
ANNUAL FINANCIAL REPORT PERRY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2012



**ANNUAL FINANCIAL REPORT
PERRY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2012**

***COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON***

***DIVISION OF LOCAL GOVERNMENT AUDIT
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WENDY HEATH, CFE
State Auditors***

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

PERRY COUNTY, TENNESSEE

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Audit Highlights
Annual Financial Report
Perry County, Tennessee
For the Year Ended June 30, 2012

Scope

We have audited the basic financial statements of Perry County as of and for the year ended June 30, 2012.

Results

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

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

Findings and Best Practices

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

OFFICE OF COUNTY MAYOR

- ◆ Material audit adjustments were required for proper financial statement presentation.
- ◆ The General Fund's general ledger cash account was not reconciled accurately with county trustee reports.
- ◆ Expenditures exceeded appropriations.
- ◆ A tax anticipation note was not issued in compliance with state statute.
- ◆ Deficiencies were noted in the maintenance of capital asset records.

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

- ◆ Duties were not segregated adequately.

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

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

BEST PRACTICES

The Division of Local Government 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, 2012

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 LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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INDEPENDENT AUDITOR'S REPORT

November 29, 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, 2012, 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 eight 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, 2012, 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 November 29, 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.

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 60 through 66 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 prominent vertical stroke on the left side.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Perry County, Tennessee
Statement of Net Assets
June 30, 2012

	Primary Government Governmental Activities	Component Units	
		Perry County School Department	Perry County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 0	\$ 88,760	\$ 472,830
Equity in Pooled Cash and Investments	6,109,403	753,760	0
Accounts Receivable	624,820	31,244	8,953
Allowance for Uncollectibles	(124,964)	0	0
Due from Component Unit	108,110	0	0
Due from Other Governments	428,825	135,625	0
Property Taxes Receivable	2,366,450	1,318,178	0
Allowance for Uncollectible Property Taxes	(94,391)	(52,945)	0
Note Receivable - Current	11,000	0	0
Note Receivable - Long-term	77,000	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	210,266	138,512	0
Construction in Progress	1,066,270	0	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	2,781,456	6,534,264	0
Infrastructure	2,815,911	0	0
Other Capital Assets	1,164,979	510,366	392,907
Total Assets	<u>\$ 17,545,135</u>	<u>\$ 9,457,764</u>	<u>\$ 874,690</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 1,044
Payroll Deductions Payable	0	88,260	0
Accrued Interest Payable	0	1,659	0
Due to Primary Government	0	108,110	0
Deferred Revenue - Current Property Taxes	2,171,231	1,209,068	0
Noncurrent Liabilities:			
Due Within One Year	787,364	46,955	0
Due in More Than One Year	5,777,729	369,198	0
Total Liabilities	<u>\$ 8,736,324</u>	<u>\$ 1,823,250</u>	<u>\$ 1,044</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 5,456,432	\$ 0	\$ 0
Invested in Capital Assets	0	7,045,037	392,907
Restricted for:			
General Government	76,133	0	0
Administration of Justice	30,003	0	0
Public Safety	39,338	0	0
Public Health and Welfare	25,243	0	0
Highway/Public Works	3,742,138	0	0
Instruction	0	26,597	0
Operation of Non-Instructional Services	0	163,651	0
Unrestricted	(560,476)	399,229	480,739
Total Net Assets	<u>\$ 8,808,811</u>	<u>\$ 7,634,514</u>	<u>\$ 873,646</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, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Perry County School Department	Perry County Emergency Communications District			
Primary Government:										
Governmental Activities:										
General Government	\$ 900,516	\$ 123,934	\$ 57,187	\$ 0	\$ (719,395)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	354,450	198,443	0	0	(156,007)	0	0	0	0	0
Administration of Justice	392,453	192,228	4,500	0	(195,725)	0	0	0	0	0
Public Safety	3,142,264	497,436	842,189	0	(1,802,639)	0	0	0	0	0
Public Health and Welfare	590,980	1,459,890	63,942	0	932,852	0	0	0	0	0
Social, Cultural, and Recreational Services	240,279	1,630	4,890	0	(233,759)	0	0	0	0	0
Agriculture and Natural Resources	56,338	0	0	0	(56,338)	0	0	0	0	0
Other Operations	182,010	1,800	0	0	(180,210)	0	0	0	0	0
Highways/Public Works	1,710,701	46,494	1,502,328	0	(161,879)	0	0	0	0	0
Interest on Long-term Debt	25,790	0	0	0	(25,790)	0	0	0	0	0
Other Debt Service	46,873	0	0	0	(46,873)	0	0	0	0	0
Total Primary Government	\$ 7,642,654	\$ 2,521,855	\$ 2,475,036	\$ 0	\$ (2,645,763)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Perry County School Department	\$ 10,474,832	\$ 246,038	\$ 1,951,065	\$ 1,200	\$ 0	\$ (8,276,529)	\$ 0	\$ 0	\$ 0	\$ 0
Perry County Emergency Communications District	156,484	96,920	124,097	0	0	0	0	0	0	64,533
Total Component Units	\$ 10,631,316	\$ 342,958	\$ 2,075,162	\$ 1,200	\$ 0	\$ (8,276,529)	\$ 64,533	\$ 0	\$ 0	\$ 64,533

(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	County	Emergency Communications
Expenses	Contributions	Contributions	Activities	School Department	District		
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 2,136,097	\$ 1,307,768	\$	0
Property Taxes Levied for Debt Service				215,122	0		0
Local Option Sales Taxes				537,072	199,468		0
Mineral Severance Tax				54,454	0		0
Wholesale Beer Tax				59,717	0		0
Other Local Taxes				164,427	417		0
Grants and Contributions Not Restricted to Specific Programs				599,777	6,376,150		42,503
Unrestricted Investment Earnings				41,871	6,461		240
Miscellaneous				60,377	46,719		158
Total General Revenues				\$ 3,868,914	\$ 7,936,983	\$	42,901
Change in Net Assets				\$ 1,223,151	\$ (339,546)	\$	107,434
Net Assets, July 1, 2011				7,990,763	7,974,060		766,212
Prior-period Adjustment				(405,103)	0		0
Net Assets, June 30, 2012				\$ 8,808,811	\$ 7,634,514	\$	873,646

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, 2012

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
ASSETS								
Equity in Pooled Cash and Investments	\$ 411,116	\$ 14,033	\$ 3,462,236	\$ 1,914,342	\$ 272,791	\$ 34,885	\$ 6,109,403	
Accounts Receivable	624,820	0	0	0	0	0	624,820	
Allowance for Uncollectibles	(124,964)	0	0	0	0	0	(124,964)	
Due from Other Governments	48,003	0	279,902	100,920	0	0	428,825	
Due from Other Funds	0	0	0	33,256	0	0	33,256	
Due from Component Units	108,110	0	0	0	0	0	108,110	
Property Taxes Receivable	1,769,252	381,146	0	216,052	0	0	2,366,450	
Allowance for Uncollectible Property Taxes	(70,570)	(15,203)	0	(8,618)	0	0	(94,391)	
Notes Receivable - Current	0	0	0	11,000	0	0	11,000	
Notes Receivable - Long-term	0	0	0	77,000	0	0	77,000	
Total Assets	\$ 2,765,767	\$ 379,976	\$ 3,742,138	\$ 2,343,952	\$ 272,791	\$ 34,885	\$ 9,539,509	

LIABILITIES AND FUND BALANCES

Liabilities							
Due to Other Funds	\$ 33,256	0	0	0	0	0	33,256
Deferred Revenue - Current Property Taxes	1,623,298	349,704	0	198,229	0	0	2,171,231
Deferred Revenue - Delinquent Property Taxes	68,293	14,713	0	8,339	0	0	91,345
Other Deferred Revenues	571,826	0	137,101	74,185	0	0	783,112
Total Liabilities	\$ 2,296,673	\$ 364,417	\$ 137,101	\$ 280,753	\$ 0	\$ 0	\$ 3,078,944
Fund Balances							
Restricted:							
Restricted for General Government	\$ 1,082	0	0	0	0	0	1,082
Restricted for Administration of Justice	11,766	0	0	0	0	13,873	25,639
Restricted for Public Safety	34,061	0	0	0	0	9,641	43,702
Restricted for Social, Cultural, and Recreational Services	25,243	0	0	0	0	0	25,243
Restricted for Highways/Public Works	0	0	3,605,037	0	0	0	3,605,037

(Continued)

Exhibit C-1

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
\$	63,722	0	0	0	0	0	0	63,722
	15,139	0	0	0	0	0	0	15,139
	0	0	0	2,063,199	0	0	0	2,063,199
	0	0	0	0	272,791	0	0	272,791
	0	0	0	0	0	11,371	0	11,371
	0	15,559	0	0	0	0	0	15,559
	318,081	0	0	0	0	0	0	318,081
	469,094	15,559	3,605,037	2,063,199	272,791	34,885	0	6,460,565
	2,765,767	379,976	3,742,138	2,343,952	272,791	34,885	0	9,539,509

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances (Cont.)

Committed:	
Committed for General Government	
Committed for Capital Outlay	
Committed for Debt Service	
Committed for Capital Projects	
Assigned:	
Assigned for Administration of Justice	
Assigned for Public Health and Welfare	
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, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 6,460,565
(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: construction in progress	1,066,270	
Add: buildings and improvements net of accumulated depreciation	2,781,456	
Add: infrastructure net of accumulated depreciation	2,815,911	
Add: other capital assets net of accumulated depreciation	<u>1,164,979</u>	8,038,882
(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	\$ (116,250)	
Less: other loans payable	(5,986,000)	
Less: LOGIC assessment payable	(4,069)	
Less: compensated absences payable	(68,295)	
Less: landfill closure/postclosure care costs	(364,867)	
Less: other postemployment benefits liability	<u>(25,612)</u>	(6,565,093)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>874,457</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 8,808,811</u></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, 2012

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other	Governmental Funds	
<u>Revenues</u>								
Local Taxes	\$ 1,966,760	\$ 387,835	\$ 53,160	\$ 673,854	\$ 0	\$ 0	\$ 19,884	\$ 3,101,493
Licenses and Permits	950	0	0	0	0	0	0	950
Fines, Forfeitures, and Penalties	50,390	0	0	0	0	0	12,299	62,689
Charges for Current Services	484,985	42,434	0	0	0	0	356,098	883,517
Other Local Revenues	205,573	12,924	53,063	71,542	5,223	0	3,964	352,289
Fees Received from County Officials	363,451	0	0	0	0	0	30	363,481
State of Tennessee	594,051	68,890	1,495,086	249,365	0	0	0	2,407,392
Federal Government	89,287	0	82,763	0	700,239	0	0	872,289
Other Governments and Citizens Groups	162,092	0	8,529	61,597	150,000	0	0	382,218
Total Revenues	\$ 3,917,539	\$ 512,083	\$ 1,692,601	\$ 1,056,358	\$ 855,462	\$ 0	\$ 392,275	\$ 8,426,318
<u>Expenditures</u>								
Current:								
General Government	\$ 764,313	\$ 0	\$ 0	\$ 0	\$ 4,222	\$ 0	\$ 14,650	\$ 783,185
Finance	340,048	0	0	0	0	0	0	340,048
Administration of Justice	372,507	0	0	0	0	0	4,229	376,736
Public Safety	1,837,922	0	0	0	0	0	20,656	1,858,578
Public Health and Welfare	735,129	537,686	0	0	5,217	0	283,631	1,561,663
Social, Cultural, and Recreational Services	174,245	0	0	0	0	0	0	174,245
Agriculture and Natural Resources	55,027	0	0	0	0	0	0	55,027
Other Operations	191,996	538	0	0	0	0	7,285	199,819
Highways	38,472	0	1,601,774	0	0	0	0	1,640,246
Debt Service:								
Principal on Debt	0	0	0	681,000	0	0	0	681,000
Interest on Debt	0	0	0	25,790	0	0	0	25,790
Other Debt Service	0	0	0	46,873	0	0	0	46,873
Capital Projects	59,170	0	0	0	1,407,643	0	0	1,466,813
Total Expenditures	\$ 4,568,829	\$ 538,224	\$ 1,601,774	\$ 753,663	\$ 1,417,082	\$ 0	\$ 330,451	\$ 9,210,023

(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	Highway / Public Works	General Debt Service	General Capital Projects	Other	Governmental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ (651,290)	\$ (26,141)	\$ 90,827	\$ 302,695	\$ (561,620)	\$ 61,824	\$ (783,705)	
Other Financing Sources (Uses)								
Transfers In	\$ 959,069	\$ 50,000	\$ 0	\$ 0	\$ 834,411	\$ 0	\$ 1,843,480	
Transfers Out	0	0	0	(717,990)	0	(1,125,490)	(1,843,480)	
Total Other Financing Sources (Uses)	\$ 959,069	\$ 50,000	\$ 0	\$ (717,990)	\$ 834,411	\$ (1,125,490)	\$ 0	
Net Change in Fund Balances	\$ 307,779	\$ 23,859	\$ 90,827	\$ (415,295)	\$ 272,791	\$ (1,063,666)	\$ (783,705)	
Fund Balance, July 1, 2011	161,315	(8,300)	3,514,210	2,478,494	0	1,098,551	7,244,270	
Fund Balance, June 30, 2012	\$ 469,094	\$ 15,559	\$ 3,605,037	\$ 2,063,199	\$ 272,791	\$ 34,885	\$ 6,460,565	

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, 2012

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)		\$ (783,705)
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 1,403,129	
Less: current-year depreciation expense	<u>(490,966)</u>	912,163
<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, 2011	\$ (434,970)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>874,457</u>	439,487
<p>(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.</p>		
Add: principal payments on notes	\$ 45,000	
Add: principal payments on other loans	<u>636,000</u>	681,000
<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	\$ (11,338)	
Change in landfill closure/postclosure care costs	(3,552)	
Change in other postemployment benefits liability	<u>(10,904)</u>	<u>(25,794)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,223,151</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, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 97,525
Due from Other Governments	<u>42,224</u>
Total Assets	<u><u>\$ 139,749</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 42,224
Due to Litigants, Heirs, and Others	<u>97,525</u>
Total Liabilities	<u><u>\$ 139,749</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, 2012

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, 2012.

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.

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.

General Capital Projects Fund – This fund accounts for capital projects of the general government.

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 fund:

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

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

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

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.

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 two 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.

In the prior year, Perry County purchased three properties, which were titled to the Perry County Industrial Development Board, for the purpose of creating jobs in Perry County. On May 22, 2012, the county entered into an agreement whereby the board agreed to repay the county \$480,933 from lease revenues derived from these properties. The agreement bears a zero percent interest rate and specifies that the industrial development board may retain sufficient revenues to fund their operations and repay the county from any excess revenues collected. Due to the uncertainty of collecting this debt, a receivable has not been recorded in the financial statements of this report. No repayments were received during the year ended June 30, 2012.

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, 2012, Perry County had \$3,519,800 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.

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.

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, and shall remain binding unless removed in the same manner.

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 Commission has authorized the county’s Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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.

7. Prior-period Adjustment

Capital assets were restated \$405,103 from the prior year because three assets included in the prior year were not county property.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Assets

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

Discretely Presented Perry County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Perry County School Department

Exhibit I-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the General Capital Projects Fund, which adopts a project length budget. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

B. Expenditures Exceeded Appropriations

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

<u>Fund/Major Category</u>	<u>Amount Overspent</u>
General:	
General Sessions Court	\$ 47
Other Administration of Justice	491
Jail	7,224
Libraries	332
Solid Waste/Sanitation:	
Sanitation Education/Information	504

Expenditures exceeded total appropriations in the Courthouse and Jail Maintenance Fund by \$4,365.

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, 2012.

