
ANNUAL FINANCIAL REPORT PERRY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2014



ANNUAL FINANCIAL REPORT
PERRY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2014

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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Auditor 4

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State Auditors

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

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Summary of Audit Findings

Annual Financial Report
Perry County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Perry County as of and for the year ended June 30, 2014.

Results

Our report on the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information is unmodified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF SUPERINTENDENT OF HIGHWAYS

- ◆ The office had purchasing deficiencies.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund had a cash overdraft of \$15,730 at June 30, 2014.
-

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

- ◆ 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.

INTRODUCTORY SECTION

Perry County Officials
June 30, 2014

Officials

John Carroll, County Mayor
Robert Dedrick, Superintendent of Highways
Eric Lomax, 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 of Deeds
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	

Audit Committee

Lannie Dedrick, Chairman
Mary Ann Qualls
Jessie Ruth Tiller

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
PHONE (615) 401-7841

Independent Auditor's Report

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

To the County Mayor and County Commissioners:

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Perry County Emergency Communications District, is based solely on the report of the other auditors. We were unable to determine Perry County Emergency Communications District's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Industrial Development Board of Perry County, a component unit requiring discrete presentation, was not included in the county's financial

statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, 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, 2014, and the respective changes in financial position and the respective budgetary comparisons for the General, Solid Waste/Sanitation, Ambulance Service, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As described in Note V.B., Perry County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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 schedules of funding progress – pension plan and other postemployment benefits plans on pages 73-75 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Perry County’s basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Perry County School Department (a discretely presented component unit), and the miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Perry County School Department (a discretely presented component unit), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 miscellaneous schedules are fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2014, on our consideration of Perry County's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Perry County's internal control over financial reporting and compliance.

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 at the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 15, 2014

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Perry County, Tennessee
Statement of Net Position
June 30, 2014

	Primary Government Governmental Activities	Component Units	
		Perry County School Department	Perry County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 0	\$ 85,390	\$ 785,333
Equity in Pooled Cash and Investments	6,570,547	396,008	0
Accounts Receivable	763,264	0	8,831
Allowance for Uncollectibles	(152,653)	0	0
Due from Component Units	502,338	0	0
Due from Other Governments	430,735	323,332	0
Property Taxes Receivable	2,394,431	1,333,764	0
Allowance for Uncollectible Property Taxes	(97,371)	(54,237)	0
Prepaid Items	0	0	6,820
Note Receivable - Current	11,000	0	0
Note Receivable - Long-term	55,000	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	210,266	138,512	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	4,295,770	6,000,500	142,500
Infrastructure	3,093,427	0	0
Other Capital Assets	1,975,504	548,662	328,259
Total Assets	<u>\$ 20,052,258</u>	<u>\$ 8,771,931</u>	<u>\$ 1,271,743</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,000	\$ 804	\$ 1,735
Payroll Deductions Payable	0	84,890	0
Due to Primary Government	0	61,405	0
Cash Overdraft	0	15,730	0
Noncurrent Liabilities:			
Due Within One Year	1,109,780	9,845	0
Due in More Than One Year	3,386,562	353,106	0
Total Liabilities	<u>\$ 4,501,342</u>	<u>\$ 525,780</u>	<u>\$ 1,735</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 2,171,580	\$ 1,209,630	\$ 0
Total Deferred Inflows of Resources	<u>\$ 2,171,580</u>	<u>\$ 1,209,630</u>	<u>\$ 0</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental Activities</u>	Component Units	
		<u>Perry County School Department</u>	<u>Perry County Emergency Communications District</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 7,786,722	\$ 6,626,269	\$ 470,759
Restricted for:			
General Government	114,690	0	0
Administration of Justice	30,272	0	0
Public Safety	76,741	0	0
Social, Cultural, and Recreational	106,156	0	0
Highway/Public Works	4,391,244	0	0
Instruction	0	44,816	0
Operation of Non-instructional Services	0	146,821	0
Unrestricted	<u>873,511</u>	<u>218,615</u>	<u>799,249</u>
Total Net Position	<u>\$ 13,379,336</u>	<u>\$ 7,036,521</u>	<u>\$ 1,270,008</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, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units		
					Primary Government Total Governmental Activities	Perry County School Department	Perry County Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	\$ 2,179,000	\$ 202,301	\$ 1,030,273	\$ 0	\$ (946,426)	\$ 0	\$ 0
Finance	392,371	224,584	0	0	(167,787)	0	0
Administration of Justice	411,474	193,206	9,000	0	(209,268)	0	0
Public Safety	1,610,295	594,755	470,468	0	(545,072)	0	0
Public Health and Welfare	952,088	1,406,129	41,408	0	495,449	0	0
Social, Cultural, and Recreational Services	189,683	1,300	0	0	(188,383)	0	0
Agriculture and Natural Resources	46,755	0	0	0	(46,755)	0	0
Highways/Public Works	1,605,166	4,028	1,483,650	514,038	396,550	0	0
Total Primary Government	\$ 7,386,832	\$ 2,626,303	\$ 3,034,799	\$ 514,038	\$ (1,211,692)	\$ 0	\$ 0
Component Units:							
Perry County School Department	\$ 10,754,089	\$ 299,044	\$ 1,893,046	\$ 94,581	\$ 0	\$ (8,467,418)	\$ 0
Perry County Emergency Communications District	186,466	67,383	144,343	0	0	0	25,260
Total Component Units	\$ 10,940,555	\$ 366,427	\$ 2,037,389	\$ 94,581	\$ 0	\$ (8,467,418)	\$ 25,260

(Continued)

Exhibit B

Perry County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units		
				Primary Government Total Governmental Activities	Perry County School Department	Perry County Emergency Communications District
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 2,347,287	\$ 1,344,292	\$ 0
Property Taxes Levied for Debt Service				220,557	0	0
Local Option Sales Tax				558,836	223,125	0
Mineral Severance Tax				70,300	0	0
Wholesale Beer Tax				51,326	0	0
Other Local Taxes				108,528	807	0
Grants and Contributions Not Restricted to Specific Programs				773,057	6,484,729	23,269
Unrestricted Investment Earnings				18,009	4,487	1,151
Miscellaneous				17,068	30,045	0
Gain on Sale of Capital Assets				147,003	0	0
Total General Revenues				\$ 4,311,971	\$ 8,087,485	\$ 24,420
Change in Net Position				\$ 3,100,279	\$ (379,933)	\$ 49,680
Net Position, July 1, 2013				9,798,124	7,416,454	1,220,328
Prior-period Adjustment				480,933	0	0
Net Position, June 30, 2014				\$ 13,379,336	\$ 7,036,521	\$ 1,270,008

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

Perry County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2014

	Major Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service
\$	219,608	\$ 35,467	\$ 156,864	\$ 4,126,603	\$ 1,929,895
	0	0	763,264	0	0
	0	0	(152,653)	0	0
	63,435	0	0	264,641	102,659
	0	0	0	0	440,933
	1,741,375	434,449	0	0	218,607
	(70,814)	(17,667)	0	0	(8,890)
	0	0	0	0	11,000
	0	0	0	0	55,000
\$	1,953,604	452,249	767,475	4,391,244	2,749,204

ASSETS

Equity in Pooled Cash and Investments
 Accounts Receivable
 Allowance for Uncollectibles
 Due from Other Governments
 Due from Component Units
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes
 Notes Receivable - Current
 Notes Receivable - Long-term

Total Assets

LIABILITIES

Accounts Payable
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
 Deferred Delinquent Property Taxes
 Other Deferred/Unavailable Revenue
 Total Deferred Inflows of Resources

\$	0	\$ 5,000	\$ 0	\$ 0	\$ 0
\$	0	5,000	0	0	0
\$	1,579,304	394,015	0	0	198,261
	84,166	21,241	0	0	10,590
	6,000	0	517,425	123,989	40,000
\$	1,669,470	415,256	517,425	123,989	248,851

(Continued)

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

	Major Funds					General Debt Service				
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General					
	\$	24,524	\$	0	\$	0	\$	0	0	
Restricted for General Government		14,930		0		0		0	0	
Restricted for Administration of Justice		41,819		0		0		0	0	
Restricted for Public Safety		106,156		0		0		0	0	
Restricted for Social, Cultural, and Recreational Services		0		0		0		4,267,255	0	
Restricted for Highways/Public Works		0		0		0		0	0	
Committed:										
Committed for General Government		65,746		0		0		0	0	
Committed for Public Health and Welfare		0		31,993		250,050		0	0	
Committed for Capital Outlay		15,139		0		0		0	0	
Committed for Debt Service		0		0		0		0	2,500,353	
Committed for Capital Projects		0		0		0		0	0	
Assigned:										
Assigned for Administration of Justice		0		0		0		0	0	
Unassigned		15,820		0		0		0	0	
Total Fund Balances	\$	284,134	\$	31,993	\$	250,050	\$	4,267,255	\$	2,500,353
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	1,953,604	\$	452,249	\$	767,475	\$	4,391,244	\$	2,749,204

(Continued)

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmen- tal Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 102,110	\$	\$ 6,570,547
Accounts Receivable	0		763,264
Allowance for Uncollectibles	0		(152,653)
Due from Other Governments	0		430,735
Due from Component Units	0		440,933
Property Taxes Receivable	0		2,394,431
Allowance for Uncollectible Property Taxes	0		(97,371)
Notes Receivable - Current	0		11,000
Notes Receivable - Long-term	0		55,000
Total Assets	<u>\$ 102,110</u>	<u>\$</u>	<u>10,415,886</u>
<u>LIABILITIES</u>			
Accounts Payable	\$	0 \$	5,000
Total Liabilities	<u>\$</u>	<u>0 \$</u>	<u>5,000</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$	0 \$	2,171,580
Deferred Delinquent Property Taxes		0	115,997
Other Deferred/Unavailable Revenue		0	687,414
Total Deferred Inflows of Resources	<u>\$</u>	<u>0 \$</u>	<u>2,974,991</u>

(Continued)

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmen- tal Funds
<u>FUND BALANCES</u>			
Restricted:			
Restricted for General Government	0	0	24,524
Restricted for Administration of Justice	15,342		30,272
Restricted for Public Safety	34,922		76,741
Restricted for Social, Cultural, and Recreational Services	0	0	106,156
Restricted for Highways/Public Works	0	0	4,267,255
Committed:			
Committed for General Government	0		65,746
Committed for Public Health and Welfare	0		282,043
Committed for Capital Outlay	0		15,139
Committed for Debt Service	0		2,500,353
Committed for Capital Projects	31,124		31,124
Assigned:			
Assigned for Administration of Justice	20,722		20,722
Unassigned	0		15,820
Total Fund Balances	<u>\$ 102,110</u>	<u>\$</u>	<u>\$ 7,435,895</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 102,110</u>	<u>\$</u>	<u>\$ 10,415,886</u>

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

Exhibit C-2

Perry County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 7,435,895
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 210,266	
Add: buildings and improvements net of accumulated depreciation	4,295,770	
Add: infrastructure net of accumulated depreciation	3,093,427	
Add: other capital assets net of accumulated depreciation	<u>1,975,504</u>	9,574,967
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (3,465,000)	
Less: notes payable	(61,405)	
Less: other loans payable	(486,000)	
Add: due from component unit for debt retirement	61,405	
Less: compensated absences payable	(75,687)	
Less: landfill closure/postclosure care costs	(367,130)	
Less: other postemployment benefits liability	<u>(41,120)</u>	(4,434,937)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>803,411</u>
Net position of governmental activities (Exhibit A)		<u>\$ 13,379,336</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, 2014

	Major Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service
<u>Revenues</u>					
Local Taxes	\$ 2,207,880	\$ 436,287	\$ 0	\$ 70,300	\$ 619,904
Licenses and Permits	5,565	0	0	0	0
Fines, Forfeitures, and Penalties	77,137	0	0	0	0
Charges for Current Services	33,791	36,639	933,998	0	0
Other Local Revenues	264,873	1,347	7,648	17,470	216,514
Fees Received from County Officials	355,452	0	0	0	0
State of Tennessee	665,563	75,602	0	2,010,800	285,149
Federal Government	477,048	0	0	65,605	0
Other Governments and Citizens Groups	187,990	0	0	12,900	216,067
Total Revenues	\$ 4,275,299	\$ 549,875	\$ 941,646	\$ 2,177,075	\$ 1,337,634

Expenditures

Current:

General Government	\$ 700,640	\$ 0	\$ 0	\$ 0	\$ 0
Finance	378,110	0	0	0	0
Administration of Justice	391,857	0	0	0	0
Public Safety	1,886,176	0	0	0	0
Public Health and Welfare	61,075	544,864	691,262	0	0
Social, Cultural, and Recreational Services	144,377	0	0	0	0
Agriculture and Natural Resources	46,211	0	0	0	0
Other Operations	579,740	204	334	0	0
Highways	33,966	0	0	1,918,013	0
Debt Service:					
Principal on Debt	0	0	0	0	1,434,085
Interest on Debt	0	0	0	0	33,673
Other Debt Service	0	0	0	0	187,050

(Continued)

Exhibit C-3

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

	Major Funds					General Debt Service
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works		
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 4,222,152	\$ 545,068	\$ 691,596	\$ 1,918,013	\$ 1,654,808	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 53,147	\$ 4,807	\$ 250,050	\$ 259,062	\$ (317,174)	\$ 0
<u>Other Financing Sources (Uses)</u>						
Refunding Debt Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,260,370	\$ 0
Payments to Refunded Debt Escrow Agent	0	0	0	0	(4,235,000)	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,370	\$ 0
Net Change in Fund Balances	\$ 53,147	\$ 4,807	\$ 250,050	\$ 259,062	\$ (291,804)	\$ 0
Prior-period Adjustments	0	0	0	0	480,933	0
Fund Balance, July 1, 2013	230,987	27,186	0	4,008,193	2,311,224	0
Fund Balance, June 30, 2014	\$ 284,134	\$ 31,993	\$ 250,050	\$ 4,267,255	\$ 2,500,353	\$ 0

(Continued)

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

	Nonmajor Funds Other	Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 30,711	\$	3,365,082
Licenses and Permits	0		5,565
Fines, Forfeitures, and Penalties	17,635		94,772
Charges for Current Services	3,421		1,007,849
Other Local Revenues	56,170		564,022
Fees Received from County Officials	0		355,452
State of Tennessee	0		3,037,114
Federal Government	910,744		1,453,397
Other Governments and Citizens Groups	0		416,957
Total Revenues	\$ 1,018,681	\$	10,300,210
<u>Expenditures</u>			
Current:			
General Government	\$ 11,692	\$	712,332
Finance	0		378,110
Administration of Justice	3,484		395,341
Public Safety	89,263		1,975,439
Public Health and Welfare	0		1,297,201
Social, Cultural, and Recreational Services	0		144,377
Agriculture and Natural Resources	0		46,211
Other Operations	263		580,541
Highways	0		1,951,979
Debt Service:			
Principal on Debt	0		1,434,085
Interest on Debt	0		33,673
Other Debt Service	0		187,050

