
ANNUAL FINANCIAL REPORT LOUDON COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2014



ANNUAL FINANCIAL REPORT
LOUDON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2014

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

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Summary of Audit Findings

Annual Financial Report
Loudon County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Loudon County as of and for the year ended June 30, 2014.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF SHERIFF

- ◆ A cash shortage of at least \$13,976.84 existed in the Sheriff's Office.
- ◆ Deficiencies were noted in controls over inmate commissary operations.
- ◆ Duties were not segregated adequately.

LOUDON COUNTY COMMISSION

- ◆ The County Commission's Audit Committee is not a functioning committee.

INTRODUCTORY SECTION

Loudon County Officials

June 30, 2014

Officials

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

Board of County Commissioners

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

Earlena Maples
David Meers
Don Miller
Rosemary Quillen
Sharon Yarbrough

Board of Education

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

Jeremy Buckles
Craig Simon
Philip Moffett
Leroy Tate
Gary Ubben

Audit Committee

David Meers
Harold Duff
Stephen Harrelson
Charlie Bettis

FINANCIAL SECTION



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

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, 2014, 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, 2014, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Loudon County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.9 to the financial statements, which describes a prior-period adjustment to the beginning net assets of the governmental activities of the primary government totaling \$124,601. This adjustment was necessary due to the failure to capitalize certain donated equipment received under the federal Section 1033 Excess Property Program in the prior year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards

Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefits plan on pages 74-76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

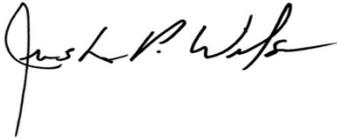
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the major debt service funds, combining and individual fund financial statements of the Loudon County School Department (a discretely presented component unit), and miscellaneous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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2014, on our consideration of Loudon County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Loudon County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 24, 2014

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Loudon County, Tennessee
Statement of Net Position
June 30, 2014

	Primary Government Governmental Activities	Component Unit Loudon County School Department
<u>ASSETS</u>		
Cash	\$ 3,350	\$ 82,859
Equity in Pooled Cash and Investments	20,765,063	10,404,120
Accounts Receivable	260,664	67,638
Due from Other Governments	1,770,224	2,175,222
Due from Primary Government	0	46
Property Taxes Receivable	16,258,299	10,397,352
Allowance for Uncollectible Property Taxes	(503,074)	(323,279)
Prepaid Items	923,041	929,627
Other Current Assets	52,492	0
Capital Assets:		
Assets Not Depreciated:		
Land	5,915,130	3,946,406
Construction in Progress	36,800	19,872,687
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	11,294,604	52,520,538
Other Capital Assets	2,786,529	618,284
Infrastructure - Roads, Streets, and Bridges	25,300,170	0
Total Assets	<u>\$ 84,863,292</u>	<u>\$ 100,691,500</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 901,464	\$ 0
Deferred Charges on Refunding	168,180	0
Total Deferred Outflows of Resources	<u>\$ 1,069,644</u>	<u>\$ 0</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 49,640	\$ 223,618
Accrued Payroll	327,379	0
Accrued Interest Payable	142,518	0
Payroll Deductions Payable	0	102,404
Contracts Payable	0	14,544
Retainage Payable	0	2,865
Due to Component Units	46	0
Due to State of Tennessee	14,396	0
Due to Litigants, Heirs, and Others	26,310	0

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Loudon County School Department
<u>LIABILITIES (CONT.)</u>		
Derivative - Interest Rate Swap	\$ 901,464	\$ 0
Other Current Liabilities	33,899	28,130
Noncurrent Liabilities:		
Due Within One Year	4,021,907	0
Due in More Than One Year (net of unamortized premium on debt)	60,898,804	924,123
Total Liabilities	<u>\$ 66,416,363</u>	<u>\$ 1,295,684</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Revenue - Property Taxes	<u>\$ 15,444,539</u>	<u>\$ 9,896,440</u>
Total Deferred Inflows of Resources	<u>\$ 15,444,539</u>	<u>\$ 9,896,440</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 38,574,504	\$ 76,957,915
Restricted for:		
General Government	20,268	0
Administration of Justice	511,708	0
Public Safety	449,904	0
Public Health and Welfare	38,397	0
Finance	4,334	0
Highways	1,175,121	0
Education	0	1,037,849
Debt Service	1,609,543	0
Capital Projects	1,783,605	0
Capital Projects - Education	0	3,690,287
Social, Cultural, and Recreational	217,916	0
Other Purposes	0	0
Unrestricted	<u>(40,313,266)</u>	<u>7,813,325</u>
Total Net Position	<u>\$ 4,072,034</u>	<u>\$ 89,499,376</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, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							Component Unit
	Program Revenues			Primary Government		Loudon County School Department		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities			
Primary Government:								
Governmental Activities:								
General Government	\$ 4,226,872	\$ 751,967	\$ 102,006	\$ 131,911	\$ (3,240,988)	\$	0	
Finance	2,260,715	1,310,203	0	0	(950,512)		0	
Administration of Justice	1,794,083	1,187,742	10,305	0	(596,036)		0	
Public Safety	8,092,566	262,323	179,360	854,453	(6,796,430)		0	
Public Health and Welfare	1,556,466	189,232	367,440	43,056	(956,738)		0	
Social, Cultural, and Recreational Services	542,927	9,537	94,594	0	(438,796)		0	
Agriculture and Natural Resources	167,187	0	0	0	(167,187)		0	
Highways	3,766,112	19,224	1,623,861	209,115	(1,913,912)		0	
Interest on Long-term Debt	2,099,535	0	234,420	0	(1,865,115)		0	
Total Primary Government	\$ 24,506,463	\$ 3,730,228	\$ 2,611,986	\$ 1,238,535	\$ (16,925,714)	\$	0	
Component Unit:								
Loudon County School Department	\$ 41,800,972	\$ 528,101	\$ 4,879,150	\$ 26,596	\$ 0	\$	(36,367,125)	
Total Component Unit	\$ 41,800,972	\$ 528,101	\$ 4,879,150	\$ 26,596	\$ 0	\$	(36,367,125)	

(Continued)

Exhibit B

Loudon County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						Component Unit
	Program Revenues			Primary Government		Loudon County School Department	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities			
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 8,208,530		\$ 10,140,111	
Property Taxes Levied for Public Library				220,504		0	
Property Taxes Levied for Solid Waste/Sanitation				10		0	
Property Taxes Levied for Highway/Public Works				553,178		0	
Property Taxes Levied for General Debt Service				1,168,178		0	
Property Taxes Levied for Education Debt Service				5,258,014		0	
Property Taxes Levied for Capital Projects				259,014		0	
Property Taxes Levied for Highway Capital Projects				303,031		0	
Sales Taxes				919,609		3,202,226	
Hotel/Motel Tax				408,287		0	
Business Tax				484,046		0	
Litigation Tax				288,704		0	
Mineral Severance Tax				40,826		0	
Adequate Facilities/Development Tax				0		361,972	
Other Local Taxes				101,866		0	
Grants and Contributions Not Restricted to Specific Programs				1,009,977		21,296,142	
Unrestricted Investment Income				185,472		5,384	
Miscellaneous				141,325		102,778	
Revenue from Joint Ventures				33,459		0	
Total General Revenues				\$ 19,584,030		\$ 35,108,613	
Change in Net Position				\$ 2,658,316		\$ (1,258,512)	
Net Position, July 1, 2013				1,289,117		90,757,888	
Prior-period Adjustment - see Note I.D.9.				124,601		0	
Net Position, June 30, 2014				\$ 4,072,034		\$ 89,499,376	

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, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Debt Service	Education Debt Service	Other	Governmental Funds	
ASSETS						
Cash	\$ 1,000	\$ 0	\$ 0	\$ 2,350	\$ 3,350	3,350
Equity in Pooled Cash and Investments	6,689,188	2,600,585	7,583,903	3,891,387	20,765,063	20,765,063
Accounts Receivable	77,719	92,064	0	17,262	187,045	187,045
Due from Other Governments	1,413,216	0	0	357,008	1,770,224	1,770,224
Due from Other Funds	2,442	73,619	145,000	0	221,061	221,061
Property Taxes Receivable	8,308,868	1,197,144	5,381,646	1,370,641	16,258,299	16,258,299
Allowance for Uncollectible Property Taxes	(258,343)	(37,222)	(164,892)	(42,617)	(503,074)	(503,074)
Prepaid Items	690,670	24,791	0	207,580	923,041	923,041
Other Current Assets	38,877	0	0	13,615	52,492	52,492
Advances to Other Funds	0	0	1,010,000	0	1,010,000	1,010,000
Total Assets	\$ 16,963,637	\$ 3,950,981	\$ 13,955,657	\$ 5,817,226	\$ 40,687,501	\$ 40,687,501
LIABILITIES						
Accounts Payable	\$ 47,458	\$ 0	\$ 0	\$ 2,182	\$ 49,640	49,640
Accrued Payroll	277,823	0	0	49,556	327,379	327,379
Due to Other Funds	0	145,000	0	2,442	147,442	147,442
Due to Component Units	46	0	0	0	46	46
Due to State of Tennessee	14,396	0	0	0	14,396	14,396
Due to Litigants, Heirs, and Others	0	0	0	26,310	26,310	26,310
Advances Payable to Other Funds	0	1,010,000	0	0	1,010,000	1,010,000
Other Current Liabilities	33,899	0	0	0	33,899	33,899
Total Liabilities	\$ 373,622	\$ 1,155,000	\$ 0	\$ 80,490	\$ 1,609,112	\$ 1,609,112

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Debt Service	Education Debt Service	Other Governmental Funds		
\$	7,872,892	\$ 1,139,469	\$ 5,127,570	\$ 1,304,608	\$	15,444,539
	157,051	18,083	79,921	20,703		275,758
	490,784	0	0	163,514		654,298
\$	8,520,727	\$ 1,157,552	\$ 5,207,491	\$ 1,488,825	\$	16,374,595

DEFERRED INFLOWS OF RESOURCES

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

FUND BALANCES

Nonspendable:				
Prepaid Items	\$ 690,670	\$ 24,791	\$ 0	\$ 207,580
Restricted:				
Restricted for General Government	20,268	0	0	0
Restricted for Finance	4,334	0	0	0
Restricted for Administration of Justice	500,227	0	0	11,421
Restricted for Public Safety	51,190	0	0	397,548
Restricted for Public Health and Welfare	5,112	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	0	0	205,962
Restricted for Highways/Public Works	0	0	0	890,108
Restricted for Debt Service	0	1,596,657	8,748,166	0
Restricted for Capital Projects	0	0	0	1,774,879
Committed:				
Committed for Public Health and Welfare	3,002	0	0	701,873
Committed for Other Operations	0	0	0	58,540
Committed for Debt Service	0	16,981	0	0
Assigned:				
Assigned for General Government	2,443,090	0	0	0
Assigned for Finance	3,562	0	0	0

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Debt Service	Education Debt Service	Other Governmental Funds		
\$	8,150	\$ 0	\$ 0	\$ 0	\$ 0	8,150
	32,973	0	0	0	0	32,973
	1,239	0	0	0	0	1,239
	121	0	0	0	0	121
	13,514	0	0	0	0	13,514
	4,291,836	0	0	0	0	4,291,836
	<u>8,069,288</u>	<u>1,638,429</u>	<u>8,748,166</u>	<u>4,247,911</u>	<u>\$ 5,817,226</u>	<u>22,703,794</u>
	<u>18,987,185</u>	<u>3,950,981</u>	<u>13,955,657</u>	<u>5,817,226</u>	<u>\$ 42,711,049</u>	

FUND BALANCES (CONT.)

Assigned (Cont.):

Assigned for Administration of Justice
 Assigned for Public Safety
 Assigned for Social, Cultural, and Recreational Services
 Assigned for Agriculture and Natural Resources
 Assigned for Other Operations
 Unassigned
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

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, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 22,703,794
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 5,915,130	
Add: construction in progress	36,800	
Add: infrastructure net of accumulated depreciation	25,300,170	
Add: buildings and improvements net of accumulated depreciation	11,294,604	
Add: other capital assets net of accumulated depreciation	<u>2,786,529</u>	45,333,233
(2) Long-term liabilities, including other loans payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (365,000)	
Less: bonds payable	(43,365,000)	
Less: other loans payable	(14,938,035)	
Add: deferred amount on refunding	168,180	
Less: unamortized portion of debt premiums	(1,840,971)	
Less: accrued interest on notes, bonds, and other loans	(142,518)	
Less: other postemployment benefits liability	(3,852,979)	
Less: compensated absences payable	<u>(558,726)</u>	(64,895,049)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>930,056</u>
Net position of governmental activities (Exhibit A)		<u>\$ 4,072,034</u>

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

Loudon County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Education Debt Service		Other Governmental Funds	Total Governmental Funds	
		General Debt Service	Education Debt Service			
<u>Revenues</u>						
Local Taxes	\$ 10,129,469	\$ 1,217,072	\$ 5,254,761	\$ 1,760,836	\$ 18,362,138	
Licenses and Permits	594,826	0	0	0	594,826	
Fines, Forfeitures, and Penalties	448,768	0	0	107,138	555,906	
Charges for Current Services	81,643	0	0	12,012	93,655	
Other Local Revenues	186,391	34,927	181,337	524,523	927,178	
Fees Received from County Officials	2,218,023	0	0	0	2,218,023	
State of Tennessee	1,445,665	0	0	2,040,088	3,485,753	
Federal Government	107,785	0	0	66,043	173,828	
Other Governments and Citizens Groups	72,032	234,420	0	45,286	351,738	
Total Revenues	\$ 15,284,602	\$ 1,486,419	\$ 5,436,098	\$ 4,555,926	\$ 26,763,045	
<u>Expenditures</u>						
Current:						
General Government	\$ 3,068,896	\$ 0	\$ 0	\$ 0	\$ 3,068,896	
Finance	2,137,515	0	0	2,448	2,139,963	
Administration of Justice	1,681,000	0	0	30	1,681,030	
Public Safety	6,932,385	0	0	149,147	7,081,532	
Public Health and Welfare	736,835	0	0	793,337	1,530,172	
Social, Cultural, and Recreational Services	205,907	0	0	267,860	473,767	
Agriculture and Natural Resources	167,187	0	0	0	167,187	
Other Operations	668,603	0	0	20,140	688,743	
Highways	0	0	0	2,556,623	2,556,623	

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Education Debt Service		Other Governmental Funds		
		General Debt Service				
<u>Expenditures (Cont.)</u>						
Debt Service:						
Principal on Debt	\$ 41,287	\$ 1,024,000	\$ 2,235,300	\$ 0	\$ 0	\$ 3,300,587
Interest on Debt	0	179,176	1,762,286	0	0	1,941,462
Other Debt Service	0	263,138	106,594	0	0	369,732
Capital Projects	0	0	0	1,070,034	0	1,070,034
Total Expenditures	\$ 15,639,615	\$ 1,466,314	\$ 4,104,180	\$ 4,859,619	\$ 0	\$ 26,069,728
Excess (Deficiency) of Revenues Over Expenditures	\$ (355,013)	\$ 20,105	\$ 1,331,918	\$ (303,693)	\$ 0	\$ 693,317
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 38,169	\$ 0	\$ 0	\$ 999	\$ 0	\$ 39,168
Transfers In	1,000,000	76,194	0	1,300,000	0	2,376,194
Transfers Out	0	(1,300,000)	0	(1,076,194)	0	(2,376,194)
Total Other Financing Sources (Uses)	\$ 1,038,169	\$ (1,223,806)	\$ 0	\$ 224,805	\$ 0	\$ 39,168
Net Change in Fund Balances	\$ 683,156	\$ (1,203,701)	\$ 1,331,918	\$ (78,888)	\$ 0	\$ 732,485
Fund Balance, July 1, 2013	7,386,132	2,842,130	7,416,248	4,326,799	0	21,971,309
Fund Balance, June 30, 2014	\$ 8,069,288	\$ 1,638,429	\$ 8,748,166	\$ 4,247,911	\$ 0	\$ 22,703,794

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

Exhibit C-4

Loudon County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2014

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)	\$	732,485	
(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	\$	867,623	
Less: current-year depreciation expense		<u>(1,830,779)</u>	(963,156)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Add: assets donated and capitalized	\$	854,453	
Less: book value of capital assets disposed		<u>(103,723)</u>	750,730
(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, 2013	\$	(1,362,957)	
Add: deferred delinquent property taxes and other deferred June 30, 2014		<u>930,056</u>	(432,901)
(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	\$	35,000	
Add: principal payments on other loans		1,490,587	
Add: principal payments on bonds		1,775,000	
Add: change in premium on debt issues		125,687	
Less: change in deferred charge on refunding		<u>(41,314)</u>	3,384,960
(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	\$	127,286	
Change in compensated absences payable		(153,176)	
Change in other postemployment benefits liability		<u>(787,912)</u>	(813,802)
Change in net position of governmental activities (Exhibit B)	\$		<u><u>2,658,316</u></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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,129,469	\$ 0	\$ 0	\$ 10,129,469	\$ 10,035,072	\$ 9,958,541	\$ 170,928
Licenses and Permits	594,826	0	0	594,826	419,300	584,500	10,326
Fines, Forfeitures, and Penalties	448,768	0	0	448,768	420,950	462,500	(13,732)
Charges for Current Services	81,643	0	0	81,643	71,400	86,400	(4,757)
Other Local Revenues	186,391	0	0	186,391	93,689	137,229	49,162
Fees Received from County Officials	2,218,023	0	0	2,218,023	2,231,250	2,236,250	(18,227)
State of Tennessee	1,445,665	0	0	1,445,665	1,485,554	1,588,928	(143,263)
Federal Government	107,785	0	0	107,785	81,768	117,357	(9,572)
Other Governments and Citizens Groups	72,032	0	0	72,032	44,192	64,500	7,532
Total Revenues	\$ 15,284,602	\$ 0	\$ 0	\$ 15,284,602	\$ 14,883,175	\$ 15,236,205	\$ 48,397
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 132,414	\$ (1,250)	\$ 0	\$ 131,164	\$ 141,292	\$ 143,351	\$ 12,187
Board of Equalization	1,104	0	0	1,104	2,900	2,900	1,796
Beer Board	5,550	0	0	5,550	3,500	5,350	(200)
Other Boards and Committees	5,600	0	0	5,600	5,000	5,000	(600)
County Mayor/Executive	189,533	0	1,327	190,860	176,577	204,091	13,231
Personnel Office	73,473	0	0	73,473	59,690	77,434	3,961
County Attorney	191,386	0	0	191,386	155,000	195,000	3,614
Election Commission	291,042	0	0	291,042	278,929	325,692	34,650
Register of Deeds	266,179	0	0	266,179	273,724	275,573	9,394
Planning	319,829	0	0	319,829	374,347	363,139	43,310
Geographical Information Systems	59,829	0	0	59,829	62,092	63,999	4,170
County Buildings	1,256,548	(1,625)	16,664	1,271,587	1,259,552	1,315,351	43,764
Other General Administration	276,409	0	0	276,409	279,000	287,000	10,591

(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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance</u>							
Accounting and Budgeting	\$ 564,461	\$ (8,074)	0	\$ 556,387	\$ 542,365	\$ 573,634	\$ 17,247
Purchasing	241,870	0	0	241,870	235,094	244,162	2,292
Property Assessor's Office	377,733	0	0	377,733	386,012	400,804	23,071
County Trustee's Office	327,352	0	0	327,352	320,908	333,861	6,509
County Clerk's Office	493,883	0	2,863	496,746	511,720	512,167	15,421
Data Processing	132,216	0	700	132,916	147,604	154,080	21,164
<u>Administration of Justice</u>							
Circuit Court	339,768	(961)	300	339,107	330,795	352,084	12,977
General Sessions Court	510,491	0	0	510,491	528,001	530,435	19,944
General Sessions Judge	259,865	0	0	259,865	281,259	284,552	24,687
Chancery Court	234,763	0	0	234,763	247,913	241,641	6,878
Juvenile Court	296,018	(2,318)	7,850	301,550	345,883	326,075	24,525
Other Administration of Justice	16,016	(2,810)	0	13,206	15,500	15,500	2,294
Courtroom Security	24,079	(16,160)	0	7,919	0	14,260	6,341
<u>Public Safety</u>							
Sheriff's Department	4,145,168	(19,992)	2,427	4,127,603	4,113,140	4,291,403	163,800
Special Patrols	13,675	0	2,158	15,833	16,000	16,000	167
Traffic Control	1,125	0	0	1,125	1,500	1,500	375
Administration of the Sexual Offender Registry	230	0	0	230	1,800	1,800	1,570
Jail	1,748,563	0	3,109	1,751,672	1,878,202	1,857,910	106,238
Juvenile Services	26,892	0	0	26,892	32,201	32,201	5,309
Rural Fire Protection	155,000	0	25,000	180,000	180,000	180,000	0
Civil Defense	186,119	(719)	279	185,679	156,472	188,308	2,629
Rescue Squad	2,000	0	0	2,000	2,000	2,000	0
Other Emergency Management	28,500	0	0	28,500	16,000	44,500	16,000
County Coroner/Medical Examiner	73,500	0	0	73,500	59,000	78,500	5,000
Other Public Safety	551,613	0	0	551,613	550,871	551,613	0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare</u>							
Local Health Center	\$ 95,924	\$ 0	\$ 0	\$ 95,924	\$ 128,887	\$ 122,301	\$ 26,377
Rabies and Animal Control	349,760	0	0	349,760	354,649	373,174	23,414
Maternal and Child Health Services	8,224	0	0	8,224	0	38,103	29,879
Other Local Health Services	282,927	0	0	282,927	389,000	389,000	106,073
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	2,500	0	0	2,500	2,500	2,500	0
Senior Citizens Assistance	203,407	0	1,239	204,646	207,754	215,665	11,019
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	145,257	0	121	145,378	147,527	147,527	2,149
Soil Conservation	16,470	0	0	16,470	17,626	17,746	1,276
Flood Control	2,000	0	0	2,000	2,000	2,000	0
Storm Water Management	3,460	0	0	3,460	4,000	4,000	540
<u>Other Operations</u>							
Tourism	109,890	0	13,513	123,403	110,000	127,000	3,597
Industrial Development	171,429	0	0	171,429	171,430	171,430	1
Housing and Urban Development	3,750	0	0	3,750	5,000	5,000	1,250
Veterans' Services	27,543	0	0	27,543	21,139	28,877	1,334
Contributions to Other Agencies	56,278	0	0	56,278	57,200	56,278	0
Employee Benefits	0	0	0	0	9,525	9,525	9,525
Miscellaneous	299,713	0	0	299,713	311,500	341,500	41,787
<u>Principal on Debt</u>							
General Government	41,287	0	0	41,287	35,000	41,287	0
<u>Total Expenditures</u>	\$ 15,639,615	\$ (53,909)	\$ 77,550	\$ 15,663,256	\$ 15,946,580	\$ 16,583,783	\$ 922,527
Excess (Deficiency) of Revenues Over Expenditures	\$ (355,013)	\$ 53,909	\$ (77,550)	\$ (378,654)	\$ (1,063,405)	\$ (1,349,578)	\$ 970,924

(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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 38,169 \$	0 \$	0 \$	38,169 \$	0 \$	36,888 \$	1,281
Transfers In	1,000,000	0	0	1,000,000	1,000,000	1,000,000	0
Total Other Financing Sources	\$ 1,038,169 \$	0 \$	0 \$	1,038,169 \$	1,000,000 \$	1,036,888 \$	1,281
Net Change in Fund Balance	\$ 683,156 \$	53,909 \$	(77,550) \$	659,515 \$	(63,405) \$	(312,690) \$	972,205
Fund Balance, July 1, 2013	7,386,132	(53,909)	0	7,332,223	4,890,376	4,890,376	2,441,847
Fund Balance, June 30, 2014	\$ 8,069,288 \$	0 \$	(77,550) \$	7,991,738 \$	4,826,971 \$	4,577,686 \$	3,414,052

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, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 726,268
Equity in Pooled Cash and Investments	3,340,091
Accounts Receivable	5,120
Due from Other Governments	1,006,689
Taxes Receivable	5,427,495
Allowance for Uncollectible Taxes	<u>(168,754)</u>
Total Assets	<u><u>\$ 10,336,909</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 1,609
Due to Other Taxing Units	6,706,658
Due to Litigants, Heirs, and Others	726,268
Due to Joint Ventures	<u>2,902,374</u>
Total Liabilities	<u><u>\$ 10,336,909</u></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, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

The Loudon County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Loudon County, and the Loudon County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Loudon County Emergency Communications District were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

The Loudon County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of

contents. Complete financial statements of the Loudon County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

B. Government-wide and Fund Financial Statements

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

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

Loudon County issues all debt for the discretely presented Loudon County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2014.