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 \$77,000 and is offset by committed fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2012, was as follows:

Primary Government

Governmental Activities:

	* Restated		
	Balance		Balance
	7-1-11	Increases	6-30-12
Capital Assets Not Depreciated:			
Land	\$ 210,266	\$ 0	\$ 210,266
Construction in Progress	0	1,066,270	1,066,270
Total Capital Assets Not Depreciated	<u>\$ 210,266</u>	<u>\$ 1,066,270</u>	<u>\$ 1,276,536</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 4,760,876	\$ 0	\$ 4,760,876
Infrastructure	3,614,190	0	3,614,190
Other Capital Assets	3,499,750	336,859	3,836,609
Total Capital Assets Depreciated	<u>\$ 11,874,816</u>	<u>\$ 336,859</u>	<u>\$ 12,211,675</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 1,883,466	\$ 95,954	\$ 1,979,420
Infrastructure	623,758	174,521	798,279
Other Capital Assets	2,451,139	220,491	2,671,630
Total Accumulated Depreciation	<u>\$ 4,958,363</u>	<u>\$ 490,966</u>	<u>\$ 5,449,329</u>
Total Capital Assets Depreciated, Net	<u>\$ 6,916,453</u>	<u>\$ (154,107)</u>	<u>\$ 6,762,346</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,126,719</u>	<u>\$ 912,163</u>	<u>\$ 8,038,882</u>

*See Note I.D.7. for prior-period adjustment.

There were no capital asset decreases during the year ended June 30, 2012. Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$	11,958
Public Safety		133,640
Public Health and Welfare		66,057
Highways/Public Works		<u>279,311</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>490,966</u></u>

Discretely Presented Perry County School Department

Governmental Activities:

	Balance 7-1-11	Increases	Balance 6-30-12
Capital Assets Not Depreciated:			
Land	\$ 138,512	\$ 0	\$ 138,512
Total Capital Assets Not Depreciated	<u>\$ 138,512</u>	<u>\$ 0</u>	<u>\$ 138,512</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 11,150,760	\$ 0	\$ 11,150,760
Other Capital Assets	1,795,269	87,500	1,882,769
Total Capital Assets Depreciated	<u>\$ 12,946,029</u>	<u>\$ 87,500</u>	<u>\$ 13,033,529</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 4,349,614	\$ 266,882	\$ 4,616,496
Other Capital Assets	1,264,841	107,562	1,372,403
Total Accumulated Depreciation	<u>\$ 5,614,455</u>	<u>\$ 374,444</u>	<u>\$ 5,988,899</u>
Total Capital Assets Depreciated, Net	<u>\$ 7,331,574</u>	<u>\$ (286,944)</u>	<u>\$ 7,044,630</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 7,470,086</u></u>	<u><u>\$ (286,944)</u></u>	<u><u>\$ 7,183,142</u></u>

There were no capital asset decreases during the year ended June 30, 2012.

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

Governmental Activities:

Instruction	\$ 103,510
Support Services	219,554
Operation of Non-Instructional Services	<u>51,380</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 374,444</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General Debt Service	General	\$ 33,256

This balance resulted from the time lag between the dates that reimbursable expenditures occur and payments between funds are made.

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Component Unit: General Purpose School	\$ 108,110

Interfund Transfers:

Interfund transfers for the year ended June 30, 2012, consisted of the following amounts:

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>General Capital Projects Fund</u>	<u>Solid Waste/ Sanitation Fund</u>
General Debt Service Fund	\$ 0	\$ 667,990	\$ 50,000
Nonmajor governmental fund	<u>959,069</u>	<u>166,421</u>	<u>0</u>
Total	<u>\$ 959,069</u>	<u>\$ 834,411</u>	<u>\$ 50,000</u>

Discretely Presented Perry County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	\$ 19,720

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 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 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, 2012, will be retired from the General Debt Service Fund.

Capital outlay notes and other loans outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
Capital Outlay Notes	0 %	1-10-15	\$ 450,000	\$ 116,250
Other Loans	Variable	5-25-23	11,500,000	5,986,000

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, 2012, the loans had a variable interest rate of .47 percent on the \$5,000,000 and \$2,500,000

loans and .49 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.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2012, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 45,000	\$ 0	\$ 45,000
2014	45,000	0	45,000
2015	26,250	0	26,250
Total	\$ 116,250	\$ 0	\$ 116,250

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2013	\$ 665,000	\$ 28,653	\$ 32,694	\$ 726,347
2014	697,000	25,488	29,533	752,021
2015	729,000	22,170	26,225	777,395
2016	764,000	18,701	22,770	805,471
2017	800,000	15,067	19,153	834,220
2018-2022	2,057,000	30,233	42,424	2,129,657
2023	274,000	1,343	2,524	277,867
Total	\$ 5,986,000	\$ 141,655	\$ 175,323	\$ 6,302,978

There is \$2,063,199 available in the General Debt Service Fund to service long-term debt. Debt per capita, including notes and other loans, totaled \$771, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Notes	Other Loans	Compensated Absences
Balance, July 1, 2011	\$ 161,250	\$ 6,622,000	\$ 56,957
Additions	0	0	78,149
Reductions	(45,000)	(636,000)	(66,811)
Balance, June 30, 2012	\$ 116,250	\$ 5,986,000	\$ 68,295
Balance Due Within One Year	\$ 45,000	\$ 665,000	\$ 68,295

	LOGIC Assessment	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2011	\$ 4,069	\$ 361,315	\$ 14,708
Additions	0	8,552	11,964
Reductions	0	(5,000)	(1,060)
Balance, June 30, 2012	<u>\$ 4,069</u>	<u>\$ 364,867</u>	<u>\$ 25,612</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, 2012	\$ 6,565,093
Less: Balance Due Within One Year	<u>(787,364)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 5,777,729</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, 2012, will be retired from the General Purpose School Fund.

Capital outlay notes outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
Capital Outlay Notes	0 to 5.949 %	1-15-17	\$ 296,857	\$ 138,105

The annual requirements to amortize all notes outstanding as of June 30, 2012, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 37,985	\$ 4,111	\$ 42,096
2014	38,715	3,381	42,096
2015	39,092	2,608	41,700
2016	14,595	1,788	16,383
2017	7,718	921	8,639
Total	<u>\$ 138,105</u>	<u>\$ 12,809</u>	<u>\$ 150,914</u>

Debt per capita for capital outlay notes totaled \$18, 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, 2012, was as follows:

Governmental Activities:

	Notes	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	\$ 175,401	\$ 36,038	\$ 167,922
Additions	0	17,448	104,587
Reductions	(37,296)	(17,603)	(30,344)
Balance, June 30, 2012	<u>\$ 138,105</u>	<u>\$ 35,883</u>	<u>\$ 242,165</u>
Balance Due Within One Year	<u>\$ 37,985</u>	<u>\$ 8,970</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 416,153
Less: Balance Due Within One Year	<u>(46,955)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 369,198</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. The board was allowed to skip the current-year's payment, extending the agreement for an additional year. At June 30, 2012, principal, interest, and other loan fee requirements totaled \$3,659,688 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 \$482,145.

G. On-Behalf Payments – Primary Government and Discretely Presented Perry County School Department

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Perry County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2012, were \$987. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

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, 2012, were \$20,775 and \$2,962, 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 (\$800,000) and Solid Waste/Sanitation (\$150,000) 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, 2012, was as follows:

	Balance 7-1-11	Issued	Paid	Balance 6-30-12
Tax Anticipation Notes	\$ 0	\$ 950,000	\$ (950,000)	\$ 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 (LWCF), 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 LWCF for its workers' compensation insurance coverage. The LWCF is to be self-sustaining through member premiums. The LWCF 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. 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.

C. Change in Administration

On June 30, 2012, Gil Webb left the Office of Director of Schools and was succeeded by Eric Lomax.

D. 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

\$364,867 reported as postclosure care liability at June 30, 2012, represents amounts based on what it would cost to perform all postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. 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, 2012.

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, 2012.

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

F. 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.

G. 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 their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, 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, 2012, Perry County's annual pension cost of \$447,183 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 three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement 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, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$447,183	100%	\$0
6-30-11	432,057	100	0
6-30-10	450,037	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 94.26 percent funded. The actuarial accrued liability for benefits was \$10.99 million, and the actuarial value of assets was

\$10.36 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.63 million. The covered payroll (annual payroll of active employees covered by the plan) was \$4.1 million, and the ratio of the UAAL to the covered payroll was 15.37 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.

SCHOOL TEACHERS

Plan Description

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012, 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, 2012, 2011, and 2010, were \$416,476, \$422,858, and \$294,551, 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 Section 403(b) establishes participation, contribution, and withdrawal provisions for the plans.

H. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is 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 their own 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 members in the Medicare Supplement Plan. Perry County and the School Department recognized expenditures of \$1,060 and \$30,344, respectively, for postemployment health care during the year ended June 30, 2012.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 105,000	\$ 12,000
Interest on the NPO	6,717	588
Adjustment to the ARC	(7,130)	(624)
Annual OPEB cost	\$ 104,587	\$ 11,964
Less: Amount of contribution	(30,344)	(1,060)
Increase/decrease in NPO	\$ 74,243	\$ 10,904
Net OPEB obligation, 7-1-11	167,922	14,708
Net OPEB obligation, 6-30-12	<u>\$ 242,165</u>	<u>\$ 25,612</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
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Primary Government

6-30-10	Local Government Group	\$ 11,012	20%	\$ 13,685
6-30-11	"	3,033	20	14,708
6-30-12	"	11,964	9	25,612

Discretely Presented School Department

6-30-10	Local Education Group	75,230	56	129,811
6-30-11	"	78,308	51	167,922
6-30-12	"	104,587	29	242,165

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

(dollars in thousands):

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	\$ 935	\$ 65
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 935	\$ 65
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 4,290	\$ 725

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, 2011, actuarial valuation for the Local Education Group and the Local Government Group plans, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.5 percent for fiscal year 2012. The trend rate will decrease to 8.75 percent in fiscal year 2013 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The rate includes a 2.5 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.

I. 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 approves the budget. The budget is adopted on a basis consistent with generally accepted accounting

principles. The district follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgets are adopted and approved by board vote on an annual basis. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- b. The board approves total budget appropriations by line item only. The board is authorized to transfer budget amounts between line items; however, any revisions that alter the total appropriations of any fund must be approved by vote of the board. Management may not adjust budget amounts without board approval. State regulations establish the legal level of control at the line-item level.
- 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		Balance	
	7-1-11	Increases	Decreases	6-30-12
Construction in Progress	\$ 0	\$ 150,000	\$ 0	\$ 150,000
Vehicles	20,000	0	0	20,000
Communications Equipment	465,327	138,078	(202,940)	400,465
Total Capital Assets				
Being Depreciated	\$ 485,327	\$ 288,078	\$ (202,940)	\$ 570,465
Less Accumulated Depreciation	\$ (339,469)	\$ (41,029)	\$ 202,940	\$ (177,558)
Total Capital Assets, Net	\$ 145,858	\$ 247,049	\$ 0	\$ 392,907

The accumulated depreciation for communications equipment is \$157,558 and \$20,000 for vehicles. Depreciation expense for the year was \$41,029, which was all for communications equipment.

During the year, the district made a \$150,000 contribution toward a facility that is being built by Perry County. The district will move into that facility in the next fiscal year.

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,966,760	\$ 2,107,757	\$ 2,092,757	\$ (125,997)
Licenses and Permits	950	3,750	3,750	(2,800)
Fines, Forfeitures, and Penalties	50,390	38,900	38,900	11,490
Charges for Current Services	484,985	801,200	801,200	(316,215)
Other Local Revenues	205,573	206,750	206,750	(1,177)
Fees Received from County Officials	363,451	355,500	355,500	7,951
State of Tennessee	594,051	613,331	613,331	(19,280)
Federal Government	89,287	100,000	100,000	(10,713)
Other Governments and Citizens Groups	162,092	220,000	220,000	(57,908)
Total Revenues	\$ 3,917,539	\$ 4,447,188	\$ 4,432,188	\$ (514,649)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 20,098	\$ 29,928	\$ 29,928	\$ 9,830
County Mayor/Executive	155,686	157,583	159,083	3,397
County Attorney	12,629	16,000	16,000	3,371
Election Commission	126,555	116,100	131,420	4,865
Register of Deeds	116,036	102,027	117,985	1,949
Geographical Information Systems	1,061	2,000	2,300	1,239
County Buildings	332,248	246,867	341,867	9,619
Preservation of Records	0	1,000	1,000	1,000
<u>Finance</u>				
Accounting and Budgeting	499	900	900	401
Property Assessor's Office	94,694	95,682	96,432	1,738
Reappraisal Program	45,835	43,253	47,753	1,918
County Trustee's Office	107,732	108,878	111,878	4,146
County Clerk's Office	91,288	95,006	95,006	3,718
<u>Administration of Justice</u>				
Circuit Court	149,415	155,302	155,302	5,887
General Sessions Court	109,118	107,671	109,071	(47)
Chancery Court	97,788	102,283	102,283	4,495
Juvenile Court	12,743	12,504	12,754	11
Other Administration of Justice	3,443	2,952	2,952	(491)
<u>Public Safety</u>				
Sheriff's Department	816,558	824,047	824,047	7,489
Jail	797,644	770,420	790,420	(7,224)
Civil Defense	45,392	87,009	87,009	41,617
Rescue Squad	9,914	10,000	10,000	86
Disaster Relief	13,577	13,700	14,700	1,123
Other Emergency Management	118,063	142,895	152,331	34,268
County Coroner/Medical Examiner	4,226	6,500	6,500	2,274
Other Public Safety	32,548	34,737	34,737	2,189

(Continued)

Exhibit E-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 35,736	\$ 37,315	\$ 37,315	\$ 1,579
Ambulance/Emergency Medical Services	670,734	993,090	996,190	325,456
Other Local Health Services	28,659	34,765	34,765	6,106
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	10,000	10,000	10,000	0
Libraries	125,343	102,011	125,011	(332)
Parks and Fair Boards	10,435	10,000	10,600	165
Other Social, Cultural, and Recreational	28,467	27,700	29,900	1,433
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	31,613	36,292	36,292	4,679
Soil Conservation	23,414	23,414	23,414	0
<u>Other Operations</u>				
Tourism	50,451	34,480	50,480	29
Industrial Development	15,213	3,500	20,500	5,287
Housing and Urban Development	17	0	100	83
Airport	4,536	18,000	18,000	13,464
Veterans' Services	8,887	3,944	13,241	4,354
Other Charges	53,767	57,000	57,750	3,983
Employee Benefits	18,467	20,650	27,650	9,183
ARRA Grant # 1	2,789	0	2,794	5
Miscellaneous	37,869	28,192	40,192	2,323
<u>Highways</u>				
Litter and Trash Collection	38,472	34,314	42,056	3,584
<u>Capital Projects</u>				
Public Health and Welfare Projects	59,170	0	65,000	5,830
Total Expenditures	\$ 4,568,829	\$ 4,759,911	\$ 5,094,908	\$ 526,079
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (651,290)	\$ (312,723)	\$ (662,720)	\$ 11,430
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 47,000	\$ 47,000	\$ (47,000)
Transfers In	959,069	700,000	700,000	259,069
Transfers Out	0	(700,000)	(800,000)	800,000
Total Other Financing Sources (Uses)	\$ 959,069	\$ 47,000	\$ (53,000)	\$ 1,012,069
Net Change in Fund Balance				
Fund Balance, July 1, 2011	\$ 161,315	\$ (265,723)	\$ (715,720)	\$ 1,023,499
Fund Balance, June 30, 2012	\$ 469,094	\$ 668,452	\$ 218,455	\$ 250,639

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 387,835	\$ 400,648	\$ 400,648	\$ (12,813)
Charges for Current Services	42,434	48,025	48,025	(5,591)
Other Local Revenues	12,924	500	50,500	(37,576)
State of Tennessee	68,890	51,290	51,290	17,600
Federal Government	0	28,751	28,751	(28,751)
Total Revenues	<u>\$ 512,083</u>	<u>\$ 529,214</u>	<u>\$ 579,214</u>	<u>\$ (67,131)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Education/Information	\$ 8,804	\$ 8,000	\$ 8,300	\$ (504)
Convenience Centers	77,456	57,429	82,159	4,703
Transfer Stations	380,646	359,900	408,300	27,654
Landfill Operation and Maintenance	70,780	50,467	76,609	5,829
<u>Other Operations</u>				
Employee Benefits	538	1,525	1,525	987
Total Expenditures	<u>\$ 538,224</u>	<u>\$ 477,321</u>	<u>\$ 576,893</u>	<u>\$ 38,669</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (26,141)</u>	<u>\$ 51,893</u>	<u>\$ 2,321</u>	<u>\$ (28,462)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 50,000	\$ 150,000	\$ 150,000	\$ (100,000)
Transfers Out	0	(100,000)	(100,000)	100,000
Total Other Financing Sources (Uses)	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 23,859	\$ 101,893	\$ 52,321	\$ (28,462)
Fund Balance, July 1, 2011	(8,300)	7,081	7,081	(15,381)
Fund Balance, June 30, 2012	<u>\$ 15,559</u>	<u>\$ 108,974</u>	<u>\$ 59,402</u>	<u>\$ (43,843)</u>

