
ANNUAL FINANCIAL REPORT PERRY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2011



ANNUAL FINANCIAL REPORT
PERRY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2011

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

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Audit Highlights
Annual Financial Report
Perry County, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Perry County as of and for the year ended June 30, 2011.

Results

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

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

Findings and Best Practices

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

OFFICE OF COUNTY MAYOR

- ◆ The Solid Waste/Sanitation Fund had a deficit in unassigned fund balance and a cash overdraft.
- ◆ General ledger cash accounts were not reconciled accurately with county trustee reports.
- ◆ Expenditures exceeded appropriations.
- ◆ The office had deficiencies in the purchase order system.
- ◆ The county loaned \$80,000 to the Perry County Senior Citizens Center without a formal written contract.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Competitive bids were not solicited for certain purchases.

OFFICE OF ASSESSOR OF PROPERTY

- ◆ The state division of property assessments noted deficiencies in the maintenance of various records.
-

OFFICES OF SUPERINTENDENT OF HIGHWAYS, TRUSTEE, COUNTY CLERK, CLERK AND MASTER, AND REGISTER

- ◆ Duties were not segregated adequately.
-

OFFICES OF TRUSTEE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND REGISTER

- ◆ Multiple employees operated from the same cash drawer.
-

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices 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.

- Perry County should adopt a central system of accounting, budgeting, and purchasing.
- Perry County should establish an Audit Committee.

INTRODUCTORY SECTION

Perry County Officials
June 30, 2011

Officials

John Carroll, County Mayor
Robert Dedrick, Superintendent of Highways
Gil Webb, Director of Schools
George Duncan, Trustee
Garry Horner, Assessor of Property
Glenda Leegan, County Clerk
Peggy Smotherman, Circuit and General Sessions Courts Clerk
Charlene Brown, Clerk and Master
Patricia Bell, Register
Tommy Hickerson, 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
James Duncan	

Board of Education

Martha Sharp, Chairperson	Janet Carroll
Don Barnette	Joel Plunkett
Phillip Seiber	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

March 1, 2012

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, 2011, which collectively comprise Perry County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Perry County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Perry County Emergency Communications District, which represent seven percent of the assets and two 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 other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Perry County, Tennessee, as of June 30, 2011, 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 March 1, 2012, 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.A., Perry County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

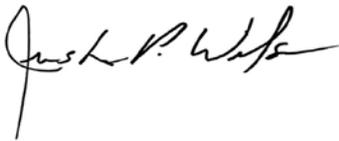
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 61 through 69 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 financial statements as a whole. 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 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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 extending downwards from 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, 2011

	Primary Government Governmental Activities	Component Units	
		Perry County School Department	Perry County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 0	\$ 105,015	\$ 614,282
Equity in Pooled Cash and Investments	6,734,642	460,625	8,044
Accounts Receivable	283,700	0	0
Allowance for Uncollectibles	(50,023)	0	0
Due from Component Unit	108,118	0	0
Due from Other Governments	412,554	462,167	0
Property Taxes Receivable	2,392,552	1,332,717	0
Allowance for Uncollectible Property Taxes	(96,089)	(53,524)	0
Note Receivable - Current	6,216	0	0
Note Receivable - Long-term	67,970	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	210,266	138,512	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	3,282,513	6,801,146	0
Infrastructure	2,990,432	0	0
Other Capital Assets	1,048,611	530,428	145,858
Total Assets	<u>\$ 17,391,462</u>	<u>\$ 9,777,086</u>	<u>\$ 768,184</u>
<u>LIABILITIES</u>			
Cash Overdraft	\$ 9,827	\$ 0	\$ 0
Accounts Payable	0	0	1,972
Payroll Deductions Payable	0	104,515	0
Accrued Interest Payable	0	1,963	0
Due to Primary Government	0	108,118	0
Deferred Revenue - Current Property Taxes	2,170,573	1,209,069	0
Noncurrent Liabilities:			
Due Within One Year	747,026	46,305	0
Due in More Than One Year	6,473,273	333,056	0
Total Liabilities	<u>\$ 9,400,699</u>	<u>\$ 1,803,026</u>	<u>\$ 1,972</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 4,719,122	\$ 0	\$ 0
Invested in Capital Assets	0	7,294,685	145,858
Restricted for:			
General Government	114,618	0	0
Administration of Justice	24,155	0	0
Public Safety	37,878	0	0
Highway/Public Works	3,644,069	0	0
Instruction	0	81,883	0
Operation of Non-Instructional Services	0	127,616	0
Unrestricted	(549,079)	469,876	620,354
Total Net Assets	<u>\$ 7,990,763</u>	<u>\$ 7,974,060</u>	<u>\$ 766,212</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, 2011

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services		Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Perry County		
		Expenses	Services			Contributions	Total Governmental Activities	School Department	Emergency Communications District	
Primary Government:										
Governmental Activities:										
General Government	\$ 605,303	\$ 104,858	\$ 51,740	\$ 0	\$ (448,705)	\$ 0	\$ 0	\$ 0	\$ 0	0
Finance	359,539	201,193	0	0	(158,346)	0	0	0	0	0
Administration of Justice	384,370	152,206	9,000	0	(223,164)	0	0	0	0	0
Public Safety	2,078,403	571,141	622,744	0	(884,518)	0	0	0	0	0
Public Health and Welfare	1,728,843	1,093,002	53,330	0	(582,511)	0	0	0	0	0
Social, Cultural, and Recreational Services	196,604	3,277	47,846	80,000	(65,481)	0	0	0	0	0
Agriculture and Natural Resources	52,122	0	0	0	(52,122)	0	0	0	0	0
Other Operations	308,057	1,300	107	0	(306,650)	0	0	0	0	0
Highways/Public Works	1,772,700	4,095	2,195,338	152,178	578,911	0	0	0	0	0
Education (Payment from C component Unit)	75,000	0	0	0	(75,000)	0	0	0	0	0
Interest on Long-term Debt	30,910	0	167,167	0	136,257	0	0	0	0	0
Other Debt Service	90,042	0	0	0	(90,042)	0	0	0	0	0
Total Primary Government	\$ 7,681,893	\$ 2,131,072	\$ 3,147,272	\$ 232,178	\$ (2,171,371)	\$ 0	\$ 0	\$ 0	\$ 0	0
Component Units:										
Perry County School Department	\$ 10,709,107	\$ 235,550	\$ 2,380,738	\$ 0	\$ 0	\$ (8,092,819)	\$ 0	\$ 0	\$ 0	0
Perry County Emergency Communications District	152,045	243,905	0	0	0	0	0	0	0	91,860
Total Component Units	\$ 10,861,152	\$ 479,455	\$ 2,380,738	\$ 0	\$ 0	\$ (8,092,819)	\$ 0	\$ 0	\$ 0	91,860

(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	
				Government		Perry	Perry County
				Total	Governmental	School	Emergency Communications
Expenses	Contributions		Activities	Department	District		
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 2,344,000	\$ 1,328,811	\$	0
Property Taxes Levied for Debt Service				221,822	0		0
Local Option Sales Tax				538,147	196,850		0
Mineral Severance Tax				54,454	0		0
Wholesale Beer Tax				59,717	0		0
Other Local Taxes				72,725	577		0
Grants and Contributions Not Restricted to Specific Programs				451,790	6,369,723		0
Unrestricted Investment Earnings				48,574	4,924		6,534
Miscellaneous				6,063	174,015		89
Total General Revenues				\$ 3,797,292	\$ 8,074,900	\$	6,623
Change in Net Assets				\$ 1,625,921	\$ (17,919)	\$	98,483
Net Assets, July 1, 2010				6,364,842	7,991,979		667,729
Net Assets, June 30, 2011				\$ 7,990,763	\$ 7,974,060	\$	766,212

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, 2011

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service	Other Governmental Funds	Nonmajor Funds		
							General	Debt Service	
ASSETS									
Equity in Pooled Cash and Investments	\$ 124,160	\$ 0	\$ 887,187	\$ 3,365,921	\$ 2,317,659	\$ 39,715	\$ 6,734,642		
Accounts Receivable	0	0	250,117	0	33,583	0	283,700		
Allowance for Uncollectibles	0	0	(50,023)	0	0	0	(50,023)		
Due from Other Governments	38,075	0	0	278,148	96,331	0	412,554		
Due from Component Units	0	0	108,118	0	0	0	108,118		
Property Taxes Receivable	1,695,639	385,350	93,128	0	218,435	0	2,392,552		
Allowance for Uncollectible Property Taxes	(68,100)	(15,476)	(3,740)	0	(8,773)	0	(96,089)		
Notes Receivable - Current	0	0	0	0	6,216	0	6,216		
Notes Receivable - Long-term	0	0	0	0	67,970	0	67,970		
Total Assets	\$ 1,789,774	\$ 369,874	\$ 1,284,787	\$ 3,644,069	\$ 2,731,421	\$ 39,715	\$ 9,859,640		

LIABILITIES AND FUND BALANCES

Liabilities									
Cash Overdraft	\$ 0	\$ 9,827	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,827		
Deferred Revenue - Current Property Taxes	1,538,318	349,598	84,488	0	198,169	0	2,170,573		
Deferred Revenue - Delinquent Property Taxes	82,499	18,749	4,531	0	10,628	0	116,407		
Other Deferred Revenues	7,642	0	136,932	129,859	44,130	0	318,563		
Total Liabilities	\$ 1,628,459	\$ 378,174	\$ 225,951	\$ 129,859	\$ 252,927	\$ 0	\$ 2,615,370		
Fund Balances									
Restricted:									
Restricted for General Government	\$ 24,477	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,477		
Restricted for Administration of Justice	11,064	0	0	0	0	13,091	24,155		
Restricted for Public Safety	32,774	0	0	0	0	5,104	37,878		
Restricted for Highways/Public Works	0	0	0	3,514,210	0	0	3,514,210		
Committed:									
Committed for General Government	55,750	0	0	0	0	0	55,750		
Committed for Public Health and Welfare	0	0	1,058,836	0	0	0	1,058,836		
Committed for Capital Outlay	15,139	0	0	0	0	0	15,139		

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service	Other Governmental Funds		
\$	0	0	0	2,478,494	0	0	2,478,494
0	0	0	0	0	8,658	8,658	8,658
0	0	0	0	0	12,862	12,862	12,862
22,111	(8,300)	0	0	0	0	0	13,811
\$ 161,315	\$ (8,300)	\$ 1,058,836	\$ 3,514,210	\$ 2,478,494	\$ 39,715	\$ 0	\$ 7,244,270
\$ 1,789,774	\$ 369,874	\$ 1,284,787	\$ 3,644,069	\$ 2,731,421	\$ 39,715	\$ 0	\$ 9,859,640

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)

Committed (Cont.):
Committed for Debt Service
Assigned:
Assigned for Administration of Justice
Assigned for Public Safety
Unassigned

Total Fund Balances

Total Liabilities and Fund Balances

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, 2011

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)		\$ 7,244,270	
(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		3,282,513	
Add: infrastructure net of accumulated depreciation		2,990,432	
Add: other capital assets net of accumulated depreciation		<u>1,048,611</u>	7,531,822
(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	\$	(161,250)	
Less: other loans payable		(6,622,000)	
Less: LOGIC assessment		(4,069)	
Less: compensated absences payable		(56,957)	
Less: landfill closure/postclosure care costs		(361,315)	
Less: other postemployment benefits liability		<u>(14,708)</u>	(7,220,299)
(3) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>434,970</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 7,990,763</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, 2011

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service	Other	Governmental	
<u>Revenues</u>								
Local Taxes	\$ 1,914,677	\$ 391,542	\$ 202,684	\$ 54,454	\$ 661,551	\$ 12,925	\$ 3,237,833	
Licenses and Permits	1,650	0	0	0	0	0	1,650	
Fines, Forfeitures, and Penalties	39,768	0	0	0	0	18,116	57,884	
Charges for Current Services	26,662	45,337	873,225	0	0	50	945,274	
Other Local Revenues	371,152	1	8,830	41,239	76,294	0	497,516	
Fees Received from County Officials	335,637	0	0	0	0	0	335,637	
State of Tennessee	526,181	50,887	12,298	1,641,057	198,892	0	2,429,315	
Federal Government	457,064	0	0	643,068	0	0	1,100,132	
Other Governments and Citizens Groups	201,389	0	0	19,097	347,578	0	568,064	
Total Revenues	\$ 3,874,180	\$ 487,767	\$ 1,097,037	\$ 2,398,915	\$ 1,284,315	\$ 31,091	\$ 9,173,305	
<u>Expenditures</u>								
Current:								
General Government	\$ 656,243	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,013	\$ 671,256	
Finance	347,871	0	0	0	0	0	347,871	
Administration of Justice	370,953	0	0	0	0	430	371,383	
Public Safety	1,860,110	9,227	639	0	0	28,879	1,898,855	
Public Health and Welfare	68,149	553,777	751,988	0	0	0	1,373,914	
Social, Cultural, and Recreational Services	162,746	0	0	0	0	0	162,746	
Agriculture and Natural Resources	52,429	0	0	0	0	0	52,429	
Other Operations	300,620	1,311	20,645	0	0	108	322,684	
Highways	32,356	0	0	1,775,491	0	0	1,807,847	
Debt Service:								
Principal on Debt	0	0	0	0	762,899	0	762,899	
Interest on Debt	0	0	0	0	30,910	0	30,910	
Other Debt Service	0	0	0	0	90,042	0	90,042	
Capital Projects	410,258	0	0	0	296,008	0	706,266	
Total Expenditures	\$ 4,261,735	\$ 564,315	\$ 773,272	\$ 1,775,491	\$ 1,179,859	\$ 44,430	\$ 8,599,102	
Excess (Deficiency) of Revenues Over Expenditures	\$ (387,555)	\$ (76,548)	\$ 323,765	\$ 623,424	\$ 104,456	\$ (13,339)	\$ 574,203	

(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>								
Insurance Recovery	\$ 6,382	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,382
Total Other Financing Sources (Uses)	\$ 6,382	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,382
Net Change in Fund Balances	\$ (381,173)	\$ (76,548)	\$ 323,765	\$ 623,424	\$ 104,456	\$ (13,339)	\$ 580,585	
Fund Balance, July 1, 2010	542,488	68,248	735,071	2,890,786	2,374,038	53,054	6,663,685	
Fund Balance, June 30, 2011	\$ 161,315	\$ (8,300)	\$ 1,058,836	\$ 3,514,210	\$ 2,478,494	\$ 39,715	\$ 7,244,270	

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, 2011

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)		\$ 580,585
<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	\$ 613,452	
Less: current-year depreciation expense	<u>(470,878)</u>	142,574
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.</p>		
Add: assets donated and capitalized		26,609
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Less: deferred delinquent property taxes and other deferred June 30, 2010	\$ (327,070)	
Add: deferred delinquent property taxes and other deferred June 30, 2011	<u>434,970</u>	107,900
<p>(4) 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>		
Add: principal payments on bonds	\$ 109,899	
Add: principal payments on notes	45,000	
Add: principal payments on other loans	<u>608,000</u>	762,899
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in compensated absences payable	\$ 5,308	
Change in landfill closure/postclosure care costs	1,069	
Change in other postemployment benefits liability	<u>(1,023)</u>	<u>5,354</u>
Change in net assets of governmental activities (Exhibit B)		<u><u>\$ 1,625,921</u></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, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 105,777
Due from Other Governments	<u>39,877</u>
Total Assets	<u><u>\$ 145,654</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 39,877
Due to Litigants, Heirs, and Others	<u>105,777</u>
Total Liabilities	<u><u>\$ 145,654</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, 2011

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, 2011.

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 special revenue fund accounts for transactions of the county’s transfer station and convenience centers. Local taxes and general service charges are the foundational revenues of this fund.

Ambulance Service Fund – This special revenue fund accounts for transactions of the county’s ambulance service. Charges for services are the foundational revenues of this fund.

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

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

Additionally, Perry County reports the following fund type:

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 special revenue 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.

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

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 2.11 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, 2011, Perry County had \$3,970,550 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 fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of

Education, the School Department's highest level of decision-making authority.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county's Budget Committee and the Board of Education are authorized bodies to make assignments.

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

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. 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. Fund Deficit

The Solid Waste/Sanitation Fund (special revenue fund) had a negative unassigned fund balance of \$8,300 at June 30, 2011. This negative unassigned fund balance resulted from expenditures exceeding restricted, committed, and assigned balances. The negative unassigned fund balance was liquidated when revenues were recognized after June 30, 2011.

C. Cash Overdraft

The Solid Waste/Sanitation Fund had a cash overdraft of \$9,827 at June 30, 2011. This cash overdraft resulted from the issuance of warrants

exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2011.

