	\$ 45,334,997

Exhibit J-7

Loudon County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2019

General Fund

General Government

County Commission

County Official/Administrative Officer	\$	80,210	
Social Security		4,389	
Pensions		3,634	
Life Insurance		1,171	
Medical Insurance		37,525	
Dental Insurance		3,272	
Employer Medicare		1,141	
Consultants		47,126	
Dues and Memberships		11,236	
Printing, Stationery, and Forms		40	
Travel		3,698	
Other Contracted Services		792	
Other Supplies and Materials		2,052	
Workers' Compensation Insurance		7,822	
In Service/Staff Development		1,150	
Furniture and Fixtures		38	
Total County Commission			\$ 205,296

Board of Equalization

Board and Committee Members Fees	\$	1,070	
Travel		264	
Total Board of Equalization			1,334

Beer Board

Board and Committee Members Fees	\$	1,050	
Social Security		11	
Pensions		19	
Employer Medicare		2	
Legal Services		1,600	
Total Beer Board			2,682

Other Boards and Committees

Board and Committee Members Fees	\$	5,850	
Total Other Boards and Committees			5,850

County Mayor/Executive

County Official/Administrative Officer	\$	96,155	
Supervisor/Director		4,488	
Secretary(ies)		39,374	
Temporary Personnel		3,023	
Part-time Personnel		11,769	
Social Security		9,209	
Pensions		13,573	
Life Insurance		832	
Medical Insurance		17,118	
Dental Insurance		1,584	
Employer Medicare		2,198	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Communication	\$	1,885	
Dues and Memberships		1,835	
Maintenance and Repair Services - Vehicles		50	
Postal Charges		12	
Travel		1,669	
Duplicating Supplies		161	
Gasoline		1,932	
Office Supplies		285	
Other Supplies and Materials		148	
Premiums on Corporate Surety Bonds		367	
Workers' Compensation Insurance		2,346	
In Service/Staff Development		575	
Office Equipment		840	
Total County Mayor/Executive			\$ 211,428

Personnel Office

Part-time Personnel	\$	23,378	
Life Insurance		192	
Dental Insurance		333	
Employer Medicare		339	
Dues and Memberships		60	
Operating Lease Payments		1,076	
Medical and Dental Services		2,855	
Postal Charges		110	
Travel		139	
Other Contracted Services		5,440	
Duplicating Supplies		27	
Office Supplies		686	
Other Supplies and Materials		50	
In Service/Staff Development		449	
Office Equipment		200	
Total Personnel Office			35,334

County Attorney

Legal Services	\$	95,532	
Other Contracted Services		47,373	
Total County Attorney			142,905

Election Commission

County Official/Administrative Officer	\$	70,904	
Secretary(ies)		45,772	
Temporary Personnel		14,559	
Overtime Pay		1,819	
Election Commission		13,193	
Election Workers		77,278	
Social Security		11,097	
Pensions		11,301	

(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	\$	559	
Medical Insurance		15,027	
Dental Insurance		1,110	
Unemployment Compensation		12	
Employer Medicare		2,713	
Advertising		450	
Communication		2,584	
Dues and Memberships		450	
Operating Lease Payments		13,762	
Legal Notices, Recording, and Court Costs		2,441	
Maintenance and Repair Services - Equipment		920	
Postal Charges		5,917	
Printing, Stationery, and Forms		3,353	
Travel		8,051	
Other Contracted Services		19,256	
Duplicating Supplies		442	
Office Supplies		6,504	
Uniforms		287	
Other Supplies and Materials		494	
Workers' Compensation Insurance		1,564	
Office Equipment		52,555	
Total Election Commission			\$ 384,374

Register of Deeds

County Official/Administrative Officer	\$	78,782	
Clerical Personnel		108,118	
Social Security		11,080	
Pensions		18,086	
Life Insurance		782	
Medical Insurance		47,541	
Dental Insurance		3,012	
Employer Medicare		2,591	
Communication		1,032	
Dues and Memberships		1,210	
Operating Lease Payments		1,434	
Postal Charges		888	
Travel		1,382	
Other Contracted Services		15,480	
Duplicating Supplies		175	
Office Supplies		1,842	
Premiums on Corporate Surety Bonds		367	
Workers' Compensation Insurance		3,129	
Total Register of Deeds			296,931

Planning

Supervisor/Director	\$	63,036
Clerical Personnel		12,750

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Social Security	\$	4,398	
Pensions		7,343	
Life Insurance		546	
Medical Insurance		16,926	
Dental Insurance		1,135	
Employer Medicare		1,028	
Communication		1,475	
Dues and Memberships		1,400	
Operating Lease Payments		2,391	
Postal Charges		409	
Printing, Stationery, and Forms		98	
Travel		1,664	
Duplicating Supplies		54	
Gasoline		107	
Office Supplies		1,060	
Other Supplies and Materials		18	
Workers' Compensation Insurance		782	
In Service/Staff Development		895	
Furniture and Fixtures		2,498	
Office Equipment		370	
Total Planning			\$ 120,383

Codes Compliance

Assistant(s)	\$	52,874	
Supervisor/Director		56,839	
Secretary(ies)		35,859	
Social Security		8,387	
Pensions		14,084	
Life Insurance		538	
Medical Insurance		44,538	
Dental Insurance		2,406	
Employer Medicare		1,961	
Communication		2,559	
Dues and Memberships		235	
Operating Lease Payments		1,565	
Maintenance and Repair Services - Vehicles		467	
Postal Charges		109	
Printing, Stationery, and Forms		1,059	
Duplicating Supplies		54	
Gasoline		4,021	
Office Supplies		675	
Tires and Tubes		511	
Workers' Compensation Insurance		2,346	
In Service/Staff Development		300	
Furniture and Fixtures		510	
Office Equipment		916	
Total Codes Compliance			232,813

(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	\$	42,848	
Social Security		2,632	
Pensions		4,136	
Life Insurance		371	
Medical Insurance		10,065	
Dental Insurance		1,251	
Employer Medicare		616	
Travel		102	
Other Contracted Services		3,000	
Office Supplies		1,588	
Workers' Compensation Insurance		782	
Total Geographical Information Systems			\$ 67,391

County Buildings

Supervisor/Director	\$	55,746	
Maintenance Personnel		343,260	
Overtime Pay		5,492	
Social Security		23,203	
Pensions		39,068	
Life Insurance		3,056	
Medical Insurance		122,147	
Dental Insurance		8,175	
Employer Medicare		5,427	
Communication		21,619	
Dues and Memberships		60	
Engineering Services		2,500	
Operating Lease Payments		3,180	
Maintenance and Repair Services - Buildings		63,241	
Maintenance and Repair Services - Equipment		1,512	
Maintenance and Repair Services - Vehicles		1,803	
Pest Control		4,926	
Towing Services		82	
Other Contracted Services		170,301	
Custodial Supplies		9,030	
Diesel Fuel		1,350	
Drugs and Medical Supplies		76	
Gasoline		11,913	
Office Supplies		112	
Tires and Tubes		153	
Uniforms		5,578	
Utilities		298,078	
Other Supplies and Materials		373	
Workers' Compensation Insurance		7,822	
In Service/Staff Development		424	
Furniture and Fixtures		1,083	
Maintenance Equipment		6,464	
Office Equipment		849	
Total County Buildings			1,218,103

