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# ANNUAL FINANCIAL REPORT PERRY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2009



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**ANNUAL FINANCIAL REPORT**  
**PERRY COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2009**

*DEPARTMENT OF AUDIT*  
*JUSTIN P. WILSON*  
*Comptroller of the Treasury*

*DIVISION OF COUNTY AUDIT*  
*RICHARD V. NORMENT*  
*Assistant to the Comptroller*

*JAMES R. ARNETTE*  
*Director*

*NORM R. NORMENT, CGFM*  
*Audit Manager*

*HORACE B. WISEMAN, CGFM*  
*Auditor 4*

*B. KEITH RICE, CGFM*  
*WENDY HEATH, CFE*  
*State Auditors*

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

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***Audit Highlights***  
Annual Financial Report  
Perry County, Tennessee  
For the Year Ended June 30, 2009

***Scope***

We have audited the basic financial statements of Perry County as of and for the year ended June 30, 2009.

***Results***

Our report on Perry County's financial statements is unqualified.

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

***Findings***

The following are summaries of the audit findings:

**PERRY COUNTY AND PERRY COUNTY SCHOOL DEPARTMENT**

- ◆ Perry County and the Perry County School Department do not have the resources to produce financial statements and notes to the financial statements.

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**OFFICE OF COUNTY MAYOR**

- ◆ The General and Ambulance Service funds general ledger cash accounts were not reconciled accurately with the county trustee's reports monthly.
- ◆ The county used a questionable method of funding life insurance.

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**OFFICE OF HIGHWAY SUPERINTENDENT**

- ◆ The Highway Department paid an employee \$1,100 as an independent contractor during his regular work hours.
-

## **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ Expenditures exceeded appropriations approved by the County Commission at the major appropriation category level of control (the legal level of control) and for the total fund, and some salaries exceeded line-item appropriations in the General Purpose School Fund.
- 

## **OFFICE OF COUNTY CLERK**

- ◆ The office had deficiencies in computer system backup procedures.
- 

## **OFFICE OF REGISTER**

- ◆ The office did not review software audit logs.
- 

## **OFFICE OF SHERIFF**

- ◆ Cash bond collections were not deposited to the official bank account, and cash bonds were not disbursed by official prenumbered check.
- 

## **OTHER FINDINGS**

- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.
- ◆ Duties were not segregated adequately among officials and employees in the Offices of Highway Superintendent, Trustee, County Clerk, Clerk and Master, and Register.

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## INTRODUCTORY SECTION

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Perry County Officials  
June 30, 2009

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**Officials**

John Carroll, County Mayor  
Gary Rhodes, Highway Superintendent  
Gil Webb, Director of Schools  
George Duncan, Trustee  
Garry Horner, Assessor of Property  
Jane Lewis, County Clerk  
Peggy Smotherman, Circuit and General Sessions Courts Clerk  
Joyce Marshall, Clerk and Master  
Patricia Bell, Register  
Roy Rogers, Sheriff

**Board of County Commissioners**

John Carroll, County Mayor, Chairman	Gary Rogers
Benny Carroll	Adam Sanders
Lannie Dedrick	David Trull
Eddie Ledbetter	J.B. Trull
Austin Pevahouse	Johnny Ward
Mary Ann Qualls	J.R. Warren
Jarrod Richardson	

**Board of Education**

Martha Sharp, Chairperson	Janet Carroll
Don Barnette	Jorene Choate
Joe Burns	Jackie Duncan

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## **FINANCIAL SECTION**

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

**INDEPENDENT AUDITOR'S REPORT**

January 12, 2010

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

To the County Mayor and Board of County Commissioners:

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 Perry County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Perry County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Perry County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Perry County Emergency Communications District, which represent 5.5 percent and 2.1 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Perry County Emergency Communications District is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as

evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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 Perry County, Tennessee, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 12, 2010, on our consideration of Perry County's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Perry County has adopted the provisions of Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Pollution and Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

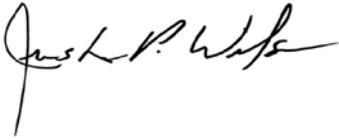
The management of Perry County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

The budgetary comparison, pension, and other postemployment benefits information on pages 71 through 79 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Perry County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Perry 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 General Debt Service Fund, combining and individual fund financial statements of the Perry County

School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a prominent vertical line extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Perry County, Tennessee  
Statement of Net Assets  
June 30, 2009

	Primary Government Governmental Activities	Component Units	
		Perry County School Department	Perry County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 183	\$ 92,165	\$ 412,890
Equity in Pooled Cash and Investments	5,967,239	187,654	0
Accounts Receivable	286,123	6,115	25,008
Allowance for Uncollectibles	(33,958)	0	0
Due from Other Governments	514,479	322,108	0
Property Taxes Receivable	2,464,891	1,366,548	0
Allowance for Uncollectible Property Taxes	(57,687)	(30,882)	0
Capital Assets:			
Assets Not Depreciated:			
Land	210,266	138,512	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	3,278,912	7,334,910	0
Infrastructure	1,680,830	0	0
Other Capital Assets	802,938	419,854	131,343
Total Assets	<u>\$ 15,114,216</u>	<u>\$ 9,836,984</u>	<u>\$ 569,241</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 215	\$ 1,044
Payroll Deductions Payable	1	92,165	0
Accrued Interest Payable	92	2,507	0
Deferred Revenue - Current Property Taxes	2,285,042	1,272,831	0
Noncurrent Liabilities:			
Due Within One Year	674,806	45,354	0
Due in More Than One Year	7,845,581	322,287	0
Total Liabilities	<u>\$ 10,805,522</u>	<u>\$ 1,735,359</u>	<u>\$ 1,044</u>

(Continued)

Exhibit A

Perry County, Tennessee  
Statement of Net Assets (Cont.)

	Primary Government Governmental Activities	Component Units	
		Perry County School Department	Perry County Emergency Communications District
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 2,671,846	\$ 7,645,197	\$ 0
Invested in Capital Assets	0	0	131,343
Restricted for:			
Resort District	61,383	0	0
Alcohol and Drug Treatment	20,941	0	0
Automation Purposes	33,564	0	0
Capital Outlay	15,139	0	0
Courthouse and Jail Maintenance	5,738	0	0
Ambulance Service	498,730	0	0
Drug Control	23,506	0	0
Highway/Public Works	3,719,805	0	0
General Debt Service	1,920,059	0	0
General Capital Projects	788	0	0
Driver Education	0	7,985	0
Career Ladder - Extended Contract	0	11,142	0
Career Ladder Program	0	569	0
Basic Education Program	0	69,929	0
Title I Grants to Local Education Agencies	0	15,167	0
Special Education - Grants to States	0	4,055	0
Other Federal Reserves	0	797	0
Central Cafeteria	0	78,665	0
Other Purposes	13,000	0	0
Unrestricted	<u>(4,675,805)</u>	<u>268,119</u>	<u>436,854</u>
Total Net Assets	<u>\$ 4,308,694</u>	<u>\$ 8,101,625</u>	<u>\$ 568,197</u>

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

Exhibit B

Perry County, Tennessee  
 Statement of Activities  
 For the Year Ended June 30, 2009

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenues			Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Total Governmental Activities	Perry County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 356,461	\$ 123,740	\$ 14,912	\$ 0	\$ (217,809)	\$ 0
Finance	364,300	200,436	4,703	0	(159,161)	0
Administration of Justice	377,052	142,297	12,095	0	(222,660)	0
Public Safety	1,611,735	629,471	14,200	68,646	(899,418)	0
Public Health and Welfare	1,177,715	1,021,858	50,211	0	(105,646)	0
Social, Cultural, and Recreational Services	178,418	4,955	13,756	5,208	(154,499)	0
Agriculture and Natural Resources	54,781	0	0	0	(54,781)	0
Other Operations	350,808	1,200	102	4,000	(345,506)	0
Highways/Public Works	1,220,478	4,125	1,535,486	0	319,133	0
Interest on Long-term Debt	121,388	0	167,167	0	45,779	0
Other Debt Service	56,160	0	0	0	(56,160)	0
<b>Total Primary Government</b>	<b>\$ 5,869,296</b>	<b>\$ 2,128,082</b>	<b>\$ 1,812,632</b>	<b>\$ 77,854</b>	<b>\$ (1,850,728)</b>	<b>\$ 0</b>
Component Units:						
Perry County School Department	\$ 9,697,370	\$ 238,844	\$ 1,698,363	\$ 0	\$ 0	\$ (7,760,163)
Perry County Emergency Communications District	140,800	177,889	10,000	0	0	47,089
<b>Total Component Units</b>	<b>\$ 9,838,170</b>	<b>\$ 416,733</b>	<b>\$ 1,708,363</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (7,760,163)</b>

(Continued)

Exhibit B

Perry County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary		Component Units	
				Governmental Activities	Perry County School Department	Perry County Emergency Communications District	
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes		\$ 2,195,679		\$ 1,238,838	\$ 0		0
Property Taxes Levied for Debt Service		213,991		0	0		0
Local Option Sales Taxes		474,202		176,928	0		0
Other Local Taxes		147,427		890	0		0
Grants and Contributions Not Restricted to Specific Programs		642,927		5,923,709	0		0
Unrestricted Investment Earnings		163,809		23,213	10,779		
Miscellaneous		6,763		69,633	3,194		
Total General Revenues		\$ 3,844,798		\$ 7,433,211	\$ 13,973		
Change in Net Assets		\$ 1,994,070		\$ (326,952)	\$ 61,062		
Net Assets, July 1, 2008		2,196,133		8,428,577	507,135		
Prior-period Adjustment		118,491		0	0		
Net Assets, June 30, 2009		\$ 4,308,694		\$ 8,101,625	\$ 568,197		

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

Perry County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2009

	Major Funds						Nonmajor Funds		Total Governmental Funds
	Solid Waste / Sanitation			Highway / Public Works		General Debt Service		Other Governmental Funds	
	General	Ambulance Service							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 183	\$ 183	
Equity in Pooled Cash and Investments	383,144	90,538	240,110	3,383,381	1,824,926	45,140	5,967,239	5,967,239	
Accounts Receivable	150	0	280,987	4,674	0	312	286,123	286,123	
Allowance for Uncollectibles	0	0	(33,958)	0	0	0	(33,958)	(33,958)	
Due from Other Governments	87,694	3,707	2,022	336,676	84,380	0	514,479	514,479	
Due from Other Funds	195	0	0	0	0	0	195	195	
Property Taxes Receivable	1,743,965	394,356	101,913	0	224,657	0	2,464,891	2,464,891	
Allowance for Uncollectible Property Taxes	(40,314)	(8,780)	(3,401)	0	(5,192)	0	(57,687)	(57,687)	
Total Assets	\$ 2,174,834	\$ 479,821	\$ 587,673	\$ 3,724,731	\$ 2,128,771	\$ 45,635	\$ 9,141,465	\$ 9,141,465	

ASSETS

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>	\$ 0	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1
Payroll Deductions Payable	0	0	0	0	0	0	195	195
Due to Other Funds	1,619,445	368,034	88,943	0	208,620	0	2,285,042	2,285,042
Deferred Revenue - Current Property Taxes	77,705	16,188	8,830	0	10,008	0	112,731	112,731
Deferred Revenue - Delinquent Property Taxes	20,282	0	208,599	201,688	38,553	0	469,122	469,122
Other Deferred Revenues	\$ 1,717,432	\$ 384,223	\$ 306,372	\$ 201,688	\$ 257,181	\$ 195	\$ 2,867,091	\$ 2,867,091
Total Liabilities	\$ 54,397	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 54,397	\$ 54,397
<u>Fund Balances</u>	20,941	0	0	0	0	0	20,941	20,941
Reserved for Resort District	13	0	0	0	0	0	0	13
Reserved for Alcohol and Drug Treatment								
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse								

(Continued)

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service	Other Governmental Funds	Governmental Funds	
\$	8,800	0	0	0	0	0	0	8,800
Reserved for Drug Court	3,950	0	0	0	0	0	0	3,950
Reserved for Sexual Offender Registration	237	0	0	0	0	0	0	237
Reserved for Courtroom Security	17,016	0	0	0	0	0	0	17,016
Reserved for Computer System - Register	0	0	0	0	0	0	7,278	7,278
Reserved for Automation Purposes - Circuit Court	0	0	0	0	0	0	1,700	1,700
Reserved for Automation Purposes - General Sessions Court	0	0	0	0	0	0	3,072	3,072
Reserved for Automation Purposes - Chancery Court	1,140	0	0	0	0	0	0	1,140
Reserved for Automation Purposes - Sheriff	15,139	0	0	0	0	0	0	15,139
Reserved for Capital Outlay								
Unreserved, Reported In:								
General Fund	335,769	0	0	0	0	0	0	335,769
Special Revenue Funds	0	95,598	281,301	3,523,043	0	0	32,602	3,932,544
Debt Service Fund	0	0	0	0	1,871,590	0	0	1,871,590
Capital Projects Fund	0	0	0	0	0	0	788	788
Total Fund Balances	\$ 457,402	\$ 95,598	\$ 281,301	\$ 3,523,043	\$ 1,871,590	\$ 45,440	\$ 6,274,374	
Total Liabilities and Fund Balances	\$ 2,174,834	\$ 479,821	\$ 587,673	\$ 3,724,731	\$ 2,128,771	\$ 45,635	\$ 9,141,465	

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

Exhibit C-2

Perry County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
June 30, 2009

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 6,274,374
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 210,266	
Add: buildings and improvements net of accumulated depreciation	3,278,912	
Add: infrastructure net of accumulated depreciation	1,680,830	
Add: other capital assets net of accumulated depreciation	<u>802,938</u>	5,972,946
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (296,250)	
Less: other loans payable	(7,810,000)	
Less: accrued interest on notes	(92)	
Less: compensated absences payable	(46,124)	
Less: landfill closure/postclosure care costs	(363,087)	
Less: other postemployment benefits liability	<u>(4,926)</u>	(8,520,479)
(3) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>581,853</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 4,308,694</u>

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

Exhibit C-3

Perry County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2009

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service	Other			
						Governmental Funds	Other Funds		
<u>Revenues</u>									
Local Taxes	\$ 1,846,560	\$ 348,749	\$ 181,401	\$ 27,078	\$ 629,290	\$ 9,394	\$ 3,042,472		
Licenses and Permits	476	0	0	0	0	0	476		
Fines, Forfeitures, and Penalties	39,260	0	0	0	138	6,015	45,413		
Charges for Current Services	24,917	44,389	641,560	0	0	21	710,887		
Other Local Revenues	311,853	330	4,120	4,125	86,868	0	407,296		
Fees Received from County Officials	337,494	0	0	0	0	0	337,494		
State of Tennessee	596,170	56,313	30,102	1,460,354	105,044	0	2,247,983		
Federal Government	79,646	0	0	0	0	0	79,646		
Other Governments and Citizens Groups	276,602	0	0	0	411,134	0	687,736		
Total Revenues	\$ 3,512,978	\$ 449,781	\$ 857,183	\$ 1,491,557	\$ 1,232,474	\$ 15,430	\$ 7,559,403		
<u>Expenditures</u>									
Current:									
General Government	\$ 630,513	0	0	0	0	8,282	638,795		
Finance	351,151	0	0	0	0	0	351,151		
Administration of Justice	361,977	0	0	0	0	47	362,024		
Public Safety	1,606,545	0	0	0	0	306	1,606,851		
Public Health and Welfare	80,725	453,526	575,882	0	0	0	1,110,133		
Social, Cultural, and Recreational Services	150,969	0	0	0	0	0	150,969		
Agriculture and Natural Resources	53,881	0	0	0	0	0	53,881		
Other Operations	164,716	975	0	0	0	98	165,789		
Highways	31,748	0	0	1,153,556	0	0	1,185,304		
Debt Service:									
Principal on Debt	0	0	0	0	646,400	0	646,400		
Interest on Debt	0	0	0	0	121,296	0	121,296		
Other Debt Service	0	0	0	0	56,160	0	56,160		
Capital Projects	90	0	0	0	395,937	0	396,027		
Total Expenditures	\$ 3,432,315	\$ 454,501	\$ 575,882	\$ 1,153,556	\$ 1,219,793	\$ 8,733	\$ 6,844,780		

(Continued)

Exhibit C-3

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service	Other Governmental Funds	Governmental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ 80,663	\$ (4,720)	\$ 281,301	\$ 338,001	\$ 12,681	\$ 6,697	\$ 714,623	
Other Financing Sources (Uses)								
Insurance Recovery	\$ 7,830	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,830	
Total Other Financing Sources (Uses)	\$ 7,830	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,830	
Net Change in Fund Balances	\$ 88,493	\$ (4,720)	\$ 281,301	\$ 338,001	\$ 12,681	\$ 6,697	\$ 722,453	
Fund Balance, July 1, 2008	368,909	100,318	0	3,185,042	1,858,909	38,743	5,551,921	
Fund Balance, June 30, 2009	\$ 457,402	\$ 95,598	\$ 281,301	\$ 3,523,043	\$ 1,871,590	\$ 45,440	\$ 6,274,374	

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

Exhibit C-4

Perry 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, 2009

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)		\$ 722,453
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 679,136	
Less: current year depreciation expense	<u>(339,037)</u>	340,099
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2009	\$ 581,853	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(277,890)</u>	303,963
<p>(3) The issuance of long-term debt (e.g., notes, leases) 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.</p>		
Add: principal payments on notes	\$ 91,400	
Add: principal payments on other loans	<u>555,000</u>	646,400
<p>(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.</p>		
Change in accrued interest on notes	\$ (92)	
Change in compensated absences payable	(9,102)	
Change in landfill closure/postclosure care costs	(7,612)	
Change in other postemployment benefits liability	<u>(2,039)</u>	<u>(18,845)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,994,070</u>

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

Exhibit D

Perry County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2009

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 77,934
Due from Other Governments	<u>42,616</u>
Total Assets	<u><u>\$ 120,550</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 42,616
Due to Litigants, Heirs, and Others	<u>77,934</u>
Total Liabilities	<u><u>\$ 120,550</u></u>

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

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**PERRY COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Perry 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 Perry County:

**A. Reporting Entity**

Perry County is a public municipal corporation governed by an elected 12-member board. As required by GAAP, these financial statements present Perry 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 Perry County School Department operates the public school system in the county, and the voters of Perry County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, 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 Perry County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Perry County, and the Perry 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 Perry 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 Perry County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Perry County Emergency Communications District  
124 North Mill Street  
P.O. Box 724  
Linden, TN 37096

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets 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 Perry 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 Perry 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.

Perry County issues all debt for the discretely presented Perry County School Department.

Separate financial statements are provided for governmental funds and fiduciary funds. 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

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 Perry 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, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Perry County has no proprietary funds to report.

