
ANNUAL FINANCIAL REPORT PERRY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2010



ANNUAL FINANCIAL REPORT
PERRY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2010

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

JEFF BAILEY, CPA, CFE, CGFM
Audit Manager

EUGENE HAMPTON II, CPA, CGFM
Auditor 4

DONYA WADE, CFE
MARK HARVILL
WENDY HEATH, CFE
State Auditors

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

PERRY COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		6-7
<u>INTRODUCTORY SECTION</u>		8
Perry County Officials		9
<u>FINANCIAL SECTION</u>		10
Independent Auditor’s Report		11-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Assets	A	15
Statement of Activities	B	16-17
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	18-19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	21-22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	23
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	24
Notes to the Financial Statements		25-58
REQUIRED SUPPLEMENTARY INFORMATION:		59
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	E-1	60-61
Solid Waste/Sanitation Fund	E-2	62
Ambulance Service Fund	E-3	63
Highway/Public Works Fund	E-4	64
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Perry County School Department	E-5	65

	Exhibit	Page(s)
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Perry County School Department	E-6	66
Notes to the Required Supplementary Information		67
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		68
Nonmajor Governmental Funds:		69
Combining Balance Sheet	F-1	70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	71
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Courthouse and Jail Maintenance Fund	F-3	72
Special Purpose Fund	F-4	73
Drug Control Fund	F-5	74
Major Governmental Fund:		75
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	76
Fiduciary Funds:		77
Combining Statement of Fiduciary Assets and Liabilities	H-1	78
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	79
Component Unit:		
Discretely Presented Perry County School Department:		80
Statement of Activities	I-1	81
Balance Sheet – Governmental Funds	I-2	82
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	I-3	83
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	84
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	85
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	I-6	86-87
School Federal Projects Fund	I-7	88
Central Cafeteria Fund	I-8	89
Miscellaneous Schedules:		90
Schedule of Changes in Long-term Notes, Other Loans, and Bonds – Primary Government and Discretely Presented Perry County School Department	J-1	91
Schedule of Long-term Debt Requirements by Year – Primary Government and Discretely Presented Perry County School Department	J-2	92-94

	Exhibit	Page(s)
Schedule of Transfers – Primary Government and Discretely Presented Perry County School Department	J-3	95
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Perry County School Department	J-4	96
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	97-106
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Perry County School Department	J-6	107-108
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	109-130
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Perry County School Department	J-8	131-142
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	J-9	143
<u>SINGLE AUDIT SECTION</u>		144
Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		145-146
Auditor’s Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>		147-149
Schedule of Expenditures of Federal Awards and State Grants		150-151
Schedule of Audit Findings Not Corrected		152
Schedule of Findings and Questioned Costs		153-160
Auditee Reporting Responsibilities		161

Audit Highlights
Annual Financial Report
Perry County, Tennessee
For the Year Ended June 30, 2010

Scope

We have audited the basic financial statements of Perry County as of and for the year ended June 30, 2010.

Results

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

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

Findings and Best Practice

The following are summaries of the audit findings and best practice:

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.

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.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Department had deficiencies in the use of federal Special Education Cluster funds.

OFFICE OF TRUSTEE

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

OFFICE OF COUNTY CLERK

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

OTHER FINDINGS

- ◆ Perry County has a material recurring audit finding.
 - ◆ Duties were not segregated adequately in the Offices of Superintendent of Highways, Trustee, County Clerk, Clerk and Master, and Register.
 - ◆ The Offices of County Mayor, Circuit Court Clerk, and Clerk and Master had deficiencies in computer system backup procedures.
-

BEST PRACTICE

Perry County does not have a central system of accounting, budgeting and purchasing. The Division of County Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Perry County.

INTRODUCTORY SECTION

Perry County Officials
June 30, 2010

Officials

John Carroll, County Mayor
Gary Rhodes, Superintendent of Highways
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
Charlene Brown, 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	Jeff Graves
Jarrold Richardson	

Board of Education

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

FINANCIAL SECTION



**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

December 17, 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, 2010, 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 discretely presented Perry County Emergency Communications District, which represent 6.5 percent of the assets and 2.2 percent of the 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 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 the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the 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, 2010, 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 December 17, 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.

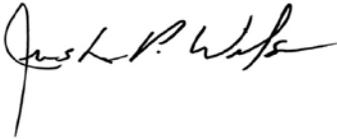
As described in Note V.C., Perry County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010. Also, as discussed in Note V.C., Perry County changed the name of the Local Purpose Tax Fund to the Special Purpose Fund.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 60 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 fluid and cursive, with a long vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Perry County, Tennessee
Statement of Net Assets
June 30, 2010

	Primary Governmental Activities	Component Units	
		Perry County School Department	Perry County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 0	\$ 97,365	\$ 529,335
Equity in Pooled Cash and Investments	6,331,409	301,451	0
Accounts Receivable	202,149	0	8,953
Allowance for Uncollectibles	(40,430)	0	0
Due from Other Governments	416,850	326,653	0
Property Taxes Receivable	2,317,271	1,290,784	0
Allowance for Uncollectible Property Taxes	(72,314)	(40,281)	0
Capital Assets:			
Assets Not Depreciated:			
Land	210,266	138,512	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	3,177,695	7,068,028	0
Infrastructure	3,138,344	0	0
Other Capital Assets	836,334	480,467	130,485
Total Assets	<u>\$ 16,517,574</u>	<u>\$ 9,662,979</u>	<u>\$ 668,773</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 1,044
Payroll Deductions Payable	0	96,865	0
Accrued Interest Payable	0	2,258	0
Deferred Revenue - Current Property Taxes	2,164,180	1,205,507	0
Noncurrent Liabilities:			
Due Within One Year	725,572	46,571	0
Due in More Than One Year	7,262,980	319,799	0
Total Liabilities	<u>\$ 10,152,732</u>	<u>\$ 1,671,000</u>	<u>\$ 1,044</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 4,215,490	\$ 7,474,960	\$ 0
Invested in Capital Assets	0	0	130,485
Restricted for:			
Resort District	93,397	0	0
Ambulance Service	828,694	0	0
Highway/Public Works	3,006,972	0	0
General Debt Service	2,412,126	0	0
Basic Education Program	0	69,929	0
Central Cafeteria	0	114,350	0
Other Purposes	128,408	23,898	0
Unrestricted	<u>(4,320,245)</u>	<u>308,842</u>	<u>537,244</u>
Total Net Assets	<u>\$ 6,364,842</u>	<u>\$ 7,991,979</u>	<u>\$ 667,729</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, 2010

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary		Component Units	
					Government Total	Perry County School Department	Perry County Emergency Communications District	
Primary Government:								
Governmental Activities:								
General Government	\$ 545,797	\$ 126,109	\$ 304,041	\$ 0	\$ (115,647)	\$ 0	\$ 0	0
Finance	354,056	195,603	4,329	0	(154,124)	0	0	0
Administration of Justice	367,593	125,668	9,000	0	(232,925)	0	0	0
Public Safety	1,816,280	641,173	22,178	28,706	(1,124,223)	0	0	0
Public Health and Welfare	1,251,333	886,179	63,239	0	(301,915)	0	0	0
Social, Cultural, and Recreational Services	345,326	3,952	36,480	0	(304,894)	0	0	0
Agriculture and Natural Resources	57,798	0	0	0	(57,798)	0	0	0
Other Operations	157,374	1,150	107	0	(156,117)	0	0	0
Highways/Public Works	1,836,946	13,364	1,656,869	827,772	661,059	0	0	0
Interest on Long-term Debt	34,219	0	167,167	0	132,948	0	0	0
Other Debt Service	54,139	0	0	0	(54,139)	0	0	0
Total Primary Government	\$ 6,820,861	\$ 1,993,198	\$ 2,263,410	\$ 856,478	\$ (1,707,775)	\$ 0	\$ 0	0
Component Units:								
Perry County School Department	\$ 10,164,656	\$ 225,120	\$ 2,148,543	\$ 0	\$ 0	\$ (7,790,993)	\$ 0	0
Perry County Emergency Communications District	127,097	97,767	121,435	0	0	0	0	92,105
Total Component Units	\$ 10,291,753	\$ 322,887	\$ 2,269,978	\$ 0	\$ 0	\$ (7,790,993)	\$ 0	92,105

(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	
				Expenses	Governmental Total Governmental Activities	Perry County School Department	Perry County Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 2,223,766	\$ 1,214,349	\$ 0	0
Property Taxes Levied for Debt Service				214,204	0	0	0
Local Option Sales Tax				485,829	183,266	0	0
Mineral Severance Tax				43,484	0	0	0
Wholesale Beer Tax				48,948	0	0	0
Other Local Taxes				56,255	609	0	0
Grants and Contributions Not Restricted to Specific Programs				551,460	6,196,487	0	0
Unrestricted Investment Earnings				120,985	16,349	6,827	0
Miscellaneous				18,992	70,287	600	0
Total General Revenues				\$ 3,763,923	\$ 7,681,347	\$ 7,427	600
Change in Net Assets				\$ 2,056,148	\$ (109,646)	\$ 99,532	0
Net Assets, July 1, 2009				4,308,694	8,101,625	568,197	0
Net Assets, June 30, 2010				\$ 6,364,842	\$ 7,991,979	\$ 667,729	0

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

Exhibit C-1

Perry County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2010

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service	Other Governmental Funds	Other Governmental Funds		
ASSETS									
Equity in Pooled Cash and Investments	\$ 477,617	\$ 66,721	\$ 663,831	\$ 2,736,797	\$ 2,333,389	\$ 53,054	\$ 6,331,409		
Accounts Receivable	0	0	202,149	0	0	0	202,149		
Allowance for Uncollectibles	0	0	(40,430)	0	0	0	(40,430)		
Due from Other Governments	61,628	0	0	283,860	71,362	0	416,850		
Property Taxes Receivable	1,642,286	373,225	90,197	0	211,563	0	2,317,271		
Allowance for Uncollectible Property Taxes	(51,250)	(11,647)	(2,815)	0	(6,602)	0	(72,314)		
Total Assets	\$ 2,130,281	\$ 428,299	\$ 912,932	\$ 3,020,657	\$ 2,609,712	\$ 53,054	\$ 9,154,935		

LIABILITIES AND FUND BALANCES

Liabilities									
Deferred Revenue - Current Property Taxes	\$ 1,533,788	\$ 348,568	\$ 84,238	\$ 0	\$ 197,586	\$ 0	\$ 2,164,180		
Deferred Revenue - Delinquent Property Taxes	50,528	11,483	2,775	0	6,509	0	71,295		
Other Deferred Revenues	3,477	0	90,848	129,871	31,579	0	255,775		
Total Liabilities	\$ 1,587,793	\$ 360,051	\$ 177,861	\$ 129,871	\$ 235,674	\$ 0	\$ 2,491,250		
Fund Balances									
Reserved for Resort District	\$ 93,397	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 93,397		
Reserved for Alcohol and Drug Treatment	22,128	0	0	0	0	0	22,128		
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	13	0	0	0	0	6,800	6,813		
Reserved for Drug Court	9,380	0	0	0	0	0	9,380		
Reserved for Sexual Offender Registration	4,900	0	0	0	0	0	4,900		
Reserved for Courtroom Security	354	0	0	0	0	0	354		
Reserved for Computer System - Register	20,182	0	0	0	0	0	20,182		
Reserved for Automation Purposes - Circuit Court	0	0	0	0	0	7,302	7,302		

(Continued)

Exhibit C-1

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	
<u>Fund Balances (Cont.)</u>								
Reserved for Automation Purposes - General Sessions Court	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,700	\$ 1,700	\$ 1,700
Reserved for Automation Purposes - Chancery Court	0	0	0	0	0	3,619	3,619	3,619
Reserved for Automation Purposes - Sheriff	2,568	0	0	0	0	0	0	2,568
Reserved for Automation Purposes - County Clerk	690	0	0	0	0	0	0	690
Reserved for Capital Outlay	15,139	0	0	0	0	0	0	15,139
Unreserved, Reported In:								
General Fund	373,737	0	0	0	0	0	0	373,737
Special Revenue Funds	0	68,248	735,071	2,890,786	0	33,633	3,727,738	3,727,738
Debt Service Funds	0	0	0	0	2,374,038	0	2,374,038	2,374,038
<u>Total Fund Balances</u>	<u>\$ 542,488</u>	<u>\$ 68,248</u>	<u>\$ 735,071</u>	<u>\$ 2,890,786</u>	<u>\$ 2,374,038</u>	<u>\$ 53,054</u>	<u>\$ 6,663,685</u>	
<u>Total Liabilities and Fund Balances</u>	<u>\$ 2,130,281</u>	<u>\$ 428,299</u>	<u>\$ 912,932</u>	<u>\$ 3,020,657</u>	<u>\$ 2,609,712</u>	<u>\$ 53,054</u>	<u>\$ 9,154,935</u>	

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, 2010

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)		\$ 6,663,685
(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	3,177,695	
Add: infrastructure net of accumulated depreciation	3,138,344	
Add: other capital assets net of accumulated depreciation	<u>836,334</u>	7,362,639
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (109,899)	
Less: notes payable	(206,250)	
Less: other loans payable	(7,230,000)	
Less: LOGIC assessment	(4,069)	
Less: compensated absences payable	(62,265)	
Less: landfill closure/postclosure care costs	(362,384)	
Less: other postemployment benefits liability	<u>(13,685)</u>	(7,988,552)
(3) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>327,070</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 6,364,842</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, 2010

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service	Other			
						Governmental Funds	Other Funds		
Revenues									
Local Taxes	\$ 1,884,539	\$ 386,511	\$ 190,582	\$ 43,484	\$ 633,193	\$ 10,209	\$ 10,209	\$ 3,148,518	
Fines, Forfeitures, and Penalties	32,616	228	0	0	0	5,124	5,124	37,968	
Charges for Current Services	25,927	37,402	843,437	0	0	50	50	906,816	
Other Local Revenues	562,972	3,636	16,258	111,086	86,105	0	0	780,057	
Fees Received from County Officials	325,945	0	0	0	0	7	7	325,952	
State of Tennessee	549,686	63,466	31,730	2,305,113	169,536	0	0	3,119,531	
Federal Government	58,706	0	0	154,302	0	0	0	213,008	
Other Governments and Citizens Groups	228,565	0	0	0	371,377	0	0	599,942	
Total Revenues	\$ 3,668,956	\$ 491,243	\$ 1,082,007	\$ 2,613,985	\$ 1,260,211	\$ 15,390	\$ 15,390	\$ 9,131,792	
Expenditures									
Current:									
General Government	\$ 592,348	0	0	0	0	0	5,166	597,514	
Finance	345,288	0	0	0	0	0	0	345,288	
Administration of Justice	359,030	0	0	0	0	227	227	359,257	
Public Safety	1,760,124	22,842	0	0	0	1,505	1,505	1,784,471	
Public Health and Welfare	80,244	494,589	613,993	0	0	0	0	1,188,826	
Social, Cultural, and Recreational Services	314,358	0	0	0	0	0	0	314,358	
Agriculture and Natural Resources	56,992	0	0	0	0	0	0	56,992	
Other Operations	155,364	1,162	14,244	0	0	90	90	170,860	
Highways	31,827	0	0	3,246,242	0	0	0	3,278,069	
Debt Service:									
Principal on Debt	0	0	0	0	670,101	0	0	670,101	
Interest on Debt	0	0	0	0	34,311	0	0	34,311	
Other Debt Service	0	0	0	0	54,139	0	0	54,139	
Capital Projects	96	0	0	0	0	0	0	96	
Total Expenditures	\$ 3,695,671	\$ 518,593	\$ 628,237	\$ 3,246,242	\$ 758,551	\$ 6,988	\$ 6,988	\$ 8,854,282	
Excess (Deficiency) of Revenues Over Expenditures	\$ (26,715)	\$ (27,350)	\$ 453,770	\$ (632,257)	\$ 501,660	\$ 8,402	\$ 8,402	\$ 277,510	

(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	
<u>Other Financing Sources (Uses)</u>								
Bonds Issued	\$ 110,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 110,000
Insurance Recovery	1,801	0	0	0	0	0	0	1,801
Transfers In	0	0	0	0	788	0	0	788
Transfers Out	0	0	0	0	0	(788)	(788)	(788)
Total Other Financing Sources (Uses)	\$ 111,801	\$ 0	\$ 0	\$ 0	\$ 788	\$ (788)	\$ (788)	\$ 111,801
Net Change in Fund Balances	\$ 85,086	\$ (27,350)	\$ 453,770	\$ (632,257)	\$ 502,448	\$ 7,614	\$ 7,614	\$ 389,311
Fund Balance, July 1, 2009	457,402	95,598	281,301	3,523,043	1,871,590	45,440	45,440	6,274,374
Fund Balance, June 30, 2010	\$ 542,488	\$ 68,248	\$ 735,071	\$ 2,890,786	\$ 2,374,038	\$ 53,054	\$ 53,054	\$ 6,663,685

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, 2010

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)		\$ 389,311
<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	\$ 1,797,146	
Less: current year depreciation expense	<u>(407,453)</u>	1,389,693
<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, 2010	\$ 327,070	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(581,853)</u>	(254,783)
<p>(3) The issuance of long-term debt (e.g., bonds, notes, other loans, 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>		
Less: bond proceeds	\$ (110,000)	
Add: principal payments on bonds	101	
Add: principal payments on notes	90,000	
Add: principal payments on other loans	<u>580,000</u>	560,101
<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	(16,141)	
Change in LOGIC assessment	(4,069)	
Change in landfill closure/postclosure care costs	703	
Change in other postemployment benefits liability	<u>(8,759)</u>	(28,174)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 2,056,148</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, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 69,310
Due from Other Governments	<u>41,839</u>
Total Assets	<u><u>\$ 111,149</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 41,839
Due to Litigants, Heirs, and Others	<u>69,310</u>
Total Liabilities	<u><u>\$ 111,149</u></u>

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

PERRY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

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. No debt issues were contributed by the county to the School Department during the year ended June 30, 2010.