Exhibit E-3

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 53,160	\$ 45,000	\$ 45,000	\$ 8,160
Other Local Revenues	53,063	0	0	53,063
State of Tennessee	1,495,086	2,417,742	2,417,742	(922,656)
Federal Government	82,763	0	0	82,763
Other Governments and Citizens Groups	8,529	0	0	8,529
Total Revenues	<u>\$ 1,692,601</u>	<u>\$ 2,462,742</u>	<u>\$ 2,462,742</u>	<u>\$ (770,141)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 110,449	\$ 145,242	\$ 145,242	\$ 34,793
Highway and Bridge Maintenance	724,558	1,468,048	1,468,048	743,490
Operation and Maintenance of Equipment	236,323	268,500	268,500	32,177
Other Charges	80,042	135,200	135,200	55,158
Employee Benefits	186,606	226,250	226,250	39,644
Capital Outlay	263,796	584,745	584,745	320,949
Total Expenditures	<u>\$ 1,601,774</u>	<u>\$ 2,827,985</u>	<u>\$ 2,827,985</u>	<u>\$ 1,226,211</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 90,827</u>	<u>\$ (365,243)</u>	<u>\$ (365,243)</u>	<u>\$ 456,070</u>
Net Change in Fund Balance	\$ 90,827	\$ (365,243)	\$ (365,243)	\$ 456,070
Fund Balance, July 1, 2011	<u>3,514,210</u>	<u>3,338,869</u>	<u>3,388,690</u>	<u>125,520</u>
Fund Balance, June 30, 2012	<u>\$ 3,605,037</u>	<u>\$ 2,973,626</u>	<u>\$ 3,023,447</u>	<u>\$ 581,590</u>

Exhibit E-4

Perry County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Perry County School Department
June 30, 2012

(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)
7-1-11	\$ 10,360	\$ 10,991	\$ 631	94.26	% \$ 4,105	15.37 %
7-1-09	8,174	8,421	247	97.07	3,561	6.93
7-1-07	7,556	7,854	298	96.21	2,824	10.55

Exhibit E-5

Perry County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Perry County School Department
June 30, 2012

(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	7-1-09	\$ 0	\$ 97	\$ 97	0 %	\$ 732	13 %
"	7-1-10	0	21	21	0	725	3
"	7-1-11	0	65	65	0	725	9
<u>DISCRETELY PRESENTED PERRY COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	0	679	679	0	3,644	19
"	7-1-10	0	708	708	0	4,290	16
"	7-1-11	0	935	935	0	4,290	22

PERRY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2012

A. BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

B. EXPENDITURES EXCEEDED APPROPRIATIONS

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

Funds/Major Category	Amount Overspent
General:	
General Sessions Court	\$ 47
Other Administration of Justice	491
Jail	7,224
Libraries	332
Soldi Waste/Sanitation:	
Sanitation Education/Information	504

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.

Ambulance Service Fund – The Ambulance Service Fund is used to account for transactions of the county's ambulance service. This fund was closed into the General Fund during the year.

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, 2012

	Special Revenue Funds			Total
	Courthouse and Jail Maintenance	Special Purpose	Drug Control	Nonmajor Governmental Funds
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 4,364	\$ 25,244	\$ 5,277	\$ 34,885
Total Assets	\$ 4,364	\$ 25,244	\$ 5,277	\$ 34,885
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Administration of Justice	\$ 0	\$ 13,873	\$ 0	\$ 13,873
Restricted for Public Safety	4,364	0	5,277	9,641
Assigned:				
Assigned for Administration of Justice	0	11,371	0	11,371
Total Fund Balances	\$ 4,364	\$ 25,244	\$ 5,277	\$ 34,885

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, 2012

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Ambulance Service	Special Purpose	Drug Control	Constitu- tional Officers - Fees	
<u>Revenues</u>						
Local Taxes	\$ 11,756	\$ 3,122	\$ 5,006	\$ 0	\$ 0	\$ 19,884
Fines, Forfeitures, and Penalties	2,284	0	908	9,107	0	12,299
Charges for Current Services	0	354,318	0	0	1,780	356,098
Other Local Revenues	0	0	0	3,964	0	3,964
Fees Received from County Officials	0	0	30	0	0	30
Total Revenues	\$ 14,040	\$ 357,440	\$ 5,944	\$ 13,071	\$ 1,780	\$ 392,275
<u>Expenditures</u>						
Current:						
General Government	\$ 14,650	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,650
Administration of Justice	0	0	2,449	0	1,780	4,229
Public Safety	0	0	0	20,656	0	20,656
Public Health and Welfare	0	283,631	0	0	0	283,631
Other Operations	130	7,155	0	0	0	7,285
Total Expenditures	\$ 14,780	\$ 290,786	\$ 2,449	\$ 20,656	\$ 1,780	\$ 330,451
Excess (Deficiency) of Revenues Over Expenditures	\$ (740)	\$ 66,654	\$ 3,495	\$ (7,585)	\$ 0	\$ 61,824
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ 0	\$ (1,125,490)	\$ 0	\$ 0	\$ 0	\$ (1,125,490)
Total Other Financing Sources (Uses)	\$ 0	\$ (1,125,490)	\$ 0	\$ 0	\$ 0	\$ (1,125,490)
Net Change in Fund Balances Fund Balance, July 1, 2011	\$ (740)	\$ (1,058,836)	\$ 3,495	\$ (7,585)	\$ 0	\$ (1,063,666)
	5,104	1,058,836	21,749	12,862	0	1,098,551
Fund Balance, June 30, 2012	\$ 4,364	\$ 0	\$ 25,244	\$ 5,277	\$ 0	\$ 34,885

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 11,756	\$ 9,050	\$ 9,050	\$ 2,706
Fines, Forfeitures, and Penalties	2,284	1,350	1,350	934
Total Revenues	<u>\$ 14,040</u>	<u>\$ 10,400</u>	<u>\$ 10,400</u>	<u>\$ 3,640</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 14,650	\$ 10,285	\$ 10,285	\$ (4,365)
<u>Other Operations</u>				
Other Charges	130	115	130	0
Total Expenditures	<u>\$ 14,780</u>	<u>\$ 10,400</u>	<u>\$ 10,415</u>	<u>\$ (4,365)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (740)</u>	<u>\$ 0</u>	<u>\$ (15)</u>	<u>\$ (725)</u>
Net Change in Fund Balance	\$ (740)	\$ 0	\$ (15)	\$ (725)
Fund Balance, July 1, 2011	<u>5,104</u>	<u>9,646</u>	<u>9,646</u>	<u>(4,542)</u>
Fund Balance, June 30, 2012	<u>\$ 4,364</u>	<u>\$ 9,646</u>	<u>\$ 9,631</u>	<u>\$ (5,267)</u>

Exhibit F-4

Perry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,122	\$ 88,294	\$ 88,294	\$ (85,172)
Charges for Current Services	354,318	633,272	633,272	(278,954)
Other Local Revenues	0	1,000	1,000	(1,000)
State of Tennessee	0	15,000	15,000	(15,000)
Federal Government	0	64,810	64,810	(64,810)
Total Revenues	<u>\$ 357,440</u>	<u>\$ 802,376</u>	<u>\$ 802,376</u>	<u>\$ (444,936)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 283,631	\$ 780,815	\$ 283,631	\$ 0
<u>Other Operations</u>				
Other Charges	5,773	12,000	5,773	0
Employee Benefits	1,382	4,750	1,382	0
ARRA Grant # 1	0	4,810	0	0
Total Expenditures	<u>\$ 290,786</u>	<u>\$ 802,375</u>	<u>\$ 290,786</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 66,654</u>	<u>\$ 1</u>	<u>\$ 511,590</u>	<u>\$ (444,936)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (1,125,490)	\$ 0	\$ (1,125,490)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (1,125,490)</u>	<u>\$ 0</u>	<u>\$ (1,125,490)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (1,058,836)	\$ 1	\$ (613,900)	\$ (444,936)
Fund Balance, July 1, 2011	1,058,836	0	0	1,058,836
Fund Balance, June 30, 2012	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ (613,900)</u>	<u>\$ 613,900</u>

Exhibit F-5

Perry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,006	\$ 2,000	\$ 2,000	\$ 3,006
Fines, Forfeitures, and Penalties	908	620	620	288
Fees Received from County Officials	30	0	0	30
Total Revenues	<u>\$ 5,944</u>	<u>\$ 2,620</u>	<u>\$ 2,620</u>	<u>\$ 3,324</u>
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Circuit Court	\$ 1,950	\$ 550	\$ 1,950	\$ 0
General Sessions Court	499	500	550	51
Chancery Court	0	500	500	500
Total Expenditures	<u>\$ 2,449</u>	<u>\$ 1,550</u>	<u>\$ 3,000</u>	<u>\$ 551</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,495</u>	<u>\$ 1,070</u>	<u>\$ (380)</u>	<u>\$ 3,875</u>
Net Change in Fund Balance	\$ 3,495	\$ 1,070	\$ (380)	\$ 3,875
Fund Balance, July 1, 2011	<u>21,749</u>	<u>8,658</u>	<u>8,658</u>	<u>13,091</u>
Fund Balance, June 30, 2012	<u><u>\$ 25,244</u></u>	<u><u>\$ 9,728</u></u>	<u><u>\$ 8,278</u></u>	<u><u>\$ 16,966</u></u>

Exhibit F-6

Perry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 9,107	\$ 28,100	\$ 28,100	\$ (18,993)
Other Local Revenues	3,964	15,000	15,000	(11,036)
Total Revenues	<u>\$ 13,071</u>	<u>\$ 43,100</u>	<u>\$ 43,100</u>	<u>\$ (30,029)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 20,656	\$ 28,100	\$ 28,100	\$ 7,444
Total Expenditures	<u>\$ 20,656</u>	<u>\$ 28,100</u>	<u>\$ 28,100</u>	<u>\$ 7,444</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (7,585)</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ (22,585)</u>
Net Change in Fund Balance	\$ (7,585)	\$ 15,000	\$ 15,000	\$ (22,585)
Fund Balance, July 1, 2011	12,862	12,863	12,863	(1)
Fund Balance, June 30, 2012	<u>\$ 5,277</u>	<u>\$ 27,863</u>	<u>\$ 27,863</u>	<u>\$ (22,586)</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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 673,854	\$ 788,600	\$ 788,600	\$ (114,746)
Other Local Revenues	71,542	75,000	75,000	(3,458)
State of Tennessee	249,365	196,200	196,200	53,165
Other Governments and Citizens Groups	61,597	135,000	135,000	(73,403)
Total Revenues	<u>\$ 1,056,358</u>	<u>\$ 1,194,800</u>	<u>\$ 1,194,800</u>	<u>\$ (138,442)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 230,250	\$ 240,000	\$ 230,250	\$ 0
Education	450,750	441,000	450,750	0
<u>Interest on Debt</u>				
General Government	9,248	87,358	67,871	58,623
Education	16,542	0	19,487	2,945
<u>Other Debt Service</u>				
General Government	27,437	35,500	35,500	8,063
Education	19,436	23,000	23,000	3,564
Total Expenditures	<u>\$ 753,663</u>	<u>\$ 826,858</u>	<u>\$ 826,858</u>	<u>\$ 73,195</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 302,695</u>	<u>\$ 367,942</u>	<u>\$ 367,942</u>	<u>\$ (65,247)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 800,000	\$ 800,000	\$ (800,000)
Transfers Out	(717,990)	(1,588,000)	(1,588,000)	870,010
Total Other Financing Sources (Uses)	<u>\$ (717,990)</u>	<u>\$ (788,000)</u>	<u>\$ (788,000)</u>	<u>\$ 70,010</u>
Net Change in Fund Balance	\$ (415,295)	\$ (420,058)	\$ (420,058)	\$ 4,763
Fund Balance, July 1, 2011	<u>2,478,494</u>	<u>2,566,810</u>	<u>2,566,810</u>	<u>(88,316)</u>
Fund Balance, June 30, 2012	<u>\$ 2,063,199</u>	<u>\$ 2,146,752</u>	<u>\$ 2,146,752</u>	<u>\$ (83,553)</u>

Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit H-1

Perry County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 97,525	\$ 97,525
Due from Other Governments	42,224	0	42,224
	<hr/>		
Total Assets	\$ 42,224	\$ 97,525	\$ 139,749
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 42,224	\$ 0	\$ 42,224
Due to Litigants, Heirs, and Others	0	97,525	97,525
	<hr/>		
Total Liabilities	\$ 42,224	\$ 97,525	\$ 139,749
	<hr/>		

Exhibit H-2

Perry County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 244,154	\$ 244,154	\$ 0
Due from Other Governments	39,877	42,224	39,877	42,224
Total Assets	\$ 39,877	\$ 286,378	\$ 284,031	\$ 42,224
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 39,877	\$ 286,378	\$ 284,031	\$ 42,224
Total Liabilities	\$ 39,877	\$ 286,378	\$ 284,031	\$ 42,224
 <u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 105,777	\$ 97,525	\$ 105,777	\$ 97,525
Total Assets	\$ 105,777	\$ 97,525	\$ 105,777	\$ 97,525
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 105,777	\$ 97,525	\$ 105,777	\$ 97,525
Total Liabilities	\$ 105,777	\$ 97,525	\$ 105,777	\$ 97,525
 <u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 105,777	\$ 97,525	\$ 105,777	\$ 97,525
Equity in Pooled Cash and Investments	0	244,154	244,154	0
Due from Other Governments	39,877	42,224	39,877	42,224
Total Assets	\$ 145,654	\$ 383,903	\$ 389,808	\$ 139,749
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 39,877	\$ 286,378	\$ 284,031	\$ 42,224
Due to Litigants, Heirs, and Others	105,777	97,525	105,777	97,525
Total Liabilities	\$ 145,654	\$ 383,903	\$ 389,808	\$ 139,749

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, 2012

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total Governmental Activities	
Governmental Activities:						
Instruction	\$ 5,696,079	\$ 0	\$ 1,348,880	\$ 1,200	\$ (4,345,999)	
Support Services	3,544,990	23,745	124,957	0	(3,396,288)	
Operation of Non-Instructional Services	1,229,266	222,293	477,228	0	(529,745)	
Interest on Long-term Debt	4,497	0	0	0	(4,497)	
Total Governmental Activities	\$ 10,474,832	\$ 246,038	\$ 1,951,065	\$ 1,200	\$ (8,276,529)	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 1,307,768	
Local Option Sales Taxes					199,468	
Other Local Taxes					417	
Grants and Contributions Not Restricted to Specific Programs					6,376,150	
Unrestricted Investment Earnings					6,461	
Miscellaneous					46,719	
Total General Revenues					\$ 7,936,983	
Change in Net Assets					\$ (339,546)	
Net Assets, July 1, 2011					7,974,060	
Net Assets, June 30, 2012					\$ 7,634,514	

Exhibit I-2

Perry County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Perry County School Department
June 30, 2012