Separate financial statements are provided for governmental funds 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 fiduciary funds in total are also reported in a single column.

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. Perry 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 General Debt Service Fund 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 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.

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.

Perry 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.

**Solid Waste/Sanitation Fund** – This fund accounts for transactions of the county’s transfer station and convenience centers.

**Ambulance Service Fund** – This fund accounts for transactions of the county’s ambulance service.

**Highway/Public Works Fund** – This fund accounts for transactions of the county’s Highway Department.

**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 governmental funds.

Additionally, Perry County reports the following fund types:

**Capital Projects Fund** – The General Capital Projects Fund accounts for capital projects of the general government.

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Perry County. 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 Perry County School Department reports the following major governmental fund:

**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.

Additionally, the Perry County School Department reports the following fund type:

**Special Revenue Funds** – These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

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 Perry County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Perry 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 and investments in the State Treasurer's Investment Pool are reported at cost. 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. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. 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. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

Ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.23 percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

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 revenue 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 with offsetting deferred revenue 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.

**3. 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 \$10,000 or more (except for infrastructure at \$25,000) and an estimated useful life of three years or more. 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	7-40
Other Capital Assets	5-20
Infrastructure:	
Roads	20
Bridges	20-40

**4. Compensated Absences**

It is the county's policy to permit employees (excluding the Highway Department, which closes one week in July and one week in December) to accumulate earned but unused vacation benefits, which will be paid to employees upon separation from service. A liability for vacation leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. The granting of sick leave for employees of Perry County has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The discretely presented Perry County School Department does permit Central Office employees to accumulate a limited amount of

earned but unused vacation benefits, which will be paid to employees upon separation from service. 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. The School Department permits professional personnel (teachers) to accumulate an unlimited amount of unused sick leave days. However, the granting of sick leave has no guaranteed payment attached and, therefore, is not required to be accrued or recorded.

**5. 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 Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized 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, landfill closure/postclosure care costs, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

**6. Net Assets and Fund Equity**

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

- a. Invested in capital assets, net of related debt – 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 assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

The government-wide statement of net assets reports \$6,312,653 of restricted net assets, of which \$61,383 is restricted by enabling legislation.

As of June 30, 2009, Perry County had \$4,805,150 in outstanding debt for capital purposes for the discretely presented Perry County School Department. This debt is a liability of Perry County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Perry County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

#### **7. Prior-period Adjustment**

The closure/postclosure care cost liability was restated \$118,491 from the prior-year due to a change in the procedure of obtaining cost estimates.

## **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 assets**

#### **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 assets.

### **Discretely Presented Perry 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 with the government-wide statement of net assets.

#### **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 assets of governmental activities reported in the government-wide statement of activities.

### **Discretely Presented Perry 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 assets 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, and the General Capital Projects Fund, which adopts project length budgets. 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 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, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the 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 the GAAP basis is presented on the face of each budgetary schedule.

**B. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in the following funds' major appropriation categories (the legal level of control):

Fund	Major Appropriation Category	Amount Overspent
<u>Primary Government</u>		
General	Local Health Center	\$ 192
"	Miscellaneous	1,137
<u>Discretely Presented Perry County School Department</u>		
General Purpose School	<u>Instruction</u>	
"	Regular Instruction Program	102,709
"	Alternative Instruction Program	2,672
"	Special Education Program	51,014
"	<u>Support Services</u>	
"	Health Services	11,920
"	Regular Instruction Program	8,078
"	Other Programs	10,220
"	Director of Schools	2,887
"	Office of the Principal	3,292
"	Fiscal Services	4,059
"	Human Services/Personnel	275
"	Operation of Plant	53,461
"	Maintenance of Plant	90,905
"	Central and Other	871
"	<u>Operation of Non-Instructional Services</u>	
"	Early Childhood Education	1,234

In addition, expenditures exceeded the total appropriations approved by the County Commission in the General Purpose School Fund by \$236,606.

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balances.

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investments

Perry County and the Perry 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 assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets 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 director of Local Finance 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 market value of the securities on the day of purchase. The county had no pooled and nonpooled investments at June 30, 2009.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2009, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-08	Increases	Balance 6-30-09
Capital Assets Not Depreciated:			
Land	\$ 210,266	\$ 0	\$ 210,266
Total Capital Assets Not Depreciated	<u>\$ 210,266</u>	<u>\$ 0</u>	<u>\$ 210,266</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 4,760,876	\$ 210,470	\$ 4,971,346
Infrastructure	1,850,692	134,768	1,985,460
Other Capital Assets	2,564,426	333,898	2,898,324
Total Capital Assets Depreciated	<u>\$ 9,175,994</u>	<u>\$ 679,136</u>	<u>\$ 9,855,130</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 1,594,735	\$ 97,699	\$ 1,692,434
Infrastructure	211,557	93,073	304,630
Other Capital Assets	1,947,121	148,265	2,095,386
Total Accumulated Depreciation	<u>\$ 3,753,413</u>	<u>\$ 339,037</u>	<u>\$ 4,092,450</u>
Total Capital Assets Depreciated, Net	<u>\$ 5,422,581</u>	<u>\$ 340,099</u>	<u>\$ 5,762,680</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,632,847</u>	<u>\$ 340,099</u>	<u>\$ 5,972,946</u>

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

**Governmental Activities:**

General Government	\$	12,557
Public Safety		114,639
Public Health and Welfare		45,116
Highways/Public Works		<u>166,725</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>339,037</u></u>

**Discretely Presented Perry County School Department**

**Governmental Activities:**

	Balance 7-1-08	Increases	Balance 6-30-09
Capital Assets Not Depreciated:			
Land	\$ 138,512	\$ 0	\$ 138,512
Total Capital Assets Not Depreciated	<u>\$ 138,512</u>	<u>\$ 0</u>	<u>\$ 138,512</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 11,125,786	\$ 24,974	\$ 11,150,760
Other Capital Assets	1,348,744	0	1,348,744
Total Capital Assets Depreciated	<u>\$ 12,474,530</u>	<u>\$ 24,974</u>	<u>\$ 12,499,504</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 3,550,113	\$ 265,737	\$ 3,815,850
Other Capital Assets	846,926	81,964	928,890
Total Accumulated Depreciation	<u>\$ 4,397,039</u>	<u>\$ 347,701</u>	<u>\$ 4,744,740</u>
Total Capital Assets Depreciated, Net	<u>\$ 8,077,491</u>	<u>\$ (322,727)</u>	<u>\$ 7,754,764</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,216,003</u>	<u>\$ (322,727)</u>	<u>\$ 7,893,276</u>

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

**Governmental Activities:**

Instruction	\$	102,768
Support Services		193,553
Operation of Non-Instructional Services		<u>51,380</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>347,701</u></u>

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

The composition of interfund balances as of June 30, 2009, is as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 195
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	16,664

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 Purpose School Fund (\$16,664) was in transit from the School Federal Projects Fund at June 30, 2009.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2009, consisted of the following amount:

**Discretely Presented Perry County School Department**

<u>Transfer Out</u>	<u>Transfer In</u> <u>General Purpose</u> <u>School Fund</u>
Nonmajor governmental fund	\$ 17,521

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

**D. Long-term Debt**

**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. However, the county had no general obligation bonds outstanding at June 30, 2009. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

Capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 12 years for notes and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2009, will be retired from the General Debt Service Fund.

Capital outlay notes and other loans outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
Capital Outlay Notes	0 to 4.95 %	\$ 860,000	\$ 296,250
Other Loans	Variable	11,500,000	7,810,000

In prior years, Perry County entered into loan agreements with the Montgomery County Public Building Authority. Under these loan agreements, the authority loaned \$5,000,000, \$2,500,000, and \$4,000,000 to Perry County for various renovations and construction projects. The loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with the loans. At June 30, 2009, the loans had a variable interest rate of .33 percent, \$85 per month per loan trustee fee, and .08 percent remarketing fee of the outstanding principal on the \$5,000,000, \$2,500,000, and \$4,000,000 loans. Letter of credit fees were .35 percent for the \$5,000,000 and \$2,500,000 loans and .5 percent for the \$4,000,000 loan.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2009, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 90,000	\$ 2,228	\$ 92,228
2011	45,000	0	45,000
2012	45,000	0	45,000
2013	45,000	0	45,000
2014	45,000	0	45,000
2015	26,250	0	26,250
Total	\$ 296,250	\$ 2,228	\$ 298,478

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2010	\$ 580,000	\$ 25,773	\$ 37,758	\$ 643,531
2011	608,000	23,859	34,584	666,443
2012	636,000	21,853	31,260	689,113
2013	665,000	19,754	27,788	712,542
2014	697,000	17,559	24,161	738,720
2015-2019	3,576,000	51,067	60,004	3,687,071
2020-2023	1,048,000	8,777	24,246	1,081,023
Total	\$ 7,810,000	\$ 168,642	\$ 239,801	\$ 8,218,443

There is \$1,871,590 available in the General Debt Service Fund to service long-term debt. Debt per capita, including notes and other loans, totaled \$1,062, based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

Governmental Activities:	Notes	Other Loans	Compensated Absences
Balance, July 1, 2008	\$ 387,650	\$ 8,365,000	\$ 37,022
Additions	0	0	57,275
Deductions	(91,400)	(555,000)	(48,173)
Balance, June 30, 2009	<u>\$ 296,250</u>	<u>\$ 7,810,000</u>	<u>\$ 46,124</u>
Balance Due Within One Year	<u>\$ 90,000</u>	<u>\$ 580,000</u>	<u>\$ 2,306</u>

	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2008	\$ 473,966	\$ 2,887
Additions	17,898	4,294
Deductions	(10,286)	(2,255)
Prior-period Adjustment	(118,491)	0
Balance, June 30, 2009	<u>\$ 363,087</u>	<u>\$ 4,926</u>
Balance Due Within One Year	<u>\$ 2,500</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 8,520,387
Less: Balance Due Within One Year	<u>(674,806)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 7,845,581</u>

Compensated absences will be paid from the employing funds, primarily the General Fund. Other postemployment benefits will be paid from the employing funds, primarily the Highway/Public Works Fund. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

**Discretely Presented Perry County School Department**

Perry County issued capital outlay notes to provide funds for school capital facilities and other capital purchases.

Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Capital outlay notes outstanding were issued for original terms of up to ten years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease

over the term of the debt. The capital outlay notes outstanding as of June 30, 2009, will be retired from the General Purpose School Fund.

Capital outlay notes outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issues	Balance 6-30-09
Capital Outlay Notes	0 to 5.949 %	\$ 296,857	\$ 248,079

The annual requirements to amortize all notes outstanding as of June 30, 2009, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 36,032	\$ 6,065	\$ 42,097
2011	36,646	5,451	42,097
2012	37,296	4,800	42,096
2013	37,985	4,111	42,096
2014	38,715	3,381	42,096
2015-2017	61,405	5,316	66,721
Total	<u>\$ 248,079</u>	<u>\$ 29,124</u>	<u>\$ 277,203</u>

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Perry County School Department for the year ended June 30, 2009, was as follows:

Governmental Activities:

	Notes	Compensated Absences
Balance, July 1, 2008	\$ 283,532	\$ 16,725
Additions	0	11,577
Deductions	(35,453)	(5,520)
Balance, June 30, 2009	<u>\$ 248,079</u>	<u>\$ 22,782</u>
Balance Due Within One Year	<u>\$ 36,032</u>	<u>\$ 9,322</u>

Governmental Activities (Cont.):

	Other Postemployment Benefits
Balance, July 1, 2008	\$ 36,738
Additions	86,778
Deductions	<u>(26,736)</u>
Balance, June 30, 2009	<u>\$ 96,780</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 367,641
Less: Balance Due Within One Year	<u>(45,354)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 322,287</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

**E. Pledges of Receivables and Future Revenues**

Local Option Sales Tax Revenues Pledged

In 1996, Perry County voters approved an additional one-half cent increase in the local sales tax rate that was allocated 100 percent for the repayment of school indebtedness related to the 1996/1999 school building program. The other loans issued by Perry County in 1998 and 2000 totaling \$7,500,000 to provide financing for school construction are payable through 2019.

Under the terms of an agreement between the Perry County Commission and the Perry County Board of Education, beginning in 2000-01, the Perry County Board of Education began paying \$150,000 per year to the General Debt Service Fund to retire any indebtedness incurred as a result of the 1996-99 school building program until such indebtedness is paid in full or for 20 years, whichever comes first. In addition, beginning in the 2001-02 year, the Perry County Board of Education began paying \$171,666 over a ten-year period in installments of \$17,167 per year to the General Debt Service Fund to help retire the principal indebtedness on the building program loans. At June 30, 2009, principal, interest, and other loan fee requirements totaled \$4,865,562 for the loans, and payments will be made in monthly installments

through May 2019. For the current year, principal, interest, and other loan fees paid by the General Debt Service Fund for the school building programs totaled \$476,204, and funds contributed by the School Department to the General Debt Service Fund totaled \$167,167.

**F. On-Behalf Payments – Discretely Presented Perry County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Perry 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, 2009, were \$7,309 and \$2,911, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**G. Short-term Debt**

Perry County issued tax anticipation notes through the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the General (\$650,000), Solid Waste/Sanitation (\$25,000), and Ambulance Service (\$95,000) funds. These notes were necessary because funds were not available to meet operating expenses due before current tax collections. Short-term debt activity for the year ended June 30, 2009, was as follows:

	Balance 7-1-08	Issued	Redeemed	Balance 6-30-09
Tax Anticipation Notes	\$ 0	\$ 770,000	\$ (770,000)	\$ 0

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

**Liability, Property, and Casualty**

The county is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums.

The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

#### Workers' Compensation Insurance

Perry County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, Tennessee Code Annotated (TCA), by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

#### Employee Health Insurance

Perry County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, TCA, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF 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. The state statute provides for the LGGIF to be self-sustaining through member premiums.

### **Discretely Presented Perry County School Department**

#### Liability, Property, Casualty, and Workers' Compensation Insurance

The discretely presented Perry County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its 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.

#### Employee Health Insurance

The discretely presented Perry 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.

**B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of the following five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to GASB Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Perry County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Perry County could have pollution remediation liabilities in subsequent years.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income (loss). GASB Statement No. 52 had no effect on the financial statements of Perry County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Perry County could have endowment investments in subsequent years.

**C. Subsequent Events**

Clerk and Master Joyce Marshall retired December 31, 2009, and was succeeded by Charlene Brown effective January 1, 2010.

Subsequent to June 30, 2009, Perry County issued tax anticipation notes from the General Debt Service Fund to provide funds to meet anticipated expenditures of funds as detailed below:

Date Issued	Amount of Note	Fund
8-5-09	\$ 200,000	General
10-1-09	300,000	General
10-1-09	20,000	Solid Waste/Sanitation

**D. Contingent Liabilities**

The county is involved in several pending lawsuits. County officials estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the financial statements of the county.

**E. Landfill Postclosure Care Costs**

Perry County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Perry County closed its sanitary landfill in 1998. The \$363,087 reported as postclosure care liability at June 30, 2009, represents amounts based on what it would cost to perform all postclosure care in 2009. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Ventures**

The Perry County Joint Economic Development Board is a joint venture between Perry County, the City of Lobelville, and the Town of Linden. The board comprises the county mayor, city/town mayors, and other members. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. Perry County did not appropriate any funds to the Perry County Joint Economic Development Board during the 2008-09 year.

The Twenty-first Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-first Judicial District, Williamson, Lewis, Hickman, and Perry counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney

general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Perry County did not contribute to the DTF for the year ended June 30, 2009.

Perry County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Perry County Joint Economic Development Board and the DTF can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Perry County Joint Economic Development Board  
Perry County Mayor  
P.O. Box 16  
Linden, TN 37096

Office of District Attorney General  
Twenty-first Judicial District Drug Task Force  
P.O. Box 937  
Franklin, TN 37065

**G. Jointly Governed Organization**

The South Central Tennessee Railroad Authority (SCTRA) was created by the county in conjunction with Hickman, Lewis, and Wayne counties and the cities of Centerville, Linden, Hohenwald, and Waynesboro. The SCTRA's board includes 16 members who are the elected county mayor and city mayor from each of the counties and cities and a member appointed by the County Commission or City Council from each of the respective counties or cities. Perry County did not appropriate any funds for this operation during the year, and the county does not have any ongoing financial interest or responsibility for the entity. Funding sources for SCTRA are lease payments, switching fees, interest income, and grants.

**H. Retirement Commitments**

**Employees**

**Plan Description**

Employees of Perry 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 Perry 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 [www.tn.gov/treasury/tcrs](http://www.tn.gov/treasury/tcrs).

### **Funding Policy**

Perry County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 9.55 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Perry County is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ended June 30, 2009, Perry County's annual pension cost of \$371,820 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, 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 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), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three 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 five-year period. Perry 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, 2007, was nine years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

### Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-09	\$371,820	100%	\$0
6-30-08	311,662	100	0
6-30-07	288,453	100	0

### Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 89.57 percent funded. The actuarial accrued liability for benefits was \$8.43 million, and the actuarial value of assets was \$7.55 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.88 million. The covered payroll (annual payroll of active employees covered by the plan) was \$3 million, and the ratio of the UAAL to the covered payroll was 31.16 percent.

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

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

### School Teachers

#### Plan Description

The Perry 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 SETHEPP. 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](http://www.tn.gov/treasury/tcrs).

## **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 Perry County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2009, was 6.42 percent of annual covered payroll. The employer contribution requirement for the Perry County 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, 2009, 2008, and 2007, were \$294,290, \$278,627, and \$263,775, respectively, equal to the required contributions for each year.

### **I. Other Postemployment Benefits (OPEB)**

#### **Plan Description**

Perry County and the Perry County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated (TCA), for local education employees and Section 8-27-207, TCA, for local governments. Prior to reaching age 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) 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://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of the 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 a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide 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. During the year ended June 30, 2009, Perry County and the discretely presented Perry County School Department contributed \$2,255 and \$25,127, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
	<u>          </u>	<u>          </u>
ARC	\$ 85,125	\$ 4,290
Interest on the NPO	1,653	130
Adjustment to the ARC	(1,609)	(126)
Annual OPEB cost	<u>\$ 85,169</u>	<u>\$ 4,294</u>
Less: Amount of contribution	<u>(25,127)</u>	<u>(2,255)</u>
Increase/decrease in NPO	\$ 60,042	\$ 2,039
Net OPEB obligation, 7-1-08	<u>36,738</u>	<u>2,887</u>
Net OPEB obligation, 6-30-09	<u><u>\$ 96,780</u></u>	<u><u>\$ 4,926</u></u>

Fiscal Year Ended* Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08 Local Education Group	\$ 69,124	47%	\$ 36,738
6-30-09 "	85,169	30	96,780
6-30-08 Local Government Group	5,000	42	2,887
6-30-09 "	4,294	53	4,926

\*Data only available for two years.

### Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-07	7-1-07
Actuarial accrued liability (AAL)	\$ 737,644	\$ 28,445
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 737,644	\$ 28,445
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 3,717,467	\$ 314,619
UAAL as a % of covered payroll	20%	9%

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 multiyear 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, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three percent inflation assumption. 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 June 30, 2008.

**J. Purchasing Laws**

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, Tennessee Code Annotated (TCA). This act provides for all purchases exceeding \$10,000 to be made based on competitive bids solicited through newspaper advertisement.

Office of Highway Superintendent

Purchasing procedures for the Highway Department are governed by provisions of the Uniform Road Law, Section 54-7-113, TCA, which provides for purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Perry County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, TCA, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

**VI. OTHER NOTES – DISCRETELY PRESENTED PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

**A. Summary of Significant Accounting Policies**

**1. Reporting Entity**

Perry County Emergency Communications District was created as a public corporation on November 8, 1998, under authority of the provisions of Chapter 867 of the Tennessee Public Acts of 1984, as

approved by the voters of Perry County, Tennessee. The powers of the district are vested in and exercised by a majority of the members of the Board of Directors, who are appointed by the county. The board consists of nine members. The district is considered a political subdivision and is exempt from federal and state income taxes. The district is considered a component unit of Perry County. The county appoints the Board of Directors, and the County Commission adjusts any service fees and approves bonded debt. As a result, the Perry County Commission indirectly imposes its will on the district.

**2. Basis of Accounting**

The accompanying financial statements of the district have been prepared on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Expenditures are recognized in the accounting period in which the liability is incurred and is measurable.

The district applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions; issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The district has elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

**3. Cash and Cash Equivalents**

The district considers all highly liquid debt instruments purchased with maturities of 60 days or less to be cash equivalents.

**4. Supply Inventory**

Supply inventory is valued at the lower of cost (first-in, first-out) or market. Inventory items are considered expenditures when used (consumption method).

**5. Property, Plant, and Equipment**

Property, plant, and equipment of the district are recorded at cost. Depreciation is computed over the estimated life of the assets using the straight-line method. The estimated useful life for property, plant, and equipment in service is from three to ten years. The district does capitalize interest incurred on construction projects.

**6. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates

and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**7. Budgets and Budgetary Accounting**

The district's annual budget is required by state law. The district's Board of Directors formally approves the budget. The budget is adopted on a basis consistent with generally accepted accounting principles. The district follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgets are adopted and approved by board vote on an annual basis. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- b. The board approves total budget appropriations by line item only. The board is authorized to transfer budget amounts between line items; however, any revisions that alter the total appropriations of any fund must be approved by vote of the board.
- c. The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

**B. Cash and Certificates of Deposit**

The district is authorized to invest funds in financial institutions and direct obligations of the federal government. During the year, the district invested funds that were not immediately needed in deposit accounts. Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The district has deposit policies to minimize custodial credit risks. The collateral must meet certain requirements and be deposited in an escrow account in a second bank for the benefit of the district and must total a minimum of 105 percent of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. The district's deposits with financial institutions are fully insured or collateralized by securities held in the government's name.

**C. Capital Assets**

A summary of changes in capital assets in service is as follows:

	Balance 7-1-08	Increases	Balance 6-30-09
Vehicles	\$ 20,000	\$ 0	\$ 20,000
Communications Equipment	374,818	4,295	379,113
Total Capital Assets Being Depreciated	<u>\$ 394,818</u>	<u>\$ 4,295</u>	<u>\$ 399,113</u>
Less Accumulated Depreciation	<u>\$ (220,432)</u>	<u>\$ (47,338)</u>	<u>\$ (267,770)</u>
Total Accumulated Depreciation	<u>\$ (220,432)</u>	<u>\$ (47,338)</u>	<u>\$ (267,770)</u>
Total Capital Assets, Net	<u><u>\$ 174,386</u></u>	<u><u>\$ (43,043)</u></u>	<u><u>\$ 131,343</u></u>

The accumulated depreciation for communications equipment is \$255,770 and for the vehicles is \$12,000. Depreciation expense for the year was \$47,339 (\$43,339 communications equipment and \$4,000 vehicles).

**D. Risk Management**

The district is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions, and natural disasters. The district purchases commercial financial bonded insurance for its treasurer and chairman. For all other risks, the district purchases commercial insurance. There have been no claims during the last three years.

**E. Related-party Transactions**

The district receives office space for its operations from Perry County. The Perry County Emergency Communications District is a component unit of Perry County. The value of the space is not considered material to the financial statements and is not recorded in these financial statements.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund  
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,846,560	\$ 1,899,860	\$ 1,864,460	\$ (17,900)
Licenses and Permits	476	1,000	1,000	(524)
Fines, Forfeitures, and Penalties	39,260	49,375	54,875	(15,615)
Charges for Current Services	24,917	27,050	29,800	(4,883)
Other Local Revenues	311,853	290,000	314,100	(2,247)
Fees Received from County Officials	337,494	357,500	349,000	(11,506)
State of Tennessee	596,170	933,048	711,450	(115,280)
Federal Government	79,646	590,693	337,503	(257,857)
Other Governments and Citizens Groups	276,602	300,000	290,400	(13,798)
<b>Total Revenues</b>	<b>\$ 3,512,978</b>	<b>\$ 4,448,526</b>	<b>\$ 3,952,588</b>	<b>\$ (439,610)</b>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 26,364	\$ 31,738	\$ 31,238	\$ 4,874
County Mayor/Executive	154,342	157,622	158,312	3,970
County Attorney	11,485	30,000	25,000	13,515
Election Commission	120,216	116,100	131,764	11,548
Register of Deeds	100,044	101,410	102,059	2,015
Geographical Information Systems	1,814	2,000	2,000	186
County Buildings	215,304	226,279	216,529	1,225
Preservation of Records	944	1,000	1,000	56
<u>Finance</u>				
Accounting and Budgeting	737	750	1,450	713
Property Assessor's Office	95,355	96,474	97,573	2,218
Reappraisal Program	47,873	48,440	54,090	6,217
County Trustee's Office	103,025	105,717	109,066	6,041
County Clerk's Office	104,161	104,285	105,934	1,773
<u>Administration of Justice</u>				
Circuit Court	139,861	152,285	152,892	13,031
General Sessions Court	96,748	93,572	99,188	2,440
Chancery Court	97,872	102,716	104,366	6,494
Juvenile Court	14,219	12,505	14,222	3
Courtroom Security	13,277	16,868	16,868	3,591
<u>Public Safety</u>				
Sheriff's Department	733,688	813,370	813,370	79,682
Jail	655,533	740,169	740,169	84,636
Civil Defense	40,414	42,428	42,428	2,014
Rescue Squad	9,842	10,000	10,000	158
Other Emergency Management	129,655	127,040	137,254	7,599
County Coroner/Medical Examiner	3,294	7,500	7,500	4,206
Other Public Safety	34,119	34,671	36,671	2,552
<u>Public Health and Welfare</u>				
Local Health Center	34,757	34,565	34,565	(192)

(Continued)

Exhibit E-1

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Other Local Health Services	\$ 24,868	\$ 28,100	\$ 28,100	\$ 3,232
Other Local Welfare Services	21,100	333,000	48,000	26,900
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	11,250	10,000	11,250	0
Libraries	99,939	94,213	106,400	6,461
Parks and Fair Boards	7,500	7,500	7,500	0
Other Social, Cultural, and Recreational	32,280	26,965	35,515	3,235
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	36,113	37,166	37,166	1,053
Soil Conservation	17,768	23,375	23,375	5,607
<u>Other Operations</u>				
Tourism	27,846	34,480	34,480	6,634
Industrial Development	10,870	23,000	17,000	6,130
Housing and Urban Development	2,864	0	2,900	36
Airport	13,471	72,000	32,000	18,529
Veterans' Services	3,098	3,637	3,637	539
Other Charges	47,305	58,000	58,900	11,595
Employee Benefits	25,998	25,000	29,902	3,904
ARRA Grant # 1	6,935	0	17,300	10,365
Miscellaneous	26,329	24,192	25,192	(1,137)
<u>Highways</u>				
Litter and Trash Collection	31,748	34,238	34,958	3,210
<u>Capital Projects</u>				
Public Health and Welfare Projects	90	500,000	200,000	199,910
Total Expenditures	\$ 3,432,315	\$ 4,544,370	\$ 3,999,083	\$ 566,768
Excess (Deficiency) of Revenues Over Expenditures				
	\$ 80,663	\$ (95,844)	\$ (46,495)	\$ 127,158
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 7,830	\$ 1,000	\$ 8,831	\$ (1,001)
Transfers In	0	450,000	650,000	(650,000)
Transfers Out	0	(450,000)	(450,000)	450,000
Total Other Financing Sources (Uses)	\$ 7,830	\$ 1,000	\$ 208,831	\$ (201,001)
Net Change in Fund Balance				
	\$ 88,493	\$ (94,844)	\$ 162,336	\$ (73,843)
Fund Balance, July 1, 2008	368,909	94,844	94,844	274,065
Fund Balance, June 30, 2009				
	\$ 457,402	\$ 0	\$ 257,180	\$ 200,222

Exhibit E-2

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 348,749	\$ 366,186	\$ 367,386	\$ (18,637)
Charges for Current Services	44,389	62,500	62,500	(18,111)
Other Local Revenues	330	100	600	(270)
State of Tennessee	56,313	55,500	55,500	813
Total Revenues	<u>\$ 449,781</u>	<u>\$ 484,286</u>	<u>\$ 485,986</u>	<u>\$ (36,205)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Education/Information	\$ 7,975	\$ 9,800	\$ 10,550	\$ 2,575
Convenience Centers	39,499	42,385	43,261	3,762
Transfer Stations	362,515	379,839	384,695	22,180
Landfill Operation and Maintenance	43,537	51,089	53,583	10,046
<u>Other Operations</u>				
Employee Benefits	975	1,200	1,350	375
Total Expenditures	<u>\$ 454,501</u>	<u>\$ 484,313</u>	<u>\$ 493,439</u>	<u>\$ 38,938</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (4,720)</u>	<u>\$ (27)</u>	<u>\$ (7,453)</u>	<u>\$ 2,733</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 25,000	\$ (25,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,000</u>	<u>\$ (25,000)</u>
Net Change in Fund Balance	\$ (4,720)	\$ (27)	\$ 17,547	\$ (22,267)
Fund Balance, July 1, 2008	100,318	27	0	100,318
Fund Balance, June 30, 2009	<u>\$ 95,598</u>	<u>\$ 0</u>	<u>\$ 17,547</u>	<u>\$ 78,051</u>

Exhibit E-3

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Ambulance Service Fund  
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 181,401	\$ 181,987	\$ 189,187	\$ (7,786)
Charges for Current Services	641,560	470,000	560,000	81,560
Other Local Revenues	4,120	0	5,000	(880)
State of Tennessee	30,102	0	22,000	8,102
Federal Government	0	29,510	0	0
Total Revenues	<u>\$ 857,183</u>	<u>\$ 681,497</u>	<u>\$ 776,187</u>	<u>\$ 80,996</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 575,882	\$ 668,455	\$ 681,605	\$ 105,723
Total Expenditures	<u>\$ 575,882</u>	<u>\$ 668,455</u>	<u>\$ 681,605</u>	<u>\$ 105,723</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 281,301</u>	<u>\$ 13,042</u>	<u>\$ 94,582</u>	<u>\$ 186,719</u>
Net Change in Fund Balance	\$ 281,301	\$ 13,042	\$ 94,582	\$ 186,719
Fund Balance, July 1, 2008	0	0	0	0
Fund Balance, June 30, 2009	<u>\$ 281,301</u>	<u>\$ 13,042</u>	<u>\$ 94,582</u>	<u>\$ 186,719</u>

Exhibit E-4

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 27,078	\$ 37,286	\$ 37,286	\$ (10,208)
Other Local Revenues	4,125	0	0	4,125
State of Tennessee	1,460,354	2,523,032	2,523,032	(1,062,678)
Federal Government	0	270,400	270,400	(270,400)
Total Revenues	<u>\$ 1,491,557</u>	<u>\$ 2,830,718</u>	<u>\$ 2,830,718</u>	<u>\$ (1,339,161)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 109,186	\$ 110,127	\$ 110,127	\$ 941
Highway and Bridge Maintenance	653,161	1,008,500	1,008,500	355,339
Operation and Maintenance of Equipment	133,667	255,000	255,000	121,333
Other Charges	58,035	89,200	89,200	31,165
Employee Benefits	152,607	175,500	175,500	22,893
Capital Outlay	46,900	1,457,173	1,457,173	1,410,273
Total Expenditures	<u>\$ 1,153,556</u>	<u>\$ 3,095,500</u>	<u>\$ 3,095,500</u>	<u>\$ 1,941,944</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 338,001</u>	<u>\$ (264,782)</u>	<u>\$ (264,782)</u>	<u>\$ 602,783</u>
Net Change in Fund Balance	\$ 338,001	\$ (264,782)	\$ (264,782)	\$ 602,783
Fund Balance, July 1, 2008	<u>3,185,042</u>	<u>264,782</u>	<u>264,782</u>	<u>2,920,260</u>
Fund Balance, June 30, 2009	<u>\$ 3,523,043</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,523,043</u>

Exhibit E-5

Perry County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Perry County School Department  
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-09	7-1-07	\$ 7,556	\$ 8,436	\$ 880	89.57%	\$ 2,824	31.16%
6-30-08	7-1-07	7,556	8,436	880	89.57	2,824	31.16

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the 2007-08 year; therefore, only two years of data are presented.

Exhibit E-6

Perry County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Perry County School Department  
June 30, 2009

(Dollar amounts in thousands)

Plans	Fiscal Year Ended*	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>								
Local Government Group	6-30-08	7-1-07	\$ 0	\$ 50	\$ 50	0%	\$ 541	9%
"	6-30-09	7-1-07	0	50	50		541	9
<u>DISCRETELY PRESENTED PERRY COUNTY SCHOOL DEPARTMENT</u>								
Local Education Group	6-30-08	7-1-07	0	624	624	0	4,691	13
"	6-30-09	7-1-07	0	624	624	0	4,691	20

\*Data only available for two years.

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**PERRY COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2009**

**A. BUDGETARY INFORMATION**

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 Perry 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, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the Perry 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 generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

**B. EXPENDITURES EXCEEDED APPROPRIATIONS**

General Fund expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control):

<u>Major Category</u>	<u>Overspent</u>
Local Health Center	\$ 192
Miscellaneous	1,137

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for the proceeds of a \$2.50 increase in the litigation tax. The proceeds of the tax must be used to pay for computerization, a fax machine, and related costs for the circuit and general sessions courts clerk and clerk and master.

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

## Capital Projects Fund

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

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Exhibit F-1

Perry County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2009

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Total		
\$	0 \$	0 \$	0 \$	183 \$	183 \$	0 \$	183
	5,738	15,408	23,206	0	44,352	788	45,140
	0	0	300	12	312	0	312
\$	5,738 \$	15,408 \$	23,506 \$	195 \$	44,847 \$	788 \$	45,635

ASSETS

Cash  
 Equity in Pooled Cash and Investments  
 Accounts Receivable  
 Total Assets

LIABILITIES AND FUND BALANCES

Liabilities  
 Due to Other Funds  
 Total Liabilities

Fund Balances  
 Reserved for Automation Purposes - Circuit Court  
 Reserved for Automation Purposes - General Sessions Court  
 Reserved for Automation Purposes - Chancery Court  
 Unreserved  
 Total Fund Balances

Total Liabilities and Fund Balances

\$	0 \$	0 \$	0 \$	195 \$	195 \$	0 \$	195
\$	0 \$	0 \$	0 \$	195 \$	195 \$	0 \$	195
\$	0 \$	7,278 \$	0 \$	0 \$	7,278 \$	0 \$	7,278
	0	1,700	0	0	1,700	0	1,700
	0	3,072	0	0	3,072	0	3,072
	5,738	3,358	23,506	0	32,602	788	33,390
\$	5,738 \$	15,408 \$	23,506 \$	0 \$	44,652 \$	788 \$	45,440
\$	5,738 \$	15,408 \$	23,506 \$	195 \$	44,847 \$	788 \$	45,635

Exhibit F-2

Perry County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2009

	Special Revenue Funds					Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitutional Officers - Fees			General Capital Projects		
<u>Revenues</u>									
Local Taxes	\$ 8,379	\$ 1,015	\$ 0	\$ 0	\$ 0	\$ 9,394	\$ 0	\$ 9,394	
Fines, Forfeitures, and Penalties	1,422	1,626	2,967	0	0	6,015	0	6,015	
Charges for Current Services	0	0	0	21	21	21	0	21	
Total Revenues	\$ 9,801	\$ 2,641	\$ 2,967	\$ 21	\$ 21	\$ 15,430	\$ 0	\$ 15,430	
<u>Expenditures</u>									
Current:									
General Government	\$ 8,282	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,282	\$ 0	\$ 8,282	
Administration of Justice	0	26	0	21	47	47	0	47	
Public Safety	0	0	306	0	306	306	0	306	
Other Operations	98	0	0	0	98	98	0	98	
Total Expenditures	\$ 8,380	\$ 26	\$ 306	\$ 21	\$ 8,733	\$ 8,733	\$ 0	\$ 8,733	
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,421	\$ 2,615	\$ 2,661	\$ 0	\$ 6,697	\$ 6,697	\$ 0	\$ 6,697	
Net Change in Fund Balances	\$ 1,421	\$ 2,615	\$ 2,661	\$ 0	\$ 6,697	\$ 6,697	\$ 0	\$ 6,697	
Fund Balance, July 1, 2008	4,317	12,793	20,845	0	37,955	37,955	788	38,743	
Fund Balance, June 30, 2009	\$ 5,738	\$ 15,408	\$ 23,506	\$ 0	\$ 44,652	\$ 44,652	\$ 788	\$ 45,440	

Exhibit F-3

Perry 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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 8,379	\$ 10,500	\$ 11,000	\$ (2,621)
Fines, Forfeitures, and Penalties	1,422	1,000	1,400	22
Total Revenues	<u>\$ 9,801</u>	<u>\$ 11,500</u>	<u>\$ 12,400</u>	<u>\$ (2,599)</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 8,282	\$ 23,000	\$ 20,000	\$ 11,718
<u>Other Operations</u>				
Other Charges	98	100	170	72
Total Expenditures	<u>\$ 8,380</u>	<u>\$ 23,100</u>	<u>\$ 20,170</u>	<u>\$ 11,790</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,421</u>	<u>\$ (11,600)</u>	<u>\$ (7,770)</u>	<u>\$ 9,191</u>
Net Change in Fund Balance	\$ 1,421	\$ (11,600)	\$ (7,770)	\$ 9,191
Fund Balance, July 1, 2008	<u>4,317</u>	<u>41,627</u>	<u>37,797</u>	<u>(33,480)</u>
Fund Balance, June 30, 2009	<u>\$ 5,738</u>	<u>\$ 30,027</u>	<u>\$ 30,027</u>	<u>\$ (24,289)</u>

Exhibit F-4

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Local Purpose Tax Fund  
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,015	\$ 4,200	\$ 3,700	\$ (2,685)
Fines, Forfeitures, and Penalties	1,626	520	670	956
Total Revenues	<u>\$ 2,641</u>	<u>\$ 4,720</u>	<u>\$ 4,370</u>	<u>\$ (1,729)</u>
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Circuit Court	\$ 26	\$ 1,600	\$ 2,300	\$ 2,274
General Sessions Court	0	1,550	1,550	1,550
Chancery Court	0	1,800	1,800	1,800
Total Expenditures	<u>\$ 26</u>	<u>\$ 4,950</u>	<u>\$ 5,650</u>	<u>\$ 5,624</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,615</u>	<u>\$ (230)</u>	<u>\$ (1,280)</u>	<u>\$ 3,895</u>
Net Change in Fund Balance	\$ 2,615	\$ (230)	\$ (1,280)	\$ 3,895
Fund Balance, July 1, 2008	12,793	230	1,280	11,513
Fund Balance, June 30, 2009	<u>\$ 15,408</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,408</u>

Exhibit F-5

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 2,967	\$ 5,350	\$ 6,000	\$ (3,033)
Total Revenues	\$ 2,967	\$ 5,350	\$ 6,000	\$ (3,033)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 306	\$ 5,350	\$ 5,350	\$ 5,044
Total Expenditures	\$ 306	\$ 5,350	\$ 5,350	\$ 5,044
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,661	\$ 0	\$ 650	\$ 2,011
Net Change in Fund Balance	\$ 2,661	\$ 0	\$ 650	\$ 2,011
Fund Balance, July 1, 2008	20,845	0	0	20,845
Fund Balance, June 30, 2009	\$ 23,506	\$ 0	\$ 650	\$ 22,856

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# **Major Governmental Fund**

## **General Debt Service Fund**

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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 costs.

