

LOUDON COUNTY, TENNESSEE
CUSIP 545760

**Continuing Disclosure
Document**

For Fiscal Year - Ending
June 30, 2025

The purpose of this document is to fulfill the continuing disclosure requirements of the Securities and Exchange Commission, Securities Act of 1934, Rule 15c2-12 (b) (5).

Dated: April 7, 2026

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ANNUAL COMPREHENSIVE FINANCIAL REPORT FILED SEPARATELY

INTRODUCTION

PURPOSE

This document is being published by Loudon County, Tennessee (the “County”) in compliance with the continuing disclosure requirements of the Securities and Exchange Commission Rule 15c2-12, which governs primary and secondary market disclosure as it applies to municipal bond issuers.

INTENT

The intent of this Continuing Disclosure Document (the “Document”) is to provide relevant information to investors regarding changes or events which could affect the value of municipal securities. Under this rule, municipal issuers must provide annual financial information and continuing notification of important developments that may affect the value of their municipal securities.

If you wish any further information on any of the prior five fiscal years, please contact the County’s Dissemination Agent at:

Cumberland Securities Company, Inc.
P.O. Box 22715
Knoxville, TN 37933
Telephone (865) 988-2663
Email Gretchen.Pelham@cumberlandsecurities.com
Email Scott.Gibson@cumberlandsecurities.com

DISTRIBUTION

The County, in compliance with SEC Rule 15c2-12, is submitting this Document and a copy of its Annual Comprehensive Financial Report for fiscal year ending June 30, 2025, to the Electronic Municipal Market Access (EMMA) website for the Municipal Securities Rulemaking Board (MSRB) on www.emma.msrb.org.

MATERIAL EVENT NOTICES

Listed below are the events which may trigger prompt notification rules if they are deemed to be of material importance to investors.

- * Delinquencies on interest and principal payments
- * Defaults unrelated to nonpayments
- * Unexpected use of reserves due to financial problems
- * Unscheduled draws on credit enhancements due to financial problems
- * Change in banks or other providers of credit, or their failure to provide funds
- * Adverse tax opinions or other events that affect the tax-exempt status of a bond
- * Changes in the rights of a bond investor
- * Bond calls
- * Defeasance (where bonds are prepaid and the indenture is declared null and void)
- * Release, substitution or sale of property securing debt service

- * Changes in a bond's credit rating
- * Tender Offers
- * Bankruptcy, insolvency, receivership or similar proceedings by issuer
- * Consummation of a merger, consolidation or acquisition involving issuer
- * Appointment of a successor or change of trustees
- * Incurrence of a financial obligation
- * Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties

DIRECTORY

LOUDON COUNTY COURTHOUSE
100 RIVER ROAD, SUITE 109
LOUDON, TENNESSEE 37774
1-865-458-4665 TELEPHONE
1-865-458-6508 FAX

CUSIP 545760

GENERAL INFORMATION

LOCATION

Loudon County (the “County”) is located in the Tennessee River Valley in the southeastern portion of the state. To the north, the County is bordered by Knox County and, to the east, by Blount County. Monroe and McMinn Counties make up the County’s southern border, and to the west, the County is bordered by Roane County. The City of Loudon serves as the county seat and is located approximately 31 miles southwest of Knoxville. Other incorporated municipalities within the County are Greenback, Lenoir City and Philadelphia.

GENERAL

The land area of Loudon County is approximately 229 square miles or 153,600 acres.

According to the 2020 US Census, Loudon County has a population of 54,886. The City of Loudon had a US Census population of 5,991, and the City of Lenoir City is the largest city in the County with a 2020 Census population of 10,117.

The County is part of the Knoxville Metropolitan Statistical Area (the “MSA”) that had a population of 903,300 according to the 2020 US Census. The MSA includes Knox (Knoxville and Farragut), Anderson (Oak Ridge and Clinton), Blount (Maryville and Alcoa), Campbell (LaFollette), Grainger (Rutledge), Loudon (Loudon), Morgan (Wartburg), Roane (Harriman) and Union (Maynardville) Counties.

The County is also part of the Knoxville-Sevierville-Harriman Combined Statistical Area (the “CSA”). According to the 2020 Census, the CSA had a population of 1,156,861. The CSA includes Roane, Anderson, Blount, Knox, Loudon, Union, Grainger, Hamblen, Jefferson, Campbell, Cocke and Sevier Counties. The City of Knoxville is the largest city in the CSA with a population of 190,740 according to the 2020 Census.

TRANSPORTATION

Interstate Highways 75 and 40 traverse the County, as well as U.S. Highways 11 and 70 and State Highways 72, 95 and 321. Seven motor freight companies serve the County, and rail service is provided by the CSX and Norfolk-Southern Railroads. In addition, residents of the County have access to the full commercial and freight air services at McGhee Tyson Airport operated by the Metropolitan Knoxville Airport Authority and approximately 30 minutes away.

The City and the City of Lenoir City serve as port facilities on the Tennessee River. Fort Loudon Dam and hydroelectric station are seven miles upstream from Lenoir City. The Tellico Dam, another TVA project, lies approximately six miles from the City on the Little Tennessee River. Channelization of the Tennessee River to a 9-foot minimum navigable depth from its junction with the Ohio River at Paducah, Kentucky to Knoxville, Tennessee gives the County the benefits of year round, low cost water transportation and a port on the nation's 10,000 mile inland waterway system. This system formed largely by the Mississippi River and its tributaries, effectively links the County with the Great Lakes to the north and the Gulf of Mexico to the

south. The River borders Knox, Blount, Roane, Loudon, Meigs, Rhea, Marion, Hamilton, Hardin, Wayne, Decatur, Perry, Benton, Humphreys, Henry, Houston and Stewart Counties in the state.

EDUCATION

Lenoir City has a school system within the County with three schools. The *Lenoir City School System* has one high school, one middle school and one elementary school with a fall 2025 enrollment of 2,510. The *Loudon County School System* serves the County with nine schools, including five elementary schools, two middle schools, one senior high school and one K-12 school. The fall 2025 enrollment was 4,726. All of the County schools are fully accredited by the Southeastern Association of Colleges and Schools, with an average of over 50% of the teachers in the system possessing a Masters degree or higher.

Source: Tennessee Department of Education.