(Continued)

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	\$	4,197	
Disposal Fees		6,326	
Other Supplies and Materials		37	
Building and Contents Insurance		266,183	
Total Other General Administration			\$ 276,743

Finance

Accounting and Budgeting

Assistant(s)	\$	51,175	
Supervisor/Director		78,782	
Accountants/Bookkeepers		241,527	
Salary Supplements		3,842	
Temporary Personnel		2,724	
Overtime Pay		4,139	
Social Security		22,401	
Pensions		36,675	
Life Insurance		1,765	
Medical Insurance		106,831	
Dental Insurance		5,782	
Employer Medicare		5,239	
Audit Services		18,451	
Communication		1,975	
Dues and Memberships		250	
Operating Lease Payments		3,263	
Legal Notices, Recording, and Court Costs		100	
Postal Charges		4,062	
Printing, Stationery, and Forms		4,784	
Travel		2,350	
Other Contracted Services		14,129	
Duplicating Supplies		1,952	
Office Supplies		7,262	
Other Supplies and Materials		51	
Premiums on Corporate Surety Bonds		367	
Workers' Compensation Insurance		6,257	
In Service/Staff Development		1,747	
Other Charges		2,755	
Furniture and Fixtures		2,186	
Office Equipment		18,674	
Total Accounting and Budgeting			651,497

Purchasing

Supervisor/Director	\$	55,589	
Purchasing Personnel		107,682	
Part-time Personnel		8,468	
Overtime Pay		34	
Social Security		9,717	
Pensions		15,795	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

Life Insurance	\$	822	
Medical Insurance		21,904	
Dental Insurance		1,266	
Employer Medicare		2,395	
Communication		3,072	
Dues and Memberships		854	
Operating Lease Payments		1,448	
Postal Charges		59	
Travel		3,954	
Other Contracted Services		527	
Duplicating Supplies		134	
Gasoline		58	
Office Supplies		1,956	
Uniforms		68	
Other Supplies and Materials		76	
Premiums on Corporate Surety Bonds		400	
Workers' Compensation Insurance		3,129	
In Service/Staff Development		2,659	
Office Equipment		4,975	
Total Purchasing			\$ 247,041

Property Assessor's Office

County Official/Administrative Officer	\$	78,782
Secretary(ies)		173,043
Temporary Personnel		2,000
Educational Incentive - Other County Employees		750
Social Security		14,943
Pensions		23,978
Life Insurance		1,172
Medical Insurance		42,354
Dental Insurance		3,487
Employer Medicare		3,495
Communication		1,409
Data Processing Services		8,184
Dues and Memberships		3,298
Operating Lease Payments		2,518
Legal Services		5,559
Legal Notices, Recording, and Court Costs		189
Maintenance Agreements		11,887
Maintenance and Repair Services - Vehicles		649
Postal Charges		2,851
Printing, Stationery, and Forms		874
Travel		3,633
Other Contracted Services		28,278
Duplicating Supplies		81
Gasoline		1,281
Office Supplies		1,639

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Uniforms	\$	500	
Other Supplies and Materials		18	
Premiums on Corporate Surety Bonds		209	
Workers' Compensation Insurance		4,693	
In Service/Staff Development		728	
Furniture and Fixtures		1,349	
Office Equipment		200	
Total Property Assessor's Office			\$ 424,031

County Trustee's Office

County Official/Administrative Officer	\$	78,782	
Clerical Personnel		126,584	
Social Security		12,031	
Pensions		19,866	
Life Insurance		1,132	
Medical Insurance		52,535	
Dental Insurance		3,496	
Employer Medicare		2,814	
Communication		1,983	
Dues and Memberships		670	
Operating Lease Payments		1,408	
Maintenance Agreements		6,445	
Postal Charges		13,970	
Printing, Stationery, and Forms		4,645	
Other Contracted Services		20,311	
Office Supplies		3,527	
Premiums on Corporate Surety Bonds		7,597	
Workers' Compensation Insurance		3,911	
Office Equipment		596	
Total County Trustee's Office			362,303

County Clerk's Office

County Official/Administrative Officer	\$	78,782	
Clerical Personnel		253,511	
Part-time Personnel		39,201	
Overtime Pay		10	
Social Security		21,837	
Pensions		31,852	
Life Insurance		2,115	
Medical Insurance		110,178	
Dental Insurance		6,057	
Unemployment Compensation		813	
Employer Medicare		5,107	
Communication		2,510	
Dues and Memberships		810	
Operating Lease Payments		10,573	
Postal Charges		14,425	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Printing, Stationery, and Forms	\$	3,569	
Travel		2,968	
Other Contracted Services		15,344	
Duplicating Supplies		2,942	
Office Supplies		3,733	
Premiums on Corporate Surety Bonds		367	
Workers' Compensation Insurance		7,039	
In Service/Staff Development		1,090	
Furniture and Fixtures		1,296	
Office Equipment		5,490	
Total County Clerk's Office			\$ 621,619

Data Processing

Computer Programmer(s)	\$	49,899	
Data Processing Personnel		43,264	
Social Security		5,762	
Pensions		8,992	
Life Insurance		337	
Medical Insurance		17,350	
Dental Insurance		273	
Employer Medicare		1,348	
Communication		9,162	
Postal Charges		34	
Travel		285	
Other Contracted Services		15,478	
Gasoline		32	
Office Supplies		65	
Workers' Compensation Insurance		1,564	
In Service/Staff Development		1,518	
Office Equipment		1,270	
Total Data Processing			156,633

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	78,454	
Clerical Personnel		191,589	
Part-time Personnel		1,549	
Overtime Pay		3,806	
Social Security		16,138	
Pensions		26,480	
Life Insurance		1,238	
Medical Insurance		59,323	
Dental Insurance		3,346	
Employer Medicare		3,774	
Communication		974	
Dues and Memberships		930	
Operating Lease Payments		3,250	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Postal Charges	\$	2,584	
Printing, Stationery, and Forms		2,904	
Travel		2,019	
Other Contracted Services		18,286	
Duplicating Supplies		483	
Office Supplies		2,971	
Premiums on Corporate Surety Bonds		1,129	
Workers' Compensation Insurance		4,693	
In Service/Staff Development		668	
Data Processing Equipment		1,026	
Furniture and Fixtures		328	
Total Circuit Court			\$ 427,942

General Sessions Court

Clerical Personnel	\$	356,339	
Part-time Personnel		30,389	
Overtime Pay		2,604	
Social Security		23,103	
Pensions		34,621	
Life Insurance		2,247	
Medical Insurance		106,638	
Dental Insurance		7,507	
Employer Medicare		5,403	
Communication		3,637	
Dues and Memberships		260	
Operating Lease Payments		7,461	
Maintenance Agreements		1,775	
Postal Charges		7,400	
Printing, Stationery, and Forms		7,561	
Travel		2,689	
Other Contracted Services		11,286	
Duplicating Supplies		1,223	
Office Supplies		9,299	
Workers' Compensation Insurance		10,168	
In Service/Staff Development		942	
Data Processing Equipment		1,682	
Furniture and Fixtures		29,269	
Total General Sessions Court			663,503