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 956,297	\$	\$ 956,297
Total Expenditures	<u>\$ 1,060,999</u>	<u>\$</u>	<u>\$ 10,092,636</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (42,318)</u>	<u>\$</u>	<u>\$ 207,574</u>
<u>Other Financing Sources (Uses)</u>			
Refunding Debt Issued	\$	0 \$	4,260,370
Payments to Refunded Debt Escrow Agent	\$	0	(4,235,000)
Total Other Financing Sources (Uses)	<u>\$</u>	<u>0 \$</u>	<u>\$ 25,370</u>
Net Change in Fund Balances	\$	(42,318) \$	232,944
Prior-period Adjustments	\$	0	480,933
Fund Balance, July 1, 2013	\$	144,428	6,722,018
Fund Balance, June 30, 2014	<u>\$</u>	<u>102,110 \$</u>	<u>\$ 7,435,895</u>

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, 2014

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)		\$ 232,944
(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	\$ 1,865,939	
Less: current-year depreciation expense	<u>(620,089)</u>	1,245,850
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: assets donated and capitalized	\$ 180,000	
Less: book value of capital assets disposed	<u>(50,202)</u>	129,798
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 803,411	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(707,593)</u>	95,818
(4) The issuance of long-term debt (e.g., notes and other loans) 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 position. Also, governmental funds report the effect of 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.		
Add: principal payments on notes	\$ 38,715	
Less: debt service contributions for principal to primary government	(38,715)	
Add: principal payments on other loans	600,000	
Less: refunding bond proceeds	(4,260,370)	
Add: principal payments on bonds	795,370	
Add: payment to refunding agent	<u>4,235,000</u>	1,370,000
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 30,958	
Change in landfill closure/postclosure care costs	(426)	
Change in other postemployment benefits liability	<u>(4,663)</u>	<u>25,869</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,100,279</u>

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

Exhibit C-5

Perry County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,207,880	\$ 2,216,232	\$ 2,216,232	\$ (8,352)
Licenses and Permits	5,565	750	750	4,815
Fines, Forfeitures, and Penalties	77,137	46,575	46,575	30,562
Charges for Current Services	33,791	40,500	40,500	(6,709)
Other Local Revenues	264,873	228,350	251,930	12,943
Fees Received from County Officials	355,452	328,500	328,500	26,952
State of Tennessee	665,563	603,737	620,043	45,520
Federal Government	477,048	565,200	640,200	(163,152)
Other Governments and Citizens Groups	187,990	190,000	190,000	(2,010)
Total Revenues	\$ 4,275,299	\$ 4,219,844	\$ 4,334,730	\$ (59,431)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 25,179	\$ 30,481	\$ 28,481	\$ 3,302
County Mayor/Executive	164,637	164,977	164,977	340
County Attorney	14,199	5,000	16,000	1,801
Election Commission	122,396	102,740	126,506	4,110
Register of Deeds	106,711	107,545	107,545	834
County Buildings	267,518	260,048	267,748	230
<u>Finance</u>				
Accounting and Budgeting	298	300	300	2
Property Assessor's Office	102,292	101,655	102,455	163
Reappraisal Program	48,481	45,110	49,110	629
County Trustee's Office	114,208	114,474	114,474	266
County Clerk's Office	112,831	114,003	114,003	1,172
<u>Administration of Justice</u>				
Circuit Court	162,217	162,450	162,450	233
General Sessions Court	109,701	105,338	111,352	1,651
Chancery Court	101,204	103,627	103,627	2,423
Juvenile Court	14,237	12,337	14,337	100
Other Administration of Justice	4,498	2,954	4,799	301
<u>Public Safety</u>				
Sheriff's Department	787,042	823,576	801,976	14,934
Jail	804,744	784,059	805,659	915
Civil Defense	60,368	76,598	64,648	4,280
Rescue Squad	8,223	8,000	8,250	27
Other Emergency Management	168,973	156,330	168,984	11
County Coroner/Medical Examiner	20,125	5,000	23,000	2,875
Other Public Safety	36,701	38,237	38,237	1,536
<u>Public Health and Welfare</u>				
Local Health Center	47,301	35,915	47,624	323
Other Local Health Services	13,774	34,986	30,882	17,108
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	10,000	10,000	10,000	0
Libraries	101,843	102,080	102,080	237
Parks and Fair Boards	7,500	7,500	7,500	0
Other Social, Cultural, and Recreational	25,034	25,700	25,700	666

(Continued)

Exhibit C-5

Perry County, Tennessee
Statement 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>Agriculture and Natural Resources</u>				
Agriculture Extension Service	\$ 31,211	\$ 35,887	\$ 31,873	\$ 662
Soil Conservation	15,000	15,000	15,000	0
<u>Other Operations</u>				
Tourism	28,295	27,000	28,600	305
Industrial Development	749	2,400	2,400	1,651
Airport	434,449	518,100	518,100	83,651
Veterans' Services	14,340	17,399	17,399	3,059
Other Charges	54,109	46,000	58,000	3,891
Employee Benefits	15,310	15,200	15,600	290
Miscellaneous	32,488	28,379	32,879	391
<u>Highways</u>				
Litter and Trash Collection	33,966	34,314	34,314	348
Total Expenditures	\$ 4,222,152	\$ 4,280,699	\$ 4,376,869	\$ 154,717
Excess (Deficiency) of Revenues Over Expenditures	\$ 53,147	\$ (60,855)	\$ (42,139)	\$ 95,286
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 74,118	\$ 74,118	\$ (74,118)
Total Other Financing Sources	\$ 0	\$ 74,118	\$ 74,118	\$ (74,118)
Net Change in Fund Balance	\$ 53,147	\$ 13,263	\$ 31,979	\$ 21,168
Fund Balance, July 1, 2013	230,987	230,987	230,987	0
Fund Balance, June 30, 2014	\$ 284,134	\$ 244,250	\$ 262,966	\$ 21,168

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

Exhibit C-6

Perry County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 436,287	\$ 450,035	\$ 454,435	\$ (18,148)
Charges for Current Services	36,639	48,025	48,025	(11,386)
Other Local Revenues	1,347	500	500	847
State of Tennessee	75,602	53,590	53,590	22,012
Total Revenues	<u>\$ 549,875</u>	<u>\$ 552,150</u>	<u>\$ 556,550</u>	<u>\$ (6,675)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Education/Information	\$ 9,673	\$ 10,000	\$ 10,950	\$ 1,277
Convenience Centers	62,261	73,716	64,716	2,455
Transfer Stations	381,102	388,674	383,574	2,472
Landfill Operation and Maintenance	91,828	73,650	99,915	8,087
<u>Other Operations</u>				
Employee Benefits	204	6,025	1,225	1,021
Total Expenditures	<u>\$ 545,068</u>	<u>\$ 552,065</u>	<u>\$ 560,380</u>	<u>\$ 15,312</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,807</u>	<u>\$ 85</u>	<u>\$ (3,830)</u>	<u>\$ 8,637</u>
Net Change in Fund Balance	\$ 4,807	\$ 85	\$ (3,830)	\$ 8,637
Fund Balance, July 1, 2013	<u>27,186</u>	<u>27,484</u>	<u>27,484</u>	<u>(298)</u>
Fund Balance, June 30, 2014	<u>\$ 31,993</u>	<u>\$ 27,569</u>	<u>\$ 23,654</u>	<u>\$ 8,339</u>

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

Exhibit C-7

Perry County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 933,998	\$ 725,000	\$ 725,000	\$ 208,998
Other Local Revenues	7,648	0	0	7,648
Total Revenues	<u>\$ 941,646</u>	<u>\$ 725,000</u>	<u>\$ 725,000</u>	<u>\$ 216,646</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 691,262	\$ 698,631	\$ 698,631	\$ 7,369
<u>Other Operations</u>				
Employee Benefits	334	4,750	4,750	4,416
Total Expenditures	<u>\$ 691,596</u>	<u>\$ 703,381</u>	<u>\$ 703,381</u>	<u>\$ 11,785</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 250,050</u>	<u>\$ 21,619</u>	<u>\$ 21,619</u>	<u>\$ 228,431</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (21,618)	\$ (21,618)	\$ 21,618
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (21,618)</u>	<u>\$ (21,618)</u>	<u>\$ 21,618</u>
Net Change in Fund Balance	\$ 250,050	\$ 1	\$ 1	\$ 250,049
Fund Balance, July 1, 2013	0	0	0	0
Fund Balance, June 30, 2014	<u>\$ 250,050</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 250,049</u>

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

Exhibit C-8

Perry County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 70,300	\$ 46,780	\$ 46,780	\$ 23,520
Other Local Revenues	17,470	0	0	17,470
State of Tennessee	2,010,800	1,989,692	1,989,692	21,108
Federal Government	65,605	0	0	65,605
Other Governments and Citizens Groups	12,900	0	0	12,900
Total Revenues	<u>\$ 2,177,075</u>	<u>\$ 2,036,472</u>	<u>\$ 2,036,472</u>	<u>\$ 140,603</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 117,740	\$ 153,385	\$ 153,385	\$ 35,645
Highway and Bridge Maintenance	652,897	1,384,760	1,384,760	731,863
Operation and Maintenance of Equipment	188,983	264,920	264,920	75,937
Other Charges	94,176	125,500	125,500	31,324
Employee Benefits	172,130	233,300	233,300	61,170
Capital Outlay	692,087	946,048	946,048	253,961
Total Expenditures	<u>\$ 1,918,013</u>	<u>\$ 3,107,913</u>	<u>\$ 3,107,913</u>	<u>\$ 1,189,900</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 259,062</u>	<u>\$ (1,071,441)</u>	<u>\$ (1,071,441)</u>	<u>\$ 1,330,503</u>
Net Change in Fund Balance	\$ 259,062	\$ (1,071,441)	\$ (1,071,441)	1,330,503
Fund Balance, July 1, 2013	4,008,193	3,805,000	3,805,000	203,193
Fund Balance, June 30, 2014	<u>\$ 4,267,255</u>	<u>\$ 2,733,559</u>	<u>\$ 2,733,559</u>	<u>\$ 1,533,696</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, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 200,352
Due from Other Governments	<u>45,462</u>
Total Assets	<u><u>\$ 245,814</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 45,462
Due to Litigants, Heirs, and Others	<u>200,352</u>
Total Liabilities	<u><u>\$ 245,814</u></u>

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

PERRY COUNTY, TENNESSEE
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PERRY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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, 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 Industrial Development Board of Perry County consists of members appointed by the Perry County Commission, and it has been delegated the authority to develop, maintain, and operate industrial sites for the benefit of the community. The financial statements of the Industrial Development Board of Perry County were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

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. Although required by GAAP, the financial statements of the Industrial Development Board of Perry County were not available in time for inclusion, as previously mentioned. Complete financial statements of the Perry County Emergency Communications District and the Industrial Development Board of Perry County can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

Industrial Development Board of Perry County
P.O. Box 209
Linden, TN 37096

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position 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. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2014.

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

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary funds in total are also reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Perry County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest

on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Perry County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions of the county’s transfer station and convenience centers. Local taxes and general service charges are the foundational revenues of this fund.

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

Additionally, Perry County reports the following fund types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Perry

County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Perry County School Department reports the following major governmental fund:

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

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

Special Revenue Funds – These funds account for 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.

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, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

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 position 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 are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. 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. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. 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.

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 a deferred inflow of resources 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 as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

3. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more (except for infrastructure at \$25,000) and an estimated useful life of three years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7 - 40
Other Capital Assets	5 - 20
Infrastructure:	
Roads	20
Bridges	20 - 40

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources

(expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenue, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. 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.

6. 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 Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between

the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner 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.

7. Net Position and Fund Balance

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

- a. Net investment in capital assets – 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 position – Consists of net position 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 position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2014, Perry County had \$2,162,755 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 position 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 by resolution authorized the county's Budget Committee to make assignments for the general government. The Board of Education by resolution 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.

8. Prior-period Adjustment

In a prior year, Perry County purchased three properties, which were titled to the Industrial Development Board of Perry County, 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, no receivable was recorded in the prior year financial statements of this report. The Industrial Development Board made a repayment of \$40,000 during the year ended June 30, 2014, establishing collectability of the debt. A prior-period adjustment of \$480,933 has been recorded to reflect the original receivable as a Due from Component Units.

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 Position

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 Position.

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 Position.

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 position 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 position 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. Cash Overdraft

The discretely presented School Federal Projects Fund had a cash overdraft of \$15,730 at June 30, 2014. This cash overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2014.

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 position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position 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, 2014.

B. Note Receivable

A note receivable of \$66,000 in the General Debt Service Fund resulted from the county loaning funds for the construction of a new Senior Citizens Center. The amount of the note that is not expected to be collected within one year is \$55,000 and is offset by committed fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 210,266	\$ 0	\$ 0	\$ 210,266
Total Capital Assets Not Depreciated	<u>\$ 210,266</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 210,266</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 6,147,178	\$ 395,619	\$ (286,084)	\$ 6,256,713
Infrastructure	3,614,190	656,655	0	4,270,845
Other Capital Assets	4,051,231	993,665	(98,025)	4,946,871
Total Capital Assets Depreciated	<u>\$ 13,812,599</u>	<u>\$ 2,045,939</u>	<u>\$ (384,109)</u>	<u>\$ 15,474,429</u>

Governmental Activities (Cont.):

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,098,479	\$ 139,076	\$ (276,612)	\$ 1,960,943
Infrastructure	972,800	204,618	0	1,177,418
Other Capital Assets	2,752,267	276,395	(57,295)	2,971,367
Total Accumulated Depreciation	<u>\$ 5,823,546</u>	<u>\$ 620,089</u>	<u>\$ (333,907)</u>	<u>\$ 6,109,728</u>
Total Capital Assets Depreciated, Net	<u>\$ 7,989,053</u>	<u>\$ 1,425,850</u>	<u>\$ (50,202)</u>	<u>\$ 9,364,701</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,199,319</u>	<u>\$ 1,425,850</u>	<u>\$ (50,202)</u>	<u>\$ 9,574,967</u>

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

Governmental Activities:

General Government	\$ 54,469
Public Safety	167,613
Public Health and Welfare	89,885
Other Operations	4,140
Highways/Public Works	<u>303,982</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 620,089</u>

Discretely Presented Perry County School Department

Governmental Activities:

	Balance 7-1-13	Increases	Balance 6-30-14
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	1,577,703	172,535	1,750,238
Total Capital Assets Depreciated	<u>\$ 12,728,463</u>	<u>\$ 172,535</u>	<u>\$ 12,900,998</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 4,883,378	\$ 266,882	\$ 5,150,260
Other Capital Assets	1,092,406	109,170	1,201,576
Total Accumulated Depreciation	<u>\$ 5,975,784</u>	<u>\$ 376,052</u>	<u>\$ 6,351,836</u>
Total Capital Assets Depreciated, Net	<u>\$ 6,752,679</u>	<u>\$ (203,517)</u>	<u>\$ 6,549,162</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,891,191</u>	<u>\$ (203,517)</u>	<u>\$ 6,687,674</u>

There were no decreases in capital assets to report during the year ended June 30, 2014.