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

governmental funds are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of Loudon County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. The School Department reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable adequate facilities taxes, business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

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

Loudon County reports the following major governmental funds:

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

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

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

Additionally, Loudon County reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

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

1. Deposits and Investments

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

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer’s

Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

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

2. Receivables and Payables

Activity between funds 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.

Advances between funds, as reported in the Education Debt Service Fund financial statements are included in restricted fund balance.

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.6 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is

the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

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

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

3. Prepaid Items

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

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the

government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Loudon County does not have a policy to pay any amounts when employees separate from service with the government. Accumulated vacation benefits of the Loudon County School Department apply to the director of schools only, per contract. Other School Department employees must use their vacation benefits within the year earned. The liability for School Department accumulated vacation benefits is considered immaterial at June 30, 2014. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized

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

8. Net Position and Fund Balance

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

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

As of June 30, 2014, Loudon County had \$51,747,100 in outstanding debt for capital purposes for the discretely presented Loudon County School Department. This debt is a liability of Loudon County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Loudon County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by resolution authorized the county's director of accounts and budgets to make assignments for the general government. The Board of Education makes assignments for the School Department. Assigned fund balance in the General Fund consists of amounts assigned for encumbrances (\$77,550) and fund balance appropriated for use in the 2014-2015 budget (\$2,425,099). Assigned fund balance in the General Purpose School Fund consists of amounts assigned for encumbrances (\$909,747) and fund balance appropriated for use in the 2014-2015 budget (\$1,484,419).

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

9. Prior-period Adjustment

Capital assets were restated \$124,601 from the prior year because assets acquired during the prior year from the Section 1033 Excess Property Program had not been capitalized.

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, 2014, the Loudon County School Department reported the following significant encumbrances:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Major Fund:		
General Purpose School	Lockers	\$ 90,000
"	Modular Building	59,424
"	Bleachers	119,898

B. Cash Shortage

A cash shortage of at least \$13,976.84 was discovered in the Office of Sheriff subsequent to June 30, 2014. Funds totaling \$6,649.84 were recovered from the trunk of a county vehicle on August 25, 2014, leaving an outstanding cash shortage of \$7,327. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

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

Investment Balances. As of June 30, 2014, Loudon County had the following investments carried at fair value or amortized cost. Pooled investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Loudon County and the

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

POOLED INVESTMENTS

Investment	Maturities	Bond Rating	Fair Value or Amortized Cost
State Treasurer's Investment Pool	109 (1)	N/A	\$ 10,274,073
U.S. Treasury Bills OID	7-24-14		699,998
U.S. Treasury Bills OID	7-24-14		1,896,359
Total			\$ 12,870,430

(1) Weighted average maturity in days

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Loudon County has no investment policy that would further limit its investment choices. As of June 30, 2014, Loudon County's investment in the State Treasurer's Investment Pool was unrated.

B. Derivative Instrument

At June 30, 2014, 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, 2014, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2014 financial statements is as follows:

Type	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2014</u>		6-30-14
	Classification	Amount	Classification	Amount	Notional Amount
Governmental Activities					
Cash Flow Hedges:					
Pay fixed interest rate swaps:					
\$12.5M Swap	Deferred	\$ 81,125	Debt	\$ (901,464)	\$ 9,595,000
	Outflow				
Total		<u>\$ 81,125</u>		<u>\$ (901,464)</u>	<u>\$ 9,595,000</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, 2014, rates were as follows:

	<u>Terms</u>	<u>Rates</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	3.13 %
Variable payment from counterparty	% of LIBOR	<u>-0.44</u>
Net interest rate swap payments		2.69 %
Variable-rate bond coupon payments		<u>0.66</u>
Synthetic interest rate on bonds		<u><u>3.35 %</u></u>

Fair value. As of June 30, 2014, the swap had a negative fair value of \$901,464. 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, 2014, the county was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the swap agreement's fair value. The swap counterparty, Morgan Keegan Financial Products ("MKFP") was rated "A+" by Standard and Poor's as of June 30, 2014, with its Credit Support Provider, Deutsche Bank, rated A2/A+/A+ by Moody's, Standard and Poor's, and Fitch, respectively.

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

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

Swap payments and associated debt. As of June 30, 2014, 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 Swap Payment	Total
	Principal	Interest		
2015	\$ 640,000	\$ 63,197	\$ 257,955	\$ 961,152
2016	680,000	58,981	240,749	979,730
2017	720,000	54,502	222,468	996,970
2018	765,000	49,760	203,111	1,017,871
2019	810,000	44,722	182,545	1,037,267
2020-2024	4,835,000	136,997	559,194	5,531,191
2025	1,145,000	7,541	30,783	1,183,324
Total	\$ 9,595,000	\$ 415,700	\$ 1,696,805	\$ 11,707,505

C. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

Primary Government

Governmental Activities:

	Restated Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 5,915,130	\$ 0	\$ 0	\$ 5,915,130
Construction in Progress	36,800	0	0	36,800
Total Capital Assets Not Depreciated	\$ 5,951,930	\$ 0	\$ 0	\$ 5,951,930
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,441,230	\$ 164,543	\$ (125,725)	\$ 14,480,048
Infrastructure	47,353,860	0	0	47,353,860
Other Capital Assets	* 6,835,801	1,557,533	(80,370)	8,312,964
Total Capital Assets Depreciated	\$ 68,630,891	\$ 1,722,076	\$ (206,095)	\$ 70,146,872
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,973,692	\$ 233,754	\$ (22,002)	\$ 3,185,444
Infrastructure	21,112,509	941,181	0	22,053,690
Other Capital Assets	4,950,961	655,844	(80,370)	5,526,435
Total Accumulated Depreciation	\$ 29,037,162	\$ 1,830,779	\$ (102,372)	\$ 30,765,569

Capital Assets (Cont.)	Restated Balance			Balance
	7-1-13	Increases	Decreases	6-30-14
Total Capital Assets Depreciated, Net	<u>\$ 39,593,729</u>	<u>\$ (108,703)</u>	<u>\$ (103,723)</u>	<u>\$ 39,381,303</u>
Governmental Activities Capital Assets, Net	<u>\$ 45,545,659</u>	<u>\$ (108,703)</u>	<u>\$ (103,723)</u>	<u>\$ 45,333,233</u>

* The beginning balance in other capital assets has been increased by \$124,601 due to corrections made by the Loudon County Office of Director of Accounts and Budgets for donated equipment received in prior years.

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

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

Governmental Activities:

General Government	\$ 110,498
Finance	1,040
Administration of Justice	18,952
Public Safety	568,835
Public Health and Welfare	61,077
Social, Cultural, and Recreational Services	30,516
Highways/Public Works	<u>1,039,861</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,830,779</u>

Discretely Presented Loudon County School Department

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 3,946,406	\$ 0	\$ 0	\$ 3,946,406
Construction in Progress	34,528,383	9,986,382	(24,642,078)	19,872,687
Total Capital Assets Not Depreciated	\$ 38,474,789	\$ 9,986,382	\$ (24,642,078)	\$ 23,819,093
Capital Assets Depreciated:				
Buildings and Improvements	\$ 43,655,510	\$ 24,695,052	\$ (182,903)	\$ 68,167,659
Other Capital Assets	1,146,116	36,077	0	1,182,193
Total Capital Assets Depreciated	\$ 44,801,626	\$ 24,731,129	\$ (182,903)	\$ 69,349,852
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 14,592,002	\$ 1,103,893	\$ (48,774)	\$ 15,647,121
Other Capital Assets	478,218	85,691	0	563,909
Total Accumulated Depreciation	\$ 15,070,220	\$ 1,189,584	\$ (48,774)	\$ 16,211,030
Total Capital Assets Depreciated, Net	\$ 29,731,406	\$ 23,541,545	\$ (134,129)	\$ 53,138,822
Governmental Activities Capital Assets, Net	\$ 68,206,195	\$ 33,527,927	\$ (24,776,207)	\$ 76,957,915

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

Governmental Activities:

Instruction	\$ 21,518
Support Services	1,157,035
Operation of Non-instructional Services	<u>11,031</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,189,584</u>

D. Construction Commitments

At June 30, 2014 the General Capital Projects Fund had uncompleted contracts of approximately \$460,265 for the extension of waterlines. Funding is being provided for this future expenditure through a Community Development Block Grant.

The discretely presented School Department's General Purpose School Fund and Education Capital Projects Fund had uncompleted contracts totaling \$294,739 and \$2,003,558 respectively. The amount in the General Purpose Fund is for construction of a field house at Loudon High, and the amount in the Education Capital Projects Fund was for various construction and renovation projects. Funding has been provided for these future expenditures through property taxes and debt proceeds contributed by the primary government in the Education Capital Projects Fund, and by existing fund balance in the General Purpose School Fund.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 1,796
"	"	646
General Debt Service	"	73,619
Education Debt Service	General Debt Service	145,000
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	487
Nonmajor governmental	General Purpose School	14,129

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

The receivable in the General Debt Service Fund totaling \$73,619 was in transit from the Highway/Public Works Fund at June 30, 2014.

Advances from/to Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
Education Debt Service	General Debt Service	\$ 1,010,000

The amount payable to the Education Debt Service Fund relates to an internal financing arrangement, which is discussed in Note IV.K. The loan will be repaid by the General Debt Service Fund over the course of three years. The amount to be repaid within one year (\$145,000) is classified as Due to/from Other Funds.

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Component Unit: School Department: General Purpose School	Primary Government: General	\$ 46

Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Debt Service Fund	Nonmajor Governmental Funds
Nonmajor governmental funds	\$ 1,000,000	\$ 76,194	\$ 0
General Debt Service Fund	0	0	1,300,000

The transfer of \$1,000,000 from the nonmajor governmental funds to the General Fund represents the return of a cash flow transfer, which was made during the year ended June 30, 2008. The transfer of \$1,300,000 from the General Debt Service Fund to the nonmajor governmental funds relates to the internal financing arrangement discussed in Note IV.K.

F. Payables

A total of \$26,310 in the nonmajor governmental funds Due to Litigants, Heirs, and Others account represents deposits from law enforcement seizures pending disposition by the Tennessee Department of Safety.

G. Hospital Lease Agreement

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

expend additional amounts during the original lease term for capital outlay, recruitment, and/or other community benefits projects.

H. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 25 years for bonds, up to ten years for notes, and up to 17 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, other loans, and capital outlay notes included in long-term debt as of June 30, 2014, 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, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	1.4 to 5 %	6-1-36	\$ 42,345,000	\$ 40,170,000
General Obligation Bonds - Refunding	1.8 to 4	4-1-20	5,225,000	3,195,000
Capital Outlay Notes	2.88	2-1-23	400,000	365,000
Other Loans - City of Loudon	0	N/A	475,000	305,935
Other Loans - PBA Variable Rate	variable	6-1-25	19,835,000	12,705,000
Loan Agreement - State School Bond Authority (QZABs)	0	12-1-20	4,129,500	1,927,100

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, 2014:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-14	Interest Type	Variable Interest Rates as of 6-30-14	Other Fees on Variable Rate Debt
<u>Montgomery County</u>					
<u>Public Building Authority:</u>					
Various Purposes	\$ 5,000,000	\$ 1,580,000	Variable	.07 %	.75 %
<u>Blount County</u>					
<u>Public Building Authority:</u>					
School Projects-Refunding	12,265,000	9,650,000	Variable	.66 (1)	.12
Various Purposes-Refunding	2,570,000	<u>1,475,000</u>	Variable	.66	.12
Total		<u>\$ 12,705,000</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 6-30-14	Interest Rates
<u>City of Loudon</u>			
Highlands Business Center	\$ 475,000	\$ 305,935	0 %

Under the agreement, the county must pay its incremental tax revenues (excess of current taxes over base year amounts), from properties within the development toward the retirement of this obligation. The maximum amount the county is required to pay is \$475,000 (with no interest accruing and no stated maturity date). During the year, the county paid \$41,287 under the agreement.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2014, including estimated interest payments and other fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 2,270,000	\$ 1,470,312	\$ 3,740,312
2016	2,330,000	1,374,600	3,704,600
2017	2,385,000	1,276,310	3,661,310
2018	2,500,000	1,185,190	3,685,190
2019	2,535,000	1,101,040	3,636,040
2020-2024	11,045,000	4,353,800	15,398,800
2025-2029	7,675,000	2,898,750	10,573,750
2030-2034	8,775,000	1,550,724	10,325,724
2035-2036	3,850,000	198,176	4,048,176
Total	\$ 43,365,000	\$ 15,408,902	\$ 58,773,902

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 36,000	\$ 10,512	\$ 46,512
2016	37,000	9,475	46,475
2017	38,000	8,410	46,410
2018	39,000	7,315	46,315
2019	41,000	6,192	47,192
2020-2023	174,000	12,672	186,672
Total	\$ 365,000	\$ 54,576	\$ 419,576

Year Ending June 30	Other Loans - PBA and QZAB			
	Principal	Interest	Other Fees	Total
2015	\$ 1,521,300	\$ 338,509	\$ 100,949	\$ 1,960,758
2016	1,574,300	314,146	91,162	1,979,608
2017	1,651,300	288,401	80,958	2,020,659
2018	1,709,300	261,105	70,143	2,040,548
2019	1,340,300	232,261	58,870	1,631,431
2020-2024	5,685,600	702,049	169,613	6,557,262
2025	1,150,000	38,521	9,210	1,197,731
Total	\$ 14,632,100	\$ 2,174,992	\$ 580,905	\$ 17,387,997

Annual requirements for the \$305,935 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 \$10,386,595 available in the debt service funds to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$143, for residents inside Lenoir City, and \$1,439, for residents outside Lenoir City, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

	Bonds	Notes	Other Loans - City of Loudon
Balance, July 1, 2013	\$ 45,140,000	\$ 400,000	\$ 347,222
Reductions	(1,775,000)	(35,000)	(41,287)
Balance, June 30, 2014	<u>\$ 43,365,000</u>	<u>\$ 365,000</u>	<u>\$ 305,935</u>
Balance Due Within One Year	<u>\$ 2,270,000</u>	<u>\$ 36,000</u>	<u>\$ 0</u>

	Other Loans - PBA & QZAB	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 16,081,400	\$ 405,550	\$ 3,065,067
Additions	0	545,150	936,451
Reductions	(1,449,300)	(391,974)	(148,539)
Balance, June 30, 2014	<u>\$ 14,632,100</u>	<u>\$ 558,726</u>	<u>\$ 3,852,979</u>
Balance Due Within One Year	<u>\$ 1,521,300</u>	<u>\$ 194,607</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 63,079,740
Less: Balance Due Within One Year	(4,021,907)
Add: Unamortized Premium on Debt	<u>1,840,971</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 60,898,804</u>

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

Discretely Presented Loudon County School Department

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2013	\$ 907,328
Additions	429,935
Reductions	<u>(413,140)</u>
Balance, June 30, 2014	<u>\$ 924,123</u>
Balance Due Within One Year	<u>\$ 0</u>

I. Pledges of Future Revenues

Tax Incremental Revenues Pledged for Retirement of County Debt

As discussed in Note IV.H., Loudon County has pledged incremental real and personal property tax revenues from the Highland Business Center development toward the retirement of a loan agreement entered into between the county and the City of Loudon. The principal amount of this outstanding loan at June 30, 2014, was \$305,935.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Loudon County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were \$154,562 and \$30,267, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

K. Internal Financing

In lieu of issuing debt with financial institutions, Loudon County has chosen to internally finance certain projects with idle county funds. During the year, the County Commission authorized an internal three-year capital outlay note

totaling \$1,300,000 to fund capital expenditures of the General Capital Projects Fund. The General Debt Service Fund borrowed \$1,300,000 from the Education Debt Service Fund and transferred that amount to the General Capital Projects Fund. The General Debt Service Fund is repaying the Education Debt Service Fund for that loan over a three-year period. The following table summarizes the outstanding loan.

	Original Amount of Loan	Interest Rate	Date of Issue	Last Maturity Date
Series 2013 Internal Capital Outlay Note	\$ 1,300,000	.5%	10-4-13	6-1-16

	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-14
Series 2013 Internal Capital Outlay Note	\$ 0	\$ 1,300,000	\$ 145,000	\$ 1,155,000

V. OTHER INFORMATION

A. Risk Management

Loudon County School Department has established the Employee Dental and Vision Insurance Fund for risks associated with the employees’ dental and vision plans. The Employee Dental and Vision Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements.

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2012-2013	\$24,459	\$366,930	(\$370,132)	\$21,257
2013-2014	21,257	367,049	(360,176)	28,130

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. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67, replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70, relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

C. Subsequent Event

Estelle Herren left the Office of Mayor on August 31, 2014, and was succeeded by Rollen Bradshaw.

D. Contingent Liabilities

Loudon County is contingently liable for a public building authority loan agreement and a State of Tennessee revolving loan agreement of a joint venture, Tellico Area Services System (TASS). Loudon County would become liable for these loan agreements in the event of default by TASS. As of June 30, 2014, future principal and interest requirements were \$390,000 and \$52,075, respectively, for the public building authority loan, and \$3,417,310 and \$320,798, respectively, for the State of Tennessee revolving loan.

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

E. Joint Ventures

The Loudon County Solid Waste Disposal Commission (LCSWDC) is a joint venture formed by an interlocal governmental agreement between Loudon County, the City of Loudon, and Lenoir City. The joint venture operates the Loudon County regional landfill. The LCSWDC is governed by a seven-member board appointed by the participating governments. The county and cities do not retain an equity interest in the entity. Financial statements for the LCSWDC can be obtained from its administrative office at the following address:

Administrative Office:

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

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

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

Administrative Office:

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

The 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 \$167,545 in financial support during the 2013-14 year. Financial statements for the agency can be obtained from its administrative office at the following address:

Administrative Office:

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

F. Joint Governed Organization

Blount County, Loudon County, Monroe County, and various city school systems jointly govern the Little Tennessee Valley Educational Cooperative. The cooperative was established pursuant to an agreement between the participating governments and is governed by a board of control consisting of the director of schools of each participating government, one representative appointed by the County Commission or City Council of each participating government, and one member appointed by the Board of Education of each participating government. The cooperative was organized in order to combine resources to provide services for special education programs such as the Birth-to-Three program for handicapped children, a child development

program for language and behaviorally delayed older students, and an occupational and physical therapy program, as well as psychological services. The cooperative provides educational services on a contractual basis to the various school systems. The systems may, but are not required to contract for these services.

G. Retirement Commitments

Tennessee Consolidated Retirement System (TCRS)

Plan Description

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

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

Funding Policy

Loudon County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 10.38 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2014, the county’s annual pension cost of \$1,164,019 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was seven years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$1,164,019	100%	\$0
6-30-13	1,116,116	100	0
6-30-12	1,094,341	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 91.98 percent funded. The actuarial accrued liability for benefits was \$35.93 million, and the actuarial value of assets was \$33.05 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.88 million. The covered payroll (annual payroll of active employees covered by the plan) was \$10.68 million, and the ratio of the UAAL to the covered payroll was 26.97 percent.

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

SCHOOL TEACHERS

Plan Description

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2014, 2013, and 2012, were \$1,671,722, \$1,600,351, and \$1,630,106, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Primary Government

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

Funding Policy

The premium requirements are established and may be amended by the County Commission. The plan is through a commercial insurance company. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums. Eligible employees must be age 60 with five years of service, or any age with 30 years of service until attainment of age 65 when they become eligible for Medicare. Retirees are required to pay 50 percent of the medical premium per month for their insurance coverage. The retiree's spouse is eligible while the retiree is eligible for coverage until the spouse's age of 65. During the year ended June 30, 2014, Loudon County contributed \$148,539 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Government Commercial Plan</u>
ARC	\$ 958,063
Interest on the NOPEBO	122,602
Adjustment to the ARC	<u>(144,214)</u>
Annual OPEB cost	\$ 936,451
Amount of contribution	<u>(148,539)</u>
Increase/decrease in NOPEBO	\$ 787,912
Net OPEB obligation, 7-1-13	<u>3,065,067</u>
Net OPEB obligation, 6-30-14	<u><u>\$ 3,852,979</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Loudon County	\$ 625,062	23 %	\$ 2,292,538
6-30-13	"	889,669	13.1	3,065,067
6-30-14	"	936,451	15.9	3,852,979

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

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

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

Actuarial Methods and Assumptions

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

In the July 1, 2012, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of nine percent initially, reduced by decrements to an ultimate rate of five percent by 2016. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payrolls over a 30-year period beginning with July 1, 2008.

Discretely Presented Loudon County School Department

Postemployment Healthcare Plan

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for teachers ranges from \$297 to \$1,144 based on the years of service and type of coverage. During the year ended June 30, 2014, the School Department contributed \$413,140 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 429,000
Interest on the NOPEBO	36,293
Adjustment to the ARC	(35,358)
Annual OPEB cost	<hr/> \$ 429,935
Amount of contribution	(413,140)
Increase/decrease in NOPEBO	<hr/> \$ 16,795
Net OPEB obligation, 7-1-13	<hr/> 907,328
Net OPEB obligation, 6-30-14	<hr/> <hr/> \$ 924,123

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 587,916	59 %	\$ 680,595
6-30-13	"	593,326	62	907,328
6-30-14	"	429,935	96	924,123

Funded Status and Funding Progress

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

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

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

supplemental information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.5 percent for fiscal year 2014. The trend rate will decrease to seven percent in fiscal year 2015 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. An inflation rate of 2.5 percent is assumed. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

I. Termination Benefits

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

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

Retiring personnel who satisfy all the above requirements are eligible for a retirement incentive equal to 25 percent of their annual salary. During the year ended June 30, 2014, the School Department paid \$64,441 to those who participated. There are no further incentive amounts due to individuals who retired prior to June 30, 2014.