General Sessions Judge

County Official/Administrative Officer	\$	317,005	
Clerical Personnel		54,184	
Overtime Pay		11,775	
Social Security		19,957	
Pensions		37,155	
Life Insurance		538	
Medical Insurance		18,435	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Dental Insurance	\$	1,604	
Employer Medicare		5,464	
Communication		816	
Dues and Memberships		1,479	
Evaluation and Testing		13,850	
Travel		1,868	
Office Supplies		2,208	
Workers' Compensation Insurance		2,346	
In Service/Staff Development		545	
Total General Sessions Judge			\$ 489,229

Chancery Court

County Official/Administrative Officer	\$	78,782	
Clerical Personnel		68,640	
Part-time Personnel		17,679	
Social Security		9,929	
Pensions		14,223	
Life Insurance		735	
Medical Insurance		46,914	
Dental Insurance		4,153	
Employer Medicare		2,322	
Communication		991	
Dues and Memberships		810	
Operating Lease Payments		1,291	
Maintenance Agreements		2,871	
Printing, Stationery, and Forms		1,666	
Travel		2,984	
Other Contracted Services		214	
Duplicating Supplies		252	
Office Supplies		1,446	
Premiums on Corporate Surety Bonds		109	
Workers' Compensation Insurance		2,346	
In Service/Staff Development		290	
Furniture and Fixtures		38	
Office Equipment		148	
Total Chancery Court			258,833

Juvenile Court

Supervisor/Director	\$	70,335	
Probation Officer(s)		78,624	
Secretary(ies)		38,022	
Part-time Personnel		15,362	
Overtime Pay		4,769	
Social Security		12,508	
Pensions		18,538	
Life Insurance		832	
Medical Insurance		23,134	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Dental Insurance	\$	1,621	
Employer Medicare		2,925	
Communication		6,607	
Contracts with Government Agencies		22,800	
Operating Lease Payments		469	
Maintenance and Repair Services - Vehicles		1,222	
Printing, Stationery, and Forms		120	
Travel		1,707	
Other Contracted Services		1,247	
Duplicating Supplies		134	
Gasoline		458	
Office Supplies		907	
Tires and Tubes		354	
Other Supplies and Materials		1,135	
Workers' Compensation Insurance		3,129	
In Service/Staff Development		570	
Communication Equipment		1,907	
Furniture and Fixtures		170	
Total Juvenile Court			\$ 309,606

Judicial Commissioners

Part-time Personnel	\$	53,751	
Social Security		3,306	
Pensions		2,135	
Employer Medicare		773	
Communication		277	
Office Equipment		430	
Total Judicial Commissioners			60,672

Other Administration of Justice

Jury and Witness Expense	\$	11,327	
Communication		869	
Other Contracted Services		336	
Total Other Administration of Justice			12,532

Courtroom Security

Maintenance and Repair Services - Buildings	\$	945	
Other Contracted Services		499	
Total Courtroom Security			1,444

Victim Assistance Programs

Remittance of Revenue Collected	\$	21,385	
Total Victim Assistance Programs			21,385

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	91,576	
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(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Assistant(s)	\$	124,577	
Deputy(ies)		1,135,944	
Investigator(s)		157,217	
Captain(s)		55,435	
Lieutenant(s)		160,386	
Sergeant(s)		96,044	
Computer Programmer(s)		45,659	
Salary Supplements		27,600	
Secretary(ies)		29,122	
Clerical Personnel		100,324	
Custodial Personnel		28,662	
Part-time Personnel		24,534	
School Resource Officer		403,265	
Overtime Pay		139,289	
Social Security		154,645	
Pensions		330,089	
Life Insurance		10,298	
Medical Insurance		660,297	
Dental Insurance		35,024	
Employer Medicare		36,174	
Communication		12,847	
Dues and Memberships		2,305	
Operating Lease Payments		4,264	
Maintenance Agreements		12,109	
Maintenance and Repair Services - Equipment		1,069	
Maintenance and Repair Services - Vehicles		156,582	
Medical and Dental Services		2,782	
Postal Charges		3,324	
Printing, Stationery, and Forms		1,192	
Towing Services		3,115	
Travel		14,380	
Other Contracted Services		16,790	
Diesel Fuel		471	
Duplicating Supplies		1,748	
Gasoline		182,537	
Law Enforcement Supplies		977	
Office Supplies		5,497	
Tires and Tubes		24,713	
Uniforms		27,574	
Other Supplies and Materials		10,483	
Premiums on Corporate Surety Bonds		217	
Workers' Compensation Insurance		36,042	
In Service/Staff Development		3,304	
Communication Equipment		10,394	
Law Enforcement Equipment		11,028	
Motor Vehicles		9,995	
Office Equipment		3,942	
Total Sheriff's Department			\$ 4,405,842

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols

Communication	\$	698	
Law Enforcement Supplies		2,908	
Uniforms		204	
Total Special Patrols			\$ 3,810

Traffic Control

Other Contracted Services	\$	4,341	
Utilities		2,604	
Total Traffic Control			6,945

Jail

Captain(s)	\$	55,435	
Guards		1,032,183	
Cafeteria Personnel		66,608	
Part-time Personnel		487	
Overtime Pay		103,810	
Social Security		75,905	
Pensions		123,003	
Life Insurance		5,086	
Medical Insurance		313,490	
Dental Insurance		16,244	
Employer Medicare		17,752	
Operating Lease Payments		1,767	
Medical and Dental Services		226,165	
Travel		1,201	
Other Contracted Services		3,194	
Custodial Supplies		20,946	
Drugs and Medical Supplies		152,269	
Duplicating Supplies		430	
Food Preparation Supplies		527	
Food Supplies		239,227	
Office Supplies		3,912	
Uniforms		19,686	
Other Supplies and Materials		34,796	
Workers' Compensation Insurance		19,977	
In Service/Staff Development		500	
Other Charges		488	
Communication Equipment		292	
Food Service Equipment		2,303	
Total Jail			2,537,683

Rural Fire Protection

Contributions	\$	245,000	
Total Rural Fire Protection			245,000

Civil Defense

Supervisor/Director	\$	56,861	
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(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.)

Secretary(ies)	\$	34,195	
Social Security		5,388	
Pensions		8,822	
Life Insurance		337	
Medical Insurance		17,350	
Dental Insurance		1,075	
Employer Medicare		1,260	
Communication		5,221	
Dues and Memberships		110	
Operating Lease Payments		1,016	
Maintenance Agreements		290	
Maintenance and Repair Services - Equipment		1,220	
Maintenance and Repair Services - Vehicles		6,255	
Travel		259	
Other Contracted Services		17,485	
Crushed Stone		1,242	
Diesel Fuel		177	
Duplicating Supplies		672	
Food Supplies		632	
Gasoline		7,058	
Office Supplies		2,793	
Tires and Tubes		689	
Uniforms		5,106	
Other Supplies and Materials		4,192	
Workers' Compensation Insurance		1,564	
In Service/Staff Development		4,360	
Communication Equipment		11,794	
Office Equipment		4,014	
Other Equipment		6,738	
Total Civil Defense			\$ 208,175

Other Emergency Management

Communication Equipment	\$	5,430	
Other Equipment		28,415	
Total Other Emergency Management			33,845