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 73,815	\$ 14,945	\$ 88,760
Equity in Pooled Cash and Investments	607,837	145,923	753,760
Accounts Receivable	0	31,244	31,244
Due from Other Governments	135,625	0	135,625
Property Taxes Receivable	1,318,178	0	1,318,178
Allowance for Uncollectible Property Taxes	(52,945)	0	(52,945)
Total Assets	<u>\$ 2,082,510</u>	<u>\$ 192,112</u>	<u>\$ 2,274,622</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Payroll Deductions Payable	\$ 73,315	\$ 14,945	\$ 88,260
Due to Primary Government	108,110	0	108,110
Deferred Revenue - Current Property Taxes	1,209,068	0	1,209,068
Deferred Revenue - Delinquent Property Taxes	50,881	0	50,881
Other Deferred Revenues	17,137	0	17,137
Total Liabilities	<u>\$ 1,458,511</u>	<u>\$ 14,945</u>	<u>\$ 1,473,456</u>
<u>Fund Balances</u>			
Restricted:			
Restricted for Education	\$ 13,081	\$ 177,167	\$ 190,248
Unassigned	610,918	0	610,918
Total Fund Balances	<u>\$ 623,999</u>	<u>\$ 177,167</u>	<u>\$ 801,166</u>
Total Liabilities and Fund Balances	<u>\$ 2,082,510</u>	<u>\$ 192,112</u>	<u>\$ 2,274,622</u>

Exhibit I-3

Perry County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
Discretely Presented Perry County School Department
June 30, 2012

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)		\$	801,166
(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		6,534,264	
Add: other capital assets net of accumulated depreciation		<u>510,366</u>	7,183,142
(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	\$	(138,105)	
Less: compensated absences payable		(35,883)	
Less: accrued interest on notes		(1,659)	
Less: other postemployment benefits liability		<u>(242,165)</u>	(417,812)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>68,018</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>7,634,514</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, 2012

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 1,539,763	\$ 0	\$ 1,539,763
Licenses and Permits	532	0	532
Charges for Current Services	28,804	222,293	251,097
Other Local Revenues	149,576	1,807	151,383
State of Tennessee	6,686,159	6,016	6,692,175
Federal Government	81,673	1,433,774	1,515,447
Total Revenues	\$ 8,486,507	\$ 1,663,890	\$ 10,150,397
<u>Expenditures</u>			
Current:			
Instruction	\$ 4,802,441	\$ 694,916	\$ 5,497,357
Support Services	3,204,352	238,379	3,442,731
Operation of Non-Instructional Services	503,922	665,293	1,169,215
Debt Service:			
Principal on Debt	37,297	0	37,297
Interest on Debt	4,800	0	4,800
Total Expenditures	\$ 8,552,812	\$ 1,598,588	\$ 10,151,400
Excess (Deficiency) of Revenues Over Expenditures	\$ (66,305)	\$ 65,302	\$ (1,003)
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 19,720	\$ 0	\$ 19,720
Transfers Out	0	(19,720)	(19,720)
Total Other Financing Sources (Uses)	\$ 19,720	\$ (19,720)	\$ 0
Net Change in Fund Balances	\$ (46,585)	\$ 45,582	\$ (1,003)
Fund Balance, July 1, 2011	670,584	131,585	802,169
Fund Balance, June 30, 2012	\$ 623,999	\$ 177,167	\$ 801,166

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, 2012

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)		\$	(1,003)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	87,500	
Less: current-year depreciation expense		<u>(374,444)</u>	(286,944)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2011	\$	(83,129)	
Add: deferred delinquent property taxes and other deferred June 30, 2012		<u>68,018</u>	(15,111)
(3) The issuance of long-term debt (e.g., notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.			
Add: principal payments on notes			37,296
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable	\$	155	
Change in accrued interest on notes		304	
Change in other postemployment benefits liability		<u>(74,243)</u>	<u>(73,784)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (339,546)</u>

Exhibit I-6

Perry County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Perry County School Department
June 30, 2012

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Cash	\$ 7,650	\$ 7,295	\$ 14,945
Equity in Pooled Cash and Investments	13,516	132,407	145,923
Accounts Receivable	0	31,244	31,244
	<hr/>		
Total Assets	\$ 21,166	\$ 170,946	\$ 192,112
<hr/>			
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Payroll Deductions Payable	\$ 7,650	\$ 7,295	\$ 14,945
Total Liabilities	\$ 7,650	\$ 7,295	\$ 14,945
<hr/>			
<u>Fund Balances</u>			
Restricted:			
Restricted for Education	\$ 13,516	\$ 163,651	\$ 177,167
Total Fund Balances	\$ 13,516	\$ 163,651	\$ 177,167
<hr/>			
Total Liabilities and Fund Balances	\$ 21,166	\$ 170,946	\$ 192,112
<hr/>			

Exhibit I-7

Perry County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Perry County School Department
For the Year Ended June 30, 2012

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 222,293	\$ 222,293
Other Local Revenues	0	1,807	1,807
State of Tennessee	0	6,016	6,016
Federal Government	962,562	471,212	1,433,774
Total Revenues	<u>\$ 962,562</u>	<u>\$ 701,328</u>	<u>\$ 1,663,890</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 694,916	\$ 0	\$ 694,916
Support Services	238,379	0	238,379
Operation of Non-Instructional Services	0	665,293	665,293
Total Expenditures	<u>\$ 933,295</u>	<u>\$ 665,293</u>	<u>\$ 1,598,588</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 29,267</u>	<u>\$ 36,035</u>	<u>\$ 65,302</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (19,720)	\$ 0	\$ (19,720)
Total Other Financing Sources (Uses)	<u>\$ (19,720)</u>	<u>\$ 0</u>	<u>\$ (19,720)</u>
Net Change in Fund Balances	\$ 9,547	\$ 36,035	\$ 45,582
Fund Balance, July 1, 2011	3,969	127,616	131,585
Fund Balance, June 30, 2012	<u>\$ 13,516</u>	<u>\$ 163,651</u>	<u>\$ 177,167</u>

Exhibit I-8

Perry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Perry County School Department
General Purpose School Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,539,763	\$ 1,593,940	\$ 1,587,840	\$ (48,077)
Licenses and Permits	532	675	475	57
Charges for Current Services	28,804	21,500	24,500	4,304
Other Local Revenues	149,576	59,500	36,980	112,596
State of Tennessee	6,686,159	6,578,280	6,656,452	29,707
Federal Government	81,673	180,585	260,410	(178,737)
Total Revenues	\$ 8,486,507	\$ 8,434,480	\$ 8,566,657	\$ (80,150)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,579,836	\$ 3,500,385	\$ 3,584,415	\$ 4,579
Alternative Instruction Program	70,540	72,290	71,485	945
Special Education Program	818,475	805,045	822,445	3,970
Vocational Education Program	333,590	314,300	334,005	415
<u>Support Services</u>				
Attendance	4,645	4,100	5,350	705
Health Services	127,888	120,290	128,565	677
Other Student Support	185,311	190,835	185,355	44
Regular Instruction Program	318,443	342,075	325,275	6,832
Special Education Program	76,456	70,825	77,525	1,069
Vocational Education Program	9,467	10,360	10,360	893
Other Programs	23,737	0	23,737	0
Board of Education	134,858	139,425	139,425	4,567
Director of Schools	131,695	131,540	134,540	2,845
Office of the Principal	536,479	540,940	537,740	1,261
Fiscal Services	111,791	100,075	111,910	119
Operation of Plant	624,423	658,500	643,250	18,827
Maintenance of Plant	263,318	301,920	273,470	10,152
Transportation	649,142	613,535	657,935	8,793
Central and Other	6,699	8,200	8,200	1,501
<u>Operation of Non-Instructional Services</u>				
Food Service	29,805	20,400	29,805	0
Community Services	178,342	180,585	180,585	2,243
Early Childhood Education	295,775	297,155	297,155	1,380
<u>Principal on Debt</u>				
Education	37,297	42,100	37,300	3
<u>Interest on Debt</u>				
Education	4,800	0	4,800	0
Total Expenditures	\$ 8,552,812	\$ 8,464,880	\$ 8,624,632	\$ 71,820

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (66,305)	\$ (30,400)	\$ (57,975)	\$ (8,330)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 19,720	\$ 30,400	\$ 30,400	\$ (10,680)
Total Other Financing Sources (Uses)	\$ 19,720	\$ 30,400	\$ 30,400	\$ (10,680)
Net Change in Fund Balance	\$ (46,585)	\$ 0	\$ (27,575)	\$ (19,010)
Fund Balance, July 1, 2011	670,584	754,258	754,258	(83,674)
Fund Balance, June 30, 2012	\$ 623,999	\$ 754,258	\$ 726,683	\$ (102,684)

Exhibit I-9

Perry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Perry County School Department
School Federal Projects Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 962,562	\$ 1,030,673	\$ 1,075,293	\$ (112,731)
Total Revenues	\$ 962,562	\$ 1,030,673	\$ 1,075,293	\$ (112,731)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 457,332	\$ 456,530	\$ 483,741	\$ 26,409
Special Education Program	220,446	252,211	267,072	46,626
Vocational Education Program	17,138	17,133	17,138	0
<u>Support Services</u>				
Other Student Support	4,316	4,986	5,075	759
Regular Instruction Program	156,340	168,543	186,338	29,998
Special Education Program	72,718	96,133	95,923	23,205
Vocational Education Program	630	709	630	0
Transportation	4,375	23,778	8,750	4,375
Total Expenditures	\$ 933,295	\$ 1,020,023	\$ 1,064,667	\$ 131,372
Excess (Deficiency) of Revenues Over Expenditures	\$ 29,267	\$ 10,650	\$ 10,626	\$ 18,641
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 4,100	\$ 4,100	\$ (4,100)
Transfers Out	(19,720)	(25,254)	(25,230)	5,510
Total Other Financing Sources (Uses)	\$ (19,720)	\$ (21,154)	\$ (21,130)	\$ 1,410
Net Change in Fund Balance	\$ 9,547	\$ (10,504)	\$ (10,504)	\$ 20,051
Fund Balance, July 1, 2011	3,969	10,504	10,504	(6,535)
Fund Balance, June 30, 2012	\$ 13,516	\$ 0	\$ 0	\$ 13,516

Exhibit I-10

Perry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Perry County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 222,293	\$ 203,000	\$ 203,000	\$ 19,293
Other Local Revenues	1,807	1,100	750	1,057
State of Tennessee	6,016	6,000	6,000	16
Federal Government	471,212	420,200	450,149	21,063
Total Revenues	<u>\$ 701,328</u>	<u>\$ 630,300</u>	<u>\$ 659,899</u>	<u>\$ 41,429</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 665,293	\$ 662,500	\$ 692,099	\$ 26,806
Total Expenditures	<u>\$ 665,293</u>	<u>\$ 662,500</u>	<u>\$ 692,099</u>	<u>\$ 26,806</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 36,035</u>	<u>\$ (32,200)</u>	<u>\$ (32,200)</u>	<u>\$ 68,235</u>
Net Change in Fund Balance	\$ 36,035	\$ (32,200)	\$ (32,200)	\$ 68,235
Fund Balance, July 1, 2011	<u>127,616</u>	<u>127,616</u>	<u>127,616</u>	<u>0</u>
Fund Balance, June 30, 2012	<u><u>\$ 163,651</u></u>	<u><u>\$ 95,416</u></u>	<u><u>\$ 95,416</u></u>	<u><u>\$ 68,235</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Perry County, Tennessee
Schedule of Changes in Long-term Notes and Other Loans
Primary Government and Discretely Presented Perry County School Department
For the Year Ended June 30, 2012

<u>Description of Indebtedness</u>	<u>Original Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Last Maturity Date</u>	<u>Outstanding 7-1-11</u>	<u>Paid and/or Matured During Period</u>	<u>Outstanding 6-30-12</u>
<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	\$ 161,250	\$ 45,000	\$ 116,250
Total Notes Payable					<u>\$ 161,250</u>	<u>\$ 45,000</u>	<u>\$ 116,250</u>
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
School	5,000,000	Variable	10-14-1998	5-25-18	\$ 2,448,000	\$ 296,000	\$ 2,152,000
School	2,500,000	Variable	5-24-00	5-25-19	1,383,000	145,000	1,238,000
Angelica Building, Jail, Solid Waste Equipment, School	4,000,000	Variable	10-28-03	5-25-23	2,791,000	195,000	2,596,000
Total Other Loans Payable					<u>\$ 6,622,000</u>	<u>\$ 636,000</u>	<u>\$ 5,986,000</u>
<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	\$ 72,544	\$ 11,582	\$ 60,962
Energy Efficiency Loan	180,000	0	4-1-08	6-1-15	102,857	25,714	77,143
Total Notes Payable					<u>\$ 175,401</u>	<u>\$ 37,296</u>	<u>\$ 138,105</u>

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		Total
	Principal	Interest	
2013	\$ 45,000	\$ 0	\$ 45,000
2014	45,000	0	45,000
2015	26,250	0	26,250
Total	\$ 116,250	\$ 0	\$ 116,250

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2013	\$ 665,000	\$ 28,653	\$ 32,694	\$ 726,347
2014	697,000	25,488	29,533	752,021
2015	729,000	22,170	26,225	777,395
2016	764,000	18,701	22,770	805,471
2017	800,000	15,067	19,153	834,220
2018	837,000	11,262	15,285	863,547
2019	446,000	7,280	10,241	463,521
2020	250,000	5,135	7,098	262,233
2021	258,000	3,910	5,648	267,558
2022	266,000	2,646	4,152	272,798
2023	274,000	1,343	2,524	277,867
Total	\$ 5,986,000	\$ 141,655	\$ 175,323	\$ 6,302,978

DISCRETELY PRESENTED PERRY
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		Total
	Principal	Interest	
2013	\$ 37,985	\$ 4,111	\$ 42,096
2014	38,715	3,381	42,096
2015	39,092	2,608	41,700
2016	14,595	1,788	16,383
2017	7,718	921	8,639
Total	\$ 138,105	\$ 12,809	\$ 150,914

Exhibit J-3

Perry County, Tennessee
Schedule of Notes Receivable
June 30, 2012

<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 6-30-12</u>
<u>General Debt Service Fund</u>						
Senior Citizen Center	Perry County Senior Citizen Center	\$ 110,000	7-1-2010	6-1-2020	0 %	\$ 88,000

Exhibit J-4

Perry County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Perry County School Department
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Primary Government</u>			
Ambulance Service	General	Close fund	\$ 959,069
"	General Capital Projects	Capital outlay	166,421
General Debt Service	"	"	667,990
"	Solid Waste/Sanitation	"	<u>50,000</u>
Total Transfers Primary Government			<u>\$ 1,843,480</u>
<u>Discretely Presented Perry</u> <u>County School Department</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 19,720</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, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 61,151	\$ 25,000	Auto-Owners Mutual Insurance Company
Superintendent of Highways	Section 8-24-102, TCA	57,477	100,000	"
Director of Schools	State Board of Education and Perry County Board of Education	86,501 (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	Section 8-24-102, TCA	52,251	25,000	Western Surety Company
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 (3)	35,000	RLI Insurance Company
Register	Section 8-24-102, TCA	52,251	15,000	Western Surety Company
Sheriff	Section 8-24-102, TCA	58,074 (2)	25,000	"
Employee Blanket Bonds:				
Office of County Mayor			150,000	Local Government Property and Casualty Fund
Office of Director of Schools			150,000	Tennessee Risk Management Trust

(1) Includes a chief executive officer training supplement of \$1,000.
(2) Includes a law enforcement training supplement of \$600.
(3) Does not include \$1,730 in special commissioner fees.