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 funds:

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

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

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 1.58 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.

As of June 30, 2010, Perry County had \$4,399,000 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. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designation on June 30, 2010:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Community Center Utilities	\$ 47,778

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):

<u>Fund/Major Category</u>	<u>Amount</u>
General:	
Public Safety Grant Programs	\$ 24,031
Highway/Public Works:	
Other Charges	11,558
Employee Benefits	21,564

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 Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase. The county had no pooled and nonpooled investments at June 30, 2010.

B. Capital Assets

Capital assets activity for the year ended June 30, 2010, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-09	Increases	Balance 6-30-10
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>

Governmental Activities (Cont.):

	Balance 7-1-09	Increases	Balance 6-30-10
Capital Assets Depreciated:			
Buildings and Improvements	\$ 4,971,346	\$ 0	\$ 4,971,346
Infrastructure	1,985,460	1,602,121	3,587,581
Other Capital Assets	2,898,324	195,025	3,093,349
Total Capital Assets Depreciated	<u>\$ 9,855,130</u>	<u>\$ 1,797,146</u>	<u>\$ 11,652,276</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 1,692,434	\$ 101,217	\$ 1,793,651
Infrastructure	304,630	144,607	449,237
Other Capital Assets	2,095,386	161,629	2,257,015
Total Accumulated Depreciation	<u>\$ 4,092,450</u>	<u>\$ 407,453</u>	<u>\$ 4,499,903</u>
Total Capital Assets Depreciated, Net	<u>\$ 5,762,680</u>	<u>\$ 1,389,693</u>	<u>\$ 7,152,373</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,972,946</u>	<u>\$ 1,389,693</u>	<u>\$ 7,362,639</u>

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

Governmental Activities:

General Government	\$ 16,074
Public Safety	123,963
Public Health and Welfare	48,207
Highways/Public Works	<u>219,209</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 407,453</u>

Discretely Presented Perry County School Department**Governmental Activities:**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 138,512	\$ 0	\$ 0	\$ 138,512
Total Capital Assets Not Depreciated	<u>\$ 138,512</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 138,512</u>

Governmental Activities (Cont.):

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 11,150,760	\$ 0	\$ 0	\$ 11,150,760
Other Capital Assets	1,348,744	149,702	(44,018)	1,454,428
Total Capital Assets Depreciated	<u>\$ 12,499,504</u>	<u>\$ 149,702</u>	<u>\$ (44,018)</u>	<u>\$ 12,605,188</u>
Less Accumulated Depreciation For:				
Buildings and				
Improvements	\$ 3,815,850	\$ 266,882	\$ 0	\$ 4,082,732
Other Capital Assets	928,890	89,089	(44,018)	973,961
Total Accumulated Depreciation	<u>\$ 4,744,740</u>	<u>\$ 355,971</u>	<u>\$ (44,018)</u>	<u>\$ 5,056,693</u>
Total Capital Assets Depreciated, Net	<u>\$ 7,754,764</u>	<u>\$ (206,269)</u>	<u>\$ 0</u>	<u>\$ 7,548,495</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,893,276</u>	<u>\$ (206,269)</u>	<u>\$ 0</u>	<u>\$ 7,687,007</u>

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

Governmental Activities:

Instruction	\$ 103,913
Support Services	200,678
Operation of Non-Instructional Services	<u>51,380</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 355,971</u>

C. Interfund Transfers

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

Primary Government

Transfer Out	Transfer In General Debt Service Fund
Nonmajor governmental fund	\$ 788

Discretely Presented Perry County School Department

Transfer Out	Transfer In General Purpose School Fund	
School Federal Projects Fund	\$	21,001

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. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes and other loans outstanding were issued for original terms of up to 38 years for bonds, 10 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 bonds, notes and other loans included in long-term debt as of June 30, 2010, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
Bonds	4.125%	\$ 110,000	\$ 109,899
Capital Outlay Notes	0	450,000	206,250
Other Loans	Variable	11,500,000	7,230,000

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 renovation and construction projects. The loans are payable 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, 2010, the loans had a variable interest rate of .52 percent principal on the \$5,000,000 and \$2,500,000 loans and .44 percent principal on the \$4,000,000 loan, \$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 general obligation bonds, notes and other loans outstanding as of June 30, 2010, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 1,238	\$ 4,510	\$ 5,748
2012	1,290	4,458	5,748
2013	1,344	4,404	5,748
2014	1,401	4,347	5,748
2015	1,460	4,288	5,748
2016-2020	8,271	20,469	28,740
2021-2025	10,162	18,578	28,740
2026-2030	12,486	16,254	28,740
2031-2035	15,340	13,400	28,740
2036-2040	18,847	9,893	28,740
2041-2045	23,157	5,583	28,740
2046-2048	14,903	886	15,789
Total	\$ 109,899	\$ 107,070	\$ 216,969

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 206,250	\$ 0	\$ 206,250

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
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
2016-2020	3,097,000	39,266	43,132	3,179,398
2021-2023	798,000	5,319	20,752	824,071
Total	\$ 7,230,000	\$ 142,869	\$ 202,043	\$ 7,574,912

There is \$2,374,038 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$14, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans, totaled \$989, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Bonds		Notes	
Balance, July 1, 2009	\$	0	\$	296,250
Additions		110,000		0
Deductions		(101)		(90,000)
Balance, June 30, 2010	\$	109,899	\$	206,250
Balance Due Within One Year	\$	1,238	\$	45,000
	Other Loans		Compensated Absences	
Balance, July 1, 2009	\$	7,810,000	\$	46,124
Additions		0		73,486
Deductions		(580,000)		(57,345)
Balance, June 30, 2010	\$	7,230,000	\$	62,265
Balance Due Within One Year	\$	608,000	\$	62,265

	LOGIC Assessment	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2009	\$ 0	\$ 363,087	\$ 4,926
Additions	4,069	4,297	11,012
Deductions	0	(5,000)	(2,253)
Balance, June 30, 2010	<u>\$ 4,069</u>	<u>\$ 362,384</u>	<u>\$ 13,685</u>
Balance Due Within One Year	<u>\$ 4,069</u>	<u>\$ 5,000</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 7,988,552
Less: Balance Due Within One Year	<u>(725,572)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 7,262,980</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 issues capital outlay notes on behalf of the School Department 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, 2010, will be retired from the General Purpose School Fund.

Capital outlay notes outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issues	Balance 6-30-10
Capital Outlay Note	0 to 5.949 %	\$ 296,857	\$ 212,074

The annual requirements to amortize all notes outstanding as of June 30, 2010, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
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
2016-17	21,914	2,708	24,622
Total	<u>\$ 212,047</u>	<u>\$ 23,059</u>	<u>\$ 235,106</u>

Debt per capita for capital outlay notes totaled \$27, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Perry County School Department for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Notes	Other	
		Compensated Absences	Postemployment Benefits
Balance, July 1, 2009	\$ 248,079	\$ 22,782	\$ 96,780
Additions	0	11,591	75,230
Deductions	(36,032)	(9,861)	(42,199)
Balance, June 30, 2010	<u>\$ 212,047</u>	<u>\$ 24,512</u>	<u>\$ 129,811</u>
Balance Due Within One Year	<u>\$ 36,646</u>	<u>\$ 9,925</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 366,370
Less: Balance Due Within One Year	<u>(46,571)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 319,799</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, 2010, principal, interest, and other loan fee requirements totaled \$4,627,897 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 \$406,150, 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, 2010, were \$7,808 and \$3,060, 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 (\$500,000) and Solid Waste/Sanitation (\$60,000) 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, 2010, was as follows:

	Balance			Balance
	7-1-09	Issued	Paid	6-30-10
Tax Anticipation Notes	\$ 0	\$ 560,000	\$ (560,000)	\$ 0

V. **OTHER INFORMATION**

A. **Risk Management**

Primary Government

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.

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.

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

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 Tort 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.

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. Risk Financing Activities

Perry County and several other counties, cities, and local government entities were members of the Local Government Insurance Cooperative (LOGIC) for workers' compensation insurance for one or more policy years in 1996-97, 1997-98, and 1999-2000. LOGIC obtained excess coverage insurance from Reliance Insurance Company for claims that exceeded specific amounts. Reliance Insurance Company is now insolvent and is being liquidated in the State of Pennsylvania. The insolvency of Reliance Insurance Company has left the LOGIC members exposed to significant claim liabilities for their policy years. In 2003, the LOGIC board of directors assessed its members certain amounts for each member's share of outstanding claims unpaid by Reliance Insurance Company. In 2009, the LOGIC board of directors made a second assessment of its members. Perry County's share of this second assessment totaled \$4,069.

C. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance; nonfinancial in nature; and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Perry County and the Perry County School Department had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Perry County and the School Department may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Perry County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e., effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Perry County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Perry County may enter into derivative transactions in subsequent years.

Effective July 1, 2009, Perry County changed the name of the Local Purpose Tax Fund to the Special Purpose Fund.

D. Subsequent Events

Subsequent to June 30, 2010, 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
9-7-10	\$ 300,000	General
9-7-10	30,000	Solid Waste/Sanitation
10-5-10	100,000	General
10-5-10	20,000	Solid Waste/Sanitation
10-19-10	100,000	General
10-19-10	30,000	Solid Waste/Sanitation
12-7-10	100,000	General
12-7-10	20,000	Solid Waste/Sanitation

On August 31, 2010, Gary Rhodes left the Office of Superintendent of Highways and was succeeded by Robert Detrick, and Roy Rogers left the Office of Sheriff and was succeeded by Tommy Hickerson.

E. 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.

F. Change in Administration

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

G. 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 \$362,384 reported as postclosure care liability at June 30, 2010, represents amounts based on what it would cost to perform all postclosure care in 2010. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

H. 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 year ended June 30, 2010.

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, 2010.

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

I. Jointly Governed Organization

The South Central Tennessee Railroad Authority (SCTRA) was created by Perry 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.

J. 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/PS.

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, 2010, 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, 2010, Perry County's annual pension cost of \$432,057 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, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$432,057	100%	\$0
6-30-09	371,820	100	0
6-30-08	311,662	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 85.51 percent funded. The actuarial accrued liability for benefits was \$9.56 million, and the actuarial value of assets was \$8.17 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.38 million. The covered payroll (annual payroll of active employees covered by the plan) was \$3.56 million, and the ratio of the UAAL to the covered payroll was 38.88 percent.

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

The TCRS uses the frozen entry age cost method to calculate the annual required contribution. Effective July 1, 2009, the TCRS reestablished the unfunded accrued liabilities for all groups.

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/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Perry County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2010, 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, 2010, 2009, and 2008, were \$294,551, \$294,290, and \$278,627, respectively, equal to the required contributions for each year.

K. 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, 2010, Perry County and the discretely presented School Department contributed \$2,253 and \$42,199, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
	<hr/>	<hr/>
ARC	\$ 75,000	\$ 11,000
Interest on the NPO	4,355	222
Adjustment to the ARC	(4,125)	(210)
Annual OPEB cost	<hr/> \$ 75,230	<hr/> \$ 11,012
Less: Amount of contribution	(42,199)	(2,253)
Increase/decrease in NPO	<hr/> \$ 33,031	<hr/> \$ 8,759
Net OPEB obligation, 7-1-09	<hr/> 96,780	<hr/> 4,926
Net OPEB obligation, 6-30-10	<hr/> <hr/> \$ 129,811	<hr/> <hr/> \$ 13,685

Fiscal Year Ended	Plans	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
6-30-10	"	75,230	56	129,811
6-30-08	Local Government Group	5,000	42	2,887
6-30-09	"	4,294	53	4,926
6-30-10	"	11,012	20	13,685

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-09	7-1-09
Actuarial accrued liability (AAL)	\$ 679,000	\$ 97,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 679,000	\$ 97,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 3,644,398	\$ 732,263
UAAL as a % of covered payroll	19%	13%

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

Actuarial Methods and Assumptions

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

are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2009, actuarial valuation for the Local Education Group Plan, 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 four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Group Plan was three percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. 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 Superintendent of Highways

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 7-1-09	Increases	Balance 6-30-10
Vehicles	\$ 20,000	\$ 0	\$ 20,000
Communications Equipment	379,113	32,755	411,868
Total Capital Assets Being Depreciated	<u>\$ 399,113</u>	<u>\$ 32,755</u>	<u>\$ 431,868</u>
Less Accumulated Depreciation	<u>\$ (267,770)</u>	<u>\$ (33,613)</u>	<u>\$ (301,383)</u>
Total Accumulated Depreciation	<u>\$ (267,770)</u>	<u>\$ (33,613)</u>	<u>\$ (301,383)</u>
Total Capital Assets, Net	<u>\$ 131,343</u>	<u>\$ (858)</u>	<u>\$ 130,485</u>

The accumulated depreciation for communications equipment is \$285,383 and \$16,000 for vehicles. Depreciation expense for the year was \$33,613 (\$29,613 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,884,539	\$ 1,889,952	\$ 1,957,052	\$ (72,513)
Fines, Forfeitures, and Penalties	32,616	40,780	47,280	(14,664)
Charges for Current Services	25,927	30,306	33,706	(7,779)
Other Local Revenues	562,972	311,912	609,168	(46,196)
Fees Received from County Officials	325,945	367,225	387,225	(61,280)
State of Tennessee	549,686	1,045,532	818,439	(268,753)
Federal Government	58,706	867,795	397,939	(339,233)
Other Governments and Citizens Groups	228,565	250,000	218,000	10,565
Total Revenues	<u>\$ 3,668,956</u>	<u>\$ 4,803,502</u>	<u>\$ 4,468,809</u>	<u>\$ (799,853)</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 23,380	\$ 30,484	\$ 25,984	\$ 2,604
County Mayor/Executive	155,567	157,583	157,583	2,016
County Attorney	22,186	7,500	22,500	314
Election Commission	101,672	114,838	107,188	5,516
Register of Deeds	102,017	102,027	102,027	10
Geographical Information Systems	763	2,000	2,000	1,237
County Buildings	186,523	187,955	198,505	11,982
Preservation of Records	240	1,000	250	10
<u>Finance</u>				
Accounting and Budgeting	813	900	1,600	787
Property Assessor's Office	94,271	96,473	96,473	2,202
Reappraisal Program	45,320	42,497	50,075	4,755
County Trustee's Office	105,040	107,224	110,024	4,984
County Clerk's Office	99,844	103,241	103,241	3,397
<u>Administration of Justice</u>				
Circuit Court	139,649	150,837	143,887	4,238
General Sessions Court	101,670	105,063	103,957	2,287
Chancery Court	88,583	104,468	93,387	4,804
Juvenile Court	13,942	12,505	15,311	1,369
Other Administration of Justice	1,912	7,000	7,000	5,088
Courtroom Security	13,274	15,791	15,791	2,517
<u>Public Safety</u>				
Sheriff's Department	701,609	847,669	847,669	146,060
Jail	580,894	746,800	746,800	165,906
Civil Defense	14,955	46,582	15,092	137
Rescue Squad	9,782	10,000	10,000	218
Disaster Relief	1,944	0	1,950	6
Other Emergency Management	129,092	129,126	133,076	3,984
County Coroner/Medical Examiner	5,257	7,500	7,500	2,243
Public Safety Grant Programs	287,383	0	263,352	(24,031)
Other Public Safety	29,208	34,605	31,405	2,197