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

Governmental Activities:

Instruction	\$ 99,768
Support Services	224,904
Operation of Non-instructional Services	<u>51,380</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 376,052</u></u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, was as follows:

Due to/from Primary Government and Component Units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
	Component Units:	
Primary Government:	School Department:	
General	General Purpose School	\$ 61,405
	Industrial Development Board	
	of Perry County:	
General Debt Service	Operating Fund	<u>440,933</u>
Total		<u><u>\$ 502,338</u></u>

The Due to Primary Government from the School Department is the balance of two capital outlay notes issued by the county for the School Department. The School Department has agreed to contribute the funds necessary to retire the debt.

The Due to Primary Government from the Industrial Development Board of Perry County is the balance of a repayment agreement wherein Perry County purchased three industrial buildings on behalf of the Industrial Development Board, and the board agreed to reimburse the county.

Interfund Transfer:

Interfund transfers for the year ended June 30, 2014, consisted of the following amount:

Discretely Presented Perry County School Department

<u>Transfer Out</u>	<u>Transfer In</u>
	<u>General Purpose</u>
	<u>School Fund</u>
Nonmajor governmental fund	\$ 7,130

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 Obligations

Primary Government

Bonds, Notes and Other Loans

Perry County issues bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other loans. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to four years for bonds, up to ten years for notes, and up to 17 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds -				
Refunding	1.89 to 2.03 %	4-1-18	\$ 4,260,370	\$ 3,465,000
Capital Outlay Notes	0 to 5.949	1-15-17	296,857	61,405
Other Loan	Variable	5-25-17	2,500,000	486,000

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. Perry County had borrowed the entire amount of each loan; however, two loans were refunded during the year. The remaining loan is payable at an interest rate that is a tax-exempt variable rate 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 this loan. At June 30, 2014, the variable interest rate was .28 percent, and other fees totaled approximately three percent (letter of credit), .2 percent (remarketing), and .2 percent (trustee) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and the other loan outstanding as of June 30, 2014, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 823,000	\$ 60,107	\$ 883,107
2016	852,000	43,610	895,610
2017	881,000	26,551	907,551
2018	909,000	8,941	917,941
Total	\$ 3,465,000	\$ 139,209	\$ 3,604,209

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 39,093	\$ 2,608	\$ 41,701
2016	14,595	1,788	16,383
2017	7,717	921	8,638
Total	\$ 61,405	\$ 5,317	\$ 66,722

Year Ending June 30	Other Loan			
	Principal	Interest	Other Fees	Total
2015	\$ 167,000	\$ 3,342	\$ 5,655	\$ 175,997
2016	176,000	2,824	4,938	183,762
2017	143,000	2,279	4,181	149,460
Total	\$ 486,000	\$ 8,445	\$ 14,774	\$ 509,219

There is \$2,500,353 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and the other loan, totaled \$507, based on the 2010 federal census.

The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

Description of Indebtedness	Outstanding 6-30-14
<u>Notes Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
Bleachers	\$ 35,690
Energy Efficiency Loan	25,715
Total	<u>\$ 61,405</u>

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

	Bonds	Notes	Other Loan
Balance, July 1, 2013	\$ 0	\$ 100,120	\$ 5,321,000
Additions	4,260,370	0	0
Reductions	(795,370)	(38,715)	(4,835,000)
Balance, June 30, 2014	<u>\$ 3,465,000</u>	<u>\$ 61,405</u>	<u>\$ 486,000</u>
Balance Due Within One Year	<u>\$ 823,000</u>	<u>\$ 39,093</u>	<u>\$ 167,000</u>

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2013	\$ 106,645	\$ 366,704	\$ 36,457
Additions	73,982	5,426	5,037
Reductions	(104,940)	(5,000)	(374)
Balance, June 30, 2014	<u>\$ 75,687</u>	<u>\$ 367,130</u>	<u>\$ 41,120</u>
Balance Due Within One Year	<u>\$ 75,687</u>	<u>\$ 5,000</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 4,496,342
Less: Balance Due Within One Year	<u>(1,109,780)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,386,562</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.

Current Refunding

On December 23, 2013, Perry County refunded two other loans from the Montgomery County Building Authority with two separate bond issues. The county issued \$4,260,370 of general obligation refunding bonds to provide resources to retire the other loans. As a result of the current refunding, the county was able to obtain fixed interest rate funding instead of the variable interest rate of the refunded debt. No economic gain (difference between the present value of the debt service payments for the refunded and refunding bonds) could be calculated due to the variable rate of the refunded debt.

Discretely Presented Perry County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Perry County School Department for the year ended June 30, 2014, was as follows:

Governmental Activities:	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 35,537	\$ 311,784
Additions	17,495	52,321
Reductions	<u>(13,652)</u>	<u>(40,534)</u>
Balance, June 30, 2014	<u>\$ 39,380</u>	<u>\$ 323,571</u>
Balance Due Within One Year	<u>\$ 9,845</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 362,951
Less: Balance Due Within One Year	<u>(9,845)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 353,106</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. Other loans were issued by Perry County in 1998 and 2000 totaling \$7,500,000 to provide financing for the school construction. On December 23, 2013, Perry County refunded one of these loans with general obligation refunding bonds. The remaining loan is payable through 2017 and the refunding bond is payable through 2018.

Component Unit Revenues Pledged for Primary Government Debt

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 2012 payment, extending the agreement for an additional year. At June 30, 2014, principal, interest, and other loan fee requirements totaled \$509,219 for the loan, and payments will be made in monthly installments through May 2017. Principal and interest payments for the general obligation refunding bond totaled \$1,693,861 at June 30, 2014.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Perry County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan

and the Medicare Supplement Plan for the year ended June 30, 2014, were \$29,597 and \$5,020, 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 from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the General (\$800,000) and Solid Waste/Sanitation (\$78,450) 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, 2014, was as follows:

	Balance 7-1-13	Issued	Paid	Balance 6-30-14
Tax Anticipation Notes	\$ 0	\$ 878,450	\$ (878,450)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

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

Perry County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of

health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *TCA*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Perry County School Department

The discretely presented Perry County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The discretely presented Perry County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70 relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

C. Subsequent Events

On August 14, 2014, the county's General Debt Service Fund issued a \$650,000 tax anticipation note to the General Fund and a \$50,000 tax anticipation note to the Solid Waste/Sanitation Fund.

On August 31, 2014, John Carroll left the Office of County Mayor and was succeeded by Terry Richardson.

D. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

E. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Perry County closed its sanitary landfill in 1998. The \$367,130 reported as postclosure care liability at June 30, 2014, represents amounts based on what it would cost to perform all postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Perry County Joint Economic Development Board is a joint venture between Perry County, the City of Lobelville, and the Town of Linden. The board comprises the county mayor, city/town mayors, and other members. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. Perry County did not appropriate any funds to the Perry County Joint Economic Development Board during the year ended June 30, 2014.

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, 2014.

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

Administrative Offices:

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

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

G. Jointly Governed Organization

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

H. Retirement Commitments

1. **Tennessee Consolidated Retirement System (TCRS)**

Information for this footnote for the year ended June 30, 2014, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented below is for the fiscal year ended June 30, 2013.

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 to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 9.91 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, 2013, the county’s annual pension cost of \$452,802 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2011, 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, 2011, was three 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
6-30-13	\$452,802	100%	\$0
6-30-12	447,183	100	0
6-30-11	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

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the 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 salary to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was 8.88 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, 2013, 2012, and 2011, were \$411,625, \$416,476, and \$422,858, 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.

I. 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 \$374 and \$40,534, respectively, for postemployment health care during the year ended June 30, 2014.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 52,000	\$ 5,000
Interest on the NOPEBO	12,471	1,458
Adjustment to the ARC	(12,150)	(1,421)
Annual OPEB cost	\$ 52,321	\$ 5,037
Less: Amount of contribution	(40,534)	(374)
Increase/decrease in NOPEBO	\$ 11,787	\$ 4,663
Net OPEB obligation, 7-1-13	311,784	36,457
Net OPEB obligation, 6-30-14	\$ 323,571	\$ 41,120

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Government Group	\$ 11,964	9%	\$ 25,612
6-30-13	"	11,937	9	36,457
6-30-14	"	5,037	7	41,120
6-30-12	Local Education Group	104,587	29	242,165
6-30-13	"	105,405	34	311,784
6-30-14	"	52,321	77	323,571

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:
(dollars in thousands):

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 527	\$ 36
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 527	\$ 36
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 5,076	\$ 731
UAAL as a % of covered payroll	10%	5%

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, 2013, actuarial valuation for the Local Education Plan and the Local Government Plan, 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 was 7.5 percent for fiscal year 2014. The trend will decrease to seven percent in fiscal year 2015 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include 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 July 1, 2007.

J. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-207, *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 uses the economic resources measurement focus in the financial statements.

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. **Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted sources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

6. **Restricted Assets**

It is the policy of the district to apply restricted assets when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

7. **Capital Assets**

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

8. **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.

9. 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.

10. Operating Revenues and Operating Expenses

The district recognizes operating revenues and operating expenses resulting from providing services and producing goods to its customers. All other revenues and services are deemed non-operating.

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
	7-1-13	Increases	Decreases	6-30-14
Buildings	\$ 150,000	\$ 0	\$ 0	\$ 150,000
Vehicles	20,000	0	0	20,000
Communications Equipment	456,677	118,110	(39,325)	535,462
Total Capital Assets Being Depreciated	\$ 626,677	\$ 118,110	\$ (39,325)	\$ 705,462
Less Accumulated Depreciation	\$ (217,077)	\$ (56,951)	\$ 39,325	\$ (234,703)
Total Capital Assets, Net	\$ 409,600	\$ 61,159	\$ 0	\$ 470,759

The depreciation expense for communications equipment is \$53,201 and for the buildings is \$3,750. Depreciation expense for the year was \$56,951.

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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Perry County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Perry County School Department
June 30, 2014

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (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

Information for this exhibit for the year ended June 30, 2014, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented above is for the fiscal year ended June 30, 2013.

Exhibit E-2

Perry County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Perry County School Department
June 30, 2014

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (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	7-1-10	\$ 0	21	21	0 %	\$ 725	3 %
"	7-1-11	0	65	65	0	725	9
"	7-1-13	0	36	36	0	731	5
<u>DISCRETELY PRESENTED PERRY COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-10	0	708	708	0	4,290	16
"	7-1-11	0	935	935	0	4,290	22
"	7-1-13	0	527	527	0	5,076	10

PERRY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

NONE

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register, and sheriff.

Capital Projects Fund

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

Exhibit F-1

Perry County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Special Purpose	Drug Control	Total	General Capital Projects		
Equity in Pooled Cash and Investments	\$ 27,544	\$ 36,064	\$ 7,378	\$ 70,986	\$ 31,124	\$	102,110
Total Assets	\$ 27,544	\$ 36,064	\$ 7,378	\$ 70,986	\$ 31,124	\$	102,110
<u>ASSETS</u>							
<u>FUND BALANCES</u>							
Restricted:							
Restricted for Administration of Justice	\$ 0	\$ 15,342	\$ 0	\$ 15,342	\$ 0	\$	15,342
Restricted for Public Safety	27,544	0	7,378	34,922	0	0	34,922
Committed:							
Committed for Capital Projects	0	0	0	0	31,124		31,124
Assigned:							
Assigned for Administration of Justice	0	20,722	0	20,722	0	0	20,722
Total Fund Balances	\$ 27,544	\$ 36,064	\$ 7,378	\$ 70,986	\$ 31,124	\$	102,110

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, 2014

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Special Purpose	Drug Control	Constitu- tional Officers - Fees		
<u>Revenues</u>						
Local Taxes	\$ 25,266	\$ 5,445	\$ 0	\$ 0	\$ 0	\$ 30,711
Fines, Forfeitures, and Penalties	1,004	866	15,765	0	0	17,635
Charges for Current Services	0	0	0	3,421	0	3,421
Other Local Revenues	0	0	56,170	0	0	56,170
Federal Government	0	0	0	0	0	0
Total Revenues	\$ 26,270	\$ 6,311	\$ 71,935	\$ 3,421	\$ 0	\$ 107,937
<u>Expenditures</u>						
Current:						
General Government	\$ 11,692	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,692
Administration of Justice	0	63	0	3,421	0	3,484
Public Safety	0	0	89,263	0	0	89,263
Other Operations	263	0	0	0	0	263
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 11,955	\$ 63	\$ 89,263	\$ 3,421	\$ 0	\$ 104,702
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,315	\$ 6,248	\$ (17,328)	\$ 0	\$ 0	\$ 3,235
Net Change in Fund Balances	\$ 14,315	\$ 6,248	\$ (17,328)	\$ 0	\$ 0	\$ 3,235
Fund Balance, July 1, 2013	13,229	29,816	24,706	0	0	67,751
Fund Balance, June 30, 2014	\$ 27,544	\$ 36,064	\$ 7,378	\$ 0	\$ 0	\$ 70,986

(Continued)

Exhibit F-2

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

	<u>Capital</u>		<u>Total</u>
	<u>Projects Fund</u>		<u>Nonmajor</u>
	<u>General</u>	<u>Capital</u>	<u>Governmental</u>
	<u>Projects</u>	<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>			
Local Taxes	0	\$	30,711
Fines, Forfeitures, and Penalties	0		17,635
Charges for Current Services	0		3,421
Other Local Revenues	0		56,170
Federal Government	910,744		910,744
Total Revenues	<u>\$ 910,744</u>	<u>\$</u>	<u>1,018,681</u>
<u>Expenditures</u>			
Current:			
General Government	0	\$	11,692
Administration of Justice	0		3,484
Public Safety	0		89,263
Other Operations	0		263
Capital Projects	956,297		956,297
Total Expenditures	<u>\$ 956,297</u>	<u>\$</u>	<u>1,060,999</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (45,553)</u>	<u>\$</u>	<u>(42,318)</u>
Net Change in Fund Balances Fund Balance, July 1, 2013	<u>\$ (45,553)</u>	<u>\$</u>	<u>(42,318)</u>
	<u>76,677</u>		<u>144,428</u>
Fund Balance, June 30, 2014	<u>\$ 31,124</u>	<u>\$</u>	<u>102,110</u>