Exhibit J-6

Perry County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2012

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste/ Sanitation	Ambulance Service	Special Purpose
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,611,462	\$ 0	\$ 347,410	\$ 0	\$ 0
Trustee's Collections - Prior Year	96,333	0	21,189	2,087	0
Circuit/Clerk & Master Collections - Prior Years	50,449	0	11,054	861	0
Interest and Penalty	14,973	0	3,276	174	0
Pick-up Taxes	11	0	2	0	0
Payments in-Lieu-of-Taxes - T.V.A.	1,710	0	368	0	0
Payments in-Lieu-of-Taxes - Other	309	0	82	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	54,710	0	0	0	0
Hotel/Motel Tax	4,771	0	0	0	0
Litigation Tax - General	25,421	2,113	0	0	1,611
Litigation Tax - Special Purpose	0	0	0	0	3,395
Litigation Tax - Jail, Workhouse, or Courthouse	0	9,643	0	0	0
Business Tax	30,504	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	20,675	0	4,454	0	0
Wholesale Beer Tax	55,080	0	0	0	0
Interstate Telecommunications Tax	352	0	0	0	0
Total Local Taxes	\$ 1,966,760	\$ 11,756	\$ 387,835	\$ 3,122	\$ 5,006
<u>Licenses and Permits</u>					
Permits					
Beer Permits	\$ 950	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 950	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
Circuit Court					
Game and Fish Fines	\$ 202	\$ 0	\$ 0	\$ 0	\$ 0
Jail Fees	1,890	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste/ Sanitation	Ambulance Service	Special Purpose	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Circuit Court (Cont.)</u>						
DUI Treatment Fines	76 \$	0 \$	0 \$	0 \$	0	0
Data Entry Fee - Circuit Court	82	0	0	0	0	238
Courtroom Security Fee	46	0	0	0	0	0
<u>Criminal Court</u>						
Fines	95	0	0	0	0	0
Officers Costs	679	0	0	0	0	0
Game and Fish Fines	155	0	0	0	0	0
Drug Control Fines	95	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	20,428	0	0	0	0	0
Fines for Littering	475	0	0	0	0	0
Officers Costs	13,325	0	0	0	0	0
Game and Fish Fines	317	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Drug Court Fees	1,121	0	0	0	0	0
Jail Fees	2,061	2,284	0	0	0	57
DUI Treatment Fines	1,520	0	0	0	0	0
Courtroom Security Fee	19	0	0	0	0	11
<u>Juvenile Court</u>						
Fines	4,901	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	2,536	0	0	0	0	0
Data Entry Fee - Chancery Court	292	0	0	0	0	602
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0
Courtroom Security Fee	25	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	50	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 50,390 \$	2,284 \$	0 \$	0 \$	0 \$	908

(Continued)

Exhibit J-6

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>Charges for Current Services</u>					
<u>General Service Charges</u>					
Self-Insurance Premiums/Contributions	\$ 433	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fees	0	0	42,434	0	0
Patient Charges	464,756	0	0	354,318	0
<u>Fees</u>					
Airport Fees	1,800	0	0	0	0
Copy Fees	1,716	0	0	0	0
Library Fees	1,630	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0
Telephone Commissions	9,187	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Data Processing Fee - Register	2,769	0	0	0	0
Data Processing Fee - Sheriff	1,357	0	0	0	0
Sexual Offender Registration Fees - Sheriff	865	0	0	0	0
Data Processing Fee - County Clerk	422	0	0	0	0
Total Charges for Current Services	\$ 484,985	\$ 0	\$ 42,434	\$ 354,318	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 41,871	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	120,628	0	0	0	0
Sale of Materials and Supplies	67	0	0	0	0
Commissary Sales	4,810	0	0	0	0
Sale of Maps	61	0	0	0	0
Sale of Recycled Materials	0	0	2,512	0	0
Miscellaneous Refunds	18,660	0	1,268	0	0
Expenditure Credits	165	0	3,113	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	143	0	4,074	0	0
Sale of Property	169	0	1,111	0	0
Damages Recovered from Individuals	14,012	0	0	0	0

(Continued)

Exhibit J-6

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>Other Local Revenues (Cont.)</u>						
Nonrecurring Items (Cont.)						
Contributions and Gifts	\$ 3,565	\$ 0	\$ 846	\$ 0	\$ 0	0
Other Local Revenues	1,422	0	0	0	0	0
Total Other Local Revenues	\$ 205,573	\$ 0	\$ 12,924	\$ 0	\$ 0	0
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 60,819	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	31,141	0	0	0	0	30
General Sessions Court Clerk	46,865	0	0	0	0	0
Clerk and Master	49,723	0	0	0	0	0
Register	29,208	0	0	0	0	0
Sheriff	8,493	0	0	0	0	0
Trustee	137,202	0	0	0	0	0
Total Fees Received from County Officials	\$ 363,451	\$ 0	\$ 0	\$ 0	\$ 0	30
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	0
On-Behalf Contributions for OPEB	987	0	0	0	0	0
Other General Government Grants	2,290	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	28,433	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	19,117	0	0	0	0	0
Other Public Works Grants	2,600	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	16,181	0	0	0	0	0
Resort District Sales Tax	70,456	0	0	0	0	0
Beer Tax	18,421	0	0	0	0	0

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Special Purpose
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Alcoholic Beverage Tax	\$ 29,193	\$ 0	\$ 0	\$ 0	\$ 0
State Revenue Sharing - T.V.A.	319,781	0	68,890	0	0
Contracted Prisoner Boarding	55,005	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Revenues	11,923	0	0	0	0
Total State of Tennessee	<u>\$ 594,051</u>	<u>\$ 0</u>	<u>\$ 68,890</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 30,100	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	59,187	0	0	0	0
Total Federal Government	<u>\$ 89,287</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 12,092	\$ 0	\$ 0	\$ 0	\$ 0
Paving and Maintenance	0	0	0	0	0
Contributions	0	0	0	0	0
Contracted Services	150,000	0	0	0	0
<u>Citizens Groups</u>					
Donations	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 162,092</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 3,917,539</u>	<u>\$ 14,040</u>	<u>\$ 512,083</u>	<u>\$ 357,440</u>	<u>\$ 5,944</u>

(Continued)

Exhibit J-6

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

	Special Revenue Funds			Highway / Public Works	Debt Service Fund	Capital Projects Fund	Total
	Drug Control	Constitu- tional Officers - Fees	General Debt Service				
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 0	\$ 196,863	\$ 0	\$ 0	\$ 2,155,735	
Trustee's Collections - Prior Year	0	0	12,013	0	0	131,622	
Circuit/Clerk & Master Collections - Prior Years	0	0	6,266	0	0	68,630	
Interest and Penalty	0	0	1,857	0	0	20,280	
Pick-up Taxes	0	0	1	0	0	14	
Payments in-Lieu-of-Taxes - T.V.A.	0	0	209	0	0	2,287	
Payments in-Lieu-of-Taxes - Other	0	0	99	0	0	490	
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	453,191	0	0	507,901	
Hotel/Motel Tax	0	0	0	0	0	4,771	
Litigation Tax - General	0	0	0	0	0	29,145	
Litigation Tax - Special Purpose	0	0	0	0	0	3,395	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	830	0	0	10,473	
Business Tax	0	0	0	0	0	30,504	
Mineral Severance Tax	0	0	53,160	0	0	53,160	
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	2,525	0	0	27,654	
Wholesale Beer Tax	0	0	0	0	0	55,080	
Interstate Telecommunications Tax	0	0	0	0	0	352	
Total Local Taxes	\$ 0	\$ 0	\$ 673,854	\$ 53,160	\$ 0	\$ 3,101,493	
<u>Licenses and Permits</u>							
Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 950	
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 950	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,900	
<u>Fines, Forfeitures, and Penalties</u>							
Circuit Court	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 202	
Game and Fish Fines	0	0	0	0	0	1,890	
Jail Fees							

(Continued)

Exhibit J-6

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Fund		Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	General Capital Projects	General Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Circuit Court (Cont.)</u>								
DUI Treatment Fines	\$ 0	0	0	0	0	0	0	76
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	320
Courtroom Security Fee	0	0	0	0	0	0	0	46
<u>Criminal Court</u>								
Fines	0	0	0	0	0	0	0	95
Officers Costs	0	0	0	0	0	0	0	679
Game and Fish Fines	0	0	0	0	0	0	0	155
Drug Control Fines	0	0	0	0	0	0	0	95
DUI Treatment Fines	95	0	0	0	0	0	0	95
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	0	20,428
Fines for Littering	0	0	0	0	0	0	0	475
Officers Costs	0	0	0	0	0	0	0	13,325
Game and Fish Fines	0	0	0	0	0	0	0	317
Drug Control Fines	5,249	0	0	0	0	0	0	5,249
Drug Court Fees	0	0	0	0	0	0	0	1,121
Jail Fees	0	0	0	0	0	0	0	4,402
DUI Treatment Fines	0	0	0	0	0	0	0	1,520
Courtroom Security Fee	0	0	0	0	0	0	0	30
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	0	4,901
<u>Chancery Court</u>								
Officers Costs	0	0	0	0	0	0	0	2,536
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	894
<u>Judicial District Drug Program</u>								
Drug Task Force Forfeitures and Seizures	426	0	0	0	0	0	0	426
Courtroom Security Fee	0	0	0	0	0	0	0	25
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	3,337	0	0	0	0	0	0	3,337
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	50
Total Fines, Forfeitures, and Penalties	\$ 9,107	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 62,689

(Continued)

Exhibit J-6

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	433
Solid Waste Disposal Fees	0	0	0	0	0	42,434
Patient Charges	0	0	0	0	0	819,074
<u>Fees</u>						
Airport Fees	0	0	0	0	0	1,800
Copy Fees	0	0	0	0	0	1,716
Library Fees	0	0	0	0	0	1,630
Greenbelt Late Application Fee	0	0	0	0	0	50
Telephone Commissions	0	0	0	0	0	9,187
Constitutional Officers' Fees and Commissions	0	1,780	0	0	0	1,780
Data Processing Fee - Register	0	0	0	0	0	2,769
Data Processing Fee - Sheriff	0	0	0	0	0	1,357
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	865
Data Processing Fee - County Clerk	0	0	0	0	0	422
Total Charges for Current Services	\$ 0	\$ 1,780	\$ 0	\$ 0	\$ 0	\$ 883,517
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	41,871
Lease/Rentals	0	0	0	71,542	0	192,170
Sale of Materials and Supplies	0	0	4,551	0	0	4,618
Commissary Sales	0	0	0	0	0	4,810
Sale of Maps	0	0	0	0	0	61
Sale of Recycled Materials	0	0	17,056	0	0	19,568
Miscellaneous Refunds	1,001	0	6,569	0	5,223	32,721
Expenditure Credits	0	0	0	0	0	3,278
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	24,887	0	0	29,104
Sale of Property	0	0	0	0	0	1,280
Damages Recovered from Individuals	0	0	0	0	0	14,012

(Continued)

Exhibit J-6

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

	Special Revenue Funds			Debt	Capital	Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Service Fund	Projects Fund	
<u>Other Local Revenues (Cont.)</u>						
Nonrecurring Items (Cont.)						
Contributions and Gifts	\$ 2,963	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,374
Other Local Revenues	0	0	0	0	0	1,422
Total Other Local Revenues	\$ 3,964	\$ 0	\$ 53,063	\$ 71,542	\$ 5,223	\$ 352,289
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,819
Circuit Court Clerk	0	0	0	0	0	31,171
General Sessions Court Clerk	0	0	0	0	0	46,865
Clerk and Master	0	0	0	0	0	49,723
Register	0	0	0	0	0	29,208
Sheriff	0	0	0	0	0	8,493
Trustee	0	0	0	0	0	137,202
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 363,481
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,500
On-Behalf Contributions for OPEB	0	0	0	0	0	987
Other General Government Grants	0	0	0	0	0	2,290
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	28,433
<u>Public Works Grants</u>						
Litter Program	0	0	0	0	0	19,117
Other Public Works Grants	0	0	0	0	0	2,600
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	16,181
Resort District Sales Tax	0	0	0	0	0	70,456
Beer Tax	0	0	0	0	0	18,421

(Continued)

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

	Special Revenue Funds			Debt	Capital	Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Service Fund	Projects Fund	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	29,193
State Revenue Sharing - T.V.A.	0	0	0	39,050	0	427,721
Contracted Prisoner Boarding	0	0	0	210,315	0	265,320
Gasoline and Motor Fuel Tax	0	0	1,489,374	0	0	1,489,374
Petroleum Special Tax	0	0	5,712	0	0	5,712
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Revenues	0	0	0	0	0	11,923
Total State of Tennessee	\$ 0 \$	0 \$	1,495,086 \$	249,365 \$	0 \$	2,407,392
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	30,100
Other Federal through State	0	0	82,763	0	700,239	842,189
Total Federal Government	\$ 0 \$	0 \$	82,763 \$	0 \$	700,239 \$	872,289
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0 \$	0 \$	0 \$	36,783 \$	0 \$	48,875
Paving and Maintenance	0	0	8,529	0	0	8,529
Contributions	0	0	0	0	150,000	150,000
Contracted Services	0	0	0	0	0	150,000
<u>Citizens Groups</u>						
Donations	0	0	0	24,814	0	24,814
Total Other Governments and Citizens Groups	\$ 0 \$	0 \$	8,529 \$	61,597 \$	150,000 \$	382,218
Total	\$ 13,071 \$	1,780 \$	1,692,601 \$	1,056,358 \$	855,462 \$	8,426,318

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, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,205,898	\$ 0	\$ 0	\$ 1,205,898
Trustee's Collections - Prior Year	73,286	0	0	73,286
Circuit/Clerk & Master Collections - Prior Years	31,620	0	0	31,620
Interest and Penalty	10,916	0	0	10,916
Pick-up Taxes	8	0	0	8
Payments in-Lieu-of Taxes - T.V.A.	1,274	0	0	1,274
Payments in-Lieu-of Taxes - Other	321	0	0	321
<u>County Local Option Taxes</u>				
Local Option Sales Tax	200,619	0	0	200,619
<u>Statutory Local Taxes</u>				
Bank Excise Tax	15,404	0	0	15,404
Interstate Telecommunications Tax	417	0	0	417
Total Local Taxes	\$ 1,539,763	\$ 0	\$ 0	\$ 1,539,763
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 532	\$ 0	\$ 0	\$ 532
Total Licenses and Permits	\$ 532	\$ 0	\$ 0	\$ 532
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 5,059	\$ 0	\$ 0	\$ 5,059
Lunch Payments - Children	0	0	181,384	181,384
Lunch Payments - Adults	0	0	28,534	28,534
Income from Breakfast	0	0	12,375	12,375
Receipts from Individual Schools	22,065	0	0	22,065
TBI Criminal Background Fees	1,680	0	0	1,680
Total Charges for Current Services	\$ 28,804	\$ 0	\$ 222,293	\$ 251,097
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 5,680	\$ 0	\$ 781	\$ 6,461
Sale of Materials and Supplies	793	0	0	793
Refund of Telecommunication and Internet Fees (E-Rate)	1,464	0	0	1,464
Miscellaneous Refunds	40,656	0	1,026	41,682
<u>Nonrecurring Items</u>				
Sale of Equipment	2,749	0	0	2,749
Contributions and Gifts	98,203	0	0	98,203
<u>Other Local Revenues</u>				
Other Local Revenues	31	0	0	31
Total Other Local Revenues	\$ 149,576	\$ 0	\$ 1,807	\$ 151,383
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 23,737	\$ 0	\$ 0	\$ 23,737
<u>State Education Funds</u>				
Basic Education Program	5,716,000	0	0	5,716,000
Early Childhood Education	297,426	0	0	297,426

(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>				
School Food Service	\$ 0	\$ 0	\$ 6,016	\$ 6,016
Other State Education Funds	289,105	0	0	289,105
Statewide Student Management System (SSMS) - ARRA	3,017	0	0	3,017
Career Ladder Program	61,844	0	0	61,844
Career Ladder - Extended Contract	55,578	0	0	55,578
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	238,252	0	0	238,252
Other State Revenues	1,200	0	0	1,200
Total State of Tennessee	\$ 6,686,159	\$ 0	\$ 6,016	\$ 6,692,175
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 323,164	\$ 323,164
USDA - Commodities	0	0	29,599	29,599
Breakfast	0	0	118,449	118,449
Vocational Education - Basic Grants to States	0	21,704	0	21,704
Other Vocational	0	4,535	0	4,535
Title I Grants to Local Education Agencies	0	404,367	0	404,367
Special Education - Grants to States	49,478	278,708	0	328,186
Special Education Preschool Grants	32,195	25,137	0	57,332
Rural Education	0	22,555	0	22,555
Eisenhower Professional Development State Grants	0	66,303	0	66,303
Race-to-the-Top - ARRA	0	134,842	0	134,842
Other Federal through State	0	4,411	0	4,411
Total Federal Government	\$ 81,673	\$ 962,562	\$ 471,212	\$ 1,515,447
Total	\$ 8,486,507	\$ 962,562	\$ 701,328	\$ 10,150,397

Exhibit J-8

Perry County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	14,938	
Social Security		922	
State Retirement		484	
Employer Medicare		216	
Audit Services		2,375	
Legal Notices, Recording, and Court Costs		1,163	
Total County Commission			\$ 20,098

County Mayor/Executive

County Official/Administrative Officer	\$	61,551	
Accountants/Bookkeepers		29,683	
Secretary(ies)		29,683	
Longevity Pay		3,100	
Other Salaries and Wages		3,000	
Social Security		7,466	
State Retirement		12,461	
Employer Medicare		1,746	
Communication		1,473	
Data Processing Services		4,054	
Postal Charges		44	
Travel		1,279	
Office Supplies		146	
Total County Mayor/Executive			155,686

County Attorney

Legal Services	\$	12,629	
Total County Attorney			12,629

Election Commission

County Official/Administrative Officer	\$	47,026	
Deputy(ies)		22,889	
Longevity Pay		1,000	
Election Commission		2,561	
Election Workers		5,075	
Social Security		4,452	
State Retirement		6,957	
Employer Medicare		1,041	
Communication		1,431	
Contracts with Private Agencies		8,052	
Data Processing Services		3,000	

(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.)