(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</u>				
Local Health Center	\$ 34,368	\$ 37,315	\$ 37,315	\$ 2,947
Ambulance/Emergency Medical Services	37	0	100	63
Other Local Health Services	25,786	29,300	29,300	3,514
General Welfare Assistance	8,112	0	8,124	12
Other Local Welfare Services	11,941	306,500	56,500	44,559
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	158,165	10,000	160,000	1,835
Libraries	102,762	101,147	114,383	11,621
Parks and Fair Boards	24,170	12,233	24,233	63
Other Social, Cultural, and Recreational	29,261	26,450	29,300	39
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	34,998	37,166	37,166	2,168
Soil Conservation	21,994	23,375	21,995	1
<u>Other Operations</u>				
Tourism	27,103	34,480	34,480	7,377
Industrial Development	22,384	23,000	23,000	616
Airport	12,272	72,000	61,000	48,728
Veterans' Services	3,519	3,637	3,637	118
Other Charges	46,605	50,000	56,600	9,995
Employee Benefits	13,890	16,000	19,407	5,517
ARRA Grant # 1	0	311,277	45,225	45,225
Miscellaneous	29,591	24,192	33,192	3,601
<u>Highways</u>				
Litter and Trash Collection	31,827	34,238	34,788	2,961
<u>Capital Projects</u>				
Public Health and Welfare Projects	96	500,000	250,000	249,904
Total Expenditures	<u>\$ 3,695,671</u>	<u>\$ 4,823,978</u>	<u>\$ 4,493,372</u>	<u>\$ 797,701</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (26,715)	\$ (20,476)	\$ (24,563)	\$ (2,152)
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 110,000	\$ 0	\$ 110,000	\$ 0
Insurance Recovery	1,801	1,000	1,000	801
Transfers In	0	450,000	0	0
Transfers Out	0	(450,000)	0	0
Total Other Financing Sources (Uses)	<u>\$ 111,801</u>	<u>\$ 1,000</u>	<u>\$ 111,000</u>	<u>\$ 801</u>
Net Change in Fund Balance	\$ 85,086	\$ (19,476)	\$ 86,437	\$ (1,351)
Fund Balance, July 1, 2009	<u>457,402</u>	<u>228,236</u>	<u>228,236</u>	<u>229,166</u>
Fund Balance, June 30, 2010	<u>\$ 542,488</u>	<u>\$ 208,760</u>	<u>\$ 314,673</u>	<u>\$ 227,815</u>

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 386,511	\$ 384,212	\$ 395,612	\$ (9,101)
Fines, Forfeitures, and Penalties	228	0	600	(372)
Charges for Current Services	37,402	52,250	52,700	(15,298)
Other Local Revenues	3,636	100	5,650	(2,014)
State of Tennessee	63,466	54,070	66,470	(3,004)
Federal Government	0	18,752	13,752	(13,752)
Total Revenues	<u>\$ 491,243</u>	<u>\$ 509,384</u>	<u>\$ 534,784</u>	<u>\$ (43,541)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Disaster Relief	\$ 22,842	\$ 0	\$ 26,485	\$ 3,643
<u>Public Health and Welfare</u>				
Sanitation Education/Information	8,818	8,000	9,500	682
Convenience Centers	47,256	46,665	48,510	1,254
Transfer Stations	385,817	389,617	426,967	41,150
Landfill Operation and Maintenance	52,698	44,825	54,825	2,127
<u>Other Operations</u>				
Employee Benefits	1,162	1,525	1,675	513
ARRA Grant # 1	0	18,752	8,752	8,752
Total Expenditures	<u>\$ 518,593</u>	<u>\$ 509,384</u>	<u>\$ 576,714</u>	<u>\$ 58,121</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (27,350)</u>	<u>\$ 0</u>	<u>\$ (41,930)</u>	<u>\$ 14,580</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 60,000	\$ (60,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,000</u>	<u>\$ (60,000)</u>
Net Change in Fund Balance	\$ (27,350)	\$ 0	\$ 18,070	\$ (45,420)
Fund Balance, July 1, 2009	<u>95,598</u>	<u>100,318</u>	<u>100,318</u>	<u>(4,720)</u>
Fund Balance, June 30, 2010	<u>\$ 68,248</u>	<u>\$ 100,318</u>	<u>\$ 118,388</u>	<u>\$ (50,140)</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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 190,582	\$ 89,106	\$ 102,256	\$ 88,326
Charges for Current Services	843,437	521,146	810,446	32,991
Other Local Revenues	16,258	1,000	15,246	1,012
State of Tennessee	31,730	25,000	25,000	6,730
Federal Government	0	48,262	4,506	(4,506)
Total Revenues	<u>\$ 1,082,007</u>	<u>\$ 684,514</u>	<u>\$ 957,454</u>	<u>\$ 124,553</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 597,496	\$ 654,011	\$ 656,146	\$ 58,650
Other Public Health and Welfare	16,497	0	16,497	0
<u>Other Operations</u>				
Other Charges	10,274	9,000	10,600	326
Employee Benefits	3,970	2,750	5,450	1,480
ARRA Grant # 1	0	18,752	2,255	2,255
Total Expenditures	<u>\$ 628,237</u>	<u>\$ 684,513</u>	<u>\$ 690,948</u>	<u>\$ 62,711</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 453,770</u>	<u>\$ 1</u>	<u>\$ 266,506</u>	<u>\$ 187,264</u>
Net Change in Fund Balance	\$ 453,770	\$ 1	\$ 266,506	\$ 187,264
Fund Balance, July 1, 2009	<u>281,301</u>	<u>189,581</u>	<u>189,581</u>	<u>91,720</u>
Fund Balance, June 30, 2010	<u>\$ 735,071</u>	<u>\$ 189,582</u>	<u>\$ 456,087</u>	<u>\$ 278,984</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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 43,484	\$ 33,477	\$ 33,477	\$ 10,007
Other Local Revenues	111,086	0	0	111,086
State of Tennessee	2,305,113	2,402,394	2,402,394	(97,281)
Federal Government	154,302	270,400	270,400	(116,098)
Total Revenues	<u>\$ 2,613,985</u>	<u>\$ 2,706,271</u>	<u>\$ 2,706,271</u>	<u>\$ (92,286)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 119,138	\$ 133,127	\$ 133,127	\$ 13,989
Highway and Bridge Maintenance	1,553,233	2,083,000	2,083,000	529,767
Operation and Maintenance of Equipment	189,924	234,000	234,000	44,076
Other Charges	76,758	65,200	65,200	(11,558)
Employee Benefits	197,064	175,500	175,500	(21,564)
Capital Outlay	1,110,125	1,612,173	1,612,173	502,048
Total Expenditures	<u>\$ 3,246,242</u>	<u>\$ 4,303,000</u>	<u>\$ 4,303,000</u>	<u>\$ 1,056,758</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (632,257)</u>	<u>\$ (1,596,729)</u>	<u>\$ (1,596,729)</u>	<u>\$ 964,472</u>
Net Change in Fund Balance	\$ (632,257)	\$ (1,596,729)	\$ (1,596,729)	\$ 964,472
Fund Balance, July 1, 2009	<u>3,523,043</u>	<u>3,523,043</u>	<u>3,523,043</u>	<u>0</u>
Fund Balance, June 30, 2010	<u>\$ 2,890,786</u>	<u>\$ 1,926,314</u>	<u>\$ 1,926,314</u>	<u>\$ 964,472</u>

Exhibit E-5

Perry County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Perry County School Department
June 30, 2010

(Dollar amounts in thousands)

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)
7-1-09	\$ 8,174	\$ 9,559	\$ 1,385	85.51%	\$ 3,561	38.88%
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 frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method was a change made during the 2007 actuarial valuation; therefore, only the two most recent valuations 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, 2010

(Dollar amounts in thousands)

Plans	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)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-07	\$ 0	\$ 50	\$ 50	0 %	\$ 541	9 %
"	7-1-09	0	97	97	0	732	13
<u>DISCRETELY PRESENTED PERRY COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07	0	624	624	0	4,691	13
"	7-1-09	0	679	679	0	3,644	19

* Data only available for two actuarial valuations.

PERRY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2010

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 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):

<u>Fund/Major Category</u>	<u>Amount Overspent</u>
General:	
Public Safety Grant Programs	\$ 24,031
Highway/Public Works:	
Other Charges	11,558
Employee Benefits	21,564

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances.

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

Nonmajor Governmental Funds

Special Revenue Funds

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.

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.

Special Purpose Fund – The Special Purpose 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

Capital Projects Funds are used to account for financial resource to be used in the acquisition or construction of major capital projects.

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county. This fund was closed during the year.

Perry County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	<u>Special Revenue Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Courthouse and Jail Maintenance</u>	<u>Special Purpose</u>	<u>Drug Control</u>	
\$	9,469 \$	18,141 \$	25,444 \$	53,054
\$	9,469 \$	18,141 \$	25,444 \$	53,054
\$	6,800 \$	0 \$	0 \$	6,800
	0	7,302	0	7,302
	0	1,700	0	1,700
	0	3,619	0	3,619
	2,669	5,520	25,444	33,633
\$	9,469 \$	18,141 \$	25,444 \$	53,054

ASSETS

Equity in Pooled Cash and Investments

Total Assets

FUND BALANCES

Reserved for Litigation Tax - Jail, Workhouse, or Courthouse
 Reserved for Automation Purposes - Circuit Court
 Reserved for Automation Purposes - General Sessions Court
 Reserved for Automation Purposes - Chancery Court
 Unreserved

Total Fund Balances

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, 2010

	Special Revenue Funds					Total	Capital Projects		Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Special Purpose	Drug Control	Constitutional Officers - Fees	Total		Fund		
							General	Capital Projects	
<u>Revenues</u>									
Local Taxes	\$ 8,018	\$ 2,191	\$ 0	\$ 0	\$ 10,209	\$ 0	\$ 0	\$ 10,209	
Fines, Forfeitures, and Penalties	969	712	3,443	0	5,124	0	0	5,124	
Charges for Current Services	0	0	0	50	50	0	0	50	
Fees Received from County Officials	0	7	0	0	7	0	0	7	
Total Revenues	\$ 8,987	\$ 2,910	\$ 3,443	\$ 50	\$ 15,390	\$ 0	\$ 0	\$ 15,390	
<u>Expenditures</u>									
Current:									
General Government	\$ 5,166	\$ 0	\$ 0	\$ 0	\$ 5,166	\$ 0	\$ 0	\$ 5,166	
Administration of Justice	0	177	0	50	227	0	0	227	
Public Safety	0	0	1,505	0	1,505	0	0	1,505	
Other Operations	90	0	0	0	90	0	0	90	
Total Expenditures	\$ 5,256	\$ 177	\$ 1,505	\$ 50	\$ 6,988	\$ 0	\$ 0	\$ 6,988	
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,731	\$ 2,733	\$ 1,938	\$ 0	\$ 8,402	\$ 0	\$ 0	\$ 8,402	
<u>Other Financing Sources (Uses)</u>									
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (788)	\$ (788)	\$ (788)	
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (788)	\$ (788)	\$ (788)	
Net Change in Fund Balances	\$ 3,731	\$ 2,733	\$ 1,938	\$ 0	\$ 8,402	\$ (788)	\$ (788)	\$ 7,614	
Fund Balance, July 1, 2009	5,738	15,408	23,506	0	44,652	788	788	45,440	
Fund Balance, June 30, 2010	\$ 9,469	\$ 18,141	\$ 25,444	\$ 0	\$ 53,054	\$ 0	\$ 0	\$ 53,054	

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 8,018	\$ 9,000	\$ 9,150	\$ (1,132)
Fines, Forfeitures, and Penalties	969	1,200	1,775	(806)
Total Revenues	<u>\$ 8,987</u>	<u>\$ 10,200</u>	<u>\$ 10,925</u>	<u>\$ (1,938)</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 5,166	\$ 10,100	\$ 10,100	\$ 4,934
<u>Other Operations</u>				
Other Charges	90	0	150	60
Total Expenditures	<u>\$ 5,256</u>	<u>\$ 10,100</u>	<u>\$ 10,250</u>	<u>\$ 4,994</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,731</u>	<u>\$ 100</u>	<u>\$ 675</u>	<u>\$ 3,056</u>
Net Change in Fund Balance	\$ 3,731	\$ 100	\$ 675	\$ 3,056
Fund Balance, July 1, 2009	<u>5,738</u>	<u>19,379</u>	<u>19,379</u>	<u>(13,641)</u>
Fund Balance, June 30, 2010	<u>\$ 9,469</u>	<u>\$ 19,479</u>	<u>\$ 20,054</u>	<u>\$ (10,585)</u>

Exhibit F-4

Perry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,191	\$ 2,000	\$ 1,800	\$ 391
Fines, Forfeitures, and Penalties	712	620	845	(133)
Fees Received from County Officials	7	0	0	7
Total Revenues	<u>\$ 2,910</u>	<u>\$ 2,620</u>	<u>\$ 2,645</u>	<u>\$ 265</u>
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Circuit Court	\$ 29	\$ 875	\$ 875	\$ 846
General Sessions Court	0	825	825	825
Chancery Court	148	825	825	677
Total Expenditures	<u>\$ 177</u>	<u>\$ 2,525</u>	<u>\$ 2,525</u>	<u>\$ 2,348</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,733</u>	<u>\$ 95</u>	<u>\$ 120</u>	<u>\$ 2,613</u>
Net Change in Fund Balance	\$ 2,733	\$ 95	\$ 120	\$ 2,613
Fund Balance, July 1, 2009	<u>15,408</u>	<u>3,356</u>	<u>3,356</u>	<u>12,052</u>
Fund Balance, June 30, 2010	<u>\$ 18,141</u>	<u>\$ 3,451</u>	<u>\$ 3,476</u>	<u>\$ 14,665</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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 3,443	\$ 3,100	\$ 3,400	\$ 43
Total Revenues	\$ 3,443	\$ 3,100	\$ 3,400	\$ 43
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 1,505	\$ 2,700	\$ 3,200	\$ 1,695
Total Expenditures	\$ 1,505	\$ 2,700	\$ 3,200	\$ 1,695
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,938	\$ 400	\$ 200	\$ 1,738
Net Change in Fund Balance	\$ 1,938	\$ 400	\$ 200	\$ 1,738
Fund Balance, July 1, 2009	23,506	20,845	20,845	2,661
Fund Balance, June 30, 2010	\$ 25,444	\$ 21,245	\$ 21,045	\$ 4,399

Major Governmental Fund

General Debt Service Fund

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

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 633,193	\$ 596,695	\$ 630,051	\$ 3,142
Fines, Forfeitures, and Penalties	0	110	160	(160)
Other Local Revenues	86,105	66,000	82,000	4,105
State of Tennessee	169,536	100,000	177,904	(8,368)
Other Governments and Citizens Groups	371,377	275,000	442,000	(70,623)
Total Revenues	<u>\$ 1,260,211</u>	<u>\$ 1,037,805</u>	<u>\$ 1,332,115</u>	<u>\$ (71,904)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 263,951	\$ 228,000	\$ 263,951	\$ 0
Education	406,150	397,000	406,150	0
<u>Interest on Debt</u>				
General Government	13,654	100,116	101,026	87,372
Education	20,657	247,325	247,907	227,250
<u>Other Debt Service</u>				
General Government	30,324	31,000	39,521	9,197
Education	23,815	31,000	31,000	7,185
Total Expenditures	<u>\$ 758,551</u>	<u>\$ 1,034,441</u>	<u>\$ 1,089,555</u>	<u>\$ 331,004</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 501,660</u>	<u>\$ 3,364</u>	<u>\$ 242,560</u>	<u>\$ 259,100</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 0	\$ 167,000	\$ 0	\$ 0
Transfers In	788	200,000	560,789	(560,001)
Transfers Out	0	(200,000)	(200,000)	200,000
Total Other Financing Sources (Uses)	<u>\$ 788</u>	<u>\$ 167,000</u>	<u>\$ 360,789</u>	<u>\$ (360,001)</u>
Net Change in Fund Balance	\$ 502,448	\$ 170,364	\$ 603,349	\$ (100,901)
Fund Balance, July 1, 2009	<u>1,871,590</u>	<u>1,871,590</u>	<u>1,871,590</u>	<u>0</u>
Fund Balance, June 30, 2010	<u>\$ 2,374,038</u>	<u>\$ 2,041,954</u>	<u>\$ 2,474,939</u>	<u>\$ (100,901)</u>

Fiduciary Funds

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.

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.