J. Office of Director of Accounts and Budgets

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

K. Purchasing Laws

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Loudon County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Loudon County School Department
June 30, 2014

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-13	\$ 33,050	\$ 35,930	\$ 2,880	91.98 %	\$ 10,678	26.97 %
7-1-11	29,537	33,094	3,557	89.25	10,920	32.57
7-1-09	24,044	24,540	496	97.98	11,285	4.40

Exhibit E-2

Loudon County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Loudon County School Department
June 30, 2014

(Dollar amounts in thousands)

Primary Government

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

Discretely Presented Loudon County School Department

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-10	\$ 0	\$ 4,578	\$ 4,578	0 %	\$ 22,340	20.49 %
"	7-1-11	0	5,124	5,124	0	22,065	23.22
"	7-1-13	0	4,074	4,074	0	21,955	18.56

LOUDON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

NONE

**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.

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

Capital Projects Funds

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

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

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, 2014

		Special Revenue Funds					
	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
\$	0 \$	0 \$	200 \$	0 \$	0 \$	0 \$	
	214,563	11,421	210,417	664,991	58,540	157,285	
	0	0	118	10,821	0	0	
	0	0	0	45,349	0	0	
	0	0	225,548	0	0	0	
	0	0	(7,013)	0	0	0	
	0	60	9,954	13,886	0	1,166	
	0	0	3,256	6,977	0	0	
\$	214,563 \$	11,481 \$	442,480 \$	742,024 \$	58,540 \$	158,451 \$	

ASSETS

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

LIABILITIES

Accounts Payable	
Accrued Payroll	
Due to Other Funds	
Due to Litigants, Heirs, and Others	
Total Liabilities	
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	
Deferred Delinquent Property Taxes	
Other Deferred/Unavailable Revenue	
Total Deferred Inflows of Resources	

(Continued)

Exhibit F-1

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

		Special Revenue Funds						
	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
\$	0 \$	60 \$	9,954 \$	13,886 \$	0 \$	1,166		
	0	11,421	0	0	0	0		
	214,563	0	0	0	0	130,975		
	0	0	205,962	0	0	0		
	0	0	0	0	0	0		
	0	0	0	0	0	0		
	0	0	0	0	0	0		
	0	0	0	701,873	0	0		
	0	0	0	0	58,540	0		
\$	214,563 \$	11,481 \$	215,916 \$	715,759 \$	58,540 \$	132,141		
	214,563 \$	11,481 \$	442,480 \$	742,024 \$	58,540 \$	158,451		

FUND BALANCES

Nonspendable:
 Prepaid Items
 Restricted:
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Social, Cultural, and Recreational Services
 Restricted for Highways/Public Works
 Restricted for Capital Projects
 Committed:
 Committed for Public Health and Welfare
 Committed for Other Operations
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

(Continued)

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

	Special Revenue Funds (Cont.)				Capital Projects Funds
	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	Total	General Capital Projects
Cash	\$ 0	\$ 1,650	\$ 500	\$ 2,350	\$ 0
Equity in Pooled Cash and Investments	52,010	0	754,602	2,123,829	1,334,224
Accounts Receivable	0	146	0	11,085	6,177
Due from Other Governments	0	0	311,659	357,008	0
Property Taxes Receivable	0	0	567,342	792,890	267,188
Allowance for Uncollectible Property Taxes	0	0	(17,640)	(24,653)	(8,307)
Prepaid Items	0	0	182,514	207,580	0
Other Current Assets	0	0	3,382	13,615	0
Total Assets	\$ 52,010	\$ 1,796	\$ 1,802,359	\$ 3,483,704	\$ 1,599,282

ASSETS

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

LIABILITIES

Accounts Payable
 Accrued Payroll
 Due to Other Funds
 Due to Litigants, Heirs, and Others
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

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

(Continued)

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

	Special Revenue Funds (Cont.)				Capital Projects Funds
	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	Total	
\$	0 \$	0 \$	182,514 \$	207,580 \$	0
	0	0	0	11,421	0
	52,010	0	0	397,548	0
	0	0	0	205,962	0
	0	0	890,108	890,108	0
	0	0	0	0	1,340,930
	0	0	0	701,873	0
	0	0	0	58,540	0
	52,010 \$	0 \$	1,072,622 \$	2,473,032 \$	1,340,930
\$	52,010 \$	1,796 \$	1,802,359 \$	3,483,704 \$	1,599,282

FUND BALANCES

Nonspendable:
 Prepaid Items
 Restricted:
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Social, Cultural, and Recreational Services
 Restricted for Highways/Public Works
 Restricted for Capital Projects
 Committed:
 Committed for Public Health and Welfare
 Committed for Other Operations
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

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

		<u>Capital Projects Funds (Cont.)</u>		Total
	Highway Capital Projects	Total	Nonmajor Governmental Funds	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 2,350	
Equity in Pooled Cash and Investments	433,334	1,767,558	3,891,387	
Accounts Receivable	0	6,177	17,262	
Due from Other Governments	0	0	357,008	
Property Taxes Receivable	310,563	577,751	1,370,641	
Allowance for Uncollectible Property Taxes	(9,657)	(17,964)	(42,617)	
Prepaid Items	0	0	207,580	
Other Current Assets	0	0	13,615	
Total Assets	\$ 734,240	\$ 2,333,522	\$ 5,817,226	
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 2,182	
Accrued Payroll	0	0	49,556	
Due to Other Funds	0	0	2,442	
Due to Litigants, Heirs, and Others	0	0	26,310	
Total Liabilities	\$ 0	\$ 0	\$ 80,490	
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 295,601	\$ 549,917	\$ 1,304,608	
Deferred Delinquent Property Taxes	4,690	8,726	20,703	
Other Deferred/Unavailable Revenue	0	0	163,514	
Total Deferred Inflows of Resources	\$ 300,291	\$ 558,643	\$ 1,488,825	

(Continued)

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

<u>Capital Projects Funds (Cont.)</u>		Total
Highway Capital Projects	Total	Nonmajor Governmental Funds
\$ 0 \$	0 \$	207,580
0	0	11,421
0	0	397,548
0	0	205,962
0	0	890,108
433,949	1,774,879	1,774,879
0	0	701,873
0	0	58,540
<u>\$ 433,949 \$</u>	<u>1,774,879 \$</u>	<u>4,247,911</u>
<u>\$ 734,240 \$</u>	<u>2,333,522 \$</u>	<u>5,817,226</u>

FUND BALANCES

Nonspendable:	
Prepaid Items	
Restricted:	
Restricted for Administration of Justice	
Restricted for Public Safety	
Restricted for Social, Cultural, and Recreational Services	
Restricted for Highways/Public Works	
Restricted for Capital Projects	
Committed:	
Committed for Public Health and Welfare	
Committed for Other Operations	
Total Fund Balances	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	

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, 2014

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control
<u>Revenues</u>						
Local Taxes	\$ 123,187	\$ 5,024	\$ 220,945	\$ 137,110	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	0	107,138
Charges for Current Services	0	0	9,534	0	0	0
Other Local Revenues	0	0	4,370	123,682	13,482	38,716
State of Tennessee	0	0	2,827	49,782	0	0
Federal Government	0	0	0	0	0	14,949
Other Governments and Citizens Groups	0	0	36,665	0	0	0
Total Revenues	\$ 123,187	\$ 5,024	\$ 274,341	\$ 310,574	\$ 13,482	\$ 160,803
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Administration of Justice	0	0	0	0	0	0
Public Safety	0	0	0	0	0	139,034
Public Health and Welfare	0	0	0	793,337	0	0
Social, Cultural, and Recreational Services	0	2,618	265,242	0	0	0
Other Operations	1,232	50	4,478	2,312	6,974	0
Highways	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 1,232	\$ 2,668	\$ 269,720	\$ 795,649	\$ 6,974	\$ 139,034
Excess (Deficiency) of Revenues Over Expenditures	\$ 121,955	\$ 2,356	\$ 4,621	\$ (485,075)	\$ 6,508	\$ 21,769

(Continued)

Exhibit F-2

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

	Special Revenue Funds						
	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0 \$	0 \$	0 \$	999 \$	0 \$	0 \$	0
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0 \$	0 \$	0 \$	999 \$	0 \$	0 \$	0
Net Change in Fund Balances	\$ 121,955 \$	2,356 \$	4,621 \$	(484,076) \$	6,508 \$		21,769
Fund Balance, July 1, 2013	92,608	9,125	211,295	1,199,835	52,032		110,372
Fund Balance, June 30, 2014	\$ 214,563 \$	11,481 \$	215,916 \$	715,759 \$	58,540 \$		132,141

Exhibit F-2

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

	Special Revenue Funds (Cont.)				Capital Projects Funds
	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	Total	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 593,227	\$ 1,079,493	\$ 378,473
Fines, Forfeitures, and Penalties	0	0	0	107,138	0
Charges for Current Services	0	2,478	0	12,012	0
Other Local Revenues	150	0	37,359	217,759	306,764
State of Tennessee	0	0	1,835,209	1,887,818	152,270
Federal Government	8,038	0	0	22,987	43,056
Other Governments and Citizens Groups	0	0	0	36,665	8,621
Total Revenues	\$ 8,188	\$ 2,478	\$ 2,465,795	\$ 3,363,872	\$ 889,184
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 2,448	\$ 0	\$ 2,448	\$ 0
Administration of Justice	0	30	0	30	0
Public Safety	10,113	0	0	149,147	0
Public Health and Welfare	0	0	0	793,337	0
Social, Cultural, and Recreational Services	0	0	0	267,860	0
Other Operations	0	0	0	15,046	5,094
Highways	0	0	2,556,623	2,556,623	0
Capital Projects	0	0	0	0	880,407
Total Expenditures	\$ 10,113	\$ 2,478	\$ 2,556,623	\$ 3,784,491	\$ 885,501
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,925)	\$ 0	\$ (90,828)	\$ (420,619)	\$ 3,683

(Continued)

Exhibit F-2

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

	Special Revenue Funds (Cont.)				Capital Projects Funds
	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	Total	
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0 \$	0 \$	0 \$	999 \$	0
Transfers In	0	0	0	0	1,300,000
Transfers Out	0	0	(76,194)	(76,194)	(1,000,000)
Total Other Financing Sources (Uses)	\$ 0 \$	0 \$	(76,194) \$	(75,195) \$	300,000
Net Change in Fund Balances	\$ (1,925) \$	0 \$	(167,022) \$	(495,814) \$	303,683
Fund Balance, July 1, 2013	53,935	0	1,239,644	2,968,846	1,037,247
Fund Balance, June 30, 2014	\$ 52,010 \$	0 \$	1,072,622 \$	2,473,032 \$	1,340,930

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>			Total Nonmajor Governmental Funds
	Highway Capital Projects	Total		
<u>Revenues</u>				
Local Taxes	\$ 302,870	\$ 681,343	\$	1,760,836
Fines, Forfeitures, and Penalties	0	0		107,138
Charges for Current Services	0	0		12,012
Other Local Revenues	0	306,764		524,523
State of Tennessee	0	152,270		2,040,088
Federal Government	0	43,056		66,043
Other Governments and Citizens Groups	0	8,621		45,286
<u>Total Revenues</u>	<u>\$ 302,870</u>	<u>\$ 1,192,054</u>	<u>\$</u>	<u>4,555,926</u>
<u>Expenditures</u>				
Current:				
Finance	0	0	\$	2,448
Administration of Justice	0	0		30
Public Safety	0	0		149,147
Public Health and Welfare	0	0		793,337
Social, Cultural, and Recreational Services	0	0		267,860
Other Operations	0	5,094		20,140
Highways	0	0		2,556,623
Capital Projects	189,627	1,070,034		1,070,034
<u>Total Expenditures</u>	<u>\$ 189,627</u>	<u>\$ 1,075,128</u>	<u>\$</u>	<u>4,859,619</u>
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	<u>\$ 113,243</u>	<u>\$ 116,926</u>	<u>\$</u>	<u>(303,693)</u>

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>		
	Highway Capital Projects	Total	Total Nonmajor Governmental Funds
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$ 0	\$ 999
Transfers In	0	1,300,000	1,300,000
Transfers Out	0	(1,000,000)	(1,076,194)
Total Other Financing Sources (Uses)	\$ 0	\$ 300,000	\$ 224,805
Net Change in Fund Balances	\$ 113,243	\$ 416,926	\$ (78,888)
Fund Balance, July 1, 2013	320,706	1,357,953	4,326,799
Fund Balance, June 30, 2014	\$ 433,949	\$ 1,774,879	\$ 4,247,911

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 123,187	\$ 100,000	\$ 100,000	\$ 23,187
Total Revenues	\$ 123,187	\$ 100,000	\$ 100,000	\$ 23,187
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 1,232	\$ 2,000	\$ 2,000	\$ 768
Total Expenditures	\$ 1,232	\$ 2,000	\$ 2,000	\$ 768
Excess (Deficiency) of Revenues Over Expenditures	\$ 121,955	\$ 98,000	\$ 98,000	\$ 23,955
Net Change in Fund Balance	\$ 121,955	\$ 98,000	\$ 98,000	\$ 23,955
Fund Balance, July 1, 2013	92,608	70,500	70,500	22,108
Fund Balance, June 30, 2014	\$ 214,563	\$ 168,500	\$ 168,500	\$ 46,063

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,024	\$ 4,500	\$ 4,500	\$ 524
Total Revenues	\$ 5,024	\$ 4,500	\$ 4,500	\$ 524
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 2,618	\$ 4,000	\$ 4,500	\$ 1,882
<u>Other Operations</u>				
Miscellaneous	50	150	150	100
Total Expenditures	\$ 2,668	\$ 4,150	\$ 4,650	\$ 1,982
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,356	\$ 350	\$ (150)	\$ 2,506
Net Change in Fund Balance	\$ 2,356	\$ 350	\$ (150)	\$ 2,506
Fund Balance, July 1, 2013	9,125	6,823	6,823	2,302
Fund Balance, June 30, 2014	\$ 11,481	\$ 7,173	\$ 6,673	\$ 4,808

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, 2014

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 220,945	\$ 0	\$ 220,945	\$ 220,195	\$ 216,381	\$ 4,564
Charges for Current Services	9,534	0	9,534	8,275	7,659	1,875
Other Local Revenues	4,370	0	4,370	5,108	3,016	1,354
State of Tennessee	2,827	0	2,827	0	2,829	(2)
Other Governments and Citizens Groups	36,665	0	36,665	28,625	31,544	5,121
Total Revenues	\$ 274,341	\$ 0	\$ 274,341	\$ 262,203	\$ 261,429	\$ 12,912
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Libraries	\$ 265,242	\$ 2,166	\$ 267,408	\$ 287,276	\$ 318,934	\$ 51,526
<u>Other Operations</u>						
Miscellaneous	4,478	0	4,478	6,500	6,500	2,022
Total Expenditures	\$ 269,720	\$ 2,166	\$ 271,886	\$ 293,776	\$ 325,434	\$ 53,548
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,621	\$ (2,166)	\$ 2,455	\$ (31,573)	\$ (64,005)	\$ 66,460
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 4,621	\$ (2,166)	\$ 2,455	\$ (31,573)	\$ (64,005)	\$ 66,460
	211,295	0	211,295	167,250	167,250	44,045
Fund Balance, June 30, 2014	\$ 215,916	\$ (2,166)	\$ 213,750	\$ 135,677	\$ 103,245	\$ 110,505

Exhibit F-6

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 137,110	\$ 150,200	\$ 150,200	\$ (13,090)
Other Local Revenues	123,682	100,479	101,457	22,225
State of Tennessee	49,782	40,700	50,183	(401)
Total Revenues	<u>\$ 310,574</u>	<u>\$ 291,379</u>	<u>\$ 301,840</u>	<u>\$ 8,734</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Education/Information	\$ 40,301	\$ 40,700	\$ 40,700	\$ 399
Convenience Centers	753,036	854,762	871,510	118,474
<u>Other Operations</u>				
Miscellaneous	2,312	10,000	10,000	7,688
Total Expenditures	<u>\$ 795,649</u>	<u>\$ 905,462</u>	<u>\$ 922,210</u>	<u>\$ 126,561</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (485,075)</u>	<u>\$ (614,083)</u>	<u>\$ (620,370)</u>	<u>\$ 135,295</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 999	\$ 0	\$ 999	\$ 0
Total Other Financing Sources	<u>\$ 999</u>	<u>\$ 0</u>	<u>\$ 999</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (484,076)	\$ (614,083)	\$ (619,371)	\$ 135,295
Fund Balance, July 1, 2013	<u>1,199,835</u>	<u>987,903</u>	<u>987,903</u>	<u>211,932</u>
Fund Balance, June 30, 2014	<u>\$ 715,759</u>	<u>\$ 373,820</u>	<u>\$ 368,532</u>	<u>\$ 347,227</u>

Exhibit F-7

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 13,482 \$	0 \$	13,482 \$	15,000 \$	15,000 \$	(1,518)
Total Revenues	\$ 13,482 \$	0 \$	13,482 \$	15,000 \$	15,000 \$	(1,518)
<u>Expenditures</u>						
<u>Other Operations</u>						
Industrial Development	\$ 6,846 \$	600 \$	7,446 \$	5,000 \$	7,500 \$	54
Miscellaneous	128	0	128	300	300	172
Total Expenditures	\$ 6,974 \$	600 \$	7,574 \$	5,300 \$	7,800 \$	226
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,508 \$	(600) \$	5,908 \$	9,700 \$	7,200 \$	(1,292)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 6,508 \$	(600) \$	5,908 \$	9,700 \$	7,200 \$	(1,292)
	52,032	0	52,032	47,254	47,254	4,778
Fund Balance, June 30, 2014	\$ 58,540 \$	(600) \$	57,940 \$	56,954 \$	54,454 \$	3,486

Exhibit F-8

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 107,138	\$ 92,000	\$ 92,000	\$ 15,138
Other Local Revenues	38,716	20,000	20,000	18,716
Federal Government	14,949	0	15,000	(51)
Total Revenues	<u>\$ 160,803</u>	<u>\$ 112,000</u>	<u>\$ 127,000</u>	<u>\$ 33,803</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 139,034	\$ 96,400	\$ 165,400	\$ 26,366
Total Expenditures	<u>\$ 139,034</u>	<u>\$ 96,400</u>	<u>\$ 165,400</u>	<u>\$ 26,366</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 21,769</u>	<u>\$ 15,600</u>	<u>\$ (38,400)</u>	<u>\$ 60,169</u>
Net Change in Fund Balance	\$ 21,769	\$ 15,600	\$ (38,400)	\$ 60,169
Fund Balance, July 1, 2013	<u>110,372</u>	<u>68,907</u>	<u>68,907</u>	<u>41,465</u>
Fund Balance, June 30, 2014	<u><u>\$ 132,141</u></u>	<u><u>\$ 84,507</u></u>	<u><u>\$ 30,507</u></u>	<u><u>\$ 101,634</u></u>

Exhibit F-9

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 0	\$ 12,000	\$ 0	\$ 0
Other Local Revenues	150	0	0	150
Federal Government	8,038	0	12,000	(3,962)
Total Revenues	<u>\$ 8,188</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ (3,812)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 10,113	\$ 12,000	\$ 24,000	\$ 13,887
Total Expenditures	<u>\$ 10,113</u>	<u>\$ 12,000</u>	<u>\$ 24,000</u>	<u>\$ 13,887</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,925)</u>	<u>\$ 0</u>	<u>\$ (12,000)</u>	<u>\$ 10,075</u>
Net Change in Fund Balance	\$ (1,925)	\$ 0	\$ (12,000)	\$ 10,075
Fund Balance, July 1, 2013	<u>53,935</u>	<u>30,097</u>	<u>30,097</u>	<u>23,838</u>
Fund Balance, June 30, 2014	<u>\$ 52,010</u>	<u>\$ 30,097</u>	<u>\$ 18,097</u>	<u>\$ 33,913</u>

Exhibit F-10

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 593,227	\$ 0	\$ 593,227	\$ 605,564	\$ 585,034	\$ 8,193
Other Local Revenues	37,359	0	37,359	42,919	32,426	4,933
State of Tennessee	1,835,209	0	1,835,209	1,824,550	1,824,550	10,659
Total Revenues	\$ 2,465,795	\$ 0	\$ 2,465,795	\$ 2,473,033	\$ 2,442,010	\$ 23,785
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 710,306	\$ 0	\$ 710,306	\$ 752,997	\$ 747,407	\$ 37,101
Highway and Bridge Maintenance	812,927	0	812,927	600,503	876,593	63,666
Operation and Maintenance of Equipment	258,479	(900)	257,579	299,000	309,500	51,921
Other Charges	154,467	0	154,467	172,889	173,997	19,530
Employee Benefits	339,399	0	339,399	386,146	350,160	10,761
Capital Outlay	281,045	0	281,045	420,920	420,920	139,875
Total Expenditures	\$ 2,556,623	\$ (900)	\$ 2,555,723	\$ 2,632,455	\$ 2,878,577	\$ 322,854
Excess (Deficiency) of Revenues Over Expenditures	\$ (90,828)	\$ 900	\$ (89,928)	\$ (159,422)	\$ (436,567)	\$ 346,639
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,715	\$ (4,715)
Transfers Out	(76,194)	0	(76,194)	(91,937)	(91,937)	15,743
Total Other Financing Sources	\$ (76,194)	\$ 0	\$ (76,194)	\$ (91,937)	\$ (87,222)	\$ 11,028
Net Change in Fund Balance	\$ (167,022)	\$ 900	\$ (166,122)	\$ (251,359)	\$ (523,759)	\$ 357,667
Fund Balance, July 1, 2013	1,239,644	(900)	1,238,744	904,828	904,828	333,916
Fund Balance, June 30, 2014	\$ 1,072,622	\$ 0	\$ 1,072,622	\$ 653,469	\$ 381,039	\$ 691,583

Exhibit F-11

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 378,473	\$ 0	\$ 0	\$ 378,473	\$ 259,328	\$ 373,203	\$ 5,270
Other Local Revenues	306,764	0	0	306,764	1,000	364,467	(57,703)
State of Tennessee	152,270	0	0	152,270	0	152,270	0
Federal Government	43,056	0	0	43,056	0	500,000	(456,944)
Other Governments and Citizens Groups	8,621	0	0	8,621	0	8,621	0
<u>Total Revenues</u>	<u>\$ 889,184</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 889,184</u>	<u>\$ 260,328</u>	<u>\$ 1,398,561</u>	<u>\$ (509,377)</u>
<u>Expenditures</u>							
<u>Other Operations</u>							
Miscellaneous	\$ 5,094	\$ 0	\$ 0	\$ 5,094	\$ 9,500	\$ 9,500	\$ 4,406
<u>Capital Projects</u>							
General Administration Projects	324,341	0	21,346	345,687	622,000	351,725	6,038
Administration of Justice Projects	1,095	(1,095)	5,000	5,000	5,000	5,000	0
Public Safety Projects	315,057	(11,809)	74,648	377,896	303,730	380,077	2,181
Public Health and Welfare Projects	9,994	0	2,848	12,842	8,000	13,138	296
Public Utility Projects	39,735	0	460,265	500,000	0	500,000	0
Other General Government Projects	88,952	(34,469)	0	54,483	176,900	88,955	34,472
Highway and Street Capital Projects	101,233	0	55,122	156,355	139,049	178,685	22,330
<u>Total Expenditures</u>	<u>\$ 885,501</u>	<u>\$ (47,373)</u>	<u>\$ 619,229</u>	<u>\$ 1,457,357</u>	<u>\$ 1,264,179</u>	<u>\$ 1,527,080</u>	<u>\$ 69,723</u>
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	<u>\$ 3,683</u>	<u>\$ 47,373</u>	<u>\$ (619,229)</u>	<u>\$ (568,173)</u>	<u>\$ (1,003,851)</u>	<u>\$ (128,519)</u>	<u>\$ (439,654)</u>

(Continued)

Exhibit F-11

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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,223,630	\$ 0	\$ 0
Transfers In	1,300,000	0	0	1,300,000	0	1,300,000	0
Transfers Out	(1,000,000)	0	0	(1,000,000)	(1,000,000)	(1,000,000)	0
Total Other Financing Sources	\$ 300,000	\$ 0	\$ 0	\$ 300,000	\$ 223,630	\$ 300,000	\$ 0
Net Change in Fund Balance	\$ 303,683	\$ 47,373	\$ (619,229)	\$ (268,173)	\$ (780,221)	\$ 171,481	\$ (439,654)
Fund Balance, July 1, 2013	1,037,247	(47,373)	0	989,874	1,166,647	1,166,647	(176,773)
Fund Balance, June 30, 2014	\$ 1,340,930	\$ 0	\$ (619,229)	\$ 721,701	\$ 386,426	\$ 1,338,128	\$ (616,427)

Exhibit F-12

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway Capital Projects Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 302,870	0	\$ 302,870	\$ 303,954	\$ 303,954	\$ (1,084)
Total Revenues	\$ 302,870	0	\$ 302,870	\$ 303,954	\$ 303,954	\$ (1,084)
<u>Expenditures</u>						
<u>Capital Projects</u>						
Highway and Street Capital Projects	\$ 189,627	12,465	\$ 202,092	\$ 287,618	\$ 287,618	\$ 85,526
Total Expenditures	\$ 189,627	12,465	\$ 202,092	\$ 287,618	\$ 287,618	\$ 85,526
Excess (Deficiency) of Revenues Over Expenditures	\$ 113,243	(12,465)	\$ 100,778	\$ 16,336	\$ 16,336	\$ 84,442
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 113,243	(12,465)	\$ 100,778	\$ 16,336	\$ 16,336	\$ 84,442
	320,706	0	320,706	42,699	42,699	278,007
Fund Balance, June 30, 2014	\$ 433,949	(12,465)	\$ 421,484	\$ 59,035	\$ 59,035	\$ 362,449