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 25,266	\$ 1,550	\$ 1,550	\$ 23,716
Fines, Forfeitures, and Penalties	1,004	1,350	1,350	(346)
Total Revenues	\$ 26,270	\$ 2,900	\$ 2,900	\$ 23,370
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 11,692	\$ 10,285	\$ 13,285	\$ 1,593
<u>Other Operations</u>				
Other Charges	263	115	340	77
Total Expenditures	\$ 11,955	\$ 10,400	\$ 13,625	\$ 1,670
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,315	\$ (7,500)	\$ (10,725)	\$ 25,040
Net Change in Fund Balance	\$ 14,315	\$ (7,500)	\$ (10,725)	\$ 25,040
Fund Balance, July 1, 2013	13,229	13,299	13,299	(70)
Fund Balance, June 30, 2014	\$ 27,544	\$ 5,799	\$ 2,574	\$ 24,970

Exhibit F-4

Perry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,445	\$ 3,000	\$ 3,000	\$ 2,445
Fines, Forfeitures, and Penalties	866	700	700	166
Total Revenues	<u>\$ 6,311</u>	<u>\$ 3,700</u>	<u>\$ 3,700</u>	<u>\$ 2,611</u>
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Circuit Court	\$ 63	\$ 3,050	\$ 3,050	\$ 2,987
General Sessions Court	0	3,000	3,000	3,000
Chancery Court	0	3,000	3,000	3,000
Total Expenditures	<u>\$ 63</u>	<u>\$ 9,050</u>	<u>\$ 9,050</u>	<u>\$ 8,987</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,248</u>	<u>\$ (5,350)</u>	<u>\$ (5,350)</u>	<u>\$ 11,598</u>
Net Change in Fund Balance	\$ 6,248	\$ (5,350)	\$ (5,350)	\$ 11,598
Fund Balance, July 1, 2013	29,816	29,816	29,816	0
Fund Balance, June 30, 2014	<u>\$ 36,064</u>	<u>\$ 24,466</u>	<u>\$ 24,466</u>	<u>\$ 11,598</u>

Exhibit F-5

Perry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 15,765	\$ 8,100	\$ 13,100	\$ 2,665
Other Local Revenues	56,170	33,000	57,535	(1,365)
Total Revenues	<u>\$ 71,935</u>	<u>\$ 41,100</u>	<u>\$ 70,635</u>	<u>\$ 1,300</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 89,263	\$ 39,000	\$ 94,615	\$ 5,352
Total Expenditures	<u>\$ 89,263</u>	<u>\$ 39,000</u>	<u>\$ 94,615</u>	<u>\$ 5,352</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (17,328)</u>	<u>\$ 2,100</u>	<u>\$ (23,980)</u>	<u>\$ 6,652</u>
Net Change in Fund Balance	\$ (17,328)	\$ 2,100	\$ (23,980)	\$ 6,652
Fund Balance, July 1, 2013	<u>24,706</u>	<u>24,706</u>	<u>24,706</u>	<u>0</u>
Fund Balance, June 30, 2014	<u>\$ 7,378</u>	<u>\$ 26,806</u>	<u>\$ 726</u>	<u>\$ 6,652</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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 619,904	\$ 572,744	\$ 572,744	\$ 47,160
Other Local Revenues	216,514	28,100	28,100	188,414
State of Tennessee	285,149	185,100	185,100	100,049
Other Governments and Citizens Groups	216,067	65,000	107,096	108,971
Total Revenues	\$ 1,337,634	\$ 850,944	\$ 893,040	\$ 444,594
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 439,252	\$ 214,000	\$ 439,252	\$ 0
Education	994,833	490,000	994,833	0
<u>Interest on Debt</u>				
General Government	15,226	25,000	24,199	8,973
Education	18,447	50,000	24,182	5,735
<u>Other Debt Service</u>				
General Government	87,315	82,500	89,800	2,485
Education	99,735	0	101,350	1,615
Total Expenditures	\$ 1,654,808	\$ 861,500	\$ 1,673,616	\$ 18,808
Excess (Deficiency) of Revenues Over Expenditures	\$ (317,174)	\$ (10,556)	\$ (780,576)	\$ 463,402
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 4,260,370	\$ 0	\$ 4,260,370	\$ 0
Payments to Refunded Debt Escrow Agent	(4,235,000)	0	(4,235,000)	0
Total Other Financing Sources	\$ 25,370	\$ 0	\$ 25,370	\$ 0
Net Change in Fund Balance	\$ (291,804)	\$ (10,556)	\$ (755,206)	\$ 463,402
Prior-period Adjustment	480,933	0	0	480,933
Fund Balance, July 1, 2013	2,311,224	2,311,224	2,311,224	0
Fund Balance, June 30, 2014	\$ 2,500,353	\$ 2,300,668	\$ 1,556,018	\$ 944,335

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, 2014

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 200,352	\$ 200,352
Due from Other Governments	45,462	0	45,462
Total Assets	<u>\$ 45,462</u>	<u>\$ 200,352</u>	<u>\$ 245,814</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 45,462	\$ 0	\$ 45,462
Due to Litigants, Heirs, and Others	0	200,352	200,352
Total Liabilities	<u>\$ 45,462</u>	<u>\$ 200,352</u>	<u>\$ 245,814</u>

Exhibit H-2

Perry County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 268,322	\$ 268,322	\$ 0
Due from Other Governments	45,462	45,462	45,462	45,462
Total Assets	\$ 45,462	\$ 313,784	\$ 313,784	\$ 45,462
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 45,462	\$ 313,784	\$ 313,784	\$ 45,462
Total Liabilities	\$ 45,462	\$ 313,784	\$ 313,784	\$ 45,462
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 81,287	\$ 200,352	\$ 81,287	\$ 200,352
Total Assets	\$ 81,287	\$ 200,352	\$ 81,287	\$ 200,352
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 81,287	\$ 200,352	\$ 81,287	\$ 200,352
Total Liabilities	\$ 81,287	\$ 200,352	\$ 81,287	\$ 200,352
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 81,287	\$ 200,352	\$ 81,287	\$ 200,352
Equity in Pooled Cash and Investments	0	268,322	268,322	0
Due from Other Governments	45,462	45,462	45,462	45,462
Total Assets	\$ 126,749	\$ 514,136	\$ 395,071	\$ 245,814
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 45,462	\$ 313,784	\$ 313,784	\$ 45,462
Due to Litigants, Heirs, and Others	81,287	200,352	81,287	200,352
Total Liabilities	\$ 126,749	\$ 514,136	\$ 395,071	\$ 245,814

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, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 5,753,001	\$ 0	\$ 1,362,269	\$ 94,581	\$ (4,296,151)
Support Services	3,781,456	85,035	41,572	0	(3,654,849)
Operation of Non-instructional Services	1,219,632	214,009	489,205	0	(516,418)
Total Governmental Activities	\$ 10,754,089	\$ 299,044	\$ 1,893,046	\$ 94,581	\$ (8,467,418)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 1,344,292	
Local Option Sales Tax				223,125	
Other Local Taxes				807	
Grants and Contributions Not Restricted to Specific Programs				6,484,729	
Unrestricted Investment Earnings				4,487	
Miscellaneous				30,045	
Total General Revenues				\$ 8,087,485	
Change in Net Position				\$ (379,933)	
Net Position, July 1, 2013				7,416,454	
Net Position, June 30, 2014				\$ 7,036,521	

Exhibit I-2

Perry County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Perry County School Department
June 30, 2014

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 71,390	\$ 14,000	\$ 85,390
Equity in Pooled Cash and Investments	249,187	146,821	396,008
Due from Other Governments	306,460	16,872	323,332
Property Taxes Receivable	1,333,764	0	1,333,764
Allowance for Uncollectible Property Taxes	(54,237)	0	(54,237)
Total Assets	<u>\$ 1,906,564</u>	<u>\$ 177,693</u>	<u>\$ 2,084,257</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 804	\$ 804
Payroll Deductions Payable	70,890	14,000	84,890
Cash Overdraft	0	15,730	15,730
Total Liabilities	<u>\$ 70,890</u>	<u>\$ 30,534</u>	<u>\$ 101,424</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,209,630	\$ 0	\$ 1,209,630
Deferred Delinquent Property Taxes	64,613	0	64,613
Other Deferred/Unavailable Revenue	18,643	0	18,643
Total Deferred Inflows of Resources	<u>\$ 1,292,886</u>	<u>\$ 0</u>	<u>\$ 1,292,886</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 44,478	\$ 338	\$ 44,816
Restricted for Operation of Non-instructional Services	0	146,821	146,821
Unassigned	498,310	0	498,310
Total Fund Balances	<u>\$ 542,788</u>	<u>\$ 147,159</u>	<u>\$ 689,947</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,906,564</u>	<u>\$ 177,693</u>	<u>\$ 2,084,257</u>

Exhibit I-3

Perry County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Perry County School Department
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	689,947
(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		6,000,500	
Add: other capital assets net of accumulated depreciation		<u>548,662</u>	6,687,674
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on primary government debt for notes	\$	(61,405)	
Less: other postemployment benefits liability		(323,571)	
Less: compensated absences payable		<u>(39,380)</u>	(424,356)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>83,256</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>7,036,521</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, 2014

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 1,570,213	\$ 0	\$ 1,570,213
Licenses and Permits	570	0	570
Charges for Current Services	21,685	214,009	235,694
Other Local Revenues	98,951	2,952	101,903
State of Tennessee	6,992,417	5,938	6,998,355
Federal Government	86,177	1,361,658	1,447,835
Total Revenues	<u>\$ 8,770,013</u>	<u>\$ 1,584,557</u>	<u>\$ 10,354,570</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 4,901,840	\$ 710,036	\$ 5,611,876
Support Services	3,431,723	179,302	3,611,025
Operation of Non-instructional Services	466,033	692,626	1,158,659
Debt Service:			
Other Debt Service	192,097	0	192,097
Total Expenditures	<u>\$ 8,991,693</u>	<u>\$ 1,581,964</u>	<u>\$ 10,573,657</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (221,680)</u>	<u>\$ 2,593</u>	<u>\$ (219,087)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 7,130	\$ 0	\$ 7,130
Transfers Out	0	(7,130)	(7,130)
Total Other Financing Sources (Uses)	<u>\$ 7,130</u>	<u>\$ (7,130)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (214,550)	\$ (4,537)	\$ (219,087)
Fund Balance, July 1, 2013	<u>757,338</u>	<u>151,696</u>	<u>909,034</u>
Fund Balance, June 30, 2014	<u>\$ 542,788</u>	<u>\$ 147,159</u>	<u>\$ 689,947</u>

Exhibit I-5

Perry County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Perry County School Department
For the Year Ended June 30, 2014

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)		\$ (219,087)
(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	\$ 172,535	
Less: current-year depreciation expense	<u>(376,052)</u>	(203,517)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 83,256	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(63,670)</u>	19,586
(3) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on notes to primary government		38,715
(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	\$ (3,843)	
Change in other postemployment benefits liability	<u>(11,787)</u>	<u>(15,630)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (379,933)</u>

Exhibit I-6

Perry County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Perry County School Department
June 30, 2014

	<u>Special Revenue Funds</u>		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 7,120	\$ 6,880	\$ 14,000
Equity in Pooled Cash and Investments	0	146,821	146,821
Due from Other Governments	16,872	0	16,872
Total Assets	<u>\$ 23,992</u>	<u>\$ 153,701</u>	<u>\$ 177,693</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 804	\$ 0	\$ 804
Payroll Deductions Payable	7,120	6,880	14,000
Cash Overdraft	15,730	0	15,730
Total Liabilities	<u>\$ 23,654</u>	<u>\$ 6,880</u>	<u>\$ 30,534</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 338	\$ 0	\$ 338
Restricted for Operation of Non-instructional Services	0	146,821	146,821
Total Fund Balances	<u>\$ 338</u>	<u>\$ 146,821</u>	<u>\$ 147,159</u>
Total Liabilities and Fund Balances	<u>\$ 23,992</u>	<u>\$ 153,701</u>	<u>\$ 177,693</u>

Exhibit I-7

Perry County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Perry County School Department
For the Year Ended June 30, 2014

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 214,009	\$ 214,009
Other Local Revenues	0	2,952	2,952
State of Tennessee	0	5,938	5,938
Federal Government	896,391	465,267	1,361,658
Total Revenues	<u>\$ 896,391</u>	<u>\$ 688,166</u>	<u>\$ 1,584,557</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 710,036	\$ 0	\$ 710,036
Support Services	179,302	0	179,302
Operation of Non-instructional Services	0	692,626	692,626
Total Expenditures	<u>\$ 889,338</u>	<u>\$ 692,626</u>	<u>\$ 1,581,964</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 7,053</u>	<u>\$ (4,460)</u>	<u>\$ 2,593</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (7,130)	\$ 0	\$ (7,130)
Total Other Financing Sources (Uses)	<u>\$ (7,130)</u>	<u>\$ 0</u>	<u>\$ (7,130)</u>
Net Change in Fund Balances	\$ (77)	\$ (4,460)	\$ (4,537)
Fund Balance, July 1, 2013	415	151,281	151,696
Fund Balance, June 30, 2014	<u>\$ 338</u>	<u>\$ 146,821</u>	<u>\$ 147,159</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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,570,213	\$ 1,628,835	\$ 1,553,935	\$ 16,278
Licenses and Permits	570	570	570	0
Charges for Current Services	21,685	28,250	24,050	(2,365)
Other Local Revenues	98,951	61,355	89,755	9,196
State of Tennessee	6,992,417	6,603,500	6,829,781	162,636
Federal Government	86,177	157,260	232,740	(146,563)
Total Revenues	\$ 8,770,013	\$ 8,479,770	\$ 8,730,831	\$ 39,182
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,756,883	\$ 3,514,230	\$ 3,787,130	\$ 30,247
Alternative Instruction Program	78,885	80,830	79,115	230
Special Education Program	720,902	803,310	729,310	8,408
Vocational Education Program	345,170	341,330	345,380	210
<u>Support Services</u>				
Attendance	4,222	1,900	4,900	678
Health Services	125,926	130,210	128,190	2,264
Other Student Support	275,511	213,765	276,765	1,254
Regular Instruction Program	240,566	301,670	246,670	6,104
Special Education Program	84,141	82,655	86,655	2,514
Vocational Education Program	9,452	9,705	9,705	253
Other Programs	34,617	0	34,617	0
Board of Education	137,565	151,845	151,845	14,280
Director of Schools	132,493	126,730	134,130	1,637
Office of the Principal	554,593	555,240	555,240	647
Fiscal Services	118,543	116,595	118,705	162
Operation of Plant	664,392	642,820	678,820	14,428
Maintenance of Plant	320,591	280,735	322,625	2,034
Transportation	721,221	720,840	766,840	45,619
Central and Other	7,890	7,390	7,890	0
<u>Operation of Non-instructional Services</u>				
Food Service	18,700	16,800	18,700	0
Community Services	144,688	157,260	146,565	1,877
Early Childhood Education	302,645	303,185	303,185	540
<u>Principal on Debt</u>				
Education	0	42,100	3	3
<u>Other Debt Service</u>				
Education	192,097	0	192,097	0
Total Expenditures	\$ 8,991,693	\$ 8,601,145	\$ 9,125,082	\$ 133,389
Excess (Deficiency) of Revenues Over Expenditures	\$ (221,680)	\$ (121,375)	\$ (394,251)	\$ 172,571
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 7,130	\$ 20,000	\$ 20,000	\$ (12,870)
Transfers Out	0	(150,000)	0	0
Total Other Financing Sources	\$ 7,130	\$ (130,000)	\$ 20,000	\$ (12,870)