Exhibit H-1

Perry County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

	<u>Agency Funds</u>		
	Cities -	Constitu-	
	Sales	tional	
	Tax	Officers -	
		Agency	Total
	<hr/>		
<u>ASSETS</u>			
Cash	\$ 0	\$ 69,310	\$ 69,310
Due from Other Governments	41,839	0	41,839
	<hr/>		
Total Assets	\$ 41,839	\$ 69,310	\$ 111,149
	<hr/> <hr/>		
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 41,839	\$ 0	\$ 41,839
Due to Litigants, Heirs, and Others	0	69,310	69,310
	<hr/>		
Total Liabilities	\$ 41,839	\$ 69,310	\$ 111,149
	<hr/> <hr/>		

Exhibit H-2

Perry County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 248,981	\$ 248,981	\$ 0
Due from Other Governments	42,616	41,839	42,616	41,839
Total Assets	\$ 42,616	\$ 290,820	\$ 291,597	\$ 41,839
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 42,616	\$ 290,820	\$ 291,597	\$ 41,839
Total Liabilities	\$ 42,616	\$ 290,820	\$ 291,597	\$ 41,839
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 77,934	\$ 69,310	\$ 77,934	\$ 69,310
Total Assets	\$ 77,934	\$ 69,310	\$ 77,934	\$ 69,310
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 77,934	\$ 69,310	\$ 77,934	\$ 69,310
Total Liabilities	\$ 77,934	\$ 69,310	\$ 77,934	\$ 69,310
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 77,934	\$ 69,310	\$ 77,934	\$ 69,310
Equity in Pooled Cash and Investments	0	248,981	248,981	0
Due from Other Governments	42,616	41,839	42,616	41,839
Total Assets	\$ 120,550	\$ 360,130	\$ 369,531	\$ 111,149
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 42,616	\$ 290,820	\$ 291,597	\$ 41,839
Due to Litigants, Heirs, and Others	77,934	69,310	77,934	69,310
Total Liabilities	\$ 120,550	\$ 360,130	\$ 369,531	\$ 111,149

Perry County School Department

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.

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.

Exhibit I-1

Perry County, Tennessee
Statement of Activities
Discretely Presented Perry County School Department
For the Year Ended June 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 5,322,968	\$ 0	\$ 1,203,703	\$ (4,119,265)
Support Services	3,622,779	21,419	478,645	(3,122,715)
Operation of Non-Instructional Services	1,213,093	203,701	466,195	(543,197)
Interest on Long-term Debt	5,816	0	0	(5,816)
Total Governmental Activities	\$ 10,164,656	\$ 225,120	\$ 2,148,543	\$ (7,790,993)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,214,349
Local Option Sales Tax				183,266
Other Local Taxes				609
Grants and Contributions Not Restricted to Specific Programs				6,196,487
Unrestricted Investment Earnings				16,349
Miscellaneous				70,287
Total General Revenues				\$ 7,681,347
Change in Net Assets				\$ (109,646)
Net Assets, July 1, 2009				8,101,625
Net Assets, June 30, 2010				\$ 7,991,979

Exhibit I-2

Perry County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Perry County School Department
June 30, 2010

	<u>Major Funds</u>		Nonmajor	Total
	General Purpose School	School Federal Projects	Fund Central Cafeteria	Govern- mental Funds
<u>ASSETS</u>				
Cash	\$ 85,205	\$ 5,310	\$ 6,850	\$ 97,365
Equity in Pooled Cash and Investments	183,271	3,830	114,350	301,451
Due from Other Governments	321,238	5,415	0	326,653
Property Taxes Receivable	1,290,784	0	0	1,290,784
Allowance for Uncollectible Property Taxes	(40,281)	0	0	(40,281)
Total Assets	<u>\$ 1,840,217</u>	<u>\$ 14,555</u>	<u>\$ 121,200</u>	<u>\$ 1,975,972</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Payroll Deductions Payable	\$ 84,705	\$ 5,310	\$ 6,850	\$ 96,865
Deferred Revenue - Current Property Taxes	1,205,507	0	0	1,205,507
Deferred Revenue - Delinquent Property Taxes	39,713	0	0	39,713
Other Deferred Revenues	14,107	0	0	14,107
Total Liabilities	<u>\$ 1,344,032</u>	<u>\$ 5,310</u>	<u>\$ 6,850</u>	<u>\$ 1,356,192</u>
<u>Fund Balances</u>				
Reserved for Driver Education	\$ 7,985	\$ 0	\$ 0	\$ 7,985
Reserved for Career Ladder - Extended Contract	1,992	0	0	1,992
Reserved for Career Ladder Program	4,676	0	0	4,676
Reserved for Basic Education Program	69,929	0	0	69,929
Reserved for Title I Grants to Local Education Agencies	0	510	0	510
Reserved for Special Education - Grants to States	0	7,541	0	7,541
Other Federal Reserves	0	1,194	0	1,194
Unreserved, Reported In:				
General Fund	411,603	0	0	411,603
Special Revenue Funds	0	0	114,350	114,350
Total Fund Balances	<u>\$ 496,185</u>	<u>\$ 9,245</u>	<u>\$ 114,350</u>	<u>\$ 619,780</u>
Total Liabilities and Fund Balances	<u>\$ 1,840,217</u>	<u>\$ 14,555</u>	<u>\$ 121,200</u>	<u>\$ 1,975,972</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, 2010

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)		\$ 619,780	
(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	7,068,028		
Add: other capital assets net of accumulated depreciation	<u>480,467</u>	7,687,007	
(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	\$ (212,047)		
Less: compensated absences payable	(24,512)		
Less: accrued interest on notes	(2,258)		
Less: other postemployment benefits liability	<u>(129,811)</u>	(368,628)	
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>53,820</u>
Net assets of governmental activities (Exhibit A)			<u><u>\$ 7,991,979</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, 2010

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Fund Central Cafeteria	
<u>Revenues</u>				
Local Taxes	\$ 1,434,943	\$ 0	\$ 0	\$ 1,434,943
Licenses and Permits	580	0	0	580
Charges for Current Services	21,579	0	203,701	225,280
Other Local Revenues	527,009	0	2,456	529,465
State of Tennessee	6,270,701	0	6,277	6,276,978
Federal Government	46,292	1,080,097	436,482	1,562,871
Total Revenues	<u>\$ 8,301,104</u>	<u>\$ 1,080,097</u>	<u>\$ 648,916</u>	<u>\$ 10,030,117</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 4,345,102	\$ 824,020	\$ 0	\$ 5,169,122
Support Services	3,179,280	245,850	0	3,425,130
Operation of Non-Instructional Services	519,724	0	613,231	1,132,955
Debt Service:				
Principal on Debt	36,032	0	0	36,032
Interest on Debt	6,065	0	0	6,065
Other Debt Service	167,167	0	0	167,167
Total Expenditures	<u>\$ 8,253,370</u>	<u>\$ 1,069,870</u>	<u>\$ 613,231</u>	<u>\$ 9,936,471</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 47,734</u>	<u>\$ 10,227</u>	<u>\$ 35,685</u>	<u>\$ 93,646</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 22,200	\$ 0	\$ 0	\$ 22,200
Transfers In	21,001	0	0	21,001
Transfers Out	0	(21,001)	0	(21,001)
Total Other Financing Sources (Uses)	<u>\$ 43,201</u>	<u>\$ (21,001)</u>	<u>\$ 0</u>	<u>\$ 22,200</u>
Net Change in Fund Balances	\$ 90,935	\$ (10,774)	\$ 35,685	\$ 115,846
Fund Balance, July 1, 2009	405,250	20,019	78,665	503,934
Fund Balance, June 30, 2010	<u>\$ 496,185</u>	<u>\$ 9,245</u>	<u>\$ 114,350</u>	<u>\$ 619,780</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, 2010

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)		\$ 115,846	
(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	\$ 149,702		
Less: current year depreciation expense	<u>(355,971)</u>	(206,269)	
(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, 2010	\$ 53,820		
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(74,563)</u>	(20,743)	
(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			36,032
(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	\$ (1,730)		
Change in accrued interest on notes	249		
Change in other postemployment benefits liability	<u>(33,031)</u>	<u>(34,512)</u>	
Change in net assets of governmental activities (Exhibit B)			<u>\$ (109,646)</u>

Exhibit I-6

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,434,943	\$ 1,510,985	\$ 1,522,351	\$ (87,408)
Licenses and Permits	580	675	520	60
Charges for Current Services	21,579	13,500	19,660	1,919
Other Local Revenues	527,009	397,265	381,730	145,279
State of Tennessee	6,270,701	6,295,968	6,432,496	(161,795)
Federal Government	46,292	0	46,290	2
Total Revenues	\$ 8,301,104	\$ 8,218,393	\$ 8,403,047	\$ (101,943)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,154,303	\$ 3,174,288	\$ 3,179,288	\$ 24,985
Alternative Instruction Program	71,032	70,268	71,143	111
Special Education Program	802,901	831,571	824,961	22,060
Vocational Education Program	316,866	316,176	319,376	2,510
<u>Support Services</u>				
Attendance	66,070	67,785	67,285	1,215
Health Services	117,410	141,378	141,378	23,968
Other Student Support	188,609	202,922	202,922	14,313
Regular Instruction Program	305,652	317,287	317,287	11,635
Special Education Program	80,440	78,420	80,700	260
Vocational Education Program	9,539	9,880	9,880	341
Other Programs	10,868	0	10,868	0
Board of Education	120,393	114,676	122,389	1,996
Director of Schools	119,580	115,695	120,556	976
Office of the Principal	529,717	526,898	530,998	1,281
Fiscal Services	95,313	96,418	96,418	1,105
Operation of Plant	619,721	595,204	634,489	14,768
Maintenance of Plant	382,336	407,764	407,764	25,428
Transportation	524,167	596,528	564,755	40,588
Central and Other	9,465	5,500	9,880	415
<u>Operation of Non-Instructional Services</u>				
Food Service	19,350	18,000	19,350	0
Community Services	226,464	112,495	229,629	3,165
Early Childhood Education	273,910	276,235	276,235	2,325
<u>Principal on Debt</u>				
Education	36,032	42,105	36,040	8
<u>Interest on Debt</u>				
Education	6,065	0	6,065	0
<u>Other Debt Service</u>				
Education	167,167	0	167,167	0
Total Expenditures	\$ 8,253,370	\$ 8,117,493	\$ 8,446,823	\$ 193,453

(Continued)

Exhibit I-6

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	\$ 47,734	\$ 100,900	\$ (43,776)	\$ 91,510
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 22,200	\$ 0	\$ 22,509	\$ (309)
Transfers In	21,001	66,270	66,270	(45,269)
Transfers Out	0	(167,170)	(45,003)	45,003
Total Other Financing Sources (Uses)	\$ 43,201	\$ (100,900)	\$ 43,776	\$ (575)
Net Change in Fund Balance	\$ 90,935	\$ 0	\$ 0	\$ 90,935
Fund Balance, July 1, 2009	405,250	405,250	405,250	0
Fund Balance, June 30, 2010	\$ 496,185	\$ 405,250	\$ 405,250	\$ 90,935

Exhibit I-7

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,080,097	\$ 1,357,888	\$ 1,358,405	\$ (278,308)
Total Revenues	\$ 1,080,097	\$ 1,357,888	\$ 1,358,405	\$ (278,308)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 549,169	\$ 570,997	\$ 573,491	\$ 24,322
Alternative Instruction Program	0	16,805	0	0
Special Education Program	255,725	322,103	339,088	83,363
Vocational Education Program	19,126	17,843	19,359	233
<u>Support Services</u>				
Health Services	6,436	9,445	9,445	3,009
Other Student Support	25,998	103,653	102,620	76,622
Regular Instruction Program	58,023	122,064	119,516	61,493
Special Education Program	76,754	81,610	81,610	4,856
Vocational Education Program	914	850	914	0
Transportation	77,725	77,725	77,725	0
Total Expenditures	\$ 1,069,870	\$ 1,323,095	\$ 1,323,768	\$ 253,898
Excess (Deficiency) of Revenues Over Expenditures	\$ 10,227	\$ 34,793	\$ 34,637	\$ (24,410)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 25,728	\$ 0	\$ 0
Transfers Out	(21,001)	(76,484)	(50,601)	29,600
Total Other Financing Sources (Uses)	\$ (21,001)	\$ (50,756)	\$ (50,601)	\$ 29,600
Net Change in Fund Balance	\$ (10,774)	\$ (15,963)	\$ (15,964)	\$ 5,190
Fund Balance, July 1, 2009	20,019	20,019	20,019	0
Fund Balance, June 30, 2010	\$ 9,245	\$ 4,056	\$ 4,055	\$ 5,190

Exhibit I-8

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 203,701	\$ 222,000	\$ 201,000	\$ 2,701
Other Local Revenues	2,456	3,100	1,300	1,156
State of Tennessee	6,277	6,000	6,000	277
Federal Government	436,482	405,000	423,136	13,346
Total Revenues	<u>\$ 648,916</u>	<u>\$ 636,100</u>	<u>\$ 631,436</u>	<u>\$ 17,480</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 613,231	\$ 643,700	\$ 648,836	\$ 35,605
Total Expenditures	<u>\$ 613,231</u>	<u>\$ 643,700</u>	<u>\$ 648,836</u>	<u>\$ 35,605</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 35,685</u>	<u>\$ (7,600)</u>	<u>\$ (17,400)</u>	<u>\$ 53,085</u>
Net Change in Fund Balance	\$ 35,685	\$ (7,600)	\$ (17,400)	\$ 53,085
Fund Balance, July 1, 2009	<u>78,665</u>	<u>78,665</u>	<u>78,665</u>	<u>0</u>
Fund Balance, June 30, 2010	<u><u>\$ 114,350</u></u>	<u><u>\$ 71,065</u></u>	<u><u>\$ 61,265</u></u>	<u><u>\$ 53,085</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Perry County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
Primary Government and Discretely Presented Perry County School Department
For the Year Ended June 30, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-10
<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	\$ 45,000	\$ 0	\$ 45,000	\$ 0
Angelica Industrial Building	450,000	0	1-10-05	1-10-15	251,250	0	45,000	206,250
Total Notes Payable					\$ 296,250	\$ 0	\$ 90,000	\$ 206,250
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School	5,000,000	Variable	10-14-1998	5-25-18	\$ 2,995,000	\$ 0	\$ 266,000	\$ 2,729,000
School	2,500,000	Variable	5-24-00	5-25-19	1,652,000	0	131,000	1,521,000
Angelica Building, Jail, Solid Waste Equipment, School	4,000,000	Variable	10-28-03	5-25-23	3,163,000	0	183,000	2,980,000
Total Other Loans Payable					\$ 7,810,000	\$ 0	\$ 580,000	\$ 7,230,000
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Senior Citizens Center	110,000	4.125	5-28-10	5-28-48	\$ 0	\$ 110,000	\$ 101	\$ 109,899
Total Bonds Payable					\$ 0	\$ 110,000	\$ 101	\$ 109,899
<u>DISCRETELY PRESENTED PERRY COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Purpose School Fund</u>								
Bleachers	116,857	5.949	8-20-07	1-15-17	\$ 93,793	\$ 0	\$ 10,317	\$ 83,476
Energy Efficiency Loan	180,000	0	4-1-08	6-1-15	154,286	0	25,715	128,571
Total Notes Payable					\$ 248,079	\$ 0	\$ 36,032	\$ 212,047

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	Notes		
	Principal	Interest	Total
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	\$ 206,250	\$ 0	\$ 206,250

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
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	\$ 7,230,000	\$ 142,869	\$ 202,043	\$ 7,574,912

(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.)

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Bonds		Total
	Principal	Interest	
2011	\$ 1,238	\$ 4,510	\$ 5,748
2012	1,290	4,458	5,748
2013	1,344	4,404	5,748
2014	1,401	4,347	5,748
2015	1,460	4,288	5,748
2016	1,521	4,227	5,748
2017	1,585	4,163	5,748
2018	1,652	4,096	5,748
2019	1,721	4,027	5,748
2020	1,793	3,955	5,748
2021	1,869	3,879	5,748
2022	1,947	3,801	5,748
2023	2,029	3,719	5,748
2024	2,114	3,634	5,748
2025	2,203	3,545	5,748
2026	2,296	3,452	5,748
2027	2,392	3,356	5,748
2028	2,493	3,255	5,748
2029	2,598	3,150	5,748
2030	2,707	3,041	5,748
2031	2,821	2,927	5,748
2032	2,939	2,809	5,748
2033	3,063	2,685	5,748
2034	3,192	2,556	5,748
2035	3,326	2,422	5,748
2036	3,466	2,282	5,748
2037	3,611	2,137	5,748
2038	3,763	1,985	5,748
2039	3,921	1,827	5,748
2040	4,086	1,662	5,748
2041	4,258	1,490	5,748
2042	4,437	1,311	5,748
2043	4,623	1,125	5,748
2044	4,818	930	5,748
2045	5,020	728	5,748
2046	5,231	517	5,748
2047	5,451	297	5,748
2048	4,220	73	4,293
	<u>\$ 109,899</u>	<u>\$ 107,070</u>	<u>\$ 216,969</u>

(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	Notes		Total
	Principal	Interest	
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	\$ 212,047	\$ 23,059	\$ 235,106

Exhibit J-3

Perry County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Perry County School Department

For the Year Ended June 30, 2010

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General Capital Projects	General Debt Service	To close fund	<u>\$ 788</u>
Total Transfers Primary Government			<u><u>\$ 788</u></u>
<u>DISCRETELY PRESENTED PERRY COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect cost	<u>\$ 21,001</u>
Total Transfers Discretely Presented Perry County School Department			<u><u>\$ 21,001</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, 2010

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 61,551	\$ 25,000	Western Surety Company
Superintendent of Highways	Section 8-24-102, <u>TCA</u>	57,477	100,000	"
Director of Schools	State Board of Education and Perry County Board of Education	85,114 (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:				
Joyce Marshall (7-1-09 through 12-31-09)	Section 8-24-102, <u>TCA</u>	28,135	35,000	RLI Insurance Company
Charlene Brown (1-1-10 through 6-30-10)	Section 8-24-102, <u>TCA</u>	24,116	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 (2)	25,000	"
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.