Major Governmental Funds

Debt Service Funds

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

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

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

Exhibit G-1

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,217,072	\$ 1,155,198	\$ 1,196,730	\$ 20,342
Other Local Revenues	34,927	30,000	30,000	4,927
Other Governments and Citizens Groups	234,420	234,420	234,420	0
Total Revenues	<u>\$ 1,486,419</u>	<u>\$ 1,419,618</u>	<u>\$ 1,461,150</u>	<u>\$ 25,269</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,024,000	\$ 1,219,000	\$ 1,024,000	\$ 0
<u>Interest on Debt</u>				
General Government	179,176	332,815	330,080	150,904
<u>Other Debt Service</u>				
General Government	263,138	271,920	271,920	8,782
Total Expenditures	<u>\$ 1,466,314</u>	<u>\$ 1,823,735</u>	<u>\$ 1,626,000</u>	<u>\$ 159,686</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 20,105</u>	<u>\$ (404,117)</u>	<u>\$ (164,850)</u>	<u>\$ 184,955</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 76,194	\$ 91,937	\$ 91,937	\$ (15,743)
Transfers Out	(1,300,000)	0	(1,300,000)	0
Total Other Financing Sources	<u>\$ (1,223,806)</u>	<u>\$ 91,937</u>	<u>\$ (1,208,063)</u>	<u>\$ (15,743)</u>
Net Change in Fund Balance	\$ (1,203,701)	(312,180)	(1,372,913)	169,212
Fund Balance, July 1, 2013	<u>2,842,130</u>	<u>2,682,261</u>	<u>2,682,261</u>	<u>159,869</u>
Fund Balance, June 30, 2014	<u>\$ 1,638,429</u>	<u>\$ 2,370,081</u>	<u>\$ 1,309,348</u>	<u>\$ 329,081</u>

Exhibit G-2

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,254,761	\$ 5,029,111	\$ 5,116,981	\$ 137,780
Other Local Revenues	181,337	10,000	188,965	(7,628)
Total Revenues	<u>\$ 5,436,098</u>	<u>\$ 5,039,111</u>	<u>\$ 5,305,946</u>	<u>\$ 130,152</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 2,235,300	\$ 3,035,000	\$ 2,235,300	\$ 0
<u>Interest on Debt</u>				
Education	1,762,286	1,878,718	1,878,718	116,432
<u>Other Debt Service</u>				
Education	106,594	115,000	130,000	23,406
Total Expenditures	<u>\$ 4,104,180</u>	<u>\$ 5,028,718</u>	<u>\$ 4,244,018</u>	<u>\$ 139,838</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,331,918</u>	<u>\$ 10,393</u>	<u>\$ 1,061,928</u>	<u>\$ 269,990</u>
Net Change in Fund Balance	\$ 1,331,918	\$ 10,393	\$ 1,061,928	\$ 269,990
Fund Balance, July 1, 2013	7,416,248	8,138,157	8,138,157	(721,909)
Fund Balance, June 30, 2014	<u>\$ 8,748,166</u>	<u>\$ 8,148,550</u>	<u>\$ 9,200,085</u>	<u>\$ (451,919)</u>

Fiduciary Funds

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

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

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

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

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

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

Exhibit H-1

Loudon County, Tennessee
 Combining Statement of Fiduciary Assets and Liabilities
 Fiduciary Funds
 June 30, 2014

	Agency Funds						Total
	Cities - Sales Tax	City School ADA - Lenoir City	Center Board	Constitu- tional Officers - Agency	Other Agency		
ASSETS							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 726,268
Equity in Pooled Cash and Investments	0	443,030	50,452	0	2,846,609	0	3,340,091
Accounts Receivable			5,120				5,120
Due from Other Governments	703,394	301,493	1,802	0	0	0	1,006,689
Taxes Receivable	0	5,427,495		0	0	0	5,427,495
Allowance for Uncollectible Taxes	0	(168,754)		0	0	0	(168,754)
Total Assets	\$ 703,394	\$ 6,003,264	\$ 57,374	\$ 726,268	\$ 2,846,609	\$ 0	\$ 10,336,909
LIABILITIES							
Accounts Payable	\$ 0	\$ 0	\$ 1,609	\$ 0	\$ 0	\$ 0	\$ 1,609
Due to Other Taxing Units	703,394	6,003,264		0	0	0	6,706,658
Due to Litigants, Heirs, and Others	0	0		726,268	0	0	726,268
Due to Joint Ventures	0	0	55,765	0	2,846,609	0	2,902,374
Total Liabilities	\$ 703,394	\$ 6,003,264	\$ 57,374	\$ 726,268	\$ 2,846,609	\$ 0	\$ 10,336,909

Exhibit H-2

Loudon County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,908,755	\$ 3,908,755	\$ 0
Due from Other Governments	648,194	703,394	648,194	703,394
Total Assets	\$ 648,194	\$ 4,612,149	\$ 4,556,949	\$ 703,394
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 648,194	\$ 4,612,149	\$ 4,556,949	\$ 703,394
Total Liabilities	\$ 648,194	\$ 4,612,149	\$ 4,556,949	\$ 703,394
<u>City School ADA - Lenoir City Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 189,925	\$ 7,002,251	\$ 6,749,146	\$ 443,030
Due from Other Governments	280,258	301,493	280,258	301,493
Taxes Receivable	5,457,717	5,427,495	5,457,717	5,427,495
Allowance for Uncollectible Taxes	(202,181)	(168,754)	(202,181)	(168,754)
Total Assets	\$ 5,725,719	\$ 12,562,485	\$ 12,284,940	\$ 6,003,264
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 5,725,719	\$ 12,562,485	\$ 12,284,940	\$ 6,003,264
Total Liabilities	\$ 5,725,719	\$ 12,562,485	\$ 12,284,940	\$ 6,003,264
<u>Center Board</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 148,456	\$ 98,004	\$ 50,452
Accounts Receivable	0	5,120	0	5,120
Due from Other Governments	0	1,802	0	1,802
Total Assets	\$ 0	\$ 155,378	\$ 98,004	\$ 57,374
<u>Liabilities</u>				
Accounts Payable	\$ 0	1,609	\$ 0	\$ 1,609
Due to Joint Ventures	0	153,769	98,004	55,765
Total Liabilities	\$ 0	\$ 155,378	\$ 98,004	\$ 57,374

(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	\$ 691,970	\$ 8,403,902	\$ 8,369,604	\$ 726,268
Total Assets	\$ 691,970	\$ 8,403,902	\$ 8,369,604	\$ 726,268
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 691,970	\$ 8,403,902	\$ 8,369,604	\$ 726,268
Total Liabilities	\$ 691,970	\$ 8,403,902	\$ 8,369,604	\$ 726,268
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 2,579,590	\$ 410,198	\$ 143,179	\$ 2,846,609
Total Assets	\$ 2,579,590	\$ 410,198	\$ 143,179	\$ 2,846,609
<u>Liabilities</u>				
Due to Joint Ventures	\$ 2,579,590	\$ 410,198	\$ 143,179	\$ 2,846,609
Total Liabilities	\$ 2,579,590	\$ 410,198	\$ 143,179	\$ 2,846,609
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 691,970	\$ 8,403,902	\$ 8,369,604	\$ 726,268
Equity in Pooled Cash and Investments	2,769,515	11,469,660	10,899,084	3,340,091
Accounts Receivable	0	5,120	0	5,120
Due from Other Governments	928,452	1,006,689	928,452	1,006,689
Taxes Receivable	5,457,717	5,427,495	5,457,717	5,427,495
Allowance for Uncollectible Taxes	(202,181)	(168,754)	(202,181)	(168,754)
Total Assets	\$ 9,645,473	\$ 26,144,112	\$ 25,452,676	\$ 10,336,909
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 1,609	\$ 0	\$ 1,609
Due to Other Taxing Units	6,373,913	17,174,634	16,841,889	6,706,658
Due to Litigants, Heirs, and Others	691,970	8,403,902	8,369,604	726,268
Due to Joint Venture	2,579,590	563,967	241,183	2,902,374
Total Liabilities	\$ 9,645,473	\$ 26,144,112	\$ 25,452,676	\$ 10,336,909

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, 2014

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
Instruction	\$ 25,199,014	\$ 0	\$ 1,370,500	\$ 26,596	\$ (23,801,918)
Support Services	13,040,412	65	721,833	0	(12,318,514)
Operation of Non-instructional Services	3,561,546	528,036	2,786,817	0	(246,693)
Total Governmental Activities	\$ 41,800,972	\$ 528,101	\$ 4,879,150	\$ 26,596	\$ (36,367,125)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$	10,140,111
Local Option Sales Taxes					3,202,226
Adequate Facilities/Development Tax					361,972
Grants and Contributions Not Restricted for Specific Programs					21,296,142
Unrestricted Investment Income					5,384
Miscellaneous					102,778
Total General Revenues				\$	\$ 35,108,613
Change in Net Position				\$	(1,258,512)
Net Position, July 1, 2013					90,757,888
Net Position, June 30, 2014				\$	\$ 89,499,376

Loudon County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Loudon County School Department
June 30, 2014

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	Education Capital Projects	Other	Governmental Funds	
Cash	\$ 1,000	\$ 0	\$ 1,200	\$ 2,200	
Equity in Pooled Cash and Investments	6,003,636	3,707,696	692,788	10,404,120	
Accounts Receivable	776	0	66,862	67,638	
Due from Other Governments	1,727,527	0	447,695	2,175,222	
Due from Other Funds	487	0	14,129	14,616	
Due from Primary Government	46	0	0	46	
Property Taxes Receivable	10,397,352	0	0	10,397,352	
Allowance for Uncollectible Property Taxes	(323,279)	0	0	(323,279)	
Prepaid Items	926,220	0	3,407	929,627	
Total Assets	\$ 18,733,765	\$ 3,707,696	\$ 1,226,081	\$ 23,667,542	

ASSETS

LIABILITIES

Accounts Payable	\$ 220,663	\$ 0	\$ 2,955	\$ 223,618
Payroll Deductions Payable	76,462	0	25,942	102,404
Contracts Payable	0	14,544	0	14,544
Retainage Payable	0	2,865	0	2,865
Due to Other Funds	14,129	0	487	14,616
Total Liabilities	\$ 311,254	\$ 17,409	\$ 29,384	\$ 358,047

(Continued)

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	Governmental Funds	
\$	9,896,440	\$ 0	\$ 0	\$ 0	9,896,440
	157,051	0	0	0	157,051
	290,540	0	0	0	290,540
\$	10,344,031	\$ 0	\$ 0	\$ 0	10,344,031

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 9,896,440	\$ 0	\$ 0	\$ 0	9,896,440
Deferred Delinquent Property Taxes	157,051	0	0	0	157,051
Other Deferred/Unavailable Revenue	290,540	0	0	0	290,540
Total Deferred Inflows of Resources	\$ 10,344,031	\$ 0	\$ 0	\$ 0	10,344,031

FUND BALANCES

Nonspendable:					
Prepaid Items	\$ 926,220	\$ 0	\$ 3,407	\$ 0	929,627
Restricted:					
Restricted for Education	141,152	0	893,290	0	1,034,442
Restricted for Capital Projects	0	3,690,287	0	0	3,690,287
Committed:					
Committed for Education	0	0	300,000	0	300,000
Assigned:					
Assigned for Education	2,394,166	0	0	0	2,394,166
Unassigned	4,616,942	0	0	0	4,616,942
Total Fund Balances	\$ 8,078,480	\$ 3,690,287	\$ 1,196,697	\$ 0	12,965,464
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,733,765	\$ 3,707,696	\$ 1,226,081	\$ 0	23,667,542

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, 2014

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)		\$ 12,965,464
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,946,406	
Add: construction in progress	19,872,687	
Add: buildings and improvements net of accumulated depreciation	52,520,538	
Add: other capital assets net of accumulated depreciation	618,284	76,957,915
		<hr/>
(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.		52,529
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		447,591
(4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		<u>(924,123)</u>
Net position of governmental activities (Exhibit A)		<u>\$ 89,499,376</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, 2014

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Other</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 13,352,249	\$ 356,534	\$ 0	\$ 13,708,783
Licenses and Permits	1,439	0	0	1,439
Charges for Current Services	10,182	0	528,036	538,218
Other Local Revenues	89,966	1,600	14,606	106,172
State of Tennessee	22,233,048	0	25,528	22,258,576
Federal Government	148,797	0	3,743,193	3,891,990
Other Governments and Citizens Groups	26,596	0	0	26,596
Total Revenues	<u>\$ 35,862,277</u>	<u>\$ 358,134</u>	<u>\$ 4,311,363</u>	<u>\$ 40,531,774</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 23,721,685	\$ 0	\$ 1,449,795	\$ 25,171,480
Support Services	11,030,149	0	707,040	11,737,189
Operation of Non-instructional Services	1,198,048	0	2,374,550	3,572,598
Capital Projects	0	10,077,295	0	10,077,295
Total Expenditures	<u>\$ 35,949,882</u>	<u>\$ 10,077,295</u>	<u>\$ 4,531,385</u>	<u>\$ 50,558,562</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (87,605)</u>	<u>\$ (9,719,161)</u>	<u>\$ (220,022)</u>	<u>\$ (10,026,788)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 27,479	\$ 0	\$ 0	\$ 27,479
Total Other Financing Sources (Uses)	<u>\$ 27,479</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,479</u>
Net Change in Fund Balances	\$ (60,126)	\$ (9,719,161)	\$ (220,022)	\$ (9,999,309)
Fund Balance, July 1, 2013	<u>8,138,606</u>	<u>13,409,448</u>	<u>1,416,719</u>	<u>22,964,773</u>
Fund Balance, June 30, 2014	<u>\$ 8,078,480</u>	<u>\$ 3,690,287</u>	<u>\$ 1,196,697</u>	<u>\$ 12,965,464</u>

Exhibit I-5

Loudon County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Loudon County School Department
For the Year Ended June 30, 2014

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)		\$ (9,999,309)
(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	\$ 10,075,433	
Less: current-year depreciation expense	<u>(1,189,584)</u>	8,885,849
(2) The net effect of various miscellaneous transactions that do not provide current financial resources are not reported as revenues in the funds.		
Less: book value of capital assets disposed		(134,129)
(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, 2013	\$ (436,905)	
Add: deferred delinquent property taxes and other deferred June 30, 2014	<u>447,591</u>	10,686
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability		(16,795)
(5) The internal service fund is used by management to charge the cost of employee dental and vision benefits to individual funds. The net expense of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>(4,814)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (1,258,512)</u>

Exhibit I-6

Loudon County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Loudon County School Department
June 30, 2014

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,200	\$ 1,200
Equity in Pooled Cash and Investments	191,094	501,694	692,788
Accounts Receivable	0	66,862	66,862
Due from Other Governments	125,139	322,556	447,695
Due from Other Funds	0	14,129	14,129
Prepaid Items	2,687	720	3,407
Total Assets	<u>\$ 318,920</u>	<u>\$ 907,161</u>	<u>\$ 1,226,081</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,955	\$ 0	\$ 2,955
Payroll Deductions Payable	10,506	15,436	25,942
Due to Other Funds	487	0	487
Total Liabilities	<u>\$ 13,948</u>	<u>\$ 15,436</u>	<u>\$ 29,384</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$ 2,687	\$ 720	\$ 3,407
Restricted:			
Restricted for Education	2,285	891,005	893,290
Committed:			
Committed for Education	300,000	0	300,000
Total Fund Balances	<u>\$ 304,972</u>	<u>\$ 891,725</u>	<u>\$ 1,196,697</u>
Total Liabilities and Fund Balances	<u>\$ 318,920</u>	<u>\$ 907,161</u>	<u>\$ 1,226,081</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, 2014

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 528,036	\$ 528,036
Other Local Revenues	0	14,606	14,606
State of Tennessee	0	25,528	25,528
Federal Government	2,137,726	1,605,467	3,743,193
Total Revenues	<u>\$ 2,137,726</u>	<u>\$ 2,173,637</u>	<u>\$ 4,311,363</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,449,795	\$ 0	\$ 1,449,795
Support Services	707,040	0	707,040
Operation of Non-instructional Services	0	2,374,550	2,374,550
Total Expenditures	<u>\$ 2,156,835</u>	<u>\$ 2,374,550</u>	<u>\$ 4,531,385</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (19,109)</u>	<u>\$ (200,913)</u>	<u>\$ (220,022)</u>
Net Change in Fund Balances	\$ (19,109)	\$ (200,913)	\$ (220,022)
Fund Balance, July 1, 2013	324,081	1,092,638	1,416,719
Fund Balance, June 30, 2014	<u>\$ 304,972</u>	<u>\$ 891,725</u>	<u>\$ 1,196,697</u>

Exhibit I-8

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Loudon County School Department
General Purpose School Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,352,249	\$ 0	\$ 0	\$ 13,352,249	\$ 13,294,342	\$ 13,294,342	\$ 57,907
Licenses and Permits	1,439	0	0	1,439	1,200	1,200	239
Charges for Current Services	10,182	0	0	10,182	0	0	10,182
Other Local Revenues	89,966	0	0	89,966	63,818	97,304	(7,338)
State of Tennessee	22,233,048	0	0	22,233,048	21,665,078	22,360,055	(127,007)
Federal Government	148,797	0	0	148,797	65,000	145,588	3,209
Other Governments and Citizens Groups	26,596	0	0	26,596	0	26,596	0
Total Revenues	\$ 35,862,277	\$ 0	\$ 0	\$ 35,862,277	\$ 35,089,438	\$ 35,925,085	\$ (62,808)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 19,983,282	\$ (11,316)	\$ 256,111	\$ 20,228,077	\$ 20,710,892	\$ 20,488,470	\$ 260,393
Special Education Program	2,657,424	(996)	0	2,656,428	2,771,897	2,847,485	191,057
Vocational Education Program	1,080,979	(4,672)	18,825	1,095,132	993,909	1,109,799	14,667
<u>Support Services</u>							
Health Services	262,786	0	0	262,786	283,508	273,008	10,222
Other Student Support	1,038,836	0	0	1,038,836	1,052,902	1,053,089	14,253
Regular Instruction Program	1,353,585	0	0	1,353,585	1,352,846	1,380,338	26,753
Special Education Program	390,687	0	0	390,687	374,322	405,172	14,485
Vocational Education Program	143,805	0	0	143,805	143,569	144,044	239
Other Programs	184,829	0	0	184,829	0	184,829	0
Board of Education	603,610	0	0	603,610	626,151	618,151	14,541
Director of Schools	273,512	0	0	273,512	320,239	297,701	24,189
Office of the Principal	925,829	0	27,319	953,148	942,608	969,006	15,858
Fiscal Services	66,314	0	0	66,314	65,696	66,336	22
Operation of Plant	2,819,387	0	80,994	2,900,381	2,536,240	2,998,895	98,514
Maintenance of Plant	239,807	0	182,495	422,302	200,000	640,198	217,896
Transportation	1,749,951	(500)	0	1,749,451	1,855,068	1,784,944	35,493
Central and Other	977,211	(13,674)	49,175	1,012,712	762,363	1,032,584	19,872

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2013	6/30/2014			Original	Final	
<u>Expenditures (Cont.)</u>								
<u>Operation of Non-instructional Services</u>								
Food Service	\$ 2 \$	0 \$	0 \$	2 \$	0 \$	0 \$	0 \$	(2)
Community Services	420,753	0	89	420,842	212,318	432,307	432,307	11,465
Early Childhood Education	777,293	0	0	777,293	795,471	795,471	795,471	18,178
Capital Outlay	0	0	294,739	294,739	0	300,000	300,000	5,261
Regular Capital Outlay								
Total Expenditures	\$ 35,949,882 \$	(31,158) \$	909,747 \$	36,828,471 \$	35,999,999 \$	37,821,827 \$	37,821,827 \$	993,356
Excess (Deficiency) of Revenues Over Expenditures	\$ (87,605) \$	31,158 \$	(909,747) \$	(966,194) \$	(910,561) \$	(1,896,742) \$	(1,896,742) \$	930,548
<u>Other Financing Sources (Uses)</u>								
Insurance Recovery	\$ 27,479 \$	0 \$	0 \$	27,479 \$	0 \$	27,478 \$	27,478 \$	1
Total Other Financing Sources	\$ 27,479 \$	0 \$	0 \$	27,479 \$	0 \$	27,478 \$	27,478 \$	1
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (60,126) \$	31,158 \$	(909,747) \$	(938,715) \$	(910,561) \$	(1,869,264) \$	(1,869,264) \$	930,549
Fund Balance, July 1, 2013	8,138,606	(31,158)	0	8,107,448	5,734,822	5,734,822	5,734,822	2,372,626
Fund Balance, June 30, 2014	\$ 8,078,480 \$	0 \$	(909,747) \$	7,168,733 \$	4,824,261 \$	3,865,558 \$	3,865,558 \$	3,303,175

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, 2014

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 2,137,726	\$ 0	\$ 2,137,726	\$ 2,046,970	\$ 2,565,560	\$ (427,834)
Total Revenues	\$ 2,137,726	\$ 0	\$ 2,137,726	\$ 2,046,970	\$ 2,565,560	\$ (427,834)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 746,651	\$ 10,279	\$ 756,930	\$ 668,557	\$ 852,413	\$ 95,483
Special Education Program	656,995	0	656,995	678,899	699,801	42,806
Vocational Education Program	46,149	0	46,149	53,152	53,152	7,003
<u>Support Services</u>						
Other Student Support	39,459	0	39,459	41,848	81,964	42,505
Regular Instruction Program	360,196	0	360,196	370,903	561,018	200,822
Special Education Program	304,059	0	304,059	230,285	313,886	9,827
Vocational Education Program	3,326	0	3,326	3,326	3,326	0
Total Expenditures	\$ 2,156,835	\$ 10,279	\$ 2,167,114	\$ 2,046,970	\$ 2,565,560	\$ 398,446
Excess (Deficiency) of Revenues Over Expenditures	\$ (19,109)	\$ (10,279)	\$ (29,388)	\$ 0	\$ 0	\$ (29,388)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 107,295	\$ 0	\$ 0
Transfers Out	0	0	0	(107,295)	0	0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (19,109)	\$ (10,279)	\$ (29,388)	\$ 0	\$ 0	\$ (29,388)
Fund Balance, June 30, 2014	324,081	0	324,081	469,695	469,695	(145,614)
	\$ 304,972	\$ (10,279)	\$ 294,693	\$ 469,695	\$ 469,695	\$ (175,002)

Exhibit I-10

Loudon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Loudon County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2013	Encumbrances 6/30/2014			Original	Final	
Revenues								
Charges for Current Services	\$ 528,036	\$ 0	\$ 0	\$ 528,036	\$ 816,750	\$ 816,750	\$ (288,714)	
Other Local Revenues	14,606	0	0	14,606	0	0	14,606	
State of Tennessee	25,528	0	0	25,528	27,000	27,000	(1,472)	
Federal Government	1,605,467	0	0	1,605,467	1,750,052	1,750,052	(144,585)	
Total Revenues	\$ 2,173,637	\$ 0	\$ 0	\$ 2,173,637	\$ 2,593,802	\$ 2,593,802	\$ (420,165)	
Expenditures								
Operation of Non-instructional Services	\$ 2,374,550	(27,701)	43,433	2,390,282	2,649,709	2,657,509	267,227	
Food Service	\$ 2,374,550	(27,701)	43,433	2,390,282	2,649,709	2,657,509	267,227	
Total Expenditures	\$ (200,913)	27,701	(43,433)	(216,645)	(55,907)	(63,707)	(152,938)	
Excess (Deficiency) of Revenues Over Expenditures	\$ (200,913)	27,701	(43,433)	(216,645)	(55,907)	(63,707)	(152,938)	
Net Change in Fund Balance Fund Balance, July 1, 2013	1,092,638	(27,701)	0	1,064,937	1,061,343	1,061,343	3,594	
Fund Balance, June 30, 2014	\$ 891,725	\$ 0	(43,433)	848,292	1,005,436	997,636	(149,344)	