County Coroner/Medical Examiner

Medical Personnel	\$	9,000	
Other Contracted Services		120,645	
Total County Coroner/Medical Examiner			129,645

Other Public Safety

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

(Continued)

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Life Insurance	\$	96	
Dental Insurance		333	
Advertising		200	
Communication		3,862	
Contributions		3,785	
Dues and Memberships		200	
Operating Lease Payments		3,771	
Postal Charges		500	
Printing, Stationery, and Forms		191	
Travel		732	
Other Contracted Services		8,607	
Drugs and Medical Supplies		259	
Duplicating Supplies		323	
Food Supplies		77	
Office Supplies		3,036	
Other Supplies and Materials		1,147	
In Service/Staff Development		1,514	
Office Equipment		706	
Other Equipment		4,358	
Total Local Health Center			\$ 33,697

Rabies and Animal Control

Supervisor/Director	\$	49,879
Part-time Personnel		14,967
Overtime Pay		16,342
Other Salaries and Wages		129,279
Social Security		12,664
Pensions		18,820
Life Insurance		918
Medical Insurance		35,286
Dental Insurance		1,689
Employer Medicare		2,962
Communication		4,572
Dues and Memberships		50
Operating Lease Payments		475
Licenses		110
Maintenance and Repair Services - Vehicles		3,612
Postal Charges		70
Printing, Stationery, and Forms		362
Travel		5,632
Veterinary Services		18,970
Disposal Fees		54
Other Contracted Services		75
Animal Food and Supplies		38,982
Custodial Supplies		4,074
Duplicating Supplies		269
Gasoline		7,635

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Office Supplies	\$	272	
Tires and Tubes		1,352	
Uniforms		1,071	
Utilities		10,439	
Other Supplies and Materials		40	
Refunds		80	
Workers' Compensation Insurance		3,911	
In Service/Staff Development		1,015	
Other Charges		78	
Office Equipment		64	
Total Rabies and Animal Control			\$ 386,070

Other Local Health Services

Overtime Pay	\$	119	
Other Salaries and Wages		157,567	
Social Security		9,335	
Pensions		15,043	
Life Insurance		1,067	
Medical Insurance		51,139	
Dental Insurance		3,321	
Employer Medicare		2,180	
Travel		6,123	
Other Contracted Services		2,362	
Food Supplies		396	
Other Supplies and Materials		2,264	
Liability Insurance		741	
Workers' Compensation Insurance		5,475	
Total Other Local Health Services			257,132

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$	3,000	
Total Adult Activities			3,000

Senior Citizens Assistance

Supervisor/Director	\$	41,983	
Secretary(ies)		34,771	
Overtime Pay		146	
Other Salaries and Wages		59,182	
Social Security		7,928	
Pensions		12,796	
Life Insurance		1,253	
Medical Insurance		47,428	
Dental Insurance		2,850	
Employer Medicare		1,854	
Communication		1,838	
Freight Expenses		122	

(Continued)

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.)

Operating Lease Payments	\$	1,569	
Licenses		1,400	
Maintenance and Repair Services - Equipment		900	
Maintenance and Repair Services - Vehicles		2,686	
Postal Charges		107	
Printing, Stationery, and Forms		970	
Travel		1,033	
Other Contracted Services		3,581	
Custodial Supplies		516	
Duplicating Supplies		134	
Food Supplies		5,624	
Gasoline		2,202	
Office Supplies		522	
Periodicals		90	
Utilities		14,538	
Other Supplies and Materials		487	
Workers' Compensation Insurance		3,129	
Other Charges		2,586	
Total Senior Citizens Assistance			\$ 254,225

Agriculture and Natural Resources

Agricultural Extension Service

Communication	\$	3,586	
Contracts with Government Agencies		157,387	
Operating Lease Payments		1,138	
Office Supplies		2,037	
Other Supplies and Materials		94	
Office Equipment		394	
Total Agricultural Extension Service			164,636

Soil Conservation

Clerical Personnel	\$	12,504	
Social Security		775	
Employer Medicare		181	
Communication		1,208	
Contributions		2,000	
Total Soil Conservation			16,668

Flood Control

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

Storm Water Management

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

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations

Tourism

Contributions	\$ 144,185	
Total Tourism		\$ 144,185

Industrial Development

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

Housing and Urban Development

Contributions	\$ 3,000	
Pauper Burials	3,750	
Total Housing and Urban Development		6,750

Veterans' Services

Part-time Personnel	\$ 10,795	
Other Salaries and Wages	23,314	
Social Security	2,115	
Employer Medicare	495	
Communication	1,401	
Operating Lease Payments	57	
Maintenance Agreements	898	
Maintenance and Repair Services - Vehicles	55	
Postal Charges	100	
Printing, Stationery, and Forms	248	
Travel	5,413	
Duplicating Supplies	161	
Gasoline	43	
Office Supplies	606	
Furniture and Fixtures	448	
Total Veterans' Services		46,149

Contributions to Other Agencies

Contributions	\$ 80,600	
Total Contributions to Other Agencies		80,600

Employee Benefits

Employee and Dependent Insurance	\$ 832	
Total Employee Benefits		832

Miscellaneous

Trustee's Commission	\$ 244,773	
Tax Relief Program	105,166	
Total Miscellaneous		349,939

Principal on Debt

General Government

Principal on Other Loans	\$ 43,054	
Total General Government		43,054

Total General Fund \$ 17,981,108

(Continued)

Exhibit J-7

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

Courthouse and Jail Maintenance Fund

Other Operations

Miscellaneous

Trustee's Commission	\$ 1,212	
Total Miscellaneous		\$ 1,212

Total Courthouse and Jail Maintenance Fund \$ 1,212

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Communication	\$ 1,963	
Library Books/Media	1,099	
Total Libraries		\$ 3,062

Other Operations

Miscellaneous

Trustee's Commission	\$ 48	
Total Miscellaneous		48

Total Law Library Fund 3,110

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Clerical Personnel	\$ 136,560
Temporary Personnel	10,950
Part-time Personnel	35,948
Social Security	10,854
Pensions	13,180
Life Insurance	1,045
Medical Insurance	55,234
Dental Insurance	3,149
Employer Medicare	2,540
Communication	2,733
Contributions	10,000
Operating Lease Payments	1,415
Licenses	2,017
Maintenance Agreements	1,200
Maintenance and Repair Services - Office Equipment	272
Postal Charges	97
Printing, Stationery, and Forms	1,471
Travel	2,421
Disposal Fees	142
Other Contracted Services	1,355
Custodial Supplies	556
Food Supplies	190
Instructional Supplies and Materials	42
Library Books/Media	30,236
Office Supplies	3,776

(Continued)

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	\$	3,224	
Water and Sewer		233	
Other Supplies and Materials		2,463	
Refunds		13	
Trustee's Commission		6,390	
Workers' Compensation Insurance		3,911	
In Service/Staff Development		15	
Other Charges		50	
Furniture and Fixtures		1,918	
Office Equipment		3,002	
Other Equipment		161	
Total Libraries			\$ 348,763

Total Public Library Fund \$ 348,763

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Guards	\$	3,602	
Part-time Personnel		685	
Social Security		265	
Pensions		388	
Life Insurance		15	
Medical Insurance		533	
Dental Insurance		25	
Employer Medicare		62	
Maintenance and Repair Services - Vehicles		419	
Travel		5,247	
Other Contracted Services		16,845	
Diesel Fuel		2,475	
Tires and Tubes		348	
Other Supplies and Materials		11,347	
Total Sanitation Education/Information			\$ 42,256