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Exhibit G

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 629,290	\$ 600,277	\$ 645,127	\$ (15,837)
Fines, Forfeitures, and Penalties	138	0	400	(262)
Other Local Revenues	86,868	79,000	95,000	(8,132)
State of Tennessee	105,044	80,000	82,050	22,994
Other Governments and Citizens Groups	411,134	487,000	487,100	(75,966)
<b>Total Revenues</b>	<b>\$ 1,232,474</b>	<b>\$ 1,246,277</b>	<b>\$ 1,309,677</b>	<b>\$ (77,203)</b>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 260,500	\$ 269,400	\$ 260,500	\$ 0
Education	385,900	377,000	385,900	0
<u>Interest on Debt</u>				
General Government	43,764	108,782	87,791	44,027
Education	77,532	200,000	196,560	119,028
<u>Other Debt Service</u>				
General Government	31,380	193,000	51,963	20,583
Education	24,780	27,000	27,000	2,220
<u>Capital Projects</u>				
Public Health and Welfare Projects	185,468	0	185,468	0
Other General Government Projects	210,469	0	210,469	0
<b>Total Expenditures</b>	<b>\$ 1,219,793</b>	<b>\$ 1,175,182</b>	<b>\$ 1,405,651</b>	<b>\$ 185,858</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 12,681	\$ 71,095	\$ (95,974)	\$ 108,655
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 450,000	\$ 0	\$ 0
Transfers Out	0	(450,000)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Net Change in Fund Balance	\$ 12,681	\$ 71,095	\$ (95,974)	\$ 108,655
Fund Balance, July 1, 2008	1,858,909	1,554,866	1,554,866	304,043
<b>Fund Balance, June 30, 2009</b>	<b>\$ 1,871,590</b>	<b>\$ 1,625,961</b>	<b>\$ 1,458,892</b>	<b>\$ 412,698</b>

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# Fiduciary Funds

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

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

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, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

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Exhibit H-1

Perry County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2009

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 77,934	\$ 77,934
Due from Other Governments	42,616	0	42,616
Total Assets	<u>\$ 42,616</u>	<u>\$ 77,934</u>	<u>\$ 120,550</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 42,616	\$ 0	\$ 42,616
Due to Litigants, Heirs, and Others	0	77,934	77,934
Total Liabilities	<u>\$ 42,616</u>	<u>\$ 77,934</u>	<u>\$ 120,550</u>

Exhibit H-2

Perry County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 231,081	\$ 231,081	\$ 0
Due from Other Governments	40,038	42,616	40,038	42,616
<b>Total Assets</b>	<b>\$ 40,038</b>	<b>\$ 273,697</b>	<b>\$ 271,119</b>	<b>\$ 42,616</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 40,038	\$ 273,697	\$ 271,119	\$ 42,616
<b>Total Liabilities</b>	<b>\$ 40,038</b>	<b>\$ 273,697</b>	<b>\$ 271,119</b>	<b>\$ 42,616</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 574,161	\$ 1,256,229	\$ 1,752,456	\$ 77,934
<b>Total Assets</b>	<b>\$ 574,161</b>	<b>\$ 1,256,229</b>	<b>\$ 1,752,456</b>	<b>\$ 77,934</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 574,161	\$ 1,256,229	\$ 1,752,456	\$ 77,934
<b>Total Liabilities</b>	<b>\$ 574,161</b>	<b>\$ 1,256,229</b>	<b>\$ 1,752,456</b>	<b>\$ 77,934</b>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 574,161	\$ 1,256,229	\$ 1,752,456	\$ 77,934
Equity in Pooled Cash and Investments	0	231,081	231,081	0
Due from Other Governments	40,038	42,616	40,038	42,616
<b>Total Assets</b>	<b>\$ 614,199</b>	<b>\$ 1,529,926</b>	<b>\$ 2,023,575</b>	<b>\$ 120,550</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 40,038	\$ 273,697	\$ 271,119	\$ 42,616
Due to Litigants, Heirs, and Others	574,161	1,256,229	1,752,456	77,934
<b>Total Liabilities</b>	<b>\$ 614,199</b>	<b>\$ 1,529,926</b>	<b>\$ 2,023,575</b>	<b>\$ 120,550</b>

# Perry County School Department

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This section presents fund financial statements for the Perry County School Department, a discretely presented component unit. The School Department uses a General Fund and two Special Revenue Funds.

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

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

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

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Exhibit I-1

Perry County, Tennessee  
 Statement of Activities  
Discretely Presented Perry County School Department  
For the Year Ended June 30, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 5,121,395	\$ 0	\$ 830,267	\$ (4,291,128)
Support Services	3,304,896	18,346	25,716	(3,260,834)
Operation of Non-Instructional Services	1,097,806	220,498	842,380	(34,928)
Interest on Long-term Debt	6,106	0	0	(6,106)
Other Debt Service	167,167	0	0	(167,167)
<b>Total Governmental Activities</b>	<b>\$ 9,697,370</b>	<b>\$ 238,844</b>	<b>\$ 1,698,363</b>	<b>\$ (7,760,163)</b>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,238,838
Local Option Sales Taxes				176,928
Interstate Telecommunications Tax				890
Grants and Contributions Not Restricted to Specific Programs				5,923,709
Unrestricted Investment Earnings				23,213
Miscellaneous				69,633
<b>Total General Revenues</b>				<b>\$ 7,433,211</b>
Change in Net Assets				\$ (326,952)
Net Assets, July 1, 2008				8,428,577
Net Assets, June 30, 2009				<u><u>\$ 8,101,625</u></u>

Exhibit I-2

Perry County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Perry County School Department  
June 30, 2009

	Major Fund General Purpose School	Nonmajor Funds Other Govern- mental Funds	Total Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 80,475	\$ 11,690	\$ 92,165
Equity in Pooled Cash and Investments	119,888	51,102	170,990
Accounts Receivable	6,115	0	6,115
Due from Other Governments	274,401	47,707	322,108
Due from Other Funds	16,664	0	16,664
Property Taxes Receivable	1,366,548	0	1,366,548
Allowance for Uncollectible Property Taxes	(30,882)	0	(30,882)
Total Assets	<u>\$ 1,833,209</u>	<u>\$ 110,499</u>	<u>\$ 1,943,708</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 90	\$ 125	\$ 215
Payroll Deductions Payable	80,475	11,690	92,165
Deferred Revenue - Current Property Taxes	1,272,831	0	1,272,831
Deferred Revenue - Delinquent Property Taxes	57,984	0	57,984
Other Deferred Revenues	16,579	0	16,579
Total Liabilities	<u>\$ 1,427,959</u>	<u>\$ 11,815</u>	<u>\$ 1,439,774</u>
<u>Fund Balances</u>			
Reserved for Driver Education	\$ 7,985	\$ 0	\$ 7,985
Reserved for Career Ladder - Extended Contract	11,142	0	11,142
Reserved for Career Ladder Program	569	0	569
Reserved for Basic Education Program	69,929	0	69,929
Reserved for Title I Grants to Local Education Agencies	0	15,167	15,167
Reserved for Special Education - Grants to States	0	4,055	4,055
Other Federal Reserves	0	797	797
Unreserved, Reported In:			
General Fund	315,625	0	315,625
Special Revenue Funds	0	78,665	78,665
Total Fund Balances	<u>\$ 405,250</u>	<u>\$ 98,684</u>	<u>\$ 503,934</u>
Total Liabilities and Fund Balances	<u>\$ 1,833,209</u>	<u>\$ 110,499</u>	<u>\$ 1,943,708</u>

Exhibit I-3

Perry County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
Discretely Presented Perry County School Department  
June 30, 2009

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	503,934
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	138,512	
Add: buildings and improvements net of accumulated depreciation		7,334,910	
Add: other capital assets net of accumulated depreciation		<u>419,854</u>	7,893,276
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(248,079)	
Less: compensated absences payable		(22,782)	
Less: accrued interest on notes		(2,507)	
Less: other postemployment benefits liability		<u>(96,780)</u>	(370,148)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>74,563</u>
Net assets of governmental activities (Exhibit A)			<u><u>\$ 8,101,625</u></u>

Exhibit I-4

Perry County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Perry County School Department  
For the Year Ended June 30, 2009

	Major Fund General Purpose School	Nonmajor Funds Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 1,420,655	\$ 0	\$ 1,420,655
Licenses and Permits	494	0	494
Charges for Current Services	18,346	220,498	238,844
Other Local Revenues	92,904	4,065	96,969
State of Tennessee	6,282,504	6,185	6,288,689
Federal Government	96,594	1,163,970	1,260,564
Total Revenues	<u>\$ 7,911,497</u>	<u>\$ 1,394,718</u>	<u>\$ 9,306,215</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 4,377,752	\$ 589,823	\$ 4,967,575
Support Services	2,952,111	170,526	3,122,637
Operation of Non-Instructional Services	407,440	591,609	999,049
Debt Service:			
Principal on Debt	35,453	0	35,453
Interest on Debt	6,644	0	6,644
Other Debt Service	167,167	0	167,167
Total Expenditures	<u>\$ 7,946,567</u>	<u>\$ 1,351,958</u>	<u>\$ 9,298,525</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (35,070)</u>	<u>\$ 42,760</u>	<u>\$ 7,690</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 17,521	\$ 0	\$ 17,521
Transfers Out	0	(17,521)	(17,521)
Total Other Financing Sources (Uses)	<u>\$ 17,521</u>	<u>\$ (17,521)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (17,549)	\$ 25,239	\$ 7,690
Fund Balance, July 1, 2008	422,799	73,445	496,244
Fund Balance, June 30, 2009	<u>\$ 405,250</u>	<u>\$ 98,684</u>	<u>\$ 503,934</u>

Exhibit I-5

Perry County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Perry County School Department  
For the Year Ended June 30, 2009

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)		\$	7,690
(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	\$	24,974	
Less: current year depreciation expense		<u>(347,701)</u>	(322,727)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2009	\$	74,563	
Less: deferred delinquent property taxes and other deferred June 30, 2008		<u>(56,370)</u>	18,193
(3) The issuance of long-term debt (e.g., notes, leases) 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 assets.			
Add: principal payments on notes			35,453
(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 compensated absences payable	\$	(6,057)	
Change in accrued interest on notes		538	
Change in other postemployment benefits liability		<u>(60,042)</u>	<u>(65,561)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (326,952)</u>

Exhibit I-6

Perry County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Perry County School Department  
June 30, 2009

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Cash	\$ 5,220	\$ 6,470	\$ 11,690
Equity in Pooled Cash and Investments	584	50,518	51,102
Due from Other Governments	19,560	28,147	47,707
Total Assets	<u>\$ 25,364</u>	<u>\$ 85,135</u>	<u>\$ 110,499</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 125	\$ 0	\$ 125
Payroll Deductions Payable	5,220	6,470	11,690
Total Liabilities	<u>\$ 5,345</u>	<u>\$ 6,470</u>	<u>\$ 11,815</u>
<u>Fund Balances</u>			
Reserved for Title I Grants to Local Education Agencies	\$ 15,167	\$ 0	\$ 15,167
Reserved for Special Education - Grants to States	4,055	0	4,055
Other Federal Reserves	797	0	797
Unreserved	0	78,665	78,665
Total Fund Balances	<u>\$ 20,019</u>	<u>\$ 78,665</u>	<u>\$ 98,684</u>
Total Liabilities and Fund Balances	<u>\$ 25,364</u>	<u>\$ 85,135</u>	<u>\$ 110,499</u>

Exhibit I-7

Perry County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Perry County School Department  
For the Year Ended June 30, 2009

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Central	Governmental
	Projects	Cafeteria	Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 220,498	\$ 220,498
Other Local Revenues	0	4,065	4,065
State of Tennessee	0	6,185	6,185
Federal Government	785,260	378,710	1,163,970
Total Revenues	<u>\$ 785,260</u>	<u>\$ 609,458</u>	<u>\$ 1,394,718</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 589,823	\$ 0	\$ 589,823
Support Services	170,526	0	170,526
Operation of Non-Instructional Services	0	591,609	591,609
Total Expenditures	<u>\$ 760,349</u>	<u>\$ 591,609</u>	<u>\$ 1,351,958</u>
Excess (Deficiency) of Revenues			
Over Expenditures	\$ 24,911	\$ 17,849	\$ 42,760
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (17,521)	\$ 0	\$ (17,521)
Total Other Financing Sources (Uses)	<u>\$ (17,521)</u>	<u>\$ 0</u>	<u>\$ (17,521)</u>
Net Change in Fund Balances	\$ 7,390	\$ 17,849	\$ 25,239
Fund Balance, July 1, 2008	12,629	60,816	73,445
Fund Balance, June 30, 2009	<u>\$ 20,019</u>	<u>\$ 78,665</u>	<u>\$ 98,684</u>

Exhibit I-8

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Perry County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,420,655	\$ 1,497,536	\$ 1,497,536	\$ (76,881)
Licenses and Permits	494	675	675	(181)
Charges for Current Services	18,346	13,000	13,000	5,346
Other Local Revenues	92,904	42,760	57,760	35,144
State of Tennessee	6,282,504	6,135,724	6,135,724	146,780
Federal Government	96,594	0	0	96,594
<b>Total Revenues</b>	<b>\$ 7,911,497</b>	<b>\$ 7,689,695</b>	<b>\$ 7,704,695</b>	<b>\$ 206,802</b>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,175,788	\$ 3,073,079	\$ 3,073,079	\$ (102,709)
Alternative Instruction Program	73,105	70,433	70,433	(2,672)
Special Education Program	812,471	761,457	761,457	(51,014)
Vocational Education Program	316,388	316,651	316,651	263
<u>Support Services</u>				
Attendance	64,728	65,857	65,857	1,129
Health Services	165,803	153,883	153,883	(11,920)
Other Student Support	180,070	191,391	191,391	11,321
Regular Instruction Program	300,387	292,309	292,309	(8,078)
Special Education Program	71,543	72,269	72,269	726
Vocational Education Program	9,255	10,262	10,262	1,007
Other Programs	10,220	0	0	(10,220)
Board of Education	107,144	107,757	107,757	613
Director of Schools	114,708	111,821	111,821	(2,887)
Office of the Principal	525,704	522,412	522,412	(3,292)
Fiscal Services	56,403	52,344	52,344	(4,059)
Human Services/Personnel	275	0	0	(275)
Operation of Plant	599,566	546,105	546,105	(53,461)
Maintenance of Plant	255,020	164,115	164,115	(90,905)
Transportation	486,019	565,033	565,033	79,014
Central and Other	5,266	4,395	4,395	(871)
<u>Operation of Non-Instructional Services</u>				
Food Service	16,500	18,000	18,000	1,500
Community Services	114,408	125,815	125,815	11,407
Early Childhood Education	276,532	275,298	275,298	(1,234)
<u>Principal on Debt</u>				
Education	35,453	42,105	35,461	8
<u>Interest on Debt</u>				
Education	6,644	0	6,644	0
<u>Other Debt Service</u>				
Education	167,167	167,170	167,170	3
<b>Total Expenditures</b>	<b>\$ 7,946,567</b>	<b>\$ 7,709,961</b>	<b>\$ 7,709,961</b>	<b>\$ (236,606)</b>

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (35,070)	\$ (20,266)	\$ (5,266)	\$ (29,804)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 17,521	\$ 20,266	\$ 5,266	\$ 12,255
Total Other Financing Sources (Uses)	\$ 17,521	\$ 20,266	\$ 5,266	\$ 12,255
Net Change in Fund Balance	\$ (17,549)	\$ 0	\$ 0	\$ (17,549)
Fund Balance, July 1, 2008	422,799	0	0	422,799
Fund Balance, June 30, 2009	\$ 405,250	\$ 0	\$ 0	\$ 405,250

Exhibit I-9

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Perry County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 785,260	\$ 839,773	\$ 849,105	\$ (63,845)
Total Revenues	<u>\$ 785,260</u>	<u>\$ 839,773</u>	<u>\$ 849,105</u>	<u>\$ (63,845)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 349,131	\$ 384,441	\$ 422,202	\$ 73,071
Special Education Program	200,761	199,854	204,073	3,312
Vocational Education Program	39,931	38,948	39,781	(150)
<u>Support Services</u>				
Health Services	6,397	6,450	6,439	42
Other Student Support	16,851	19,160	16,852	1
Regular Instruction Program	46,372	78,756	50,112	3,740
Special Education Program	96,964	99,881	97,848	884
Vocational Education Program	3,942	4,647	3,942	0
Total Expenditures	<u>\$ 760,349</u>	<u>\$ 832,137</u>	<u>\$ 841,249</u>	<u>\$ 80,900</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 24,911</u>	<u>\$ 7,636</u>	<u>\$ 7,856</u>	<u>\$ 17,055</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (17,521)	\$ (20,266)	\$ (20,486)	\$ 2,965
Total Other Financing Sources (Uses)	<u>\$ (17,521)</u>	<u>\$ (20,266)</u>	<u>\$ (20,486)</u>	<u>\$ 2,965</u>
Net Change in Fund Balance	\$ 7,390	\$ (12,630)	\$ (12,630)	\$ 20,020
Fund Balance, July 1, 2008	<u>12,629</u>	<u>12,630</u>	<u>12,630</u>	<u>(1)</u>
Fund Balance, June 30, 2009	<u>\$ 20,019</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,019</u>