Roane State Community College Lenoir City Campus. Roane State Community College, which began operation in 1971 in Harriman, Roane County, Tennessee, is a two-year higher education institution which serves a fifteen-county area. Fall 2024 enrollment was about 5,012 students. Designed for students who plan to transfer to senior institutions, the Roane State academic transfer curricula include two years of instruction in the humanities, mathematics, natural sciences, and social sciences. Approximately 21 college transfer programs and/or options are offered by the college.

Roane State's 104-acre main campus is centrally located in Roane County where a wide variety of programs are offered. Roane State has nine locations across East Tennessee – the Roane County flagship campus; an Oak Ridge campus; campuses in Campbell, Cumberland, Fentress, Loudon, Morgan and Scott Counties; and a center for health science education in West Knoxville.

Source: Roane State Community College.

The Tennessee College of Applied Technology at Harriman. The Tennessee College of Applied Technology at Harriman (the “TCAT-H”) is part of a statewide system of 26 vocational-technical schools. The TCAT-H meets a Tennessee mandate that no resident is more than 50 miles from a vocational-technical shop. The institution’s primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. The TCAT-H serves the eastern region of the state including Anderson, Loudon, Meigs, Morgan, Rhea, and Roane Counties. The TCAT-H began operations in 1970, and the main campus is located in Roane County. Fall 2023 enrollment was 1,003 students.

Source: Tennessee College of Applied Technology at Harriman.

Nearby there are more opportunities for higher education. The University of Tennessee at Knoxville is the largest school in the UT system located in Knoxville. Pellissippi State Technical Community College is another option for a two-year transfer school located in Knox and Blount Counties.

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HEALTHCARE

There are many hospitals within the MSA area available to the County. There are nine acute care hospitals in nearby Knox County alone, including two healthcare systems (Covenant Health Care and Tennova Healthcare). The County has one hospital located in Lenoir City.

Fort Loudon Medical Center. Fort Loudoun Medical Center is a 50-bed, \$29 million, 87,000-square-foot hospital that opened in Lenoir City in November 2004. Fort Loudon Medical Center is a full-service hospital that has bedside charting technology, a four-bed critical care unit, and a 12-suite Emergency Department with a designated fast track for less serious emergencies. Fort Loudon Medical Center is one of nearly 30-member organizations of Covenant Health, which includes acute care facilities, outpatient clinics, specialty and home care, and other services.

Covenant Health, headquartered in nearby Knoxville, has nine acute-care hospitals plus inpatient and outpatient cancer care, behavioral and rehabilitation centers, home health, outpatient surgery and diagnostic centers, physician offices and more. More than 10,000 people are employed by Covenant Health and its member organizations, with nearly 1,500 affiliated physicians. Covenant Health is a comprehensive health system established in 1996.

Source: Covenant Health and Fort Loudoun Medical Center.

POWER PRODUCTION

Tennessee Valley Authority (the “TVA”)

TVA was established as a wholly-owned corporate agency and instrumentality of the United States of America by the Tennessee Valley Authority Act of 1933 (the “TVA Act”), as amended. TVA Act’s objective is the development of the resources of the Tennessee Valley and adjacent areas in order to strengthen the regional and national economy and the national defense. Its specific purposes include: (1) flood control on the Tennessee River and its tributaries, and assistance to flood control on the lower Ohio and the Mississippi Rivers; (2) a modern navigable channel for the Tennessee River; (3) ample supply of power within an area of 80,000 square miles in most of Tennessee and parts of Alabama, Mississippi, Kentucky, Georgia, North Carolina and Virginia; (4) development and introduction of more efficient soil fertilizers; and (5) greater agricultural and industrial development and improved forestry in the region.

TVA is primarily a wholesaler of power. TVA manages 16,400 miles of transmission line to deliver 99.999% reliability that connects supplies power to 153 local power providers. power companies that supply electricity to approximately 10 million people across seven Southeastern states with 61 directly served customers, including 54 industrial customers and 7 military and federal installations. These include coal, gas, nuclear, and hydroelectric plants as well as renewable resources. The all-time high peak demand was in January 2025 with 35,430 MW, and the operating revenue for fiscal year 2025 was \$13.7 billion.

About 80 percent of the nation paid more for energy than customers served by TVA. TVA’s industrial rates are lower than more than 95 percent of the nation. As of 2024, TVA has ranked the top utility for economic development for 19 consecutive years. Projected capital investments in the region are expected to be 326,000 jobs in \$45.9 billion with investment.

TVA’s generation portfolio is 39% nuclear, 14% coal, 34% natural gas, 9% hydro, and 4% wind and solar with a total capacity of 32,190 megawatts as of 2024.

TVA'S GENERATING ASSETS
(as of 2024)

Located Over Seven States

- 3 Nuclear Sites
- 4 Coal-Fired Sites
- 29 Hydroelectric Sites
- 1 Pumped-Storage Site

- 9 Combustion Turbine Gas Site
- 8 Combined Cycle Gas Sites
- 9 Solar Energy Sites
- 1 Diesel Generation Site

Located in Tennessee

- 2 Nuclear Sites
- 3 Coal-Fired Plants
- 19 Hydroelectric Dams
- 1 Pumped-Storage Hydroelectric Plant
- 8 Natural Gas-Fueled Facilities
- 13 Non-Power Dams
- 9,455 Miles of Transmission Line
- 298 Substations & Switchyards

Tennessee

TVA supplies energy for over 7 million people through 82 local power companies and for 26 large, direct-served customers in Tennessee. TVA also manages 33 reservoirs, 179,510 acres of public land, and 7,700 miles of shoreline within the state. Projected capital investments for Tennessee are expected to be 30,760 jobs with \$3.6 billion in investment. TVA employs 7,592 people in the state as of 2024.

Hydropower and Flood Control

Tennessee is one of the top three hydroelectric power producers east of the Rocky Mountains due to the many TVA hydroelectric power plants located on the Tennessee and Cumberland River systems. Hydroelectric power, although variable, has been contributing about one-eighth of the state's net generation in recent years.

Managing the Tennessee River System TVA includes managing the Tennessee River system and 293,000 acres of public land, 11,000 miles of shoreline, and 650,000 surface acres of reservoir water. TVA dams on the Tennessee River system provide multiple public benefits: food control, navigation, power production, recreation, water quality and water supply, and protection of natural resources.

Transmission System Improvements

TVA invested nearly \$1.5 billion in transmission improvements between 2022-2025, to include a \$289 million investment in a new System Operations Center and \$90 million in a new Energy Management System.