Convenience Centers

Supervisor/Director	\$	53,581	
Foremen		91,990	
Attendants		101,003	
Part-time Personnel		123,903	
Overtime Pay		4,478	
Social Security		22,369	
Pensions		24,268	
Life Insurance		1,652	
Medical Insurance		84,218	
Dental Insurance		5,027	
Employer Medicare		5,231	
Communication		2,928	

(Continued)

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	\$	348	
Maintenance and Repair Services - Equipment		5,106	
Maintenance and Repair Services - Vehicles		646	
Pest Control		1,440	
Travel		529	
Disposal Fees		130,311	
Other Contracted Services		48,127	
Custodial Supplies		831	
Gasoline		5,694	
Office Supplies		155	
Propane Gas		4,137	
Tires and Tubes		1,749	
Uniforms		3,803	
Utilities		10,773	
Other Supplies and Materials		732	
Trustee's Commission		7,547	
Workers' Compensation Insurance		6,257	
Other Equipment		618	
Other Capital Outlay		11,948	
Total Convenience Centers		<u>761,399</u>	\$ 761,399

Other Waste Collection

Other Contracted Services	\$	29,190	
Total Other Waste Collection		<u>29,190</u>	

Total Solid Waste/Sanitation Fund \$ 832,845

Industrial/Economic Development Fund

Other Operations

Industrial Development

Dues and Memberships	\$	2,500	
Other Contracted Services		4,840	
Trustee's Commission		213	
Total Industrial Development		<u>7,553</u>	\$ 7,553

Total Industrial/Economic Development Fund 7,553

Drug Control Fund

Public Safety

Drug Enforcement

Salary Supplements	\$	20,000	
Dues and Memberships		320	
Other Contracted Services		17,370	
Law Enforcement Supplies		1,835	
Other Supplies and Materials		8,743	
Trustee's Commission		564	
In Service/Staff Development		1,347	

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Other Charges	\$	4,800	
Law Enforcement Equipment		59,577	
Motor Vehicles		22,900	
Total Drug Enforcement			\$ 137,456

Total Drug Control Fund \$ 137,456

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	1,551	
Total County Trustee's Office			\$ 1,551

Total Constitutional Officers - Fees Fund 1,551

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	91,576	
Assistant(s)		65,562	
Mechanic(s)		34,965	
Equipment Operators - Heavy		180,292	
Equipment Operators - Light		254,576	
Truck Drivers		106,978	
Secretary(ies)		39,000	
Part-time Personnel		12,480	
Overtime Pay		19,576	
Dues and Memberships		4,474	
Printing, Stationery, and Forms		766	
Travel		3,596	
Office Supplies		1,218	
In Service/Staff Development		840	
Office Equipment		404	
Total Administration			\$ 816,303

Highway and Bridge Maintenance

Rentals	\$	3,934	
Other Contracted Services		25,054	
Asphalt - Cold Mix		5,742	
Asphalt - Hot Mix		1,506,502	
Concrete		1,198	
Crushed Stone		42,871	
Other Road Materials		5,466	
Pipe		14,953	
Road Signs		4,331	
Salt		2,783	
Chemicals		145	
Other Supplies and Materials		2,566	
Total Highway and Bridge Maintenance			1,615,545

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Maintenance and Repair Services - Equipment	\$	48,453	
Maintenance and Repair Services - Vehicles		3,200	
Towing Services		350	
Disposal Fees		3,215	
Diesel Fuel		53,548	
Equipment Parts - Heavy		34,849	
Equipment Parts - Light		86,152	
Gasoline		23,795	
Lubricants		4,887	
Tires and Tubes		19,281	
Other Supplies and Materials		4,340	
Other Charges		35	
Total Operation and Maintenance of Equipment			\$ 282,105

Other Charges

Communication	\$	7,863	
Pest Control		466	
Custodial Supplies		977	
Drugs and Medical Supplies		1,074	
Electricity		13,357	
Garage Supplies		2,202	
Ice		396	
Uniforms		19,004	
Liability Insurance		88,538	
Premiums on Corporate Surety Bonds		367	
Trustee's Commission		34,455	
Other Charges		1,495	
Total Other Charges			170,194

Employee Benefits

Social Security	\$	48,139	
Pensions		75,925	
Life Insurance		4,550	
Medical Insurance		268,941	
Dental Insurance		16,444	
Unemployment Compensation		1,555	
Employer Medicare		11,277	
Workers' Compensation Insurance		47,621	
Total Employee Benefits			474,452

Capital Outlay

Engineering Services	\$	44,798	
Matching Share		14,997	
Other Contracted Services		27	
Asphalt - Hot Mix		623,818	
Highway Equipment		138,510	
Motor Vehicles		317,779	
State Aid Projects		739,959	
Total Capital Outlay			<u>1,879,888</u>

Total Highway/Public Works Fund \$ 5,238,487

(Continued)

Exhibit J-7

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

<u>General Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>General Government</u>			
Principal on Bonds	\$	540,000	
Principal on Notes		41,000	
Principal on Other Loans		250,000	
Total General Government		<u>831,000</u>	\$ 831,000
<u>Interest on Debt</u>			
<u>General Government</u>			
Interest on Bonds	\$	427,571	
Interest on Notes		6,192	
Interest on Other Loans		14,449	
Total General Government		<u>448,212</u>	448,212
<u>Other Debt Service</u>			
<u>General Government</u>			
Trustee's Commission	\$	23,471	
Other Debt Service		209,522	
Total General Government		<u>232,993</u>	232,993
Total General Debt Service Fund			\$ 1,512,205
<u>Education Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>Education</u>			
Principal on Bonds	\$	2,365,000	
Principal on Other Loans		1,090,300	
Total Education		<u>3,455,300</u>	\$ 3,455,300
<u>Interest on Debt</u>			
<u>Education</u>			
Interest on Bonds	\$	1,284,975	
Interest on Other Loans		253,340	
Total Education		<u>1,538,315</u>	1,538,315
<u>Other Debt Service</u>			
<u>Education</u>			
Trustee's Commission	\$	87,336	
Other Debt Service		2,615	
Total Education		<u>89,951</u>	89,951
Total Education Debt Service Fund			5,083,566
<u>General Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Miscellaneous</u>			
Trustee's Commission	\$	3,408	
Total Miscellaneous		<u>3,408</u>	\$ 3,408

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)

Other Debt Service

General Government

Underwriter's Discount	\$	52,756	
Other Debt Issuance Charges		83,545	
Total General Government			\$ 136,301

Capital Projects

General Administration Projects

Other Contracted Services	\$	6,500	
Motor Vehicles		275,572	
Total General Administration Projects			282,072

Administration of Justice Projects

Overtime Pay	\$	11,303	
Social Security		703	
Pensions		1,180	
Employer Medicare		164	
Communication		2,442	
Operating Lease Payments		75	
Maintenance and Repair Services - Buildings		4,517	
Postal Charges		100	
Printing, Stationery, and Forms		2,396	
Rentals		780	
Travel		219	
Other Contracted Services		76,479	
Custodial Supplies		53	
Office Supplies		5,340	
Other Supplies and Materials		544	
Communication Equipment		7,909	
Furniture and Fixtures		8,223	
Office Equipment		8,917	
Other Equipment		2,000	
Other Capital Outlay		19,618	
Total Administration of Justice Projects			152,962