Exhibit I-10

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Perry County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 220,498	\$ 223,500	\$ 217,000	\$ 3,498
Other Local Revenues	4,065	3,500	2,500	1,565
State of Tennessee	6,185	6,000	6,000	185
Federal Government	378,710	330,000	376,000	2,710
Total Revenues	<u>\$ 609,458</u>	<u>\$ 563,000</u>	<u>\$ 601,500</u>	<u>\$ 7,958</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 591,609	\$ 600,000	\$ 609,860	\$ 18,251
Total Expenditures	<u>\$ 591,609</u>	<u>\$ 600,000</u>	<u>\$ 609,860</u>	<u>\$ 18,251</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 17,849</u>	<u>\$ (37,000)</u>	<u>\$ (8,360)</u>	<u>\$ 26,209</u>
Net Change in Fund Balance	\$ 17,849	\$ (37,000)	\$ (8,360)	\$ 26,209
Fund Balance, July 1, 2008	<u>60,816</u>	<u>60,000</u>	<u>60,000</u>	<u>816</u>
Fund Balance, June 30, 2009	<u>\$ 78,665</u>	<u>\$ 23,000</u>	<u>\$ 51,640</u>	<u>\$ 27,025</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Perry County, Tennessee  
Schedule of Changes in Long-term Notes and Other Loans  
Primary Government and Discretely Presented Perry County School Department  
For the Year Ended June 30, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Paid and/or Matured During Period	Outstanding 6-30-09
<u>PRIMARY GOVERNMENT</u>							
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Public Works Projects	\$ 410,000	4.95%	6-15-1998	6-15-10	\$ 85,000	\$ 40,000	\$ 45,000
Courthouse Improvements	96,000	0	3-2-1999	2-5-09	6,400	6,400	0
Angelica Industrial Building	450,000	0	1-10-05	1-10-15	296,250	45,000	251,250
Total Notes Payable					\$ 387,650	\$ 91,400	\$ 296,250
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
School	5,000,000	Variable	10-14-1998	5-25-18	\$ 3,247,000	\$ 252,000	\$ 2,995,000
School	2,500,000	Variable	5-24-00	5-25-19	1,777,000	125,000	1,652,000
Angelica Building, Jail, Solid Waste Equipment, School	4,000,000	Variable	10-28-03	5-25-23	3,341,000	178,000	3,163,000
Total Other Loans Payable					\$ 8,365,000	\$ 555,000	\$ 7,810,000
<u>DISCRETELY PRESENTED PERRY COUNTY SCHOOL DEPARTMENT</u>							
<u>NOTES PAYABLE</u>							
<u>Payable through General Purpose School Fund</u>							
Bleacher Note	116,857	5.949	8-20-07	1-15-17	\$ 103,532	\$ 9,739	\$ 93,793
Energy Efficiency Loan	180,000	0	4-1-08	6-1-15	180,000	25,714	154,286
Total Notes Payable					\$ 283,532	\$ 35,453	\$ 248,079

Exhibit J-2

Perry County, Tennessee

Schedule of Long-term Debt Requirements by Year

Primary Government and Discretely Presented Perry County School Department

PRIMARY GOVERNMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2010	\$ 90,000	\$ 2,228	\$ 92,228
2011	45,000	0	45,000
2012	45,000	0	45,000
2013	45,000	0	45,000
2014	45,000	0	45,000
2015	26,250	0	26,250
Total	\$ 296,250	\$ 2,228	\$ 298,478

Year Ending June 30	Other Loan Principal	Other Loan Interest	Other Loan Fees	Total Other Loan Requirements
2010	\$ 580,000	\$ 25,773	\$ 37,758	\$ 643,531
2011	608,000	23,859	34,584	666,443
2012	636,000	21,853	31,260	689,113
2013	665,000	19,754	27,788	712,542
2014	697,000	17,559	24,161	738,720
2015	729,000	15,259	20,366	764,625
2016	764,000	12,854	16,400	793,254
2017	800,000	10,332	12,248	822,580
2018	837,000	7,692	7,906	852,598
2019	446,000	4,930	3,084	454,014
2020	250,000	3,458	3,494	256,952
2021	258,000	2,633	5,171	265,804
2022	266,000	1,782	6,900	274,682
2023	274,000	904	8,681	283,585
Total	\$ 7,810,000	\$ 168,642	\$ 239,801	\$ 8,218,443

(Continued)

Exhibit J-2

Perry County, Tennessee

Schedule of Long-term Debt Requirements by Year

Primary Government and Discretely Presented Perry County School Department (Cont.)

DISCRETELY PRESENTED PERRY COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2010	\$ 36,032	\$ 6,065	\$ 42,097
2011	36,646	5,451	42,097
2012	37,296	4,800	42,096
2013	37,985	4,111	42,096
2014	38,715	3,381	42,096
2015	39,491	2,608	42,099
2016	14,594	1,788	16,382
2017	7,320	920	8,240
Total	<u>\$ 248,079</u>	<u>\$ 29,124</u>	<u>\$ 277,203</u>

Exhibit J-3

Perry County, Tennessee  
Schedule of Transfers  
Discretely Presented Perry County School Department  
For the Year Ended June 30, 2009

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect cost	<u>\$ 17,521</u>
Total Transfers			<u><u>\$ 17,521</u></u>

Exhibit J-4

Perry County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Perry County School Department  
For the Year Ended June 30, 2009

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u> , and Chapter 113, Private Acts of 1929, as amended	\$ 61,553	\$ 25,000	Western Surety Company
Highway Superintendent	Section 8-24-102, <u>TCA</u>	57,477	100,000	"
Director of Schools	State Board of Education and Perry County Board of Education	82,895 (1)	100,000	"
Trustee	Section 8-24-102, <u>TCA</u>	52,251	350,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	52,251	10,000	Auto Owners Mutual Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	52,251	25,000	Western Surety Company
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	52,251	25,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u>	52,251 (2)	35,000	Old Republic Surety Company
Register	Section 8-24-102, <u>TCA</u>	52,251	15,000	Western Surety Company
Sheriff	Section 8-24-102, <u>TCA</u>	57,477 (3)	25,000	Auto Owners Mutual Insurance Company
Employee Blanket Bonds:				
Office of County Mayor			150,000	Local Government Property and Casualty Fund
Office of Director of Schools			150,000	Tennessee Risk Management Trust

(1) Includes a chief executive officer training supplement of \$1,000, does not include state one-time bonus of \$351.

(2) Does not include special commissioner fees of \$1,220.

(3) Does not include a law enforcement training supplement of \$600.

Perry County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2009

	Special Revenue Funds					Local Purpose Tax
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,550,733	\$ 0	\$ 324,157	\$ 176,202	\$ 0	0
Trustee's Collections - Prior Year	58,827	0	10,258	0	0	0
Circuit/Clerk & Master Collections - Prior Years	22,603	0	4,664	1,357	0	0
Interest and Penalty	13,694	0	3,390	463	0	0
Pick-up Taxes	315	0	84	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	60,402	0	0	0	0	0
Hotel/Motel Tax	3,636	0	0	0	0	0
Litigation Tax - General	19,989	693	0	0	0	0
Litigation Tax - Special Purpose	24	10	0	0	0	1,015
Litigation Tax - Jail, Workhouse, or Courthouse	13	7,676	0	0	0	0
Business Tax	22,886	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	29,740	0	6,196	3,379	0	0
Wholesale Beer Tax	63,019	0	0	0	0	0
Interstate Telecommunications Tax	679	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 1,846,560</b>	<b>\$ 8,379</b>	<b>\$ 348,749</b>	<b>\$ 181,401</b>	<b>\$ 1,015</b>	<b>0</b>

<u>Licenses and Permits</u>	
Permits	
Beer Permits	\$ 476
Total Licenses and Permits	\$ 476

<u>Fines, Forfeitures, and Penalties</u>	
Circuit Court	
Fines	\$ 3,954
Officers Costs	2,023
Game and Fish Fines	5
Drug Control Fines	120

(Continued)

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

	General	Special Revenue Funds				Local Purpose Tax
		Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Circuit Court (Cont.)</u>						
Drug Court Fees	17 \$	0 \$	0 \$	0 \$	0	0
Jail Fees	1,418	104	0	0	0	0
Data Entry Fee - Circuit Court	0	10	0	0	0	90
<u>Criminal Court</u>						
Fines	552	0	0	0	0	0
Officers Costs	107	0	0	0	0	0
Drug Court Fees	1,391	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	8,059	0	0	0	0	0
Officers Costs	12,091	0	0	0	0	0
Game and Fish Fines	495	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Drug Court Fees	699	0	0	0	0	0
Jail Fees	1,084	950	0	0	0	0
DUI Treatment Fines	1,425	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	358	0	0	0	890
Courtroom Security Fee	223	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	2,061	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	2,272	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0	646
Courtroom Security Fee	14	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	975	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	275	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 39,260 \$	1,422 \$	0 \$	0 \$	0 \$	1,626

(Continued)

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

	Special Revenue Funds					Local Purpose Tax
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service		
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 1,321	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Tipping Fees	0	0	685	0	0	0
Solid Waste Disposal Fees	0	0	43,704	0	0	0
Patient Charges	0	0	0	641,560	0	0
<u>Fees</u>						
Airport Fees	1,200	0	0	0	0	0
Copy Fees	3,340	0	0	0	0	0
Telephone Commissions	12,470	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	3,574	0	0	0	0	0
Data Processing Fee - Sheriff	1,140	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,150	0	0	0	0	0
Data Processing Fee - County Clerk	722	0	0	0	0	0
Total Charges for Current Services	\$ 24,917	\$ 0	\$ 44,389	\$ 641,560	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 152,001	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	150,893	0	0	0	0	0
Sale of Materials and Supplies	30	0	0	0	0	0
Commissary Sales	3,717	0	0	0	0	0
Miscellaneous Refunds	1,320	0	2	4,120	0	0
Expenditure Credits	0	0	328	0	0	0
<u>Nonrecurring Items</u>						
Damages Recovered from Individuals	0	0	0	0	0	0
Contributions and Gifts	3,892	0	0	0	0	0
Total Other Local Revenues	\$ 311,853	\$ 0	\$ 330	\$ 4,120	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 64,297	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	19,030	0	0	0	0
General Sessions Court Clerk	36,731	0	0	0	0
Clerk and Master	41,102	0	0	0	0
Register	37,501	0	0	0	0
Sheriff	3,998	0	0	0	0
Trustee	134,835	0	0	0	0
<b>Total Fees Received from County Officials</b>	<b>\$ 337,494</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 11,250	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	4,703	0	0	0	0
Solid Waste Grants	0	0	1,126	0	0
On-Behalf Contributions for OPEB	102	0	0	0	0
Other General Government Grants	4,800	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	7,200	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	25,229	0	0	0	0
<u>Public Works Grants</u>					
Litter Program	23,856	0	0	0	0
Other Public Works Grants	8,956	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	106,710	0	3,707	2,022	0
Resort District Sales Tax	80,630	0	0	0	0
Beer Tax	18,701	0	0	0	0
Alcoholic Beverage Tax	25,930	0	0	0	0
State Revenue Sharing - T.V.A.	247,104	0	51,480	28,080	0
Contracted Prisoner Boarding	15,242	0	0	0	0

(Continued)

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

	Special Revenue Funds					Local Purpose Tax
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service		
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	14,912	0	0	0	0	0
Other State Revenues	845	0	0	0	0	0
Total State of Tennessee	\$ 596,170	\$ 0	\$ 56,313	\$ 30,102	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 4,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Disaster Relief	36,445	0	0	0	0	0
Homeland Security Grants	32,201	0	0	0	0	0
ARRA Grant # 1	7,000	0	0	0	0	0
Total Federal Government	\$ 79,646	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 86,202	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	40,400	0	0	0	0	0
Contracted Services	150,000	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 276,602	\$ 0	\$ 0	\$ 0	\$ 0	0
Total	\$ 3,512,978	\$ 9,801	\$ 449,781	\$ 857,183	\$ 2,641	0

(Continued)

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

	Special Revenue Funds				Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Debt Service Fund	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0 \$	0 \$	0 \$	199,715 \$	2,250,807
Trustee's Collections - Prior Year	0	0	0	6,803	75,888
Circuit/Clerk & Master Collections - Prior Years	0	0	0	2,771	31,395
Interest and Penalty	0	0	0	1,592	19,139
Pick-up Taxes	0	0	0	189	588
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	413,654	474,056
Hotel/Motel Tax	0	0	0	0	3,636
Litigation Tax - General	0	0	0	0	20,682
Litigation Tax - Special Purpose	0	0	0	0	1,049
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	736	8,425
Business Tax	0	0	0	0	22,886
Mineral Severance Tax	0	0	27,078	0	27,078
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	3,830	43,145
Wholesale Beer Tax	0	0	0	0	63,019
Interstate Telecommunications Tax	0	0	0	0	679
Total Local Taxes	\$ 0 \$	0 \$	27,078 \$	629,290 \$	3,042,472
<u>Licenses and Permits</u>					
<u>Permits</u>					
Beer Permits	0 \$	0 \$	0 \$	0 \$	476
Total Licenses and Permits	\$ 0 \$	0 \$	0 \$	0 \$	476
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	0 \$	0 \$	0 \$	0 \$	3,954
Officers Costs	0	0	0	0	2,023
Game and Fish Fines	0	0	0	0	5
Drug Control Fines	406	0	0	0	526

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Circuit Court (Cont.)</u>						
Drug Court Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17	
Jail Fees	0	0	0	10	1,532	
Data Entry Fee - Circuit Court	0	0	0	0	100	
<u>Criminal Court</u>						
Fines	0	0	0	0	552	
Officers Costs	0	0	0	0	107	
Drug Court Fees	0	0	0	0	1,391	
<u>General Sessions Court</u>						
Fines	0	0	0	0	8,059	
Officers Costs	0	0	0	0	12,091	
Game and Fish Fines	0	0	0	0	495	
Drug Control Fines	2,561	0	0	0	2,561	
Drug Court Fees	0	0	0	0	699	
Jail Fees	0	0	0	128	2,162	
DUI Treatment Fines	0	0	0	0	1,425	
Data Entry Fee - General Sessions Court	0	0	0	0	1,248	
Courtroom Security Fee	0	0	0	0	223	
<u>Juvenile Court</u>						
Fines	0	0	0	0	2,061	
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	2,272	
Data Entry Fee - Chancery Court	0	0	0	0	646	
Courtroom Security Fee	0	0	0	0	14	
<u>Proceeds from Confiscated Property</u>						
Other Fines, Forfeitures, and Penalties	0	0	0	0	975	
Total Fines, Forfeitures, and Penalties	\$ 2,967	\$ 0	\$ 0	\$ 138	\$ 45,413	

(Continued)

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

	Special Revenue Funds				Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Debt Service Fund	
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Self-Insurance Premiums/Contributions	\$ 0 \$	0 \$	0 \$	0 \$	1,321
Tipping Fees	0	0	0	0	685
Solid Waste Disposal Fees	0	0	0	0	43,704
Patient Charges	0	0	0	0	641,560
<u>Fees</u>					
Airport Fees	0	0	0	0	1,200
Copy Fees	0	0	0	0	3,340
Telephone Commissions	0	0	0	0	12,470
Constitutional Officers' Fees and Commissions	0	21	0	0	21
Data Processing Fee - Register	0	0	0	0	3,574
Data Processing Fee - Sheriff	0	0	0	0	1,140
Sexual Offender Registration Fees - Sheriff	0	0	0	0	1,150
Data Processing Fee - County Clerk	0	0	0	0	722
Total Charges for Current Services	\$ 0 \$	21 \$	0 \$	0 \$	710,887
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	0 \$	0 \$	0 \$	17,016 \$	169,017
Lease/Rentals	0	0	0	69,852	220,745
Sale of Materials and Supplies	0	0	0	0	30
Commissary Sales	0	0	0	0	3,717
Miscellaneous Refunds	0	0	0	0	5,442
Expenditure Credits	0	0	0	0	328
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals	0	0	4,125	0	4,125
Contributions and Gifts	0	0	0	0	3,892
Total Other Local Revenues	\$ 0 \$	0 \$	4,125 \$	86,868 \$	407,296

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	64,297
Circuit Court Clerk	0	0	0	0	0	19,030
General Sessions Court Clerk	0	0	0	0	0	36,731
Clerk and Master	0	0	0	0	0	41,102
Register	0	0	0	0	0	37,501
Sheriff	0	0	0	0	0	3,998
Trustee	0	0	0	0	0	134,835
<b>Total Fees Received from County Officials</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>337,494</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	11,250
State Reappraisal Grant	0	0	0	0	0	4,703
Solid Waste Grants	0	0	0	0	0	1,126
On-Behalf Contributions for OPEB	0	0	0	0	0	102
Other General Government Grants	0	0	0	0	0	4,800
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	7,200
Health and Welfare Grants	0	0	0	0	0	25,229
<u>Health Department Programs</u>						
<u>Public Works Grants</u>						
Litter Program	0	0	0	0	0	23,856
Other Public Works Grants	0	0	0	0	0	8,956
<u>Other State Revenues</u>						
Income Tax	0	0	0	2,292	0	114,731
Resort District Sales Tax	0	0	0	0	0	80,630
Beer Tax	0	0	0	0	0	18,701
Alcoholic Beverage Tax	0	0	0	0	0	25,930
State Revenue Sharing - T.V.A.	0	0	0	31,824	0	358,488
Contracted Prisoner Boarding	0	0	0	70,928	0	86,170

(Continued)

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

	Special Revenue Funds				Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Debt Service Fund	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Gasoline and Motor Fuel Tax	\$ 0 \$	0 \$	1,454,226 \$	0 \$	1,454,226
Petroleum Special Tax	0	0	6,128	0	6,128
Registrar's Salary Supplement	0	0	0	0	14,912
Other State Revenues	0	0	0	0	845
Total State of Tennessee	\$ 0 \$	0 \$	1,460,354 \$	105,044 \$	2,247,983
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	0 \$	0 \$	0 \$	0 \$	4,000
Disaster Relief	0	0	0	0	36,445
Homeland Security Grants	0	0	0	0	32,201
ARRA Grant # 1	0	0	0	0	7,000
Total Federal Government	\$ 0 \$	0 \$	0 \$	0 \$	79,646
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	0 \$	0 \$	0 \$	243,967 \$	330,169
Contributions	0	0	0	167,167	207,567
Contracted Services	0	0	0	0	150,000
Total Other Governments and Citizens Groups	\$ 0 \$	0 \$	0 \$	411,134 \$	687,736
Total	\$ 2,967 \$	21 \$	1,491,557 \$	1,232,474 \$	7,559,403