(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	
Net Change in Fund Balance	\$ (214,550)	\$ (251,375)	\$ (374,251)	\$ 159,701
Fund Balance, July 1, 2013	757,338	757,338	757,338	0
Fund Balance, June 30, 2014	\$ 542,788	\$ 505,963	\$ 383,087	\$ 159,701

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 896,391	\$ 1,008,401	\$ 1,008,325	\$ (111,934)
Total Revenues	\$ 896,391	\$ 1,008,401	\$ 1,008,325	\$ (111,934)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 410,242	\$ 453,943	\$ 452,235	\$ 41,993
Special Education Program	285,333	323,820	325,885	40,552
Vocational Education Program	14,461	14,749	14,462	1
<u>Support Services</u>				
Other Student Support	3,745	3,458	3,745	0
Regular Instruction Program	100,775	128,543	129,564	28,789
Special Education Program	73,943	75,140	73,943	0
Vocational Education Program	839	839	839	0
Total Expenditures	\$ 889,338	\$ 1,000,492	\$ 1,000,673	\$ 111,335
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,053	\$ 7,909	\$ 7,652	\$ (599)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 4,700	\$ 4,700	\$ (4,700)
Transfers Out	(7,130)	(13,024)	(12,767)	5,637
Total Other Financing Sources	\$ (7,130)	\$ (8,324)	\$ (8,067)	\$ 937
Net Change in Fund Balance	\$ (77)	\$ (415)	\$ (415)	\$ 338
Fund Balance, July 1, 2013	415	415	415	0
Fund Balance, June 30, 2014	\$ 338	\$ 0	\$ 0	\$ 338

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 214,009	\$ 207,000	\$ 207,100	\$ 6,909
Other Local Revenues	2,952	1,000	1,000	1,952
State of Tennessee	5,938	6,000	5,900	38
Federal Government	465,267	433,500	471,831	(6,564)
Total Revenues	<u>\$ 688,166</u>	<u>\$ 647,500</u>	<u>\$ 685,831</u>	<u>\$ 2,335</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 692,626	\$ 725,100	\$ 763,431	\$ 70,805
Total Expenditures	<u>\$ 692,626</u>	<u>\$ 725,100</u>	<u>\$ 763,431</u>	<u>\$ 70,805</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (4,460)</u>	<u>\$ (77,600)</u>	<u>\$ (77,600)</u>	<u>\$ 73,140</u>
Net Change in Fund Balance	\$ (4,460)	\$ (77,600)	\$ (77,600)	\$ 73,140
Fund Balance, July 1, 2013	<u>151,281</u>	<u>151,281</u>	<u>151,281</u>	<u>0</u>
Fund Balance, June 30, 2014	<u>\$ 146,821</u>	<u>\$ 73,681</u>	<u>\$ 73,681</u>	<u>\$ 73,140</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Perry County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-14
<u>BONDS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
General Obligation Refunding Bond Series 2013	\$ 1,851,000	1.89	12-23-13	4-1-18	\$ 0	\$ 1,851,000	\$ 333,000	\$ 0	\$ 1,518,000
General Obligation Refunding Bond Series 2013	2,409,370	2.03	12-23-13	4-1-18	0	2,409,370	462,370	0	1,947,000
Total Bonds Payable					\$ 0	\$ 4,260,370	\$ 795,370	\$ 0	\$ 3,465,000
<u>NOTES PAYABLE</u>									
<u>Payable by School Department Contributions to the General Debt Service Fund</u>									
Bleachers	116,857	5.949	8-20-07	1-15-17	\$ 48,691	\$ 0	\$ 13,001	\$ 0	\$ 35,690
Energy Efficiency Loan	180,000	0	4-1-08	6-1-15	51,429	0	25,714	0	25,715
Total Notes Payable					\$ 100,120	\$ 0	\$ 38,715	\$ 0	\$ 61,405
<u>OTHER LOANS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
School	5,000,000	Variable	10-14-1998	12-23-13	\$ 1,840,000	\$ 0	\$ 0	\$ 1,840,000	\$ 0
School	2,500,000	Variable	5-24-00	5-25-17	1,086,000	0	600,000	0	486,000
Angelica Building, Jail, Solid Waste Equipment, School	4,000,000	Variable	10-28-03	12-23-13	2,395,000	0	0	2,395,000	0
Total Other Loans Payable					\$ 5,321,000	\$ 0	\$ 600,000	\$ 4,235,000	\$ 486,000

Exhibit J-2

Perry County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 823,000	\$ 60,107	\$ 883,107
2016	852,000	43,610	895,610
2017	881,000	26,551	907,551
2018	909,000	8,941	917,941
Total	\$ 3,465,000	\$ 139,209	\$ 3,604,209

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 39,093	\$ 2,608	\$ 41,701
2016	14,595	1,788	16,383
2017	7,717	921	8,638
Total	\$ 61,405	\$ 5,317	\$ 66,722

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	\$ 167,000	\$ 3,342	\$ 5,655	\$ 175,997
2016	176,000	2,824	4,938	183,762
2017	143,000	2,279	4,181	149,460
Total	\$ 486,000	\$ 8,445	\$ 14,774	\$ 509,219

Exhibit J-3

Perry County, Tennessee
Schedule of Note Receivable
June 30, 2014

<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 6-30-14</u>
<u>General Debt Service Fund</u>						
Senior Citizen Center	Perry County Senior Citizen Center	\$ 110,000	7-1-10	6-1-20	0 %	\$ 66,000

Exhibit J-4

Perry County, Tennessee
Schedule of Transfers
Discretely Presented Perry County School Department
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 7,130</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, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 66,032	\$ 25,000	Auto-Owners Mutual Insurance Company
Superintendent of Highways	Section 8-24-102, TCA	61,745	100,000	"
Director of Schools	State Board of Education and Perry County Board of Education	82,807 (1)	100,000	Western Surety Company
Trustee	Section 8-24-102, TCA	56,132	350,000	"
Assessor of Property	Section 8-24-102, TCA	56,132	10,000	Auto Owners Mutual Insurance Company
County Clerk	Section 8-24-102, TCA	56,132	25,000	Western Surety Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	56,132	25,000	"
Clerk and Master	Section 8-24-102, TCA	56,132 (3)	35,000	RLI Insurance Company
Register of Deeds	Section 8-24-102, TCA	56,132	15,000	Western Surety Company
Sheriff	Section 8-24-102, TCA	62,338 (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 \$3,371 in special commissioner fees.

Exhibit J-6

Perry County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2014

		<u>Special Revenue Funds</u>					
	General	Courthouse and Jail Maintenance	Solid Waste/ Sanitation	Ambulance Service	Special Purpose	Drug Control	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 1,860,484	\$ 0	\$ 400,930	\$ 0	\$ 0	\$ 0	
Trustee's Collections - Prior Year	63,017	0	15,718	0	0	0	
Circuit/Clerk & Master Collections - Prior Years	44,851	0	9,693	0	0	0	
Interest and Penalty	12,090	0	2,918	0	0	0	
Payments in-Lieu-of Taxes - T.V.A.	0	0	561	0	0	0	
Payments in-Lieu-of Taxes - Other	765	0	0	0	0	0	
<u>County Local Option Taxes</u>							
Local Option Sales Tax	68,100	0	0	0	0	0	
Hotel/Motel Tax	10,301	0	0	0	0	0	
Litigation Tax - General	31,817	2,084	0	0	0	0	
Litigation Tax - Special Purpose	0	334	0	0	5,445	0	
Litigation Tax - Jail, Workhouse, or Courthouse	0	22,848	0	0	0	0	
Business Tax	34,474	0	0	0	0	0	
Mineral Severance Tax	0	0	0	0	0	0	
<u>Statutory Local Taxes</u>							
Bank Excise Tax	30,036	0	6,467	0	0	0	
Wholesale Beer Tax	51,326	0	0	0	0	0	
Interstate Telecommunications Tax	619	0	0	0	0	0	
Total Local Taxes	\$ 2,207,880	\$ 25,266	\$ 436,287	\$ 0	\$ 5,445	\$ 0	
<u>Licenses and Permits</u>							
<u>Permits</u>							
Beer Permits	\$ 740	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Other Permits	4,825	0	0	0	0	0	
Total Licenses and Permits	\$ 5,565	\$ 0	\$ 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	Drug Control	
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Jail Fees	\$ 465	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
DUI Treatment Fines	437	0	0	0	0	0	0
Data Entry Fee - Circuit Court	90	0	0	0	306	0	0
Courtroom Security Fee	21	0	0	0	0	0	0
<u>Criminal Court</u>							
Fines	499	0	0	0	0	0	0
Jail Fees	71	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0	285
<u>General Sessions Court</u>							
Fines	18,803	0	0	0	0	0	0
Officers Costs	12,875	0	0	0	0	0	0
Game and Fish Fines	361	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	4,428
Drug Court Fees	1,515	0	0	0	0	0	0
Jail Fees	7,929	1,004	0	0	0	0	0
DUI Treatment Fines	1,425	0	0	0	0	0	0
Courtroom Security Fee	34	0	0	0	4	0	0
<u>Juvenile Court</u>							
Fines	5,198	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	1,944	0	0	0	0	0	0
Data Entry Fee - Chancery Court	256	0	0	0	556	0	0
Courtroom Security Fee	21,572	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	1,794
Courtroom Security Fee	21	0	0	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	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0 \$	0 \$	0 \$	0 \$	0 \$	665
Other Fines, Forfeitures, and Penalties	3,621	0	0	0	0	8,593
Total Fines, Forfeitures, and Penalties	\$ 77,137 \$	1,004 \$	0 \$	0 \$	866 \$	15,765
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-insurance Premiums/Contributions	2,095 \$	0 \$	0 \$	0 \$	0 \$	0
Tippling Fees	0	0	1,119	0	0	0
Solid Waste Disposal Fees	0	0	35,520	0	0	0
Patient Charges	0	0	0	933,998	0	0
<u>Fees</u>						
Airport Fees	3,500	0	0	0	0	0
Copy Fees	1,697	0	0	0	0	0
Library Fees	1,300	0	0	0	0	0
Telephone Commissions	12,455	0	0	0	0	0
Constitutional Officers' Fees and Commissions	216	0	0	0	0	0
Data Processing Fee - Register	3,276	0	0	0	0	0
Data Processing Fee - Sheriff	1,241	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,300	0	0	0	0	0
Data Processing Fee - County Clerk	6,711	0	0	0	0	0
Total Charges for Current Services	\$ 33,791 \$	0 \$	36,639 \$	933,998 \$	0 \$	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	18,009 \$	0 \$	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	Drug Control	
<u>Other Local Revenues (Cont.)</u>							
<u>Recurring Items (Cont.)</u>							
Lease/Rentals	\$ 194,043	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Sale of Materials and Supplies	524	0	810	0	0	0	0
Commissary Sales	4,823	0	0	0	0	0	0
Sale of Maps	72	0	0	0	0	0	0
Sale of Recycled Materials	0	0	340	0	0	0	0
Miscellaneous Refunds	0	0	197	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	7,648	0	0	56,170
Sale of Property	5,076	0	0	0	0	0	0
Contributions and Gifts	2,700	0	0	0	0	0	0
<u>Other Local Revenues</u>							
Other Local Revenues	39,626	0	0	0	0	0	0
Total Other Local Revenues	\$ 264,873	\$ 0	\$ 1,347	\$ 7,648	\$ 0	\$ 0	\$ 56,170
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 68,220	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	20,237	0	0	0	0	0	0
General Sessions Court Clerk	46,814	0	0	0	0	0	0
Clerk and Master	27,746	0	0	0	0	0	0
Register	39,302	0	0	0	0	0	0
Sheriff	3,480	0	0	0	0	0	0
Trustee	149,653	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 355,452	\$ 0	\$ 0	\$ 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	Drug Control	
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	9,600	0	0	0	0	0	0
Other Public Safety Grants	4,974	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	11,327	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	0
Litter Program	30,081	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	14,285	0	3,564	0	0	0	0
Resort District Sales Tax	90,829	0	0	0	0	0	0
Beer Tax	17,806	0	0	0	0	0	0
Vehicle Certificate of Title Fees	839	0	0	0	0	0	0
Alcoholic Beverage Tax	31,474	0	0	0	0	0	0
Mixed Drink Tax	156	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	336,436	0	72,038	0	0	0	0
Contracted Prisoner Boarding	75,986	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
Other State Revenues	17,606	0	0	0	0	0	0
Total State of Tennessee	\$ 665,563	\$ 0	\$ 75,602	\$ 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	Drug Control	
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	16,856	0	0	0	0	0	0
Disaster Relief	0	0	0	0	0	0	0
Homeland Security Grants	4,298	0	0	0	0	0	0
Other Federal through State	429,896	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	25,998	0	0	0	0	0	0
Total Federal Government	\$ 477,048	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 7,990	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Paving and Maintenance	0	0	0	0	0	0	0
Contributions	30,000	0	0	0	0	0	0
Contracted Services	150,000	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 187,990	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Total	\$ 4,275,299	\$ 26,270	\$ 549,875	\$ 941,646	\$ 6,311	\$ 71,935	0

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service</u>	<u>Capital</u>
	<u>Constitutional Officers - Fees</u>	<u>Highway / Public Works</u>	<u>Fund</u>	<u>Projects Fund</u>	<u>Total</u>
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 0	111,680	\$ 0	2,373,094
Trustee's Collections - Prior Year	0	0	7,912	0	86,647
Circuit/Clerk & Master Collections - Prior Years	0	0	2,760	0	57,304
Interest and Penalty	0	0	1,328	0	16,336
Payments in-Lieu-of Taxes - T.V.A.	0	0	110	0	671
Payments in-Lieu-of Taxes - Other	0	0	46	0	811
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	493,661	0	561,761
Hotel/Motel Tax	0	0	0	0	10,301
Litigation Tax - General	0	0	0	0	33,901
Litigation Tax - Special Purpose	0	0	0	0	5,779
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	606	0	23,454
Business Tax	0	0	0	0	34,474
Mineral Severance Tax	0	70,300	0	0	70,300
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	1,801	0	38,304
Wholesale Beer Tax	0	0	0	0	51,326
Interstate Telecommunications Tax	0	0	0	0	619
<u>Total Local Taxes</u>	<u>\$ 0</u>	<u>\$ 70,300</u>	<u>\$ 619,904</u>	<u>\$ 0</u>	<u>\$ 3,365,082</u>
<u>Licenses and Permits</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	0	\$ 0	740
Other Permits	0	0	0	0	4,825
<u>Total Licenses and Permits</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,565</u>