D. Expenditures Exceeded Appropriations

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

<u>Funds/Major Category</u>	<u>Amount Overspent</u>
<u>Primary Government:</u>	
General:	
County Trustee's Office	\$ 121
General Sessions Court	890
Public Safety Grant Programs	6,144
Ambulance Service:	
Disaster Relief	639
ARRA Grant #1	871
 <u>Discretely Presented Perry County School Department</u>	
General Purpose School:	
Health Services	12

Expenditures exceeded total appropriations approved by the County Commission in the Drug Control Fund by \$3,629.

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations 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, 2011.

B. Notes Receivable

Notes receivable in the General Debt Service Fund resulted from the county issuing a loan for the construction of a new Senior Citizens Center. The

amount of notes that is not expected to be collected within one year is \$67,970 and is offset by committed fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-10	Increases	Balance 6-30-11
Capital Assets Not Depreciated:			
Land	\$ 210,266	\$ 0	\$ 210,266
Total Capital Assets Not Depreciated	<u>\$ 210,266</u>	<u>\$ 0</u>	<u>\$ 210,266</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 4,971,346	\$ 207,051	\$ 5,178,397
Infrastructure	3,587,581	26,609	3,614,190
Other Capital Assets	3,093,349	406,401	3,499,750
Total Capital Assets Depreciated	<u>\$ 11,652,276</u>	<u>\$ 640,061</u>	<u>\$ 12,292,337</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 1,793,651	\$ 102,233	\$ 1,895,884
Infrastructure	449,237	174,521	623,758
Other Capital Assets	2,257,015	194,124	2,451,139
Total Accumulated Depreciation	<u>\$ 4,499,903</u>	<u>\$ 470,878</u>	<u>\$ 4,970,781</u>
Total Capital Assets Depreciated, Net	<u>\$ 7,152,373</u>	<u>\$ 169,183</u>	<u>\$ 7,321,556</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,362,639</u>	<u>\$ 169,183</u>	<u>\$ 7,531,822</u>

There were no capital asset decreases during the year ended June 30, 2011. Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$	17,092
Public Safety		133,640
Public Health and Welfare		50,702
Highways/Public Works		<u>269,444</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>470,878</u></u>

Discretely Presented Perry County School Department

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
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>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,150,760	\$ 0	\$ 0	\$ 11,150,760
Other Capital Assets	1,454,428	149,829	191,012	1,795,269
Total Capital Assets Depreciated	<u>\$ 12,605,188</u>	<u>\$ 149,829</u>	<u>\$ 191,012</u>	<u>\$ 12,946,029</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,082,732	\$ 266,882	\$ 0	\$ 4,349,614
Other Capital Assets	973,961	99,868	191,012	1,264,841
Total Accumulated Depreciation	<u>\$ 5,056,693</u>	<u>\$ 366,750</u>	<u>\$ 191,012</u>	<u>\$ 5,614,455</u>
Total Capital Assets Depreciated, Net	<u>\$ 7,548,495</u>	<u>\$ (216,921)</u>	<u>\$ 0</u>	<u>\$ 7,331,574</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,687,007</u>	<u>\$ (216,921)</u>	<u>\$ 0</u>	<u>\$ 7,470,086</u>

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

Governmental Activities:

Instruction	\$	103,913
Support Services		211,457
Operation of Non-Instructional Services		<u>51,380</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>366,750</u></u>

D. Interfund Receivables, Payables, and Transfers

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: Ambulance Service	Component Unit: General Purpose School	\$ 108,118

Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following amount:

Discretely Presented Perry County School Department

<u>Transfer Out</u>	<u>Transfer In</u> <u>General Purpose</u> <u>School Fund</u>
School Federal Projects Fund	\$ 12,678

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.

E. Long-term Debt

Primary Government

Notes and Other Loans

The county issues 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.

Capital outlay notes, bonds, and other loans are direct obligations and pledge the full faith and credit of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to ten years for notes and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2011, will be retired from the General Debt Service Fund.

Capital outlay notes and other loans outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
Capital Outlay Notes	0 %	\$ 450,000	\$ 161,250
Other Loans	Variable	11,500,000	6,622,000

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, 2011, the loans had a variable interest rate of .37 percent on the \$5,000,000 and \$2,500,000 loans and .27 percent on the \$4,000,000 loan, \$85 per month per loan trustee fee, and .08 percent remarketing fee of the outstanding principal on the three 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.

In-lieu-of issuing debt to purchase a county building (\$221,008) and school buses (\$75,000), Perry County made these purchases directly from the General Debt Service Fund.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2011, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 161,250	\$ 0	\$ 161,250

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2012	\$ 636,000	\$ 21,711	\$ 69,547	\$ 727,258
2012	665,000	19,552	63,186	747,738
2014	697,000	17,293	56,535	770,828
2015	729,000	14,921	49,565	793,486
2016	764,000	12,437	42,270	818,707
2017-2021	2,591,000	26,156	90,061	2,707,217
2022-2023	540,000	2,198	6,676	548,874
Total	\$ 6,622,000	\$ 114,268	\$ 377,840	\$ 7,114,108

There is \$2,478,494 available in the General Debt Service Fund to service long-term debt. Debt per capita, including notes and other loans, totaled \$857, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2010	\$ 109,899	\$ 206,250
Deductions	(109,899)	(45,000)
Balance, June 30, 2011	\$ 0	\$ 161,250
Balance Due Within One Year	\$ 0	\$ 45,000

	Other Loans	Compensated Absences
Balance, July 1, 2010	\$ 7,230,000	\$ 62,265
Additions	0	70,808
Deductions	(608,000)	(76,116)
Balance, June 30, 2011	<u>\$ 6,622,000</u>	<u>\$ 56,957</u>
Balance Due Within One Year	<u>\$ 636,000</u>	<u>\$ 56,957</u>

	LOGIC Assessment	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2010	\$ 4,069	\$ 362,384	\$ 13,685
Additions	0	3,931	3,033
Deductions	0	(5,000)	(2,010)
Balance, June 30, 2011	<u>\$ 4,069</u>	<u>\$ 361,315</u>	<u>\$ 14,708</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, 2011	\$ 7,220,299
Less: Balance Due Within One Year	<u>(747,026)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 6,473,273</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General 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, 2011, will be retired from the General Purpose School Fund.

Capital outlay notes outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
Capital Outlay Note	0 to 5.949 %	\$ 296,857	\$ 175,401

The annual requirements to amortize all notes outstanding as of June 30, 2011, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 37,296	\$ 4,800	\$ 42,096
2013	37,985	4,111	42,096
2014	38,715	3,381	42,096
2015	39,492	2,608	42,100
2016	14,593	1,788	16,381
2017	7,320	920	8,240
Total	<u>\$ 175,401</u>	<u>\$ 17,608</u>	<u>\$ 193,009</u>

Debt per capita for capital outlay notes totaled \$22, based on the 2010 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, 2011, was as follows:

Governmental Activities:	Notes	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2010	\$ 212,047	\$ 24,512	\$ 129,811
Additions	0	18,487	78,308
Deductions	(36,646)	(6,961)	(40,197)
Balance, June 30, 2011	<u>\$ 175,401</u>	<u>\$ 36,038</u>	<u>\$ 167,922</u>
Balance Due Within One Year	<u>\$ 37,296</u>	<u>\$ 9,009</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 379,361
Less: Balance Due Within One Year	<u>(46,305)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 333,056</u>

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

F. 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, 2011, principal, interest, and other loan fee requirements totaled \$4,129,499 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 \$469,186, and funds contributed by the School Department to the General Debt Service Fund totaled \$167,167.

G. 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, 2011, 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.

H. 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 (\$600,000) and Solid Waste/Sanitation (\$100,000) 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, 2011, was as follows:

	Balance			Balance
	7-1-10	Issued	Paid	6-30-11
Tax Anticipation Notes	\$ 0	\$ 700,000	\$ (700,000)	\$ 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 Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Perry County and the Perry County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

D. Subsequent Events

On November 21, 2011, the county's General Debt Service Fund issued \$800,000 and \$100,000 tax anticipation notes to the General and Solid Waste/Sanitation funds, respectively, for temporary operating funds.

On March 6, 2012, the county mayor executed an agreement with the Perry County Council of Aging, Inc. evidencing a loan of \$110,000 to be repaid over a ten year period starting September 3, 2010. Details of this agreement are discussed in the Schedule of Findings and Question Costs in the Single Audit section of this report.

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. Changes in Administration

On August 31, 2010, Gary Rhodes left the Office of Superintendent of Highways and was succeeded by Robert Detric, Jane Lewis left the Office of County Clerk and was succeeded by Glenda Leegan, and Roy Rogers left the Office of Sheriff and was succeeded by Tommy Hickerson.

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 \$361,315 reported as postclosure care liability at June 30, 2011, represents amounts based on what it would cost to perform all postclosure care in 2011. 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, 2011.

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, 2011.

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

1. Tennessee Consolidated Retirement System (TCRS)

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 <http://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, 2011, was 9.81 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, the county's annual pension cost of \$450,037 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, 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 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was seven 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
6-30-11	\$450,037	100%	\$0
6-30-10	432,057	100	0
6-30-09	371,820	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 \$10 million, and the actuarial value of assets was \$8 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$4 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 annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

SCHOOL TEACHERS

Plan Description

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

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 salary to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2011, 2010, and 2009, were \$422,858, \$294,551, and \$294,290, respectively, equal to the required contributions for each year.

2. **Deferred Compensation**

The discretely presented Perry County School Department offers its employees a deferred compensation plan, established pursuant to IRC Section 403(b). All costs of administering and funding this program are the responsibility of plan participants. The Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 403(b) establish participation, contribution, and withdrawal provisions for the plans.

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. In previous years, prior to reaching age 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health

maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan was changed, and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://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, 2011, Perry County and the discretely presented School Department contributed \$2,010 and \$40,197, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 78,000	\$ 3,000
Interest on the NPO	5,841	616
Adjustment to the ARC	(5,533)	(583)
Annual OPEB cost	\$ 78,308	\$ 3,033
Less: Amount of contribution	(40,197)	(2,010)
Increase/decrease in NPO	\$ 38,111	\$ 1,023
Net OPEB obligation, 7-1-10	129,811	13,685
Net OPEB obligation, 6-30-11	<u>\$ 167,922</u>	<u>\$ 14,708</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Local Education Group	\$ 85,169	30%	\$ 96,780
6-30-10	"	75,230	56	129,811
6-30-11	"	78,308	51	167,922
6-30-09	Local Government Group	4,294	53	4,926
6-30-10	"	11,012	20	13,685
6-30-11	"	3,033	20	14,708

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-10	7-1-10
Actuarial accrued liability (AAL)	\$ 708,000	\$ 21,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 708,000	\$ 21,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 4,289,621	\$ 724,967
UAAL as a % of covered payroll	16%	3%

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, 2010, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 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 Plan was ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 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.

L. 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 expensed 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 approve 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 7-1-10	Increases	Balance 6-30-11
Vehicles	\$ 20,000	\$ 0	\$ 20,000
Communications Equipment	411,868	53,459	465,327
Total Capital Assets Being Depreciated	<u>\$ 431,868</u>	<u>\$ 53,459</u>	<u>\$ 485,327</u>
Less Accumulated Depreciation	<u>\$ (301,383)</u>	<u>\$ (38,086)</u>	<u>\$ (339,469)</u>
Total Accumulated Depreciation	<u>\$ (301,383)</u>	<u>\$ (38,086)</u>	<u>\$ (339,469)</u>
Total Capital Assets, Net	<u><u>\$ 130,485</u></u>	<u><u>\$ 15,373</u></u>	<u><u>\$ 145,858</u></u>

The accumulated depreciation for communications equipment is \$319,469 and \$20,000 for vehicles. Depreciation expense for the year was \$38,086 (\$34,086 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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,914,677	\$ 1,893,560	\$ 2,006,560	\$ (91,883)
Licenses and Permits	1,650	4,250	5,750	(4,100)
Fines, Forfeitures, and Penalties	39,768	47,000	56,000	(16,232)
Charges for Current Services	26,662	24,850	33,150	(6,488)
Other Local Revenues	371,152	267,060	402,412	(31,260)
Fees Received from County Officials	335,637	351,500	358,500	(22,863)
State of Tennessee	526,181	1,674,428	1,010,035	(483,854)
Federal Government	457,064	712,750	650,474	(193,410)
Other Governments and Citizens Groups	201,389	297,022	297,022	(95,633)
Total Revenues	\$ 3,874,180	\$ 5,272,420	\$ 4,819,903	\$ (945,723)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 30,452	\$ 29,928	\$ 36,928	\$ 6,476
County Mayor/Executive	154,638	157,583	158,583	3,945
County Attorney	10,882	7,500	13,900	3,018
Election Commission	113,532	116,100	121,500	7,968
Register of Deeds	99,383	102,027	102,027	2,644
Geographical Information Systems	1,864	2,000	2,000	136
County Buildings	245,492	219,735	254,535	9,043
Preservation of Records	0	1,000	1,000	1,000
<u>Finance</u>				
Accounting and Budgeting	768	900	1,250	482
Property Assessor's Office	94,816	96,473	97,373	2,557
Reappraisal Program	46,432	42,497	52,697	6,265
County Trustee's Office	109,345	107,224	109,224	(121)
County Clerk's Office	96,510	95,006	100,006	3,496
<u>Administration of Justice</u>				
Circuit Court	142,003	152,129	152,129	10,126
General Sessions Court	107,287	105,397	106,397	(890)
Chancery Court	92,755	102,283	99,283	6,528
Juvenile Court	12,502	12,505	12,505	3
Other Administration of Justice	2,615	4,500	4,500	1,885
Courtroom Security	13,791	15,835	15,835	2,044
<u>Public Safety</u>				
Sheriff's Department	737,034	847,670	847,670	110,636
Drug Enforcement	149	0	500	351
Jail	728,594	746,799	746,799	18,205
Civil Defense	70,849	103,164	103,164	32,315
Rescue Squad	9,890	10,000	10,000	110
Disaster Relief	36,451	35,500	39,200	2,749
Other Emergency Management	138,672	140,306	144,806	6,134
County Coroner/Medical Examiner	5,089	7,500	7,500	2,411