Exhibit J-6

Perry County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Perry County School Department  
For the Year Ended June 30, 2009

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,157,159	\$ 0	\$ 0	\$ 1,157,159
Trustee's Collections - Prior Year	38,419	0	0	38,419
Circuit/Clerk & Master Collections - Prior Years	15,874	0	0	15,874
Interest and Penalty	9,063	0	0	9,063
Pick-up Taxes	362	0	0	362
<u>County Local Option Taxes</u>				
Local Option Sales Tax	176,659	0	0	176,659
<u>Statutory Local Taxes</u>				
Bank Excise Tax	22,192	0	0	22,192
Interstate Telecommunications Tax	927	0	0	927
Total Local Taxes	\$ 1,420,655	\$ 0	\$ 0	\$ 1,420,655
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 494	\$ 0	\$ 0	\$ 494
Total Licenses and Permits	\$ 494	\$ 0	\$ 0	\$ 494
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 188,410	\$ 188,410
Lunch Payments - Adults	0	0	21,871	21,871
Income from Breakfast	0	0	10,217	10,217
Receipts from Individual Schools	16,966	0	0	16,966
TBI Criminal Background Fees	1,380	0	0	1,380
Total Charges for Current Services	\$ 18,346	\$ 0	\$ 220,498	\$ 238,844
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 23,213	\$ 0	\$ 3,377	\$ 26,590
Lease/Rentals	15,000	0	0	15,000
Sale of Materials and Supplies	630	0	0	630
Miscellaneous Refunds	53,141	0	688	53,829
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	174	0	0	174
Contributions and Gifts	685	0	0	685
<u>Other Local Revenues</u>				
Other Local Revenues	61	0	0	61
Total Other Local Revenues	\$ 92,904	\$ 0	\$ 4,065	\$ 96,969
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 10,220	\$ 0	\$ 0	\$ 10,220
<u>State Education Funds</u>				
Basic Education Program	5,395,312	0	0	5,395,312
Early Childhood Education	273,065	0	0	273,065
School Food Service	0	0	6,185	6,185
Other State Education Funds	191,140	0	0	191,140
Career Ladder Program	67,589	0	0	67,589

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Career Ladder - Extended Contract	\$ 32,200	\$ 0	\$ 0	\$ 32,200
<u>Other State Revenues</u>				
Income Tax	13,278	0	0	13,278
State Revenue Sharing - T.V.A.	184,392	0	0	184,392
Other State Grants	115,308	0	0	115,308
Total State of Tennessee	\$ 6,282,504	\$ 0	\$ 6,185	\$ 6,288,689
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 277,675	\$ 277,675
Breakfast	0	0	101,035	101,035
Vocational Education - Basic Grants to States	0	43,513	0	43,513
Other Vocational	0	2,733	0	2,733
Title I Grants to Local Education Agencies	0	307,295	0	307,295
Special Education - Grants to States	56,299	289,257	0	345,556
Special Education Preschool Grants	28,421	30,419	0	58,840
Safe and Drug-Free Schools - State Grants	0	5,232	0	5,232
Rural Education	0	28,800	0	28,800
Eisenhower Professional Development State Grants	0	74,948	0	74,948
ARRA Grant # 1	11,874	0	0	11,874
Other Federal through State	0	3,063	0	3,063
Total Federal Government	\$ 96,594	\$ 785,260	\$ 378,710	\$ 1,260,564
Total	\$ 7,911,497	\$ 785,260	\$ 609,458	\$ 9,306,215

Exhibit J-7

Perry County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2009

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	21,313	
Social Security		1,321	
State Retirement		794	
Employer Medicare		309	
Audit Services		2,289	
Legal Notices, Recording, and Court Costs		338	
Total County Commission			\$ 26,364

County Mayor/Executive

County Official/Administrative Officer	\$	61,553	
Accountants/Bookkeepers		29,158	
Secretary(ies)		29,158	
Longevity Pay		2,500	
Other Salaries and Wages		3,000	
Social Security		6,783	
State Retirement		11,973	
Employer Medicare		1,586	
Communication		1,462	
Data Processing Services		3,911	
Legal Notices, Recording, and Court Costs		12	
Postal Charges		44	
Printing, Stationery, and Forms		20	
Travel		2,344	
Data Processing Supplies		289	
Office Supplies		521	
Other Supplies and Materials		28	
Total County Mayor/Executive			154,342

County Attorney

Legal Services	\$	11,485	
Total County Attorney			11,485

Election Commission

County Official/Administrative Officer	\$	47,026	
Deputy(ies)		22,482	
Longevity Pay		700	
Election Commission		4,129	
Election Workers		8,890	
Social Security		4,451	
State Retirement		6,705	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Employer Medicare	\$	1,041	
Communication		1,529	
Contracts with Private Agencies		13,570	
Data Processing Services		3,320	
Dues and Memberships		475	
Legal Notices, Recording, and Court Costs		1,360	
Postal Charges		57	
Printing, Stationery, and Forms		1,378	
Travel		900	
Other Contracted Services		60	
Electricity		1,039	
Natural Gas		670	
Office Supplies		183	
Water and Sewer		155	
Other Supplies and Materials		96	
Total Election Commission			\$ 120,216

Register of Deeds

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		24,985	
Longevity Pay		600	
Social Security		4,354	
State Retirement		7,433	
Employer Medicare		1,018	
Communication		1,707	
Data Processing Services		2,409	
Dues and Memberships		327	
Operating Lease Payments		2,708	
Postal Charges		44	
Printing, Stationery, and Forms		761	
Travel		140	
Data Processing Supplies		609	
Office Supplies		598	
Premiums on Corporate Surety Bonds		100	
Total Register of Deeds			100,044

Geographical Information Systems

Road Signs	\$	1,814	
Total Geographical Information Systems			1,814

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Custodial Personnel	\$	8,168	
Social Security		506	
Employer Medicare		118	
Communication		239	
Maintenance and Repair Services - Buildings		6,161	
Maintenance and Repair Services - Equipment		96	
Other Contracted Services		1,857	
Custodial Supplies		1,541	
Electricity		23,795	
Natural Gas		8,215	
Water and Sewer		3,121	
Other Supplies and Materials		5	
Liability Insurance		76,243	
Workers' Compensation Insurance		81,146	
Other Charges		3,480	
Building Improvements		613	
Total County Buildings			\$ 215,304

Preservation of Records

Data Processing Services	\$	944	
Total Preservation of Records			944

Finance

Accounting and Budgeting

Office Supplies	\$	231	
Data Processing Equipment		506	
Total Accounting and Budgeting			737

Property Assessor's Office

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		24,985	
Longevity Pay		1,300	
Social Security		4,774	
State Retirement		7,500	
Employer Medicare		1,116	
Communication		1,468	
Operating Lease Payments		588	
Postal Charges		904	
Tuition		75	
Office Supplies		394	
Total Property Assessor's Office			95,355

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Assistant(s)	\$	17,865	
Other Salaries and Wages		1,500	
Board and Committee Members Fees		450	
Social Security		1,147	
State Retirement		1,849	
Employer Medicare		268	
Contracts with Government Agencies		10,797	
Legal Notices, Recording, and Court Costs		72	
Maintenance and Repair Services - Vehicles		292	
Postal Charges		180	
Travel		226	
Other Contracted Services		2,217	
Data Processing Supplies		50	
Gasoline		692	
Office Supplies		344	
Other Supplies and Materials		19	
Communication Equipment		42	
Office Equipment		<u>9,863</u>	
Total Reappraisal Program			\$ 47,873

County Trustee's Office

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		24,985	
Longevity Pay		1,000	
Social Security		3,880	
State Retirement		7,471	
Employer Medicare		908	
Communication		391	
Data Processing Services		7,921	
Dues and Memberships		427	
Postal Charges		1,106	
Printing, Stationery, and Forms		56	
Travel		140	
Office Supplies		474	
Premiums on Corporate Surety Bonds		2,000	
Other Charges		<u>15</u>	
Total County Trustee's Office			103,025

County Clerk's Office

County Official/Administrative Officer	\$	52,251	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Deputy(ies)	\$	24,985	
Longevity Pay		800	
Social Security		4,779	
State Retirement		7,452	
Employer Medicare		1,118	
Communication		1,691	
Data Processing Services		7,718	
Dues and Memberships		427	
Operating Lease Payments		720	
Legal Notices, Recording, and Court Costs		87	
Postal Charges		44	
Printing, Stationery, and Forms		431	
Office Supplies		791	
Premiums on Corporate Surety Bonds		100	
Data Processing Equipment		767	
Total County Clerk's Office			\$ 104,161

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		26,963	
Secretary(ies)		16,308	
Longevity Pay		700	
Other Salaries and Wages		4,500	
Jury and Witness Fees		4,788	
Social Security		5,658	
State Retirement		8,561	
Employer Medicare		1,323	
Communication		1,844	
Data Processing Services		9,467	
Dues and Memberships		387	
Operating Lease Payments		2,818	
Legal Notices, Recording, and Court Costs		171	
Maintenance and Repair Services - Buildings		105	
Postal Charges		44	
Printing, Stationery, and Forms		1,092	
Travel		681	
Office Supplies		2,100	
Premiums on Corporate Surety Bonds		100	
Total Circuit Court			139,861

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	59,143	
Secretary(ies)		17,519	
Social Security		4,753	
State Retirement		7,321	
Employer Medicare		1,112	
Communication		1,008	
Dues and Memberships		315	
Operating Lease Payments		680	
Maintenance and Repair Services - Buildings		1,611	
Postal Charges		42	
Printing, Stationery, and Forms		393	
Travel		1,533	
Office Supplies		1,099	
Other Supplies and Materials		219	
Total General Sessions Court			\$ 96,748

Chancery Court

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		24,843	
Longevity Pay		100	
Social Security		4,786	
State Retirement		2,382	
Employer Medicare		1,119	
Communication		2,156	
Data Processing Services		5,799	
Dues and Memberships		60	
Operating Lease Payments		680	
Legal Notices, Recording, and Court Costs		812	
Postal Charges		433	
Printing, Stationery, and Forms		586	
Travel		219	
Tuition		300	
Data Processing Supplies		13	
Office Supplies		840	
Premiums on Corporate Surety Bonds		200	
Data Processing Equipment		293	
Total Chancery Court			97,872

Juvenile Court

Assistant(s)	\$	9,090	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Social Security	\$	564	
Employer Medicare		132	
Communication		1,695	
Dues and Memberships		327	
Postal Charges		65	
Travel		2,104	
Data Processing Supplies		59	
Office Supplies		183	
Total Juvenile Court			\$ 14,219

Courtroom Security

Guards	\$	11,329	
Social Security		702	
State Retirement		1,082	
Employer Medicare		164	
Total Courtroom Security			13,277

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	58,077	
Deputy(ies)		319,735	
Secretary(ies)		24,086	
Part-time Personnel		20,984	
Longevity Pay		4,500	
In-Service Training		18,690	
Social Security		27,223	
State Retirement		38,220	
Employer Medicare		6,367	
Communication		4,328	
Contracts with Private Agencies		2,197	
Data Processing Services		1,795	
Dues and Memberships		2,050	
Evaluation and Testing		480	
Operating Lease Payments		2,038	
Legal Services		100	
Maintenance and Repair Services - Vehicles		8,103	
Medical and Dental Services		77	
Postal Charges		1,163	
Custodial Supplies		205	
Data Processing Supplies		81	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Food Supplies	\$	41	
Gasoline		33,149	
Instructional Supplies and Materials		84	
Law Enforcement Supplies		3,916	
Office Supplies		2,537	
Uniforms		2,377	
Other Supplies and Materials		194	
Law Enforcement Equipment		765	
Motor Vehicles		148,579	
Office Equipment		1,547	
Total Sheriff's Department			\$ 733,688

Jail

Supervisor/Director	\$	31,526
Deputy(ies)		264,251
Captain(s)		30,857
Accountants/Bookkeepers		3,635
Medical Personnel		6,072
Maintenance Personnel		20,186
Part-time Personnel		30,758
In-Service Training		2,686
Social Security		23,840
State Retirement		29,480
Employer Medicare		5,575
Communication		4,846
Contracts with Private Agencies		3,333
Data Processing Services		1,626
Evaluation and Testing		1,340
Maintenance and Repair Services - Buildings		273
Maintenance and Repair Services - Equipment		2,383
Maintenance and Repair Services - Vehicles		609
Medical and Dental Services		29,992
Pest Control		1,250
Postal Charges		647
Travel		2,562
Other Contracted Services		32
Custodial Supplies		7,903
Electricity		39,641
Food Supplies		75,031
Gasoline		2,442

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Instructional Supplies and Materials	\$	306	
Law Enforcement Supplies		118	
Natural Gas		13,755	
Office Supplies		1,413	
Prisoners Clothing		1,934	
Uniforms		1,716	
Water and Sewer		8,875	
Other Supplies and Materials		4,640	
Total Jail			\$ 655,533

Civil Defense

Supervisor/Director	\$	12,000	
Social Security		744	
State Retirement		485	
Employer Medicare		174	
Other Supplies and Materials		27,011	
Total Civil Defense			40,414

Rescue Squad

Maintenance and Repair Services - Buildings	\$	190	
Maintenance and Repair Services - Vehicles		1,141	
Electricity		377	
Gasoline		1,337	
Natural Gas		139	
Water and Sewer		31	
Other Supplies and Materials		86	
Vehicle and Equipment Insurance		2,195	
Other Equipment		4,346	
Total Rescue Squad			9,842

Other Emergency Management

Supervisor/Director	\$	25,281	
Dispatchers/Radio Operators		63,691	
Part-time Personnel		20,847	
Longevity Pay		1,000	
Social Security		5,521	
State Retirement		8,541	
Employer Medicare		1,291	
Communication		461	
Communication Equipment		3,022	
Total Other Emergency Management			129,655

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Other Contracted Services	\$ 3,294	
Total County Coroner/Medical Examiner		\$ 3,294

Other Public Safety

Guards	\$ 30,317	
Other Salaries and Wages	1,000	
Social Security	1,942	
State Retirement	95	
Employer Medicare	454	
Other Supplies and Materials	311	
Total Other Public Safety		34,119

Public Health and Welfare

Local Health Center

Contracts with Government Agencies	\$ 21,915	
Janitorial Services	3,000	
Maintenance and Repair Services - Buildings	418	
Other Contracted Services	339	
Custodial Supplies	241	
Electricity	8,211	
Office Supplies	374	
Water and Sewer	259	
Total Local Health Center		34,757

Other Local Health Services

Medical Personnel	\$ 20,332	
Social Security	1,261	
State Retirement	1,431	
Employer Medicare	295	
Pest Control	45	
Travel	1,186	
Office Supplies	204	
Liability Insurance	114	
Total Other Local Health Services		24,868

Other Local Welfare Services

Architects	\$ 20,800	
Site Development	300	
Total Other Local Welfare Services		21,100

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	10,000	
Remittance of Revenue Collected		1,250	
Total Senior Citizens Assistance			\$ 11,250

Libraries

Supervisor/Director	\$	22,911	
Librarians		17,170	
Part-time Personnel		24,656	
Longevity Pay		2,100	
In-Service Training		75	
Social Security		4,134	
State Retirement		4,028	
Employer Medicare		967	
Communication		1,637	
Data Processing Services		235	
Janitorial Services		795	
Operating Lease Payments		5,605	
Maintenance and Repair Services - Buildings		40	
Maintenance and Repair Services - Equipment		45	
Postal Charges		44	
Travel		588	
Custodial Supplies		2	
Data Processing Supplies		76	
Electricity		5,639	
Library Books/Media		221	
Natural Gas		2,333	
Office Supplies		1,093	
Water and Sewer		473	
Other Supplies and Materials		75	
Other Charges		45	
Data Processing Equipment		4,952	
Total Libraries			99,939

Parks and Fair Boards

Other Charges	\$	7,500	
Total Parks and Fair Boards			7,500

Other Social, Cultural, and Recreational

Contracts with Government Agencies	\$	7,015	
Contributions		21,250	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational (Cont.)