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 356,534	\$ 0	\$ 0	\$ 356,534	\$ 300,000	\$ 300,000	\$ 56,534
Other Local Revenues	1,600	0	0	1,600	0	0	1,600
State of Tennessee	0	0	0	0	0	20,000	(20,000)
<u>Total Revenues</u>	<u>\$ 358,134</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 358,134</u>	<u>\$ 300,000</u>	<u>\$ 320,000</u>	<u>\$ 38,134</u>
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 10,077,295	\$ (8,361,728)	\$ 2,003,558	\$ 3,719,125	\$ 0	\$ 5,137,831	\$ 1,418,706
<u>Total Expenditures</u>	<u>\$ 10,077,295</u>	<u>\$ (8,361,728)</u>	<u>\$ 2,003,558</u>	<u>\$ 3,719,125</u>	<u>\$ 0</u>	<u>\$ 5,137,831</u>	<u>\$ 1,418,706</u>
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	<u>\$ (9,719,161)</u>	<u>\$ 8,361,728</u>	<u>\$ (2,003,558)</u>	<u>\$ (3,360,991)</u>	<u>\$ 300,000</u>	<u>\$ (4,817,831)</u>	<u>\$ 1,456,840</u>
<u>Net Change in Fund Balance</u> <u>Fund Balance, July 1, 2013</u>	<u>\$ (9,719,161)</u>	<u>\$ 8,361,728</u>	<u>\$ (2,003,558)</u>	<u>\$ (3,360,991)</u>	<u>\$ 300,000</u>	<u>\$ (4,817,831)</u>	<u>\$ 1,456,840</u>
	13,409,448	(8,361,728)	0	5,047,720	28,361,016	28,361,016	(23,313,296)
<u>Fund Balance, June 30, 2014</u>	<u>\$ 3,690,287</u>	<u>\$ 0</u>	<u>\$ (2,003,558)</u>	<u>\$ 1,686,729</u>	<u>\$ 28,661,016</u>	<u>\$ 23,543,185</u>	<u>\$ (21,856,456)</u>

Exhibit I-12

Loudon County, Tennessee
Statement of Net Position
Discretely Presented Loudon County School Department
Proprietary Fund
June 30, 2014

	Internal Service Fund
	<u>Employee Dental and Vision Insurance Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 80,659
Total Assets	<u>\$ 80,659</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Other Current Liabilities	\$ 28,130
Total Liabilities	<u>\$ 28,130</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 52,529</u>
Total Net Position	<u><u>\$ 52,529</u></u>

Exhibit I-13

Loudon County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Loudon County School Department
Proprietary Fund
For the Year Ended June 30, 2014

	Internal Service Fund
	<u>Employee Dental and Vision Insurance Fund</u>
<u>Operating Revenues</u>	
Charges for Services	\$ 362,235
Total Operating Revenues	<u>\$ 362,235</u>
<u>Operating Expenses</u>	
Medical and Dental Services	\$ 367,049
Total Operating Expenses	<u>\$ 367,049</u>
Operating Income (Loss)	<u>\$ (4,814)</u>
Change in Net Position	\$ (4,814)
Net Position, July 1, 2013	<u>57,343</u>
Net Position, June 30, 2014	<u><u>\$ 52,529</u></u>

Exhibit I-14

Loudon County, Tennessee
Statement of Cash Flows
Discretely Presented Loudon County School Department
Proprietary Fund
For the Year Ended June 30, 2014

	Internal Service Fund
	<u>Employee Dental and Vision Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 362,235
Payments for Claims	(360,176)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,059</u>
Increase (Decrease) in Cash	\$ 2,059
Cash, July 1, 2013	<u>78,600</u>
Cash, June 30, 2014	<u><u>\$ 80,659</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (4,814)
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
Increase (Decrease) in Other Current Liabilities	<u>6,873</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 2,059</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, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Paid and/or	
						Matured During Period	Outstanding 6-30-14
NOTES PAYABLE							
<u>Payable through General Debt Service Fund</u>							
Del Conca Waterline Extension	\$ 400,000	2.88%	2-1-13	2-1-23	\$ 400,000	\$ 35,000	\$ 365,000
Total Payable through General Debt Service Fund					\$ 400,000	\$ 35,000	\$ 365,000
Total Notes Payable					\$ 400,000	\$ 35,000	\$ 365,000
OTHER LOANS PAYABLE							
<u>Payable through General Fund</u>							
City of Loudon - Highlands Business Center	475,000	0	5-1-00	(1)	\$ 347,222	\$ 41,287	\$ 305,935
Total Payable through General Fund					\$ 347,222	\$ 41,287	\$ 305,935
<u>Payable through General Debt Service Fund</u>							
Montgomery County PBA Loan	5,000,000	Variable	5-8-03	5-25-18	\$ 1,944,000	\$ 364,000	\$ 1,580,000
Blount County PBA Loan, Series E-3-C - Refunding	2,570,000	Variable	7-31-08	6-1-20	1,675,000	200,000	1,475,000
Total Payable through General Debt Service Fund					\$ 3,619,000	\$ 564,000	\$ 3,055,000
<u>Payable through Education Debt Service Fund</u>							
Blount County PBA Loan, Series E-3-C - Refunding	12,265,000	(2)	7-31-08	6-1-25	\$ 10,260,000	\$ 610,000	\$ 9,650,000
Qualified Zone Academy Bonds - Energy Efficiency	4,129,500	0	12-28-05	12-1-20	2,202,400	275,300	1,927,100
Total Payable through Education Debt Service Fund					\$ 12,462,400	\$ 885,300	\$ 11,577,100
Total Other Loans Payable					\$ 16,428,622	\$ 1,490,587	\$ 14,938,035

(Continued)

Exhibit J-1

London 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 7-1-13	Paid and/or	
						Matured During Period	Outstanding 6-30-14
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Refunding Series 2004	\$ 5,225,000	1.8 to 4%	3-31-04	4-1-20	\$ 3,620,000	\$ 425,000	\$ 3,195,000
Total Payable through General Debt Service Fund					<u>\$ 3,620,000</u>	<u>\$ 425,000</u>	<u>\$ 3,195,000</u>
<u>Payable through Education Debt Service Fund</u>							
Rural School Bonds, Series 2011	9,995,000	3.17	11-1-11	6-1-36	\$ 9,895,000	\$ 100,000	\$ 9,795,000
Rural School Bonds, Series 2012	23,500,000	2 to 4	7-25-12	6-1-36	22,775,000	700,000	22,075,000
Rural School Bonds, Series 2013A	8,850,000	1.4 to 5	5-10-13	6-1-23	8,850,000	550,000	8,300,000
Total Payable through Education Debt Service Fund					<u>\$ 41,520,000</u>	<u>\$ 1,350,000</u>	<u>\$ 40,170,000</u>
Total Bonds Payable					<u>\$ 45,140,000</u>	<u>\$ 1,775,000</u>	<u>\$ 43,365,000</u>

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

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 36,000	\$ 10,512	\$ 46,512
2016	37,000	9,475	46,475
2017	38,000	8,410	46,410
2018	39,000	7,315	46,315
2019	41,000	6,192	47,192
2020	42,000	5,011	47,011
2021	43,000	3,802	46,802
2022	44,000	2,563	46,563
2023	45,000	1,296	46,296
Total	\$ 365,000	\$ 54,576	\$ 419,576

Year Ending June 30	Other Loans			
	Principal (1)	Interest	Other Fees	Total
2015	\$ 1,521,300	\$ 338,509	\$ 100,949	\$ 1,960,758
2016	1,574,300	314,146	91,162	1,979,608
2017	1,651,300	288,401	80,958	2,020,659
2018	1,709,300	261,105	70,143	2,040,548
2019	1,340,300	232,261	58,870	1,631,431
2020	1,410,300	203,233	50,341	1,663,874
2021	1,190,300	172,525	41,253	1,404,078
2022	970,000	141,873	33,923	1,145,796
2023	1,025,000	109,378	26,153	1,160,531
2024	1,090,000	75,040	17,943	1,182,983
2025	1,150,000	38,521	9,210	1,197,731
Total	\$ 14,632,100	\$ 2,174,992	\$ 580,905	\$ 17,387,997

(1) Does not include the City of Loudon - Highland Business Center note (\$305,935) since the annual requirements for that note are dependent upon the amount of incremental tax revenues generated within the development each year.

(Continued)

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 2,270,000	\$ 1,470,312	\$ 3,740,312
2016	2,330,000	1,374,600	3,704,600
2017	2,385,000	1,276,310	3,661,310
2018	2,500,000	1,185,190	3,685,190
2019	2,535,000	1,101,040	3,636,040
2020	2,670,000	1,014,225	3,684,225
2021	2,100,000	923,925	3,023,925
2022	2,400,000	868,550	3,268,550
2023	2,425,000	806,050	3,231,050
2024	1,450,000	741,050	2,191,050
2025	1,500,000	689,550	2,189,550
2026	1,500,000	635,550	2,135,550
2027	1,525,000	581,050	2,106,050
2028	1,550,000	525,050	2,075,050
2029	1,600,000	467,550	2,067,550
2030	1,625,000	418,550	2,043,550
2031	1,650,000	367,800	2,017,800
2032	1,800,000	314,862	2,114,862
2033	1,825,000	255,462	2,080,462
2034	1,875,000	194,050	2,069,050
2035	1,900,000	131,012	2,031,012
2036	1,950,000	67,164	2,017,164
Total	\$ 43,365,000	\$ 15,408,902	\$ 58,773,902

Exhibit J-3

Loudon County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Highway/Public Works	General Debt Service	Debt retirement	\$ 76,194
General Debt Service	General Capital Projects	Internal financing of capital expenditures	1,300,000
General Capital Projects	General	Return of cash flow transfer from FY2008	<u>1,000,000</u>
Total Transfers			<u>\$ 2,376,194</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, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 83,669	\$ 50,000	Western Surety Company
Highway Superintendent	Section 8-24-102, TCA	79,685	100,000	"
Director of Schools	State Board of Education and County Board of Education	118,000 (1)	50,000	"
Trustee	Section 8-24-102, TCA	67,973	1,466,000	"
Assessor of Property	Section 8-24-102, TCA	67,973	10,000	"
Director of Accounts and Budgets	County Commission	67,973	25,000	"
Purchasing Agent	County Commission	51,000	50,000	"
County Clerk	Section 8-24-102, TCA	67,973	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	67,973	50,000	"
Clerk and Master	Section 8-24-102, TCA	67,973	50,000	Ohio Farmers Insurance Company
Register of Deeds	Section 8-24-102, TCA	67,973	25,000	Western Surety Company
Sheriff	Section 8-24-102, TCA, and County Commission	79,685 (2)	25,000	"
Employee Blanket Bonds - All County Employees:			250,000	Coregis Insurance Organization - Blanket Policy

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

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

Exhibit J-5

London County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2014

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 7,808,789	\$ 0	\$ 0	\$ 211,866	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	153,342	0	0	5,320	0	0	0
Trustee's Collections - Bankruptcy	2,229	0	0	51	10	0	0
Circuit/Clerk & Master Collections - Prior Years	161,098	0	0	2,486	0	0	0
Interest and Penalty	31,541	0	0	1,035	0	0	0
Payments in-Lieu-of Taxes - Other	33,996	0	0	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	776,901	0	0	0	137,100	0	0
Hotel/Motel Tax	408,287	0	0	0	0	0	0
Litigation Tax - General	81,464	0	0	0	0	0	0
Litigation Tax - Special Purpose	79,029	0	5,024	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	123,187	0	0	0	0	0
Business Tax	484,046	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	6,881	0	0	187	0	0	0
Wholesale Beer Tax	101,866	0	0	0	0	0	0
Total Local Taxes	\$ 10,129,469	\$ 123,187	\$ 5,024	\$ 220,945	\$ 137,110	\$ 0	0
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Animal Registration	\$ 68,152	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	304,389	0	0	0	0	0	0
<u>Permits</u>							
Beer Permits	3,230	0	0	0	0	0	0

(Continued)

London 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 (Cont.)</u>							
Building Permits	\$ 181,846	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Permits	37,209	0	0	0	0	0	0
Total Licenses and Permits	\$ 594,826	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 294	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DUI Treatment Fines	19	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,104	0	0	0	0	0	0
Courtroom Security Fee	5,420	0	0	0	0	0	0
<u>Criminal Court</u>							
Fines	17,445	0	0	0	0	0	0
Officers Costs	27,058	0	0	0	0	0	0
Drug Control Fines	5,738	0	0	0	0	0	0
Jail Fees	1,764	0	0	0	0	0	0
DUI Treatment Fines	1,662	0	0	0	0	0	0
Data Entry Fee - Criminal Court	3,020	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	66,500	0	0	0	0	0	0
Officers Costs	121,208	0	0	0	0	0	0
Game and Fish Fines	373	0	0	0	0	0	0
Drug Control Fines	8,749	0	0	0	0	0	0
Jail Fees	7,756	0	0	0	0	0	0
DUI Treatment Fines	17,719	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	22,291	0	0	0	0	0	0
Courtroom Security Fee	116,223	0	0	0	0	0	0

(Continued)

London 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>Juvenile Court</u>						
Fines	71 \$	0 \$	0 \$	0 \$	0 \$	0
Data Entry Fee - Juvenile Court	334	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	10,061	0	0	0	0	0
Data Entry Fee - Chancery Court	4,718	0	0	0	0	0
Courtroom Security Fee	2,489	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	6,752	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 448,768 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Charges for Current Services</u>						
<u>Fees</u>						
Copy Fees	3 \$	0 \$	0 \$	4,753 \$	0 \$	0
Library Fees	0	0	0	4,781	0	0
Greenbelt Late Application Fee	200	0	0	0	0	0
Telephone Commissions	50,908	0	0	0	0	0
Vending Machine Collections	149	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	19,308	0	0	0	0	0
Data Processing Fee - Sheriff	8,638	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,700	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - County Clerk	737 \$	0 \$	0 \$	0 \$	0 \$	0 \$
Total Charges for Current Services	81,643 \$	0 \$	0 \$	9,534 \$	0 \$	0 \$
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	2,667 \$	0 \$	0 \$	0 \$	0 \$	0 \$
Lease/Rentals	1,350	0	0	0	0	13,482
Sale of Materials and Supplies	1,750	0	0	181	0	0
Commissary Sales	14,942	0	0	0	0	0
Sale of Maps	259	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	121,974	0
Retirees' Insurance Payments	51,443	0	0	3,016	440	0
Cobra Insurance Payments	2,141	0	0	0	0	0
Miscellaneous Refunds	76,820	0	0	869	1,268	0
Expenditure Credits	1,395	0	0	0	0	0
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	0	0	0	0	0	0
Sale of Equipment	6,076	0	0	0	0	0
Sale of Property	301	0	0	0	0	0
Contributions and Gifts	27,247	0	0	304	0	0
Total Other Local Revenues	186,391 \$	0 \$	0 \$	4,370 \$	123,682 \$	13,482
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	474,783 \$	0 \$	0 \$	0 \$	0 \$	0 \$

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	
<u>Fees Received from County Officials (Cont.)</u>							
<u>Fees in-Lieu-of Salary (Cont.)</u>							
Circuit Court Clerk	\$ 97,374	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
General Sessions Court Clerk	429,386	0	0	0	0	0	0
Clerk and Master	105,076	0	0	0	0	0	0
Register	260,426	0	0	0	0	0	0
Sheriff	18,773	0	0	0	0	0	0
Trustee	832,205	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 2,218,023	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 10,305	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	10,350	0	0	0	0	0	0
Other General Government Grants	45,000	0	0	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	26,400	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	259,686	0	0	0	0	0	0
Other Health and Welfare Grants	8,225	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	0
Litter Program	0	0	0	0	40,299	0	0
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	786,141	0	0	0	0	0	0
Beer Tax	17,806	0	0	0	0	0	0

(Continued)

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

Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 64,976	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Mixed Drink Tax	8,211	0	0	0	0	0
Contracted Prisoner Boarding	182,521	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	11,373	0	0	0	0	0
State Shared Sales Tax - Cities	7,651	0	0	2,827	0	0
Other State Grants	0	0	0	0	0	0
Other State Revenues	7,020	0	0	0	9,483	0
Total State of Tennessee	\$ 1,445,665	\$ 0	\$ 0	\$ 2,827	\$ 49,782	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	51,000	0	0	0	0	0
Homeland Security Grants	12,498	0	0	0	0	0
Law Enforcement Grants	2,639	0	0	0	0	0
Other Federal through State	36,760	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	0	0	0	0	0	0
Other Direct Federal Revenue	4,888	0	0	0	0	0
Total Federal Government	\$ 107,785	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 8,282	\$ 0	\$ 0	\$ 36,545	\$ 0	\$ 0	0
Contracted Services	40,027	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	11,019	0	0	120	0	0	0
<u>Other</u>							
Other	12,704	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 72,032	\$ 0	\$ 0	\$ 36,665	\$ 0	\$ 0	0
Total	\$ 15,284,602	\$ 123,187	\$ 5,024	\$ 274,341	\$ 310,574	\$ 13,482	

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

	Special Revenue Funds (Cont.)					Debt Service Funds		
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service		
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 532,938	\$ 1,124,516	\$ 5,069,770		
Trustee's Collections - Prior Year	0	0	0	10,641	23,057	92,519		
Trustee's Collections - Bankruptcy	0	0	0	160	338	1,430		
Circuit/Clerk & Master Collections - Prior Years	0	0	0	6,012	12,740	66,514		
Interest and Penalty	0	0	0	2,180	5,309	19,360		
Payments in-Lieu-of Taxes - Other	0	0	0	0	50,121	0		
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	0	0	0	0		
Hotel/Motel Tax	0	0	0	0	0	0		
Litigation Tax - General	0	0	0	0	0	0		
Litigation Tax - Special Purpose	0	0	0	0	0	0		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0		
Business Tax	0	0	0	0	0	0		
Mineral Severance Tax	0	0	0	40,826	0	0		
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	0	470	991	5,168		
Wholesale Beer Tax	0	0	0	0	0	0		
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 593,227	\$ 1,217,072	\$ 5,254,761		
<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		
<u>Permits</u>								
Beer Permits	0	0	0	0	0	0		

(Continued)

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

	Special Revenue Funds (Cont.)				Debt Service Funds		
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	
<u>Licenses and Permits (Cont.)</u>							
<u>Permits (Cont.)</u>							
Building Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Other Permits	0	0	0	0	0	0	0
Total Licenses and Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
DUI Treatment Fines	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0
<u>Criminal Court</u>							
Fines	0	0	0	0	0	0	0
Officers Costs	238	0	0	0	0	0	0
Drug Control Fines	16,723	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0	0
Data Entry Fee - Criminal Court	0	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0	0	0
Drug Control Fines	8,750	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)				Debt Service Funds		
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Juvenile Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0
<u>Other Courts - In-county</u>							
Fines	0	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	53,012	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	28,415	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 107,138	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>							
<u>Fees</u>							
Copy Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Library Fees	0	0	0	0	0	0	0
Greenbelt Late Application Fee	0	0	0	0	0	0	0
Telephone Commissions	0	0	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	2,478	0	0	0	0
Data Processing Fee - Register	0	0	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)				Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - County Clerk	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$
Total Charges for Current Services	\$ 0 \$	0 \$	2,478 \$	0 \$	0 \$	0 \$
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0 \$	0 \$	0 \$	0 \$	1,468 \$	181,337
Lease/Rentals	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	17,293	0	0
Commissary Sales	0	0	0	0	0	0
Sale of Maps	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0	0
Retirees' Insurance Payments	0	0	0	2,923	0	0
Cobra Insurance Payments	0	0	0	0	0	0
Miscellaneous Refunds	0	0	0	9,616	0	0
Expenditure Credits	0	0	0	0	0	0
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	0	0	0	0	33,459	0
Sale of Equipment	0	0	0	7,527	0	0
Sale of Property	0	0	0	0	0	0
Contributions and Gifts	38,716	150	0	0	0	0
Total Other Local Revenues	\$ 38,716 \$	150 \$	0 \$	37,359 \$	34,927 \$	181,337
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0
County Clerk						

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)					Debt Service Funds	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	
<u>Fees Received from County Officials (Cont.)</u>							
<u>Fees in-Lieu-of Salary (Cont.)</u>							
Circuit Court Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
General Sessions Court Clerk	0	0	0	0	0	0	0
Clerk and Master	0	0	0	0	0	0	0
Register	0	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0	0
Trustee	0	0	0	0	0	0	0
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>State of Tennessee</u>							
General Government Grants	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Juvenile Services Program	0	0	0	0	0	0	0
Aging Programs	0	0	0	0	0	0	0
Other General Government Grants	0	0	0	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	0
Health and Welfare Grants	0	0	0	0	0	0	0
Health Department Programs	0	0	0	0	0	0	0
Other Health and Welfare Grants	0	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	209,115	0	0	0
Litter Program	0	0	0	0	0	0	0
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	0	0
Beer Tax	0	0	0	0	0	0	0

Exhibit J-5

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

	Special Revenue Funds (Cont.)					Debt Service Funds		
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works		General Debt Service	Education Debt Service	
<u>State of Tennessee (Cont.)</u>								
<u>Other State Revenues (Cont.)</u>								
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Mixed Drink Tax	0	0	0	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	1,591,059	0	0	0	0
Petroleum Special Tax	0	0	0	35,035	0	0	0	0
Registrar's Salary Supplement	0	0	0	0	0	0	0	0
State Shared Sales Tax - Cities	0	0	0	0	0	0	0	0
Other State Grants	0	0	0	0	0	0	0	0
Other State Revenues	0	0	0	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 1,835,209	\$ 0	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>								
<u>Federal Through State</u>								
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	0	0	0	0	0	0	0	0
Homeland Security Grants	0	0	0	0	0	0	0	0
Law Enforcement Grants	14,949	0	0	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0	0	0
<u>Direct Federal Revenue</u>								
Asset Forfeiture Funds	0	8,038	0	0	0	0	0	0
Other Direct Federal Revenue	0	0	0	0	0	0	0	0
Total Federal Government	\$ 14,949	\$ 8,038	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)				Debt Service Funds		
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contracted Services	0	0	0	0	234,420	0	0
<u>Citizens Groups</u>							
Donations	0	0	0	0	0	0	0
<u>Other</u>							
Other	0	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 234,420	\$ 0	0
Total	\$ 160,803	\$ 8,188	\$ 2,478	\$ 2,465,795	\$ 1,486,419	\$ 5,436,098	

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

	Capital Projects Funds			Total
	General Capital Projects	Highway Capital Projects		
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 250,974	\$ 291,738	\$	15,290,591
Trustee's Collections - Prior Year	1,773	6,208		292,860
Trustee's Collections - Bankruptcy	68	88		4,374
Circuit/Clerk & Master Collections - Prior Years	2,859	3,325		255,034
Interest and Penalty	524	1,254		61,203
Payments in-Lieu-of Taxes - Other	122,054	0		206,171
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0		914,001
Hotel/Motel Tax	0	0		408,287
Litigation Tax - General	0	0		81,464
Litigation Tax - Special Purpose	0	0		84,053
Litigation Tax - Jail, Workhouse, or Courthouse	0	0		123,187
Business Tax	0	0		484,046
Mineral Severance Tax	0	0		40,826
<u>Statutory Local Taxes</u>				
Bank Excise Tax	221	257		14,175
Wholesale Beer Tax	0	0		101,866
Total Local Taxes	\$ 378,473	\$ 302,870	\$	18,362,138
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Animal Registration	0	0	\$	68,152
Cable TV Franchise	0	0		304,389
<u>Permits</u>				
Beer Permits	0	0		3,230

(Continued)