(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 Safety (Cont.)</u>				
Public Safety Grant Programs	\$ 103,777	\$ 327	\$ 97,633	\$ (6,144)
Other Public Safety	29,605	34,640	34,640	5,035
<u>Public Health and Welfare</u>				
Local Health Center	36,087	37,315	37,315	1,228
Other Local Health Services	25,580	35,965	35,965	10,385
Other Local Welfare Services	6,482	920,000	420,000	413,518
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	11,835	10,000	11,835	0
Libraries	97,325	102,762	102,762	5,437
Parks and Fair Boards	25,715	12,233	27,233	1,518
Other Social, Cultural, and Recreational	27,871	27,200	30,000	2,129
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	34,350	37,236	37,236	2,886
Soil Conservation	18,079	23,414	23,706	5,627
<u>Other Operations</u>				
Tourism	141,578	34,480	142,486	908
Industrial Development	39,790	45,000	45,000	5,210
Airport	24,215	21,300	25,300	1,085
Veterans' Services	8,069	9,512	9,512	1,443
Other Charges	46,432	50,000	50,000	3,568
Employee Benefits	15,686	16,000	19,107	3,421
ARRA Grant # 1	0	71,519	0	0
Miscellaneous	24,850	28,192	28,192	3,342
<u>Highways</u>				
Litter and Trash Collection	32,356	34,314	34,314	1,958
<u>Capital Projects</u>				
Public Health and Welfare Projects	410,258	500,000	500,000	89,742
Total Expenditures	<u>\$ 4,261,735</u>	<u>\$ 5,312,970</u>	<u>\$ 5,053,547</u>	<u>\$ 791,812</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ (387,555)</u>	<u>\$ (40,550)</u>	<u>\$ (233,644)</u>	<u>\$ (153,911)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	<u>\$ 6,382</u>	<u>\$ 4,000</u>	<u>\$ 8,500</u>	<u>\$ (2,118)</u>
Total Other Financing Sources (Uses)	<u>\$ 6,382</u>	<u>\$ 4,000</u>	<u>\$ 8,500</u>	<u>\$ (2,118)</u>
Net Change in Fund Balance	<u>\$ (381,173)</u>	<u>\$ (36,550)</u>	<u>\$ (225,144)</u>	<u>\$ (156,029)</u>
Fund Balance, July 1, 2010	<u>542,488</u>	<u>542,488</u>	<u>542,488</u>	<u>0</u>
Fund Balance, June 30, 2011	<u><u>\$ 161,315</u></u>	<u><u>\$ 505,938</u></u>	<u><u>\$ 317,344</u></u>	<u><u>\$ (156,029)</u></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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 391,542	\$ 380,750	\$ 412,160	\$ (20,618)
Charges for Current Services	45,337	40,750	40,750	4,587
Other Local Revenues	1	2,000	2,000	(1,999)
State of Tennessee	50,887	63,566	64,692	(13,805)
Federal Government	0	28,751	28,751	(28,751)
Total Revenues	<u>\$ 487,767</u>	<u>\$ 515,817</u>	<u>\$ 548,353</u>	<u>\$ (60,586)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Disaster Relief	\$ 9,227	\$ 0	\$ 9,880	\$ 653
<u>Public Health and Welfare</u>				
Sanitation Education/Information	8,779	8,000	8,900	121
Convenience Centers	57,934	77,061	84,211	26,277
Transfer Stations	386,437	385,578	392,778	6,341
Landfill Operation and Maintenance	100,627	47,015	101,015	388
<u>Other Operations</u>				
Employee Benefits	1,311	1,525	2,025	714
ARRA Grant # 1	0	18,752	5,752	5,752
Total Expenditures	<u>\$ 564,315</u>	<u>\$ 537,931</u>	<u>\$ 604,561</u>	<u>\$ 40,246</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (76,548)</u>	<u>\$ (22,114)</u>	<u>\$ (56,208)</u>	<u>\$ (20,340)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 100,000	\$ (100,000)
Transfers Out	0	0	(100,000)	100,000
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (76,548)	\$ (22,114)	\$ (56,208)	\$ (20,340)
Fund Balance, July 1, 2010	<u>68,248</u>	<u>68,248</u>	<u>68,248</u>	<u>0</u>
Fund Balance, June 30, 2011	<u>\$ (8,300)</u>	<u>\$ 46,134</u>	<u>\$ 12,040</u>	<u>\$ (20,340)</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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 202,684	\$ 88,294	\$ 88,294	\$ 114,390
Charges for Current Services	873,225	633,272	633,272	239,953
Other Local Revenues	8,830	1,000	1,000	7,830
State of Tennessee	12,298	15,000	15,000	(2,702)
Federal Government	0	64,810	64,810	(64,810)
Total Revenues	<u>\$ 1,097,037</u>	<u>\$ 802,376</u>	<u>\$ 802,376</u>	<u>\$ 294,661</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Disaster Relief	\$ 639	\$ 0	\$ 0	\$ (639)
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	751,988	780,815	780,815	28,827
<u>Other Operations</u>				
Other Charges	10,822	12,000	12,000	1,178
Employee Benefits	4,142	4,750	4,750	608
ARRA Grant # 1	5,681	4,810	4,810	(871)
Total Expenditures	<u>\$ 773,272</u>	<u>\$ 802,375</u>	<u>\$ 802,375</u>	<u>\$ 29,103</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 323,765</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 323,764</u>
Net Change in Fund Balance	\$ 323,765	\$ 1	\$ 1	\$ 323,764
Fund Balance, July 1, 2010	735,071	735,071	735,071	0
Fund Balance, June 30, 2011	<u>\$ 1,058,836</u>	<u>\$ 735,072</u>	<u>\$ 735,072</u>	<u>\$ 323,764</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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 54,454	\$ 35,000	\$ 35,000	\$ 19,454
Other Local Revenues	41,239	0	0	41,239
State of Tennessee	1,641,057	2,066,849	2,066,849	(425,792)
Federal Government	643,068	750,000	750,000	(106,932)
Other Governments and Citizens Groups	19,097	0	0	19,097
Total Revenues	<u>\$ 2,398,915</u>	<u>\$ 2,851,849</u>	<u>\$ 2,851,849</u>	<u>\$ (452,934)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 112,180	\$ 144,177	\$ 144,177	\$ 31,997
Highway and Bridge Maintenance	752,905	3,356,000	3,356,000	2,603,095
Operation and Maintenance of Equipment	212,639	245,500	245,500	32,861
Other Charges	85,004	92,400	92,400	7,396
Employee Benefits	183,278	216,250	216,250	32,972
Capital Outlay	429,485	1,417,000	1,417,000	987,515
Total Expenditures	<u>\$ 1,775,491</u>	<u>\$ 5,471,327</u>	<u>\$ 5,471,327</u>	<u>\$ 3,695,836</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 623,424</u>	<u>\$ (2,619,478)</u>	<u>\$ (2,619,478)</u>	<u>\$ 3,242,902</u>
Net Change in Fund Balance	\$ 623,424	\$ (2,619,478)	\$ (2,619,478)	\$ 3,242,902
Fund Balance, July 1, 2010	<u>2,890,786</u>	<u>2,890,786</u>	<u>2,890,786</u>	<u>0</u>
Fund Balance, June 30, 2011	<u>\$ 3,514,210</u>	<u>\$ 271,308</u>	<u>\$ 271,308</u>	<u>\$ 3,242,902</u>

Exhibit E-5

Perry County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Perry County School Department
June 30, 2011

(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 entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the 2007 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, 2011

(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
"	7-1-10	0	21	21	0	725	3
<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
"	7-1-10	0	708	708	0	4,290	16

PERRY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

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. FUND DEFICIT

The Solid Waste/Sanitation Fund (special revenue fund) had a negative unassigned fund balance of \$8,300 at June 30, 2011. This negative unassigned fund balance resulted from expenditures exceeding restricted, committed, and assigned balances. The negative unassigned fund balance was liquidated when revenues were recognized after June 30, 2011.

C. CASH OVERDRAFT

The Solid Waste/Sanitation Fund had a cash overdraft of \$9,827 at June 30, 2011. This cash overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2011.

D. EXPENDITURES EXCEEDED APPROPRIATIONS

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

<u>Funds/Major Category</u>	<u>Amount Overspent</u>
General:	
County Trustee's Office	\$ 121
General Sessions Court	890
Public Safety Grant Programs	6,144
Ambulance Service:	
Disaster Relief	639
ARRA Grant #1	871

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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation. 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.

Exhibit F-1

Perry County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	<u>Courthouse and Jail Maintenance</u>	<u>Special Purpose</u>	<u>Drug Control</u>	
\$	5,104 \$	21,749 \$	12,862 \$	39,715
\$	5,104 \$	21,749 \$	12,862 \$	39,715

ASSETS

Equity in Pooled Cash and Investments

Total Assets

FUND BALANCES

Restricted:

Restricted for Administration of Justice

Restricted for Public Safety

Assigned:

Assigned for Administration of Justice

Assigned for Public Safety

Total Fund Balances

\$	0 \$	13,091 \$	0 \$	0 \$	13,091
	5,104	0	0	0	5,104
	0	8,658	0	0	8,658
	0	0	12,862	12,862	12,862
\$	5,104 \$	21,749 \$	12,862 \$	12,862 \$	39,715

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, 2011

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Special Purpose	Drug Control	Constituti- onal Officers - Fees		
<u>Revenues</u>						
Local Taxes	\$ 9,537	\$ 3,388	\$ 0	\$ 0	\$ 0	12,925
Fines, Forfeitures, and Penalties	1,219	600	16,297	0	0	18,116
Charges for Current Services	0	0	0	50	50	50
Total Revenues	\$ 10,756	\$ 3,988	\$ 16,297	\$ 50	\$ 50	\$ 31,091
<u>Expenditures</u>						
Current:						
General Government	\$ 15,013	\$ 0	\$ 0	\$ 0	\$ 0	15,013
Administration of Justice	0	380	0	50	50	430
Public Safety	0	0	28,879	0	0	28,879
Other Operations	108	0	0	0	0	108
Total Expenditures	\$ 15,121	\$ 380	\$ 28,879	\$ 50	\$ 50	\$ 44,430
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,365)	\$ 3,608	\$ (12,582)	\$ 0	\$ 0	(13,339)
Net Change in Fund Balances Fund Balance, July 1, 2010	\$ (4,365)	\$ 3,608	\$ (12,582)	\$ 0	\$ 0	(13,339)
	9,469	18,141	25,444	0	0	53,054
Fund Balance, June 30, 2011	\$ 5,104	\$ 21,749	\$ 12,862	\$ 0	\$ 0	\$ 39,715

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 9,537	\$ 8,000	\$ 9,600	\$ (63)
Fines, Forfeitures, and Penalties	1,219	950	950	269
Total Revenues	\$ 10,756	\$ 8,950	\$ 10,550	\$ 206
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 15,013	\$ 8,850	\$ 15,650	\$ 637
<u>Other Operations</u>				
Other Charges	108	100	300	192
Total Expenditures	\$ 15,121	\$ 8,950	\$ 15,950	\$ 829
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,365)	\$ 0	\$ (5,400)	\$ 1,035
Net Change in Fund Balance	\$ (4,365)	\$ 0	\$ (5,400)	\$ 1,035
Fund Balance, July 1, 2010	9,469	9,469	9,469	0
Fund Balance, June 30, 2011	\$ 5,104	\$ 9,469	\$ 4,069	\$ 1,035

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,388	\$ 2,000	\$ 2,400	\$ 988
Fines, Forfeitures, and Penalties	600	620	600	0
Total Revenues	<u>\$ 3,988</u>	<u>\$ 2,620</u>	<u>\$ 3,000</u>	<u>\$ 988</u>
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Circuit Court	\$ 380	\$ 550	\$ 735	\$ 355
General Sessions Court	0	500	500	500
Chancery Court	0	500	500	500
Total Expenditures	<u>\$ 380</u>	<u>\$ 1,550</u>	<u>\$ 1,735</u>	<u>\$ 1,355</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,608</u>	<u>\$ 1,070</u>	<u>\$ 1,265</u>	<u>\$ 2,343</u>
Net Change in Fund Balance	\$ 3,608	\$ 1,070	\$ 1,265	\$ 2,343
Fund Balance, July 1, 2010	<u>18,141</u>	<u>18,141</u>	<u>18,141</u>	<u>0</u>
Fund Balance, June 30, 2011	<u><u>\$ 21,749</u></u>	<u><u>\$ 19,211</u></u>	<u><u>\$ 19,406</u></u>	<u><u>\$ 2,343</u></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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 16,297	\$ 3,100	\$ 3,100	\$ 13,197
Other Local Revenues	0	15,000	15,000	(15,000)
Total Revenues	<u>\$ 16,297</u>	<u>\$ 18,100</u>	<u>\$ 18,100</u>	<u>\$ (1,803)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 28,879	\$ 25,000	\$ 25,250	\$ (3,629)
Total Expenditures	<u>\$ 28,879</u>	<u>\$ 25,000</u>	<u>\$ 25,250</u>	<u>\$ (3,629)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (12,582)</u>	<u>\$ (6,900)</u>	<u>\$ (7,150)</u>	<u>\$ (5,432)</u>
Net Change in Fund Balance	\$ (12,582)	\$ (6,900)	\$ (7,150)	\$ (5,432)
Fund Balance, July 1, 2010	<u>25,444</u>	<u>25,444</u>	<u>25,444</u>	<u>0</u>
Fund Balance, June 30, 2011	<u><u>\$ 12,862</u></u>	<u><u>\$ 18,544</u></u>	<u><u>\$ 18,294</u></u>	<u><u>\$ (5,432)</u></u>

Major Governmental Fund

General Debt Service Fund

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

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 661,551	\$ 695,456	\$ 710,456	\$ (48,905)
Other Local Revenues	76,294	85,000	85,000	(8,706)
State of Tennessee	198,892	150,000	180,000	18,892
Other Governments and Citizens Groups	347,578	245,000	424,170	(76,592)
Total Revenues	\$ 1,284,315	\$ 1,175,456	\$ 1,399,626	\$ (115,311)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 334,449	\$ 234,000	\$ 334,449	\$ 0
Education	428,450	419,000	428,450	0
<u>Interest on Debt</u>				
General Government	11,059	93,274	81,053	69,994
Education	19,851	226,145	26,709	6,858
<u>Other Debt Service</u>				
General Government	33,807	179,943	38,758	4,951
Education	56,235	100,000	59,943	3,708
<u>Capital Projects</u>				
General Administration Projects	221,008	0	221,011	3
Education Capital Projects	75,000	0	75,000	0
Total Expenditures	\$ 1,179,859	\$ 1,252,362	\$ 1,265,373	\$ 85,514
Excess (Deficiency) of Revenues Over Expenditures	\$ 104,456	\$ (76,906)	\$ 134,253	\$ (29,797)
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 0	\$ 167,170	\$ 0	\$ 0
Transfers In	0	800,000	800,000	(800,000)
Transfers Out	0	(800,000)	(800,000)	800,000
Total Other Financing Sources (Uses)	\$ 0	\$ 167,170	\$ 0	\$ 0
Net Change in Fund Balance	\$ 104,456	\$ 90,264	\$ 134,253	\$ (29,797)
Fund Balance, July 1, 2010	2,374,038	2,374,038	2,374,038	0
Fund Balance, June 30, 2011	\$ 2,478,494	\$ 2,464,302	\$ 2,508,291	\$ (29,797)

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, 2011

	<u>Agency Funds</u>		
	Cities -	Constitu-	
	Sales	tional	
	Tax	Officers -	
		Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 105,777	\$ 105,777
Due from Other Governments	39,877	0	39,877
Total Assets	<u>\$ 39,877</u>	<u>\$ 105,777</u>	<u>\$ 145,654</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 39,877	\$ 0	\$ 39,877
Due to Litigants, Heirs, and Others	0	105,777	105,777
Total Liabilities	<u>\$ 39,877</u>	<u>\$ 105,777</u>	<u>\$ 145,654</u>

Exhibit H-2

Perry County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 230,850	\$ 230,850	\$ 0
Due from Other Governments	41,839	39,877	41,839	39,877
Total Assets	\$ 41,839	\$ 270,727	\$ 272,689	\$ 39,877
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 41,839	\$ 270,727	\$ 272,689	\$ 39,877
Total Liabilities	\$ 41,839	\$ 270,727	\$ 272,689	\$ 39,877
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 69,310	\$ 105,777	\$ 69,310	\$ 105,777
Total Assets	\$ 69,310	\$ 105,777	\$ 69,310	\$ 105,777
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 69,310	\$ 105,777	\$ 69,310	\$ 105,777
Total Liabilities	\$ 69,310	\$ 105,777	\$ 69,310	\$ 105,777
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 69,310	\$ 105,777	\$ 69,310	\$ 105,777
Equity in Pooled Cash and Investments	0	230,850	230,850	0
Due from Other Governments	41,839	39,877	41,839	39,877
Total Assets	\$ 111,149	\$ 376,504	\$ 341,999	\$ 145,654
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 41,839	\$ 270,727	\$ 272,689	\$ 39,877
Due to Litigants, Heirs, and Others	69,310	105,777	69,310	105,777
Total Liabilities	\$ 111,149	\$ 376,504	\$ 341,999	\$ 145,654

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, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 5,538,423	\$ 0	\$ 1,574,308	\$ (3,964,115)
Support Services	3,745,623	22,819	334,443	(3,388,361)
Operation of Non-Instructional Services	1,252,739	212,731	471,987	(568,021)
Interest on Long-term Debt	5,155	0	0	(5,155)
Other Debt Service	167,167	0	0	(167,167)
Total Governmental Activities	\$ 10,709,107	\$ 235,550	\$ 2,380,738	\$ (8,092,819)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,328,811
Local Option Sales Tax				196,850
Interstate Telecommunications Tax				577
Grants and Contributions Not Restricted to Specific Programs				6,369,723
Unrestricted Investment Earnings				4,924
Miscellaneous				174,015
Total General Revenues				\$ 8,074,900
Change in Net Assets				\$ (17,919)
Net Assets, July 1, 2010				7,991,979
Net Assets, June 30, 2011				<u>\$ 7,974,060</u>

Exhibit I-2

Perry County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Perry County School Department
June 30, 2011

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u> <u>Purpose</u> <u>School</u>	<u>School</u> <u>Federal</u> <u>Projects</u>	<u>Fund</u> <u>Central</u> <u>Cafeteria</u>	<u>Governmental</u> <u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 90,430	\$ 7,480	\$ 7,105	\$ 105,015
Equity in Pooled Cash and Investments	329,040	3,969	127,616	460,625
Due from Other Governments	462,167	0	0	462,167
Property Taxes Receivable	1,332,717	0	0	1,332,717
Allowance for Uncollectible Property Taxes	(53,524)	0	0	(53,524)
Total Assets	\$ 2,160,830	\$ 11,449	\$ 134,721	\$ 2,307,000
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Payroll Deductions Payable	\$ 89,930	\$ 7,480	\$ 7,105	\$ 104,515
Due to Primary Government	108,118	0	0	108,118
Deferred Revenue - Current Property Taxes	1,209,069	0	0	1,209,069
Deferred Revenue - Delinquent Property Taxes	64,841	0	0	64,841
Other Deferred Revenues	18,288	0	0	18,288
Total Liabilities	\$ 1,490,246	\$ 7,480	\$ 7,105	\$ 1,504,831
<u>Fund Balances</u>				
Restricted:				
Restricted for Education	\$ 77,914	\$ 3,969	\$ 127,616	\$ 209,499
Unassigned	592,670	0	0	592,670
Total Fund Balances	\$ 670,584	\$ 3,969	\$ 127,616	\$ 802,169
Total Liabilities and Fund Balances	\$ 2,160,830	\$ 11,449	\$ 134,721	\$ 2,307,000