The U.S. Department of Energy awarded a \$250 million grant in late 2024 to TVA and 10 of its local power companies that will fund 84 projects aimed at strengthening the electric grid and building renewable energy. These projects will help the utility add up to 2,400 megawatts of capacity to its grid, moving enough additional electricity to power 1.4 million homes, and speed development of solar and wind projects. It will allow the utility to create its first interconnection with the Southwest Power Pool, which manages much of the Midwest's wind-heavy grid, adding 800 megawatts of wind to TVA's system. Updates to the grid could reduce the duration of local

power outages by 94%, creating \$250 million in economic benefits, according to a TVA news release. TVA anticipates the money will create approximately 800 jobs over five years.

Local Power Plants

Fort Loudoun Dam. TVA's Loudoun Dam is located in Lenoir City near on the Tennessee River. Construction of Fort Loudoun Dam began in 1940 and was completed in 1943. Fort Loudoun Dam is 122 feet high and stretches 4,190 feet across the Tennessee River. The generating capacity of Fort Loudoun's four units is 155,600 kilowatts of electricity. The 60- by 360-foot Fort Loudoun lock raises and lowers river craft about 70 feet between the Reservoir and Watts Bar Reservoir. Barges passing through the Fort Loudoun lock carry half a million tons of cargo a year. Fort Loudoun Reservoir travels up river from Loudon County to Blount and Knox Counties.

Source: Tennessee Valley Authority.

Melton Hill Dam. TVA's Melton Hill Dam is located in Loudon County on the Clinch River. Construction of Melton Hill Dam began in 1960 and was completed in 1963. The Dam is 103 feet high and stretches 1,020 feet across the Clinch River. The generating capacity of Melton Hill is 72,000 kilowatts of electricity. Melton Hill is the only TVA dam on a tributary stream with a navigation lock. The navigation lock at Melton Hill has a 75- by 400-foot chamber and a maximum lift of 60 feet. Melton Hill Reservoir extends almost 57 miles upstream from Melton Hill Dam to Norris Dam along the county lines of Loudon, Roane, Knox and Anderson Counties.

Source: Tennessee Valley Authority.

Tellico Dam. TVA's Tellico Dam is located in Lenoir City on the Little Tennessee River very close to the Fort Loudoun Dam. Construction of Tellico Dam began in 1967 and was completed in 1979. Tellico Dam is 129 feet high and reaches 3,238 feet across the Little Tennessee River. Water from Tellico helps drive the four generating units at Fort Loudoun Dam, which has a generating capacity of 145,000 kilowatts of electricity. Tellico Reservoir stretches 33 miles into the mountains of east Tennessee through Loudon and Monroe Counties.

Source: Tennessee Valley Authority.

MANUFACTURING AND COMMERCE

DuPont Tate & Lyle Bio Products. A joint venture between DuPont and Tate & Lyle produces a bio-based 1,3 propanediol (the "Bio-PDO™") as a replacement for petroleum. Formed in 2004, DuPont Tate & Lyle produces Bio-PDO™ from corn instead of petroleum-based feedstock using a proprietary fermentation process. The applications range from cosmetics and personal care to formulations to fluids and polymers, most notably DuPont™ Sorona® renewably sourced polymer. Bio-PDO™ is sold under the Zemea® and Susterra® brands. DuPont Tate & Lyle is one of the City's top property tax payer each year.

Hanon Systems. Hanon Systems invested nearly \$170 million and created approximately 600 new jobs in Loudon County in 2023. The Hanon Systems operation in Loudon supplies thermal solutions for electrified mobility to automakers serving the North America market. Headquartered in South Korea for more than three decades, Hanon Systems is a leading supplier of thermal and energy management solutions for the automotive industry. Its offering includes heating ventilation and air conditioning; powertrain cooling; compressor; fluid transport; and

electronics and fluid pressure. Today, Hanon Systems employs more than 22,000 people across 21 countries.

Select Tennessee Certified Sites Program (the “STCSP”). The Centre 75 Business Park, Lot 7 (89 acres) have both been certified with the STCSP. The STCSP has helped communities prepare industrial sites for private investment and job creation since 2012. The certification process ensures that each certified site meets high quality standards and are primed for development. Certified sites must have documented environmental conditions and geotechnical analysis, existing onsite utilities or a formal plan to extend utilities to the site, and truck-quality road access. The program’s goal is to give companies detailed and reliable information during the site selection process and markets the sites to a targeted group of site selection consultants and business leaders in Tennessee’s key industry clusters. As of 2024, seventy-eight sites in Tennessee have been certified and 23 companies have invested over \$2.01 billion in capital investment to construct facilities on certified sites, accounting for more than 7,494 new job commitments.

Source: Tennessee Department of Economic and Community Development.

Tennessee Downtowns. The Cities of Lenoir City and Loudon have historically significant downtowns that have improved through the Tennessee Downtowns program. Tennessee Downtowns is an affiliated program of Tennessee Main Street designed to help rural communities to revitalize their downtown areas. The Tennessee Downtowns program helps local communities revitalize traditional commercial districts, enhance community livability, spur job creation and maintain the historic character of downtown districts. The two-year program coaches selected communities and their steering committees through the steps of launching effective renewal efforts. Tennessee Downtowns includes community training in the Main Street America program and a grant for a downtown improvement project. As of April 2024, Tennessee Department of Economic and Community Development (the “TNECD”) provides the Tennessee Downtowns program to 90 communities that want to pursue the Main Street America approach to downtown revitalization.

The selected communities all have downtown commercial districts established at least 50 years ago and have demonstrated their readiness to organize efforts for downtown revitalization according to Main Street America principles. The highly competitive selection process was based on historic commercial resources, economic and physical need, demonstrated local effort, overall presentation and probability of success. Grants are awarded to organizations that illustrated the need for improvements and the ability to execute an effective design plan for building facades, wayfinding signage, gateways and streetscapes. As part of the program, each new grant recipient will be required to match 25-percent of the funding received.

Tennessee Downtown communities that complete the program are eligible for additional Downtown Improvement Grants as well as Main Street designation. There are currently 46 nationally accredited Main Street communities in Tennessee, 20 of which successfully completed the Tennessee Downtowns program prior to their national accreditation.

Source: Tennessee Department of Economic and Community Development.

Much of the new industry in the area has chosen to do business in Loudon County due to the County's excellent location on the Tennessee River and within a day's drive of 75% of the

nation's population. More than 16,000 workers are available within 45 minutes of the County's industrial areas.