(2) 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, 2010

	Special Revenue Funds					Special Purpose
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,569,383	\$ 0	\$ 356,677	\$ 177,911	\$ 0	0
Trustee's Collections - Prior Year	71,905	0	14,998	8,181	0	0
Circuit/Clerk & Master Collections - Prior Years	29,996	0	6,760	1,823	0	0
Interest and Penalty	15,982	0	3,418	1,541	0	0
Pick-up Taxes	171	0	39	9	0	0
Payments in-Lieu-of Taxes - T.V.A.	1,621	0	368	89	0	0
Payments in-Lieu-of Taxes - Other	648	0	147	36	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	82,432	0	0	0	0	0
Hotel/Motel Tax	4,513	0	0	0	0	0
Litigation Tax - General	19,389	610	0	0	0	0
Litigation Tax - Special Purpose	0	286	0	0	2,191	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	7,122	0	0	0	0
Business Tax	21,007	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	18,058	0	4,104	992	0	0
Wholesale Beer Tax	48,948	0	0	0	0	0
Interstate Telecommunications Tax	486	0	0	0	0	0
Total Local Taxes	\$ 1,884,539	\$ 8,018	\$ 386,511	\$ 190,582	\$ 2,191	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Drug Court Fees	\$ 10	\$ 0	\$ 0	\$ 0	\$ 18	0
Jail Fees	1,202	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	14
Courtroom Security Fee	4	0	0	0	0	0
<u>Criminal Court</u>						
Game and Fish Fines	45	0	0	0	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	Special Purpose
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court</u>					
Fines	\$ 11,935	\$ 0	\$ 0	\$ 0	0
Fines for Littering	0	0	228	0	0
Officers Costs	10,178	0	0	0	0
Game and Fish Fines	429	0	0	0	0
Drug Control Fines	0	0	0	0	0
Drug Court Fees	570	0	0	0	0
Jail Fees	992	969	0	0	0
DUI Treatment Fines	1,188	0	0	0	0
Courtroom Security Fee	93	0	0	0	0
<u>Juvenile Court</u>					
Fines	4,013	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	1,937	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	680
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	0
Courtroom Security Fee	20	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 32,616	\$ 969	\$ 228	\$ 0	712
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Self-Insurance Premiums/Contributions	\$ 1,865	\$ 0	\$ 0	\$ 0	0
Tipping Fees	0	0	878	0	0
Solid Waste Disposal Fees	0	0	36,524	0	0
Patient Charges	0	0	0	843,437	0
<u>Fees</u>					
Airport Fees	1,150	0	0	0	0
Copy Fees	3,207	0	0	0	0
Library Fees	1,489	0	0	0	0
Telephone Commissions	11,167	0	0	0	0

(Continued)

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

	Special Revenue Funds					Special Purpose
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service		
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Constitutional Officers' Fees and Commissions						
Data Processing Fee - Register	\$ 289	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Processing Fee - Sheriff	3,166	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,429	0	0	0	0	0
Data Processing Fee - County Clerk	950	0	0	0	0	0
Education Charges	690	0	0	0	0	0
TBI Criminal Background Fees	525	0	0	0	0	0
Total Charges for Current Services	\$ 25,927	\$ 0	\$ 37,402	\$ 843,437	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 110,546	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	138,961	0	0	0	0	0
Sale of Materials and Supplies	171	0	0	0	0	0
Commissary Sales	4,605	0	0	0	0	0
Sale of Maps	10	0	0	0	0	0
Sale of Recycled Materials	0	0	2,412	0	0	0
Miscellaneous Refunds	13,213	0	1,223	2,012	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	160	0	0	0	0	0
Sale of Property	774	0	0	0	0	0
Contributions and Gifts	294,219	0	0	14,246	0	0
Other Local Revenues	313	0	1	0	0	0
Total Other Local Revenues	\$ 562,972	\$ 0	\$ 3,636	\$ 16,258	\$ 0	0
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 47,070	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	10,362	0	0	0	0	7

(Continued)

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

	Special Revenue Funds						Special Purpose
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service			
<u>Fees Received from County Officials (Cont.)</u>							
<u>Fees in-Lieu-of Salary (Cont.)</u>							
General Sessions Court Clerk	\$ 42,207	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Clerk and Master	34,785	0	0	0	0	0	0
Register	32,196	0	0	0	0	0	0
Sheriff	11,482	0	0	0	0	0	0
Trustee	147,843	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 325,945	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Airport Maintenance Program	1,883	0	0	0	0	0	0
State Reappraisal Grant	4,329	0	0	0	0	0	0
On-Behalf Contributions for OPEB	107	0	0	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	7,932	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	26,325	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	0
Litter Program	36,914	0	0	0	0	0	0
Other Public Works Grants	1,600	0	0	0	0	0	0
<u>Other State Revenues</u>							
Resort District Sales Tax	77,999	0	0	0	0	0	0
Beer Tax	9,582	0	0	0	0	0	0
Alcoholic Beverage Tax	34,945	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	279,268	0	63,466	31,730	0	0	0
Contracted Prisoner Boarding	44,520	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	12,285	0	0	0	0	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	Special Purpose
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Other State Grants	\$ 2,997	\$ 0	\$ 0	\$ 0	\$ 0
Total State of Tennessee	\$ 549,686	\$ 0	\$ 63,466	\$ 31,730	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA - Other	\$ 30,000	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	28,706	0	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	0	0
Total Federal Government	\$ 58,706	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 63,565	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	15,000	0	0	0	0
Contracted Services	150,000	0	0	0	0
Total Other Governments and Citizens Groups	\$ 228,565	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 3,668,956	\$ 8,987	\$ 491,243	\$ 1,082,007	\$ 2,910

(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>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 202,195	\$ 2,306,166		
Trustee's Collections - Prior Year	0	0	0	9,271	104,355		
Circuit/Clerk & Master Collections - Prior Years	0	0	0	3,864	42,443		
Interest and Penalty	0	0	0	2,059	23,000		
Pick-up Taxes	0	0	0	22	241		
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	209	2,287		
Payments in-Lieu-of Taxes - Other	0	0	0	83	914		
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	412,474	494,906		
Hotel/Motel Tax	0	0	0	0	4,513		
Litigation Tax - General	0	0	0	0	19,999		
Litigation Tax - Special Purpose	0	0	0	0	2,477		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	690	7,812		
Business Tax	0	0	0	0	21,007		
Mineral Severance Tax	0	0	43,484	0	43,484		
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	2,326	25,480		
Wholesale Beer Tax	0	0	0	0	48,948		
Interstate Telecommunications Tax	0	0	0	0	486		
Total Local Taxes	\$ 0	\$ 0	\$ 43,484	\$ 633,193	\$ 3,148,518		
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Drug Court Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28		
Jail Fees	0	0	0	0	1,202		
Data Entry Fee - Circuit Court	0	0	0	0	14		
Courtroom Security Fee	0	0	0	0	4		
<u>Criminal Court</u>							
Game and Fish Fines	0	0	0	0	45		

(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>General Sessions Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	11,935
Fines for Littering	0	0	0	0	0	0	228
Officers Costs	0	0	0	0	0	0	10,178
Game and Fish Fines	0	0	0	0	0	0	429
Drug Control Fines	593	0	0	0	0	0	593
Drug Court Fees	0	0	0	0	0	0	570
Jail Fees	0	0	0	0	0	0	1,961
DUI Treatment Fines	0	0	0	0	0	0	1,188
Courtroom Security Fee	0	0	0	0	0	0	93
<u>Juvenile Court</u>							
Fines	0	0	0	0	0	0	4,013
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	1,937
Data Entry Fee - Chancery Court	0	0	0	0	0	0	680
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	2,850	0	0	0	0	0	2,850
Courtroom Security Fee	0	0	0	0	0	0	20
Total Fines, Forfeitures, and Penalties	\$ 3,443	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,968
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,865
Tipping Fees	0	0	0	0	0	0	878
Solid Waste Disposal Fees	0	0	0	0	0	0	36,524
Patient Charges	0	0	0	0	0	0	843,437
<u>Fees</u>							
Airport Fees	0	0	0	0	0	0	1,150
Copy Fees	0	0	0	0	0	0	3,207
Library Fees	0	0	0	0	0	0	1,489
Telephone Commissions	0	0	0	0	0	0	11,167

(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	General Debt Service		
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Constitutional Officers' Fees and Commissions	\$ 0 \$	50 \$	0 \$	0 \$	0 \$	339	
Data Processing Fee - Register	0	0	0	0	0	3,166	
Data Processing Fee - Sheriff	0	0	0	0	0	1,429	
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	950	
Data Processing Fee - County Clerk	0	0	0	0	0	690	
<u>Education Charges</u>							
TBI Criminal Background Fees	0	0	0	0	0	525	
Total Charges for Current Services	\$ 0 \$	50 \$	0 \$	0 \$	0 \$	906,816	
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	0	0	0	0	10,439	120,985	
Lease/Rentals	0	0	0	0	75,666	214,627	
Sale of Materials and Supplies	0	0	997	0	0	1,168	
Commissary Sales	0	0	0	0	0	4,605	
Sale of Maps	0	0	0	0	0	10	
Sale of Recycled Materials	0	0	12,367	0	0	14,779	
Miscellaneous Refunds	0	0	679	0	0	17,127	
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	160	
Sale of Property	0	0	0	0	0	774	
Contributions and Gifts	0	0	97,043	0	0	405,508	
<u>Other Local Revenues</u>							
Other Local Revenues	0	0	0	0	0	314	
Total Other Local Revenues	\$ 0 \$	0 \$	111,086 \$	86,105 \$	0 \$	780,057	
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	0	0	0	0	0	47,070	
Circuit Court Clerk	0	0	0	0	0	10,369	

(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	General Debt Service		
<u>Fees Received from County Officials (Cont.)</u>							
<u>Fees in-Lieu-of Salary (Cont.)</u>							
General Sessions Court Clerk	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	42,207
Clerk and Master	0	0	0	0	0	0	34,785
Register	0	0	0	0	0	0	32,196
Sheriff	0	0	0	0	0	0	11,482
Trustee	0	0	0	0	0	0	147,843
Total Fees Received from County Officials	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	325,952
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	9,000
Airport Maintenance Program	0	0	0	0	0	0	1,883
State Reappraisal Grant	0	0	0	0	0	0	4,329
On-Behalf Contributions for OPEB	0	0	0	0	0	0	107
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	7,932
Health and Welfare Grants	0	0	0	0	0	0	26,325
<u>Health Department Programs</u>							
<u>Public Works Grants</u>							
State Aid Program	0	0	827,772	0	0	0	827,772
Litter Program	0	0	0	0	0	0	36,914
Other Public Works Grants	0	0	0	0	0	0	1,600
<u>Other State Revenues</u>							
Resort District Sales Tax	0	0	0	0	0	0	77,999
Beer Tax	0	0	0	0	0	0	9,582
Alcoholic Beverage Tax	0	0	0	0	0	0	34,945
State Revenue Sharing - T.V.A.	0	0	0	0	35,976	0	410,440
Contracted Prisoner Boarding	0	0	0	0	133,560	0	178,080
Gasoline and Motor Fuel Tax	0	0	1,471,212	0	0	0	1,471,212
Petroleum Special Tax	0	0	6,129	0	0	0	6,129
Registrar's Salary Supplement	0	0	0	0	0	0	12,285

(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>State of Tennessee (Cont.)</u>							
<u>Other State Revenues (Cont.)</u>							
Other State Grants	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	2,997
Total State of Tennessee	\$ 0 \$	0 \$	2,305,113 \$	169,536 \$	0 \$	0 \$	3,119,531
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA - Other	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	30,000
Disaster Relief	0	0	0	0	0	0	28,706
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	0	154,302	0	0	0	154,302
Total Federal Government	\$ 0 \$	0 \$	154,302 \$	0 \$	0 \$	0 \$	213,008
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 0 \$	0 \$	0 \$	0 \$	204,210 \$	0 \$	267,775
Contributions	0	0	0	0	167,167	0	182,167
Contracted Services	0	0	0	0	0	0	150,000
Total Other Governments and Citizens Groups	\$ 0 \$	0 \$	0 \$	0 \$	371,377 \$	0 \$	599,942
Total	\$ 3,443 \$	50 \$	2,613,985 \$	1,260,211 \$	0 \$	0 \$	9,131,792

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, 2010

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,141,830	\$ 0	\$ 0	\$ 1,141,830
Trustee's Collections - Prior Year	53,718	0	0	53,718
Circuit/Clerk & Master Collections - Prior Years	24,826	0	0	24,826
Interest and Penalty	12,111	0	0	12,111
Pick-up Taxes	135	0	0	135
Payments in-Lieu-of Taxes - T.V.A.	1,274	0	0	1,274
Payments in-Lieu-of Taxes - Other	509	0	0	509
<u>County Local Option Taxes</u>				
Local Option Sales Tax	185,685	0	0	185,685
<u>Statutory Local Taxes</u>				
Bank Excise Tax	14,193	0	0	14,193
Interstate Telecommunications Tax	662	0	0	662
Total Local Taxes	\$ 1,434,943	\$ 0	\$ 0	\$ 1,434,943
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 580	\$ 0	\$ 0	\$ 580
Total Licenses and Permits	\$ 580	\$ 0	\$ 0	\$ 580
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other State Systems	\$ 160	\$ 0	\$ 0	\$ 160
Lunch Payments - Children	0	0	170,448	170,448
Lunch Payments - Adults	0	0	24,058	24,058
Income from Breakfast	0	0	9,195	9,195
Receipts from Individual Schools	20,009	0	0	20,009
TBI Criminal Background Fees	1,410	0	0	1,410
Total Charges for Current Services	\$ 21,579	\$ 0	\$ 203,701	\$ 225,280
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 14,271	\$ 0	\$ 2,078	\$ 16,349
Lease/Rentals	15,000	0	0	15,000
Sale of Materials and Supplies	97	0	0	97
Refund of Telecommunication & Internet Fees (E-Rate)	22,181	0	0	22,181
Miscellaneous Refunds	5,227	0	378	5,605
<u>Nonrecurring Items</u>				
Sale of Equipment	5,004	0	0	5,004
Sale of Property	200	0	0	200
Contributions and Gifts	465,029	0	0	465,029
Total Other Local Revenues	\$ 527,009	\$ 0	\$ 2,456	\$ 529,465
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 10,868	\$ 0	\$ 0	\$ 10,868
<u>State Education Funds</u>				
Basic Education Program	5,305,308	0	0	5,305,308
Basic Education Program - ARRA	199,900	0	0	199,900

(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>				
Early Childhood Education	\$ 270,919	\$ 0	\$ 0	\$ 270,919
School Food Service	0	0	6,277	6,277
Other State Education Funds	73,630	0	0	73,630
Coordinated School Health - ARRA	75,381	0	0	75,381
Internet Connectivity - ARRA	3,977	0	0	3,977
Family Resource Centers - ARRA	33,077	0	0	33,077
Statewide Student Management System (SSMS) - ARRA	2,851	0	0	2,851
Career Ladder Program	66,212	0	0	66,212
Career Ladder - Extended Contract	23,001	0	0	23,001
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	203,104	0	0	203,104
Safe Schools - ARRA	2,473	0	0	2,473
Total State of Tennessee	\$ 6,270,701	\$ 0	\$ 6,277	\$ 6,276,978
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 283,131	\$ 283,131
USDA - Commodities	0	0	23,436	23,436
Breakfast	0	0	100,215	100,215
USDA Food Service Equipment Grant - ARRA	0	0	29,700	29,700
Vocational Education - Basic Grants to States	0	24,368	0	24,368
Title I Grants to Local Education Agencies	0	469,043	0	469,043
Special Education - Grants to States	45,692	427,725	0	473,417
Special Education Preschool Grants	0	30,634	0	30,634
Safe and Drug-free Schools - State Grants	0	5,372	0	5,372
Rural Education	0	28,949	0	28,949
Eisenhower Professional Development State Grants	0	94,006	0	94,006
Other Federal through State	600	0	0	600
Total Federal Government	\$ 46,292	\$ 1,080,097	\$ 436,482	\$ 1,562,871
Total	\$ 8,301,104	\$ 1,080,097	\$ 648,916	\$ 10,030,117

Exhibit J-7

Perry County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2010

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	18,625	
Social Security		1,131	
State Retirement		687	
Employer Medicare		265	
Audit Services		2,561	
Legal Notices, Recording, and Court Costs		111	
Total County Commission			\$ 23,380

County Mayor/Executive

County Official/Administrative Officer	\$	61,551	
Accountants/Bookkeepers		29,101	
Secretary(ies)		29,101	
Longevity Pay		2,700	
Other Salaries and Wages		3,000	
Social Security		6,754	
State Retirement		11,981	
Employer Medicare		1,579	
Communication		2,428	
Data Processing Services		3,851	
Postal Charges		44	
Printing, Stationery, and Forms		107	
Travel		2,220	
Office Supplies		721	
Other Supplies and Materials		119	
Furniture and Fixtures		310	
Total County Mayor/Executive			155,567

County Attorney

Legal Services	\$	22,186	
Total County Attorney			22,186

Election Commission

County Official/Administrative Officer	\$	47,026
Deputy(ies)		22,440
Longevity Pay		800
Election Commission		1,769
Social Security		4,365
State Retirement		6,710
Employer Medicare		1,021
Communication		1,323

(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.)