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, 2011

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)		\$	802,169
(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		6,801,146	
Add: other capital assets net of accumulated depreciation		<u>530,428</u>	7,470,086
(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	\$	(175,401)	
Less: compensated absences payable		(36,038)	
Less: accrued interest on bonds		(1,963)	
Less: other postemployment benefits liability		<u>(167,922)</u>	(381,324)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>83,129</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>7,974,060</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, 2011

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Fund Central Cafeteria	
<u>Revenues</u>				
Local Taxes	\$ 1,559,475	\$ 0	\$ 0	\$ 1,559,475
Licenses and Permits	648	0	0	648
Charges for Current Services	23,167	0	212,731	235,898
Other Local Revenues	490,468	0	803	491,271
State of Tennessee	6,409,095	0	5,940	6,415,035
Federal Government	102,150	1,391,355	466,047	1,959,552
Total Revenues	\$ 8,585,003	\$ 1,391,355	\$ 685,521	\$ 10,661,879
<u>Expenditures</u>				
Current:				
Instruction	\$ 4,294,809	\$ 1,082,984	\$ 0	\$ 5,377,793
Support Services	3,401,060	300,969	0	3,702,029
Operation of Non-Instructional Services	518,150	0	672,255	1,190,405
Debt Service:				
Principal on Debt	36,646	0	0	36,646
Interest on Debt	5,450	0	0	5,450
Other Debt Service	167,167	0	0	167,167
Total Expenditures	\$ 8,423,282	\$ 1,383,953	\$ 672,255	\$ 10,479,490
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 161,721	\$ 7,402	\$ 13,266	\$ 182,389
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 12,678	\$ 0	\$ 0	\$ 12,678
Transfers Out	0	(12,678)	0	(12,678)
Total Other Financing Sources (Uses)	\$ 12,678	\$ (12,678)	\$ 0	\$ 0
Net Change in Fund Balances				
Fund Balance, July 1, 2010	\$ 496,185	\$ 9,245	\$ 114,350	\$ 619,780
Fund Balance, June 30, 2011	\$ 670,584	\$ 3,969	\$ 127,616	\$ 802,169

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, 2011

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)		\$ 182,389
<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	\$ 149,829	
Less: current-year depreciation expense	<u>(366,750)</u>	(216,921)
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Less: deferred delinquent property taxes and other deferred June 30, 2010	\$ (53,820)	
Add: deferred delinquent property taxes and other deferred June 30, 2011	<u>83,129</u>	29,309
<p>(3) The issuance of long-term debt (e.g., notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.</p>		
Add: principal payments on notes		36,646
<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 compensated absences payable	\$ (11,526)	
Change in accrued interest on notes	295	
Change in other postemployment benefits liability	<u>(38,111)</u>	<u>(49,342)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (17,919)</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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,559,475	\$ 1,525,420	\$ 1,569,815	\$ (10,340)
Licenses and Permits	648	675	575	73
Charges for Current Services	23,167	21,500	21,845	1,322
Other Local Revenues	490,468	204,000	477,360	13,108
State of Tennessee	6,409,095	6,399,435	6,399,528	9,567
Federal Government	102,150	332,710	102,145	5
Total Revenues	\$ 8,585,003	\$ 8,483,740	\$ 8,571,268	\$ 13,735
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,079,015	\$ 3,114,630	\$ 3,094,630	\$ 15,615
Alternative Instruction Program	71,435	71,875	71,875	440
Special Education Program	815,441	847,380	836,380	20,939
Vocational Education Program	328,918	324,830	330,355	1,437
<u>Support Services</u>				
Attendance	40,952	37,695	41,295	343
Health Services	104,282	106,770	104,270	(12)
Other Student Support	191,155	195,440	194,440	3,285
Regular Instruction Program	370,475	322,279	372,654	2,179
Special Education Program	81,876	79,985	82,795	919
Vocational Education Program	10,343	10,130	10,530	187
Other Programs	10,868	0	10,868	0
Board of Education	130,982	127,280	133,775	2,793
Director of Schools	125,995	126,205	128,205	2,210
Office of the Principal	530,863	537,665	537,665	6,802
Fiscal Services	103,609	111,525	111,525	7,916
Operation of Plant	633,470	705,886	700,886	67,416
Maintenance of Plant	418,769	415,640	421,640	2,871
Transportation	641,178	578,265	668,665	27,487
Central and Other	6,243	6,400	6,400	157
<u>Operation of Non-Instructional Services</u>				
Food Service	20,700	20,000	20,700	0
Community Services	209,899	213,760	213,760	3,861
Early Childhood Education	287,551	291,225	291,225	3,674
<u>Principal on Debt</u>				
Education	36,646	87,105	36,655	9
<u>Interest on Debt</u>				
Education	5,450	0	5,450	0
<u>Other Debt Service</u>				
Education	167,167	0	167,167	0
Total Expenditures	\$ 8,423,282	\$ 8,331,970	\$ 8,593,810	\$ 170,528

(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	\$ 161,721	\$ 151,770	\$ (22,542)	\$ 184,263
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 12,678	\$ 15,400	\$ 30,400	\$ (17,722)
Transfers Out	0	(167,170)	(3)	3
Total Other Financing Sources (Uses)	\$ 12,678	\$ (151,770)	\$ 30,397	\$ (17,719)
Net Change in Fund Balance	\$ 174,399	\$ 0	\$ 7,855	\$ 166,544
Fund Balance, July 1, 2010	496,185	496,185	496,185	0
Fund Balance, June 30, 2011	\$ 670,584	\$ 496,185	\$ 504,040	\$ 166,544

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,391,355	\$ 1,566,996	\$ 1,565,065	\$ (173,710)
Total Revenues	\$ 1,391,355	\$ 1,566,996	\$ 1,565,065	\$ (173,710)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 742,619	\$ 815,915	\$ 810,462	\$ 67,843
Special Education Program	271,225	338,445	341,115	69,890
Vocational Education Program	69,140	68,826	69,143	3
<u>Support Services</u>				
Health Services	19,314	19,292	19,328	14
Other Student Support	24,917	26,801	24,975	58
Regular Instruction Program	95,561	136,802	133,053	37,492
Special Education Program	81,919	85,971	85,180	3,261
Vocational Education Program	4,465	4,813	4,472	7
Maintenance of Plant	47,681	41,115	47,681	0
Transportation	27,112	26,948	27,666	554
Total Expenditures	\$ 1,383,953	\$ 1,564,928	\$ 1,563,075	\$ 179,122
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,402	\$ 2,068	\$ 1,990	\$ 5,412
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 4,600	\$ 4,600	\$ (4,600)
Transfers Out	(12,678)	(15,913)	(15,835)	3,157
Total Other Financing Sources (Uses)	\$ (12,678)	\$ (11,313)	\$ (11,235)	\$ (1,443)
Net Change in Fund Balance	\$ (5,276)	\$ (9,245)	\$ (9,245)	\$ 3,969
Fund Balance, July 1, 2010	9,245	9,245	9,245	0
Fund Balance, June 30, 2011	\$ 3,969	\$ 0	\$ 0	\$ 3,969

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 212,731	\$ 203,000	\$ 202,600	\$ 10,131
Other Local Revenues	803	1,100	600	203
State of Tennessee	5,940	6,000	5,900	40
Federal Government	466,047	420,200	444,732	21,315
Total Revenues	<u>\$ 685,521</u>	<u>\$ 630,300</u>	<u>\$ 653,832</u>	<u>\$ 31,689</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 672,255	\$ 662,500	\$ 692,632	\$ 20,377
Total Expenditures	<u>\$ 672,255</u>	<u>\$ 662,500</u>	<u>\$ 692,632</u>	<u>\$ 20,377</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 13,266</u>	<u>\$ (32,200)</u>	<u>\$ (38,800)</u>	<u>\$ 52,066</u>
Net Change in Fund Balance	\$ 13,266	\$ (32,200)	\$ (38,800)	\$ 52,066
Fund Balance, July 1, 2010	<u>114,350</u>	<u>114,350</u>	<u>114,350</u>	<u>0</u>
Fund Balance, June 30, 2011	<u>\$ 127,616</u>	<u>\$ 82,150</u>	<u>\$ 75,550</u>	<u>\$ 52,066</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, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Paid and/or Matured During Period	Outstanding 6-30-11
<u>PRIMARY GOVERNMENT</u>							
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Angelica Industrial Building	\$ 450,000	0%	1-10-05	1-10-15	\$ 206,250	\$ 45,000	\$ 161,250
Total Notes Payable					\$ 206,250	\$ 45,000	\$ 161,250
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
School	5,000,000	Variable	10-14-1998	5-25-18	\$ 2,729,000	\$ 281,000	\$ 2,448,000
School	2,500,000	Variable	5-24-00	5-25-19	1,521,000	138,000	1,383,000
Angelica Building, Jail, Solid Waste Equipment, School	4,000,000	Variable	10-28-03	5-25-23	2,980,000	189,000	2,791,000
Total Other Loans Payable					\$ 7,230,000	\$ 608,000	\$ 6,622,000
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Senior Citizens Center	110,000	4.125	5-28-10	7-21-10	\$ 109,899	\$ 109,899	\$ 0
Total Bonds Payable					\$ 109,899	\$ 109,899	\$ 0
<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	\$ 83,476	\$ 10,932	\$ 72,544
Energy Efficiency Loan	180,000	0	4-1-08	6-1-15	128,571	25,714	102,857
Total Notes Payable					\$ 212,047	\$ 36,646	\$ 175,401

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
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	\$ 161,250	\$ 0	\$ 161,250

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2012	\$ 636,000	\$ 21,711	\$ 69,547	\$ 727,258
2013	665,000	19,552	63,186	747,738
2014	697,000	17,293	56,535	770,828
2015	729,000	14,921	49,565	793,486
2016	764,000	12,437	42,270	818,707
2017	800,000	9,832	34,630	844,462
2018	837,000	7,101	26,462	870,563
2019	446,000	4,238	16,223	466,461
2020	250,000	2,830	7,098	259,928
2021	258,000	2,155	5,648	265,803
2022	266,000	1,458	4,152	271,610
2023	274,000	740	2,524	277,264
Total	\$ 6,622,000	\$ 114,268	\$ 377,840	\$ 7,114,108

DISCRETELY PRESENTED PERRY
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 37,296	\$ 4,800	\$ 42,096
2013	37,985	4,111	42,096
2014	38,715	3,381	42,096
2015	39,492	2,608	42,100
2016	14,593	1,788	16,381
2017	7,320	920	8,240
Total	\$ 175,401	\$ 17,608	\$ 193,009

Exhibit J-3

Perry County, Tennessee
Schedule of Notes Receivable
June 30, 2011

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Notes</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance 6-30-11</u>
<u>General Debt Service Fund</u>						
Senior Citizen Center	Perry County Senior Citizen Center	\$ 80,000	(1)	(1)	(1) %	\$ 74,186

(1) See Finding 11.05 in the Schedule of Findings and Questioned Costs section of this report.

Exhibit J-4

Perry County, Tennessee
Schedule of Transfers
Discretely Presented Perry County School Department
For the Year Ended June 30, 2011

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect cost	<u>\$ 12,678</u>

Exhibit J-5

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, 2011

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 61,551	\$ 25,000	Auto-Owners Mutual Insurance Company
Superintendent of Highways:				
Gary Rhodes (7-1-10 through 8-31-10)	Section 8-24-102, TCA	9,580	100,000	Western Surety Company
Robert Dedrick (9-1-10 through 6-30-11)	Section 8-24-102, TCA	47,897	100,000	Auto-Owners Mutual Insurance Company
Director of Schools	State Board of Education and Perry County Board of Education	85,466 (1)	100,000	Western Surety Company
Trustee	Section 8-24-102, TCA	52,251	350,000	"
Assessor of Property	Section 8-24-102, TCA	52,251	10,000	Auto Owners Mutual Insurance Company
County Clerk:				
Jane Lewis (7-1-10 through 8-31-10)	Section 8-24-102, TCA	10,450	25,000	Western Surety Company
Glenda Leegan (9-1-10 through 6-30-11)	Section 8-24-102, TCA	41,801	25,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	52,251	25,000	"
Clerk and Master	Section 8-24-102, TCA	52,251	35,000	RLI Insurance Company
Register	Section 8-24-102, TCA	52,251	15,000	Western Surety Company
Sheriff:				
Roy Rogers (7-1-10 through 8-31-10)	Section 8-24-102, TCA	11,768 (2)	25,000	"
Tommy Hickerson (9-1-10 through 6-30-11)	Section 8-24-102, TCA	40,549	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) 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, 2011

	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	\$ 1,534,305	0	348,686	192,384	\$	0
Trustee's Collections - Prior Year	63,937	0	16,702	4,006		0
Circuit/Clerk & Master Collections - Prior Years	22,453	0	5,103	1,233		0
Interest and Penalty	12,497	0	2,840	686		0
Pick-up Taxes	608	0	126	5		0
Payments in-Lieu-of Taxes - T.V.A.	72,974	0	16,584	4,008		0
Payments in-Lieu-of Taxes - Other	369	0	84	20		0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	82,473	0	0	0		0
Hotel/Motel Tax	8,047	0	0	0		0
Litigation Tax - General	20,944	1,584	0	0		694
Litigation Tax - Special Purpose	0	0	0	0		2,694
Litigation Tax - Jail, Workhouse, or Courthouse	0	7,953	0	0		0
Business Tax	29,703	0	0	0		0
Mineral Severance Tax	0	0	0	0		0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	6,234	0	1,417	342		0
Wholesale Beer Tax	59,717	0	0	0		0
Interstate Telecommunications Tax	416	0	0	0		0
<u>Total Local Taxes</u>	<u>\$ 1,914,677</u>	<u>\$ 9,537</u>	<u>\$ 391,542</u>	<u>\$ 202,684</u>	<u>\$</u>	<u>3,388</u>
<u>Licenses and Permits</u>						
<u>Permits</u>						
Beer Permits	\$ 950	0	0	0	\$	0
Other Permits	700	0	0	0		0
<u>Total Licenses and Permits</u>	<u>\$ 1,650</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$</u>	<u>0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 484	0	0	0	\$	0

(Continued)

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

	General	Special Revenue Funds					Special Purpose
		Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Circuit Court (Cont.)</u>							
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Game and Fish Fines	180	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0
Jail Fees	1,286	0	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	0	93
Courtroom Security Fee	17	0	0	0	0	0	0
<u>Criminal Court</u>							
Game and Fish Fines	446	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	13,148	0	0	0	0	0	0
Officers Costs	11,590	0	0	0	0	0	0
Game and Fish Fines	443	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0
Drug Court Fees	1,330	0	0	0	0	0	0
Jail Fees	2,369	1,219	0	0	0	0	0
DUI Treatment Fines	1,663	0	0	0	0	0	0
Courtroom Security Fee	47	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	3,176	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	1,223	0	0	0	0	0	0
Data Entry Fee - Chancery Court	10	0	0	0	0	0	507
<u>Judicial District Drug Program</u>							
Courtroom Security Fee	8	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	2,348	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 39,768	\$ 1,219	\$ 0	\$ 0	\$ 0	\$ 0	600

(Continued)