Legal Notices, Recording, and Court Costs	\$	1,158	
Maintenance Agreements		3,320	
Postal Charges		44	
Printing, Stationery, and Forms		1,205	
Travel		5,080	
Other Contracted Services		10,300	
Electricity		1,047	
Natural Gas		528	
Office Supplies		159	
Water and Sewer		126	
Data Processing Equipment		104	
Total Election Commission			\$ 126,555

Register of Deeds

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		25,432	
Longevity Pay		900	
Social Security		4,364	
State Retirement		7,709	
Employer Medicare		1,021	
Communication		1,582	
Data Processing Services		1,387	
Dues and Memberships		327	
Operating Lease Payments		2,762	
Postal Charges		44	
Printing, Stationery, and Forms		1,007	
Data Processing Supplies		1,308	
Office Supplies		484	
Premiums on Corporate Surety Bonds		100	
Data Processing Equipment		15,358	
Total Register of Deeds			116,036

Geographical Information Systems

Road Signs	\$	1,061	
Total Geographical Information Systems			1,061

County Buildings

Custodial Personnel	\$	16,731	
Social Security		1,037	
State Retirement		1,641	

(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.)

Employer Medicare	\$	243	
Communication		320	
Maintenance and Repair Services - Buildings		34,699	
Maintenance and Repair Services - Equipment		588	
Other Contracted Services		2,766	
Custodial Supplies		4,577	
Electricity		56,222	
Natural Gas		6,384	
Water and Sewer		1,817	
Other Supplies and Materials		475	
Liability Insurance		113,856	
Workers' Compensation Insurance		90,892	
Total County Buildings			\$ 332,248

Finance

Accounting and Budgeting

Data Processing Equipment	\$	499	
Total Accounting and Budgeting			499

Property Assessor's Office

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		25,432	
Longevity Pay		1,600	
Social Security		4,563	
State Retirement		7,778	
Employer Medicare		1,067	
Communication		1,399	
Operating Lease Payments		539	
Postal Charges		44	
Office Supplies		21	
Total Property Assessor's Office			94,694

Reappraisal Program

Assistant(s)	\$	25,432	
Longevity Pay		300	
Other Salaries and Wages		1,800	
Board and Committee Members Fees		600	
In-Service Training		150	
Social Security		1,682	
State Retirement		2,701	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Employer Medicare	\$	393	
Contracts with Government Agencies		3,554	
Contracts with Private Agencies		3,000	
Legal Notices, Recording, and Court Costs		53	
Maintenance and Repair Services - Equipment		696	
Postal Charges		207	
Printing, Stationery, and Forms		492	
Travel		1,384	
Other Contracted Services		189	
Gasoline		1,057	
Office Supplies		2,145	
Total Reappraisal Program			\$ 45,835

County Trustee's Office

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		25,432	
Longevity Pay		1,300	
Social Security		4,361	
State Retirement		7,748	
Employer Medicare		1,020	
Communication		496	
Contracts with Government Agencies		2,216	
Data Processing Services		6,605	
Dues and Memberships		327	
Postal Charges		2,249	
Printing, Stationery, and Forms		40	
Office Supplies		1,347	
Premiums on Corporate Surety Bonds		2,340	
Total County Trustee's Office			107,732

County Clerk's Office

County Official/Administrative Officer	\$	52,251
Deputy(ies)		16,846
Social Security		4,221
State Retirement		6,778
Employer Medicare		987
Communication		1,719
Data Processing Services		3,790
Dues and Memberships		427
Operating Lease Payments		1,072

(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.)

Postal Charges	\$	44	
Printing, Stationery, and Forms		1,390	
Travel		155	
Office Supplies		789	
Furniture and Fixtures		819	
Total County Clerk's Office			\$ 91,288

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		27,470	
Secretary(ies)		22,499	
Longevity Pay		1,100	
Other Salaries and Wages		4,500	
Jury and Witness Expense		4,453	
Social Security		6,024	
State Retirement		10,577	
Employer Medicare		1,409	
Communication		1,848	
Data Processing Services		9,950	
Dues and Memberships		362	
Operating Lease Payments		1,706	
Legal Notices, Recording, and Court Costs		330	
Postal Charges		44	
Printing, Stationery, and Forms		948	
Travel		380	
Other Contracted Services		772	
Office Supplies		2,325	
Premiums on Corporate Surety Bonds		125	
Furniture and Fixtures		342	
Total Circuit Court			149,415

General Sessions Court

Judge(s)	\$	63,253
Secretary(ies)		25,432
Longevity Pay		300
Social Security		5,517
State Retirement		8,730
Employer Medicare		1,290
Communication		854

(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.)

Dues and Memberships	\$	75	
Operating Lease Payments		1,657	
Postal Charges		73	
Printing, Stationery, and Forms		348	
Travel		1,358	
Office Supplies		223	
Other Supplies and Materials		8	
Total General Sessions Court			\$ 109,118

Chancery Court

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		17,750	
In-Service Training		300	
Social Security		4,340	
State Retirement		6,867	
Employer Medicare		1,015	
Communication		2,023	
Data Processing Services		4,990	
Dues and Memberships		387	
Operating Lease Payments		1,657	
Legal Notices, Recording, and Court Costs		963	
Maintenance and Repair Services - Office Equipment		20	
Postal Charges		1,019	
Printing, Stationery, and Forms		1,673	
Travel		378	
Data Processing Supplies		428	
Office Supplies		1,577	
Premiums on Corporate Surety Bonds		150	
Total Chancery Court			97,788

Juvenile Court

Assistant(s)	\$	9,185	
Social Security		569	
Employer Medicare		133	
Communication		1,826	
Travel		1,030	
Total Juvenile Court			12,743

Other Administration of Justice

Teachers	\$	2,500	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

Social Security	\$	155	
State Retirement		245	
Employer Medicare		36	
Legal Notices, Recording, and Court Costs		22	
Other Supplies and Materials		485	
Total Other Administration of Justice			\$ 3,443

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	58,074
Deputy(ies)		416,916
Secretary(ies)		25,626
Part-time Personnel		26,955
Longevity Pay		6,100
In-Service Training		3,110
Social Security		33,042
State Retirement		43,997
Employer Medicare		7,728
Advertising		222
Communication		7,813
Contracts with Private Agencies		2,637
Data Processing Services		2,500
Dues and Memberships		1,450
Evaluation and Testing		200
Operating Lease Payments		2,737
Legal Services		21,499
Legal Notices, Recording, and Court Costs		357
Maintenance and Repair Services - Equipment		800
Maintenance and Repair Services - Vehicles		13,354
Postal Charges		1,082
Printing, Stationery, and Forms		88
Travel		2,858
Custodial Supplies		18
Food Supplies		221
Gasoline		76,228
Law Enforcement Supplies		3,035
Office Supplies		3,367
Uniforms		7,512
Other Supplies and Materials		3,592
Premiums on Corporate Surety Bonds		64

(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.)

Communication Equipment	\$	2,235	
Law Enforcement Equipment		16,153	
Motor Vehicles		23,336	
Office Equipment		1,652	
Total Sheriff's Department			\$ 816,558

Jail

Supervisor/Director	\$	27,581	
Deputy(ies)		342,536	
Captain(s)		30,930	
Accountants/Bookkeepers		8,797	
Maintenance Personnel		24,760	
Part-time Personnel		16,826	
Longevity Pay		1,900	
In-Service Training		4,747	
Social Security		28,161	
State Retirement		39,357	
Employer Medicare		6,586	
Communication		8,546	
Contracts with Private Agencies		3,000	
Maintenance and Repair Services - Buildings		883	
Maintenance and Repair Services - Equipment		4,345	
Maintenance and Repair Services - Vehicles		63	
Medical and Dental Services		89,572	
Pest Control		1,000	
Postal Charges		348	
Travel		1,093	
Custodial Supplies		7,808	
Electricity		37,477	
Food Supplies		70,505	
Gasoline		9,788	
Law Enforcement Supplies		231	
Natural Gas		8,203	
Office Supplies		900	
Prisoners Clothing		526	
Uniforms		771	
Water and Sewer		12,203	
Other Supplies and Materials		8,201	
Total Jail			797,644

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Supervisor/Director	\$	12,000	
Accountants/Bookkeepers		18,376	
Social Security		1,850	
State Retirement		2,928	
Employer Medicare		433	
Dues and Memberships		50	
Maintenance and Repair Services - Office Equipment		108	
Other Supplies and Materials		9,647	
Total Civil Defense			\$ 45,392

Rescue Squad

Maintenance and Repair Services - Buildings	\$	199	
Maintenance and Repair Services - Vehicles		1,290	
Electricity		586	
Gasoline		1,548	
Water and Sewer		124	
Other Supplies and Materials		13	
Vehicle and Equipment Insurance		1,869	
Other Equipment		4,285	
Total Rescue Squad			9,914

Disaster Relief

Maintenance and Repair Services - Equipment	\$	2,074	
Other Contracted Services		655	
Gasoline		4,630	
Other Supplies and Materials		6,050	
Other Charges		168	
Total Disaster Relief			13,577

Other Emergency Management

Supervisor/Director	\$	16,520
Dispatchers/Radio Operators		45,242
Part-time Personnel		33,246
Longevity Pay		1,900
Overtime Pay		1,436
Social Security		7,930
State Retirement		9,353
Employer Medicare		1,855
Communication		462
Dues and Memberships		50

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Gasoline	\$ 69	
Total Other Emergency Management		\$ 118,063

County Coroner/Medical Examiner

Other Contracted Services	\$ 4,226	
Total County Coroner/Medical Examiner		4,226

Other Public Safety

Guards	\$ 28,929	
Other Salaries and Wages	1,000	
Social Security	1,800	
State Retirement	98	
Employer Medicare	421	
Other Supplies and Materials	300	
Total Other Public Safety		32,548

Public Health and Welfare

Local Health Center

Communication	\$ 45	
Contracts with Government Agencies	21,915	
Dues and Memberships	200	
Janitorial Services	3,825	
Maintenance and Repair Services - Buildings	394	
Postal Charges	9	
Other Contracted Services	1,170	
Custodial Supplies	318	
Drugs and Medical Supplies	73	
Electricity	6,810	
Office Supplies	626	
Water and Sewer	298	
Other Charges	53	
Total Local Health Center		35,736

Ambulance/Emergency Medical Services

Assistant(s)	\$ 400
Supervisor/Director	22,308
Medical Personnel	187,890
Part-time Personnel	47,765
Longevity Pay	400
Other Salaries and Wages	2,000

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

In-Service Training	\$	2,210	
Social Security		16,206	
State Retirement		19,209	
Employer Medicare		3,790	
Communication		2,480	
Contracts with Private Agencies		26,976	
Dues and Memberships		6	
Licenses		1,500	
Maintenance and Repair Services - Buildings		656	
Maintenance and Repair Services - Equipment		391	
Maintenance and Repair Services - Office Equipment		4,297	
Maintenance and Repair Services - Vehicles		980	
Postal Charges		134	
Other Contracted Services		2,487	
Custodial Supplies		530	
Diesel Fuel		25,779	
Drugs and Medical Supplies		11,528	
Electricity		3,189	
General Construction Materials		165,749	
Natural Gas		130	
Office Supplies		274	
Uniforms		830	
Water and Sewer		390	
Refunds		1,493	
Communication Equipment		11,200	
Data Processing Equipment		138	
Motor Vehicles		107,419	
Total Ambulance/Emergency Medical Services			\$ 670,734

Other Local Health Services

Medical Personnel	\$	22,152	
Longevity Pay		100	
Social Security		1,380	
State Retirement		2,183	
Employer Medicare		323	
Travel		120	
Office Supplies		2,287	
Liability Insurance		114	
Total Other Local Health Services			28,659

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 10,000	
Total Senior Citizens Assistance		\$ 10,000

Libraries

Supervisor/Director	\$ 20,415	
Librarians	17,612	
Part-time Personnel	26,065	
In-Service Training	388	
Social Security	3,974	
State Retirement	3,097	
Employer Medicare	929	
Communication	3,723	
Janitorial Services	600	
Operating Lease Payments	5,801	
Legal Notices, Recording, and Court Costs	89	
Maintenance and Repair Services - Buildings	483	
Postal Charges	44	
Travel	980	
Other Contracted Services	2,993	
Custodial Supplies	483	
Data Processing Supplies	1,005	
Electricity	7,092	
Library Books/Media	1,932	
Natural Gas	785	
Office Supplies	2,319	
Water and Sewer	460	
Other Supplies and Materials	562	
Other Charges	704	
Data Processing Equipment	22,808	
Total Libraries		125,343

Parks and Fair Boards

Other Charges	\$ 10,435	
Total Parks and Fair Boards		10,435

Other Social, Cultural, and Recreational

Contributions	\$ 23,750	
Electricity	4,198	
Water and Sewer	519	
Total Other Social, Cultural, and Recreational		28,467

(Continued)

Exhibit J-8

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

General Fund (Cont.)Agriculture and Natural ResourcesAgriculture Extension Service

Salary Supplements	\$	16,274	
Secretary(ies)		5,589	
Social Security		569	
State Retirement		2,257	
Employer Medicare		317	
Communication		1,916	
Travel		2,000	
Electricity		909	
Natural Gas		518	
Office Supplies		130	
Water and Sewer		126	
Data Processing Equipment		<u>1,008</u>	
Total Agriculture Extension Service	\$		31,613

Soil Conservation

Secretary(ies)	\$	10,619	
Longevity Pay		100	
Social Security		665	
State Retirement		1,052	
Employer Medicare		155	
Contracts with Government Agencies		<u>10,823</u>	
Total Soil Conservation			23,414

Other OperationsTourism

Contracts with Government Agencies	\$	900	
Contracts with Private Agencies		1,500	
Contributions		8,000	
Dues and Memberships		1,526	
Other Contracted Services		22,000	
Other Charges		<u>16,525</u>	
Total Tourism			50,451

Industrial Development

Diesel Fuel	\$	11,386	
Other Supplies and Materials		2,459	
Other Charges		<u>1,368</u>	
Total Industrial Development			15,213

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Housing and Urban Development

Other Contracted Services	\$	17	
Total Housing and Urban Development			\$ 17

Airport

Maintenance and Repair Services - Buildings	\$	1,004	
Maintenance and Repair Services - Equipment		2,103	
Utilities		1,429	
Total Airport			4,536

Veterans' Services

Other Salaries and Wages	\$	6,154	
In-Service Training		299	
Social Security		382	
Employer Medicare		89	
Communication		632	
Dues and Memberships		25	
Travel		336	
Office Supplies		710	
Other Supplies and Materials		260	
Total Veterans' Services			8,887

Other Charges

Trustee's Commission	\$	53,767	
Total Other Charges			53,767

Employee Benefits

Unemployment Compensation	\$	15,985	
On-Behalf Payments to OPEB		987	
Specialized Medical Treatment		222	
Other Charges		1,273	
Total Employee Benefits			18,467

ARRA Grant # 1

Deputy(ies)	\$	1,357	
Guards		1,018	
Social Security		147	
State Retirement		233	
Employer Medicare		34	
Total ARRA Grant # 1			2,789

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Communication	\$	2,274	
Contracts with Private Agencies		2,267	
Dues and Memberships		3,517	
Operating Lease Payments		2,940	
Postal Charges		9,940	
Printing, Stationery, and Forms		709	
Travel		56	
Other Contracted Services		7,689	
Custodial Supplies		7	
Office Supplies		1,114	
Other Supplies and Materials		1,378	
Refunds		281	
Other Charges		2,997	
Furniture and Fixtures		<u>2,700</u>	
Total Miscellaneous	\$		37,869

Highways

Litter and Trash Collection

Part-time Personnel	\$	31,046	
In-Service Training		1,328	
Social Security		1,809	
State Retirement		3,046	
Employer Medicare		423	
Other Supplies and Materials		<u>820</u>	
Total Litter and Trash Collection			38,472

Capital Projects

Public Health and Welfare Projects

Other Construction	\$	<u>59,170</u>	
Total Public Health and Welfare Projects			<u>59,170</u>

Total General Fund \$ 4,568,829

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Communication	\$	2,357	
Maintenance and Repair Services - Buildings		4,059	
Other Contracted Services		125	
Custodial Supplies		177	

(Continued)

Exhibit J-8

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

Courthouse and Jail Maintenance Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Electricity	\$	6,230	
Natural Gas		1,351	
Water and Sewer		351	
Total County Buildings		<u>351</u>	\$ 14,650

Other Operations

Other Charges

Trustee's Commission	\$	130	
Total Other Charges			<u>130</u>

Total Courthouse and Jail Maintenance Fund \$ 14,780

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Trustee's Commission	\$	8,804	
Total Sanitation Education/Information			\$ 8,804

Convenience Centers

Laborers	\$	36,318	
Part-time Personnel		13,730	
Longevity Pay		2,100	
Social Security		3,160	
State Retirement		3,769	
Employer Medicare		739	
Communication		465	
Maintenance and Repair Services - Buildings		760	
Other Contracted Services		1,076	
Custodial Supplies		3	
Electricity		788	
Natural Gas		154	
Other Supplies and Materials		191	
Other Charges		14,203	
Total Convenience Centers		<u>14,203</u>	77,456

Transfer Stations

Equipment Operators	\$	50,052	
Longevity Pay		1,100	
Social Security		3,158	
State Retirement		5,018	

(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.)