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service</u>	<u>Capital</u>
	<u>Constitutional Officers - Fees</u>	<u>Highway / Public Works</u>	<u>Fund</u>	<u>Projects Fund</u>	<u>Total</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Jail Fees	\$ 0	\$ 0	\$ 0	\$ 0	465
DUI Treatment Fines	0	0	0	0	437
Data Entry Fee - Circuit Court	0	0	0	0	396
Courtroom Security Fee	0	0	0	0	21
<u>Criminal Court</u>					
Fines	0	0	0	0	499
Jail Fees	0	0	0	0	71
DUI Treatment Fines	0	0	0	0	285
<u>General Sessions Court</u>					
Fines	0	0	0	0	18,803
Officers Costs	0	0	0	0	12,875
Game and Fish Fines	0	0	0	0	361
Drug Control Fines	0	0	0	0	4,428
Drug Court Fees	0	0	0	0	1,515
Jail Fees	0	0	0	0	8,933
DUI Treatment Fines	0	0	0	0	1,425
Courtroom Security Fee	0	0	0	0	38
<u>Juvenile Court</u>					
Fines	0	0	0	0	5,198
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	1,944
Data Entry Fee - Chancery Court	0	0	0	0	812
Courtroom Security Fee	0	0	0	0	21,572
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	1,794
Courtroom Security Fee	0	0	0	0	21

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service</u>	<u>Capital</u>
	<u>Constitutional Officers - Fees</u>	<u>Highway / Public Works</u>	<u>Fund</u>	<u>Projects Fund</u>	<u>Total</u>
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 0	665
Other Fines, Forfeitures, and Penalties	0	0	0	0	12,214
Total Fines, Forfeitures, and Penalties	0	0	0	0	94,772
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Self-insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	2,095
Tipping Fees	0	0	0	0	1,119
Solid Waste Disposal Fees	0	0	0	0	35,520
Patient Charges	0	0	0	0	933,998
<u>Fees</u>					
Airport Fees	0	0	0	0	3,500
Copy Fees	0	0	0	0	1,697
Library Fees	0	0	0	0	1,300
Telephone Commissions	0	0	0	0	12,455
Constitutional Officers' Fees and Commissions	3,421	0	0	0	3,637
Data Processing Fee - Register	0	0	0	0	3,276
Data Processing Fee - Sheriff	0	0	0	0	1,241
Sexual Offender Registration Fees - Sheriff	0	0	0	0	1,300
Data Processing Fee - County Clerk	0	0	0	0	6,711
Total Charges for Current Services	3,421	0	0	0	1,007,849
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	18,009

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service</u>	<u>Capital</u>
	<u>Constitutional Officers - Fees</u>	<u>Highway / Public Works</u>	<u>Fund</u>	<u>Projects Fund</u>	<u>Total</u>
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Lease/Rentals	\$ 0	\$ 0	\$ 43,236	\$ 0	\$ 237,279
Sale of Materials and Supplies	0	2,694	0	0	4,028
Commissary Sales	0	0	0	0	4,823
Sale of Maps	0	0	0	0	72
Sale of Recycled Materials	0	0	0	0	340
Miscellaneous Refunds	0	14,776	0	0	14,973
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	63,818
Sale of Property	0	0	173,278	0	178,354
Contributions and Gifts	0	0	0	0	2,700
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	39,626
Total Other Local Revenues	\$ 0	\$ 17,470	\$ 216,514	\$ 0	\$ 564,022
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 68,220
Circuit Court Clerk	0	0	0	0	20,237
General Sessions Court Clerk	0	0	0	0	46,814
Clerk and Master	0	0	0	0	27,746
Register	0	0	0	0	39,302
Sheriff	0	0	0	0	3,480
Trustee	0	0	0	0	149,653
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 355,452

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
	<u>Constituti</u> <u>onal</u> <u>Officers -</u> <u>Fees</u>	<u>Highway /</u> <u>Public</u> <u>Works</u>	<u>Fund</u>	<u>General</u> <u>Debt</u> <u>Service</u>	<u>Projects Fund</u> <u>Capital</u> <u>Projects</u>	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	9,600
Other Public Safety Grants	0	0	0	0	0	4,974
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	11,327
<u>Public Works Grants</u>						
State Aid Program	0	514,038	0	0	0	514,038
Litter Program	0	0	0	0	0	30,081
<u>Other State Revenues</u>						
Income Tax	0	0	1,793	0	0	19,642
Resort District Sales Tax	0	0	0	0	0	90,829
Beer Tax	0	0	0	0	0	17,806
Vehicle Certificate of Title Fees	0	0	0	0	0	839
Alcoholic Beverage Tax	0	0	0	0	0	31,474
Mixed Drink Tax	0	0	0	0	0	156
State Revenue Sharing - T.V.A.	0	0	20,066	0	0	428,540
Contracted Prisoner Boarding	0	0	263,290	0	0	339,276
Gasoline and Motor Fuel Tax	0	1,491,051	0	0	0	1,491,051
Petroleum Special Tax	0	5,711	0	0	0	5,711
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Revenues	0	0	0	0	0	17,606
Total State of Tennessee	\$ 0	\$ 2,010,800	\$ 285,149	\$ 0	\$ 0	\$ 3,037,114

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service</u>		<u>Capital</u>	
	<u>Constituti</u> <u>onal</u> <u>Officers -</u> <u>Fees</u>	<u>Highway /</u> <u>Public</u> <u>Works</u>	<u>Fund</u>	<u>General</u> <u>Debt</u> <u>Service</u>	<u>Projects Fund</u>	<u>Projects</u> <u>Fund</u>	<u>Total</u>
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 910,744	\$ 910,744	\$ 910,744
Civil Defense Reimbursement	0	0	0	0	0	0	16,856
Disaster Relief	0	65,605	0	0	0	0	65,605
Homeland Security Grants	0	0	0	0	0	0	4,298
Other Federal through State	0	0	0	0	0	0	429,896
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	0	0	0	0	0	25,998
Total Federal Government	\$ 0	\$ 65,605	\$ 0	\$ 0	\$ 910,744	\$ 910,744	\$ 1,453,397
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 0	\$ 0	\$ 23,971	\$ 0	\$ 0	\$ 0	\$ 31,961
Paving and Maintenance	0	12,900	0	0	0	0	12,900
Contributions	0	0	192,096	0	0	0	222,096
Contracted Services	0	0	0	0	0	0	150,000
Total Other Governments and Citizens Groups	\$ 0	\$ 12,900	\$ 216,067	\$ 0	\$ 0	\$ 0	\$ 416,957
Total	\$ 3,421	\$ 2,177,075	\$ 1,337,634	\$ 910,744	\$ 910,744	\$ 10,300,210	

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, 2014

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Total	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,236,148	\$ 0	\$ 0	\$ 0	1,236,148
Trustee's Collections - Prior Year	48,270	0	0	0	48,270
Circuit/Clerk & Master Collections - Prior Years	31,720	0	0	0	31,720
Interest and Penalty	8,957	0	0	0	8,957
Payments in-Lieu-of Taxes - T.V.A.	1,216	0	0	0	1,216
Payments in-Lieu-of Taxes - Other	506	0	0	0	506
<u>County Local Option Taxes</u>					
Local Option Sales Tax	222,736	0	0	0	222,736
<u>Statutory Local Taxes</u>					
Bank Excise Tax	19,853	0	0	0	19,853
Interstate Telecommunications Tax	807	0	0	0	807
Total Local Taxes	<u>\$ 1,570,213</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,570,213</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	570	0	0	0	570
Total Licenses and Permits	<u>\$ 570</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 570</u>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	0	0	183,767	\$ 0	183,767
Lunch Payments - Adults	0	0	21,321	0	21,321
Income from Breakfast	0	0	8,921	0	8,921
Receipts from Individual Schools	19,037	0	0	0	19,037
TBI Criminal Background Fees	808	0	0	0	808

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>				<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>		
<u>Charges for Current Services (Cont.)</u>					
<u>Other Charges for Services</u>					
Other Charges for Services	1,840 \$	0 \$	0 \$	0 \$	1,840
Total Charges for Current Services	21,685 \$	0 \$	214,009 \$		235,694
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	3,706 \$	0 \$	781 \$		4,487
Sale of Materials and Supplies	77	0	0		77
Miscellaneous Refunds	27,797	0	2,171		29,968
<u>Nonrecurring Items</u>					
Contributions and Gifts	4,021	0	0		4,021
<u>Other Local Revenues</u>					
Other Local Revenues	63,350	0	0		63,350
Total Other Local Revenues	98,951 \$	0 \$	2,952 \$		101,903
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	34,617 \$	0 \$	0 \$		34,617
<u>State Education Funds</u>					
Basic Education Program	5,864,000	0	0		5,864,000
Early Childhood Education	302,523	0	0		302,523
School Food Service	0	0	5,938		5,938
Other State Education Funds	383,904	0	0		383,904
Statewide Student Management System (SSMS)	2,934	0	0		2,934
Career Ladder Program	48,288	0	0		48,288
Career Ladder - Extended Contract	11,470	0	0		11,470

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Total	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 10,942	\$ 0	\$ 0	\$ 0	10,942
State Revenue Sharing - T.V.A.	221,158	0	0	0	221,158
Other State Grants	18,000	0	0	0	18,000
Other State Revenues	94,581	0	0	0	94,581
Total State of Tennessee	<u>\$ 6,992,417</u>	<u>\$ 0</u>	<u>\$ 5,938</u>	<u>\$ 6,998,355</u>	
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 319,908	\$ 319,908	
USDA - Commodities	0	0	38,331	38,331	
Breakfast	0	0	107,028	107,028	
Vocational Education - Basic Grants to States	0	19,166	0	19,166	
Title I Grants to Local Education Agencies	0	366,484	0	366,484	
Special Education - Grants to States	86,177	337,566	0	423,743	
Special Education Preschool Grants	0	24,865	0	24,865	
Rural Education	0	16,362	0	16,362	
Eisenhower Professional Development State Grants	0	59,992	0	59,992	
Race-to-the-Top - ARRA	0	71,956	0	71,956	
Total Federal Government	<u>\$ 86,177</u>	<u>\$ 896,391</u>	<u>\$ 465,267</u>	<u>\$ 1,447,835</u>	
Total	<u>\$ 8,770,013</u>	<u>\$ 896,391</u>	<u>\$ 688,166</u>	<u>\$ 10,354,570</u>	

Exhibit J-8

Perry County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	19,962	
Social Security		1,178	
State Retirement		768	
Employer Medicare		275	
Audit Services		2,375	
Legal Notices, Recording, and Court Costs		621	
Total County Commission			\$ 25,179

County Mayor/Executive

County Official/Administrative Officer	\$	66,032	
Accountants/Bookkeepers		30,277	
Secretary(ies)		30,277	
Longevity Pay		3,500	
Other Salaries and Wages		3,000	
Social Security		7,814	
State Retirement		13,189	
Employer Medicare		1,827	
Communication		2,842	
Data Processing Services		4,463	
Postal Charges		50	
Travel		1,225	
Office Supplies		30	
Data Processing Equipment		111	
Total County Mayor/Executive			164,637

County Attorney

Legal Services	\$	14,199	
Total County Attorney			14,199

Election Commission

County Official/Administrative Officer	\$	50,518	
Deputy(ies)		20,444	
Longevity Pay		1,200	
Election Commission		800	
Social Security		4,427	
State Retirement		7,151	
Employer Medicare		1,035	
Communication		1,601	
Contracts with Private Agencies		24,996	
Data Processing Services		480	
Operating Lease Payments		214	
Legal Notices, Recording, and Court Costs		138	
Postal Charges		113	
Travel		2,388	
Other Contracted Services		3,100	
Electricity		1,116	
Natural Gas		772	

(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.)

Office Supplies	\$	629	
Water and Sewer		139	
Other Supplies and Materials		73	
Data Processing Equipment		1,062	
Total Election Commission			\$ 122,396

Register of Deeds

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		25,941	
Longevity Pay		1,100	
Social Security		4,606	
State Retirement		8,243	
Employer Medicare		1,077	
Communication		2,658	
Data Processing Services		2,267	
Operating Lease Payments		2,778	
Postal Charges		50	
Printing, Stationery, and Forms		840	
Data Processing Supplies		446	
Office Supplies		473	
Premiums on Corporate Surety Bonds		100	
Total Register of Deeds			106,711

County Buildings

Custodial Personnel	\$	18,500	
Longevity Pay		100	
Social Security		1,153	
State Retirement		1,843	
Employer Medicare		270	
Communication		120	
Maintenance and Repair Services - Buildings		4,903	
Other Contracted Services		2,626	
Custodial Supplies		3,769	
Electricity		20,886	
Natural Gas		10,506	
Office Supplies		131	
Water and Sewer		1,354	
Other Supplies and Materials		450	
Liability Insurance		105,376	
Workers' Compensation Insurance		93,796	
Other Charges		1,735	
Total County Buildings			267,518

Finance

Accounting and Budgeting

Office Supplies	\$	298	
Total Accounting and Budgeting			298

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		25,940	
Longevity Pay		1,800	
Social Security		4,582	
State Retirement		8,340	
Employer Medicare		1,072	
Communication		3,653	
Operating Lease Payments		586	
Postal Charges		50	
Office Supplies		137	
Total Property Assessor's Office			\$ 102,292

Reappraisal Program

Assistant(s)	\$	25,940	
Longevity Pay		500	
Other Salaries and Wages		1,800	
Social Security		1,700	
State Retirement		2,770	
Employer Medicare		397	
Contracts with Government Agencies		8,703	
Legal Notices, Recording, and Court Costs		55	
Maintenance and Repair Services - Equipment		1,365	
Postal Charges		115	
Travel		483	
Other Contracted Services		2,725	
Gasoline		818	
Office Supplies		1,060	
Data Processing Equipment		50	
Total Reappraisal Program			48,481

County Trustee's Office

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		25,941	
Longevity Pay		1,500	
Social Security		4,604	
State Retirement		8,282	
Employer Medicare		1,077	
Communication		2,623	
Data Processing Services		8,593	
Postal Charges		2,047	
Printing, Stationery, and Forms		294	
Office Supplies		775	
Premiums on Corporate Surety Bonds		2,340	
Total County Trustee's Office			114,208

County Clerk's Office

County Official/Administrative Officer	\$	56,132	
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(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.)