Public Safety Projects

Engineering Services	\$	122,518	
Evaluation and Testing		82,192	
Permits		125	
Other Contracted Services		418	
Building Construction		9,131,833	
Communication Equipment		49,905	
Motor Vehicles		167,731	
Other Equipment		4,756	
Total Public Safety Projects			9,559,478

Public Health and Welfare Projects

Furniture and Fixtures	\$	9,403	
Total Public Health and Welfare Projects			9,403

(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	\$ 3,295	
Total Social, Cultural, and Recreation Projects		\$ 3,295

Agriculture and Natural Resources Projects

Other Contracted Services	\$ 988	
Total Agriculture and Natural Resources Projects		988

Highway and Street Capital Projects

Engineering Services	\$ 495	
Other Contracted Services	43	
Total Highway and Street Capital Projects		<u>538</u>

Total General Capital Projects Fund		\$ 10,148,445
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Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

Asphalt - Hot Mix	\$ 146,536	
Trustee's Commission	5,886	
Highway Equipment	79,683	
Motor Vehicles	65,493	
Total Highway and Street Capital Projects		<u>\$ 297,598</u>

Total Highway Capital Projects Fund		<u>297,598</u>
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Total Governmental Funds - Primary Government		<u>\$ 41,593,899</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, 2019

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 14,351,564	
Career Ladder Program	46,200	
Homebound Teachers	7,519	
Educational Assistants	1,133,515	
Other Salaries and Wages	4,236	
Certified Substitute Teachers	40,265	
Non-certified Substitute Teachers	148,590	
Social Security	926,788	
Pensions	1,474,988	
Employee and Dependent Insurance	3,575	
Life Insurance	62,456	
Medical Insurance	2,622,217	
Dental Insurance	161,391	
Unemployment Compensation	10,447	
Employer Medicare	217,865	
Travel	2,861	
Other Contracted Services	82,947	
Instructional Supplies and Materials	385,841	
Textbooks - Bound	46,895	
Other Charges	1,681	
Other Equipment	396,540	
Total Regular Instruction Program		\$ 22,128,381

Alternative Instruction Program

Other Supplies and Materials	\$ 249	
Total Alternative Instruction Program		249

Special Education Program

Teachers	\$ 1,417,381	
Career Ladder Program	4,500	
Homebound Teachers	2,769	
Educational Assistants	380,550	
Speech Pathologist	194,469	
Other Salaries and Wages	39,929	
Certified Substitute Teachers	6,230	
Non-certified Substitute Teachers	33,480	
Social Security	120,466	
Pensions	164,050	
Employee and Dependent Insurance	781	
Life Insurance	7,850	
Medical Insurance	345,562	
Dental Insurance	20,115	
Employer Medicare	28,922	
Instructional Supplies and Materials	74,621	
Other Supplies and Materials	30,680	
Other Charges	52	
Special Education Equipment	163,972	
Total Special Education Program		3,036,379

(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	\$	728,889	
Career Ladder Program		3,000	
Educational Assistants		20,457	
Certified Substitute Teachers		2,625	
Non-certified Substitute Teachers		9,090	
Social Security		44,529	
Pensions		66,190	
Employee and Dependent Insurance		229	
Life Insurance		3,012	
Medical Insurance		145,299	
Dental Insurance		6,419	
Employer Medicare		10,420	
Maintenance and Repair Services - Equipment		2,995	
Travel		8,000	
Instructional Supplies and Materials		73,935	
Other Equipment		58,700	
Total Career and Technical Education Program			\$ 1,183,789

Support Services

Health Services

Supervisor/Director	\$	43,481	
Medical Personnel		279,867	
Other Salaries and Wages		39,729	
Social Security		22,064	
Pensions		30,367	
Life Insurance		1,737	
Medical Insurance		64,355	
Dental Insurance		2,658	
Employer Medicare		5,160	
Travel		1,552	
Other Contracted Services		6,824	
Drugs and Medical Supplies		2,781	
Office Supplies		849	
Other Supplies and Materials		24,305	
In Service/Staff Development		6,713	
Health Equipment		7,675	
Total Health Services			540,117

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		659,240	
Clerical Personnel		194,291	
Social Security		50,587	
Pensions		81,895	
Employee and Dependent Insurance		213	
Life Insurance		2,965	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Medical Insurance	\$	152,538	
Dental Insurance		6,811	
Employer Medicare		11,831	
Evaluation and Testing		17,027	
Other Contracted Services		2,800	
Other Supplies and Materials		893	
In Service/Staff Development		5,492	
Other Equipment		40,680	
Total Other Student Support			\$ 1,228,263

Regular Instruction Program

Supervisor/Director	\$	312,092	
Career Ladder Program		5,000	
Librarians		489,135	
Secretary(ies)		277,066	
Social Security		62,939	
Pensions		110,895	
Employee and Dependent Insurance		344	
Life Insurance		4,685	
Medical Insurance		220,301	
Dental Insurance		11,476	
Employer Medicare		14,720	
Travel		2,067	
Library Books/Media		56,270	
In Service/Staff Development		48,460	
Other Equipment		108,700	
Total Regular Instruction Program			1,724,150

Special Education Program

Supervisor/Director	\$	29,102	
Career Ladder Program		1,000	
Psychological Personnel		250,277	
Speech Pathologist		61,727	
Social Security		20,127	
Pensions		30,209	
Employee and Dependent Insurance		185	
Life Insurance		1,329	
Medical Insurance		59,832	
Dental Insurance		3,214	
Employer Medicare		4,707	
Travel		5,109	
Other Contracted Services		88,263	
Total Special Education Program			555,081

Career and Technical Education Program

Supervisor/Director	\$	76,688	
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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.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program (Cont.)

Clerical Personnel	\$	40,779	
Social Security		7,201	
Pensions		11,981	
Employee and Dependent Insurance		92	
Life Insurance		466	
Medical Insurance		14,898	
Dental Insurance		1,140	
Employer Medicare		1,684	
Travel		1,578	
Other Contracted Services		1,100	
In Service/Staff Development		1,802	
Total Career and Technical Education Program			\$ 159,409

Technology

Supervisor/Director	\$	97,008	
Career Ladder Program		1,000	
Computer Programmer(s)		240,876	
Social Security		19,408	
Pensions		33,641	
Life Insurance		957	
Medical Insurance		57,436	
Dental Insurance		2,248	
Employer Medicare		4,539	
Internet Connectivity		107,479	
Travel		7,924	
Other Contracted Services		7,565	
Software		166,788	
Other Supplies and Materials		3,700	
In Service/Staff Development		4,213	
Other Equipment		199,426	
Total Technology			954,208