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

	General	Special Revenue Funds				Special Purpose
		Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service		
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 1,090	\$ 0	\$ 0	\$ 0	\$ 0	0
Tipping Fees	0	0	25	0	0	0
Solid Waste Disposal Fees	0	0	45,312	0	0	0
Patient Charges	0	0	0	873,225	0	0
<u>Fees</u>						
Airport Fees	1,300	0	0	0	0	0
Copy Fees	1,700	0	0	0	0	0
Library Fees	3,277	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0
Telephone Commissions	13,572	0	0	0	0	0
Constitutional Officers' Fees and Commissions	568	0	0	0	0	0
Data Processing Fee - Register	2,992	0	0	0	0	0
Data Processing Fee - Sheriff	913	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	600	0	0	0	0	0
Data Processing Fee - County Clerk	600	0	0	0	0	0
Total Charges for Current Services	\$ 26,662	\$ 0	\$ 45,337	\$ 873,225	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 40,115	\$ 0	\$ 1	\$ 0	\$ 0	0
Lease/Rentals	127,057	0	0	0	0	0
Sale of Materials and Supplies	130	0	0	0	0	0
Commissary Sales	5,375	0	0	0	0	0
Sale of Maps	682	0	0	0	0	0
Miscellaneous Refunds	2,611	0	0	2,012	0	0
Expenditure Credits	1,030	0	0	0	0	0
<u>Nonrecurring Items</u>						
Contributions and Gifts	194,152	0	0	6,818	0	0
Total Other Local Revenues	\$ 371,152	\$ 0	\$ 1	\$ 8,830	\$ 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>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 60,188	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	18,813	0	0	0	0
General Sessions Court Clerk	44,777	0	0	0	0
Clerk and Master	30,114	0	0	0	0
Register	30,087	0	0	0	0
Sheriff	11,253	0	0	0	0
Trustee	140,405	0	0	0	0
Total Fees Received from County Officials	\$ 335,637	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	7,674	0	0	0	0
On-Behalf Contributions for OPEB	107	0	0	0	0
Other General Government Grants	24,822	0	0	0	0
Public Safety Grants					
Law Enforcement Training Programs	7,800	0	0	0	0
Health and Welfare Grants					
Health Department Programs	21,929	0	0	0	0
Other Health and Welfare Grants	7,903	0	0	0	0
Public Works Grants					
State Aid Program	0	0	0	0	0
Litter Program	16,680	0	0	0	0
Other Public Works Grants	13,530	0	0	0	0
Other State Revenues					
Income Tax	9,856	0	2,240	541	0
Resort District Sales Tax	73,499	0	0	0	0
Beer Tax	18,724	0	0	0	0
Alcoholic Beverage Tax	27,893	0	0	0	0
State Revenue Sharing - T.V.A.	220,992	0	48,647	11,757	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>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Contracted Prisoner Boarding	\$ 48,484	\$ 0	\$ 0	\$ 0	\$ 0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,468	0	0	0	0	0
Other State Revenues	1,820	0	0	0	0	0
Total State of Tennessee	\$ 526,181	\$ 0	\$ 50,887	\$ 12,298	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 36,272	\$ 0	\$ 0	\$ 0	\$ 0	0
Law Enforcement Grants	10,474	0	0	0	0	0
Other Federal through State	410,318	0	0	0	0	0
Direct Federal Revenue	0	0	0	0	0	0
Other Direct Federal Revenue	0	0	0	0	0	0
Total Federal Government	\$ 457,064	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 51,389	\$ 0	\$ 0	\$ 0	\$ 0	0
Paving and Maintenance	0	0	0	0	0	0
Contributions	0	0	0	0	0	0
Contracted Services	150,000	0	0	0	0	0
Citizens Groups	0	0	0	0	0	0
Donations	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 201,389	\$ 0	\$ 0	\$ 0	\$ 0	0
Total	\$ 3,874,180	\$ 10,756	\$ 487,767	\$ 1,097,037	\$ 3,988	0

(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	\$ 197,648	\$ 2,273,023	
Trustee's Collections - Prior Year	0	0	0	9,430	94,075	
Circuit/Clerk & Master Collections - Prior Years	0	0	0	2,892	31,681	
Interest and Penalty	0	0	0	1,610	17,633	
Pick-up Taxes	0	0	0	71	810	
Payments in-Lieu-of-Taxes - T.V.A.	0	0	0	9,401	102,967	
Payments in-Lieu-of-Taxes - Other	0	0	0	48	521	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	438,958	521,431	
Hotel/Motel Tax	0	0	0	0	8,047	
Litigation Tax - General	0	0	0	0	23,222	
Litigation Tax - Special Purpose	0	0	0	0	2,694	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	690	8,643	
Business Tax	0	0	0	0	29,703	
Mineral Severance Tax	0	0	54,454	0	54,454	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	803	8,796	
Wholesale Beer Tax	0	0	0	0	59,717	
Interstate Telecommunications Tax	0	0	0	0	416	
Total Local Taxes	\$ 0	\$ 0	\$ 54,454	\$ 661,551	\$ 3,237,833	
<u>Licenses and Permits</u>						
<u>Permits</u>						
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 950	
Other Permits	0	0	0	0	700	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,650	
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 484	

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Circuit Court (Cont.)</u>						
Officers Costs	19 \$	0 \$	0 \$	0 \$	19	
Game and Fish Fines	0	0	0	0	180	
Drug Control Fines	41	0	0	0	41	
Jail Fees	0	0	0	0	1,286	
Data Entry Fee - Circuit Court	0	0	0	0	93	
Courtroom Security Fee	0	0	0	0	17	
<u>Criminal Court</u>						
Game and Fish Fines	0	0	0	0	446	
<u>General Sessions Court</u>						
Fines	0	0	0	0	13,148	
Officers Costs	0	0	0	0	11,590	
Game and Fish Fines	0	0	0	0	443	
Drug Control Fines	2,734	0	0	0	2,734	
Drug Court Fees	0	0	0	0	1,330	
Jail Fees	0	0	0	0	3,588	
DUI Treatment Fines	0	0	0	0	1,663	
Courtroom Security Fee	0	0	0	0	47	
<u>Juvenile Court</u>						
Fines	0	0	0	0	3,176	
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	1,223	
Data Entry Fee - Chancery Court	0	0	0	0	517	
<u>Judicial District Drug Program</u>						
Courtroom Security Fee	0	0	0	0	8	
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	12,703	0	0	0	15,051	
Other Fines, Forfeitures, and Penalties	800	0	0	0	800	
Total Fines, Forfeitures, and Penalties	16,297 \$	0 \$	0 \$	0 \$	57,884	

(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>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,090
Tipping Fees	0	0	0	0	0	25
Solid Waste Disposal Fees	0	0	0	0	0	45,312
Patient Charges	0	0	0	0	0	873,225
<u>Fees</u>						
Airport Fees	0	0	0	0	0	1,300
Copy Fees	0	0	0	0	0	1,700
Library Fees	0	0	0	0	0	3,277
Greenbelt Late Application Fee	0	0	0	0	0	50
Telephone Commissions	0	0	0	0	0	13,572
Constitutional Officers' Fees and Commissions	0	50	0	0	0	618
Data Processing Fee - Register	0	0	0	0	0	2,992
Data Processing Fee - Sheriff	0	0	0	0	0	913
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	600
Data Processing Fee - County Clerk	0	0	0	0	0	600
Total Charges for Current Services	\$ 0	\$ 50	\$ 0	\$ 0	\$ 0	\$ 945,274
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0	0	0	8,458	0	48,574
Lease/Rentals	0	0	0	67,836	0	194,893
Sale of Materials and Supplies	0	0	4,095	0	0	4,225
Commissary Sales	0	0	0	0	0	5,375
Sale of Maps	0	0	0	0	0	682
Miscellaneous Refunds	0	0	350	0	0	4,973
Expenditure Credits	0	0	0	0	0	1,030
<u>Nonrecurring Items</u>						
Contributions and Gifts	0	0	36,794	0	0	237,764
Total Other Local Revenues	\$ 0	\$ 0	\$ 41,239	\$ 76,294	\$ 0	\$ 497,516

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	60,188
Circuit Court Clerk	0	0	0	0	0	18,813
General Sessions Court Clerk	0	0	0	0	0	44,777
Clerk and Master	0	0	0	0	0	30,114
Register	0	0	0	0	0	30,087
Sheriff	0	0	0	0	0	11,253
Trustee	0	0	0	0	0	140,405
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	335,637
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	9,000
Airport Maintenance Program	0	0	0	0	0	7,674
On-Behalf Contributions for OPEB	0	0	0	0	0	107
Other General Government Grants	0	0	0	0	0	24,822
Public Safety Grants						
Law Enforcement Training Programs	0	0	0	0	0	7,800
Health and Welfare Grants						
Health Department Programs	0	0	0	0	0	21,929
Other Health and Welfare Grants	0	0	0	0	0	7,903
Public Works Grants						
State Aid Program	0	0	125,569	0	0	125,569
Litter Program	0	0	0	0	0	16,680
Other Public Works Grants	0	0	0	0	0	13,530
<u>Other State Revenues</u>						
Income Tax	0	0	0	1,270	0	13,907
Resort District Sales Tax	0	0	0	0	0	73,499
Beer Tax	0	0	0	0	0	18,724
Alcoholic Beverage Tax	0	0	0	0	0	27,893
State Revenue Sharing - T.V.A.	0	0	0	27,575	0	308,971

(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		
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Contracted Prisoner Boarding	\$ 0	\$ 0	\$ 0	\$ 170,047	\$ 218,531
Gasoline and Motor Fuel Tax	0	0	1,509,360	0	1,509,360
Petroleum Special Tax	0	0	6,128	0	6,128
Registrar's Salary Supplement	0	0	0	0	15,468
Other State Revenues	0	0	0	0	1,820
Total State of Tennessee	\$ 0	\$ 0	\$ 1,641,057	\$ 198,892	\$ 2,429,315
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,272
Law Enforcement Grants	0	0	0	0	10,474
Other Federal through State	0	0	0	0	410,318
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	643,068	0	643,068
Total Federal Government	\$ 0	\$ 0	\$ 643,068	\$ 0	\$ 1,100,132
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 100,411	\$ 151,800
Paving and Maintenance	0	0	19,097	0	19,097
Contributions	0	0	0	167,167	167,167
Contracted Services	0	0	0	0	150,000
<u>Citizens Groups</u>					
Donations	0	0	0	80,000	80,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 19,097	\$ 347,578	\$ 568,064
Total	\$ 16,297	\$ 50	\$ 2,398,915	\$ 1,284,315	\$ 9,173,305

Exhibit J-7

Perry County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Perry County School Department
For the Year Ended June 30, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,205,916	\$ 0	\$ 0	\$ 1,205,916
Trustee's Collections - Prior Year	57,758	0	0	57,758
Circuit/Clerk & Master Collections - Prior Years	29,778	0	0	29,778
Interest and Penalty	9,822	0	0	9,822
Pick-up Taxes	409	0	0	409
Payments in-Lieu-of Taxes - T.V.A.	57,356	0	0	57,356
Payments in-Lieu-of Taxes - Other	290	0	0	290
<u>County Local Option Taxes</u>				
Local Option Sales Tax	192,669	0	0	192,669
<u>Statutory Local Taxes</u>				
Bank Excise Tax	4,900	0	0	4,900
Interstate Telecommunications Tax	577	0	0	577
Total Local Taxes	\$ 1,559,475	\$ 0	\$ 0	\$ 1,559,475
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 648	\$ 0	\$ 0	\$ 648
Total Licenses and Permits	\$ 648	\$ 0	\$ 0	\$ 648
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 348	\$ 0	\$ 0	\$ 348
Lunch Payments - Children	0	0	174,115	174,115
Lunch Payments - Adults	0	0	28,988	28,988
Income from Breakfast	0	0	9,628	9,628
Receipts from Individual Schools	21,199	0	0	21,199
TBI Criminal Background Fees	1,620	0	0	1,620
Total Charges for Current Services	\$ 23,167	\$ 0	\$ 212,731	\$ 235,898
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 4,350	\$ 0	\$ 574	\$ 4,924
Refund of Telecommunication & Internet Fees (E-Rate)	18,258	0	0	18,258
Miscellaneous Refunds	40,876	0	229	41,105
<u>Nonrecurring Items</u>				
Sale of Equipment	4,175	0	0	4,175
Damages Recovered from Individuals	534	0	0	534
Contributions and Gifts	312,332	0	0	312,332
<u>Other Local Revenues</u>				
Other Local Revenues	109,943	0	0	109,943
Total Other Local Revenues	\$ 490,468	\$ 0	\$ 803	\$ 491,271
<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	5,139,246	0	0	5,139,246
Basic Education Program - ARRA	550,275	0	0	550,275

(Continued)

Exhibit J-7

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	\$ 287,995	\$ 0	\$ 0	\$ 287,995
School Food Service	0	0	5,940	5,940
Energy Efficient School Initiative	56,052	0	0	56,052
Coordinated School Health - ARRA	90,000	0	0	90,000
Internet Connectivity - ARRA	3,957	0	0	3,957
Family Resource Centers - ARRA	28,018	0	0	28,018
Statewide Student Management System (SSMS) - ARRA	2,916	0	0	2,916
Career Ladder Program	55,450	0	0	55,450
<u>Other State Revenues</u>				
Income Tax	7,747	0	0	7,747
State Revenue Sharing - T.V.A.	168,244	0	0	168,244
Safe Schools - ARRA	8,327	0	0	8,327
Total State of Tennessee	\$ 6,409,095	\$ 0	\$ 5,940	\$ 6,415,035
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 298,615	\$ 298,615
USDA - Commodities	0	0	30,132	30,132
Breakfast	0	0	102,688	102,688
USDA Food Service Equipment Grant - ARRA	0	0	34,612	34,612
Vocational Education - Basic Grants to States	0	24,310	0	24,310
Other Vocational	0	49,908	0	49,908
Title I Grants to Local Education Agencies	0	441,017	0	441,017
Special Education - Grants to States	91,609	344,761	0	436,370
Special Education Preschool Grants	0	25,055	0	25,055
Rural Education	0	27,599	0	27,599
Eisenhower Professional Development State Grants	0	73,127	0	73,127
Race-to-the-Top - ARRA	0	105,898	0	105,898
Other Federal through State	10,541	299,680	0	310,221
Total Federal Government	\$ 102,150	\$ 1,391,355	\$ 466,047	\$ 1,959,552
Total	\$ 8,585,003	\$ 1,391,355	\$ 685,521	\$ 10,661,879

Exhibit J-8

Perry County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General Fund

General Government

County Commission

Board and Committee Members Fees	\$ 24,688	
Social Security	1,527	
State Retirement	809	
Employer Medicare	357	
Audit Services	2,289	
Legal Notices, Recording, and Court Costs	782	
Total County Commission		\$ 30,452

County Mayor/Executive

County Official/Administrative Officer	\$ 61,551	
Accountants/Bookkeepers	29,101	
Secretary(ies)	29,101	
Longevity Pay	2,900	
Other Salaries and Wages	3,000	
Social Security	7,325	
State Retirement	12,327	
Employer Medicare	1,713	
Communication	1,238	
Data Processing Services	3,918	
Postal Charges	44	
Travel	1,799	
Office Supplies	273	
Other Supplies and Materials	100	
Premiums on Corporate Surety Bonds	248	
Total County Mayor/Executive		154,638

County Attorney

Legal Services	\$ 10,882	
Total County Attorney		10,882

Election Commission

County Official/Administrative Officer	\$ 47,026
Deputy(ies)	22,440
Longevity Pay	900
Election Commission	3,400
Election Workers	8,441
Social Security	4,477
State Retirement	6,903
Employer Medicare	1,047
Communication	1,374

(Continued)

Exhibit J-8

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	\$	6,960	
Dues and Memberships		175	
Legal Notices, Recording, and Court Costs		1,279	
Postal Charges		396	
Printing, Stationery, and Forms		2,019	
Travel		2,247	
Other Contracted Services		2,290	
Electricity		244	
Natural Gas		622	
Office Supplies		820	
Water and Sewer		174	
Other Supplies and Materials		298	
Total Election Commission			\$ 113,532

Register of Deeds

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		24,933	
Longevity Pay		800	
Social Security		4,343	
State Retirement		7,650	
Employer Medicare		1,016	
Communication		1,718	
Data Processing Services		345	
Dues and Memberships		327	
Operating Lease Payments		2,767	
Postal Charges		44	
Printing, Stationery, and Forms		864	
Travel		300	
Data Processing Supplies		1,414	
Office Supplies		511	
Premiums on Corporate Surety Bonds		100	
Total Register of Deeds			99,383

Geographical Information Systems

Road Signs	\$	1,864	
Total Geographical Information Systems			1,864

County Buildings

Custodial Personnel	\$	11,446	
Social Security		710	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

State Retirement	\$	785	
Employer Medicare		166	
Communication		343	
Maintenance and Repair Services - Buildings		14,069	
Other Contracted Services		4,449	
Custodial Supplies		1,600	
Electricity		42,978	
Natural Gas		3,354	
Water and Sewer		1,752	
Liability Insurance		85,119	
Workers' Compensation Insurance		78,667	
Other Charges		54	
Total County Buildings			\$ 245,492

Finance

Accounting and Budgeting

Data Processing Services	\$	186	
Office Supplies		331	
Data Processing Equipment		251	
Total Accounting and Budgeting			768