Electricity	\$	3,012	
Water and Sewer		260	
Other Charges		743	
Total Other Social, Cultural, and Recreational			\$ 32,280

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	23,097	
Secretary(ies)		4,594	
Social Security		351	
State Retirement		2,215	
Employer Medicare		335	
Communication		2,256	
Travel		1,400	
Electricity		1,039	
Natural Gas		670	
Water and Sewer		156	
Total Agriculture Extension Service			36,113

Soil Conservation

Secretary(ies)	\$	10,656	
Social Security		661	
State Retirement		678	
Employer Medicare		155	
Contracts with Government Agencies		5,618	
Total Soil Conservation			17,768

Other Operations

Tourism

Contributions	\$	4,320	
Dues and Memberships		1,526	
Other Contracted Services		22,000	
Total Tourism			27,846

Industrial Development

Land	\$	57	
Site Development		10,813	
Total Industrial Development			10,870

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Housing and Urban Development

Land	\$ 2,864	
Total Housing and Urban Development		\$ 2,864

Airport

Utilities	\$ 2,256	
Other Supplies and Materials	964	
Airport Improvement	<u>10,251</u>	
Total Airport		13,471

Veterans' Services

Other Salaries and Wages	\$ 2,402	
Social Security	149	
Employer Medicare	35	
Communication	<u>512</u>	
Total Veterans' Services		3,098

Other Charges

Trustee's Commission	\$ 47,305	
Total Other Charges		47,305

Employee Benefits

Unemployment Compensation	\$ 16,777	
On-Behalf Payments to OPEB	102	
Specialized Medical Treatment	2,820	
Other Charges	<u>6,299</u>	
Total Employee Benefits		25,998

ARRA Grant # 1

Assistant(s)	\$ 232	
Guards	5,315	
Clerical Personnel	896	
Social Security	399	
Employer Medicare	<u>93</u>	
Total ARRA Grant # 1		6,935

Miscellaneous

Communication	\$ 2,739	
Contracts with Government Agencies	1,956	
Dues and Memberships	969	
Operating Lease Payments	2,965	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Postal Charges	\$	6,709	
Printing, Stationery, and Forms		501	
Other Contracted Services		1,824	
Office Supplies		340	
Other Supplies and Materials		556	
Other Charges		<u>7,770</u>	
Total Miscellaneous	\$		26,329

Highways

Litter and Trash Collection

Part-time Personnel	\$	23,246	
In-Service Training		4,718	
Social Security		1,237	
State Retirement		2,220	
Employer Medicare		289	
Other Supplies and Materials		<u>38</u>	
Total Litter and Trash Collection			31,748

Capital Projects

Public Health and Welfare Projects

Other Capital Outlay	\$	<u>90</u>	
Total Public Health and Welfare Projects			<u>90</u>

Total General Fund \$ 3,432,315

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$	295	
Electricity		3,977	
Natural Gas		3,722	
Water and Sewer		<u>288</u>	
Total County Buildings	\$		8,282

Other Operations

Other Charges

Trustee's Commission	\$	<u>98</u>	
Total Other Charges			<u>98</u>

Total Courthouse and Jail Maintenance Fund 8,380

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Trustee's Commission	\$ 7,975	
Total Sanitation Education/Information		\$ 7,975

Convenience Centers

Laborers	\$ 31,171	
Longevity Pay	1,500	
Social Security	1,953	
State Retirement	3,120	
Employer Medicare	457	
Communication	546	
Electricity	624	
Other Supplies and Materials	128	
Total Convenience Centers		39,499

Transfer Stations

Equipment Operators	\$ 59,067	
Longevity Pay	300	
Social Security	3,633	
State Retirement	4,321	
Employer Medicare	850	
Communication	1,932	
Contracts with Private Agencies	203,709	
Maintenance Agreements	1,000	
Maintenance and Repair Services - Buildings	587	
Maintenance and Repair Services - Equipment	3,183	
Maintenance and Repair Services - Vehicles	7,585	
Other Contracted Services	20,515	
Custodial Supplies	537	
Diesel Fuel	22,227	
Electricity	5,231	
Gasoline	9,360	
Lubricants	1,381	
Tires and Tubes	2,500	
Uniforms	5,138	
Water and Sewer	567	
Other Supplies and Materials	2,019	
Other Charges	14	
Solid Waste Equipment	6,859	
Total Transfer Stations		362,515

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Landfill Operation and Maintenance

Supervisor/Director	\$	27,047	
Longevity Pay		900	
Social Security		1,733	
State Retirement		2,669	
Employer Medicare		405	
Evaluation and Testing		2,500	
Maintenance Agreements		4,500	
Maintenance and Repair Services - Equipment		944	
Diesel Fuel		2,614	
Other Supplies and Materials		225	
Total Landfill Operation and Maintenance			\$ 43,537

Other Operations

Employee Benefits

Unemployment Compensation	\$	975	
Total Employee Benefits			975

Total Solid Waste/Sanitation Fund \$ 454,501

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Assistant(s)	\$	950	
Supervisor/Director		30,000	
Medical Personnel		247,278	
Part-time Personnel		105,285	
Other Salaries and Wages		2,000	
Social Security		23,717	
State Retirement		23,610	
Unemployment Compensation		1,946	
Employer Medicare		5,547	
Communication		2,492	
Contracts with Private Agencies		37,499	
Evaluation and Testing		470	
Legal Services		200	
Licenses		2,150	
Maintenance and Repair Services - Buildings		88	
Maintenance and Repair Services - Equipment		23	
Maintenance and Repair Services - Office Equipment		10,117	
Maintenance and Repair Services - Vehicles		2,426	

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Postal Charges	\$	93	
Other Contracted Services		2,332	
Custodial Supplies		336	
Diesel Fuel		21,428	
Drugs and Medical Supplies		5,476	
Electricity		4,874	
Gasoline		94	
Office Supplies		818	
Uniforms		962	
Refunds		1,401	
Trustee's Commission		8,834	
Other Charges		543	
Data Processing Equipment		3,423	
Office Equipment		53	
Other Equipment		29,417	
Total Ambulance/Emergency Medical Services			\$ 575,882

Total Ambulance Service Fund \$ 575,882

Local Purpose Tax Fund

Administration of Justice

Circuit Court

Trustee's Commission	\$	26	
Total Circuit Court			\$ 26

Total Local Purpose Tax Fund 26

Drug Control Fund

Public Safety

Drug Enforcement

Instructional Supplies and Materials	\$	271	
Trustee's Commission		35	
Total Drug Enforcement			\$ 306

Total Drug Control Fund 306

Constitutional Officers - Fees Fund

Administration of Justice

Circuit Court Clerk

Printing, Stationery, and Forms	\$	21	
Total Circuit Court Clerk			\$ 21

Total Constitutional Officers - Fees Fund 21

(Continued)

Exhibit J-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	57,477	
Accountants/Bookkeepers		30,374	
Communication		4,168	
Data Processing Services		5,196	
Dues and Memberships		2,250	
Legal Services		360	
Postal Charges		168	
Printing, Stationery, and Forms		583	
Electricity		2,061	
Food Supplies		566	
Natural Gas		2,576	
Office Supplies		1,800	
Water and Sewer		248	
Other Charges		1,359	
Total Administration			\$ 109,186

Highway and Bridge Maintenance

Foremen	\$	103,479	
Equipment Operators		100,680	
Truck Drivers		93,659	
Other Contracted Services		6,477	
Asphalt - Hot Mix		9,398	
Asphalt - Liquid		244,717	
Crushed Stone		51,360	
Fertilizer, Lime, and Seed		2,249	
Riprap		17,157	
Pipe		19,785	
Road Signs		246	
Small Tools		1,954	
Gravel and Chert		2,000	
Total Highway and Bridge Maintenance			653,161

Operation and Maintenance of Equipment

Mechanic(s)	\$	30,160	
Diesel Fuel		31,308	
Equipment and Machinery Parts		40,920	
Garage Supplies		4,131	
Gasoline		15,571	
Lubricants		3,483	
Tires and Tubes		7,341	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Other Supplies and Materials	\$ 753	
Total Operation and Maintenance of Equipment		\$ 133,667

Other Charges

Building and Contents Insurance	\$ 700	
Liability Insurance	4,522	
Premiums on Corporate Surety Bonds	350	
Trustee's Commission	14,933	
Vehicle and Equipment Insurance	4,942	
Workers' Compensation Insurance	28,463	
Other Self-Insured Claims	4,125	
Total Other Charges		58,035

Employee Benefits

Social Security	\$ 31,707	
State Retirement	39,431	
Medical Insurance	81,103	
Unemployment Compensation	366	
Total Employee Benefits		152,607

Capital Outlay

State Aid Projects	\$ 7,283	
Other Capital Outlay	39,617	
Total Capital Outlay		46,900

Total Highway/Public Works Fund		\$ 1,153,556
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General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$ 91,400	
Principal on Other Loans	169,100	
Total General Government		\$ 260,500

Education

Principal on Other Loans	\$ 385,900	
Total Education		385,900

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Notes	\$ 4,208	
Interest on Other Loans	<u>39,556</u>	
Total General Government		\$ 43,764

Education

Interest on Other Loans	<u>\$ 77,532</u>	
Total Education		77,532

Other Debt Service

General Government

Trustee's Commission	\$ 11,863	
Other Debt Service	<u>19,517</u>	
Total General Government		31,380

Education

Other Debt Service	<u>\$ 24,780</u>	
Total Education		24,780

Capital Projects

Public Health and Welfare Projects

Transportation Equipment	<u>\$ 185,468</u>	
Total Public Health and Welfare Projects		185,468

Other General Government Projects

Building Purchases	<u>\$ 210,469</u>	
Total Other General Government Projects		<u>210,469</u>

Total General Debt Service Fund \$ 1,219,793

Total Governmental Funds - Primary Government \$ 6,844,780

Exhibit J-8

Perry County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Perry County School Department  
For the Year Ended June 30, 2009

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	2,330,932	
Career Ladder Program		35,500	
Career Ladder Extended Contracts		31,900	
Homebound Teachers		6,380	
Educational Assistants		68,028	
Certified Substitute Teachers		4,743	
Non-certified Substitute Teachers		32,205	
Social Security		141,711	
State Retirement		159,267	
Medical Insurance		184,666	
Unemployment Compensation		1,921	
Employer Medicare		33,142	
Tuition		9,378	
Other Contracted Services		22,218	
Instructional Supplies and Materials		27,760	
Textbooks		73,455	
Fee Waivers		12,582	
Total Regular Instruction Program			\$ 3,175,788

Alternative Instruction Program

Teachers	\$	42,531	
Other Salaries and Wages		14,087	
Certified Substitute Teachers		153	
Non-certified Substitute Teachers		805	
Social Security		3,070	
State Retirement		3,776	
Medical Insurance		7,590	
Unemployment Compensation		49	
Employer Medicare		718	
Instructional Supplies and Materials		326	
Total Alternative Instruction Program			73,105

Special Education Program

Teachers	\$	429,095
Career Ladder Program		8,000
Homebound Teachers		186
Educational Assistants		98,032
Speech Pathologist		83,705
Certified Substitute Teachers		918

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Non-certified Substitute Teachers	\$	5,704	
Social Security		35,007	
State Retirement		41,376	
Medical Insurance		50,561	
Unemployment Compensation		583	
Employer Medicare		8,187	
Contracts with Private Agencies		17,133	
Maintenance and Repair Services - Equipment		156	
Tuition		2,559	
Other Contracted Services		22,364	
Instructional Supplies and Materials		8,873	
Other Supplies and Materials		32	
Total Special Education Program			\$ 812,471

Vocational Education Program

Teachers	\$	245,368	
Career Ladder Program		3,000	
Educational Assistants		5,079	
Certified Substitute Teachers		689	
Non-certified Substitute Teachers		2,507	
Social Security		15,069	
State Retirement		16,430	
Medical Insurance		13,349	
Unemployment Compensation		187	
Employer Medicare		3,524	
Tuition		5,849	
Instructional Supplies and Materials		5,095	
Other Supplies and Materials		9	
Other Charges		233	
Total Vocational Education Program			316,388

Support Services

Attendance

Supervisor/Director	\$	49,762	
Social Security		2,671	
State Retirement		3,195	
Medical Insurance		5,890	
Unemployment Compensation		28	
Employer Medicare		625	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Travel	\$	641	
Other Supplies and Materials		1,363	
In Service/Staff Development		518	
Other Charges		35	
Total Attendance			\$ 64,728

Health Services

Medical Personnel	\$	38,163	
Custodial Personnel		288	
Other Salaries and Wages		44,513	
Social Security		4,069	
State Retirement		6,922	
Medical Insurance		9,985	
Unemployment Compensation		121	
Employer Medicare		952	
Travel		2,259	
Drugs and Medical Supplies		594	
Other Supplies and Materials		55,512	
In Service/Staff Development		250	
Other Charges		2,175	
Total Health Services			165,803

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		95,300	
Attendants		21,637	
Custodial Personnel		266	
Other Salaries and Wages		27,068	
Social Security		8,883	
State Retirement		9,650	
Medical Insurance		3,042	
Unemployment Compensation		183	
Employer Medicare		2,078	
Evaluation and Testing		7,875	
Travel		149	
Other Supplies and Materials		1,939	
Total Other Student Support			180,070

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	119,453	
Career Ladder Program		4,000	
Career Ladder Extended Contracts		2,200	
Librarians		39,795	
Instructional Computer Personnel		65,139	
Other Salaries and Wages		3,000	
Certified Substitute Teachers		383	
Non-certified Substitute Teachers		322	
Social Security		12,897	
State Retirement		17,095	
Medical Insurance		17,544	
Unemployment Compensation		145	
Employer Medicare		3,016	
Travel		4,365	
Other Supplies and Materials		124	
In Service/Staff Development		10,804	
Other Charges		105	
Total Regular Instruction Program			\$ 300,387

Special Education Program

Supervisor/Director	\$	52,300	
Career Ladder Program		1,000	
Clerical Personnel		1,351	
Social Security		2,925	
State Retirement		3,551	
Medical Insurance		6,432	
Unemployment Compensation		27	
Employer Medicare		684	
Travel		2,633	
Other Supplies and Materials		315	
In Service/Staff Development		290	
Other Charges		35	
Total Special Education Program			71,543

Vocational Education Program

Supervisor/Director	\$	4,124	
Clerical Personnel		3,135	
Social Security		436	
State Retirement		564	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Medical Insurance	\$	88	
Unemployment Compensation		4	
Employer Medicare		102	
Travel		44	
Other Supplies and Materials		758	
Total Vocational Education Program			\$ 9,255

Other Programs

On-Behalf Payments to OPEB	\$	10,220	
Total Other Programs			10,220

Board of Education

Board and Committee Members Fees	\$	14,500	
Social Security		899	
State Retirement		979	
Employer Medicare		210	
Audit Services		8,000	
Dues and Memberships		1,500	
Legal Services		212	
Other Contracted Services		165	
Other Supplies and Materials		36	
Liability Insurance		7,082	
Premiums on Corporate Surety Bonds		429	
Trustee's Commission		41,480	
Workers' Compensation Insurance		25,237	
In Service/Staff Development		810	
Criminal Investigation of Applicants - TBI		1,620	
Refund to Applicant for Criminal Investigation		576	
Other Charges		3,409	
Total Board of Education			107,144

Director of Schools

County Official/Administrative Officer	\$	81,895	
Career Ladder Program		1,000	
Social Security		5,096	
State Retirement		5,322	
Life Insurance		1,511	
Medical Insurance		240	
Unemployment Compensation		28	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Employer Medicare	\$	1,192	
Communication		8,663	
Dues and Memberships		350	
Postal Charges		1,788	
Travel		1,066	
Other Contracted Services		192	
Office Supplies		2,569	
Other Supplies and Materials		18	
In Service/Staff Development		680	
Other Charges		1,497	
Administration Equipment		1,601	
Total Director of Schools			\$ 114,708

Office of the Principal

Principals	\$	247,114	
Career Ladder Program		4,000	
Accountants/Bookkeepers		70,251	
Career Ladder Extended Contracts		4,400	
Assistant Principals		50,252	
Secretary(ies)		39,099	
Non-certified Substitute Teachers		1,012	
Social Security		23,685	
State Retirement		30,073	
Medical Insurance		23,522	
Unemployment Compensation		313	
Employer Medicare		5,539	
Communication		15,710	
Travel		722	
Other Contracted Services		9,872	
In Service/Staff Development		140	
Total Office of the Principal			525,704

Fiscal Services

Supervisor/Director	\$	29,629	
Clerical Personnel		15,887	
Social Security		2,260	
State Retirement		4,216	
Medical Insurance		3,512	
Unemployment Compensation		34	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Employer Medicare	\$	528	
Travel		337	
Total Fiscal Services			\$ 56,403

Human Services/Personnel

In Service/Staff Development	\$	275	
Total Human Services/Personnel			275

Operation of Plant

Custodial Personnel	\$	160,599	
Social Security		8,938	
State Retirement		13,608	
Medical Insurance		7,280	
Unemployment Compensation		244	
Employer Medicare		2,090	
Rentals		1,365	
Other Contracted Services		34,100	
Custodial Supplies		17,179	
Electricity		241,523	
Natural Gas		72,284	
Water and Sewer		12,926	
Other Supplies and Materials		1,031	
Boiler Insurance		1,374	
Building and Contents Insurance		25,025	
Total Operation of Plant			599,566

Maintenance of Plant

Supervisor/Director	\$	27,626	
Maintenance Personnel		76,180	
Social Security		5,700	
State Retirement		9,049	
Medical Insurance		5,169	
Unemployment Compensation		70	
Employer Medicare		1,333	
Communication		378	
Maintenance and Repair Services - Buildings		570	
Maintenance and Repair Services - Equipment		3,900	
Other Contracted Services		51,102	
Equipment and Machinery Parts		67,243	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Other Supplies and Materials	\$	124	
Other Charges		384	
Maintenance Equipment		6,192	
Total Maintenance of Plant			\$ 255,020

Transportation

Supervisor/Director	\$	27,626	
Mechanic(s)		23,633	
Bus Drivers		261,670	
Educational Assistants		210	
Custodial Personnel		135	
Other Salaries and Wages		11,817	
In-Service Training		692	
Social Security		18,980	
State Retirement		29,520	
Medical Insurance		8,737	
Unemployment Compensation		413	
Employer Medicare		4,439	
Communication		378	
Maintenance and Repair Services - Vehicles		135	
Medical and Dental Services		3,084	
Other Contracted Services		450	
Diesel Fuel		40,841	
Garage Supplies		414	
Gasoline		7,591	
Lubricants		1,889	
Tires and Tubes		471	
Vehicle Parts		29,870	
Other Supplies and Materials		16	
Vehicle and Equipment Insurance		7,726	
Other Charges		8	
Transportation Equipment		5,274	
Total Transportation			486,019

Central and Other

Other Contracted Services	\$	2,510	
Data Processing Supplies		2,756	
Total Central and Other			5,266

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Medical Insurance	\$	16,500	
Total Food Service			\$ 16,500

Community Services

Supervisor/Director	\$	3,000	
Clerical Personnel		3,000	
Other Salaries and Wages		69,812	
Certified Substitute Teachers		160	
Non-certified Substitute Teachers		303	
Social Security		4,281	
State Retirement		6,360	
Medical Insurance		2,854	
Unemployment Compensation		323	
Employer Medicare		786	
Maintenance and Repair Services - Equipment		1,236	
Travel		2,296	
Textbooks		597	
Other Supplies and Materials		19,220	
Other Charges		180	
Total Community Services			114,408

Early Childhood Education

Teachers	\$	116,765	
Career Ladder Program		2,000	
Educational Assistants		41,164	
Other Salaries and Wages		40,557	
Certified Substitute Teachers		637	
Non-certified Substitute Teachers		1,564	
Social Security		11,433	
State Retirement		15,091	
Medical Insurance		14,936	
Unemployment Compensation		227	
Employer Medicare		2,674	
Maintenance and Repair Services - Equipment		600	
Travel		1,405	
Food Supplies		586	
Instructional Supplies and Materials		7,512	
Other Supplies and Materials		17,834	
In Service/Staff Development		1,547	
Total Early Childhood Education			276,532

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Principal on Debt

Education

Principal on Notes	\$ 35,453	
Total Education		\$ 35,453

Interest on Debt

Education

Interest on Notes	\$ 6,644	
Total Education		6,644

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 167,167	
Total Education		<u>167,167</u>

Total General Purpose School Fund		\$ 7,946,567
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School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 250,828	
Educational Assistants	23,444	
Certified Substitute Teachers	355	
Non-certified Substitute Teachers	1,472	
Social Security	15,786	
State Retirement	18,342	
Medical Insurance	17,043	
Unemployment Compensation	255	
Employer Medicare	3,692	
Instructional Supplies and Materials	17,914	
Total Regular Instruction Program		\$ 349,131

Special Education Program

Teachers	\$ 22,440
Educational Assistants	85,288
Speech Pathologist	4,150
Social Security	5,640
State Retirement	9,818
Medical Insurance	9,150
Unemployment Compensation	168
Employer Medicare	1,319