Contracts with Private Agencies	\$	6,655	
Data Processing Services		19	
Dues and Memberships		175	
Legal Notices, Recording, and Court Costs		261	
Postal Charges		414	
Printing, Stationery, and Forms		220	
Travel		4,561	
Other Contracted Services		2,200	
Electricity		821	
Natural Gas		477	
Office Supplies		272	
Water and Sewer		129	
Other Supplies and Materials		14	
Total Election Commission			\$ 101,672

Register of Deeds

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		24,933	
Longevity Pay		700	
Social Security		4,341	
State Retirement		7,438	
Employer Medicare		1,015	
Communication		1,665	
Data Processing Services		1,773	
Dues and Memberships		327	
Operating Lease Payments		2,702	
Postal Charges		44	
Printing, Stationery, and Forms		1,048	
Data Processing Supplies		3,428	
Office Supplies		252	
Premiums on Corporate Surety Bonds		100	
Total Register of Deeds			102,017

Geographical Information Systems

Road Signs	\$	763	
Total Geographical Information Systems			763

County Buildings

Custodial Personnel	\$	6,424	
Social Security		375	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Employer Medicare	\$	88	
Communication		442	
Maintenance and Repair Services - Buildings		1,666	
Maintenance and Repair Services - Equipment		69	
Other Contracted Services		5,555	
Custodial Supplies		2,298	
Electricity		19,353	
Natural Gas		11,962	
Water and Sewer		2,063	
Other Supplies and Materials		20	
Liability Insurance		72,887	
Workers' Compensation Insurance		54,249	
Liability Claims		500	
Other Charges		2,746	
Building Improvements		5,826	
Total County Buildings			\$ 186,523

Preservation of Records

Other Supplies and Materials	\$	240	
Total Preservation of Records			240

Finance

Accounting and Budgeting

Data Processing Services	\$	150	
Office Supplies		448	
Data Processing Equipment		215	
Total Accounting and Budgeting			813

Property Assessor's Office

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		24,933	
Longevity Pay		1,400	
Social Security		4,777	
State Retirement		7,505	
Employer Medicare		1,117	
Communication		1,296	
Operating Lease Payments		549	
Postal Charges		279	
Office Supplies		164	
Total Property Assessor's Office			94,271

(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)	\$	22,211	
Longevity Pay		100	
Other Salaries and Wages		1,500	
Board and Committee Members Fees		300	
Social Security		1,473	
State Retirement		2,274	
Employer Medicare		344	
Contracts with Government Agencies		8,644	
Maintenance and Repair Services - Vehicles		531	
Postal Charges		454	
Other Contracted Services		2,526	
Data Processing Supplies		365	
Gasoline		578	
Office Supplies		392	
Data Processing Equipment		3,628	
Total Reappraisal Program	\$		45,320

County Trustee's Office

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		24,933	
Longevity Pay		1,100	
Social Security		3,850	
State Retirement		7,476	
Employer Medicare		900	
Communication		476	
Data Processing Services		8,116	
Dues and Memberships		427	
Legal Notices, Recording, and Court Costs		89	
Postal Charges		2,401	
Printing, Stationery, and Forms		156	
Office Supplies		865	
Premiums on Corporate Surety Bonds		2,000	
Total County Trustee's Office			105,040

County Clerk's Office

County Official/Administrative Officer	\$	52,251
Deputy(ies)		24,933
Longevity Pay		900
Social Security		4,782
State Retirement		7,457

(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.)

Employer Medicare	\$	1,118	
Communication		1,674	
Data Processing Services		3,696	
Dues and Memberships		427	
Operating Lease Payments		1,455	
Legal Notices, Recording, and Court Costs		12	
Postal Charges		44	
Printing, Stationery, and Forms		214	
Travel		76	
Office Supplies		705	
Premiums on Corporate Surety Bonds		100	
Total County Clerk's Office			\$ 99,844

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		26,931	
Secretary(ies)		16,500	
Longevity Pay		800	
Other Salaries and Wages		4,500	
Jury and Witness Expense		3,661	
Social Security		5,658	
State Retirement		9,467	
Employer Medicare		1,323	
Communication		1,755	
Data Processing Services		9,467	
Dues and Memberships		412	
Operating Lease Payments		1,714	
Legal Notices, Recording, and Court Costs		119	
Postal Charges		337	
Printing, Stationery, and Forms		1,826	
Travel		788	
Other Contracted Services		65	
Office Supplies		1,950	
Premiums on Corporate Surety Bonds		125	
Total Circuit Court			139,649

General Sessions Court

Judge(s)	\$	61,398
Secretary(ies)		20,888

(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 (Cont.)

Longevity Pay	\$	100	
Social Security		5,108	
State Retirement		7,868	
Employer Medicare		1,195	
Communication		831	
Dues and Memberships		75	
Operating Lease Payments		1,969	
Postal Charges		44	
Printing, Stationery, and Forms		498	
Travel		1,128	
Office Supplies		568	
Total General Sessions Court			\$ 101,670

Chancery Court

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		13,293	
Longevity Pay		200	
Social Security		4,076	
State Retirement		3,592	
Employer Medicare		953	
Communication		1,803	
Data Processing Services		5,799	
Dues and Memberships		412	
Operating Lease Payments		1,714	
Legal Notices, Recording, and Court Costs		378	
Postal Charges		588	
Printing, Stationery, and Forms		1,069	
Travel		41	
Data Processing Supplies		128	
Office Supplies		1,628	
Premiums on Corporate Surety Bonds		150	
Furniture and Fixtures		508	
Total Chancery Court			88,583

Juvenile Court

Assistant(s)	\$	9,005	
Social Security		558	
Employer Medicare		131	
Communication		2,532	
Travel		1,480	

(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.)

Office Supplies	\$ 236	
Total Juvenile Court		\$ 13,942

Other Administration of Justice

Teachers	\$ 1,750	
Other Supplies and Materials	162	
Total Other Administration of Justice		1,912

Courtroom Security

Guards	\$ 11,326	
Social Security	702	
State Retirement	1,082	
Employer Medicare	164	
Total Courtroom Security		13,274

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 58,077	
Deputy(ies)	310,490	
Secretary(ies)	23,109	
Part-time Personnel	1,167	
Longevity Pay	4,900	
In-Service Training	13,196	
Social Security	25,009	
State Retirement	36,436	
Employer Medicare	5,836	
Advertising	111	
Communication	3,385	
Contracts with Private Agencies	1,854	
Data Processing Services	1,635	
Operating Lease Payments	2,301	
Legal Services	8,794	
Maintenance and Repair Services - Buildings	23	
Maintenance and Repair Services - Vehicles	8,708	
Postal Charges	1,301	
Travel	188	
Food Supplies	35	
Gasoline	35,331	
Law Enforcement Supplies	1,817	
Office Supplies	2,052	

(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.)

Uniforms	\$	3,007	
Other Supplies and Materials		502	
Communication Equipment		821	
Law Enforcement Equipment		1,364	
Motor Vehicles		148,684	
Office Equipment		1,476	
Total Sheriff's Department			\$ 701,609

Jail

Supervisor/Director	\$	44,878
Deputy(ies)		195,877
Captain(s)		30,306
Accountants/Bookkeepers		5,962
Medical Personnel		7,280
Maintenance Personnel		19,150
Part-time Personnel		18,466
Other Salaries and Wages		100
In-Service Training		3,072
Social Security		19,992
State Retirement		27,623
Employer Medicare		4,676
Communication		3,897
Contracts with Private Agencies		3,424
Data Processing Services		1,690
Evaluation and Testing		800
Maintenance and Repair Services - Buildings		1,318
Maintenance and Repair Services - Equipment		4,432
Maintenance and Repair Services - Vehicles		75
Medical and Dental Services		63,888
Pest Control		1,250
Postal Charges		359
Travel		90
Custodial Supplies		5,466
Electricity		29,093
Food Supplies		58,233
Gasoline		2,337
Law Enforcement Supplies		500
Natural Gas		11,406
Office Supplies		1,399
Prisoners Clothing		528

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Uniforms	\$	1,607	
Water and Sewer		8,311	
Other Supplies and Materials		<u>3,409</u>	
Total Jail	\$		580,894

Civil Defense

Supervisor/Director	\$	12,000	
Social Security		744	
State Retirement		1,136	
Employer Medicare		184	
Other Supplies and Materials		<u>891</u>	
Total Civil Defense			14,955

Rescue Squad

Maintenance and Repair Services - Vehicles	\$	1,347	
Electricity		313	
Gasoline		1,465	
Natural Gas		178	
Water and Sewer		136	
Other Supplies and Materials		18	
Vehicle and Equipment Insurance		2,557	
Other Equipment		<u>3,768</u>	
Total Rescue Squad			9,782

Disaster Relief

Travel	\$	1,189	
Other Contracted Services		700	
Food Supplies		<u>55</u>	
Total Disaster Relief			1,944

Other Emergency Management

Supervisor/Director	\$	25,274	
Dispatchers/Radio Operators		67,096	
Part-time Personnel		18,412	
Longevity Pay		1,300	
Social Security		6,146	
State Retirement		9,106	
Employer Medicare		1,438	
Communication		<u>320</u>	
Total Other Emergency Management			129,092

(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	\$ 5,257	
Total County Coroner/Medical Examiner		\$ 5,257

Public Safety Grant Programs

Assistant(s)	\$ 25,259	
Deputy(ies)	65,400	
Dispatchers/Radio Operators	11,420	
Guards	130,610	
Clerical Personnel	17,804	
Custodial Personnel	1,307	
Social Security	15,603	
State Retirement	16,331	
Employer Medicare	3,649	
Total Public Safety Grant Programs		287,383

Other Public Safety

Guards	\$ 25,800	
Part-time Personnel	100	
Other Salaries and Wages	1,000	
Social Security	1,668	
State Retirement	95	
Employer Medicare	390	
Other Supplies and Materials	155	
Total Other Public Safety		29,208

Public Health and Welfare

Local Health Center

Contracts with Government Agencies	\$ 21,915	
Janitorial Services	3,900	
Maintenance and Repair Services - Buildings	107	
Maintenance and Repair Services - Office Equipment	319	
Other Contracted Services	270	
Custodial Supplies	189	
Electricity	6,957	
Office Supplies	298	
Water and Sewer	255	
Other Supplies and Materials	158	
Total Local Health Center		34,368

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services

Travel	\$ 37	
Total Ambulance/Emergency Medical Services		\$ 37

Other Local Health Services

Medical Personnel	\$ 18,066	
Social Security	1,120	
State Retirement	1,725	
Employer Medicare	304	
Maintenance and Repair Services - Buildings	2,500	
Travel	1,045	
Office Supplies	216	
Other Supplies and Materials	810	
Total Other Local Health Services		25,786

General Welfare Assistance

Medical Personnel	\$ 950	
Overtime Pay	35	
Other Salaries and Wages	1,886	
Social Security	178	
State Retirement	66	
Other Supplies and Materials	4,997	
Total General Welfare Assistance		8,112

Other Local Welfare Services

Architects	\$ 11,941	
Total Other Local Welfare Services		11,941

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 10,000	
Legal Services	10,000	
Building Construction	138,165	
Total Senior Citizens Assistance		158,165

Libraries

Supervisor/Director	\$ 23,155
Librarians	18,500
Part-time Personnel	27,012
Longevity Pay	2,300
Social Security	4,390

(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.)

Libraries (Cont.)

State Retirement	\$	4,174	
Employer Medicare		1,027	
Communication		1,828	
Janitorial Services		690	
Operating Lease Payments		4,259	
Maintenance and Repair Services - Buildings		529	
Maintenance and Repair Services - Equipment		148	
Postal Charges		44	
Travel		533	
Other Contracted Services		99	
Custodial Supplies		21	
Data Processing Supplies		155	
Electricity		5,553	
Library Books/Media		1,522	
Natural Gas		2,139	
Office Supplies		562	
Water and Sewer		677	
Other Charges		45	
Data Processing Equipment		3,400	
Total Libraries			\$ 102,762

Parks and Fair Boards

T&I Construction Materials	\$	16,670	
Other Charges		7,500	
Total Parks and Fair Boards			24,170

Other Social, Cultural, and Recreational

Contributions	\$	23,750	
Other Contracted Services		1,600	
Electricity		3,281	
Water and Sewer		630	
Total Other Social, Cultural, and Recreational			29,261

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	22,511	
Secretary(ies)		5,121	
Board and Committee Members Fees		150	
Social Security		392	
State Retirement		1,873	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Employer Medicare	\$	299	
Communication		1,772	
Travel		1,245	
Electricity		821	
Natural Gas		477	
Office Supplies		141	
Water and Sewer		129	
Data Processing Equipment		67	
Total Agriculture Extension Service			\$ 34,998

Soil Conservation

Secretary(ies)	\$	15,392	
Social Security		954	
State Retirement		1,470	
Employer Medicare		223	
Contracts with Government Agencies		3,955	
Total Soil Conservation			21,994

Other Operations

Tourism

Contracts with Government Agencies	\$	3,726	
Other Contracted Services		22,000	
Other Charges		1,377	
Total Tourism			27,103

Industrial Development

Contracts with Government Agencies	\$	7,750	
Contracts with Other Public Agencies		10,800	
Legal Notices, Recording, and Court Costs		47	
Land		1,190	
Site Development		1,350	
Building Purchases		1,247	
Total Industrial Development			22,384

Airport

Maintenance and Repair Services - Buildings	\$	191	
Maintenance and Repair Services - Equipment		6,091	
Utilities		2,224	
Airport Improvement		3,766	
Total Airport			12,272

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Other Salaries and Wages	\$	2,309	
In-Service Training		516	
Social Security		143	
Employer Medicare		33	
Communication		488	
Office Supplies		30	
Total Veterans' Services			\$ 3,519

Other Charges

Trustee's Commission	\$	46,605	
Total Other Charges			46,605

Employee Benefits

Unemployment Compensation	\$	11,570	
On-Behalf Payments to OPEB		107	
Other Charges		2,213	
Total Employee Benefits			13,890

Miscellaneous

Communication	\$	2,222	
Contracts with Government Agencies		4,551	
Contracts with Private Agencies		2,267	
Dues and Memberships		104	
Operating Lease Payments		2,777	
Postal Charges		7,552	
Printing, Stationery, and Forms		906	
Other Contracted Services		3,231	
Office Supplies		1,094	
Other Supplies and Materials		900	
Other Charges		3,987	
Total Miscellaneous			29,591

Highways

Litter and Trash Collection

Part-time Personnel	\$	23,246	
In-Service Training		4,300	
Social Security		1,230	
State Retirement		2,220	
Employer Medicare		288	
Other Supplies and Materials		543	
Total Litter and Trash Collection			31,827

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Capital Projects

Public Health and Welfare Projects

Other Capital Outlay	\$ 96	
Total Public Health and Welfare Projects		\$ 96

Total General Fund \$ 3,695,671

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$ 4,835	
Natural Gas	195	
Water and Sewer	136	
Total County Buildings		\$ 5,166

Other Operations

Other Charges

Trustee's Commission	\$ 90	
Total Other Charges		90

Total Courthouse and Jail Maintenance Fund 5,256

Solid Waste/Sanitation Fund

Public Safety

Disaster Relief

Part-time Personnel	\$ 1,309	
Social Security	81	
Employer Medicare	19	
Contracts with Private Agencies	11,578	
Solid Waste Equipment	9,855	
Total Disaster Relief		\$ 22,842

Public Health and Welfare

Sanitation Education/Information

Trustee's Commission	\$ 8,818	
Total Sanitation Education/Information		8,818

Convenience Centers

Laborers	\$ 37,569
Longevity Pay	1,700
Social Security	2,362
State Retirement	3,750

(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.)