Property Assessor's Office

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		24,933	
Longevity Pay		1,500	
Social Security		4,788	
State Retirement		7,719	
Employer Medicare		1,120	
Communication		1,214	
Operating Lease Payments		490	
Postal Charges		44	
Office Supplies		509	
Premiums on Corporate Surety Bonds		248	
Total Property Assessor's Office			94,816

Reappraisal Program

Assistant(s)	\$	24,933	
Longevity Pay		200	
Other Salaries and Wages		2,100	
Social Security		1,648	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

State Retirement	\$	2,613	
Employer Medicare		385	
Contracts with Government Agencies		5,258	
Legal Notices, Recording, and Court Costs		190	
Maintenance and Repair Services - Equipment		395	
Postal Charges		164	
Travel		469	
Other Contracted Services		5,579	
Data Processing Supplies		718	
Gasoline		874	
Office Supplies		831	
Other Supplies and Materials		75	
Total Reappraisal Program			\$ 46,432

County Trustee's Office

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		24,933	
Longevity Pay		1,200	
Social Security		4,176	
State Retirement		7,689	
Employer Medicare		977	
Communication		498	
Data Processing Services		8,408	
Dues and Memberships		727	
Postal Charges		4,412	
Office Supplies		1,442	
Other Supplies and Materials		330	
Premiums on Corporate Surety Bonds		2,302	
Total County Trustee's Office			109,345

County Clerk's Office

County Official/Administrative Officer	\$	52,251
Deputy(ies)		19,238
Longevity Pay		1,000
Social Security		4,458
State Retirement		6,749
Employer Medicare		1,043
Communication		1,816
Data Processing Services		4,902
Dues and Memberships		427

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Operating Lease Payments	\$	1,364	
Legal Notices, Recording, and Court Costs		50	
Postal Charges		44	
Printing, Stationery, and Forms		914	
Tuition		300	
Other Contracted Services		58	
Office Supplies		816	
Premiums on Corporate Surety Bonds		248	
Data Processing Equipment		832	
Total County Clerk's Office			\$ 96,510

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		26,931	
Secretary(ies)		17,808	
Longevity Pay		1,000	
Other Salaries and Wages		4,500	
Jury and Witness Expense		2,283	
Social Security		5,738	
State Retirement		10,044	
Employer Medicare		1,342	
Communication		2,017	
Data Processing Services		9,620	
Dues and Memberships		447	
Operating Lease Payments		1,800	
Legal Notices, Recording, and Court Costs		101	
Maintenance and Repair Services - Office Equipment		175	
Postal Charges		44	
Printing, Stationery, and Forms		829	
Travel		774	
Other Contracted Services		100	
Office Supplies		3,826	
Premiums on Corporate Surety Bonds		373	
Total Circuit Court			142,003

General Sessions Court

Judge(s)	\$	62,256
Secretary(ies)		24,933
Longevity Pay		200

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Social Security	\$	5,418	
State Retirement		8,573	
Employer Medicare		1,267	
Communication		797	
Dues and Memberships		50	
Operating Lease Payments		1,800	
Postal Charges		44	
Printing, Stationery, and Forms		298	
Travel		1,360	
Office Supplies		276	
Other Supplies and Materials		15	
Total General Sessions Court			\$ 107,287

Chancery Court

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		11,946	
Social Security		3,980	
State Retirement		6,298	
Employer Medicare		931	
Communication		2,015	
Data Processing Services		9,313	
Dues and Memberships		412	
Operating Lease Payments		1,800	
Legal Notices, Recording, and Court Costs		456	
Postal Charges		30	
Printing, Stationery, and Forms		1,595	
Travel		356	
Data Processing Supplies		526	
Office Supplies		696	
Premiums on Corporate Surety Bonds		150	
Total Chancery Court			92,755

Juvenile Court

Assistant(s)	\$	9,005	
Social Security		558	
Employer Medicare		131	
Communication		1,821	
Postal Charges		61	
Travel		774	
Data Processing Supplies		13	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Office Supplies	\$ 139	
Total Juvenile Court		\$ 12,502

Other Administration of Justice

Teachers	\$ 2,250	
Social Security	62	
State Retirement	98	
Employer Medicare	15	
Other Supplies and Materials	190	
Total Other Administration of Justice		2,615

Courtroom Security

Guards	\$ 11,741	
Social Security	728	
State Retirement	1,152	
Employer Medicare	170	
Total Courtroom Security		13,791

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 52,317
Deputy(ies)	367,426
Secretary(ies)	23,109
Part-time Personnel	22,669
Longevity Pay	4,400
Other Salaries and Wages	100
In-Service Training	22,880
Social Security	29,624
State Retirement	38,069
Employer Medicare	6,928
Advertising	101
Communication	4,640
Contracts with Private Agencies	2,635
Data Processing Services	2,393
Dues and Memberships	1,168
Evaluation and Testing	1,280
Operating Lease Payments	2,862
Legal Services	1,377
Legal Notices, Recording, and Court Costs	27
Maintenance and Repair Services - Equipment	1,065

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance and Repair Services - Vehicles	\$ 8,985	
Medical and Dental Services	75	
Postal Charges	1,168	
Printing, Stationery, and Forms	80	
Travel	746	
Custodial Supplies	58	
Food Supplies	182	
Gasoline	66,741	
Law Enforcement Supplies	997	
Office Supplies	3,256	
Uniforms	8,174	
Other Supplies and Materials	7,057	
Premiums on Corporate Surety Bonds	450	
Communication Equipment	471	
Law Enforcement Equipment	35,507	
Motor Vehicles	16,552	
Office Equipment	1,465	
Total Sheriff's Department		\$ 737,034

Drug Enforcement

Animal Food and Supplies	\$ 149	
Total Drug Enforcement		149

Jail

Supervisor/Director	\$ 40,151
Deputy(ies)	271,809
Captain(s)	30,306
Accountants/Bookkeepers	7,127
Medical Personnel	4,063
Guards	78
Maintenance Personnel	18,907
Part-time Personnel	25,214
Longevity Pay	200
In-Service Training	4,634
Social Security	24,771
State Retirement	34,754
Employer Medicare	5,793
Communication	5,012
Contracts with Private Agencies	2,706
Data Processing Services	1,726

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Dues and Memberships	\$	300	
Evaluation and Testing		300	
Maintenance and Repair Services - Buildings		823	
Maintenance and Repair Services - Equipment		3,340	
Maintenance and Repair Services - Vehicles		671	
Medical and Dental Services		89,804	
Pest Control		1,125	
Postal Charges		342	
Travel		1,583	
Custodial Supplies		6,779	
Electricity		39,697	
Food Supplies		70,149	
Gasoline		4,054	
Law Enforcement Supplies		803	
Natural Gas		10,436	
Office Supplies		1,087	
Prisoners Clothing		1,305	
Uniforms		2,059	
Water and Sewer		11,547	
Other Supplies and Materials		5,017	
Other Charges		122	
Total Jail			\$ 728,594

Civil Defense

Supervisor/Director	\$	12,000	
Part-time Personnel		3,333	
Social Security		951	
State Retirement		1,504	
Employer Medicare		222	
Communication		250	
Dues and Memberships		100	
Other Contracted Services		5,370	
Other Supplies and Materials		47,119	
Total Civil Defense			70,849

Rescue Squad

Communication	\$	32	
Maintenance and Repair Services - Buildings		30	
Maintenance and Repair Services - Vehicles		1,793	
Electricity		604	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad (Cont.)

Gasoline	\$ 2,511	
Water and Sewer	136	
Other Supplies and Materials	1,493	
Vehicle and Equipment Insurance	2,628	
Other Equipment	663	
Total Rescue Squad		\$ 9,890

Disaster Relief

Communication	\$ 107	
Maintenance and Repair Services - Equipment	3,936	
Travel	62	
Other Contracted Services	2,701	
Diesel Fuel	2,171	
Gasoline	2,201	
Other Supplies and Materials	868	
Other Charges	303	
Motor Vehicles	24,102	
Total Disaster Relief		36,451

Other Emergency Management

Supervisor/Director	\$ 25,314	
Dispatchers/Radio Operators	68,616	
Part-time Personnel	20,860	
Longevity Pay	1,500	
Social Security	7,186	
State Retirement	9,549	
Employer Medicare	1,680	
Communication	447	
Maintenance and Repair Services - Equipment	520	
Communication Equipment	3,000	
Total Other Emergency Management		138,672

County Coroner/Medical Examiner

Other Contracted Services	\$ 5,089	
Total County Coroner/Medical Examiner		5,089

Public Safety Grant Programs

Assistant(s)	\$ 8,088	
Deputy(ies)	28,391	
Dispatchers/Radio Operators	4,320	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Public Safety Grant Programs (Cont.)

Guards	\$ 42,228	
Clerical Personnel	5,381	
Social Security	5,481	
State Retirement	8,606	
Employer Medicare	1,282	
Total Public Safety Grant Programs		\$ 103,777

Other Public Safety

Guards	\$ 26,352	
Other Salaries and Wages	1,000	
Social Security	1,696	
State Retirement	98	
Employer Medicare	397	
Office Supplies	47	
Other Supplies and Materials	15	
Total Other Public Safety		29,605

Public Health and Welfare

Local Health Center

Contracts with Government Agencies	\$ 20,715	
Janitorial Services	3,975	
Maintenance and Repair Services - Buildings	2,270	
Pest Control	114	
Printing, Stationery, and Forms	96	
Other Contracted Services	523	
Electricity	7,256	
Office Supplies	781	
Water and Sewer	261	
Other Charges	96	
Total Local Health Center		36,087

Other Local Health Services

Medical Personnel	\$ 21,710	
Overtime Pay	70	
Social Security	1,349	
State Retirement	2,135	
Employer Medicare	316	
Total Other Local Health Services		25,580

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Welfare Services

Architects	\$	6,236	
Legal Notices, Recording, and Court Costs		246	
Total Other Local Welfare Services			\$ 6,482

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	10,000	
Building Improvements		1,835	
Total Senior Citizens Assistance			11,835

Libraries

Supervisor/Director	\$	22,437	
Librarians		14,381	
Part-time Personnel		28,221	
Longevity Pay		2,500	
Social Security		4,179	
State Retirement		3,736	
Employer Medicare		977	
Communication		2,944	
Janitorial Services		600	
Operating Lease Payments		3,080	
Legal Notices, Recording, and Court Costs		30	
Maintenance and Repair Services - Buildings		625	
Postal Charges		132	
Printing, Stationery, and Forms		89	
Travel		566	
Other Contracted Services		1,072	
Custodial Supplies		45	
Electricity		7,558	
Library Books/Media		1,867	
Natural Gas		1,104	
Office Supplies		695	
Water and Sewer		487	
Total Libraries			97,325

Parks and Fair Boards

T&I Construction Materials	\$	10,385	
Other Charges		14,630	
Site Development		700	
Total Parks and Fair Boards			25,715

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Contributions	\$ 23,250	
Electricity	3,987	
Water and Sewer	634	
Total Other Social, Cultural, and Recreational		\$ 27,871

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 20,191	
Secretary(ies)	5,296	
Social Security	328	
State Retirement	1,535	
Employer Medicare	370	
Communication	2,096	
Travel	1,245	
Electricity	244	
Natural Gas	622	
Office Supplies	989	
Water and Sewer	174	
Data Processing Equipment	1,260	
Total Agriculture Extension Service		34,350

Soil Conservation

Secretary(ies)	\$ 15,392	
Social Security	954	
State Retirement	1,510	
Employer Medicare	223	
Total Soil Conservation		18,079

Other Operations

Tourism

Contracts with Government Agencies	\$ 754	
Contributions	113,005	
Dues and Memberships	1,676	
Other Contracted Services	22,000	
Other Charges	4,143	
Total Tourism		141,578

Industrial Development

Architects	\$ 6,866	
Communication	560	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development (Cont.)

Contracts with Government Agencies	\$	7,750	
Legal Notices, Recording, and Court Costs		37	
Other Supplies and Materials		268	
Other Charges		20,309	
Site Development		4,000	
Total Industrial Development			\$ 39,790

Airport

Maintenance and Repair Services - Buildings	\$	291	
Maintenance and Repair Services - Equipment		7,861	
Utilities		2,936	
Other Supplies and Materials		13,127	
Total Airport			24,215

Veterans' Services

Other Salaries and Wages	\$	5,754	
In-Service Training		609	
Social Security		357	
Employer Medicare		83	
Communication		742	
Dues and Memberships		25	
Travel		74	
Office Supplies		225	
Other Supplies and Materials		200	
Total Veterans' Services			8,069

Other Charges

Trustee's Commission	\$	46,432	
Total Other Charges			46,432

Employee Benefits

Unemployment Compensation	\$	13,095	
On-Behalf Payments to OPEB		107	
Specialized Medical Treatment		540	
Other Charges		1,944	
Total Employee Benefits			15,686

Miscellaneous

Communication	\$	2,299	
Contracts with Government Agencies		1,992	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Dues and Memberships	\$ 2,149	
Operating Lease Payments	2,790	
Legal Notices, Recording, and Court Costs	91	
Postal Charges	6,484	
Printing, Stationery, and Forms	387	
Other Contracted Services	2,390	
Office Supplies	794	
Other Supplies and Materials	892	
Other Charges	564	
Motor Vehicles	4,018	
Total Miscellaneous		\$ 24,850

Highways

Litter and Trash Collection

Part-time Personnel	\$ 23,246	
In-Service Training	4,300	
Social Security	1,336	
State Retirement	2,280	
Employer Medicare	313	
Other Supplies and Materials	881	
Total Litter and Trash Collection		32,356

Capital Projects

Public Health and Welfare Projects

Other Construction	\$ 410,258	
Total Public Health and Welfare Projects		410,258

Total General Fund \$ 4,261,735

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$ 6,059	
Custodial Supplies	2,786	
Natural Gas	5,148	
Water and Sewer	1,020	
Total County Buildings		\$ 15,013

(Continued)

Exhibit J-8

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

Courthouse and Jail Maintenance Fund (Cont.)

Other Operations

Other Charges

Trustee's Commission	\$ 108	
Total Other Charges		<u>\$ 108</u>

Total Courthouse and Jail Maintenance Fund \$ 15,121

Solid Waste/Sanitation Fund

Public Safety

Disaster Relief

Part-time Personnel	\$ 3,927	
Social Security	243	
Employer Medicare	57	
Other Charges	<u>5,000</u>	
Total Disaster Relief		\$ 9,227

Public Health and Welfare

Sanitation Education/Information

Trustee's Commission	\$ 8,779	
Total Sanitation Education/Information		8,779

Convenience Centers

Laborers	\$ 38,121	
Part-time Personnel	7,417	
Longevity Pay	1,900	
Social Security	2,868	
State Retirement	3,926	
Employer Medicare	671	
Communication	423	
Other Contracted Services	150	
Electricity	553	
Natural Gas	1,214	
Other Supplies and Materials	191	
Other Charges	<u>500</u>	
Total Convenience Centers		57,934

Transfer Stations

Equipment Operators	\$ 49,584
Longevity Pay	800
Social Security	3,111
State Retirement	4,943
Employer Medicare	728

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Transfer Stations (Cont.)

Communication	\$ 1,997	
Contracts with Private Agencies	233,801	
Legal Services	435	
Maintenance Agreements	1,500	
Maintenance and Repair Services - Buildings	20	
Maintenance and Repair Services - Equipment	17,063	
Maintenance and Repair Services - Vehicles	1,951	
Other Contracted Services	23,124	
Custodial Supplies	117	
Diesel Fuel	22,613	
Electricity	4,997	
Gasoline	10,193	
Lubricants	1,135	
Tires and Tubes	1,372	
Uniforms	4,082	
Water and Sewer	1,475	
Other Supplies and Materials	196	
Other Charges	200	
Solid Waste Equipment	1,000	
Total Transfer Stations		\$ 386,437

Landfill Operation and Maintenance

Supervisor/Director	\$ 28,169	
Longevity Pay	1,100	
Social Security	1,745	
State Retirement	2,761	
Employer Medicare	408	
Contracts with Private Agencies	41,532	
Evaluation and Testing	5,000	
Legal Notices, Recording, and Court Costs	500	
Maintenance Agreements	4,000	
Maintenance and Repair Services - Equipment	7,079	
Travel	347	
Other Contracted Services	1,900	
Diesel Fuel	5,348	
Gasoline	450	
Lubricants	288	
Total Landfill Operation and Maintenance		100,627

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations

Employee Benefits

Unemployment Compensation	\$ 1,147	
Other Charges	164	
Total Employee Benefits		<u>\$ 1,311</u>

Total Solid Waste/Sanitation Fund \$ 564,315

Ambulance Service Fund

Public Safety

Disaster Relief

Diesel Fuel	<u>\$ 639</u>	
Total Disaster Relief		\$ 639

Public Health and Welfare

Ambulance/Emergency Medical Services

Assistant(s)	\$ 700
Supervisor/Director	30,000
Accountants/Bookkeepers	8,824
Medical Personnel	241,908
Part-time Personnel	150,408
Other Salaries and Wages	2,000
In-Service Training	4,131
Social Security	27,001
State Retirement	32,346
Employer Medicare	6,315
Communication	2,356
Contracts with Private Agencies	51,644
Dues and Memberships	520
Legal Services	600
Licenses	1,500
Maintenance and Repair Services - Buildings	250
Maintenance and Repair Services - Office Equipment	17,175
Postal Charges	44
Travel	227
Other Contracted Services	148
Custodial Supplies	815
Diesel Fuel	37,884
Drugs and Medical Supplies	17,129
Electricity	5,229
Natural Gas	2,369
Office Supplies	979

(Continued)

Exhibit J-8

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.)