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

	Capital Projects Funds			Total
	General Capital Projects	Highway Capital Projects		
<u>Licenses and Permits (Cont.)</u>				
<u>Permits (Cont.)</u>				
Building Permits	\$ 0	\$ 0	\$ 0	181,846
Other Permits	0	0	0	37,209
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	594,826
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	294
DUI Treatment Fines	0	0	0	19
Data Entry Fee - Circuit Court	0	0	0	1,104
Courtroom Security Fee	0	0	0	5,420
<u>Criminal Court</u>				
Fines	0	0	0	17,445
Officers Costs	0	0	0	27,296
Drug Control Fines	0	0	0	22,461
Jail Fees	0	0	0	1,764
DUI Treatment Fines	0	0	0	1,662
Data Entry Fee - Criminal Court	0	0	0	3,020
<u>General Sessions Court</u>				
Fines	0	0	0	66,500
Officers Costs	0	0	0	121,208
Game and Fish Fines	0	0	0	373
Drug Control Fines	0	0	0	17,499
Jail Fees	0	0	0	7,756
DUI Treatment Fines	0	0	0	17,719
Data Entry Fee - General Sessions Court	0	0	0	22,291
Courtroom Security Fee	0	0	0	116,223

(Continued)

London 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>Juvenile Court</u>				
Fines	\$ 0	\$ 0	\$ 0	71
Data Entry Fee - Juvenile Court	0	0	0	334
<u>Chancery Court</u>				
Officers Costs	0	0	0	10,061
Data Entry Fee - Chancery Court	0	0	0	4,718
Courtroom Security Fee	0	0	0	2,489
<u>Other Courts - In-county</u>				
Fines	0	0	0	6,752
<u>Judicial District Drug Program</u>				
Drug Task Force Forfeitures and Seizures	0	0	0	53,012
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	28,415
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 555,906
<u>Charges for Current Services</u>				
<u>Fees</u>				
Copy Fees	\$ 0	\$ 0	\$ 0	4,756
Library Fees	0	0	0	4,781
Greenbelt Late Application Fee	0	0	0	200
Telephone Commissions	0	0	0	50,908
Vending Machine Collections	0	0	0	149
Constitutional Officers' Fees and Commissions	0	0	0	2,478
Data Processing Fee - Register	0	0	0	19,308
Data Processing Fee - Sheriff	0	0	0	8,638
Sexual Offender Registration Fees - Sheriff	0	0	0	1,700

(Continued)

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

	Capital Projects Funds			Total
	General Capital Projects	Highway Capital Projects		
<u>Charges for Current Services (Cont.)</u>				
<u>Fees (Cont.)</u>				
Data Processing Fee - County Clerk	\$ 0	\$ 0	\$ 0	737
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	93,655
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 0	185,472
Lease/Rentals	0	0	0	14,832
Sale of Materials and Supplies	0	0	0	19,224
Commissary Sales	0	0	0	14,942
Sale of Maps	0	0	0	259
Sale of Recycled Materials	0	0	0	121,974
Retirees' Insurance Payments	0	0	0	57,822
Cobra Insurance Payments	0	0	0	2,141
Miscellaneous Refunds	0	0	0	88,573
Expenditure Credits	0	0	0	1,395
<u>Nonrecurring Items</u>				
Revenue from Joint Ventures	0	0	0	33,459
Sale of Equipment	5,914	0	0	19,517
Sale of Property	0	0	0	301
Contributions and Gifts	300,850	0	0	367,267
Total Other Local Revenues	\$ 306,764	\$ 0	\$ 0	927,178
<u>Fees Received from County Officials</u>				
<u>Fees in-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	474,783

(Continued)

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

	Capital Projects Funds			Total
	General Capital Projects	Highway Capital Projects		
<u>Fees Received from County Officials (Cont.)</u>				
<u>Fees in-Lieu-of Salary (Cont.)</u>				
Circuit Court Clerk	\$ 0	\$ 0	\$ 0	97,374
General Sessions Court Clerk	0	0	0	429,386
Clerk and Master	0	0	0	105,076
Register	0	0	0	260,426
Sheriff	0	0	0	18,773
Trustee	0	0	0	832,205
Total Fees Received from County Officials	0	0	0	2,218,023
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	10,305
Aging Programs	0	0	0	10,350
Other General Government Grants	0	0	0	45,000
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	26,400
Health and Welfare Grants	0	0	0	259,686
Other Health and Welfare Grants	0	0	0	8,225
<u>Public Works Grants</u>				
State Aid Program	0	0	0	209,115
Litter Program	0	0	0	40,299
Tennessee Industrial Infrastructure Program	152,270	0	0	152,270
<u>Other State Revenues</u>				
Income Tax	0	0	0	786,141
Beer Tax	0	0	0	17,806

(Continued)

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

	<u>Capital Projects Funds</u>			Total
	General Capital Projects	Highway Capital Projects		
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues (Cont.)</u>				
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	64,976
Mixed Drink Tax	0	0	0	8,211
Contracted Prisoner Boarding	0	0	0	182,521
Gasoline and Motor Fuel Tax	0	0	0	1,591,059
Petroleum Special Tax	0	0	0	35,035
Registrar's Salary Supplement	0	0	0	11,373
State Shared Sales Tax - Cities	0	0	0	7,651
Other State Grants	0	0	0	2,827
Other State Revenues	0	0	0	16,503
Total State of Tennessee	\$ 152,270	\$ 0	\$ 0	3,485,753
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$ 43,056	\$ 0	\$ 0	43,056
Civil Defense Reimbursement	0	0	0	51,000
Homeland Security Grants	0	0	0	12,498
Law Enforcement Grants	0	0	0	17,588
Other Federal through State	0	0	0	36,760
<u>Direct Federal Revenue</u>				
Asset Forfeiture Funds	0	0	0	8,038
Other Direct Federal Revenue	0	0	0	4,888
Total Federal Government	\$ 43,056	\$ 0	\$ 0	173,828

(Continued)

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

	Capital Projects Funds		Total
	General Capital Projects	Highway Capital Projects	
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 8,621	\$ 0	\$ 53,448
Contracted Services	0	0	274,447
<u>Citizens Groups</u>			
Donations	0	0	11,139
<u>Other</u>			
Other	0	0	12,704
Total Other Governments and Citizens Groups	\$ 8,621	\$ 0	\$ 351,738
Total	\$ 889,184	\$ 302,870	\$ 26,763,045

Loudon County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Loudon County School Department
 For the Year Ended June 30, 2014

	General Purpose School	Special Revenue Funds			Capital Projects Fund		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Education Capital Projects		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 9,767,914	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,767,914	
Trustee's Collections - Prior Year	204,423	0	0	0	0	204,423	
Trustee's Collections - Bankruptcy	3,035	0	0	0	0	3,035	
Circuit/Clerk & Master Collections - Prior Years	111,610	0	0	0	0	111,610	
Interest and Penalty	41,590	0	0	0	0	41,590	
<u>County Local Option Taxes</u>							
Local Option Sales Tax	3,205,125	0	0	0	0	3,205,125	
Adequate Facilities/Development Tax	0	0	0	0	356,534	356,534	
<u>Statutory Local Taxes</u>							
Bank Excise Tax	13,105	0	0	0	0	13,105	
Interstate Telecommunications Tax	5,447	0	0	0	0	5,447	
Total Local Taxes	\$ 13,352,249	\$ 0	\$ 0	\$ 0	\$ 356,534	\$ 13,708,783	
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 1,439	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,439	
Total Licenses and Permits	\$ 1,439	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,439	
<u>Charges for Current Services</u>							
<u>Education Charges</u>							
Lunch Payments - Children	\$ 0	\$ 0	\$ 332,481	\$ 0	\$ 0	\$ 332,481	
Lunch Payments - Adults	0	0	48,491	0	0	48,491	
Income from Breakfast	0	0	109,622	0	0	109,622	
A la carte Sales	0	0	22,540	0	0	22,540	

(Continued)

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>						
Receipts from Individual Schools	\$ 10,182	\$ 0	\$ 14,902	\$ 0	\$ 0	\$ 25,084
Total Charges for Current Services	\$ 10,182	\$ 0	\$ 528,036	\$ 0	\$ 0	\$ 538,218
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 4,814	\$ 0	\$ 570	\$ 0	\$ 0	\$ 5,384
Sale of Recycled Materials	65	0	0	0	0	65
Retirees' Insurance Payments	46,333	0	0	0	0	46,333
Miscellaneous Refunds	38,754	0	14,036	0	0	52,790
<u>Nonrecurring Items</u>						
Sale of Property	0	0	0	1,600	0	1,600
Total Other Local Revenues	\$ 89,966	\$ 0	\$ 14,606	\$ 1,600	\$ 0	\$ 106,172
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 184,829	\$ 0	\$ 0	\$ 0	\$ 0	\$ 184,829
<u>State Education Funds</u>						
Basic Education Program	19,286,001	0	0	0	0	19,286,001
Early Childhood Education	777,293	0	0	0	0	777,293
School Food Service	0	0	25,528	0	0	25,528
Other State Education Funds	669,827	0	0	0	0	669,827
Career Ladder Program	125,589	0	0	0	0	125,589
Career Ladder - Extended Contract	59,170	0	0	0	0	59,170

(Continued)

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Education Capital Projects		
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues</u>							
Mixed Drink Tax	5,395 \$	0 \$	0 \$	0 \$	0 \$	0 \$	5,395
State Revenue Sharing - T.V.A.	1,122,939	0	0	0	0	0	1,122,939
Other State Grants	2,005	0	0	0	0	0	2,005
Total State of Tennessee	\$ 22,233,048 \$	0 \$	25,528 \$	0 \$	0 \$	0 \$	22,258,576
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA School Lunch Program	0 \$	0 \$	1,093,077 \$	0 \$	0 \$	0 \$	1,093,077
Breakfast	0	0	340,409	0	0	0	340,409
USDA - Other	0	0	24,496	0	0	0	24,496
Vocational Education - Basic Grants to States	0	57,330	0	0	0	0	57,330
Title I Grants to Local Education Agencies	0	867,263	0	0	0	0	867,263
Special Education - Grants to States	80,588	928,437	0	0	0	0	1,009,025
Special Education Preschool Grants	0	14,899	0	0	0	0	14,899
English Language Acquisition Grants	0	13,848	0	0	0	0	13,848
Eisenhower Professional Development State Grants	0	204,616	0	0	0	0	204,616
Race-to-the-Top - ARRA	0	51,333	0	0	0	0	51,333
Other Federal through State	0	0	147,485	0	0	0	147,485
<u>Direct Federal Revenue</u>							
ROTC Reimbursement	68,209	0	0	0	0	0	68,209
Total Federal Government	\$ 148,797 \$	2,137,726 \$	1,605,467 \$	0 \$	0 \$	0 \$	3,891,990
<u>Other Governments and Citizens Groups</u>							
<u>Citizens Groups</u>							
Donations	26,596 \$	0 \$	0 \$	0 \$	0 \$	0 \$	26,596
Total Other Governments and Citizens Groups	\$ 26,596 \$	0 \$	0 \$	0 \$	0 \$	0 \$	26,596
Total	\$ 35,862,277 \$	2,137,726 \$	2,173,637 \$	358,134 \$	0 \$	0 \$	40,531,774

Exhibit J-7

Loudon County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	80,210	
Social Security		4,646	
State Retirement		3,119	
Life Insurance		433	
Medical Insurance		10,020	
Dental Insurance		3,392	
Employer Medicare		1,087	
Consultants		1,250	
Dues and Memberships		11,496	
Printing, Stationery, and Forms		79	
Travel		3,884	
Other Supplies and Materials		2,326	
Workers' Compensation Insurance		8,102	
In Service/Staff Development		2,370	
Total County Commission			\$ 132,414

Board of Equalization

Board and Committee Members Fees	\$	840	
Travel		264	
Total Board of Equalization			1,104

Beer Board

Board and Committee Members Fees	\$	1,500	
Legal Services		4,050	
Total Beer Board			5,550

Other Boards and Committees

Board and Committee Members Fees	\$	5,600	
Total Other Boards and Committees			5,600

County Mayor/Executive

County Official/Administrative Officer	\$	83,669	
Secretary(ies)		38,315	
Clerical Personnel		12,620	
Temporary Personnel		375	
Social Security		8,064	
State Retirement		13,084	
Life Insurance		642	
Medical Insurance		13,728	
Dental Insurance		1,048	
Employer Medicare		1,886	
Advertising		199	
Communication		2,842	
Dues and Memberships		2,471	
Operating Lease Payments		1,240	
Postal Charges		283	
Travel		2,526	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Office Supplies	\$	999	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		2,431	
In Service/Staff Development		215	
Furniture and Fixtures		1,438	
Office Equipment		1,108	
Total County Mayor/Executive	\$		189,533

Personnel Office

Supervisor/Director	\$	4,187	
Clerical Personnel		49,752	
Social Security		3,257	
State Retirement		4,804	
Life Insurance		217	
Medical Insurance		2,611	
Dental Insurance		944	
Employer Medicare		762	
Dues and Memberships		80	
Medical and Dental Services		3,864	
Postal Charges		197	
Printing, Stationery, and Forms		466	
Travel		534	
Office Supplies		767	
Other Supplies and Materials		151	
Workers' Compensation Insurance		810	
In Service/Staff Development		70	
Total Personnel Office			73,473

County Attorney

Legal Services	\$	191,386	
Total County Attorney			191,386

Election Commission

County Official/Administrative Officer	\$	61,175	
Secretary(ies)		37,459	
Temporary Personnel		10,413	
Overtime Pay		786	
Election Commission		12,000	
Election Workers		33,674	
Social Security		8,535	
State Retirement		9,607	
Life Insurance		452	
Medical Insurance		16,905	
Dental Insurance		1,372	
Employer Medicare		1,996	
Advertising		878	
Communication		2,940	

(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.)

Dues and Memberships	\$	225	
Operating Lease Payments		46,493	
Legal Notices, Recording, and Court Costs		1,629	
Licenses		3,015	
Maintenance and Repair Services - Equipment		464	
Postal Charges		6,038	
Printing, Stationery, and Forms		5,389	
Travel		2,946	
Other Contracted Services		15,364	
Office Supplies		4,249	
Workers' Compensation Insurance		1,620	
Furniture and Fixtures		138	
Office Equipment		5,280	
Total Election Commission			\$ 291,042

Register of Deeds

County Official/Administrative Officer	\$	67,973	
Clerical Personnel		97,196	
Social Security		9,609	
State Retirement		16,054	
Life Insurance		864	
Medical Insurance		45,934	
Dental Insurance		2,669	
Employer Medicare		2,247	
Communication		1,024	
Dues and Memberships		632	
Operating Lease Payments		1,530	
Postal Charges		1,148	
Travel		642	
Other Contracted Services		13,851	
Office Supplies		1,194	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		3,241	
Office Equipment		271	
Total Register of Deeds			266,179

Planning

Assistant(s)	\$	107,510	
Supervisor/Director		72,735	
Secretary(ies)		32,239	
Overtime Pay		29	
Social Security		12,528	
State Retirement		19,875	
Life Insurance		1,055	
Medical Insurance		45,344	
Dental Insurance		3,024	
Employer Medicare		2,930	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Communication	\$	2,579	
Dues and Memberships		440	
Operating Lease Payments		2,780	
Maintenance and Repair Services - Vehicles		357	
Postal Charges		754	
Printing, Stationery, and Forms		1,104	
Travel		420	
Gasoline		6,311	
Office Supplies		2,153	
Tires and Tubes		1,022	
Uniforms		59	
Workers' Compensation Insurance		3,241	
In Service/Staff Development		1,340	
Total Planning			\$ 319,829

Geographical Information Systems

Supervisor/Director	\$	38,544	
Social Security		2,200	
State Retirement		3,746	
Life Insurance		179	
Medical Insurance		10,000	
Dental Insurance		781	
Employer Medicare		514	
Other Contracted Services		3,000	
Office Supplies		55	
Workers' Compensation Insurance		810	
Total Geographical Information Systems			59,829

County Buildings

Supervisor/Director	\$	45,900	
Laborers		353,409	
Overtime Pay		5,788	
Social Security		23,426	
State Retirement		38,551	
Life Insurance		2,473	
Medical Insurance		139,133	
Dental Insurance		7,519	
Employer Medicare		5,479	
Communication		26,193	
Operating Lease Payments		2,010	
Legal Notices, Recording, and Court Costs		76	
Maintenance and Repair Services - Buildings		123,833	
Maintenance and Repair Services - Equipment		449	
Maintenance and Repair Services - Vehicles		5,894	
Pest Control		445	
Other Contracted Services		139,147	
Custodial Supplies		6,963	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Duplicating Supplies	\$	9,756	
Gasoline		21,194	
Office Supplies		701	
Tires and Tubes		1,963	
Uniforms		5,348	
Utilities		276,027	
Other Supplies and Materials		82	
Workers' Compensation Insurance		8,912	
In Service/Staff Development		42	
Maintenance Equipment		4,467	
Office Equipment		1,368	
Total County Buildings			\$ 1,256,548

Other General Administration

Legal Notices, Recording, and Court Costs	\$	4,165	
Disposal Fees		6,854	
Other Supplies and Materials		564	
Building and Contents Insurance		264,826	
Total Other General Administration			276,409

Finance

Accounting and Budgeting

Assistant(s)	\$	45,900	
Supervisor/Director		67,973	
Accountants/Bookkeepers		207,335	
Salary Supplements		2,336	
Temporary Personnel		7,030	
Overtime Pay		4,881	
Social Security		19,544	
State Retirement		31,471	
Life Insurance		1,990	
Medical Insurance		98,164	
Dental Insurance		6,376	
Employer Medicare		4,571	
Audit Services		14,567	
Communication		2,014	
Dues and Memberships		50	
Operating Lease Payments		3,267	
Maintenance and Repair Services - Buildings		4	
Postal Charges		4,411	
Printing, Stationery, and Forms		4,077	
Travel		1,513	
Other Contracted Services		10,240	
Office Supplies		8,147	
Premiums on Corporate Surety Bonds		117	
Workers' Compensation Insurance		6,481	
In Service/Staff Development		2,336	
Office Equipment		9,666	
Total Accounting and Budgeting			564,461

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Purchasing

Supervisor/Director	\$	51,000	
Purchasing Personnel		101,210	
Part-time Personnel		9,270	
Overtime Pay		481	
Social Security		9,176	
State Retirement		14,842	
Life Insurance		830	
Medical Insurance		26,882	
Dental Insurance		1,996	
Employer Medicare		2,280	
Communication		2,747	
Dues and Memberships		600	
Operating Lease Payments		1,508	
Maintenance and Repair Services - Vehicles		937	
Postal Charges		450	
Printing, Stationery, and Forms		641	
Travel		1,936	
Other Contracted Services		656	
Gasoline		375	
Office Supplies		2,506	
Other Supplies and Materials		18	
Premiums on Corporate Surety Bonds		192	
Workers' Compensation Insurance		3,241	
In Service/Staff Development		2,032	
Furniture and Fixtures		3,497	
Office Equipment		2,567	
Total Purchasing			\$ 241,870

Property Assessor's Office

County Official/Administrative Officer	\$	67,973
Secretary(ies)		152,821
Overtime Pay		166
Social Security		12,901
State Retirement		21,477
Life Insurance		1,209
Medical Insurance		50,302
Dental Insurance		4,268
Employer Medicare		3,017
Communication		1,578
Data Processing Services		7,940
Dues and Memberships		3,502
Operating Lease Payments		1,709
Maintenance Agreements		12,688
Maintenance and Repair Services - Vehicles		1,593
Postal Charges		2,684
Printing, Stationery, and Forms		862
Travel		3,032

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Other Contracted Services	\$	15,205	
Gasoline		1,702	
Office Supplies		1,342	
Premiums on Corporate Surety Bonds		175	
Workers' Compensation Insurance		4,861	
In Service/Staff Development		1,097	
Furniture and Fixtures		3,629	
Total Property Assessor's Office	\$		377,733

County Trustee's Office

County Official/Administrative Officer	\$	67,973	
Clerical Personnel		95,828	
Temporary Personnel		16,190	
Overtime Pay		112	
Social Security		10,431	
State Retirement		15,921	
Life Insurance		1,024	
Medical Insurance		51,319	
Dental Insurance		3,450	
Employer Medicare		2,442	
Communication		1,280	
Dues and Memberships		832	
Operating Lease Payments		1,585	
Maintenance Agreements		6,613	
Postal Charges		13,700	
Printing, Stationery, and Forms		2,541	
Travel		66	
Other Contracted Services		14,010	
Office Supplies		2,928	
Premiums on Corporate Surety Bonds		7,580	
Workers' Compensation Insurance		3,241	
Furniture and Fixtures		824	
Office Equipment		7,462	
Total County Trustee's Office			327,352

County Clerk's Office

County Official/Administrative Officer	\$	67,973	
Clerical Personnel		199,098	
Temporary Personnel		5,300	
Part-time Personnel		28,125	
Social Security		17,211	
State Retirement		25,880	
Life Insurance		1,965	
Medical Insurance		78,146	
Dental Insurance		6,033	
Employer Medicare		4,093	
Communication		1,847	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Dues and Memberships	\$	672	
Operating Lease Payments		2,689	
Postal Charges		15,601	
Printing, Stationery, and Forms		1,322	
Travel		655	
Other Contracted Services		14,955	
Office Supplies		7,884	
Premiums on Corporate Surety Bonds		500	
Workers' Compensation Insurance		6,481	
Furniture and Fixtures		1,915	
Office Equipment		5,538	
Total County Clerk's Office			\$ 493,883

Data Processing

Computer Programmer(s)	\$	46,103	
Data Processing Personnel		26,021	
Overtime Pay		221	
Social Security		4,261	
State Retirement		7,029	
Life Insurance		324	
Medical Insurance		14,608	
Dental Insurance		1,026	
Employer Medicare		996	
Communication		10,044	
Travel		563	
Other Contracted Services		1,521	
Office Supplies		479	
Workers' Compensation Insurance		1,620	
In Service/Staff Development		1,332	
Data Processing Equipment		14,968	
Furniture and Fixtures		377	
Office Equipment		723	
Total Data Processing			132,216

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	67,973	
Clerical Personnel		129,362	
Part-time Personnel		3,759	
Overtime Pay		5,020	
Social Security		11,995	
State Retirement		19,669	
Life Insurance		1,088	
Medical Insurance		41,967	
Dental Insurance		3,064	
Employer Medicare		2,805	
Communication		1,140	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Dues and Memberships	\$	712	
Operating Lease Payments		3,823	
Postal Charges		3,130	
Printing, Stationery, and Forms		3,006	
Travel		1,544	
Other Contracted Services		11,984	
Office Supplies		1,918	
Premiums on Corporate Surety Bonds		175	
Workers' Compensation Insurance		4,051	
In Service/Staff Development		781	
Data Processing Equipment		9,346	
Office Equipment		11,456	
Total Circuit Court			\$ 339,768

General Sessions Court

Clerical Personnel	\$	266,993	
Temporary Personnel		4,538	
Part-time Personnel		22,960	
Overtime Pay		9,132	
Other Salaries and Wages		32,212	
Social Security		19,870	
State Retirement		29,733	
Life Insurance		1,825	
Medical Insurance		53,690	
Dental Insurance		4,948	
Unemployment Compensation		638	
Employer Medicare		4,647	
Communication		3,825	
Dues and Memberships		300	
Operating Lease Payments		5,163	
Maintenance Agreements		890	
Postal Charges		5,600	
Printing, Stationery, and Forms		5,968	
Travel		1,576	
Other Contracted Services		15,998	
Office Supplies		5,360	
Workers' Compensation Insurance		8,102	
In Service/Staff Development		592	
Data Processing Equipment		5,027	
Furniture and Fixtures		346	
Office Equipment		558	
Total General Sessions Court			510,491

General Sessions Judge

County Official/Administrative Officer	\$	148,458	
Clerical Personnel		48,755	
Temporary Personnel		8,100	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Social Security	\$	9,934	
State Retirement		19,169	
Life Insurance		462	
Medical Insurance		16,121	
Dental Insurance		1,734	
Employer Medicare		2,805	
Communication		346	
Dues and Memberships		75	
Travel		73	
Office Supplies		1,650	
Uniforms		98	
Workers' Compensation Insurance		1,620	
In Service/Staff Development		165	
Office Equipment		300	
Total General Sessions Judge			\$ 259,865