Other Programs

On-behalf Payments to OPEB	\$	126,464	
Total Other Programs			126,464

Board of Education

Board and Committee Members Fees	\$	40,300	
Social Security		2,457	
Pensions		1,583	
Life Insurance		1,450	
Dental Insurance		1,874	
Employer Medicare		584	
Audit Services		12,000	
Legal Services		131,213	
Travel		288	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Liability Insurance	\$	22,578	
Premiums on Corporate Surety Bonds		734	
Refunds		8,720	
Trustee's Commission		296,041	
Workers' Compensation Insurance		194,208	
In Service/Staff Development		20,040	
Total Board of Education			\$ 734,070

Director of Schools

County Official/Administrative Officer	\$	134,760	
Career Ladder Program		1,000	
Secretary(ies)		45,232	
Other Salaries and Wages		7,200	
Social Security		10,908	
Pensions		19,346	
Employee and Dependent Insurance		47	
Life Insurance		367	
Medical Insurance		19,147	
Dental Insurance		1,311	
Employer Medicare		2,717	
Advertising		1,027	
Communication		46,983	
Dues and Memberships		13,430	
Postal Charges		2,043	
Travel		875	
Other Contracted Services		30,733	
Office Supplies		6,566	
In Service/Staff Development		4,636	
Other Charges		2,569	
Total Director of Schools			350,897

Office of the Principal

Principals	\$	807,935	
Career Ladder Program		4,500	
Social Security		49,600	
Pensions		84,981	
Life Insurance		2,074	
Medical Insurance		99,992	
Dental Insurance		6,111	
Employer Medicare		11,604	
Communication		85,543	
Postal Charges		2,195	
Travel		19,491	
In Service/Staff Development		1,301	
Other Charges		3,718	
Other Equipment		44,907	
Total Office of the Principal			1,223,952

(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	\$	66,774	
Social Security		3,763	
Pensions		6,484	
Life Insurance		196	
Medical Insurance		6,978	
Dental Insurance		375	
Employer Medicare		880	
Travel		51	
In Service/Staff Development		1,444	
Total Fiscal Services			\$ 86,945

Operation of Plant

Custodial Personnel	\$	76,234	
Social Security		4,522	
Pensions		7,402	
Employee and Dependent Insurance		300	
Life Insurance		948	
Medical Insurance		28,261	
Dental Insurance		3,155	
Employer Medicare		1,057	
Other Contracted Services		1,259,624	
Electricity		1,140,609	
Gasoline		340	
Natural Gas		104,679	
Water and Sewer		150,865	
Building and Contents Insurance		347,374	
Total Operation of Plant			3,125,370

Maintenance of Plant

Maintenance and Repair Services - Buildings	\$	1,255,479	
Total Maintenance of Plant			1,255,479

Transportation

Supervisor/Director	\$	55,785	
Social Security		2,997	
Pensions		5,417	
Life Insurance		160	
Medical Insurance		12,971	
Dental Insurance		375	
Employer Medicare		701	
Contracts with Parents		8,962	
Contracts with Public Carriers		1,925	
Contracts with Vehicle Owners		1,748,454	
Maintenance and Repair Services - Equipment		1,318	
Medical and Dental Services		1,540	
Travel		113	

(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	\$	879	
Office Supplies		1,991	
In Service/Staff Development		1,796	
Other Charges		812	
Transportation Equipment		48,315	
Other Equipment		4,921	
Total Transportation			\$ 1,899,432

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	789	
Total Food Service			789

Community Services

Supervisor/Director	\$	29,872	
Teachers		298,525	
Educational Assistants		43,784	
Other Salaries and Wages		27,482	
Social Security		24,761	
Pensions		34,874	
Life Insurance		310	
Medical Insurance		7,449	
Dental Insurance		1,109	
Employer Medicare		5,792	
Travel		1,246	
Other Contracted Services		1,265	
Food Supplies		8,302	
Instructional Supplies and Materials		4,900	
Other Supplies and Materials		18,538	
In Service/Staff Development		5,268	
Other Charges		367	
Total Community Services			513,844

Early Childhood Education

Teachers	\$	368,128	
Educational Assistants		151,360	
Certified Substitute Teachers		945	
Non-certified Substitute Teachers		9,420	
Social Security		31,146	
Pensions		45,245	
Employee and Dependent Insurance		240	
Life Insurance		2,838	
Medical Insurance		93,119	
Dental Insurance		5,936	
Employer Medicare		7,284	
Contracts with Other School Systems		85,562	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Instructional Supplies and Materials	\$	5,264	
In Service/Staff Development		465	
Other Charges		322	
Total Early Childhood Education			\$ 807,274

Total General Purpose School Fund \$ 41,634,542

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	471,635	
Educational Assistants		53,637	
Certified Substitute Teachers		9,365	
Non-certified Substitute Teachers		24,420	
Social Security		34,105	
Pensions		51,354	
Life Insurance		1,436	
Medical Insurance		60,274	
Dental Insurance		2,624	
Employer Medicare		8,031	
Instructional Supplies and Materials		25,000	
Regular Instruction Equipment		16,905	
Total Regular Instruction Program			\$ 758,786

Special Education Program

Teachers	\$	38,865	
Educational Assistants		380,001	
Social Security		23,298	
Pensions		33,710	
Life Insurance		2,793	
Medical Insurance		137,652	
Dental Insurance		6,186	
Employer Medicare		5,449	
Instructional Supplies and Materials		40,144	
Total Special Education Program			668,098

Career and Technical Education Program

Clerical Personnel	\$	4,705	
Social Security		292	
Pensions		492	
Employer Medicare		68	
Other Supplies and Materials		4,270	
Vocational Instruction Equipment		79,920	
Total Career and Technical Education Program			89,747

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services

Other Student Support

Other Salaries and Wages	\$	19,630	
Social Security		1,208	
Pensions		1,906	
Employer Medicare		283	
Travel		7,899	
Other Contracted Services		2,000	
In Service/Staff Development		10,200	
Other Charges		7,315	
Total Other Student Support			\$ 50,441

Regular Instruction Program

Supervisor/Director	\$	65,204	
Secretary(ies)		20,390	
Other Salaries and Wages		153,962	
Social Security		14,397	
Pensions		24,765	
Life Insurance		319	
Medical Insurance		19,634	
Dental Insurance		750	
Employer Medicare		3,367	
Travel		7,898	
Other Contracted Services		5,900	
Other Supplies and Materials		450	
In Service/Staff Development		60,036	
Total Regular Instruction Program			377,072

Special Education Program

Supervisor/Director	\$	67,906	
Psychological Personnel		17,201	
Secretary(ies)		81,558	
Social Security		10,189	
Pensions		16,642	
Life Insurance		319	
Medical Insurance		14,898	
Dental Insurance		750	
Employer Medicare		2,383	
Other Contracted Services		130,175	
Other Supplies and Materials		3,007	
In Service/Staff Development		44,328	
Total Special Education Program			389,356

Career and Technical Education Program

Travel	\$	3,000	
In Service/Staff Development		3,953	
Total Career and Technical Education Program			6,953

Total School Federal Projects Fund \$ 2,340,453

(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

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	733,053	
Social Security		43,847	
Pensions		41,142	
Employee and Dependent Insurance		242	
Life Insurance		4,770	
Medical Insurance		163,845	
Dental Insurance		9,441	
Employer Medicare		10,317	
Dues and Memberships		4,517	
Maintenance Agreements		11,511	
Travel		2,652	
Other Contracted Services		2,478	
Food Supplies		1,058,852	
Office Supplies		1,875	
Other Supplies and Materials		87,048	
In Service/Staff Development		4,063	
Other Charges		1,794	
Food Service Equipment		13,783	
Total Food Service			\$ 2,195,230