Uniforms	\$ 1,287	
Water and Sewer	971	
Refunds	5,424	
Other Charges	346	
Communication Equipment	936	
Data Processing Equipment	59	
Motor Vehicles	100,463	
Total Ambulance/Emergency Medical Services		\$ 751,988

Other Operations

Other Charges

Trustee's Commission	\$ 10,822	
Total Other Charges		10,822

Employee Benefits

Unemployment Compensation	\$ 3,818	
Other Charges	324	
Total Employee Benefits		4,142

ARRA Grant # 1

Accountants/Bookkeepers	\$ 4,837	
Social Security	300	
State Retirement	474	
Employer Medicare	70	
Total ARRA Grant # 1		5,681

Total Ambulance Service Fund \$ 773,272

Special Purpose Fund

Administration of Justice

Circuit Court

Trustee's Commission	\$ 40	
Data Processing Equipment	340	
Total Circuit Court		\$ 380

Total Special Purpose Fund 380

(Continued)

Exhibit J-8

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

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	2,000	
Animal Food and Supplies		4,813	
Law Enforcement Supplies		6,348	
Other Supplies and Materials		952	
Trustee's Commission		58	
Law Enforcement Equipment		14,708	
Total Drug Enforcement			<u>\$ 28,879</u>

Total Drug Control Fund \$ 28,879

Constitutional Officers - Fees Fund

Administration of Justice

Circuit Court Clerk

Printing, Stationery, and Forms	\$	50	
Total Circuit Court Clerk			<u>\$ 50</u>

Total Constitutional Officers - Fees Fund 50

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	57,477	
Accountants/Bookkeepers		32,240	
Communication		2,250	
Data Processing Services		5,552	
Dues and Memberships		2,285	
Legal Services		1,340	
Postal Charges		228	
Printing, Stationery, and Forms		135	
Electricity		1,988	
Food Supplies		506	
Natural Gas		2,568	
Office Supplies		2,680	
Water and Sewer		336	
Other Charges		2,595	
Total Administration			<u>\$ 112,180</u>

Highway and Bridge Maintenance

Foremen	\$	108,611
Equipment Operators		146,506

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Truck Drivers	\$ 127,602	
Asphalt - Hot Mix	14,520	
Asphalt - Liquid	123,456	
Crushed Stone	60,933	
Riprap	143,919	
Other Road Supplies	300	
Pipe	20,853	
Road Signs	425	
Small Tools	375	
Gravel and Chert	2,500	
Geotextile Materials	2,905	
Total Highway and Bridge Maintenance		\$ 752,905

Operation and Maintenance of Equipment

Mechanic(s)	\$ 30,121	
Diesel Fuel	75,976	
Equipment and Machinery Parts	67,350	
Garage Supplies	4,244	
Gasoline	13,722	
Lubricants	6,250	
Tires and Tubes	14,499	
Other Supplies and Materials	477	
Total Operation and Maintenance of Equipment		212,639

Other Charges

Building and Contents Insurance	\$ 700	
Liability Insurance	4,522	
Premiums on Corporate Surety Bonds	1,197	
Trustee's Commission	17,244	
Vehicle and Equipment Insurance	5,232	
Workers' Compensation Insurance	56,109	
Total Other Charges		85,004

Employee Benefits

Social Security	\$ 37,469	
State Retirement	46,477	
Life Insurance	372	
Medical Insurance	98,536	
Unemployment Compensation	424	
Total Employee Benefits		183,278

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Highway Equipment	\$ 74,033	
Motor Vehicles	236,196	
State Aid Projects	112,033	
Other Capital Outlay	7,223	
Total Capital Outlay		\$ 429,485

Total Highway/Public Works Fund \$ 1,775,491

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 109,899	
Principal on Notes	45,000	
Principal on Other Loans	179,550	
Total General Government		\$ 334,449

Education

Principal on Other Loans	\$ 428,450	
Total Education		428,450

Interest on Debt

General Government

Interest on Bonds	\$ 343	
Interest on Other Loans	10,716	
Total General Government		11,059

Education

Interest on Other Loans	\$ 19,851	
Total Education		19,851

Other Debt Service

General Government

Trustee's Commission	\$ 11,037	
Other Debt Service	22,770	
Total General Government		33,807

Education

Other Debt Service	\$ 56,235	
Total Education		56,235

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Capital Projects

General Administration Projects

Refunds	\$ 13,959	
Building Purchases	<u>207,049</u>	
Total General Administration Projects		\$ 221,008

Education Capital Projects

Motor Vehicles	<u>\$ 75,000</u>	
Total Education Capital Projects		<u>75,000</u>

Total General Debt Service Fund		<u>\$ 1,179,859</u>
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Total Governmental Funds - Primary Government		<u><u>\$ 8,599,102</u></u>
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Exhibit J-9

Perry County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Perry County School Department
For the Year Ended June 30, 2011

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 2,198,051	
Career Ladder Program	30,000	
Career Ladder Extended Contracts	24,200	
Homebound Teachers	7,502	
Educational Assistants	72,782	
Certified Substitute Teachers	4,854	
Non-certified Substitute Teachers	30,001	
Social Security	131,870	
State Retirement	210,529	
Medical Insurance	204,721	
Unemployment Compensation	1,907	
Employer Medicare	30,854	
Tuition	6,754	
Other Contracted Services	28,234	
Instructional Supplies and Materials	31,543	
Textbooks	51,121	
Fee Waivers	14,092	
Total Regular Instruction Program		\$ 3,079,015

Alternative Instruction Program

Teachers	\$ 43,099	
Other Salaries and Wages	14,450	
Certified Substitute Teachers	1,288	
Non-certified Substitute Teachers	663	
Social Security	3,558	
State Retirement	5,318	
Medical Insurance	1,241	
Unemployment Compensation	50	
Employer Medicare	832	
Instructional Supplies and Materials	936	
Total Alternative Instruction Program		71,435

Special Education Program

Teachers	\$ 391,548
Career Ladder Program	7,000
Homebound Teachers	2,168
Educational Assistants	122,795
Speech Pathologist	89,288
Certified Substitute Teachers	5,656

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Non-certified Substitute Teachers	\$	13,196	
Social Security		35,378	
State Retirement		55,947	
Medical Insurance		44,491	
Unemployment Compensation		689	
Employer Medicare		8,274	
Contracts with Private Agencies		12,620	
Other Contracted Services		22,273	
Instructional Supplies and Materials		4,098	
Other Supplies and Materials		20	
Total Special Education Program			\$ 815,441

Vocational Education Program

Teachers	\$	250,157	
Career Ladder Program		3,000	
Educational Assistants		5,535	
Certified Substitute Teachers		1,932	
Non-certified Substitute Teachers		3,774	
Social Security		15,725	
State Retirement		23,454	
Medical Insurance		9,167	
Unemployment Compensation		198	
Employer Medicare		3,678	
Tuition		5,508	
Instructional Supplies and Materials		6,276	
Other Supplies and Materials		514	
Total Vocational Education Program			328,918

Support Services

Attendance

Supervisor/Director	\$	26,265	
Social Security		1,367	
State Retirement		2,377	
Medical Insurance		3,328	
Unemployment Compensation		14	
Employer Medicare		320	
Travel		923	
Other Supplies and Materials		2,498	
In Service/Staff Development		270	

(Continued)

Exhibit J-9

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.)

Attendance Equipment	\$ 3,590	
Total Attendance		\$ 40,952

Health Services

Medical Personnel	\$ 29,656	
Other Salaries and Wages	25,134	
Social Security	2,591	
State Retirement	5,187	
Medical Insurance	6,629	
Unemployment Compensation	48	
Employer Medicare	606	
Travel	3,261	
Drugs and Medical Supplies	873	
Other Supplies and Materials	29,498	
In Service/Staff Development	799	
Total Health Services		104,282

Other Student Support

Career Ladder Program	\$ 2,000	
Guidance Personnel	96,828	
Attendants	25,488	
Other Salaries and Wages	22,490	
Social Security	8,732	
State Retirement	12,799	
Medical Insurance	5,196	
Unemployment Compensation	133	
Employer Medicare	2,042	
Evaluation and Testing	7,640	
Travel	64	
Other Contracted Services	3,094	
Other Supplies and Materials	4,649	
Total Other Student Support		191,155

Regular Instruction Program

Supervisor/Director	\$ 170,450
Career Ladder Program	4,000
Career Ladder Extended Contracts	2,200
Librarians	42,870
Instructional Computer Personnel	66,786

(Continued)

Exhibit J-9

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.)

Other Salaries and Wages	\$	3,000	
Social Security		17,185	
State Retirement		25,640	
Medical Insurance		11,219	
Unemployment Compensation		156	
Employer Medicare		4,019	
Travel		2,483	
Other Contracted Services		625	
Other Supplies and Materials		1,869	
In Service/Staff Development		17,973	
Total Regular Instruction Program			\$ 370,475

Special Education Program

Supervisor/Director	\$	55,530	
Career Ladder Program		1,000	
Clerical Personnel		1,351	
Social Security		2,951	
State Retirement		5,263	
Medical Insurance		8,892	
Unemployment Compensation		33	
Employer Medicare		690	
Travel		3,815	
Other Supplies and Materials		237	
In Service/Staff Development		2,114	
Total Special Education Program			81,876

Vocational Education Program

Supervisor/Director	\$	4,222	
Clerical Personnel		3,135	
Social Security		432	
State Retirement		691	
Medical Insurance		334	
Unemployment Compensation		4	
Employer Medicare		101	
Travel		947	
Other Supplies and Materials		452	
In Service/Staff Development		25	
Total Vocational Education Program			10,343

(Continued)

Exhibit J-9

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	\$ 18,625	
Social Security	1,155	
State Retirement	1,495	
Life Insurance	5,029	
Medical Insurance	1,450	
Unemployment Compensation	4	
Employer Medicare	270	
Audit Services	8,000	
Dues and Memberships	5,179	
Legal Services	304	
Other Contracted Services	2,418	
Liability Insurance	8,458	
Trustee's Commission	43,578	
Workers' Compensation Insurance	26,580	
In Service/Staff Development	1,195	
Criminal Investigation of Applicants - TBI	1,740	
Refund to Applicant for Criminal Investigation	1,620	
Other Charges	3,882	
Total Board of Education		130,982

Director of Schools

County Official/Administrative Officer	\$ 85,466
Social Security	5,175
State Retirement	7,550
Life Insurance	1,511
Medical Insurance	160
Unemployment Compensation	28
Employer Medicare	1,210
Communication	12,079
Dues and Memberships	1,918
Postal Charges	1,500
Travel	1,069
Other Contracted Services	4,225
Office Supplies	1,592
Other Supplies and Materials	654

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

In Service/Staff Development	\$	335	
Other Charges		1,163	
Administration Equipment		360	
Total Director of Schools			\$ 125,995

Office of the Principal

Principals	\$	246,554	
Career Ladder Program		4,000	
Accountants/Bookkeepers		71,916	
Career Ladder Extended Contracts		4,400	
Assistant Principals		51,654	
Secretary(ies)		40,346	
Social Security		24,044	
State Retirement		38,776	
Medical Insurance		21,030	
Unemployment Compensation		308	
Employer Medicare		5,623	
Communication		11,825	
Travel		437	
Other Contracted Services		9,600	
In Service/Staff Development		350	
Total Office of the Principal			530,863

Fiscal Services

Supervisor/Director	\$	40,854	
Clerical Personnel		45,062	
Social Security		5,086	
State Retirement		8,080	
Medical Insurance		1,760	
Unemployment Compensation		68	
Employer Medicare		1,189	
Travel		1,510	
Total Fiscal Services			103,609

Operation of Plant

Custodial Personnel	\$	187,932	
Social Security		11,081	
State Retirement		14,854	
Medical Insurance		4,515	

(Continued)

Exhibit J-9

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.)

Unemployment Compensation	\$	255	
Employer Medicare		2,592	
Other Contracted Services		27,402	
Custodial Supplies		15,130	
Electricity		258,138	
Natural Gas		66,486	
Water and Sewer		15,136	
Boiler Insurance		1,547	
Building and Contents Insurance		28,177	
In Service/Staff Development		225	
Total Operation of Plant			\$ 633,470

Maintenance of Plant

Supervisor/Director	\$	27,853	
Maintenance Personnel		115,420	
Social Security		7,933	
State Retirement		13,320	
Medical Insurance		6,025	
Unemployment Compensation		124	
Employer Medicare		1,855	
Communication		388	
Maintenance and Repair Services - Buildings		142,295	
Maintenance and Repair Services - Equipment		2,736	
Travel		225	
Other Contracted Services		17,008	
Equipment and Machinery Parts		80,463	
Other Supplies and Materials		224	
Maintenance Equipment		2,900	
Total Maintenance of Plant			418,769

Transportation

Supervisor/Director	\$	27,853
Mechanic(s)		35,981
Bus Drivers		261,192
In-Service Training		419
Social Security		18,261
State Retirement		30,758
Medical Insurance		11,428
Unemployment Compensation		391

(Continued)

Exhibit J-9

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.)

Employer Medicare	\$	4,270	
Communication		413	
Maintenance and Repair Services - Vehicles		1,890	
Medical and Dental Services		2,437	
Other Contracted Services		150	
Diesel Fuel		49,961	
Garage Supplies		3,147	
Gasoline		6,059	
Lubricants		1,460	
Tires and Tubes		3,055	
Vehicle Parts		19,021	
Other Supplies and Materials		1,037	
Vehicle and Equipment Insurance		8,699	
In Service/Staff Development		275	
Other Charges		292	
Transportation Equipment		<u>152,729</u>	
Total Transportation	\$		641,178

Central and Other

Other Contracted Services	\$	3,578	
Data Processing Supplies		<u>2,665</u>	
Total Central and Other			6,243

Operation of Non-Instructional Services

Food Service

Medical Insurance	\$	<u>20,700</u>	
Total Food Service			20,700

Community Services

Supervisor/Director	\$	5,000	
Clerical Personnel		3,752	
Educational Assistants		102,090	
Part-time Personnel		11,283	
Other Salaries and Wages		26,800	
Certified Substitute Teachers		112	
Non-certified Substitute Teachers		994	
Social Security		9,203	
State Retirement		14,421	
Unemployment Compensation		192	

(Continued)

Exhibit J-9

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.)

Community Services (Cont.)

Employer Medicare	\$	2,152	
Maintenance and Repair Services - Equipment		10,478	
Travel		5,091	
Food Supplies		2,908	
Instructional Supplies and Materials		9,916	
Other Supplies and Materials		4,963	
Other Charges		<u>544</u>	
Total Community Services			\$ 209,899

Early Childhood Education

Teachers	\$	107,395	
Educational Assistants		41,849	
Other Salaries and Wages		33,140	
Certified Substitute Teachers		168	
Non-certified Substitute Teachers		4,386	
Social Security		10,529	
State Retirement		16,835	
Medical Insurance		13,363	
Unemployment Compensation		250	
Employer Medicare		2,463	
Maintenance and Repair Services - Equipment		13,736	
Travel		4,341	
Food Supplies		522	
Instructional Supplies and Materials		35,597	
In Service/Staff Development		<u>2,977</u>	
Total Early Childhood Education			287,551

Principal on Debt

Education

Principal on Notes	\$	<u>36,646</u>	
Total Education			36,646

Interest on Debt

Education

Interest on Notes	\$	<u>5,450</u>	
Total Education			5,450

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

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

Total General Purpose School Fund \$ 8,423,282

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 481,686	
Educational Assistants	46,636	
Certified Substitute Teachers	331	
Non-certified Substitute Teachers	3,978	
Social Security	30,154	
State Retirement	48,168	
Medical Insurance	35,354	
Unemployment Compensation	519	
Employer Medicare	7,052	
Instructional Supplies and Materials	58,122	
Other Supplies and Materials	2,072	
Regular Instruction Equipment	<u>28,547</u>	
Total Regular Instruction Program		\$ 742,619

Special Education Program

Teachers	\$ 17,040	
Educational Assistants	128,461	
Speech Pathologist	4,150	
Social Security	7,906	
State Retirement	14,552	
Medical Insurance	8,538	
Unemployment Compensation	255	
Employer Medicare	1,849	
Contracts with Private Agencies	29,165	
Evaluation and Testing	1,661	
Instructional Supplies and Materials	33,862	
Special Education Equipment	<u>23,786</u>	
Total Special Education Program		271,225

Vocational Education Program

Teachers	\$ 1,100	
----------	----------	--

(Continued)

Exhibit J-9

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.)