The following is a list of the major employers in the County:

Major Employers in Loudon County

<u>Company</u>	<u>Product</u>
Malibu Boats	Boat Manufacturer
Loudon County Schools	Education
Morgan Olson, LLC	Manufacturer
Crete Carrier Corp.	Transportation
WalMart	Retail
Kimberly-Clark Corporation	Paper Mill
Total Transportation of Mississippi	Transportation
HT Hackney Co.	Distribution
Tate & Lyle/ A.E. Staley Mfg.	Syrup, Alcohol, Grain Pellets
Loudon County	Government
Lenoir City Schools	Education
Hubbell Power Systems	Manufacture
Monterey Mushrooms	Mushrooms
Fort Loudon Medical Center	Hospital

Source: TN Department of Economic and Community Development.

The County has eight established business and industrial parks with full utilities available: Matlock Bend Industrial Park with 450 acres, Sugarlimb Industrial Park with 400 acres, Blair Bend with 385 acres, Highlands Business Park with 363 acres, Huntington Business Park with 200 acres, Centre Seventy-Five Business Park with 284 acres, Fort Loudon (Car Works Site) at 100 acres, and Spring Cress Business Park with 92 acres. All sites sit adjacent to Highway 11 and just 2.5 miles from I-75, and all have access to the Norfolk-Southern Railroad.

Tellico Regional Business Park. Located in Loudon County, Tennessee, Tellico Regional Business Park was completed in 2008 and feature available Greenfield sites ranging from 5 acres to 100 acres. Utilities are located at the property line and include 6” gas, 8” water, and 8” force main sewer. The development has a planned airpark with runway.

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ECONOMIC DATA

Per Capita Personal Income

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
National	\$59,151	\$64,692	\$66,298	\$70,002	\$73,204
Tennessee	\$51,977	\$57,715	\$59,107	\$63,479	\$66,504
Loudon County	\$57,719	\$64,955	\$66,975	\$70,294	\$73,616
Index vs. National	98	100	101	100	100
Index vs. State	111	113	113	111	111

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Social and Economic Characteristics

	<u>National</u>	<u>Tennessee</u>	<u>Loudon County</u>	<u>Loudon</u>	<u>Lenoir City</u>
Median Value Owner Occupied Housing	\$332,700	\$286,700	\$348,000	\$244,200	\$252,400
% High School Graduates or Higher Persons 25 Years Old and Older	89.6%	90.0%	89.6%	76.2%	87.4%
% Persons with Income Below Poverty Level	10.6%	13.5%	9.0%	18.5%	17.0%
Median Household Income	\$80,734	\$69,595	\$84,185	\$53,650	\$67,259

Source: U.S. Census Bureau State & County QuickFacts - 2024.

RECREATION

Fort Loudoun Reservoir. Tennessee Valley Authority’s (“TVA”) Fort Loudoun Dam is located in Lenoir City near on the Tennessee River. Fort Loudoun Reservoir travels up river from Loudon County to Blount and Knox Counties. It is the uppermost in the chain of nine TVA reservoirs that form a continuous navigable channel along the entire Tennessee River from Knoxville to Paducah, Kentucky, 652 miles away. The reservoir is known for its bass fishing, boating, and bird watching. Fort Loudoun is also connected by a short canal to Tellico Reservoir on the nearby Little Tennessee River. Water is diverted through the canal to Fort Loudoun for power production.

Melton Hill Reservoir. Tennessee Valley Authority’s (“TVA”) Melton Hill Dam is located in Loudon County on the Clinch River. Melton Hill Reservoir extends almost 57 miles upstream from Melton Hill Dam to Norris Dam along the county lines of Loudon, Roane, Knox and Anderson Counties. Unlike other TVA reservoirs, Melton Hill is not used for flood control. But because it’s used for power production, the level of the water in the reservoir fluctuates about four feet throughout the year. Melton Hill Reservoir has a nationally recognized rowing

course and is a spring training site for collegiate teams from throughout the eastern United States. Melton Hill Reservoir extends up the Clinch River to Clinton, Tennessee.

Tellico Reservoir. Tennessee Valley Authority's ("TVA") Tellico Dam is located in Lenoir City on the Little Tennessee River very close to the Fort Loudoun Dam. Tellico Reservoir stretches 33 miles into the mountains of east Tennessee through Loudon and Monroe Counties. Tellico Reservoir was planned as an extension of nearby Fort Loudoun Reservoir. Tellico Dam serves to divert water through a short canal into Fort Loudoun, linking the two reservoirs in their joint functions of flood control, power production, and improved navigation. They help regulate flooding downstream, especially at Chattanooga. The canal also allows barges to enter the Little Tennessee River without a lock, thus significantly increasing commercial barge operations in the Valley.

Source: Tennessee Valley Authority.

RECENT DEVELOPMENTS

Lakeshore Loudon Project. The residential project, Lakeshore Loudon Project, began construction in 2025 at the old Hutch Manufacturing property on the Tennessee River. The project will include 96 residential unit, a combination of apartments and townhomes, with 7,600 square feet of commercial space to include a café and retail stores. The project is expected to be complete in 2028.

PPG. A \$225 million paint and coatings manufacturing facility by PPG opened in Loudon County in 2024. This created approximately 130 new jobs. The 250,000-square-foot plant is PPG's first new U.S. manufacturing facility in the last 15 years. Headquartered in Pennsylvania, PPG develops, manufactures and distributes its paints, coatings and specialty materials worldwide. Today, the company operates across more than 70 countries and reported net sales of more than \$18 billion in 2023.

Source: Tennessee Department of Economic & Community Development, Knoxville News Sentential, and the County.