Convenience Centers (Cont.)

Employer Medicare	\$	552	
Communication		507	
Custodial Supplies		25	
Electricity		445	
Other Supplies and Materials		73	
Other Charges		273	
Total Convenience Centers			\$ 47,256

Transfer Stations

Equipment Operators	\$	52,581	
Longevity Pay		500	
Social Security		3,265	
State Retirement		4,778	
Employer Medicare		764	
Communication		2,033	
Contracts with Private Agencies		205,751	
Maintenance Agreements		1,000	
Maintenance and Repair Services - Buildings		150	
Maintenance and Repair Services - Equipment		10,685	
Maintenance and Repair Services - Vehicles		11,868	
Other Contracted Services		11,539	
Custodial Supplies		26	
Diesel Fuel		18,171	
Electricity		4,215	
Gasoline		8,917	
Lubricants		768	
Tires and Tubes		3,720	
Uniforms		3,839	
Water and Sewer		579	
Other Supplies and Materials		2,038	
Liability Insurance		5,522	
Other Charges		39	
Solid Waste Equipment		33,069	
Total Transfer Stations			385,817

Landfill Operation and Maintenance

Supervisor/Director	\$	27,047	
Longevity Pay		1,000	
Social Security		1,739	
State Retirement		2,678	

(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 (Cont.)

Employer Medicare	\$	407	
Evaluation and Testing		5,000	
Maintenance Agreements		2,000	
Maintenance and Repair Services - Equipment		9,646	
Diesel Fuel		3,181	
Total Landfill Operation and Maintenance			\$ 52,698

Other Operations

Employee Benefits

Unemployment Compensation	\$	1,054	
Other Charges		108	
Total Employee Benefits			1,162

Total Solid Waste/Sanitation Fund \$ 518,593

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Assistant(s)	\$	1,200	
Supervisor/Director		30,000	
Medical Personnel		246,301	
Part-time Personnel		123,020	
Other Salaries and Wages		2,000	
In-Service Training		1,217	
Social Security		24,882	
State Retirement		27,512	
Employer Medicare		5,819	
Communication		2,203	
Contracts with Private Agencies		53,217	
Dues and Memberships		280	
Evaluation and Testing		58	
Legal Services		715	
Licenses		1,500	
Maintenance and Repair Services - Buildings		356	
Maintenance and Repair Services - Equipment		60	
Maintenance and Repair Services - Office Equipment		6,831	
Maintenance and Repair Services - Vehicles		456	
Postal Charges		152	
Travel		129	
Other Contracted Services		1,544	

(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.)

Custodial Supplies	\$	931	
Diesel Fuel		26,930	
Drugs and Medical Supplies		13,885	
Electricity		3,921	
Food Supplies		52	
Office Supplies		592	
Uniforms		1,105	
Liability Insurance		3,496	
Refunds		4,161	
Other Charges		2,476	
Data Processing Equipment		107	
Motor Vehicles		5,151	
Other Equipment		5,237	
Total Ambulance/Emergency Medical Services			\$ 597,496

Other Public Health and Welfare

Accountants/Bookkeepers	\$	14,396	
Social Security		893	
State Retirement		999	
Employer Medicare		209	
Total Other Public Health and Welfare			16,497

Other Operations

Other Charges

Trustee's Commission	\$	10,274	
Total Other Charges			10,274

Employee Benefits

Unemployment Compensation	\$	3,516	
Other Charges		454	
Total Employee Benefits			3,970

Total Ambulance Service Fund \$ 628,237

Special Purpose Fund

Administration of Justice

Circuit Court

Trustee's Commission	\$	29	
Total Circuit Court			\$ 29

(Continued)

Exhibit J-7

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

Special Purpose Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

Data Processing Equipment	\$ 148	
Total Chancery Court		\$ 148

Total Special Purpose Fund \$ 177

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$ 150	
Law Enforcement Supplies	540	
Other Supplies and Materials	781	
Trustee's Commission	34	
Total Drug Enforcement		\$ 1,505

Total Drug Control Fund 1,505

Constitutional Officers - Fees Fund

Administration of Justice

Circuit Court Clerk

Printing, Stationery, and Forms	\$ 50	
Total Circuit Court Clerk		\$ 50

Total Constitutional Officers - Fees Fund 50

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 57,477
Accountants/Bookkeepers	31,875
Communication	2,115
Data Processing Services	5,483
Dues and Memberships	2,250
Legal Services	9,954
Postal Charges	237
Printing, Stationery, and Forms	313
Electricity	1,827
Food Supplies	583
Natural Gas	2,489
Office Supplies	2,651
Water and Sewer	338

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Other Charges	\$ 1,546	
Total Administration		\$ 119,138

Highway and Bridge Maintenance

Foremen	\$ 107,635	
Equipment Operators	154,090	
Truck Drivers	150,483	
Other Contracted Services	150	
Asphalt - Hot Mix	986,687	
Crushed Stone	26,459	
Fertilizer, Lime, and Seed	425	
Riprap	74,884	
Other Road Supplies	8,069	
Pipe	35,461	
Road Signs	956	
Small Tools	874	
Gravel and Chert	2,500	
Geotextile Materials	4,560	
Total Highway and Bridge Maintenance		1,553,233

Operation and Maintenance of Equipment

Foremen	\$ 2,066	
Mechanic(s)	31,200	
Diesel Fuel	51,259	
Equipment and Machinery Parts	46,814	
Garage Supplies	3,231	
Gasoline	25,165	
Lubricants	3,920	
Tires and Tubes	26,246	
Other Supplies and Materials	23	
Total Operation and Maintenance of Equipment		189,924

Other Charges

Building and Contents Insurance	\$ 700	
Liability Insurance	4,522	
Premiums on Corporate Surety Bonds	350	
Trustee's Commission	23,502	
Vehicle and Equipment Insurance	5,232	
Workers' Compensation Insurance	37,866	
Other Self-Insured Claims	4,586	
Total Other Charges		76,758

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Social Security	\$ 39,942	
State Retirement	46,101	
Medical Insurance	110,420	
Unemployment Compensation	601	
Total Employee Benefits		\$ 197,064

Capital Outlay

Highway Equipment	\$ 48,250	
Motor Vehicles	28,255	
State Aid Projects	1,014,357	
Other Capital Outlay	19,263	
Total Capital Outlay		<u>1,110,125</u>

Total Highway/Public Works Fund \$ 3,246,242

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 101	
Principal on Notes	90,000	
Principal on Other Loans	173,850	
Total General Government		\$ 263,951

Education

Principal on Other Loans	\$ 406,150	
Total Education		406,150

Interest on Debt

General Government

Interest on Bonds	\$ 378	
Interest on Notes	2,228	
Interest on Other Loans	11,048	
Total General Government		13,654

Education

Interest on Other Loans	\$ 20,657	
Total Education		20,657

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Trustee's Commission	\$ 11,802	
Other Debt Service	<u>18,522</u>	
Total General Government		\$ 30,324

Education

Other Debt Service	\$ 23,815	
Total Education		<u>23,815</u>

Total General Debt Service Fund \$ 758,551

Total Governmental Funds - Primary Government \$ 8,854,282

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, 2010

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 2,314,081	
Career Ladder Program	29,500	
Career Ladder Extended Contracts	25,550	
Homebound Teachers	5,291	
Educational Assistants	77,383	
Certified Substitute Teachers	5,111	
Non-certified Substitute Teachers	31,748	
Social Security	138,419	
State Retirement	157,565	
Medical Insurance	193,642	
Unemployment Compensation	1,932	
Employer Medicare	32,319	
Tuition	14,489	
Other Contracted Services	28,725	
Instructional Supplies and Materials	35,018	
Textbooks	45,010	
Other Supplies and Materials	8	
Fee Waivers	11,036	
Regular Instruction Equipment	7,476	
Total Regular Instruction Program		\$ 3,154,303

Alternative Instruction Program

Teachers	\$ 44,270	
Other Salaries and Wages	14,208	
Certified Substitute Teachers	28	
Non-certified Substitute Teachers	1,785	
Social Security	3,614	
State Retirement	4,199	
Medical Insurance	1,293	
Unemployment Compensation	53	
Employer Medicare	845	
Instructional Supplies and Materials	737	
Total Alternative Instruction Program		71,032

Special Education Program

Teachers	\$ 420,451
Career Ladder Program	8,000
Homebound Teachers	1,480
Educational Assistants	105,640

(Continued)

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.)

Speech Pathologist	\$	83,742	
Certified Substitute Teachers		336	
Non-certified Substitute Teachers		7,599	
Social Security		36,345	
State Retirement		43,698	
Medical Insurance		47,341	
Unemployment Compensation		648	
Employer Medicare		8,500	
Contracts with Private Agencies		12,093	
Maintenance and Repair Services - Equipment		399	
Other Contracted Services		21,076	
Instructional Supplies and Materials		5,452	
Other Supplies and Materials		101	
Total Special Education Program			\$ 802,901

Vocational Education Program

Teachers	\$	242,020	
Career Ladder Program		3,000	
Educational Assistants		5,736	
Certified Substitute Teachers		812	
Non-certified Substitute Teachers		6,171	
Social Security		15,122	
State Retirement		16,278	
Medical Insurance		11,969	
Unemployment Compensation		203	
Employer Medicare		3,537	
Tuition		8,482	
Instructional Supplies and Materials		3,248	
Other Supplies and Materials		288	
Total Vocational Education Program			316,866

Support Services

Attendance

Supervisor/Director	\$	51,142	
Social Security		2,708	
State Retirement		3,283	
Medical Insurance		6,100	
Unemployment Compensation		28	
Employer Medicare		633	

(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	\$	743	
Other Supplies and Materials		1,233	
In Service/Staff Development		165	
Other Charges		35	
Total Attendance			\$ 66,070

Health Services

Medical Personnel	\$	30,690	
Other Salaries and Wages		38,120	
Social Security		3,082	
State Retirement		5,308	
Medical Insurance		10,833	
Unemployment Compensation		98	
Employer Medicare		721	
Travel		2,475	
Drugs and Medical Supplies		441	
Other Supplies and Materials		24,767	
In Service/Staff Development		275	
Other Charges		600	
Total Health Services			117,410

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		96,275	
Attendants		24,810	
Other Salaries and Wages		24,887	
Social Security		8,835	
State Retirement		10,362	
Medical Insurance		4,968	
Unemployment Compensation		124	
Employer Medicare		2,066	
Evaluation and Testing		9,572	
Travel		64	
Other Supplies and Materials		4,646	
Total Other Student Support			188,609

Regular Instruction Program

Supervisor/Director	\$	119,873	
Career Ladder Program		4,000	

(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 (Cont.)

Career Ladder Extended Contracts	\$	2,200	
Librarians		40,650	
Instructional Computer Personnel		76,959	
Other Salaries and Wages		3,000	
Social Security		13,682	
State Retirement		18,291	
Medical Insurance		16,659	
Unemployment Compensation		171	
Employer Medicare		3,200	
Consultants		1,400	
Travel		2,059	
Other Supplies and Materials		783	
In Service/Staff Development		2,725	
Total Regular Instruction Program			\$ 305,652

Special Education Program

Supervisor/Director	\$	58,110	
Career Ladder Program		1,000	
Clerical Personnel		1,351	
Social Security		3,279	
State Retirement		3,924	
Medical Insurance		6,693	
Unemployment Compensation		29	
Employer Medicare		767	
Travel		4,440	
Other Supplies and Materials		144	
In Service/Staff Development		703	
Total Special Education Program			80,440

Vocational Education Program

Supervisor/Director	\$	4,205	
Clerical Personnel		3,135	
Social Security		437	
State Retirement		569	
Medical Insurance		236	
Unemployment Compensation		4	
Employer Medicare		102	
Travel		538	
Other Supplies and Materials		313	
Total Vocational Education Program			9,539

(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.)

Other Programs

On-Behalf Payments to OPEB	\$ 10,868	
Total Other Programs		\$ 10,868

Board of Education

Board and Committee Members Fees	\$ 14,750	
Social Security	914	
State Retirement	991	
Life Insurance	4,440	
Employer Medicare	214	
Audit Services	8,000	
Dues and Memberships	6,434	
Legal Services	280	
Other Contracted Services	1,788	
Liability Insurance	7,791	
Trustee's Commission	44,176	
Workers' Compensation Insurance	24,353	
In Service/Staff Development	750	
Criminal Investigation of Applicants - TBI	1,740	
Refund to Applicant for Criminal Investigation	540	
Other Charges	3,232	
Total Board of Education		120,393

Director of Schools

County Official/Administrative Officer	\$ 85,114	
Social Security	5,175	
State Retirement	5,464	
Life Insurance	1,511	
Medical Insurance	240	
Unemployment Compensation	28	
Employer Medicare	1,210	
Communication	9,663	
Dues and Memberships	2,245	
Postal Charges	1,958	
Travel	1,532	
Other Contracted Services	2,392	
Office Supplies	1,005	
Other Supplies and Materials	397	
In Service/Staff Development	275	
Other Charges	1,371	
Total Director of Schools		119,580

(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.)

Office of the Principal

Principals	\$ 250,938	
Career Ladder Program	4,000	
Accountants/Bookkeepers	70,568	
Career Ladder Extended Contracts	4,400	
Assistant Principals	50,455	
Secretary(ies)	39,427	
Social Security	23,931	
State Retirement	30,393	
Medical Insurance	23,472	
Unemployment Compensation	303	
Employer Medicare	5,597	
Communication	16,633	
Other Contracted Services	9,600	
Total Office of the Principal		\$ 529,717

Fiscal Services

Supervisor/Director	\$ 39,546	
Clerical Personnel	39,318	
Social Security	4,529	
State Retirement	7,302	
Medical Insurance	3,288	
Unemployment Compensation	38	
Employer Medicare	1,059	
Travel	233	
Total Fiscal Services		95,313

Operation of Plant

Custodial Personnel	\$ 195,357
Social Security	10,932
State Retirement	16,938
Medical Insurance	7,781
Unemployment Compensation	238
Employer Medicare	2,557
Other Contracted Services	13,425
Custodial Supplies	32,190
Electricity	229,865
Natural Gas	69,743
Water and Sewer	13,316
Boiler Insurance	1,424

(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.)

Operation of Plant (Cont.)

Building and Contents Insurance	\$ 25,955	
Total Operation of Plant		\$ 619,721

Maintenance of Plant

Supervisor/Director	\$ 27,626	
Maintenance Personnel	180,998	
Social Security	11,929	
State Retirement	18,901	
Medical Insurance	7,050	
Unemployment Compensation	70	
Employer Medicare	2,790	
Communication	349	
Maintenance and Repair Services - Buildings	45,394	
Maintenance and Repair Services - Equipment	665	
Maintenance and Repair Services - Vehicles	4	
Travel	250	
Other Contracted Services	7,371	
Equipment and Machinery Parts	78,921	
Other Charges	18	
Total Maintenance of Plant		382,336

Transportation

Supervisor/Director	\$ 27,626
Mechanic(s)	35,423
Bus Drivers	249,151
In-Service Training	332
Social Security	17,948
State Retirement	28,468
Medical Insurance	9,705
Unemployment Compensation	355
Employer Medicare	4,196
Communication	247
Maintenance and Repair Services - Vehicles	1,496
Medical and Dental Services	2,500
Other Contracted Services	150
Diesel Fuel	28,212
Garage Supplies	1,156
Gasoline	3,253
Lubricants	3,927

(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.)

Transportation (Cont.)