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Contracts with Private Agencies	\$	38,204	
Instructional Supplies and Materials		24,584	
Total Special Education Program			\$ 200,761

Vocational Education Program

Educational Assistants	\$	7,189	
Other Salaries and Wages		150	
Social Security		455	
State Retirement		694	
Unemployment Compensation		10	
Employer Medicare		106	
Travel		301	
Other Supplies and Materials		15,566	
Vocational Instruction Equipment		15,460	
Total Vocational Education Program			39,931

Support Services

Health Services

Medical Personnel	\$	5,454	
Social Security		338	
State Retirement		521	
Unemployment Compensation		5	
Employer Medicare		79	
Total Health Services			6,397

Other Student Support

Guidance Personnel	\$	12,104	
Social Security		663	
State Retirement		777	
Medical Insurance		1,091	
Unemployment Compensation		14	
Employer Medicare		155	
Travel		400	
In Service/Staff Development		1,647	
Total Other Student Support			16,851

Regular Instruction Program

Supervisor/Director	\$	14,258	
Clerical Personnel		2,000	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Social Security	\$	1,333	
State Retirement		1,444	
Unemployment Compensation		6	
Employer Medicare		312	
Travel		4,906	
Other Supplies and Materials		1,574	
In Service/Staff Development		20,539	
Total Regular Instruction Program			\$ 46,372

Special Education Program

Supervisor/Director	\$	5,810	
Psychological Personnel		49,363	
Clerical Personnel		17,373	
Social Security		4,041	
State Retirement		5,201	
Medical Insurance		6,447	
Unemployment Compensation		38	
Employer Medicare		945	
Travel		3,104	
Other Supplies and Materials		895	
In Service/Staff Development		3,747	
Total Special Education Program			96,964

Vocational Education Program

Social Security	\$	119	
State Retirement		124	
Employer Medicare		28	
Travel		584	
In Service/Staff Development		1,925	
Other Charges		1,162	
Total Vocational Education Program			3,942

Total School Federal Projects Fund \$ 760,349

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	48,819	
Clerical Personnel		7,497	

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Cafeteria Personnel	\$	222,057	
Social Security		14,459	
State Retirement		23,767	
Medical Insurance		200	
Unemployment Compensation		525	
Employer Medicare		3,381	
Communication		300	
Maintenance and Repair Services - Equipment		8,691	
Postal Charges		50	
Transportation - Other than Students		4,508	
Travel		2,191	
Other Contracted Services		6,486	
Food Preparation Supplies		14,719	
Food Supplies		229,365	
Office Supplies		741	
Other Supplies and Materials		2,627	
In Service/Staff Development		345	
Other Charges		881	
Total Food Service		<u>591,609</u>	\$ <u>591,609</u>

Total Central Cafeteria Fund \$ 591,609

Total Governmental Funds - Perry County School Department \$ 9,298,525

Exhibit J-9

Perry County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2009

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 231,081
Total Cash Receipts	<u>\$ 231,081</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 228,770
Trustee's Commission	2,311
Total Cash Disbursements	<u>\$ 231,081</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2008	<u>0</u>
Cash Balance, June 30, 2009	<u><u>\$ 0</u></u>

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**SINGLE AUDIT SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY 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

January 12, 2010

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

To the County Mayor and Board of County Commissioners:

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 Perry County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Perry County's basic financial statements and have issued our report thereon dated January 12, 2010. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented Perry County Emergency Communications District as described in our report on Perry County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Perry County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing

an opinion on the effectiveness of Perry County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Perry County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 09.01, 09.02, 09.04, 09.06, 09.07, and 09.10.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Perry County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 09.01 to be a material weakness.

### Compliance and Other Matters

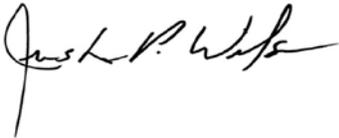
As part of obtaining reasonable assurance about whether Perry County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 09.03, 09.05, and 09.08.

We consider item 09.09 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations. We also noted certain matters that we reported to management of Perry County in separate communications.

Perry County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Perry County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the county mayor, director of schools, highway superintendent, County Commission, Board of Education, others within Perry County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a prominent vertical line extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

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

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 12, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Perry County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Perry County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Perry County's management. Our responsibility is to express an opinion on Perry County's compliance based on our audit.

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 Perry 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. Our audit does not provide a legal determination of Perry County's compliance with those requirements.

In our opinion, Perry County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

#### Internal Control Over Compliance

The management of Perry County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Perry County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Perry County's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards

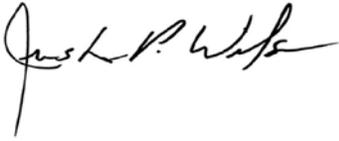
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Perry County as of and for the year ended June 30, 2009, and have issued our report thereon dated January 12, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Perry County's 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 has been subjected

to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Perry County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Perry County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the county mayor, director of schools, highway superintendent, County Commission, Board of Education, others within Perry County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

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Perry County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2009

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U. S. Department of Agriculture:			
Direct Program:			
Rural Business Enterprise Grants	10.769	N/A	\$ 4,000
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	46,010 (6)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	101,035
National School Lunch Program	10.555	N/A	277,675 (6)
Total U.S. Department of Agriculture			<u>\$ 428,720</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention	16.540	(3)	\$ 11,250
Total U.S. Department of Justice			<u>\$ 11,250</u>
U.S. Department of Labor:			
Passed-through South Central Tennessee Workforce Alliance:			
Federal Employees Compensation Act Program, Recovery Act	17.FEC	N/A	\$ 18,874
Total U.S. Department of Labor			<u>\$ 18,874</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 294,087
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	352,173
Special Education - Preschool Grants	84.173	N/A	58,838
Career and Technical Education - Basic Grants to States	84.048	N/A	75,046
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	5,232
Improving Teacher Quality State Grants	84.367	N/A	77,214
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	(2)	56,000
Total U.S. Department of Education			<u>\$ 918,590</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
Emergency Management Performance Grants	97.036	FEMA-1745-DR-TN/Z08212848	\$ 36,445
Homeland Security Grant	97.042	34101-0000000802	2,690
	97.067	GG-08-24610-00	29,511
Total U.S. Department of Homeland Security			<u>\$ 68,646</u>
Total Expenditures of Federal Awards			<u>\$ 1,446,080</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
State Grants:			
State Reappraisal Program - Comptroller of the Treasury	N/A	N/A	\$ 4,703
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	Z-08-212988	1,126
Library Grant - Tennessee Secretary of State	N/A	(4)	3,200
Preventive Health and Human Services - State Department of Health	N/A	Z-09-213759	25,229
Litter Grant - State Department of Environment and Conservation	N/A	(5)	23,856
Local Park and Recreation Fund Grant - State Department of Environment and Conservation	N/A	GG-09-26634-00	6,456
Arts Grant - State Arts Commission	N/A	Z-09-216117-00	2,500
Early Childhood Education - State Department of Education	N/A	(2)	273,065
ACT/EXP - Internet Connectivity - State Department of Education	N/A	(2)	6,438
Safe Schools Act of 2003 - State Department of Education	N/A	(2)	9,483
Family Resource Center - State Department of Education	N/A	(2)	30,477
Coordinated School Health - State Department of Education	N/A	(2)	<u>111,077</u>
 Total State Grants			 <u>\$ 497,610</u>

CFDA = Catalog of Federal Domestic Assistance  
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Z-08-022797-00: \$2,250; Z-09-022892-00: \$9,000.
- (4) Z-09-217846: \$1,600; Z-09-217864: \$1,600.
- (5) Z-08-021033: \$3,053; Z-09-212786: \$20,803.
- (6) Total for CFDA No. 10.555 is \$323,685.

Perry County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2009

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Perry County, Tennessee, for the year ended June 30, 2008, which have not been corrected.

**PERRY COUNTY AND PERRY COUNTY SCHOOL DEPARTMENT**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.01	174	Perry County and the Perry County School Department do not have the resources to produce financial statements and notes to the financial statements

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.06	178	The county used a questionable method of funding life insurance

**OFFICE OF DIRECTOR OF SCHOOLS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.09	179	Expenditures exceeded appropriations

**OFFICE OF COUNTY CLERK**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.10	180	The office had deficiencies in computer system backup procedures

**OFFICE OF REGISTER**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.13	181	The office did not review software audit logs

## OTHER FINDINGS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.14	182	A central system of accounting, budgeting, and purchasing had not been adopted
08.15	182	Duties were not segregated adequately in the Offices of Highway Superintendent, Trustee, County Clerk, Clerk and Master, and Register

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**PERRY COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2009**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of Perry County is unqualified.
2. The audit of the financial statements of Perry County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed two instances of noncompliance that were material to the financial statements of Perry County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified 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 and National School Lunch Program (CFDA Nos. 10.553 and 10.555), and the Special Education Cluster: Special Education – Grants to States Program and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Perry County did not qualify 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 responses of the county mayor are paraphrased in this report.

### **PERRY COUNTY AND PERRY COUNTY SCHOOL DEPARTMENT**

#### **FINDING 09.01      **PERRY COUNTY AND THE PERRY COUNTY SCHOOL DEPARTMENT DO NOT HAVE THE RESOURCES TO PRODUCE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS****

(Internal Control – Material Weakness Under Government Auditing Standards)

Generally accepted auditing standards require that Perry County's and the Perry County School Department's financial statements be the product of financial reporting systems that offer reasonable assurance that management is able to produce financial statements and notes to the financial statements that comply with generally accepted accounting principles (GAAP). The preparation of financial statements in accordance with GAAP requires that the county and the School Department have internal controls over reporting government-wide and fund financial information and preparing the related notes. It is permissible for us, as the external auditors, to assist the county and the School Department in preparing their financial statements and notes as a matter of convenience as long as the county and the School Department have the skills needed to prepare the financial statements and notes. However, management, including the accounting staff, does not have the technical skills to prepare GAAP financial statements and disclosures. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. The inability to prepare financial statements and notes is an indication of a lack of controls, or ineffective controls, because material misstatements may not be detected.

#### **RECOMMENDATION**

Perry County and the Perry County School Department should develop the ability to produce financial statements and notes to the financial statements that comply with GAAP. This could include having at least one staff member trained in financial statement preparation. This staff member should have sufficient skills necessary to prepare a complete set of year-end financial statements even though the external auditors prepare the county's and the School Department's financial statements as a matter of convenience. If we, as the external auditors, continue to prepare the county's and the School Department's financial statements, this individual must have sufficient knowledge to determine the completeness of financial statement information and disclosures.

#### **MANAGEMENT'S RESPONSE – COUNTY MAYOR**

County management concurs with this finding to the extent that we do not have a person on staff or contract who is capable of producing external financial statements in compliance with generally accepted accounting principles as defined by the Governmental Accounting

Standards Board. County management believes that it should be noted by the users of this financial report that the Government Finance Officers Association's (GFOA) Executive Board, on October 19, 2007, released a recommended practice for "Mitigating the Negative Effects of Statement on Auditing Standards No. 112." In this publication, the GFOA recommends against governments engaging the services of a second accounting firm to assist in preparing its financial statements solely to avoid having a significant deficiency or material weakness reported.

#### AUDITOR'S COMMENT TO MANAGEMENT'S RESPONSE

We have not recommended hiring an accounting firm. We are recommending that the county have at least one staff member trained to have sufficient skills to prepare a complete set of year-end financial statements and disclosures.

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#### OFFICE OF COUNTY MAYOR

FINDING 09.02      **GENERAL LEDGER CASH ACCOUNTS WERE NOT RECONCILED ACCURATELY WITH COUNTY TRUSTEE REPORTS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Management attempted to reconcile the Cash with Trustee accounts in the General and Ambulance Service funds with the county trustee's reports monthly; however, numerous errors were noted in these reconciliations. At June 30, 2009, the cash balances in the General and Ambulance Service funds failed to reconcile with the trustee's cash balances by \$3,385 and \$638, respectively. The failure to accurately reconcile the general ledger's Cash with Trustee account with the county trustee's report monthly is an internal control weakness that could result in posting errors not being discovered and corrected in a timely manner. We provided audit adjustments that management accepted to reflect these cash balances in the financial statements of this report properly.

#### RECOMMENDATION

Management should reconcile the Cash with Trustee accounts of the General and Ambulance Service funds with the county trustee reports monthly, and any errors discovered should be corrected promptly.

#### MANAGEMENT'S RESPONSE – COUNTY MAYOR

The County Mayor's Office does reconcile monthly as required by state statute. The two amounts in question were due to posting errors and in no way reflected any cash missing from this or any office.

## AUDITOR'S COMMENT TO MANAGEMENT'S RESPONSE

Management attempts to reconcile the Cash with Trustee accounts with the county trustee's reports monthly; however, the errors noted are not investigated and corrected. We did not refer to the unreconciled amounts as cash shortages.

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### FINDING 09.03      **THE COUNTY USED A QUESTIONABLE METHOD OF FUNDING LIFE INSURANCE** (Material Noncompliance Under Government Auditing Standards)

During the year, premiums for life insurance for the general county government, Highway Department, and the School Department were paid from the county's General Fund. The state attorney general has opined that state statutes authorize a county to levy a tax for county general purposes and has defined a county general purposes levy as a levy for all county purposes, except roads, bridges, and schools. Also, the state attorney general has opined that insurance coverage for county school employees must be funded through the county's school fund. The legality of using General Fund monies to pay for life insurance for highway and school employees is questionable. Beginning in July 2009, premiums for life insurance for general government, Highway Department and the School Department are being funded and paid by the appropriate funds.

### MANAGEMENT'S RESPONSE – COUNTY MAYOR

The total cost to provide life insurance for all county funds was about \$6,300. This recommendation to separate the payment among the different funds was made in the fourth quarter of fiscal year 2008-09 at the exit interview for the fiscal year 2007-08 audit. Upon this recommendation by the Division of County Audit, Perry County informed the various departments that they would now be responsible for the cost of this benefit.

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## OFFICE OF HIGHWAY SUPERINTENDENT

### FINDING 09.04      **THE HIGHWAY DEPARTMENT PAID AN EMPLOYEE \$1,100 AS AN INDEPENDENT CONTRACTOR DURING HIS REGULAR WORK HOURS** (Internal Control – Significant Deficiency Under Government Auditing Standards)

The Highway Department paid an employee \$175 and \$925 for tree removal services he performed on April 3, 2009, and November 19, 2009, respectively, in addition to his regular pay earned on those days. The tree removal services were performed during his regular work hours. Therefore, this employee was paid \$1,100 in excess of his salary as a full-time county employee.

RECOMMENDATION

An employee should not be compensated by the Highway Department as an independent contractor in addition to the employee’s regular salary as a full-time employee.

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OFFICE OF DIRECTOR OF SCHOOLS

FINDING 09.05      **EXPENDITURES EXCEEDED APPROPRIATIONS**  
(Material Noncompliance Under Government Auditing Standards)

Our audit revealed the following deficiencies in budget operations:

- A. Expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) of the General Purpose School Fund, which contributed to total expenditures exceeding total appropriations by \$236,606.

<u>Major Category</u>	<u>Amount Overspent</u>
<u>Instruction</u>	
Regular Instruction Program	\$ 102,709
Alternative Instruction Program	2,672
Special Education Program	51,014
<u>Support Services</u>	
Health Services	11,920
Regular Instruction Program	8,078
Other Programs	10,220
Director of Schools	2,887
Office of the Principal	3,292
Fiscal Services	4,059
Human Services/Personnel	275
Operation of Plant	53,461
Maintenance of Plant	90,905
Central and Other	871
<u>Operation of Non-Instructional Services</u>	
Early Childhood Education	1,234

Section 5-9-401, Tennessee Code Annotated, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

- B. Salaries exceeded line-item appropriations in the budget document in the General Purpose and School Federal Projects funds by amounts ranging from \$46 to \$37,824.

The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures and the failure of management to correct the deficiency noted in the prior-year audit report.

**RECOMMENDATION**

Expenditures should be held within appropriations approved by the County Commission.

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**OFFICE OF COUNTY CLERK**

**FINDING 09.06**      **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

System backups were not stored off-site on a regular basis. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. Sound business practices dictate that proper backup procedures be implemented. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures, and management's failure to correct the deficiency noted in the prior-year audit report.

**RECOMMENDATION**

Weekly system backups should be rotated off-site on a weekly basis. Year-end backups should be stored off-site and retained indefinitely. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe-deposit box at a local bank.

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## **OFFICE OF REGISTER**

**FINDING 09.07**      **THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated daily logs that displayed changes made by users. These logs provide the only audit trail of changes and should be reviewed daily for inappropriate activity. During the prior audit period, we advised management of the importance of these logs; however, management did not review these logs until their importance was again brought to their attention in March 2009. Procedures for reviewing these logs are currently in place.

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## **OFFICE OF SHERIFF**

**FINDING 09.08**      **CASH BOND COLLECTIONS WERE NOT DEPOSITED TO THE OFFICIAL BANK ACCOUNT AND DISBURSED BY PRENUMBERED CHECK**  
(Noncompliance Under Government Auditing Standards)

Cash bonds were receipted by the Sheriff's Department and remitted to courts in cash. Therefore, the office did not deposit the cash bonds to the office bank account within three days of collection and it did not remit these collections by prenumbered checks as required by Section 5-8-207, Tennessee Code Annotated. This statute requires that county officials deposit all fund within three days of collection. This statute also states that, "Every county official handling public funds shall be required to make all disbursements of such public funds by ... consecutively prenumbered checks drawn on such county official's official bank account ... ."

## **RECOMMENDATION**

All collections should be deposited intact to the office bank account within three days of collection and the cash bonds should be remitted to the courts by prenumbered checks as required by state statutes.

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## **OTHER FINDINGS AND RECOMMENDATIONS**

**FINDING 09.09**      **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED**  
(Internal Control – Control Deficiency Under Government Auditing Standards)

County officials had not adopted a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly

improve internal controls over the accounting, budgeting, and purchasing processes. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort.

#### RECOMMENDATION

County officials should consider adopting either the County Financial Management System of 1981 or a private act that would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

#### MANAGEMENT'S RESPONSE – COUNTY MAYOR

While we realize that there are long-term benefits to adopting a central accounting system, the initial start-up investment is cost prohibitive at this time. We are continuing to explore this option and hope to be able to implement it in the future.

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FINDING 09.10      **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF HIGHWAY SUPERINTENDENT, TRUSTEE, COUNTY CLERK, CLERK AND MASTER, AND REGISTER**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of Highway Superintendent, Trustee, County Clerk, Clerk and Master, and Register. The 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's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

#### RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

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

There were no findings and questioned costs for federal awards.

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**PERRY COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2009**

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