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LOUDON COUNTY, TENNESSEE
SUMMARY OF BONDED INDEBTEDNESS

PURPOSE	DUE DATE	INTEREST RATE(S)	GENERAL FUND	RURAL SCHOOL ³	As Of	
					GENERAL FUND	RURAL SCHOOL ³
\$9,675,000 General Obligation Bonds, Series 2017	June 2037	Fixed	\$ 7,225,000	\$ -	\$ 7,225,000	
\$8,010,000 General Obligation Bonds, Series 2018	June 2038	Fixed	6,220,000	-	6,220,000	
\$24,220,000 Rural School Refunding Bonds, Series 2020A	June 2036	Fixed	-	17,060,000	17,060,000	
\$7,100,000 Rural School Refunding Bonds, Series 2021	June 2030	Fixed	-	4,700,000	4,700,000	
\$2,600,000 Rural School Capital Outlay Note, Series 2022	June 2034	Fixed	-	1,949,000	1,949,000	
TOTAL BONDED DEBT			\$ 13,445,000	\$ 23,709,000	\$ 37,154,000	
ISSUED POST JUNE 30, 2025						
\$35,000,000 Rural School Bonds, Series 2025	June 2050	Fixed	\$ -	\$ 35,000,000	\$ 35,000,000	
NET BONDED DEBT			\$ 13,445,000	\$ 58,709,000	\$ 72,154,000	

Notes:

- ¹ The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the ACFR. Additionally, does not include any debt currently estimated to be outstanding in the amount \$3,366,464 as of June 30, 2023, backed by the County and issued for the benefit of the Tellico Area Service System ("TASS"), a self-supporting water system for residential and commercial properties located in Loudon and Monroe Counties.
- ² The County budgets to account for interest rate risk.
- ³ Rural School Bonds are payable from ad valorem taxes lying outside of the City of Lenoir City, Tennessee. Lenoir City, Tennessee makes up approximately 14.1% of the County's tax base based on assessed value.

LOUDON COUNTY, TENNESSEE
Indebtedness and Debt Ratios

INTRODUCTION

The information set forth in the following table is based upon information derived in part from the ACFR and the table should be read in conjunction with those statements.

INDEBTEDNESS	For Fiscal Year Ended June 30				After Issuance
	2021	2022	2024	2025	
TAX SUPPORTED					
General Obligation Bonds & Notes	\$ 16,974,000	\$ 15,215,000	\$ 14,340,000	\$ 13,445,000	\$ 13,445,000
Rural School Bonds & Notes *	36,235,000	31,043,000	30,035,000	23,709,000	58,709,000
TOTAL TAX SUPPORTED	\$ 53,209,000	\$ 46,258,000	\$ 44,375,000	\$ 37,154,000	\$ 72,154,000
TOTAL DEBT	\$ 53,209,000	\$ 46,258,000	\$ 44,375,000	\$ 37,154,000	\$ 72,154,000
Less: Debt Service Fund	(10,289,309)	(11,203,653)	(10,551,386)	(12,952,620)	(12,952,620)
NET DIRECT DEBT	\$ 42,919,691	\$ 35,054,347	\$ 33,823,614	\$ 24,201,380	\$ 59,201,380
PROPERTY TAX BASE					
Estimated Actual Value	\$ 7,720,770,579	\$ 8,542,567,009	\$ 12,308,917,388	\$ 12,965,566,310	\$ 12,965,566,310
Appraised Value	6,986,525,297	8,542,567,009	9,322,774,030	9,820,119,923	9,820,119,923
Assessed Value	1,898,787,472	2,305,180,874	2,513,523,431	2,647,978,409	2,647,978,409

Source: General Purpose Financial Statements and County Officials.

* Rural School Bonds are payable from ad valorem taxes lying outside of the City of Lenoir City, TN. Lenoir City, TN makes up approximately 14.1% of the County's tax base based on assessed value.

DEBT RATIOS	For Fiscal Year Ended June 30					After Issuance
	2021	2022	2023	2024	2025	
TOTAL DEBT to Estimated Actual Value	0.69%	0.57%	0.52%	0.36%	0.29%	0.56%
TOTAL DEBT to Appraised Value	0.76%	0.57%	0.52%	0.48%	0.38%	0.73%
TOTAL DEBT to Assessed Value	2.80%	2.11%	1.92%	1.77%	1.40%	2.72%
NET DIRECT DEBT to Estimated Actual Value	2.26%	1.60%	1.45%	1.35%	0.91%	2.24%
NET DIRECT DEBT to Appraised Value	0.61%	0.43%	0.39%	0.36%	0.25%	0.60%
NET DIRECT DEBT to Assessed Value	2.26%	1.60%	1.45%	1.35%	0.91%	2.24%
PER CAPITA RATIOS						
POPULATION (1)	56,690	58,244	60,591	62,129	62,129	62,129
PER CAPITA PERSONAL INCOME (2)	\$64,955	\$66,975	\$70,294	\$73,616	\$73,616	\$73,616
Estimated Actual Value to POPULATION	136,193	146,669	147,845	198,119	208,688	208,688
Assessed Value to POPULATION	33,494	39,578	39,834	40,457	42,621	42,621
Total Debt to POPULATION	939	833	763	714	598	1,161
Net Direct Debt to POPULATION	757	633	579	544	390	953
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	1.44%	1.24%	1.09%	0.97%	0.81%	1.58%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	1.17%	0.94%	0.82%	0.74%	0.53%	1.29%

(1) Per Capita computations are based upon POPULATION data according to the U.S. Census.

(2) PER CAPITA PERSONAL INCOME is based upon the most current data available from the U. S. Department of Commerce.

LOUDON COUNTY, TENNESSEE
BONDED DEBT SERVICE REQUIREMENTS -
GENERAL OBLIGATION

F.Y. Ended 6/30	Existing Debt - General Obligation as of June 30, 2025 ¹			% All Principal Repaid
	Principal	Interest ²	TOTAL	
2026	\$ 920,000	\$ 403,728	\$ 1,323,728	6.84%
2027	940,000	381,378	1,321,378	13.83%
2028	965,000	358,528	1,323,528	21.01%
2029	985,000	334,483	1,319,483	28.34%
2030	1,015,000	309,650	1,324,650	35.89%
2031	1,040,000	278,088	1,318,088	43.62%
2032	1,075,000	245,750	1,320,750	51.62%
2033	1,115,000	211,150	1,326,150	59.91%
2034	1,145,000	175,250	1,320,250	68.43%
2035	1,185,000	138,375	1,323,375	77.24%
2036	1,220,000	100,200	1,320,200	86.31%
2037	1,260,000	60,900	1,320,900	95.69%
2038	580,000	20,300	600,300	100.00%
	<u>\$ 13,445,000</u>	<u>\$ 3,017,778</u>	<u>\$ 16,462,778</u>	

NOTES:

¹ The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the ACFR. Additionally, does not include any debt currently estimated to be outstanding in the amount \$3,055,268 as of June 30, 2024, backed by the County and issued for the benefit of the Tellico Area Service System ("TASS"), a self-supporting water system for residential and commercial properties located in Loudon and Monroe Counties.