Tires and Tubes	\$ 10,994	
Vehicle Parts	17,423	
Other Supplies and Materials	719	
Vehicle and Equipment Insurance	8,014	
Other Charges	95	
Transportation Equipment	<u>72,777</u>	
Total Transportation		\$ 524,167

Central and Other

Other Contracted Services	\$ 3,380	
Data Processing Supplies	2,609	
Data Processing Equipment	<u>3,476</u>	
Total Central and Other		9,465

Operation of Non-Instructional Services

Food Service

Medical Insurance	\$ <u>19,350</u>	
Total Food Service		19,350

Community Services

Supervisor/Director	\$ 5,083	
Clerical Personnel	4,125	
Other Salaries and Wages	134,148	
Certified Substitute Teachers	100	
Non-certified Substitute Teachers	1,108	
Social Security	8,872	
State Retirement	11,793	
Medical Insurance	54	
Unemployment Compensation	244	
Employer Medicare	2,079	
Maintenance and Repair Services - Equipment	17,776	
Travel	6,007	
Food Supplies	4,966	
Instructional Supplies and Materials	354	
Other Supplies and Materials	29,693	
Other Charges	<u>62</u>	
Total Community Services		226,464

(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 (Cont.)

Early Childhood Education

Teachers	\$ 118,030	
Career Ladder Program	2,000	
Educational Assistants	41,525	
Other Salaries and Wages	37,032	
Non-certified Substitute Teachers	2,295	
Social Security	11,306	
State Retirement	14,924	
Medical Insurance	15,088	
Unemployment Compensation	220	
Employer Medicare	2,642	
Maintenance and Repair Services - Equipment	14,906	
Travel	786	
Food Supplies	160	
Instructional Supplies and Materials	11,249	
In Service/Staff Development	1,747	
Total Early Childhood Education		\$ 273,910

Principal on Debt

Education

Principal on Notes	\$ 36,032	
Total Education		36,032

Interest on Debt

Education

Interest on Notes	\$ 6,065	
Total Education		6,065

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 167,167	
Total Education		167,167

Total General Purpose School Fund \$ 8,253,370

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 317,505
Educational Assistants	39,355

(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.)

Regular Instruction Program (Cont.)

Certified Substitute Teachers	\$	490	
Non-certified Substitute Teachers		1,581	
Social Security		21,050	
State Retirement		24,142	
Medical Insurance		14,732	
Unemployment Compensation		58	
Employer Medicare		5,178	
Instructional Supplies and Materials		122,378	
Other Supplies and Materials		2,700	
Total Regular Instruction Program			\$ 549,169

Special Education Program

Teachers	\$	12,255	
Educational Assistants		122,304	
Speech Pathologist		4,150	
Social Security		6,938	
State Retirement		12,733	
Medical Insurance		10,800	
Unemployment Compensation		289	
Employer Medicare		1,623	
Contracts with Private Agencies		32,923	
Instructional Supplies and Materials		35,739	
Special Education Equipment		15,971	
Total Special Education Program			255,725

Vocational Education Program

Educational Assistants	\$	6,908	
Social Security		428	
State Retirement		660	
Unemployment Compensation		9	
Employer Medicare		100	
Other Supplies and Materials		3,743	
Vocational Instruction Equipment		7,278	
Total Vocational Education Program			19,126

Support Services

Health Services

Medical Personnel	\$	5,486	
Social Security		340	

(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.)

Health Services (Cont.)

State Retirement	\$	524	
Unemployment Compensation		6	
Employer Medicare		80	
Total Health Services			\$ 6,436

Other Student Support

Guidance Personnel	\$	13,461	
Social Security		793	
State Retirement		903	
Medical Insurance		1,137	
Unemployment Compensation		8	
Employer Medicare		185	
Evaluation and Testing		2,008	
Travel		4,520	
In Service/Staff Development		2,983	
Total Other Student Support			25,998

Regular Instruction Program

Supervisor/Director	\$	14,482	
Clerical Personnel		2,000	
Social Security		1,261	
State Retirement		1,526	
Unemployment Compensation		10	
Employer Medicare		311	
Travel		12,658	
Other Supplies and Materials		7,004	
In Service/Staff Development		18,771	
Total Regular Instruction Program			58,023

Special Education Program

Psychological Personnel	\$	49,362	
Clerical Personnel		7,258	
Social Security		3,009	
State Retirement		3,862	
Medical Insurance		6,634	
Unemployment Compensation		33	
Employer Medicare		704	
Travel		3,730	
Other Supplies and Materials		442	

(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.)

Special Education Program (Cont.)

In Service/Staff Development	\$ 1,720	
Total Special Education Program		\$ 76,754

Vocational Education Program

Travel	\$ 814	
In Service/Staff Development	100	
Total Vocational Education Program		914

Transportation

Transportation Equipment	\$ 77,725	
Total Transportation		<u>77,725</u>

Total School Federal Projects Fund		\$ 1,069,870
------------------------------------	--	--------------

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 48,819	
Clerical Personnel	7,258	
Cafeteria Personnel	218,454	
Social Security	14,054	
State Retirement	23,707	
Medical Insurance	180	
Unemployment Compensation	485	
Employer Medicare	3,287	
Communication	300	
Maintenance and Repair Services - Equipment	4,672	
Postal Charges	100	
Transportation - Other than Students	4,623	
Travel	3,092	
Other Contracted Services	5,498	
Food Preparation Supplies	12,329	
Food Supplies	211,129	
Office Supplies	241	
USDA - Commodities	23,436	
Other Supplies and Materials	373	
In Service/Staff Development	495	
Other Charges	999	
Food Service Equipment	29,700	
Total Food Service		<u>\$ 613,231</u>

Total Central Cafeteria Fund		<u>613,231</u>
------------------------------	--	----------------

Total Governmental Funds - Perry County School Department		<u>\$ 9,936,471</u>
-----------------------------------------------------------	--	---------------------

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, 2010

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 248,981
Total Cash Receipts	<u>\$ 248,981</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 246,491
Trustee's Commission	2,490
Total Cash Disbursements	<u>\$ 248,981</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2009	<u>0</u>
Cash Balance, June 30, 2010	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

December 17, 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, 2010, which collectively comprise Perry County's basic financial statements and have issued our report thereon dated December 17, 2010. Our report includes 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 was not designed to identify all deficiencies in

internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 10.01 and 10.06.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 10.02 and 10.07.

Compliance and Other Matters

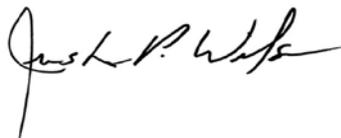
As part of obtaining reasonable assurance about whether Perry County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 10.03, 10.04, 10.05, and 10.08.

We also noted certain matters that we reported to management of Perry County in separate communications.

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

This report is intended solely for the information and use of management, the county mayor, director of schools, superintendent of highways, 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,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu



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

December 17, 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, 2010. 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, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and are described in the accompanying Schedule of Findings and Questioned Costs as items 10.03 and 10.09.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Perry County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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

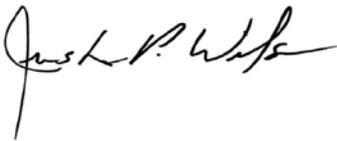
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Perry County as of and for the year ended June 30, 2010, and have issued our report thereon dated December 17, 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 response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Perry County's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the county Mayor, director of schools, superintendent of highways, County Commission, Board of Education, others within Perry County, and 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 fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Perry County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2010

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Community Facilities Loans and Grants	10.766	N/A	\$ 140,000
Natural Resources Conservation Service - Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	154,302
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	23,436 (4)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	100,215
National School Lunch Program	10.555	N/A	283,131 (4)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	29,700
Total U.S. Department of Agriculture			<u>\$ 730,784</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 364,144
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	119,556
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	293,259
Special Education - Preschool Grants	84.173	N/A	24,925
Special Education - Grants to States, Recovery Act	84.391	N/A	176,671
Special Education - Preschool Grants, Recovery Act	84.392	N/A	5,708
Career and Technical Education - Basic Grants to States	84.048	N/A	24,368
Safe and Drug-free Schools and Communities_State Grants	84.186	(2)	5,373
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	4,063
Education Technology State Grants, Recovery Act	84.386	(2)	9,992
Rural Education	84.358	N/A	28,949
Improving Teacher Quality State Grants	84.367	N/A	79,554
State Fiscal Stabilization Funds Cluster:			
State Fiscal Stabilization Funds (SFSF) - Education State Grants, Recovery Act	84.394	N/A	199,900
State Fiscal Stabilization Funds (SFSF) - Government Services, Recovery Act	84.397	N/A	140,760
Total U.S. Department of Education			<u>\$ 1,477,222</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	(2)	\$ 600
Total U.S. Department of Health and Human Services			<u>\$ 600</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z-08-212848-00	\$ 23,150
Emergency Management Performance Grants	97.042	(3)	5,556
Total U.S. Department of Homeland Security			<u>\$ 28,706</u>
Total Expenditures of Federal Awards			<u>\$ 2,237,312</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	\$ 4,329
Litter Program - State Department of Transportation	N/A	Z-10-220368-00	36,914
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	GG-10-229950-00	9,000
Health Department Program - State Department of Health	N/A	Z-10-219846-00	26,325
Airport Maintenance Program - State Department of Transportation	N/A	Z-10-220217-00	1,883
Local Park and Recreation Fund Grant - State Department of Environment and Conservaton	N/A	GG-09-22634-00	2,997
Arts Grant - State Arts Commission	N/A	N/A	1,600
Touching the Lives of Children - State Department of Education	N/A	(2)	73,630
Early Childhood Education - State Department of Education	N/A	(2)	<u>270,919</u>
 Total State Grants			 <u><u>\$ 427,597</u></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) DG-09-24430: \$2,310; no contract number; \$3,246.

(4) Total for CFDA No. 10.555 is \$306,567.

Perry County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2010

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, 2009, which have not been corrected.

PERRY COUNTY AND PERRY COUNTY SCHOOL DEPARTMENT

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.01	182	Perry County and the Perry County School Department do not have the resources to produce financial statements and notes to the financial statements
09.02	183	Perry County did not reconcile the general ledger cash accounts with the trustee

OFFICE OF COUNTY CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.06	186	The office had deficiencies in computer system backup procedures

OTHER FINDINGS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.09	187	A central system of accounting, budgeting, and purchasing had not been adopted
09.10	188	Duties were not segregated adequately in the Offices of Superintendent of Highways, Trustee, County Clerk, Clerk and Master, and Register

PERRY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

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. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no 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 one finding that was required to be reported under Section 510(a) of OMB Circular A-133.
7. The Title I Cluster: Title I Grants to Local Education Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States Program, Special Education – Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education - Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391 and 84.392); and State Fiscal Stabilization Funds Cluster: State Fiscal Stabilization Funds (SFSF) - Education State Grants, Recovery Act and State Fiscal Stabilization Funds (SFSF) - Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397) 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 response of the register is paraphrased in this report.

PERRY COUNTY AND PERRY COUNTY SCHOOL DEPARTMENT

FINDING 10.01 **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.

OFFICE OF COUNTY MAYOR

**FINDING 10.02 GENERAL LEDGER CASH ACCOUNTS WERE NOT RECONCILED 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, 2010, the cash balances in the General and Ambulance Service funds failed to reconcile with the trustee's cash balances by \$327 and \$2,012, 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 properly reflect these cash balances in the financial statements of this report.

RECOMMENDATION

Errors discovered while reconciling the Cash with Trustee accounts with the county trustee reports should be corrected promptly.

OFFICE OF DIRECTOR OF SCHOOLS

**FINDING 10.03 THE SCHOOL DEPARTMENT HAD DEFICIENCIES IN THE USE OF FEDERAL SPECIAL EDUCATION CLUSTER FUNDS
(Noncompliance Under Government Auditing Standards and OMB Circular A-133)**

On March 17, 2010, the State of Tennessee, Department of Education, Division of Special Education released a monitoring report on the Special Education – Preschool Grants (Idea Part B), Recovery Act and Special Education - Preschool Grants (Idea Preschool), Recovery Act programs in Perry County for the fiscal year ending June 30, 2010. The results of that monitoring disclosed the following deficiencies:

- A. The School Department included line-items on expenditure reports that were not approved in the Special Education – Preschool Grants (Idea Part B), Recovery Act budget.
- B. The School Department addendum line-item numbers did not match expenditure report line-item numbers on expenditure reports.
- C. The School Department did not document how full-time equivalents were calculated for each position with the number of hours worked per day.
- D. The School Department does not have a concise board policy or written maintenance procedures for keeping their equipment in good condition.

This monitoring report along with management's responses and corrective action plans may be obtained from the state Department of Education, Division of Special Education, 7th Floor, Andrew Johnson Tower, 710 James Robertson Parkway, Nashville, TN 37243-3080.

OFFICE OF TRUSTEE

FINDING 10.04 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES (Noncompliance Under Government Auditing Standards)**

System backups were not stored off-site. Section 10-7-121, Tennessee Code Annotated, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. 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.

RECOMMENDATION

Backups should be rotated off-site on a weekly basis. 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.

OFFICE OF COUNTY CLERK

FINDING 10.05 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES (Noncompliance Under Government Auditing Standards)**

System backups were not stored off-site. Section 10-7-121, Tennessee Code Annotated, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. 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. This deficiency is also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Backups should be rotated off-site on a weekly basis. 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.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 10.06 **PERRY COUNTY HAS A MATERIAL RECURRING AUDIT FINDING**
(Internal Control – Material Weakness Under Government Auditing Standards)

Perry County has a material audit finding that has been reported in its annual financial report for three or more consecutive years. This recurring material finding is listed below:

<u>Finding Numbers</u>	<u>Description</u>
10.01, 09.01, 08.01	Perry County and the Perry County School Department do not have the resources to produce financial statements and notes to the financial statements

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. The Local Government Modernization Act of 2005 in Section 9-3-405, Tennessee Code Annotated (TCA), encourages local governments to consider establishing an Audit Committee and further provides that the Comptroller may require that an Audit Committee be established in any local government that (1) is in noncompliance with the accounting and financial reporting standards required by the Governmental Accounting Standards Board, or (2) has recurring findings from the annual audit for three or more consecutive years as determined by the Comptroller to be a material weakness in internal control or material noncompliance under Government Auditing Standards. The responsibilities and duties of an Audit Committee are to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

Perry County should establish an Audit Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics. This Audit Committee should provide management with guidance to correct all reported material weaknesses in internal control and material noncompliance. If these findings continue to recur, Perry County may be required to establish an Audit Committee under the provisions of Section 9-3-405, TCA.

FINDING 10.07 DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF SUPERINTENDENT OF HIGHWAYS, TRUSTEE, COUNTY CLERK, CLERK AND MASTER, AND REGISTER
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among officials and employees in the Offices of Superintendent of Highways, Trustee, County Clerk, Clerk and Master, and Register. Officials and 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 give reasonable assurance of the reliability of 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 control 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.

MANAGEMENT'S RESPONSE – REGISTER

Duties are segregated to the extent possible.

FINDING 10.08 THE OFFICES OF COUNTY MAYOR, CIRCUIT COURT CLERK, AND CLERK AND MASTER HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES
(Noncompliance Under Government Auditing Standards)

System backups were not stored off-site. Management provided a backup to another official each week with the understanding that this official would store the backup off-site. However, during the course of the year, the other official discontinued taking the backups off-site. Section 10-7-121, Tennessee Code Annotated, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. 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. When management was made aware that a backup was no longer stored off-site, proper backup procedures were implemented.

RECOMMENDATION

Management should ensure backups are rotated off-site on a weekly basis.

BEST PRACTICE

A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAS NOT BEEN ADOPTED

Perry County does not have 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. 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. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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

Federal Agency	Finding		Criteria	Explanation	Amount Questioned
	Number	CFDA Number			
U.S. Department of Education: Passed-through State Department of Education: Special Education Cluster:	10.09	84.391	Circular A-133,	Noncompliance - See Finding 10.03.	\$ 0
		84.392	Section 500 (d)(1)	A. Line items on expenditures reports that were not approved in the Special Education - Preschool Grants (Idea Part B), Recovery Act budget. B. Addendum line-item numbers did not match expenditures report line-item numbers. C. No documentation on how full-time equivalents were calculated for each position with the number of hours worked per day. D. More concise board policy or written maintenance procedures for keeping their equipment in good condition.	

PERRY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2010

There were no audit findings relative to federal awards presented in the prior-year's Schedule of Findings and Questioned Costs.

There was one audit finding relative to federal awards presented in the current-year's Schedule of Findings and Questioned Costs as item 10.03. On March 17, 2010, the State of Tennessee, Department of Education, Division of Special Education released a monitoring report on the Special Education – Preschool Grants (Idea Part B), Recovery Act and Special Education - Preschool Grants (Idea Preschool), Recovery Act programs in Perry County for the fiscal year ending June 30, 2010. The results of that monitoring disclosed several deficiencies. This monitoring report along with management's responses and corrective action plans may be obtained from the state Department of Education, Division of Special Education, 7th Floor, Andrew Johnson Tower, 710 James Robertson Parkway, Nashville, TN 37243-3080.