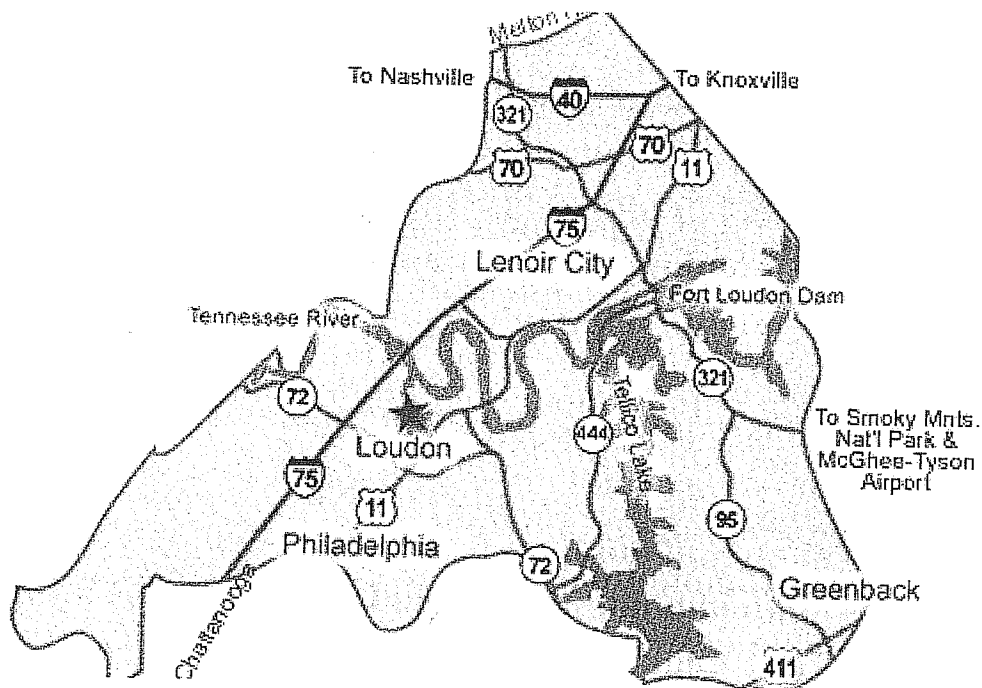


Loudon County, Tennessee Annual Debt Report

As of April 1, 2012



Estelle Herron, Loudon County Mayor
Tracy Blair, Director of Accounts & Budgets

Loudon County Annual Debt Report Purpose and Objectives

On December 5, 2011, Loudon County Commission ratified Resolution #120511-O, to adopt a Debt Management Policy. This policy establishes guidelines that affect the debt issuance process and management of the County's debt. Its purpose is to improve the quality of management and legislative decisions, while promoting transparency for the members of the community.

One requirement of the Debt Management Policy, as stated in Section 2) c), is to provide an annual report to the County Commission that includes the following:

- amortization schedules for each outstanding loan and predicted fund balances over the life of these loans;
- net debt per capita;
- net debt per capita as a percentage of income per capita;
- debt as a percentage of total assessed property values;
- percentage of debt that has a variable interest rate; and
- current bond rating.

This report complies with the requirements as stated.