LOUDON COUNTY, TENNESSEE
BONDED DEBT SERVICE REQUIREMENTS
RURAL SCHOOL

F.Y. Ended	Existing Debt - Rural School As of June 30, 2025		Rural School Bonds, Series 2025		% 2025 Principal Repaid		Total Bonded Debt Service Requirements ¹		% All Principal Repaid
	Principal	Interest ²	Principal	Interest ³	Principal	Interest ²	Principal	Interest ²	
6/30									
2026	\$ 3,272,000	\$ 700,412	\$ 500,000	\$ 1,379,858	\$ 1,879,858	1.43%	\$ 3,772,000	\$ 2,080,270	\$ 5,852,270
2027	3,022,000	584,307	500,000	1,598,363	2,098,363		3,522,000	2,182,670	5,704,670
2028	2,767,000	473,203	850,000	1,573,363	2,423,363		3,617,000	2,046,565	5,663,565
2029	2,367,000	367,348	895,000	1,530,863	2,425,863		3,262,000	1,898,211	5,160,211
2030	2,117,000	300,494	940,000	1,486,113	2,426,113	10.53%	3,057,000	1,786,606	4,843,606
2031	1,766,000	238,639	985,000	1,439,113	2,424,113		2,751,000	1,677,752	4,428,752
2032	1,766,000	199,323	1,035,000	1,389,863	2,424,863		2,801,000	1,589,186	4,390,186
2033	1,766,000	160,007	1,085,000	1,338,113	2,423,113		2,851,000	1,498,120	4,349,120
2034	1,766,000	118,754	1,140,000	1,283,863	2,423,863		2,906,000	1,402,616	4,308,616
2035	1,550,000	75,563	1,195,000	1,226,863	2,421,863	26.07%	2,745,000	1,302,425	4,047,425
2036	1,550,000	38,750	1,255,000	1,167,113	2,422,113		2,805,000	1,205,863	4,010,863
2037	-	-	1,320,000	1,104,363	2,424,363		1,320,000	1,104,363	2,424,363
2038	-	-	1,375,000	1,051,563	2,426,563		1,375,000	1,051,563	2,426,563
2039	-	-	1,430,000	996,563	2,426,563		1,430,000	996,563	2,426,563
2040	-	-	1,485,000	939,363	2,424,363	45.69%	1,485,000	939,363	2,424,363
2041	-	-	1,545,000	878,106	2,423,106		1,545,000	878,106	2,423,106
2042	-	-	1,610,000	812,444	2,422,444		1,610,000	812,444	2,422,444
2043	-	-	1,680,000	742,006	2,422,006		1,680,000	742,006	2,422,006
2044	-	-	1,760,000	666,406	2,426,406		1,760,000	666,406	2,426,406
2045	-	-	1,840,000	585,006	2,425,006	69.79%	1,840,000	585,006	2,425,006
2046	-	-	1,925,000	499,906	2,424,906		1,925,000	499,906	2,424,906
2047	-	-	2,015,000	410,875	2,425,875		2,015,000	410,875	2,425,875
2048	-	-	2,110,000	315,163	2,425,163		2,110,000	315,163	2,425,163
2049	-	-	2,210,000	214,938	2,424,938		2,210,000	214,938	2,424,938
2050	-	-	2,315,000	109,963	2,424,963	100.00%	2,315,000	109,963	2,424,963
	<u>\$ 23,709,000</u>	<u>\$ 3,256,798</u>	<u>\$ 35,000,000</u>	<u>\$ 24,740,146</u>	<u>\$ 59,740,146</u>		<u>\$ 58,709,000</u>	<u>\$ 27,996,943</u>	<u>\$ 86,705,943</u>

NOTES:

¹ The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the ACFR. Rural School Bonds are payable from ad valorem taxes lying outside of the City of Lenoir City, TN.

² The County budgets to account for interest rate and/or basis risk.

³ True Interest Cost of 4.419%.

FINANCIAL INFORMATION

BASIS OF ACCOUNTING AND PRESENTATION

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The modified accrual basis of accounting is used to account for all governmental funds of the County. Revenues for such funds are recognized when they become measurable and available as net current assets. Expenditures, other than interest or long-term debt, are recognized when incurred and measurable.

All proprietary funds are accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred except for prepaid expenses, such as insurance, which are fully expended at the time of payment.

FUND BALANCES, NET ASSETS AND RETAINED EARNINGS

The following table depicts audited fund balances, net assets and retained earnings for the last five fiscal years ending June 30:

	<u>For the Fiscal Year Ended June 30,</u>				
<u>Fund Type</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<i>Governmental Funds:</i>					
General	\$10,223,912	\$12,706,756	\$15,200,559	\$16,761,769	\$16,063,967
Highway / Public Works	1,367,553	1,759,436	5,275,935	1,901,883	1,926,836
Education Debt Service ¹	7,715,091	9,097,603	8,825,387	8,219,301	10,721,706
Other Governmental	<u>9,318,660</u>	<u>12,522,966</u>	<u>7,287,166</u>	<u>9,777,623</u>	<u>9,720,595</u>
Total	<u>\$28,625,216</u>	<u>\$36,086,761</u>	<u>\$36,589,057</u>	<u>\$36,660,576</u>	<u>\$38,433,104</u>

Source: Annual Comprehensive Financial Reports for the County.

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LOUDON COUNTY, TENNESSEE
Five Year Summary of Revenues, Expenditures and
Changes In Fund Balances - General Fund
For the Fiscal Year Ended June 30