Total Central Cafeteria Fund \$ 2,195,230

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$	7,781	
Maintenance and Repair Services - Buildings		16,021	
Other Contracted Services		61,782	
Building Improvements		669,570	
Total Education Capital Projects			\$ 755,154

Total Education Capital Projects Fund 755,154

Total Governmental Funds - Loudon County School Department \$ 46,925,379

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, 2019

	Cities - Sales Tax Fund	City School ADA - Lenoir City Fund	Total
<u>Cash Receipts</u>			
Current Property Taxes	\$ 0	\$ 4,831,870	\$ 4,831,870
Trustee's Collections - Prior Years	0	78,015	78,015
Trustee's Collections - Bankruptcy	0	2,792	2,792
Circuit/Clerk and Master Collections - Prior Years	0	40,343	40,343
Interest and Penalty	0	14,965	14,965
Payments in-Lieu-of-Taxes-Other	0	166,315	166,315
Local Option Sales Tax	5,107,848	2,106,484	7,214,332
Adequate Facilities/Development Tax	0	155,329	155,329
Bank Excise Tax	0	9,672	9,672
Total Cash Receipts	\$ 5,107,848	\$ 7,405,785	\$ 12,513,633
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 5,056,769	\$ 7,290,395	\$ 12,347,164
Trustee's Commission	51,079	120,128	171,207
Total Cash Disbursements	\$ 5,107,848	\$ 7,410,523	\$ 12,518,371
<u>Excess of Cash Receipts Over (Under)</u>			
Cash Disbursements	\$ 0	\$ (4,738)	\$ (4,738)
Cash Balance, July 1, 2018	0	209,677	209,677
Cash Balance, June 30, 2019	\$ 0	\$ 204,939	\$ 204,939

SINGLE AUDIT SECTION



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, 2019, and the related notes to the financial statements, which collectively comprise Loudon County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 10, 2020.

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.

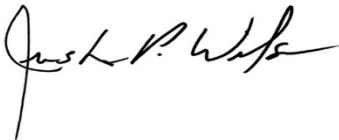
Compliance and Other Matters

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

February 10, 2020

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, 2019. 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, 2019.

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.

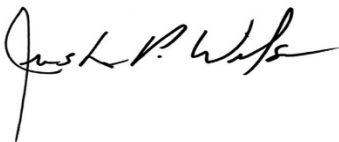
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

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, 2019, and the related notes to the financial statements, which collectively comprise Loudon County's basic financial statements. We issued our report thereon dated February 10, 2020, 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

February 10, 2020

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, 2019

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	\$ 157,544 (5)
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	345,069
National School Lunch Program	10.555	N/A	1,201,759 (5)
Passed-through East Tennessee Human Resource Agency, Inc.:			
Child and Adult Care Food Program	10.558	N/A	25,164
Child Nutrition Cluster: (4)			
Summer Food Service Program for Children	10.559	N/A	43,441
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-19-59388	39,103
Total U.S. Department of Agriculture			<u>\$ 1,812,080</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 16,142
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	DGA 54768	1,485
Total U.S. Department of Justice			<u>\$ 17,627</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction Cluster: (4)			
Highway Planning and Construction	20.205	(3)	\$ 536,190
Passed-through Governor's Highway Safety Office:			
Alcohol Open Container Requirements	20.607	(6)	6,625
Total U.S. Department of Transportation			<u>\$ 542,815</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(3)	\$ 1,000
Total U.S. Institute of Museum and Library Services			<u>\$ 1,000</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	\$ 948,730
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	1,069,301
Special Education - Preschool Grants	84.173	N/A	33,306
Career and Technical Education - Basic Grants to States	84.048	N/A	116,799
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	138,942
Twenty-first Century Community Learning Centers	84.287	N/A	159,753
English Language Acquisition Grants	84.365	N/A	16,584
Improving Teacher Quality State Grants	84.367	N/A	200,887
Total U.S. Department of Education			<u>\$ 2,684,302</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, Inc.:			
Aging Cluster: (4)			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(3)	\$ 39,067
Passed-through State Department of Human Services:			
CCDF Cluster: (4)			
Child Care and Development Block Grant	93.575	(3)	11,222
Passed-through State Department of Health:			
Family Planning - Services	93.217	GG-19-59388	22,017
Medicaid Cluster: (4)			
Medical Assistance Program	93.778	GG-19-59388	21,434
Maternal and Child Health Services Block Grant to the States	93.994	GG-19-59388	9,988
Total U.S. Department of Health and Human Services			\$ 103,728
Executive Office of the President:			
Passed-through Laurel County, Kentucky Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	(3)	\$ 6,888
Total Executive Office of the President			\$ 6,888
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 39,500
Homeland Security Grant Program	97.067	(3)	13,000
Total U.S. Department of Homeland Security			\$ 52,500
Total Expenditures of Federal Grants			\$ 5,236,940
		Contract Number	
<u>State Grants</u>			
Juvenile Justice - State Commission on Children and Youth	N/A	(3)	\$ 9,000
Aging Program - State Office on Aging	N/A	(3)	13,528
Litter Program - State Department of Transportation	N/A	(3)	20,279
Health Department Program - State Department of Health	N/A	GG-19-59388	168,577
Law Enforcement Training - State Department of Safety	N/A	(3)	27,600
Hazardous Household Waste Grant - State Department of Environment and Conservation	N/A	(3)	11,948
Waste Tire Grant - State Department of Environment and Conservation	N/A	(3)	30,466
Tennessee Industrial Infrastructure Program - State Department of Transportation	N/A	(3)	980
Early Childhood Education - State Department of Education	N/A	(3)	773,917
Read to Be Ready Coaching Network Grant - State Department of Education	N/A	(3)	10,000
Coordinated School Health Program - State Department of Education	N/A	(3)	150,381
Family Resource Centers - State Department of Education	N/A	(3)	31,212
Safe Schools Act - State Department of Education	N/A	(3)	43,480
School Safety - State Department of Education	N/A	(3)	108,700
Lottery for Education and Afterschool Program - State Department of Education	N/A	(3)	294,176
Schools to Work Grant - State Department of Education	N/A	(3)	138,942
Read to Be Ready Summer Literacy Grant - State Department of Education	N/A	(3)	44,888
Family Engagement - State Department of Education	N/A	(3)	10,000
Total State Grants			\$ 1,888,074

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 \$1,747,813; Highway Planning and Construction Cluster total \$536,190;
Special Education Cluster total \$1,102,607; Aging Cluster total \$39,067; Medicaid Cluster total \$21,434;
CCDF Cluster total \$11,222.
- (5) Total for CFDA No. 10.555 is \$1,359,303.
- (6) CFDA No. 20.607: Z-18-THS186: \$3,866; Z-19-THS168: \$2,759

Loudon County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2019

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, 2019.

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.

LOUDON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

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

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

There were no findings relating to the financial statements of Loudon County, Tennessee, as a result of our examination for the year ended June 30, 2019.

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, 2019.

Loudon County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2019

The audit of Loudon County did not report any findings and recommendations. Therefore, no management responses are required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).