Chancery Court

County Official/Administrative Officer	\$	67,973	
Clerical Personnel		57,204	
Part-time Personnel		17,492	
Social Security		8,253	
State Retirement		12,113	
Life Insurance		494	
Medical Insurance		36,885	
Dental Insurance		3,172	
Employer Medicare		1,984	
Communication		1,095	
Dues and Memberships		672	
Operating Lease Payments		1,254	
Maintenance Agreements		1,920	
Postal Charges		10,000	
Printing, Stationery, and Forms		954	
Travel		1,667	
Office Supplies		1,419	
Premiums on Corporate Surety Bonds		219	
Workers' Compensation Insurance		2,431	
In Service/Staff Development		225	
Furniture and Fixtures		3,300	
Office Equipment		4,037	
Total Chancery Court			234,763

Juvenile Court

Supervisor/Director	\$	69,709	
Social Workers		120,299	
Part-time Personnel		17,565	
Overtime Pay		3,461	
Social Security		12,875	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

State Retirement	\$	18,829	
Life Insurance		1,154	
Medical Insurance		23,741	
Dental Insurance		1,971	
Employer Medicare		3,011	
Communication		5,579	
Operating Lease Payments		842	
Maintenance and Repair Services - Vehicles		330	
Postal Charges		49	
Travel		829	
Other Contracted Services		3,174	
Gasoline		3,268	
Office Supplies		1,683	
Other Supplies and Materials		1,427	
Workers' Compensation Insurance		4,051	
In Service/Staff Development		1,754	
Office Equipment		417	
Total Juvenile Court			\$ 296,018

Other Administration of Justice

Jury and Witness Expense	\$	12,763	
Other Contracted Services		443	
Furniture and Fixtures		2,810	
Total Other Administration of Justice			16,016

Courtroom Security

Other Contracted Services	\$	16,160	
Communication Equipment		7,919	
Total Courtroom Security			24,079

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	79,685	
Assistant(s)		110,888	
Deputy(ies)		1,088,704	
Investigator(s)		182,630	
Captain(s)		49,722	
Sergeant(s)		132,249	
Computer Programmer(s)		32,591	
Salary Supplements		27,000	
Secretary(ies)		31,028	
Clerical Personnel		88,644	
Custodial Personnel		25,766	
Part-time Personnel		60,627	
School Resource Officer		346,772	
Overtime Pay		173,327	
Social Security		143,279	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

State Retirement	\$	303,228	
Life Insurance		10,978	
Medical Insurance		584,046	
Dental Insurance		38,448	
Employer Medicare		33,657	
Advertising		775	
Communication		13,538	
Dues and Memberships		2,180	
Operating Lease Payments		2,557	
Maintenance Agreements		13,267	
Maintenance and Repair Services - Equipment		140	
Maintenance and Repair Services - Vehicles		102,952	
Medical and Dental Services		5,319	
Postal Charges		3,843	
Printing, Stationery, and Forms		2,635	
Towing Services		610	
Travel		8,282	
Other Contracted Services		11,643	
Food Supplies		189	
Gasoline		265,870	
Office Supplies		5,326	
Tires and Tubes		23,539	
Uniforms		18,279	
Other Supplies and Materials		13,415	
Premiums on Corporate Surety Bonds		125	
Workers' Compensation Insurance		43,750	
In Service/Staff Development		13,437	
Communication Equipment		15,998	
Law Enforcement Equipment		29,233	
Office Equipment		4,997	
Total Sheriff's Department			\$ 4,145,168

Special Patrols

Communication	\$	897	
Law Enforcement Supplies		1,543	
Law Enforcement Equipment		11,235	
Total Special Patrols			13,675

Traffic Control

Utilities	\$	1,125	
Total Traffic Control			1,125

Administration of the Sexual Offender Registry

Overtime Pay	\$	126	
Social Security		8	
State Retirement		12	
Employer Medicare		2	
Travel		82	
Total Administration of the Sexual Offender Registry			230

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Lieutenant(s)	\$	48,463	
Guards		756,181	
Cafeteria Personnel		59,612	
Overtime Pay		67,648	
Social Security		56,274	
State Retirement		90,325	
Life Insurance		4,330	
Medical Insurance		168,908	
Dental Insurance		10,805	
Employer Medicare		13,161	
Operating Lease Payments		1,254	
Legal Services		5,000	
Maintenance Agreements		3,350	
Medical and Dental Services		203,558	
Postal Charges		141	
Travel		1,561	
Other Contracted Services		1,799	
Custodial Supplies		16,575	
Drugs and Medical Supplies		36,822	
Food Preparation Supplies		1,503	
Food Supplies		146,644	
Office Supplies		4,630	
Uniforms		8,827	
Chemicals		493	
Other Supplies and Materials		18,415	
Workers' Compensation Insurance		21,875	
In Service/Staff Development		110	
Furniture and Fixtures		299	
Total Jail			\$ 1,748,563

Juvenile Services

Other Salaries and Wages	\$	22,113	
Other Per Diem and Fees		1,300	
Social Security		1,283	
State Retirement		1,896	
Employer Medicare		300	
Total Juvenile Services			26,892

Rural Fire Protection

Contributions	\$	155,000	
Total Rural Fire Protection			155,000

Civil Defense

Supervisor/Director	\$	51,000	
Secretary(ies)		30,735	
Overtime Pay		121	
Social Security		5,087	

(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.)

State Retirement	\$	7,956	
Life Insurance		337	
Medical Insurance		12,523	
Dental Insurance		1,048	
Employer Medicare		1,174	
Communication		3,079	
Maintenance Agreements		125	
Maintenance and Repair Services - Equipment		5,167	
Maintenance and Repair Services - Vehicles		2,352	
Postal Charges		168	
Printing, Stationery, and Forms		697	
Travel		540	
Other Contracted Services		10,634	
Diesel Fuel		6,989	
Food Supplies		719	
Gasoline		7,351	
Natural Gas		179	
Office Supplies		2,564	
Tires and Tubes		2,060	
Uniforms		2,045	
Other Supplies and Materials		1,754	
Workers' Compensation Insurance		1,620	
In Service/Staff Development		1,765	
Communication Equipment		7,708	
Furniture and Fixtures		719	
Office Equipment		5,900	
Other Equipment		12,003	
Total Civil Defense			\$ 186,119

Rescue Squad

Contributions	\$	2,000	
Total Rescue Squad			2,000

Other Emergency Management

Operating Lease Payments	\$	1,372	
Maintenance Agreements		60	
Maintenance and Repair Services - Equipment		345	
Maintenance and Repair Services - Vehicles		4,742	
Other Contracted Services		3,377	
Diesel Fuel		123	
Uniforms		1,151	
Vehicle Parts		1,994	
Other Supplies and Materials		213	
Communication Equipment		9,375	
Furniture and Fixtures		302	
Other Equipment		5,446	
Total Other Emergency Management			28,500

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Medical Personnel	\$	9,000	
Other Contracted Services		64,500	
Total County Coroner/Medical Examiner			\$ 73,500

Other Public Safety

Medical Insurance	\$	6,113	
Contributions		545,500	
Total Other Public Safety			551,613

Public Health and Welfare

Local Health Center

Assistant(s)	\$	12,965	
Social Security		638	
State Retirement		1,178	
Life Insurance		105	
Medical Insurance		7,320	
Dental Insurance		456	
Employer Medicare		149	
Communication		4,555	
Contributions		3,853	
Dues and Memberships		260	
Operating Lease Payments		3,095	
Maintenance and Repair Services - Office Equipment		172	
Postal Charges		1,201	
Printing, Stationery, and Forms		3,808	
Travel		989	
Other Contracted Services		4,788	
Drugs and Medical Supplies		44,004	
Office Supplies		4,713	
Other Supplies and Materials		951	
In Service/Staff Development		724	
Total Local Health Center			95,924

Rabies and Animal Control

Supervisor/Director	\$	35,718	
Part-time Personnel		16,058	
Overtime Pay		11,544	
Other Salaries and Wages		109,292	
Social Security		9,769	
State Retirement		15,217	
Life Insurance		853	
Medical Insurance		56,700	
Dental Insurance		3,392	
Unemployment Compensation		28	
Employer Medicare		2,285	
Communication		3,062	
Operating Lease Payments		446	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Licenses	\$	740	
Maintenance and Repair Services - Vehicles		1,438	
Postal Charges		140	
Printing, Stationery, and Forms		744	
Travel		763	
Veterinary Services		22,252	
Other Contracted Services		195	
Animal Food and Supplies		30,080	
Custodial Supplies		3,322	
Gasoline		6,328	
Office Supplies		1,455	
Tires and Tubes		414	
Uniforms		1,233	
Utilities		9,381	
Other Supplies and Materials		1,297	
Workers' Compensation Insurance		4,051	
In Service/Staff Development		765	
Furniture and Fixtures		648	
Office Equipment		150	
Total Rabies and Animal Control			\$ 349,760

Maternal and Child Health Services

Supervisor/Director	\$	2,120	
Other Per Diem and Fees		800	
Social Security		131	
State Retirement		206	
Employer Medicare		31	
Other Supplies and Materials		2,970	
In Service/Staff Development		1,017	
Office Equipment		949	
Total Maternal and Child Health Services			8,224

Other Local Health Services

Overtime Pay	\$	23	
Other Salaries and Wages		180,253	
Social Security		10,720	
State Retirement		14,671	
Life Insurance		1,203	
Medical Insurance		59,321	
Dental Insurance		4,481	
Employer Medicare		2,507	
Travel		4,077	
Workers' Compensation Insurance		5,671	
Total Other Local Health Services			282,927

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Adult Activities

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

Senior Citizens Assistance

Assistant(s)	\$	41,626	
Secretary(ies)		28,959	
Part-time Personnel		4,541	
Other Salaries and Wages		49,976	
Social Security		7,611	
State Retirement		11,120	
Life Insurance		912	
Medical Insurance		21,581	
Dental Insurance		3,506	
Employer Medicare		1,730	
Communication		1,880	
Operating Lease Payments		1,254	
Licenses		1,400	
Maintenance and Repair Services - Vehicles		1,158	
Postal Charges		392	
Travel		943	
Other Contracted Services		1,569	
Custodial Supplies		542	
Gasoline		2,210	
Office Supplies		1,360	
Utilities		14,092	
Other Supplies and Materials		304	
Workers' Compensation Insurance		3,241	
Office Equipment		1,500	
Total Senior Citizens Assistance			203,407

Agriculture and Natural Resources

Agriculture Extension Service

Communication	\$	3,635	
Contracts with Government Agencies		137,078	
Operating Lease Payments		1,331	
Office Supplies		904	
Other Supplies and Materials		2,157	
Office Equipment		152	
Total Agriculture Extension Service			145,257

Soil Conservation

Clerical Personnel	\$	11,981	
Social Security		743	
Employer Medicare		174	
Communication		1,121	
Contributions		2,000	
Travel		451	
Total Soil Conservation			16,470

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Flood Control

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

Storm Water Management

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

Other Operations

Tourism

Contributions	\$ 109,890	
Total Tourism		109,890

Industrial Development

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

Housing and Urban Development

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

Veterans' Services

Overtime Pay	\$ 39	
Other Salaries and Wages	21,697	
Social Security	1,348	
Employer Medicare	315	
Communication	437	
Dues and Memberships	823	
Postal Charges	143	
Printing, Stationery, and Forms	430	
Travel	1,249	
Office Supplies	998	
In Service/Staff Development	35	
Office Equipment	29	
Total Veterans' Services		27,543

Contributions to Other Agencies

Contributions	\$ 56,278	
Total Contributions to Other Agencies		56,278

Miscellaneous

Contracts with Government Agencies	\$ 1,433	
Trustee's Commission	209,005	
Tax Relief Program	89,275	
Total Miscellaneous		299,713

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Principal on Debt

General Government

Principal on Other Loans	\$ 41,287	
Total General Government		\$ 41,287

Total General Fund \$ 15,639,615

Courthouse and Jail Maintenance Fund

Other Operations

Miscellaneous

Trustee's Commission	\$ 1,232	
Total Miscellaneous		\$ 1,232

Total Courthouse and Jail Maintenance Fund 1,232

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Communication	\$ 1,645	
Library Books/Media	973	
Total Libraries		\$ 2,618

Other Operations

Miscellaneous

Trustee's Commission	\$ 50	
Total Miscellaneous		50

Total Law Library Fund 2,668

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Clerical Personnel	\$ 102,714
Temporary Personnel	5,846
Part-time Personnel	31,973
Overtime Pay	14
Social Security	8,542
State Retirement	9,980
Life Insurance	768
Medical Insurance	27,156
Dental Insurance	1,642
Unemployment Compensation	3,977
Employer Medicare	1,998
Advertising	120
Communication	3,736
Contributions	29,455
Janitorial Services	100
Operating Lease Payments	988
Licenses	2,253

(Continued)

Exhibit J-7

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Maintenance Agreements	\$	316	
Maintenance and Repair Services - Office Equipment		178	
Postal Charges		356	
Printing, Stationery, and Forms		276	
Travel		1,237	
Custodial Supplies		210	
Instructional Supplies and Materials		81	
Library Books/Media		13,106	
Office Supplies		3,582	
Periodicals		2,576	
Other Supplies and Materials		1,323	
Workers' Compensation Insurance		3,241	
In Service/Staff Development		1,197	
Furniture and Fixtures		322	
Office Equipment		5,979	
Total Libraries			\$ 265,242

Other Operations

Miscellaneous

Trustee's Commission	\$	4,478	
Total Miscellaneous			4,478

Total Public Library Fund \$ 269,720

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Guards	\$	8,267	
Part-time Personnel		2,005	
Social Security		635	
State Retirement		896	
Life Insurance		44	
Medical Insurance		2,383	
Dental Insurance		192	
Employer Medicare		149	
Maintenance and Repair Services - Vehicles		1,287	
Other Contracted Services		13,783	
Diesel Fuel		6,802	
Other Supplies and Materials		3,858	
Total Sanitation Education/Information			\$ 40,301

Convenience Centers

Supervisor/Director	\$	54,989	
Foremen		81,825	
Attendants		65,650	
Part-time Personnel		94,421	
Overtime Pay		3,323	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Social Security	\$	17,558	
State Retirement		20,001	
Life Insurance		1,486	
Medical Insurance		57,707	
Dental Insurance		3,739	
Employer Medicare		4,206	
Communication		2,864	
Dues and Memberships		176	
Operating Lease Payments		589	
Maintenance and Repair Services - Equipment		2,742	
Maintenance and Repair Services - Vehicles		897	
Postal Charges		6	
Travel		447	
Disposal Fees		113,834	
Other Contracted Services		45,705	
Custodial Supplies		2,667	
Fuel Oil		51	
Gasoline		4,657	
Office Supplies		98	
Propane Gas		3,889	
Tires and Tubes		193	
Uniforms		4,266	
Utilities		12,960	
Other Supplies and Materials		5,194	
Workers' Compensation Insurance		5,672	
In Service/Staff Development		250	
Building Improvements		21,864	
Motor Vehicles		60,636	
Office Equipment		824	
Solid Waste Equipment		57,650	
Total Convenience Centers			\$ 753,036

Other Operations

Miscellaneous

Trustee's Commission	\$	2,312	
Total Miscellaneous			2,312

Total Solid Waste/Sanitation Fund \$ 795,649

Industrial/Economic Development Fund

Other Operations

Industrial Development

Other Contracted Services	\$	6,846	
Total Industrial Development			\$ 6,846

Miscellaneous

Trustee's Commission	\$	128	
Total Miscellaneous			128

Total Industrial/Economic Development Fund 6,974

(Continued)

Exhibit J-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Salary Supplements	\$	20,000	
Other Contracted Services		20,064	
Law Enforcement Supplies		8,224	
Other Supplies and Materials		15,601	
Trustee's Commission		546	
In Service/Staff Development		5,594	
Other Charges		10,000	
Law Enforcement Equipment		33,820	
Motor Vehicles		25,185	
Total Drug Enforcement			\$ 139,034

Total Drug Control Fund \$ 139,034

Other Special Revenue Fund

Public Safety

Drug Enforcement

Law Enforcement Supplies	\$	2,570	
Other Supplies and Materials		6,774	
In Service/Staff Development		769	
Total Drug Enforcement			\$ 10,113

Total Other Special Revenue Fund 10,113

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	2,164	
Total County Trustee's Office			\$ 2,164

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	284	
Total County Clerk's Office			284

Administration of Justice

General Sessions Court

Constitutional Officers' Operating Expenses	\$	30	
Total General Sessions Court			30

Total Constitutional Officers - Fees Fund 2,478

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	79,685	
Foremen		51,219	
Mechanic(s)		57,580	
Equipment Operators		152,509	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Truck Drivers	\$	282,679	
Clerical Personnel		32,468	
Temporary Personnel		27,194	
Overtime Pay		20,357	
Dues and Memberships		3,610	
Postal Charges		40	
Printing, Stationery, and Forms		275	
Travel		760	
Office Supplies		1,070	
Office Equipment		860	
Total Administration			\$ 710,306

Highway and Bridge Maintenance

Rentals	\$	2,195	
Other Contracted Services		25,852	
Asphalt - Cold Mix		1,390	
Asphalt - Hot Mix		643,515	
Concrete		5,643	
Crushed Stone		44,401	
Other Road Supplies		7,876	
Pipe		27,377	
Road Signs		23,814	
Salt		19,225	
Other Supplies and Materials		11,639	
Total Highway and Bridge Maintenance			812,927

Operation and Maintenance of Equipment

Maintenance and Repair Services - Vehicles	\$	26,665	
Towing Services		1,722	
Disposal Fees		1,223	
Diesel Fuel		67,992	
Equipment Parts - Heavy		21,456	
Equipment Parts - Light		75,827	
Gasoline		35,087	
Lubricants		9,477	
Tires and Tubes		13,162	
Other Supplies and Materials		5,868	
Total Operation and Maintenance of Equipment			258,479

Other Charges

Communication	\$	6,413	
Pest Control		372	
Other Contracted Services		1,550	
Custodial Supplies		326	
Drugs and Medical Supplies		289	
Electricity		12,414	
Garage Supplies		2,040	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Ice	\$	360	
Uniforms		11,191	
Liability Insurance		87,498	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		31,612	
Other Charges		52	
Total Other Charges	\$		154,467

Employee Benefits

Social Security	\$	41,619	
State Retirement		65,686	
Life Insurance		3,817	
Medical Insurance		154,016	
Dental Insurance		10,398	
Unemployment Compensation		3,748	
Employer Medicare		9,733	
Workers' Compensation Insurance		50,382	
Total Employee Benefits			339,399

Capital Outlay

Matching Share	\$	54,186	
Highway Equipment		16,109	
State Aid Projects		210,750	
Total Capital Outlay			281,045

Total Highway/Public Works Fund \$ 2,556,623

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	425,000	
Principal on Notes		35,000	
Principal on Other Loans		564,000	
Total General Government	\$		1,024,000

Interest on Debt

General Government

Interest on Bonds	\$	134,825	
Interest on Notes		15,799	
Interest on Other Loans		28,552	
Total General Government			179,176

Other Debt Service

General Government

Trustee's Commission	\$	25,630	
Other Debt Service		237,508	
Total General Government			263,138

Total General Debt Service Fund 1,466,314

(Continued)

Exhibit J-7

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

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 1,350,000	
Principal on Other Loans	885,300	
Total Education	\$ 2,235,300	

Interest on Debt

Education

Interest on Bonds	\$ 1,417,018	
Interest on Other Loans	345,268	
Total Education	1,762,286	

Other Debt Service

Education

Trustee's Commission	\$ 104,512	
Other Debt Service	2,082	
Total Education	106,594	

Total Education Debt Service Fund \$ 4,104,180

General Capital Projects Fund

Other Operations

Miscellaneous

Trustee's Commission	\$ 5,094	
Total Miscellaneous	\$ 5,094	

Capital Projects

General Administration Projects

Engineering Services	\$ 10,750	
Other Contracted Services	169,812	
Communication Equipment	19,564	
Data Processing Equipment	1,623	
Motor Vehicles	51,744	
Office Equipment	70,848	
Total General Administration Projects	324,341	

Administration of Justice Projects

Furniture and Fixtures	\$ 1,095	
Total Administration of Justice Projects	1,095	

Public Safety Projects

Communication Equipment	\$ 43,618	
Motor Vehicles	259,630	
Other Equipment	11,809	
Total Public Safety Projects	315,057	

Public Health and Welfare Projects

Other Contracted Services	\$ 2,152	
Communication Equipment	7,842	
Total Public Health and Welfare Projects	9,994	

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Public Utility Projects

Other Contracted Services	\$ 39,735	
Total Public Utility Projects		\$ 39,735

Other General Government Projects

Engineering Services	\$ 15,401	
Evaluation and Testing	2,348	
Legal Services	10,070	
Legal Notices, Recording, and Court Costs	80	
Other Contracted Services	5,413	
Site Development	55,640	
Total Other General Government Projects		88,952

Highway and Street Capital Projects

Motor Vehicles	\$ 37,938	
Other Equipment	63,295	
Total Highway and Street Capital Projects		101,233

Total General Capital Projects Fund		\$ 885,501
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Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

Other Contracted Services	\$ 4,157	
Asphalt - Hot Mix	87,749	
Trustee's Commission	6,032	
Highway Equipment	91,689	
Total Highway and Street Capital Projects		\$ 189,627

Total Highway Capital Projects Fund		189,627
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Total Governmental Funds - Primary Government		<u>\$ 26,069,728</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, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 12,819,549	
Career Ladder Program	75,700	
Career Ladder Extended Contracts	40,000	
Homebound Teachers	4,369	
Educational Assistants	950,604	
Other Salaries and Wages	64,441	
Certified Substitute Teachers	29,498	
Non-certified Substitute Teachers	95,064	
Social Security	829,029	
State Retirement	1,208,389	
Employee and Dependent Insurance	2,815	
Life Insurance	70,898	
Medical Insurance	2,406,467	
Dental Insurance	162,365	
Unemployment Compensation	27,504	
Employer Medicare	195,438	
Travel	4,071	
Other Contracted Services	28,973	
Instructional Supplies and Materials	312,641	
Textbooks	389,629	
Other Equipment	265,838	
Total Regular Instruction Program		\$ 19,983,282

Special Education Program

Teachers	\$ 1,316,017	
Career Ladder Program	6,000	
Homebound Teachers	16,038	
Educational Assistants	308,508	
Speech Pathologist	145,708	
Other Salaries and Wages	8,221	
Certified Substitute Teachers	5,700	
Non-certified Substitute Teachers	19,227	
Social Security	108,200	
State Retirement	147,511	
Employee and Dependent Insurance	304	
Life Insurance	8,631	
Medical Insurance	336,628	
Dental Insurance	17,197	
Employer Medicare	25,315	
Other Contracted Services	69,778	
Instructional Supplies and Materials	44,812	
Special Education Equipment	73,629	
Total Special Education Program		2,657,424

Vocational Education Program

Teachers	\$ 630,297
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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.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Career Ladder Program	\$	6,000	
Educational Assistants		18,848	
Certified Substitute Teachers		180	
Non-certified Substitute Teachers		4,820	
Social Security		39,847	
State Retirement		58,335	
Life Insurance		2,691	
Medical Insurance		115,263	
Dental Insurance		5,286	
Employer Medicare		9,319	
Maintenance and Repair Services - Equipment		2,405	
Travel		3,984	
Gasoline		32	
Instructional Supplies and Materials		82,450	
Other Charges		714	
Other Equipment		100,508	
Total Vocational Education Program			\$ 1,080,979

Support Services

Health Services

Medical Personnel	\$	182,925	
Social Security		11,096	
State Retirement		17,780	
Employee and Dependent Insurance		101	
Life Insurance		1,608	
Medical Insurance		40,829	
Dental Insurance		2,347	
Employer Medicare		2,595	
Travel		8	
Other Contracted Services		474	
Drugs and Medical Supplies		2,963	
In Service/Staff Development		60	
Total Health Services			262,786

Other Student Support

Career Ladder Program	\$	4,000	
Guidance Personnel		641,847	
Career Ladder Extended Contracts		4,000	
Clerical Personnel		128,784	
Social Security		47,205	
State Retirement		70,224	
Employee and Dependent Insurance		101	
Life Insurance		3,422	
Medical Insurance		116,003	
Dental Insurance		6,524	
Employer Medicare		11,042	
Evaluation and Testing		5,684	
Total Other Student Support			1,038,836

(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.)