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Local Taxes	\$ 15,212,054	\$ 16,786,401	\$ 18,025,595	\$ 19,642,621	\$ 20,920,853
Licenses and Permits	955,371	1,187,706	1,044,314	1,137,273	989,927
Fines and Forfeits	314,410	364,653	455,217	345,250	348,398
Charges for Current Services	166,555	153,536	193,028	183,251	89,179
Other Local Revenues	419,462	617,948	799,029	1,024,632	860,463
Fees Recv'd from County Officials	2,765,002	2,879,921	2,909,404	3,074,061	3,344,942
State of Tennessee	1,172,812	817,643	1,061,659	3,627,277	1,721,228
Federal Government	1,130,857	366,532	354,271	453,447	475,585
Other Governments & Citizens Groups	39,273	90,503	256,359	30,030	41,333
Total Revenues	\$ 22,175,796	\$ 23,264,843	\$ 25,098,876	\$ 29,517,842	\$ 28,791,908
Expenditures and Other Uses:					
General Government	\$ 3,315,166	\$ 3,452,460	\$ 3,953,132	\$ 4,442,509	\$ 4,705,254
Finance	2,554,561	2,810,185	3,033,856	3,039,249	3,154,933
Administration of Justice	2,265,206	2,507,749	2,614,465	2,780,159	2,891,931
Public Safety	10,004,595	10,172,485	10,923,999	14,285,044	13,636,584
Public Health & Welfare	690,683	787,602	871,306	949,781	892,594
Social, Cultural, & Recreational Services	227,771	243,241	293,338	301,468	310,525
Agricultural & Natural Resources	198,054	211,177	218,467	219,616	200,016
Other Operations	1,024,823	1,039,625	977,041	1,012,210	1,153,439
Debt Service	75,977	-	-	-	-
Capital Projects	-	-	-	-	600,000
Total Expenditures	\$ 20,356,836	\$ 21,224,524	\$ 22,885,604	\$ 27,030,036	\$ 27,545,276
Excess of Revenues & Over (under) Expenditures	\$ 1,818,960	\$ 2,040,319	\$ 2,213,272	\$ 2,487,806	\$ 1,246,632
Other Financing Sources (Uses):					
Debt Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Sale of Capital Assets	-	6,987	-	-	-
Insurance Recovery	23,833	35,538	22,604	55,779	63,034
Interfund Transfers - In	-	400,000	292,937	172,212	371,382
Interfund Transfers - Out	-	-	(35,000)	(1,154,597)	(2,378,850)
Total Other Financing Sources (Uses)	\$ 23,833	\$ 442,525	\$ 280,541	\$ (926,606)	\$ (1,944,434)
Excess of Revenue & Other Sources over (Under) Expenditures & Other Sources	\$ 1,842,793	\$ 2,482,844	\$ 2,493,813	\$ 1,561,200	\$ (697,802)
Fund Balance July 1	\$ 8,381,119	\$ 10,223,912	\$ 12,706,756	\$ 15,200,569	\$ 16,761,769
Prior Period Adjustment	-	-	-	-	-
Fund Balance June 30	\$ 10,223,912	\$ 12,706,756	\$ 15,200,569	\$ 16,761,769	\$ 16,063,967

Source: Annual Comprehensive Financial Report for Loudon County, Tennessee.

INVESTMENT AND CASH MANAGEMENT PRACTICES

Investment of idle County operating funds is controlled by state statute and local policies and administered by the County Trustee. Generally, such policies limit investment instruments to direct U. S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by similar grade collateral pledged at 110% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loan associations must be collateralized as outlined above, by an irrevocable letter of credit issued by the Federal Home Loan Bank or by providing notes secured by the first mortgages or first deeds for trust upon residential property in the state equal to at least 150 percent of the amount of uninsured deposits. All collateral must be held in a third party escrow account for the benefit of the County. For reporting purposes, all investments are stated at cost which approximates market value. The County Trustee is responsible for all County investments.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

State Taxation of Property; Classifications of Taxable Property; Assessment Rates

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the "General Assembly") exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as provided under Tennessee law.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four sub classifications and assessed at the rates as follows:

- (a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
- (b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
- (c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
- (d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three sub classifications and assessed at the rates as follows:

- (a) Public Utility Property, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property, to be assessed at 30% of its value; and
- (c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

County Taxation of Property

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated Cities in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated*, the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county based upon tax rates to be established on the first Monday of July of each year or as soon thereafter as practicable.

All property is required to be taxed according to its value upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness, are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

Assessment of Property

County Assessments; County Board of Equalization. The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own

such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

The county board of equalization is required (among other things) to carefully examine, compare and equalize the county assessments; assure that all taxable properties are included on the assessments lists and that exempt properties are eliminated from the assessment lists; hear and act upon taxpayer complaints; and correct errors and assure conformity to State law and regulations.

State Assessments of Public Utility Property; State Board of Equalization. The State Comptroller of the Treasury is authorized and directed under Tennessee law to assess for taxation, for State, county and municipal purposes, all public utility properties of every description, tangible and intangible, within the State. Such assessment is required to be made annually as of the same day as other properties are assessed by law (as described above) and takes into account such factors as are prescribed by Tennessee law.

On or before the first Monday in August of each year, the assessments are required to be completed and the State Comptroller of the Treasury is required to send a notice of assessment to each company assessable under Tennessee law. Within ten days after the first Monday in August of each year, any owner or user of property so assessed may file an exception to such assessment together with supporting evidence to the State Comptroller of the Treasury, who may change or affirm the valuation. On or before the first Monday in September of each year, the State Comptroller of the Treasury is required to file with the State Board of Equalization assessments so made. The State Board of Equalization is required to examine such assessments and is authorized to increase or diminish the valuation placed upon any property valued by the State Comptroller of the Treasury.

The State Board of Equalization has jurisdiction over the valuation, classification and assessment of all properties in the State. The State Board of Equalization is authorized to create an assessment appeals commission to hear and act upon taxpayer complaints. The action of the State Board of Equalization is final and conclusive as to all matters passed upon by the Board, subject to judicial review consisting of a new hearing in chancery court.

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Periodic Reappraisal and Equalization

Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board of Equalization, by a continuous four-year cycle comprised of an on-site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period.

After a reappraisal program has been completed and approved by the Director of Property Assessments, the value so determined must be used as the basis of assessments and taxation for property that has been reappraised. The State Board of Equalization is responsible to determine whether or not property within each county of the State has been valued and assessed in accordance with the Constitution and laws of the State of Tennessee.

Valuation for Property Tax Purposes

County Valuation of Property. The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State board of equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

State Valuation of Public Utility Property. The State Comptroller of the Treasury determines the value of public utility property based upon the appraisal of the property as a whole without geographical or functional division of the whole (*i.e.*, the unit rule of appraisal) and on other factors provided by Tennessee law. In applying the unit rule of appraisal, the State Comptroller of the Treasury is required to determine the State's share of the unit or system value based upon factors that relate to the portion of the system relating to the State of Tennessee.

Certified Tax Rate

Upon a general reappraisal of property as determined by the State Board of Equalization, the county assessor of property is required to (1) certify to the governing bodies of the county and each municipality within the county the total assessed value of taxable property within the jurisdiction of each governing body and (2) furnish to each governing body an estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the assessed value of deletions from the previous assessment roll. Exclusive of such new construction, improvements and deletions, each governing body is required to determine and certify a tax rate (herein referred to as the "*Certified Tax Rate*") which will provide the same *ad valorem* revenue for that jurisdiction as was levied during the previous year.