Deputy(ies)	\$	25,369	
Longevity Pay		100	
Social Security		4,996	
State Retirement		8,087	
Employer Medicare		1,168	
Communication		2,623	
Data Processing Services		6,212	
Dues and Memberships		120	
Operating Lease Payments		1,030	
Postal Charges		50	
Printing, Stationery, and Forms		336	
Travel		89	
Remittance of Revenue Collected		5,663	
Office Supplies		856	
Total County Clerk's Office			\$ 112,831

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		28,020	
Secretary(ies)		25,941	
Longevity Pay		1,500	
Other Salaries and Wages		4,500	
Jury and Witness Expense		4,084	
Social Security		6,486	
State Retirement		11,505	
Employer Medicare		1,517	
Communication		2,505	
Data Processing Services		10,818	
Dues and Memberships		75	
Operating Lease Payments		1,677	
Legal Notices, Recording, and Court Costs		713	
Postal Charges		970	
Printing, Stationery, and Forms		2,121	
Travel		1,500	
Office Supplies		1,703	
Other Supplies and Materials		15	
Premiums on Corporate Surety Bonds		125	
Office Equipment		310	
Total Circuit Court			162,217

General Sessions Court

Judge(s)	\$	67,142
Secretary(ies)		19,578
Longevity Pay		500
Social Security		5,408
State Retirement		8,643

(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.)

Employer Medicare	\$	1,265	
Communication		2,653	
Dues and Memberships		510	
Operating Lease Payments		1,712	
Printing, Stationery, and Forms		648	
Travel		1,171	
Office Supplies		471	
Total General Sessions Court			\$ 109,701

Chancery Court

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		18,700	
Social Security		4,609	
State Retirement		6,640	
Employer Medicare		1,078	
Communication		2,623	
Data Processing Services		5,236	
Dues and Memberships		60	
Operating Lease Payments		1,664	
Legal Notices, Recording, and Court Costs		481	
Postal Charges		1,019	
Printing, Stationery, and Forms		1,343	
Travel		53	
Data Processing Supplies		42	
Office Supplies		1,524	
Total Chancery Court			101,204

Juvenile Court

Assistant(s)	\$	9,185	
Social Security		569	
Employer Medicare		133	
Communication		3,853	
Travel		288	
Office Supplies		62	
Premiums on Corporate Surety Bonds		147	
Total Juvenile Court			14,237

Other Administration of Justice

Teachers	\$	3,000	
Social Security		186	
State Retirement		297	
Employer Medicare		44	
Other Supplies and Materials		971	
Total Other Administration of Justice			4,498

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	62,338	
Deputy(ies)		419,437	
Secretary(ies)		26,445	
Part-time Personnel		29,770	
Longevity Pay		6,300	
In-Service Training		7,691	
Social Security		33,721	
State Retirement		43,928	
Employer Medicare		7,886	
Communication		12,192	
Contracts with Private Agencies		5,171	
Evaluation and Testing		190	
Operating Lease Payments		2,785	
Legal Services		400	
Legal Notices, Recording, and Court Costs		91	
Maintenance and Repair Services - Equipment		902	
Maintenance and Repair Services - Vehicles		19,698	
Postal Charges		1,172	
Printing, Stationery, and Forms		448	
Travel		1,273	
Food Supplies		400	
Gasoline		70,000	
Law Enforcement Supplies		6,544	
Office Supplies		3,592	
Uniforms		5,400	
Other Supplies and Materials		2,770	
Premiums on Corporate Surety Bonds		28	
Communication Equipment		6,871	
Law Enforcement Equipment		8,803	
Office Equipment		796	
Total Sheriff's Department			\$ 787,042

Jail

Supervisor/Director	\$	28,222
Deputy(ies)		301,061
Captain(s)		31,533
Accountants/Bookkeepers		25,875
Maintenance Personnel		26,229
Part-time Personnel		22,845
Longevity Pay		2,200
In-Service Training		9,348
Social Security		27,596
State Retirement		35,954
Employer Medicare		6,454
Communication		9,108
Contracts with Private Agencies		2,084
Evaluation and Testing		1,090

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance and Repair Services - Buildings	\$	408	
Maintenance and Repair Services - Equipment		30,474	
Maintenance and Repair Services - Vehicles		1,720	
Medical and Dental Services		82,179	
Pest Control		1,500	
Postal Charges		550	
Travel		3,399	
Custodial Supplies		8,868	
Electricity		36,903	
Food Supplies		63,209	
Gasoline		16,287	
Law Enforcement Supplies		647	
Natural Gas		12,731	
Office Supplies		1,034	
Prisoners Clothing		1,859	
Uniforms		696	
Water and Sewer		10,632	
Other Supplies and Materials		2,049	
Total Jail			\$ 804,744

Civil Defense

Supervisor/Director	\$	12,240	
Accountants/Bookkeepers		25,941	
Social Security		2,367	
State Retirement		3,784	
Employer Medicare		554	
Communication		600	
Dues and Memberships		50	
Travel		285	
Electricity		488	
Gasoline		930	
Office Supplies		325	
Other Supplies and Materials		12,804	
Total Civil Defense			60,368

Rescue Squad

Maintenance and Repair Services - Vehicles	\$	525	
Gasoline		2,675	
Other Supplies and Materials		60	
Vehicle and Equipment Insurance		1,832	
Other Equipment		3,064	
Other Capital Outlay		67	
Total Rescue Squad			8,223

Other Emergency Management

Supervisor/Director	\$	28,496	
Dispatchers/Radio Operators		82,359	

(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.)

Part-time Personnel	\$	33,564	
Longevity Pay		2,000	
Social Security		9,054	
State Retirement		11,178	
Employer Medicare		2,117	
Communication		205	
Total Other Emergency Management			\$ 168,973

County Coroner/Medical Examiner

Other Contracted Services	\$	20,125	
Total County Coroner/Medical Examiner			20,125

Other Public Safety

Longevity Pay	\$	600	
Other Salaries and Wages		30,986	
Social Security		1,958	
State Retirement		297	
Employer Medicare		458	
Travel		11	
Other Contracted Services		2,383	
Other Supplies and Materials		8	
Total Other Public Safety			36,701

Public Health and Welfare

Local Health Center

Communication	\$	283	
Contracts with Government Agencies		34,377	
Dues and Memberships		200	
Janitorial Services		1,964	
Maintenance and Repair Services - Buildings		806	
Other Contracted Services		1,089	
Custodial Supplies		63	
Electricity		7,640	
Office Supplies		280	
Water and Sewer		356	
Other Supplies and Materials		183	
Other Charges		60	
Total Local Health Center			47,301

Other Local Health Services

Office Supplies	\$	3,655	
Other Supplies and Materials		10,119	
Total Other Local Health Services			13,774

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Supervisor/Director	\$	20,654	
Librarians		16,846	
Part-time Personnel		28,524	
Social Security		3,466	
State Retirement		3,716	
Employer Medicare		810	
Communication		3,667	
Janitorial Services		359	
Operating Lease Payments		4,429	
Legal Notices, Recording, and Court Costs		8	
Maintenance and Repair Services - Buildings		1,872	
Maintenance and Repair Services - Equipment		230	
Postal Charges		46	
Printing, Stationery, and Forms		217	
Travel		1,024	
Other Contracted Services		1,745	
Custodial Supplies		247	
Data Processing Supplies		418	
Electricity		8,304	
Library Books/Media		1,743	
Natural Gas		1,138	
Office Supplies		1,023	
Water and Sewer		507	
Other Supplies and Materials		222	
Other Charges		628	
Total Libraries			\$ 101,843

Parks and Fair Boards

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

Other Social, Cultural, and Recreational

Contributions	\$	20,000	
Electricity		4,432	
Water and Sewer		602	
Total Other Social, Cultural, and Recreational			25,034

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	16,881	
Secretary(ies)		5,814	
Social Security		589	
State Retirement		2,352	
Employer Medicare		329	
Communication		1,421	
Maintenance and Repair Services - Buildings		8	
Electricity		1,116	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Natural Gas	\$	767	
Office Supplies		100	
Water and Sewer		124	
Data Processing Equipment		1,710	
Total Agriculture Extension Service			\$ 31,211

Soil Conservation

Contracts with Government Agencies	\$	15,000	
Total Soil Conservation			15,000

Other Operations

Tourism

Communication	\$	885	
Dues and Memberships		1,853	
Other Contracted Services		22,330	
Other Charges		3,227	
Total Tourism			28,295

Industrial Development

Communication	\$	681	
Other Charges		68	
Total Industrial Development			749

Airport

Legal Notices, Recording, and Court Costs	\$	102	
Maintenance and Repair Services - Buildings		895	
Maintenance and Repair Services - Equipment		1,052	
Diesel Fuel		295	
Utilities		2,290	
Water and Sewer		21	
Airport Improvement		429,794	
Total Airport			434,449

Veterans' Services

Other Salaries and Wages	\$	9,000	
Social Security		558	
Employer Medicare		130	
Communication		2,623	
Dues and Memberships		25	
Travel		1,067	
Office Supplies		498	
Other Supplies and Materials		439	
Total Veterans' Services			14,340

Other Charges

Trustee's Commission	\$	54,109	
Total Other Charges			54,109

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

Unemployment Compensation	\$	12,850	
Specialized Medical Treatment		252	
Other Charges		2,208	
Total Employee Benefits			\$ 15,310

Miscellaneous

Communication	\$	3,332	
Dues and Memberships		2,212	
Operating Lease Payments		3,703	
Postal Charges		7,721	
Printing, Stationery, and Forms		219	
Other Contracted Services		7,334	
Custodial Supplies		65	
Office Supplies		1,475	
Other Supplies and Materials		4,164	
Other Charges		2,263	
Total Miscellaneous			32,488

Highways

Litter and Trash Collection

Part-time Personnel	\$	24,838	
In-Service Training		4,450	
Social Security		1,588	
State Retirement		2,719	
Employer Medicare		371	
Total Litter and Trash Collection			33,966

Total General Fund \$ 4,222,152

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$	5,970	
Custodial Supplies		555	
Electricity		3,450	
Natural Gas		1,493	
Water and Sewer		224	
Total County Buildings			\$ 11,692

Other Operations

Other Charges

Trustee's Commission	\$	263	
Total Other Charges			263

Total Courthouse and Jail Maintenance Fund 11,955

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Trustee's Commission	\$ 9,673	
Total Sanitation Education/Information		\$ 9,673

Convenience Centers

Laborers	\$ 28,286	
Part-time Personnel	11,125	
Longevity Pay	2,500	
Social Security	3,141	
State Retirement	3,105	
Employer Medicare	735	
Communication	1,415	
Maintenance and Repair Services - Buildings	171	
Other Contracted Services	3,126	
Custodial Supplies	39	
Electricity	1,821	
Natural Gas	310	
Water and Sewer	263	
Other Supplies and Materials	6,169	
Other Charges	55	
Total Convenience Centers		62,261

Transfer Stations

Equipment Operators	\$ 40,616	
Longevity Pay	1,300	
Social Security	2,036	
State Retirement	3,185	
Employer Medicare	476	
Communication	1,974	
Contracts with Private Agencies	232,160	
Maintenance Agreements	1,500	
Maintenance and Repair Services - Buildings	556	
Maintenance and Repair Services - Equipment	37,092	
Maintenance and Repair Services - Vehicles	10,893	
Travel	72	
Other Contracted Services	19,717	
Custodial Supplies	422	
Diesel Fuel	2,219	
Electricity	5,350	
Gasoline	13,289	
Uniforms	6,933	
Water and Sewer	272	
Other Supplies and Materials	1,040	
Total Transfer Stations		381,102

Landfill Operation and Maintenance

Supervisor/Director	\$ 29,307
Equipment Operators	19,246

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Landfill Operation and Maintenance (Cont.)

Longevity Pay	\$	1,500	
Social Security		3,087	
State Retirement		4,957	
Employer Medicare		722	
Evaluation and Testing		5,000	
Maintenance Agreements		4,000	
Maintenance and Repair Services - Equipment		20,829	
Diesel Fuel		2,403	
Electricity		48	
Other Supplies and Materials		150	
Other Charges		579	
Total Landfill Operation and Maintenance			\$ 91,828

Other Operations

Employee Benefits

Other Charges	\$	204	
Total Employee Benefits			204

Total Solid Waste/Sanitation Fund \$ 545,068

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Assistant(s)	\$	676	
Supervisor/Director		35,700	
Medical Personnel		260,289	
Part-time Personnel		147,023	
Longevity Pay		1,200	
Other Salaries and Wages		2,000	
In-Service Training		3,967	
Social Security		27,803	
State Retirement		31,787	
Employer Medicare		6,502	
Communication		2,839	
Contracts with Private Agencies		51,122	
Dues and Memberships		560	
Legal Services		456	
Legal Notices, Recording, and Court Costs		82	
Licenses		1,500	
Maintenance and Repair Services - Buildings		44	
Maintenance and Repair Services - Equipment		908	
Maintenance and Repair Services - Office Equipment		1,185	
Maintenance and Repair Services - Vehicles		11,579	
Postal Charges		81	
Travel		50	
Other Contracted Services		6,590	
Custodial Supplies		832	

(Continued)

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Diesel Fuel	\$	45,679	
Drugs and Medical Supplies		27,534	
Electricity		5,884	
General Construction Materials		220	
Natural Gas		2,091	
Office Supplies		379	
Uniforms		1,134	
Water and Sewer		391	
Refunds		2,600	
Trustee's Commission		8,264	
Other Charges		200	
Motor Vehicles		35	
Office Equipment		144	
Other Equipment		1,932	
Total Ambulance/Emergency Medical Services			\$ 691,262

Other Operations

Employee Benefits

Other Charges	\$	334	
Total Employee Benefits			334

Total Ambulance Service Fund \$ 691,596

Special Purpose Fund

Administration of Justice

Circuit Court

Trustee's Commission	\$	63	
Total Circuit Court			\$ 63

Total Special Purpose Fund 63

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	14,500	
Animal Food and Supplies		3,366	
Fuel Oil		7,881	
Law Enforcement Supplies		10,740	
Other Supplies and Materials		47,213	
Liability Insurance		5,428	
Trustee's Commission		135	
Total Drug Enforcement			\$ 89,263

Total Drug Control Fund 89,263

(Continued)