Regular Instruction Program

Supervisor/Director	\$	203,272	
Career Ladder Program		7,000	
Career Ladder Extended Contracts		1,000	
Librarians		444,315	
Secretary(ies)		252,885	
Social Security		53,643	
State Retirement		82,623	
Employee and Dependent Insurance		304	
Life Insurance		5,714	
Medical Insurance		173,515	
Dental Insurance		10,723	
Employer Medicare		12,546	
Travel		8,694	
Library Books/Media		58,906	
In Service/Staff Development		38,445	
Total Regular Instruction Program			\$ 1,353,585

Special Education Program

Supervisor/Director	\$	26,212	
Career Ladder Program		3,000	
Psychological Personnel		187,805	
Career Ladder Extended Contracts		4,000	
Speech Pathologist		50,283	
Social Security		16,510	
State Retirement		24,091	
Employee and Dependent Insurance		101	
Life Insurance		1,223	
Medical Insurance		43,724	
Dental Insurance		2,484	
Employer Medicare		3,861	
Travel		27,393	
Total Special Education Program			390,687

Vocational Education Program

Supervisor/Director	\$	67,648	
Clerical Personnel		36,934	
Social Security		6,437	
State Retirement		9,597	
Employee and Dependent Insurance		101	
Life Insurance		546	
Medical Insurance		15,120	
Dental Insurance		1,126	
Employer Medicare		1,505	
Travel		4,000	
In Service/Staff Development		791	
Total Vocational Education Program			143,805

(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 Programs

On-behalf Payments to OPEB	\$ 184,829	
Total Other Programs		\$ 184,829

Board of Education

Board and Committee Members Fees	\$ 36,240	
Social Security	2,247	
State Retirement	1,771	
Life Insurance	1,478	
Dental Insurance	2,083	
Employer Medicare	525	
Audit Services	12,000	
Legal Services	9,274	
Travel	29,178	
Liability Insurance	23,828	
Premiums on Corporate Surety Bonds	192	
Refunds	13,261	
Trustee's Commission	280,467	
Workers' Compensation Insurance	191,066	
Total Board of Education		603,610

Director of Schools

County Official/Administrative Officer	\$ 117,000	
Career Ladder Program	1,000	
Secretary(ies)	36,474	
Social Security	9,528	
State Retirement	14,024	
Employee and Dependent Insurance	101	
Life Insurance	483	
Medical Insurance	17,535	
Dental Insurance	1,473	
Employer Medicare	2,240	
Advertising	679	
Communication	8,278	
Dues and Memberships	12,506	
Operating Lease Payments	1,404	
Postal Charges	2,116	
Travel	11,005	
Other Contracted Services	29,870	
Office Supplies	6,803	
Other Charges	993	
Total Director of Schools		273,512

Office of the Principal

Principals	\$ 647,081	
Career Ladder Program	6,000	
Career Ladder Extended Contracts	10,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Social Security	\$	39,525	
State Retirement		58,882	
Employee and Dependent Insurance		173	
Life Insurance		2,451	
Medical Insurance		94,025	
Dental Insurance		6,782	
Employer Medicare		9,259	
Communication		29,397	
Postal Charges		2,547	
Other Contracted Services		6,379	
Other Supplies and Materials		11,972	
Other Charges		1,356	
Total Office of the Principal			\$ 925,829

Fiscal Services

Accountants/Bookkeepers	\$	50,379	
Social Security		3,123	
State Retirement		4,897	
Life Insurance		253	
Medical Insurance		6,585	
Dental Insurance		347	
Employer Medicare		730	
Total Fiscal Services			66,314

Operation of Plant

Custodial Personnel	\$	60,363	
Social Security		3,087	
State Retirement		5,348	
Life Insurance		979	
Medical Insurance		14,848	
Dental Insurance		1,696	
Employer Medicare		731	
Other Contracted Services		1,141,608	
Electricity		1,051,880	
Gasoline		518	
Natural Gas		132,905	
Water and Sewer		113,189	
Building and Contents Insurance		292,235	
Total Operation of Plant			2,819,387

Maintenance of Plant

Maintenance and Repair Services - Buildings	\$	239,807	
Total Maintenance of Plant			239,807

Transportation

Supervisor/Director	\$	47,735	
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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.)

Transportation (Cont.)

Social Security	\$	2,548	
State Retirement		4,640	
Life Insurance		177	
Medical Insurance		11,375	
Dental Insurance		360	
Employer Medicare		596	
Contracts with Parents		3,474	
Contracts with Vehicle Owners		1,665,704	
Maintenance and Repair Services - Equipment		1,170	
Medical and Dental Services		1,495	
Travel		1,370	
Office Supplies		1,479	
In Service/Staff Development		2,221	
Other Charges		2,673	
Other Equipment		2,934	
Total Transportation			\$ 1,749,951

Central and Other

Supervisor/Director	\$	79,010	
Career Ladder Program		1,000	
Computer Programmer(s)		159,757	
Social Security		13,388	
State Retirement		22,633	
Life Insurance		886	
Medical Insurance		48,438	
Dental Insurance		1,825	
Employer Medicare		3,131	
Maintenance and Repair Services - Equipment		221,473	
Travel		11,843	
Other Contracted Services		9,638	
Other Supplies and Materials		3,843	
In Service/Staff Development		1,267	
Data Processing Equipment		59,106	
Other Equipment		339,973	
Total Central and Other			977,211

Operation of Non-instructional Services

Food Service

Employee and Dependent Insurance	\$	2	
Total Food Service			2

Community Services

Supervisor/Director	\$	139,776	
Educational Assistants		167,411	
Other Salaries and Wages		4,177	
Social Security		18,838	

(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.)

Community Services (Cont.)

State Retirement	\$	23,478	
Life Insurance		812	
Medical Insurance		20,123	
Dental Insurance		1,974	
Employer Medicare		4,406	
Travel		10,083	
Other Contracted Services		2,411	
Other Supplies and Materials		24,650	
In Service/Staff Development		2,614	
Total Community Services			\$ 420,753

Early Childhood Education

Teachers	\$	351,262	
Educational Assistants		136,018	
Certified Substitute Teachers		90	
Non-certified Substitute Teachers		6,146	
Social Security		28,563	
State Retirement		44,152	
Life Insurance		3,006	
Medical Insurance		102,339	
Dental Insurance		5,491	
Employer Medicare		6,681	
Contracts with Other School Systems		88,212	
Other Supplies and Materials		4,599	
In Service/Staff Development		322	
Other Charges		412	
Total Early Childhood Education			777,293

Total General Purpose School Fund \$ 35,949,882

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	374,541	
Educational Assistants		51,236	
Other Salaries and Wages		53,086	
Certified Substitute Teachers		9,180	
Non-certified Substitute Teachers		38,276	
Social Security		32,532	
State Retirement		39,572	
Life Insurance		1,858	
Medical Insurance		68,004	
Dental Insurance		2,951	
Employer Medicare		7,619	
Instructional Supplies and Materials		10,010	
Regular Instruction Equipment		57,786	
Total Regular Instruction Program			\$ 746,651

(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.)

Instruction (Cont.)

Special Education Program

Teachers	\$	43,883	
Educational Assistants		368,697	
Other Salaries and Wages		2,000	
Social Security		23,741	
State Retirement		31,488	
Life Insurance		3,127	
Medical Insurance		118,582	
Dental Insurance		5,159	
Employer Medicare		5,552	
Instructional Supplies and Materials		54,766	
Total Special Education Program			\$ 656,995

Vocational Education Program

Vocational Instruction Equipment	\$	46,149	
Total Vocational Education Program			46,149

Support Services

Other Student Support

Other Salaries and Wages	\$	17,442	
Social Security		1,063	
State Retirement		1,696	
Life Insurance		44	
Medical Insurance		1,682	
Dental Insurance		87	
Employer Medicare		248	
Evaluation and Testing		214	
Travel		8,500	
Other Contracted Services		2,000	
Other Charges		6,483	
Total Other Student Support			39,459

Regular Instruction Program

Supervisor/Director	\$	55,307	
Secretary(ies)		18,467	
Other Salaries and Wages		168,054	
Social Security		14,993	
State Retirement		21,608	
Life Insurance		324	
Medical Insurance		12,106	
Dental Insurance		636	
Employer Medicare		3,507	
Travel		34,538	
Other Supplies and Materials		4,586	
In Service/Staff Development		25,801	
Other Equipment		269	
Total Regular Instruction Program			360,196

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	61,160	
Secretary(ies)		36,934	
Other Salaries and Wages		58,786	
Social Security		9,231	
State Retirement		14,241	
Life Insurance		354	
Medical Insurance		17,638	
Dental Insurance		724	
Employer Medicare		2,159	
Travel		5,194	
Other Contracted Services		89,968	
In Service/Staff Development		7,670	
Total Special Education Program			\$ 304,059

Vocational Education Program

Travel	\$	3,326	
Total Vocational Education Program			<u>3,326</u>

Total School Federal Projects Fund \$ 2,156,835

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	55,848
Secretary(ies)		31,605
Cafeteria Personnel		777,542
Other Salaries and Wages		1,500
Social Security		48,262
State Retirement		64,198
Employee and Dependent Insurance		101
Life Insurance		3,953
Medical Insurance		130,157
Dental Insurance		8,974
Employer Medicare		11,473
Contracts with Vehicle Owners		7,150
Dues and Memberships		1,346
Maintenance Agreements		6,541
Maintenance and Repair Services - Equipment		24,786
Travel		8,374
Other Contracted Services		7,401
Food Supplies		1,040,394
Office Supplies		2,216
Uniforms		4,006
Other Supplies and Materials		94,362
Refunds		1,285
In Service/Staff Development		1,051

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Food Service (Cont.)

Other Charges	\$ 680	
Food Service Equipment	41,345	
Total Food Service	<u>41,345</u>	<u>\$ 2,374,550</u>

Total Central Cafeteria Fund \$ 2,374,550

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$ 124,025	
Bank Charges	840	
Engineering Services	144,303	
Evaluation and Testing	17,988	
Disposal Fees	203	
Other Contracted Services	883,308	
Other Supplies and Materials	100	
Excess Risk Insurance	448	
Building Construction	7,131,181	
Data Processing Equipment	5,435	
Furniture and Fixtures	633,471	
Heating and Air Conditioning Equipment	624,710	
Site Development	404,599	
Other Equipment	106,684	
Total Education Capital Projects	<u>10,077,295</u>	<u>\$ 10,077,295</u>

Total Education Capital Projects Fund 10,077,295

Total Governmental Funds - Loudon County School Department \$ 50,558,562

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, 2014

	Cities - Sales Tax Fund	City School ADA - Lenoir City Fund	Total
<u>Cash Receipts</u>			
Current Property Taxes	\$ 0	\$ 5,086,063	\$ 5,086,063
Trustee's Collections - Prior Years	0	118,088	118,088
Trustee's Collections - Bankruptcy	0	1,351	1,351
Circuit/Clerk and Master Collections - Prior Years	0	46,565	46,565
Interest and Penalty	0	21,596	21,596
Local Option Sales Tax	3,908,755	1,660,198	5,568,953
Adequate Facilities/Development Tax	0	62,804	62,804
Interstate Telecommunications Tax	0	2,810	2,810
Mixed Drink Tax	0	2,776	2,776
Total Cash Receipts	<u>\$ 3,908,755</u>	<u>\$ 7,002,251</u>	<u>\$ 10,911,006</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 3,869,667	\$ 6,630,120	\$ 10,499,787
Trustee's Commission	39,088	119,026	158,114
Total Cash Disbursements	<u>\$ 3,908,755</u>	<u>\$ 6,749,146</u>	<u>\$ 10,657,901</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ 253,105	\$ 253,105
Cash Balance, July 1, 2013	0	189,925	189,925
Cash Balance, June 30, 2014	<u>\$ 0</u>	<u>\$ 443,030</u>	<u>\$ 443,030</u>

SINGLE AUDIT SECTION



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Loudon County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Loudon County's basic financial statements, and have issued our report thereon dated October 24, 2014.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 2014-002.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency: 2014-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Loudon County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2014-001 and 2014-004.

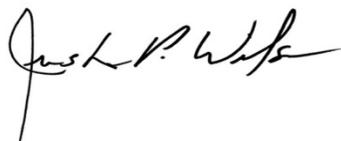
Loudon County's Response to Findings

Loudon County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Loudon County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 24, 2014

JPW/sb



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

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Loudon County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Loudon County's major federal programs for the year ended June 30, 2014. Loudon County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Loudon County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan

and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Loudon County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Loudon County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

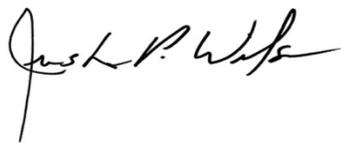
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Loudon County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Loudon County's basic financial statements. We issued our report thereon dated October 24, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 24, 2014

JPW/sb

Loudon County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2014

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
National School Lunch Program (Commodities - Letter of Credit)	10.555	N/A	\$ 147,485 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	340,409
National School Lunch Program	10.555	N/A	1,096,632 (3)
Passed-through East Tennessee Human Resource Agency, Inc.:			
Summer Food Service Program for Children	10.559	N/A	20,941
Total U.S. Department of Agriculture			<u>\$ 1,605,467</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program	12.UNKNOWN	(2)	\$ 922,139
Total U.S. Department of Defense			<u>\$ 922,139</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(2)	\$ 43,056
Total U.S. Department of Housing and Urban Development			<u>\$ 43,056</u>
U.S. Department of Justice:			
Passed-through State Department of Finance and Administration:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	\$ 14,949
Direct Program:			
Equitable Sharing Program	16.922	(2)	10,113
Total U.S. Department of Justice			<u>\$ 25,062</u>
U.S. Department of Transportation:			
Passed-through Governor's Highway Safety Office:			
Alcohol Open Container Requirements	20.607	(2)	\$ 2,639
Total U.S. Department of Transportation			<u>\$ 2,639</u>
U.S. Department of Energy:			
Direct Program:			
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis	81.214	N/A	\$ 16,000
Total U.S. Department of Energy			<u>\$ 16,000</u>

(Continued)

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

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(2)	\$ 852,954
Special Education Cluster:			
Special Education - Grants to States	84.027	(2)	1,026,744
Special Education - Preschool Grants	84.173	(2)	14,899
Career and Technical Education - Basic Grants to States	84.048	(2)	59,975
Twenty-first Century Community Learning Centers	84.287	(2)	66,762
English Language Acquisition Grants	84.365	N/A	13,725
Improving Teacher Quality State Grants	84.367	N/A	204,653
School Improvement Grants	84.377	(2)	9,259
State Fiscal Stabilization Fund (SFSF) - Race to-the-Top Incentive Grants, Recovery Act	84.395	N/A	<u>55,214</u>
Total U.S. Department of Education			<u>\$ 2,304,185</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State, Division of Elections			
Help America Vote Act Requirements Payments	90.401	(2)	<u>\$ 50,331</u>
Total U.S. Election Assistance Commission			<u>\$ 50,331</u>
U.S. Department of Health and Human Services:			
Passed-through East Tennessee Human Resource Agency, Inc.:			
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	(2)	<u>\$ 31,429</u>
Total U.S. Department of Health and Human Services			<u>\$ 31,429</u>
Executive Office of the President:			
Direct Program:			
High Intensity Drug Trafficking Areas Program	95.001	N/A	<u>\$ 12,704</u>
Total Executive Office of the President			<u>\$ 12,704</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grant	97.042	(2)	\$ 35,000
Homeland Security Grant Program	97.067	(2)	<u>12,498</u>
Total U.S. Department of Homeland Security			<u>\$ 47,498</u>
Total Expenditures of Federal Awards			<u>\$ 5,060,510</u>

(Continued)

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

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Juvenile Services Program - State Children's Services Commission	N/A	(2)	\$ 10,305
Aging Program - State Office on Aging	N/A	(2)	10,350
Law Enforcement Training	N/A	(2)	26,400
Health Department Grants - State Department of Health	N/A	(2)	259,686
Litter Program - State Department of Transportation	N/A	(2)	40,299
State Industrial Access Grant - State Department of Transportation	N/A	(2)	152,270
Early Childhood Development Pilot/State - State Department of Education	N/A	(2)	777,293
Leaps - State Department of Education	N/A	(2)	93,626
Play 60 Grant - General Youth Foundation	N/A	(2)	3,350
Coordinated School Health	N/A	(2)	162,282
Family Resource	N/A	(2)	29,611
Safe Schools	N/A	(2)	23,500
Student Industry Certifications	N/A	(2)	690
Internet Connectivity	N/A	(2)	14,075
Student Ticket Subsidy Grant - Tennessee Arts Commission	N/A	(2)	2,005
 Total State Grants			\$ 1,605,742

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

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

(2) Information not available.

(3) Total for CFDA No. 10.555 is \$1,244,117.

Loudon County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below is a finding from the Annual Financial Report for Loudon County, Tennessee, for the year ended June 30, 2013, which has not been corrected.

OFFICE OF SHERIFF

Finding Number	Page Number	Subject
2013-02	191	Duties were not segregated adequately

LOUDON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Loudon County is unmodified.
2. The audit of the financial statements of Loudon County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that is material to the financial statements of Loudon County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559) and the Section 1033 Excess Property Program (CFDA No. 12.Unknown) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Loudon County qualified as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written response of the sheriff is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF SHERIFF

FINDING 2014-001

A CASH SHORTAGE OF AT LEAST \$13,976.84 EXISTED IN THE SHERIFF'S OFFICE

(Material Noncompliance Under *Government Auditing Standards*)

A cash shortage of at least \$13,976.84 existed in the Sheriff's Office. This cash shortage represents inmate commissary collections not properly deposited into the commissary bank account. Funds totaling \$6,649.84 were recovered from the trunk of a county-owned car and reduced the outstanding cash shortage to \$7,327 as of August 25, 2014. Internal control deficiencies over inmate commissary funds allowed this cash shortage to occur and remain undetected. The following table summarizes the shortage:

	<u>Amount</u>
Collections Not Deposited Into the Commissary Bank Account	\$ 13,976.84
Less: Amounts Recovered	<u>(6,649.84)</u>
Outstanding Cash Shortage as of August 25, 2014	<u>\$ 7,327.00</u>

During our annual audit of the Office of Sheriff for the year ended June 30, 2014, we discovered discrepancies related to collections and bank deposits related to inmate commissary funds. While examining the inmate commissary bank reconciliation for the month of June 2014, we noted several outstanding deposits from May and June 2014, and one deposit that had been outstanding since November 2013. We also noted an unusual delay between the dates that other bank deposits were reflected in the office's accounting system and the date that those deposits were actually deposited to the bank. Due to these discrepancies, we extended our procedures to include inmate commissary transactions for the period July 1, 2013, through August 25, 2014. After comparing commissary receipts with bank deposits, we discovered that collections totaling \$13,976.84 had not been deposited to the commissary bank account and were not on hand in the Sheriff's Office. The following table summarizes the missing collections and reflects the date the office's accounting system indicated that these funds were deposited. However, these funds were not deposited to the bank account.

Deposit Date Per Accounting Records	Amount
11-27-13	\$ 122.00
5-21-14	286.00
5-22-14	179.00
5-26-14	1,094.59
5-29-14	1,338.00
6-1-14	177.00
6-2-14	33.00
6-5-14	173.50
6-8-14	207.00
6-9-14	590.75
6-12-14	417.00
6-16-14	864.00
6-22-14	330.00
6-24-14	635.00
6-30-14	1,085.00
7-11-14	646.00
7-14-14	672.00
7-18-14	389.00
7-23-14	495.00
7-25-14	209.00
7-29-14	1,582.00
8-2-14	913.00
8-5-15	320.00
8-13-14	782.00
8-17-14	<u>437.00</u>
Total	<u>\$ 13,976.84</u>

On August 25, 2014, we interviewed the employee responsible for picking up the deposits for the inmate commissary bank account and carrying the deposits to the bank. She indicated that she had some of the missing collections in the trunk of her county-owned car. Auditors and officers of the Loudon County Sheriff's Department accompanied the employee to her car, and she presented several envelopes containing funds that had been prepared for deposit into the inmate commissary account. Most of these deposit envelopes had been sealed, but then reopened. Comparison of the amount of funds found inside the envelopes with the corresponding deposit slips and the totals written on the outside of each envelope indicated that some funds had been removed from the envelopes. Funds recovered from these envelopes totaled \$6,649.84. These recovered funds were deposited into the

inmate commissary account on August 25, 2014, which reduced the total of funds missing from the inmate commissary account to \$7,327. The employee was placed on administrative leave without pay on August 25, 2014, and she resigned on August 26, 2014.

This finding has been discussed with the district attorney general.

RECOMMENDATION

County officials should take steps to recover the remaining cash shortage.

FINDING 2014-002

DEFICIENCIES WERE NOTED IN CONTROLS OVER INMATE COMMISSARY OPERATIONS

(Internal Control – Material Weakness Under *Government Auditing Standards*)

For much of the period between July 1, 2013, through August 25, 2014, duties related to the inmate commissary funds were somewhat segregated between the employee mentioned in the above finding and another employee. Both employees receipted inmate commissary funds into the office's accounting system and prepared those funds for deposit. The employee mentioned in the above finding was responsible for carrying the deposits to the bank, while the other employee was responsible for reconciling the bank statements at month-end. The employee reconciling the bank statements at month-end did not question why deposits were not reaching the bank in a timely manner after they were recorded in the accounting system. Subsequent to June 30, 2014, and prior to our audit, this employee was assigned to other duties, and all duties related to the commissary became the responsibility of the employee mentioned in the above finding, resulting in inadequate segregation of duties. The failure to investigate outstanding deposits on the bank reconciliations, followed by inadequate segregation of duties subsequent to year-end, as well as a lack of supervisory oversight of commissary operations for the entire period examined allowed the shortage reported in Finding 2014-001 to remain undetected until auditors arrived in late August 2014.

RECOMMENDATION

Bank statements should be reconciled with accounting records by personnel with adequate knowledge of the reconciliation process, and any differences should be investigated promptly. Duties should be segregated adequately among employees. Inmate commissary operations should have adequate supervisory review. All funds should be deposited currently.

FINDING 2014-003

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – SHERIFF

We have addressed the issue of the shortage of funds from the commissary account with the district attorney general and requested the TBI to investigate. This is an ongoing investigation at this time.

Regarding the segregation of duties, we are aware of this being an ongoing problem due to lack of personnel. We will continue to do our best to comply.

LOUDON COUNTY COMMISSION

FINDING 2014-004

THE COUNTY COMMISSION'S AUDIT COMMITTEE IS NOT A FUNCTIONING COMMITTEE

(Noncompliance Under *Government Auditing Standards*)

The Loudon County Commission created an Audit Committee in June 2012, as provided by Section 9-3-405, *Tennessee Code Annotated*; however, there are no minutes to document that this Audit Committee has ever met or conducted any business. Without a functioning Audit Committee, the County Commission does not have independent and objective reviews of the financial reporting process, internal controls, the audit function, and monitoring management's plans to address various risks.

RECOMMENDATION

The County Commission's Audit Committee should be a functioning committee, maintain minutes of its meetings, and annually present a written committee report detailing how it discharged its duties and any committee recommendations to the full County Commission.

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

There were no findings and questioned costs for federal awards.

**LOUDON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2014**

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