The governing body of a county or municipality may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

Tennessee law provides that no tax rate in excess of the Certified Tax Rate may be levied by the governing body of any county or of any municipality until a resolution or ordinance has been adopted by the governing body after publication of a notice of the governing body's intent to exceed the Certified Tax Rate in a newspaper of general circulation and the holding of a public hearing.

The Tennessee Local Government Public Obligations Act of 1986 provides that a tax sufficient to pay when due the principal of and interest on general obligation bonds (such as the Bonds) shall be levied annually and assessed, collected and paid, in like manner with the other taxes of the local government as described above and shall be in addition to all other taxes authorized or limited by law. Bonds issued pursuant to the Local Government Public Obligations Act of 1986 may be issued without regard to any limit on indebtedness provided by law.

Tax Freeze for the Elderly Homeowners

The Tennessee Constitution was amended by the voters in November 2006 to authorize the Tennessee General Assembly to enact legislation providing property tax relief for homeowners age 65 and older. The General Assembly subsequently adopted the Property Tax Freeze Act permitting (but not requiring) local governments to implement a program for "freezing" the property taxes of eligible taxpayers at an amount equal to the taxes for the year the taxpayer becomes eligible. For example, if a taxpayer's property tax bill is \$500 for the year in which he becomes eligible, his property taxes will remain at \$500 even if property tax rates or appraisals increase so long as he continues to meet the program's ownership and income requirements.

Tax Collection and Tax Lien

Property taxes are payable the first Monday in October of each year. The county trustee of each county acts as the collector of all county property taxes and of all municipal property taxes when the municipality does not collect its own taxes.

The taxes assessed by the State of Tennessee, a county, a municipality, a taxing district or other local governmental entity, upon any property of whatever kind, and all penalties, interest and costs accruing thereon become and remain a first lien on such property from January 1 of the year for which such taxes are assessed. In addition, property taxes are a personal debt of the property owner as of January and, when delinquent, may be collected by suit as any other personal debt. Tennessee law prescribes the procedures to be followed to foreclose tax liens and to pursue legal proceedings against property owners whose property taxes are delinquent.

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Assessed Valuations. According to the Tax Aggregate Report for Tennessee, property in the County reflected a ratio of appraised value to true market value of 0.7574. The following table shows pertinent data for tax year 2024¹.

<u>Class</u>	<u>Estimated Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Appraised Value</u>
Public Utilities	\$ 32,499,596	55%	\$ 74,454,974
Commercial and Industrial	397,892,200	40%	1,313,587,417
Personal Tangible Property	127,563,233	30%	540,086,132
Residential and Farm	<u>2,090,023,380</u>	25%	<u>11,037,437,787</u>
Total	<u>\$2,647,978,409</u>		<u>\$12,965,566,310</u>

Source: 2024 Tax Aggregate Report for Tennessee and the County.

¹ The tax year coincides with the calendar year, therefore tax year 2024 is actually fiscal year 2024 -2025.

The estimated assessed value of property in the County for the fiscal year ending June 30, 2025 (tax year 2024) is \$2,647,978,409 compared to \$2,513,523,431 for the fiscal year ending June 30, 2023 (tax year 2022). The estimated actual value of all taxable property for tax year 2024 is \$12,965,566,310 compared to \$12,308,917,388 for tax year 2023.

Property Tax Rates and Collections. The following table shows the property tax rates and collections of the County for tax years 2020 through 2024 as well as the aggregate uncollected balances for each fiscal year ending June 30.

PROPERTY TAX RATES AND COLLECTIONS				Fiscal Yr Collections		Aggregate Uncollected Balance	
Tax Year²	Assessed Valuation	Tax Rates	Taxes Levied	Amount	Pct	as of June 30, 2025	
						Amount	Pct
2021	\$2,305,180,874	\$1.5183	\$34,999,561	\$34,566,254	98.8%	N/A	N/A
2022	2,413,565,673	1.5183	36,645,167	35,729,038	97.5%	N/A	N/A
2023	2,513,523,431	1.5183	38,162,825	37,507,744	98.3%	N/A	N/A
2024	2,615,478,813	1.7683	48,824,202	47,750,070	97.8%	1,074,132	2.2%
2025	2,710,838,694	1.7683	\$47,935,760*	IN PROCESS			

² The tax year coincides with the calendar year, therefore tax year 2025 is actually fiscal year 2025-2026.

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Ten Largest Taxpayers. For the fiscal year ending June 30, 2025 (tax year 2024), the ten largest taxpayers in the County are as follows:

	<u>Taxpayer</u>	<u>Business Type</u>	<u>Assessment</u>	<u>Taxes Paid</u>
1.	Kimberly Clark Corporation	Consumer Goods and Personal Care Corporation	41,922,408	741,314
2.	Primient Covation	Plant-Based resource Producer	12,208,103	215,876
3.	Malibu Boats LLC	Boat Manufacturer	11,642,829	205,880
4.	SNH Tellico Trust (Senior Housing Properties)	Housing	11,281,725	199,481
5.	TN National LLC	Real Estate	10,070,650	178,039
6.	American Honda Motor Company Inc.	Automotive Parts	9,504,320	168,065
7.	Dupont Tate & Lyle	Synthetic Fibers	9,117,400	161,223
8.	Del Conca USA Inc	Ceramic Tile Industry	8,657,680	153,094
9.	Hollingworth Investments	Industrial facilities development	8,623,800	152,494
10.	The Cove at Creekwood Park LLC	Housing	<u>7,292,640</u>	<u>101,244</u>
TOTAL			<u>130,321,555</u>	<u>2,276,710</u>

Source: The County.

LOCAL OPTION SALES TAX

<u>Fiscal Year</u>	<u>County</u>	<u>General Purpose School</u>	<u>Lenoir City Schools</u>	<u>Cities</u>	<u>Total</u>
2021	2,055,739	5,324,552	3,060,090	6,336,307	16,776,688
2022	2,659,305	6,283,723	3,464,496	7,146,492	19,554,016
2023	2,953,065	6,931,171	3,716,642	7,699,887	21,300,765
2024	3,034,298	7,147,428	3,891,949	8,009,991	22,083,666
2025	3,351,938	7,527,288	4,150,344	8,301,168	23,330,738

Source: The County.

PENSION PLANS

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 the district 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.

For additional information of the funding status, trend information and actuarial status of the County's retirement programs, please refer to the appropriate Notes to Financial Statements located in the General Purpose Financial Statements of the County located herein.

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