Vocational Education Program (Cont.)

Educational Assistants	\$	7,690	
Social Security		545	
State Retirement		854	
Unemployment Compensation		8	
Employer Medicare		127	
Other Supplies and Materials		4,174	
Vocational Instruction Equipment		54,642	
Total Vocational Education Program			\$ 69,140

Support Services

Health Services

Medical Personnel	\$	16,442	
Social Security		998	
State Retirement		1,613	
Unemployment Compensation		28	
Employer Medicare		233	
Total Health Services			19,314

Other Student Support

Guidance Personnel	\$	15,510	
Other Salaries and Wages		462	
Social Security		894	
State Retirement		1,446	
Medical Insurance		1,400	
Unemployment Compensation		9	
Employer Medicare		209	
Evaluation and Testing		624	
Travel		4,363	
Total Other Student Support			24,917

Regular Instruction Program

Supervisor/Director	\$	29,265	
Social Security		2,207	
State Retirement		3,223	
Medical Insurance		20	
Unemployment Compensation		10	
Employer Medicare		516	
Travel		14,068	
Other Supplies and Materials		3,428	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

In Service/Staff Development	\$ 42,743	
Other Charges	81	
Total Regular Instruction Program		\$ 95,561

Special Education Program

Psychological Personnel	\$ 49,638	
Clerical Personnel	7,318	
Social Security	3,336	
State Retirement	5,401	
Medical Insurance	4,999	
Unemployment Compensation	34	
Employer Medicare	780	
Travel	5,192	
Other Contracted Services	709	
In Service/Staff Development	4,512	
Total Special Education Program		81,919

Vocational Education Program

Supervisor/Director	\$ 1,100	
Social Security	68	
State Retirement	100	
Employer Medicare	16	
Travel	1,081	
In Service/Staff Development	2,100	
Total Vocational Education Program		4,465

Maintenance of Plant

Maintenance Personnel	\$ 39,532	
Social Security	2,158	
State Retirement	3,878	
Medical Insurance	1,539	
Unemployment Compensation	69	
Employer Medicare	505	
Total Maintenance of Plant		47,681

Transportation

Bus Drivers	\$ 22,993	
Social Security	1,051	
State Retirement	1,922	

(Continued)

Exhibit J-9

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.)

Transportation (Cont.)

Medical Insurance	\$	861	
Unemployment Compensation		39	
Employer Medicare		246	
Total Transportation			<u>\$ 27,112</u>

Total School Federal Projects Fund \$ 1,383,953

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	49,155	
Clerical Personnel		7,318	
Cafeteria Personnel		231,095	
Social Security		14,362	
State Retirement		26,068	
Medical Insurance		180	
Unemployment Compensation		526	
Employer Medicare		3,359	
Communication		300	
Maintenance and Repair Services - Equipment		12,051	
Transportation - Other than Students		4,376	
Travel		2,776	
Other Contracted Services		5,442	
Food Preparation Supplies		15,107	
Food Supplies		225,919	
Office Supplies		376	
USDA - Commodities		30,132	
Other Supplies and Materials		3,502	
In Service/Staff Development		860	
Other Charges		840	
Food Service Equipment		38,511	
Total Food Service			<u>\$ 672,255</u>

Total Central Cafeteria Fund 672,255

Total Governmental Funds - Perry County School Department \$ 10,479,490

Exhibit J-10

Perry County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2011

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 230,850
Total Cash Receipts	<u>\$ 230,850</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 228,541
Trustee's Commission	2,309
Total Cash Disbursements	<u>\$ 230,850</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2010	<u>0</u>
Cash Balance, June 30, 2011	<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

March 1, 2012

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, 2011, which collectively comprise Perry County's basic financial statements and have issued our report thereon dated March 1, 2012. 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 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.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 11.01, 11.02, 11.04, 11.05, 11.08, and 11.09. 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.

Compliance and Other Matters

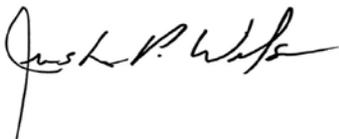
As part of obtaining reasonable assurance about whether Perry County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 11.03, 11.06, and 11.07.

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

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

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
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

March 1, 2012

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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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

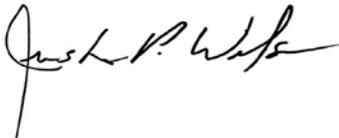
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Perry County as of and for the year ended June 30, 2011, and have issued our report thereon dated March 1, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

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.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a prominent vertical stroke at 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, 2011

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 30,132 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	102,688
National School Lunch Program	10.555	N/A	298,615 (3)
Child Nutrition Discretionary Grants, Recovery Act	10.579	N/A	34,612
Total U.S. Department of Agriculture			<u>\$ 466,047</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Home Investment Partnership Program	14.239	(2)	\$ 410,318
Total U.S. Department of Housing and Urban Development			<u>\$ 410,318</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	(2)	\$ 10,474
Total U.S. Department of Justice			<u>\$ 10,474</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	\$ 330,524
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	106,688
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	357,032
Special Education - Preschool Grants	84.173	N/A	25,055
Special Education - Grants to States, Recovery Act	84.391	N/A	87,705
Career and Technical Education - Basic Grants to States	84.048	N/A	78,745
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	1,134
Rural Education	84.358	N/A	27,599
Improving Teacher Quality State Grants	84.367	N/A	73,961
State Fiscal Stabilization Funds (SFSF) - Race-to-the-Top Incentive Grant, Recovery Act	84.395	N/A	101,251
State Fiscal Stabilization Funds (SFSF) - Government Services, Recovery Act	84.397	N/A	683,492
Education Jobs Program	84.410	N/A	298,546
Total U.S. Department of Education			<u>\$ 2,171,732</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
ARRA - Temporary Assistance for Needy Families	93.558	N/A	\$ 10,541
Total U.S. Department of Health and Human Services			<u>\$ 10,541</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 643,068
Homeland Security Grant Program	97.067	GG-08-24130-00	36,272
Total U.S. Department of Homeland Security			<u>\$ 679,340</u>
Total Expenditures of Federal Awards			<u>\$ 3,748,452</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:			
Rural Library Grant - Tennessee Secretary of State	N/A	(2)	\$ 24,822
Litter Program - State Department of Transportation	N/A	Z-11-LIT068	16,680
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(2)	9,000
Health Department Program - State Department of Health	N/A	GG-11-32192-00	21,929
Airport Maintenance Program - State Department of Transportation	N/A	Z-10-220217-00	7,674
Local Park and Recreation Fund Grant - State Department of Environment and Conservation	N/A	GG-09-22634-00	13,530
Energy Efficient School Incentive Grant - State Department of Education	N/A	(2)	56,052
H1N1 Grant - State Department of Health	N/A	Z-10-219846-00	7,903
Early Childhood Education - State Department of Education	N/A	(2)	<u>287,995</u>
 Total State Grants			 <u>\$ 445,585</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) Total for CFDA No. 10.555 is \$328,747.

Perry County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

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, 2010, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.02	155	General ledger cash accounts were not reconciled accurately with county trustee reports.

**OFFICES OF SUPERINTENDENT OF HIGHWAYS, TRUSTEE, COUNTY CLERK,
CLERK AND MASTER, AND REGISTER**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.07	158	Duties were not segregated adequately

PERRY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

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. These deficiencies were not 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 no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Home Investment Partnership Program (CFDA No. 14.239); 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); State Fiscal Stabilization Funds (SFSF) - Government Services, Recovery Act (CFDA No. 84.397); and Disaster Grants - Public Assistance (Presidential Declared Disasters) (CFDA No. 97.036) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Perry County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county clerk, circuit and general sessions courts clerk, assessor of property, and register are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 11.01 **THE SOLID WASTE/SANITATION FUND HAD A DEFICIT IN UNASSIGNED FUND BALANCE AND A CASH OVERDRAFT**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Solid Waste/Sanitation Fund had a deficit in unassigned fund balance of \$8,300 and a cash overdraft of \$9,827 at June 30, 2011. Sound business practices dictate that expenditures should be held within available funds. The fund deficit resulted from expenditures exceeding available funds, and the cash overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee.

RECOMMENDATION

County officials should take immediate steps to liquidate the fund deficit. Warrants should not be issued in excess of cash on deposit with the county trustee. Steps should also be taken during the budgetary process to ensure that adequate funding is provided to prevent the recurrence of deficits and overdrafts.

FINDING 11.02 **GENERAL LEDGER CASH ACCOUNTS WERE NOT RECONCILED ACCURATELY WITH COUNTY TRUSTEE REPORTS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Management attempted to reconcile the cash accounts in the General and Ambulance Service funds with the trustee's reports monthly; however, numerous errors were noted in these reconciliations. At June 30, 2011, the cash balances in the General and Ambulance Service funds failed to reconcile with the trustee's cash balances by \$2,368 and \$ 1,373, respectively. The failure to accurately reconcile the general ledger's cash account with the 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

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

FINDING 11.03 **EXPENDITURES EXCEEDED APPROPRIATIONS**
(Noncompliance Under *Government Auditing Standards*)

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

<u>Funds/Major Category</u>	<u>Amount Overspent</u>
General:	
County Trustee's Office	\$ 121
General Sessions Court	890
Public Safety Grant Program	6,144
 Ambulance Service:	
Disaster Relief	639
ARRA Grant #1	871

Expenditures exceeded total appropriations approved by the County Commission in the Drug Control Fund by \$3,629.

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

These deficiencies exist because management failed to stay within the spending limits authorized by the County Commissions, which resulted in unauthorized expenditures.

RECOMMENDATION

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

FINDING 11.04 THE OFFICE HAD DEFICIENCIES IN THE PURCHASE ORDER SYSTEM

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

The county purchasing policies require the issuance of purchase orders for most purchases; however, the office did not issue purchase orders in all applicable instances. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. The failure to issue purchase orders in all applicable instances could result in unapproved purchases being made or purchases being made without an adequate appropriation for the purchase.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases.

FINDING 11.05 THE COUNTY LOANED \$80,000 TO THE PERRY COUNTY SENIOR CITIZENS CENTER WITHOUT A FORMAL WRITTEN CONTRACT

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

In July 2010, the County Commission approved an \$80,000 loan to the Perry County Senior Citizens Center to be repaid over a ten-year period; however, the county did not enter into a formal written contract with the Senior Citizens Center for the loan. Sound business practices dictate that formal written contracts be on file as evidence of the terms and conditions of a loan. It should be noted that as of June 30, 2011, the Senior Citizens Center repaid \$11,000 on the loan.

RECOMMENDATION

Perry County should have a written contract with the Perry County Senior Citizens Center that defines the terms and conditions of the loan.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 11.06 COMPETITIVE BIDS WERE NOT SOLICITED FOR CERTAIN PURCHASES

(Noncompliance Under *Government Auditing Standards*)

Competitive bids were not solicited for the purchase of an air conditioner and supplies (\$12,438); lighting supplies (\$10,380); and computers (\$12,072). Section 49-2-203, *Tennessee Code Annotated*, requires competitive bids to be solicited through newspaper

advertisement on all purchases exceeding \$10,000. The failure to solicit competitive bids could result in the department paying more than the most competitive price.

RECOMMENDATION

Competitive bids should be solicited for all purchases exceeding \$10,000 as required by statute.

OFFICE OF ASSESSOR OF PROPERTY

FINDING 11.07 **THE STATE DIVISION OF PROPERTY ASSESSMENTS
NOTED DEFICIENCIES IN THE MAINTENANCE OF VARIOUS
RECORDS BY THE ASSESSOR OF PROPERTY**
(Noncompliance Under *Government Auditing Standards*)

The monitoring report prepared by the state Division of Property Assessments disclosed the following deficiencies in the maintenance of records by the assessor of property.

- A. The assessor of property deleted property improvements damaged by the May 2010 floods for the entire year. Section 67-5-603(a), *Tennessee Code Annotated (TCA)*, requires property improvements that are damaged between January 1 and September 1 by a disaster (e.g. flood) to be prorated based on the date of the damage.

- B. The assessor of property allowed some affected property owners to apply for a flood relief proration on their property improvements after September 1. Section 67-5-603(d), *TCA*, states “The owner must apply for this relief to the assessor by September 1 using a form approved by the director of the state division of property assessments.”

RECOMMENDATION

The assessor of property should prorate property improvements that are damaged between January 1 and September 1 based on the date of the damage. Also, the assessor of property should not allow property owners to apply for flood relief prorations after September 1, as required by state statute.

MANAGEMENT’S RESPONSE – ASSESSOR OF PROPERTY

The flood event of 2010 was a devastating event for Perry County. The county, like the majority of counties in Tennessee, was completely unprepared for a disaster of this scale. This office feels the state legislative body took quick action in passing a law with confusing and vague language, and that the law was forced on the Offices of Assessors of Property with little explanation or training. I strongly feel this office, with our interpretation of the law, acted in the best interest of the citizens of Perry County that were effected by this event. In this matter, I stand by my decisions as property assessor, and feel I fairly represented the voters of Perry County.

REBUTTAL PREPARED BY THE DIVISION OF PROPERTY ASSESSMENTS

The Flood Relief Act of 2010 was legislation prepared to address the flooding of many properties from the May floods of 2010. The assessment professionals involved with discussions on this legislation were the Tennessee Association of Assessing Officers (TNAAO), Division of Property Assessments, State Board of Equalization, and Comptroller General Counsel. The division extended all resources to counties to assist with the implementation of these requirements. The steps taken to inform all parties were various letters, meetings, and on-site office assistance in some cases.

OFFICES OF SUPERINTENDENT OF HIGHWAYS, TRUSTEE, COUNTY CLERK, CLERK AND MASTER, AND REGISTER

FINDING 11.08 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(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 – COUNTY CLERK

Since there is only one deputy clerk that works in this office other than the County Clerk, the deputy clerk must have full knowledge of all aspects of the office and be able to perform all functions of the office in the event of the county clerk’s absence. Therefore it is impossible to segregate duties in this office.

AUDITOR’S COMMENT

Some segregation of duties is possible with two employees.

OFFICES OF TRUSTEE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND REGISTER

FINDING 11.09 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**

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

Multiple employees operated from the same cash drawer in the Offices of Trustee, County Clerk, Circuit and General Sessions Courts Clerk, and Register. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency in internal controls was the result of a lack of management oversight over risks related to safeguarding assets.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

We have two accounts – one for Circuit and one for General Sessions. There are two employees and the clerk. In order for each employee to have their own cash drawer for each account there would have to be six cash drawers. This would not be feasible in our small office. One employee is responsible for the cash drawer for the Circuit Court account, and the other employee is responsible for the cash drawer for the General Sessions Court account. We use the TnCIS software program, and a computer-generated receipt is issued for every monetary transaction. The employee's name is listed on the bottom of each individual receipt issued. Also on the computer system's daily deposit record, all listed amounts indicate which employee receipted the money.

The clerk prepares the daily deposit for both Circuit and General Sessions courts. The deposits are verified with the TnCIS system's end-of-day accounting reports in each account to be certain there are no shortages. Both accounts are monitored closely for accuracy so that any problems would be detected in a timely manner.

AUDITOR'S COMMENT

In the event of a cash shortage, the circuit and general sessions courts clerk would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer in each court.

MANAGEMENT'S RESPONSE – REGISTER

There is only one employee and the register and we have set up two cash drawers. We check each other's drawer daily and check the amount of the deposit with the daily revenue report. This finding has been corrected.

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices that should be considered by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens in Perry County.

ITEM 1. PERRY COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

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 process. 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.

ITEM 2. PERRY COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE

Perry County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee would significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and would be responsible for monitoring management's plans to address various risks.

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

There were no findings and questioned costs for federal awards.