Employer Medicare	\$	739	
Communication		2,002	
Contracts with Private Agencies		193,417	
Maintenance Agreements		1,500	
Maintenance and Repair Services - Buildings		443	
Maintenance and Repair Services - Equipment		48,113	
Maintenance and Repair Services - Vehicles		1,070	
Other Contracted Services		10,214	
Custodial Supplies		126	
Diesel Fuel		35,963	
Electricity		4,459	
Gasoline		11,889	
Lubricants		3,534	
Tires and Tubes		2,704	
Uniforms		4,413	
Water and Sewer		303	
Other Supplies and Materials		429	
Total Transfer Stations			\$ 380,646

Landfill Operation and Maintenance

Supervisor/Director	\$	28,733	
Longevity Pay		1,200	
In-Service Training		80	
Social Security		1,856	
State Retirement		2,936	
Employer Medicare		434	
Evaluation and Testing		5,000	
Maintenance Agreements		4,000	
Maintenance and Repair Services - Equipment		7,627	
Other Contracted Services		4,800	
Diesel Fuel		7,109	
Lubricants		656	
Other Supplies and Materials		2,349	
Other Charges		4,000	
Total Landfill Operation and Maintenance			70,780

Other Operations

Employee Benefits

Unemployment Compensation	\$	367	
Other Charges		171	
Total Employee Benefits			538

Total Solid Waste/Sanitation Fund \$ 538,224

(Continued)

Exhibit J-8

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

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	12,692	
Accountants/Bookkeepers		5,781	
Medical Personnel		126,130	
Part-time Personnel		45,510	
In-Service Training		2,249	
Social Security		11,912	
State Retirement		14,560	
Employer Medicare		2,786	
Communication		997	
Contracts with Private Agencies		23,911	
Dues and Memberships		520	
Legal Services		575	
Maintenance and Repair Services - Buildings		1,175	
Maintenance and Repair Services - Equipment		156	
Maintenance and Repair Services - Office Equipment		4,004	
Diesel Fuel		18,144	
Drugs and Medical Supplies		8,436	
Electricity		1,210	
Natural Gas		40	
Office Supplies		250	
Uniforms		240	
Water and Sewer		169	
Liability Insurance		500	
Refunds		1,684	
Total Ambulance/Emergency Medical Services			\$ 283,631

Other Operations

Other Charges

Trustee's Commission	\$	5,773	
Total Other Charges			5,773

Employee Benefits

Unemployment Compensation	\$	1,215	
Other Charges		167	
Total Employee Benefits			1,382

Total Ambulance Service Fund \$ 290,786

(Continued)

Exhibit J-8

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

Special Purpose Fund

Administration of Justice

Circuit Court

Trustee's Commission	\$	60	
Data Processing Equipment		<u>1,890</u>	
Total Circuit Court	\$		1,950

General Sessions Court

Data Processing Equipment	\$	<u>499</u>	
Total General Sessions Court			<u>499</u>

Total Special Purpose Fund \$ 2,449

Drug Control Fund

Public Safety

Drug Enforcement

Contracts with Other Public Agencies	\$	8,500	
Payments to Schools - Other		500	
Animal Food and Supplies		4,962	
Other Supplies and Materials		168	
Trustee's Commission		61	
Law Enforcement Equipment		<u>6,465</u>	
Total Drug Enforcement	\$		<u>20,656</u>

Total Drug Control Fund 20,656

Constitutional Officers - Fees Fund

Administration of Justice

Circuit Court Clerk

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

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	<u>1,730</u>	
Total Chancery Court			<u>1,730</u>

Total Constitutional Officers - Fees Fund 1,780

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	57,477	
Accountants/Bookkeepers		33,280	

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Communication	\$	1,537	
Data Processing Services		5,850	
Dues and Memberships		2,250	
Legal Services		517	
Postal Charges		265	
Printing, Stationery, and Forms		61	
Electricity		1,828	
Food Supplies		762	
Natural Gas		1,955	
Office Supplies		2,129	
Water and Sewer		259	
Other Charges		<u>2,279</u>	
Total Administration	\$		110,449

Highway and Bridge Maintenance

Foremen	\$	117,206	
Equipment Operators		105,654	
Truck Drivers		140,633	
Asphalt - Hot Mix		70,328	
Asphalt - Liquid		168,455	
Crushed Stone		49,232	
Fertilizer, Lime, and Seed		734	
Riprap		39,459	
Pipe		27,898	
Road Signs		180	
Small Tools		485	
Gravel and Chert		2,500	
Geotextile Materials		<u>1,794</u>	
Total Highway and Bridge Maintenance			724,558

Operation and Maintenance of Equipment

Mechanic(s)	\$	33,280	
Diesel Fuel		79,664	
Equipment and Machinery Parts		62,723	
Garage Supplies		4,248	
Gasoline		33,809	
Lubricants		6,128	
Tires and Tubes		15,753	
Other Supplies and Materials		<u>718</u>	
Total Operation and Maintenance of Equipment			236,323

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Building and Contents Insurance	\$	800	
Liability Insurance		4,865	
Trustee's Commission		16,084	
Vehicle and Equipment Insurance		5,600	
Workers' Compensation Insurance		50,193	
Other Self-Insured Claims		2,500	
Total Other Charges			\$ 80,042

Employee Benefits

Social Security	\$	35,971	
State Retirement		47,827	
Life Insurance		432	
Medical Insurance		101,971	
Unemployment Compensation		405	
Total Employee Benefits			186,606

Capital Outlay

Motor Vehicles	\$	228,460	
Other Capital Outlay		35,336	
Total Capital Outlay			263,796

Total Highway/Public Works Fund \$ 1,601,774

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	45,000	
Principal on Other Loans		185,250	
Total General Government			\$ 230,250

Education

Principal on Other Loans	\$	450,750	
Total Education			450,750

Interest on Debt

General Government

Interest on Other Loans	\$	9,248	
Total General Government			9,248

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education

Interest on Other Loans	\$ 16,542	
Total Education		\$ 16,542

Other Debt Service

General Government

Trustee's Commission	\$ 10,961	
Other Debt Service	16,476	
Total General Government		27,437

Education

Other Debt Service	\$ 19,436	
Total Education		19,436

Total General Debt Service Fund \$ 753,663

General Capital Projects Fund

General Government

Development

Other Charges	\$ 4,222	
Total Development		\$ 4,222

Public Health and Welfare

Local Health Center

Maintenance and Repair Services - Buildings	\$ 5,130	
Other Contracted Services	87	
Total Local Health Center		5,217

Capital Projects

General Administration Projects

Contracts with Government Agencies	\$ 9,742	
Travel	335	
Other Contracted Services	13,052	
Asphalt	21,150	
Electricity	3,436	
General Construction Materials	5,485	
Natural Gas	195	
Water and Sewer	20	
Other Supplies and Materials	18,204	
Building Construction	41,726	
Total General Administration Projects		113,345

(Continued)

Exhibit J-8

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Public Safety Projects

Architects	\$	9,992	
Contracts with Government Agencies		191,275	
Contracts with Private Agencies		20,015	
Other Contracted Services		844,987	
Other Supplies and Materials		5,509	
Furniture and Fixtures		13,445	
Total Public Safety Projects			\$ 1,085,223

Public Health and Welfare Projects

Other Contracted Services	\$	14,442	
General Construction Materials		44,507	
Utilities		30	
Water and Sewer		3,056	
Other Supplies and Materials		4,484	
Other Charges		3,588	
Total Public Health and Welfare Projects			70,107

Social, Cultural, and Recreation Projects

Other Contracted Services	\$	14,262	
Asphalt		5,000	
Total Social, Cultural, and Recreation Projects			19,262

Other General Government Projects

Other Supplies and Materials	\$	117,990	
Trustee's Commission		1,716	
Total Other General Government Projects			119,706

Total General Capital Projects Fund \$ 1,417,082

Total Governmental Funds - Primary Government \$ 9,210,023

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, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 2,527,895	
Career Ladder Program	28,618	
Career Ladder Extended Contracts	24,200	
Homebound Teachers	13,834	
Educational Assistants	74,290	
Certified Substitute Teachers	13,408	
Non-certified Substitute Teachers	36,414	
Social Security	155,682	
State Retirement	236,589	
Medical Insurance	229,777	
Unemployment Compensation	2,250	
Employer Medicare	36,693	
Tuition	10,048	
Other Contracted Services	23,870	
Instructional Supplies and Materials	54,983	
Textbooks	100,125	
Fee Waivers	11,160	
Total Regular Instruction Program		\$ 3,579,836

Alternative Instruction Program

Teachers	\$ 41,112	
Other Salaries and Wages	14,571	
Certified Substitute Teachers	224	
Non-certified Substitute Teachers	1,071	
Social Security	3,197	
State Retirement	5,150	
Medical Insurance	3,861	
Unemployment Compensation	51	
Employer Medicare	748	
Instructional Supplies and Materials	555	
Total Alternative Instruction Program		70,540

Special Education Program

Teachers	\$ 499,115
Career Ladder Program	6,000
Homebound Teachers	586
Educational Assistants	122,636
Non-certified Substitute Teachers	560
Social Security	35,510

(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.)

State Retirement	\$	57,910	
Medical Insurance		45,028	
Unemployment Compensation		703	
Employer Medicare		8,300	
Contracts with Private Agencies		20,629	
Other Contracted Services		18,212	
Instructional Supplies and Materials		2,600	
Special Education Equipment		686	
Total Special Education Program			\$ 818,475

Vocational Education Program

Teachers	\$	246,188	
Career Ladder Program		2,000	
Educational Assistants		6,139	
Certified Substitute Teachers		252	
Non-certified Substitute Teachers		5,253	
Social Security		15,410	
State Retirement		23,063	
Medical Insurance		8,985	
Unemployment Compensation		184	
Employer Medicare		3,604	
Tuition		11,443	
Instructional Supplies and Materials		4,368	
Other Supplies and Materials		220	
Vocational Instruction Equipment		6,481	
Total Vocational Education Program			333,590

Support Services

Attendance

Travel	\$	1,133	
Other Supplies and Materials		3,182	
In Service/Staff Development		330	
Total Attendance			4,645

Health Services

Medical Personnel	\$	44,127
Other Salaries and Wages		43,477
Social Security		4,953
State Retirement		7,825

(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.)

Health Services (Cont.)

Medical Insurance	\$	2,400	
Unemployment Compensation		94	
Employer Medicare		1,158	
Travel		3,696	
Drugs and Medical Supplies		766	
Other Supplies and Materials		17,618	
In Service/Staff Development		1,774	
Total Health Services			\$ 127,888

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		103,488	
Attendants		19,761	
Other Salaries and Wages		23,013	
Social Security		8,861	
State Retirement		8,199	
Medical Insurance		4,484	
Unemployment Compensation		153	
Employer Medicare		2,072	
Evaluation and Testing		7,464	
Travel		129	
Other Supplies and Materials		5,687	
Total Other Student Support			185,311

Regular Instruction Program

Supervisor/Director	\$	134,095
Career Ladder Program		2,500
Librarians		43,780
Instructional Computer Personnel		66,330
Other Salaries and Wages		3,000
Social Security		15,033
State Retirement		23,070
Medical Insurance		4,584
Unemployment Compensation		138
Employer Medicare		3,516
Travel		6,424
Other Contracted Services		1,623
Other Supplies and Materials		1,189
In Service/Staff Development		10,073

(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 Charges	\$ 3,088	
Total Regular Instruction Program		\$ 318,443

Special Education Program

Supervisor/Director	\$ 54,068	
Clerical Personnel	3,373	
Social Security	3,020	
State Retirement	5,224	
Medical Insurance	6,896	
Unemployment Compensation	29	
Employer Medicare	706	
Travel	3,140	
Total Special Education Program		76,456

Vocational Education Program

Supervisor/Director	\$ 4,118	
Clerical Personnel	3,177	
Social Security	431	
State Retirement	684	
Medical Insurance	310	
Unemployment Compensation	4	
Employer Medicare	101	
Travel	234	
Other Supplies and Materials	408	
Total Vocational Education Program		9,467

Other Programs

On-Behalf Payments to OPEB	\$ 23,737	
Total Other Programs		23,737

Board of Education

Board and Committee Members Fees	\$ 15,625
Social Security	969
State Retirement	1,300
Life Insurance	6,803
Medical Insurance	2,110
Employer Medicare	227
Audit Services	8,000
Dues and Memberships	4,467

(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.)

Board of Education (Cont.)

Legal Services	\$	1,810	
Other Contracted Services		3,349	
Other Supplies and Materials		54	
Liability Insurance		10,220	
Trustee's Commission		43,169	
Workers' Compensation Insurance		29,956	
In Service/Staff Development		945	
Criminal Investigation of Applicants - TBI		1,800	
Refund to Applicant for Criminal Investigation		420	
Other Charges		3,634	
Total Board of Education			\$ 134,858

Director of Schools

County Official/Administrative Officer	\$	86,501	
Social Security		5,053	
State Retirement		7,828	
Medical Insurance		3,003	
Unemployment Compensation		27	
Employer Medicare		1,182	
Communication		14,238	
Dues and Memberships		1,578	
Postal Charges		988	
Travel		1,661	
Other Contracted Services		6,036	
Office Supplies		1,726	
Other Supplies and Materials		911	
In Service/Staff Development		599	
Other Charges		364	
Total Director of Schools			131,695

Office of the Principal

Principals	\$	238,662	
Career Ladder Program		4,000	
Accountants/Bookkeepers		73,689	
Career Ladder Extended Contracts		2,200	
Assistant Principals		54,706	
Secretary(ies)		40,535	
Social Security		23,155	
State Retirement		38,316	

(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.)

Office of the Principal (Cont.)

Medical Insurance	\$	29,526	
Unemployment Compensation		332	
Employer Medicare		5,415	
Communication		15,773	
Travel		570	
Other Contracted Services		9,600	
Total Office of the Principal			\$ 536,479

Fiscal Services

Supervisor/Director	\$	43,689	
Clerical Personnel		49,860	
Social Security		5,769	
State Retirement		9,177	
Medical Insurance		135	
Unemployment Compensation		69	
Employer Medicare		1,349	
Travel		1,743	
Total Fiscal Services			111,791

Operation of Plant

Custodial Personnel	\$	177,500	
Social Security		10,597	
State Retirement		14,066	
Medical Insurance		2,665	
Unemployment Compensation		214	
Employer Medicare		2,478	
Other Contracted Services		19,807	
Custodial Supplies		40,745	
Electricity		260,535	
Natural Gas		50,759	
Water and Sewer		13,243	
Other Supplies and Materials		311	
Boiler Insurance		1,595	
Building and Contents Insurance		29,065	
Other Charges		843	
Total Operation of Plant			624,423

Maintenance of Plant

Supervisor/Director	\$	23,171	
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(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.)

Maintenance of Plant (Cont.)

Maintenance Personnel	\$	113,609	
Social Security		7,809	
State Retirement		13,150	
Medical Insurance		2,763	
Unemployment Compensation		111	
Employer Medicare		1,826	
Communication		486	
Maintenance and Repair Services - Buildings		10,668	
Maintenance and Repair Services - Equipment		4,414	
Other Contracted Services		16,556	
Equipment and Machinery Parts		67,701	
Other Supplies and Materials		106	
In Service/Staff Development		345	
Maintenance Equipment		603	
Total Maintenance of Plant			\$ 263,318

Transportation

Supervisor/Director	\$	20,433
Mechanic(s)		36,185
Bus Drivers		288,287
In-Service Training		518
Social Security		19,068
State Retirement		32,678
Medical Insurance		13,003
Unemployment Compensation		388
Employer Medicare		4,459
Medical and Dental Services		2,473
Travel		220
Other Contracted Services		1,964
Diesel Fuel		75,207
Garage Supplies		2,052
Gasoline		12,104
Lubricants		4,732
Tires and Tubes		9,816
Vehicle Parts		19,798
Other Supplies and Materials		592
Vehicle and Equipment Insurance		8,974
In Service/Staff Development		173
Other Charges		18

(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.)

Transportation Equipment	\$ 96,000	
Total Transportation		\$ 649,142

Central and Other

Other Contracted Services	\$ 5,065	
Data Processing Supplies	1,634	
Total Central and Other		6,699

Operation of Non-Instructional Services

Food Service

Medical Insurance	\$ 18,750	
Food Service Equipment	11,055	
Total Food Service		29,805

Community Services

Educational Assistants	\$ 96,230	
Part-time Personnel	6,550	
Other Salaries and Wages	23,771	
Certified Substitute Teachers	64	
Non-certified Substitute Teachers	1,545	
Social Security	7,855	
State Retirement	12,415	
Unemployment Compensation	187	
Employer Medicare	1,837	
Maintenance and Repair Services - Equipment	6,160	
Travel	6,178	
Food Supplies	1,262	
Instructional Supplies and Materials	7,995	
Other Supplies and Materials	6,195	
In Service/Staff Development	98	
Total Community Services		178,342

Early Childhood Education

Teachers	\$ 125,785	
Educational Assistants	43,344	
Other Salaries and Wages	31,207	
Non-certified Substitute Teachers	4,258	
Social Security	10,936	
State Retirement	18,302	

(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.)

Early Childhood Education (Cont.)

Medical Insurance	\$	17,121	
Unemployment Compensation		189	
Employer Medicare		2,562	
Maintenance and Repair Services - Equipment		19,175	
Travel		3,542	
Food Supplies		71	
Instructional Supplies and Materials		17,035	
In Service/Staff Development		2,248	
Total Early Childhood Education			\$ 295,775

Principal on Debt

Education

Principal on Notes	\$	37,297	
Total Education			37,297

Interest on Debt

Education

Interest on Notes	\$	4,800	
Total Education			4,800

Total General Purpose School Fund \$ 8,552,812

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	246,075	
Educational Assistants		29,016	
Non-certified Substitute Teachers		1,810	
Social Security		15,888	
State Retirement		25,116	
Medical Insurance		15,363	
Unemployment Compensation		187	
Employer Medicare		3,717	
Instructional Supplies and Materials		38,798	
Regular Instruction Equipment		81,362	
Total Regular Instruction Program			\$ 457,332

Special Education Program

Teachers	\$	6,102	
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(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.)

Special Education Program (Cont.)

Educational Assistants	\$	85,407	
Certified Substitute Teachers		1,136	
Non-certified Substitute Teachers		15,970	
Social Security		5,442	
State Retirement		8,931	
Medical Insurance		7,900	
Unemployment Compensation		192	
Employer Medicare		1,273	
Contracts with Private Agencies		68,857	
Evaluation and Testing		715	
Other Contracted Services		690	
Instructional Supplies and Materials		17,804	
Other Supplies and Materials		27	
Total Special Education Program			\$ 220,446

Vocational Education Program

Educational Assistants	\$	6,462	
Social Security		401	
State Retirement		634	
Unemployment Compensation		8	
Employer Medicare		94	
Other Supplies and Materials		2,657	
Vocational Instruction Equipment		6,882	
Total Vocational Education Program			17,138

Support Services

Other Student Support

Evaluation and Testing	\$	740	
Travel		3,576	
Total Other Student Support			4,316

Regular Instruction Program

Supervisor/Director	\$	27,567	
Other Salaries and Wages		69,647	
Social Security		5,940	
State Retirement		5,398	
Medical Insurance		240	
Unemployment Compensation		71	
Employer Medicare		1,389	

(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.)

Travel	\$	9,336	
Other Supplies and Materials		208	
In Service/Staff Development		36,544	
Total Regular Instruction Program			\$ 156,340

Special Education Program

Psychological Personnel	\$	50,430	
Social Security		2,810	
State Retirement		4,564	
Medical Insurance		4,418	
Unemployment Compensation		27	
Employer Medicare		657	
Travel		5,826	
Other Supplies and Materials		35	
In Service/Staff Development		3,951	
Total Special Education Program			72,718

Vocational Education Program

Travel	\$	630	
Total Vocational Education Program			630

Transportation

Diesel Fuel	\$	4,375	
Total Transportation			4,375

Total School Federal Projects Fund \$ 933,295

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	49,887
Clerical Personnel		7,318
Cafeteria Personnel		236,016
Social Security		14,835
State Retirement		24,732
Medical Insurance		180
Unemployment Compensation		501
Employer Medicare		3,470
Communication		300

(Continued)

Exhibit J-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Maintenance and Repair Services - Equipment	\$	9,247	
Postal Charges		100	
Transportation - Other than Students		2,755	
Travel		3,878	
Other Contracted Services		4,585	
Food Preparation Supplies		18,773	
Food Supplies		255,978	
Office Supplies		308	
USDA - Commodities		29,599	
Other Supplies and Materials		1,261	
In Service/Staff Development		150	
Other Charges		931	
Food Service Equipment		489	
Total Food Service			\$ 665,293

Total Central Cafeteria Fund \$ 665,293

Total Governmental Funds - Perry County School Department \$ 10,151,400

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, 2012

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 244,154
Total Cash Receipts	<u>\$ 244,154</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 241,713
Trustee's Commission	2,441
Total Cash Disbursements	<u>\$ 244,154</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2011	<u>0</u>
Cash Balance, June 30, 2012	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT 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

November 29, 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, 2012, which collectively comprise Perry County's basic financial statements and have issued our report thereon dated November 29, 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

The management of Perry County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Perry County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Perry

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 12.01 and 12.05.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 12.02, 12.06, and 12.07.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Perry County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 12.03 and 12.04.

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

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT 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

INDEPENDENT AUDITOR'S REPORT

November 29, 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, 2012. 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, 2012.

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 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

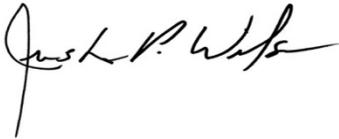
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Perry County as of and for the year ended June 30, 2012, and have issued our report thereon dated November 29, 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 response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Perry County's response and, accordingly, we express no opinion on the response.

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Perry County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2012

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	\$ 29,599 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	118,449
National School Lunch Program	10.555	N/A	<u>323,164 (3)</u>
Total U.S. Department of Agriculture			<u>\$ 471,212</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/ State's Program	14.228	(4)	\$ 700,239
Home Investment Partnership Program	14.239	(2)	<u>59,187</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 759,426</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 402,693
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	325,405
Special Education - Preschool Grants	84.173	N/A	57,331
Career and Technical Education - Basic Grants to States	84.048	N/A	21,704
Rural Education	84.358	N/A	22,397
Improving Teacher Quality State Grants	84.367	N/A	66,409
State Fiscal Stabilization Funds (SFSF) - Race-to-the-Top Incentive Grant, Recovery Act	84.395	N/A	134,338
State Fiscal Stabilization Funds (SFSF) - Government Services, Recovery Act	84.397	N/A	3,017
Education Jobs Program	84.410	N/A	<u>4,411</u>
Total U.S. Department of Education			<u>\$ 1,037,705</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 82,763
Homeland Security Grant Program	97.067	GG-08-24130-00	<u>30,100</u>
Total U.S. Department of Homeland Security			<u>\$ 112,863</u>
Total Expenditures of Federal Awards			<u>\$ 2,381,206</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)	\$ 2,600
Litter Program - State Department of Transportation	N/A	Z-11-LIT068	19,117
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(2)	4,500
Health Department Program - State Department of Health	N/A	(5)	28,433
Coordinated School Health - State Department of Education	N/A	(2)	89,951
Lottery for Education Afterschool Program - State Department of Education	N/A	(2)	81,467
Save the Children - State Department of Education	N/A	(2)	81,477
Family Resource Center - State Department of Education	N/A	(2)	29,612
ConnectTN - State Department of Education	N/A	(2)	3,979
Local Park and Recreation Fund Grant - State Department of Environment and Conservation	N/A	GG-09-22634	2,290
ACT/Explorer/Plan - Testing - State Department of Education	N/A	(2)	2,619
Early Childhood Education - State Department of Education	N/A	(2)	<u>297,426</u>
Total State Grants			<u>\$ 643,471</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 \$352,763.

(4) GG-08-23753: \$222,835; GG-10-33416: \$477,404.

(5) GG-11-32192: \$3,988; Z-12-43829: \$24,445.

Perry County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2012

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, 2011, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.02	157	General ledger cash accounts were not reconciled
11.03	158	Expenditures exceeded appropriations

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.08	161	Duties were not segregated adequately

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.09	162	Multiple employees worked from the same cash drawer

PERRY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Perry County is unqualified.
2. The audit of the financial statements of Perry County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed one instance of noncompliance that was 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 Community Development Block Grant/State's Program (CFDA No. 14.228), Title I Grants to Local Education Agencies (CFDA No. 84.010), and the State Fiscal Stabilization Funds – Race-to-the-Top Incentive Grant, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Perry County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 12.01 **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2012, certain general ledger account balances in the General, Solid Waste/Sanitation, and General Debt Service funds were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Perry County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Perry County should have appropriate processes in place to ensure that its general ledgers are materially correct.

FINDING 12.02 **THE GENERAL FUND'S GENERAL LEDGER CASH ACCOUNT WAS NOT RECONCILED ACCURATELY WITH COUNTY TRUSTEE REPORTS**

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

Management attempted to reconcile the Cash with Trustee account in the General Fund with the county trustee's reports monthly; however, numerous errors were noted in these reconciliations. Prior to closing the books at June 30, 2012, the cash balance in the General Fund failed to reconcile with the trustee's cash balances by \$2,453. The failure to accurately reconcile the general ledger's Cash with Trustee account with the county trustee's report monthly is an internal control weakness that could result in posting errors not being discovered and corrected in a timely manner. We provided audit adjustments that management accepted to properly reflect the cash balance in the financial statements of this report.

RECOMMENDATION

Management should reconcile the Cash with Trustee account of the General Fund with the county trustee reports monthly, and any errors discovered should be corrected promptly.

FINDING 12.03 **EXPENDITURES EXCEEDED APPROPRIATIONS**
(Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies in the budget operations of the office:

- A. Total expenditures of the Courthouse and Jail Maintenance Fund exceeded total appropriations approved by the County Commission by \$4,365.
- B. Expenditures exceeded appropriations approved by the County Commission in the following funds' major appropriation categories (the legal level of control):

<u>Fund/Major Category</u>	<u>Amount Overspent</u>
General:	
General Sessions Court	\$ 47
Jail	7,224
Libraries	332
Other Administration of Justice	491
Solid Waste/Sanitation:	
Sanitation Education	504

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 Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

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

FINDING 12.04 **A TAX ANTICIPATION NOTE WAS NOT ISSUED IN COMPLIANCE WITH STATE STATUTE**
(Material Noncompliance Under *Government Auditing Standards*)

During the year, the General Fund borrowed \$800,000 from the General Debt Service Fund to provide cash flow for operations. However, only \$600,000 of this loan was approved by the state Comptroller's Office. Section 9-21-801, *Tennessee Code Annotated*, allows the County Commission to issue tax anticipation notes with the approval of the state Comptroller's Office. This deficiency resulted from a lack of oversight by management.

RECOMMENDATION

Tax anticipation notes should be approved by the state Comptroller's Office as required by state statute.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

At the May 16, 2011, meeting of the Perry County Commission, the commission passed a resolution to adopt a continuing budget and authorize the issuance of tax anticipation notes.

On June 30, 2011, a letter was mailed to the state Department of Local Finance requesting approval for a tax anticipation note totaling \$800,000 for the county's General Fund, along with the resolution authorizing the issuance of tax anticipation notes. These funds were requested since they were necessary to fund the operation of basic services provided by the county until revenue from property taxes could be collected.

On October 6, 2011, after no response was received from the Department of Local Finance, our office inquired as to when we could expect to receive the approval of the tax anticipation note. Local Finance said they had received the electronic copy of our request but had not received the mailed original. Thus, they had not issued the approval even though they had a copy of the request in hand.

A duplicate of the original request for approval was then mailed to Local Finance.

When we received the response from Local Finance, the amount authorized had been reduced from \$800,000 to \$600,000 without prior notification. By this time, we had already issued the \$800,000 tax anticipation note since we were faced with the dilemma of either proceeding with the issuance of the note or cease to provide basic services.

The letter from Local Finance approving our full budget was issued on December 28, 2011, and received on January 4, 2012, by our office.

FINDING 12.05

DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSET RECORDS

(Internal Control – Material Weakness Under *Government Auditing Standards*)

Our examination of the capital asset records revealed the following deficiencies:

- A. Three properties recorded in the capital asset records in the prior year were not county property. These properties were purchased by the county and contributed to the Perry County Industrial Development Board. A prior-period adjustment of \$405,103 has been recorded in the financial statements to remove these assets from the county's records.
- B. Construction in progress totaling \$1,066,270 had not been recorded as a capital asset. Auditors identified the construction in progress and requested officials to record the asset prior to June 30, 2012; however, the county failed to record the asset. Construction in progress should be recorded in the year in which the expenditures occur.
- C. During the year, the county purchased a Chevy Tahoe, an ambulance, and two dump trucks at a total cost of \$336,859. These assets were not included in the capital asset records. The capital asset policy adopted by Perry County requires these assets to be capitalized.

Generally accepted accounting principles require accountability for all county-owned assets, such as equipment, furniture, and vehicles. These deficiencies can be attributed in part to management's failure to follow accounting advice and a lack of management oversight. We provided management with audit adjustments that they accepted to properly present capital assets in the financial statements of this report. Without accurate capital asset records, Perry County cannot adequately safeguard its assets.

RECOMMENDATION

The office should maintain accurate capital asset records for all county-owned assets as required by generally accepted accounting principles.

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

FINDING 12.06

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.

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

FINDING 12.07 **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, and Circuit and General Sessions Courts Clerk. 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.

BEST PRACTICES

The Division of Local Government 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 Local Government 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.

**PERRY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2012**

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