Exhibit J-8

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

Constitutional Officers - Fees Fund

Administration of Justice

Circuit Court Clerk

Printing, Stationery, and Forms

\$ 50

Total Circuit Court Clerk

\$ 50

Chancery Court

Special Commissioner Fees/Special Master Fees

\$ 3,371

Total Chancery Court

3,371

Total Constitutional Officers - Fees Fund

\$ 3,421

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer

\$ 61,745

Accountants/Bookkeepers

35,055

Communication

1,503

Data Processing Services

8,932

Dues and Memberships

2,250

Postal Charges

249

Electricity

1,736

Food Supplies

997

Natural Gas

2,635

Office Supplies

915

Water and Sewer

257

Other Charges

1,466

Total Administration

\$ 117,740

Highway and Bridge Maintenance

Foremen

\$ 109,013

Equipment Operators

112,366

Truck Drivers

145,830

Asphalt - Hot Mix

34,287

Asphalt - Liquid

114,174

Crushed Stone

76,124

Fertilizer, Lime, and Seed

1,002

Riprap

36,009

Pipe

18,494

Road Signs

2,788

Small Tools

226

Wood Products

84

Gravel and Chert

2,500

Total Highway and Bridge Maintenance

652,897

Operation and Maintenance of Equipment

Mechanic(s)

\$ 36,017

Diesel Fuel

60,051

Equipment and Machinery Parts

29,931

Garage Supplies

6,076

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Gasoline	\$	37,585	
Lubricants		3,189	
Tires and Tubes		15,993	
Other Supplies and Materials		141	
Total Operation and Maintenance of Equipment			\$ 188,983

Other Charges

Building and Contents Insurance	\$	703	
Liability Insurance		5,600	
Trustee's Commission		21,005	
Vehicle and Equipment Insurance		8,000	
Workers' Compensation Insurance		58,868	
Total Other Charges			94,176

Employee Benefits

Social Security	\$	37,296	
State Retirement		44,363	
Life Insurance		463	
Medical Insurance		89,567	
Unemployment Compensation		441	
Total Employee Benefits			172,130

Capital Outlay

Matching Share	\$	174,425	
Bridge Construction		35,432	
State Aid Projects		482,230	
Total Capital Outlay			692,087

Total Highway/Public Works Fund \$ 1,918,013

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	439,252	
Total General Government			\$ 439,252

Education

Principal on Bonds	\$	356,118	
Principal on Notes		38,715	
Principal on Other Loans		600,000	
Total Education			994,833

Interest on Debt

General Government

Interest on Bonds	\$	12,648	
Interest on Other Loans		2,578	
Total General Government			15,226

(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 Bonds	\$	10,189	
Interest on Notes		3,381	
Interest on Other Loans		4,877	
		<u>4,877</u>	
Total Education	\$		18,447

Other Debt Service

General Government

Trustee's Commission	\$	10,179	
Other Debt Issuance Charges		14,370	
Other Debt Service		12,766	
Building Purchases		50,000	
		<u>50,000</u>	
Total General Government			87,315

Education

Contributions	\$	63,350	
Other Debt Issuance Charges		11,000	
Other Debt Service		25,385	
		<u>25,385</u>	
Total Education			<u>99,735</u>

Total General Debt Service Fund \$ 1,654,808

General Capital Projects Fund

Capital Projects

Social, Cultural, and Recreation Projects

Other Contracted Services	\$	1,900	
Utilities		17,417	
		<u>17,417</u>	
Total Social, Cultural, and Recreation Projects	\$		19,317

Other General Government Projects

Other Equipment	\$	936,980	
		<u>936,980</u>	
Total Other General Government Projects			<u>936,980</u>

Total General Capital Projects Fund 956,297

Total Governmental Funds - Primary Government \$ 10,092,636

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, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	2,673,226	
Career Ladder Program		24,942	
Career Ladder Extended Contracts		9,400	
Homebound Teachers		5,620	
Educational Assistants		76,116	
Certified Substitute Teachers		14,865	
Non-certified Substitute Teachers		34,042	
Social Security		157,937	
State Retirement		243,829	
Medical Insurance		247,467	
Unemployment Compensation		2,899	
Employer Medicare		36,937	
Tuition		16,604	
Other Contracted Services		30,900	
Instructional Supplies and Materials		55,889	
Textbooks		67,233	
Fee Waivers		7,789	
Regular Instruction Equipment		51,188	
Total Regular Instruction Program			\$ 3,756,883

Alternative Instruction Program

Teachers	\$	50,224	
Career Ladder Program		1,000	
Other Salaries and Wages		15,175	
Non-certified Substitute Teachers		434	
Social Security		3,997	
State Retirement		6,053	
Medical Insurance		871	
Unemployment Compensation		55	
Employer Medicare		934	
Instructional Supplies and Materials		142	
Total Alternative Instruction Program			78,885

Special Education Program

Teachers	\$	425,072	
Career Ladder Program		6,000	
Educational Assistants		130,604	
Certified Substitute Teachers		924	
Non-certified Substitute Teachers		11,118	
Social Security		32,295	
State Retirement		51,199	
Medical Insurance		38,154	
Unemployment Compensation		793	
Employer Medicare		7,553	
Tuition		150	
Other Contracted Services		13,132	
Instructional Supplies and Materials		3,908	
Total Special Education Program			720,902

(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.)

Vocational Education Program

Teachers	\$	261,962	
Career Ladder Program		2,000	
Educational Assistants		7,030	
Certified Substitute Teachers		588	
Non-certified Substitute Teachers		4,743	
Social Security		16,350	
State Retirement		24,136	
Medical Insurance		9,298	
Unemployment Compensation		241	
Employer Medicare		3,824	
Tuition		10,188	
Instructional Supplies and Materials		4,710	
Other Supplies and Materials		100	
Total Vocational Education Program			\$ 345,170

Support Services

Attendance

Travel	\$	215	
Other Contracted Services		2,934	
Other Supplies and Materials		948	
In Service/Staff Development		125	
Total Attendance			4,222

Health Services

Medical Personnel	\$	45,473	
Other Salaries and Wages		49,393	
Social Security		5,683	
State Retirement		8,337	
Medical Insurance		620	
Unemployment Compensation		107	
Employer Medicare		1,329	
Travel		6,024	
Drugs and Medical Supplies		626	
Other Supplies and Materials		5,809	
In Service/Staff Development		2,525	
Total Health Services			125,926

Other Student Support

Career Ladder Program	\$	1,500	
Guidance Personnel		120,219	
Attendants		24,771	
Other Salaries and Wages		27,299	
Social Security		10,324	
State Retirement		11,524	
Medical Insurance		4,656	
Unemployment Compensation		161	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Employer Medicare	\$	2,415	
Evaluation and Testing		15,905	
Travel		63	
Other Contracted Services		54,344	
Other Supplies and Materials		2,330	
Total Other Student Support			\$ 275,511

Regular Instruction Program

Supervisor/Director	\$	78,384	
Career Ladder Program		3,000	
Librarians		46,712	
Instructional Computer Personnel		56,758	
Other Salaries and Wages		2,874	
Social Security		11,337	
State Retirement		15,716	
Medical Insurance		3,444	
Unemployment Compensation		138	
Employer Medicare		2,651	
Travel		10,348	
Other Contracted Services		29	
Other Supplies and Materials		634	
In Service/Staff Development		5,061	
Other Charges		3,480	
Total Regular Instruction Program			240,566

Special Education Program

Supervisor/Director	\$	57,375	
Clerical Personnel		1,375	
Social Security		3,023	
State Retirement		5,232	
Medical Insurance		7,933	
Unemployment Compensation		37	
Employer Medicare		706	
Travel		7,711	
In Service/Staff Development		749	
Total Special Education Program			84,141

Vocational Education Program

Supervisor/Director	\$	4,183	
Clerical Personnel		3,177	
Social Security		439	
State Retirement		686	
Medical Insurance		252	
Unemployment Compensation		5	
Employer Medicare		103	
Travel		154	
Other Supplies and Materials		453	
Total Vocational Education Program			9,452

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs

On-behalf Payments to OPEB	\$ 34,617	
Total Other Programs		\$ 34,617

Board of Education

Board and Committee Members Fees	\$ 16,500	
Social Security	1,023	
State Retirement	1,598	
Life Insurance	6,233	
Employer Medicare	239	
Audit Services	8,000	
Dues and Memberships	4,601	
Legal Services	662	
Other Supplies and Materials	2,122	
Liability Insurance	12,532	
Trustee's Commission	43,288	
Workers' Compensation Insurance	37,411	
Criminal Investigation of Applicants - TBI	882	
Other Charges	2,474	
Total Board of Education		137,565

Director of Schools

County Official/Administrative Officer	\$ 82,807	
Social Security	5,104	
State Retirement	7,315	
Medical Insurance	5,348	
Unemployment Compensation	36	
Employer Medicare	1,194	
Communication	13,079	
Dues and Memberships	3,288	
Postal Charges	1,304	
Travel	1,637	
Other Contracted Services	8,258	
Office Supplies	1,227	
Other Supplies and Materials	1,500	
Other Charges	396	
Total Director of Schools		132,493

Office of the Principal

Principals	\$ 254,160	
Career Ladder Program	3,000	
Accountants/Bookkeepers	73,595	
Assistant Principals	60,046	
Secretary(ies)	41,014	
Social Security	24,265	
State Retirement	39,673	
Medical Insurance	32,326	

(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.)

Unemployment Compensation	\$	391	
Employer Medicare		5,675	
Communication		11,293	
Travel		1,055	
Other Contracted Services		8,100	
Total Office of the Principal			\$ 554,593

Fiscal Services

Supervisor/Director	\$	47,664	
Clerical Personnel		51,703	
Social Security		6,146	
State Retirement		9,847	
Unemployment Compensation		94	
Employer Medicare		1,437	
Travel		880	
Administration Equipment		772	
Total Fiscal Services			118,543

Operation of Plant

Custodial Personnel	\$	176,942	
Social Security		10,872	
State Retirement		14,999	
Medical Insurance		628	
Unemployment Compensation		308	
Employer Medicare		2,543	
Other Contracted Services		51,110	
Custodial Supplies		34,876	
Electricity		248,445	
Natural Gas		72,212	
Water and Sewer		7,497	
Boiler Insurance		1,956	
Building and Contents Insurance		35,637	
Plant Operation Equipment		6,367	
Total Operation of Plant			664,392

Maintenance of Plant

Supervisor/Director	\$	23,728	
Maintenance Personnel		129,309	
Social Security		8,351	
State Retirement		15,166	
Medical Insurance		5,773	
Unemployment Compensation		159	
Employer Medicare		1,953	
Maintenance and Repair Services - Equipment		5,156	
Other Contracted Services		20,181	
Equipment and Machinery Parts		109,935	

(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.)

Other Supplies and Materials	\$	22	
Maintenance Equipment		858	
Total Maintenance of Plant			\$ 320,591

Transportation

Supervisor/Director	\$	23,728	
Mechanic(s)		24,753	
Bus Drivers		280,007	
In-Service Training		506	
Social Security		18,556	
State Retirement		30,425	
Medical Insurance		10,678	
Unemployment Compensation		487	
Employer Medicare		4,298	
Maintenance and Repair Services - Vehicles		4,726	
Medical and Dental Services		3,087	
Other Contracted Services		3,700	
Diesel Fuel		100,959	
Garage Supplies		406	
Gasoline		7,201	
Lubricants		2,700	
Tires and Tubes		7,043	
Vehicle Parts		11,283	
Other Supplies and Materials		648	
Vehicle and Equipment Insurance		11,003	
Other Charges		35	
Transportation Equipment		174,992	
Total Transportation			721,221

Central and Other

Other Contracted Services	\$	5,590	
Data Processing Supplies		2,300	
Total Central and Other			7,890

Operation of Non-instructional Services

Food Service

Medical Insurance	\$	18,700	
Total Food Service			18,700

Community Services

Educational Assistants	\$	98,070	
Part-time Personnel		6,354	
Other Salaries and Wages		3,326	
Non-certified Substitute Teachers		1,209	
Social Security		6,697	
State Retirement		10,642	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Community Services (Cont.)

Unemployment Compensation	\$	163	
Employer Medicare		1,566	
Maintenance and Repair Services - Equipment		4,200	
Travel		6,775	
Instructional Supplies and Materials		2,013	
Other Supplies and Materials		3,673	
Total Community Services			\$ 144,688

Early Childhood Education

Teachers	\$	136,980	
Educational Assistants		45,160	
Other Salaries and Wages		49,480	
Certified Substitute Teachers		56	
Non-certified Substitute Teachers		3,442	
Social Security		12,897	
State Retirement		21,480	
Medical Insurance		14,806	
Unemployment Compensation		279	
Employer Medicare		3,015	
Travel		2,724	
Instructional Supplies and Materials		11,606	
In Service/Staff Development		720	
Total Early Childhood Education			302,645

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	192,097	
Total Education			192,097

Total General Purpose School Fund \$ 8,991,693

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	220,443	
Educational Assistants		30,146	
Certified Substitute Teachers		1,343	
Non-certified Substitute Teachers		2,606	
Social Security		14,321	
State Retirement		22,563	
Medical Insurance		17,166	
Unemployment Compensation		209	
Employer Medicare		3,349	
Instructional Supplies and Materials		98,096	
Total Regular Instruction Program			\$ 410,242

(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

Teachers	\$	45,951	
Educational Assistants		90,945	
Certified Substitute Teachers		1,120	
Non-certified Substitute Teachers		459	
Social Security		7,122	
State Retirement		13,013	
Medical Insurance		12,410	
Unemployment Compensation		254	
Employer Medicare		1,666	
Other Contracted Services		98,628	
Instructional Supplies and Materials		9,924	
Special Education Equipment		3,841	
Total Special Education Program			\$ 285,333

Vocational Education Program

Educational Assistants	\$	5,700	
Social Security		353	
State Retirement		565	
Unemployment Compensation		9	
Employer Medicare		83	
Other Supplies and Materials		553	
Vocational Instruction Equipment		7,198	
Total Vocational Education Program			14,461

Support Services

Other Student Support

Travel	\$	3,745	
Total Other Student Support			3,745

Regular Instruction Program

Supervisor/Director	\$	19,217	
Other Salaries and Wages		61,598	
Social Security		4,892	
State Retirement		4,582	
Medical Insurance		240	
Unemployment Compensation		66	
Employer Medicare		1,144	
Travel		3,943	
Other Supplies and Materials		1,258	
In Service/Staff Development		3,097	
Other Equipment		738	
Total Regular Instruction Program			100,775

Special Education Program

Psychological Personnel	\$	52,528	
Other Salaries and Wages		9,465	

(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.)

Special Education Program (Cont.)

Social Security	\$	3,604	
State Retirement		4,666	
Medical Insurance		2,789	
Unemployment Compensation		48	
Employer Medicare		843	
Total Special Education Program			\$ 73,943

Vocational Education Program

Travel	\$	775	
In Service/Staff Development		64	
Total Vocational Education Program			839

Total School Federal Projects Fund \$ 889,338

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	51,756	
Clerical Personnel		7,410	
Cafeteria Personnel		238,683	
Social Security		15,598	
State Retirement		27,385	
Medical Insurance		180	
Unemployment Compensation		666	
Employer Medicare		3,648	
Communication		300	
Maintenance and Repair Services - Equipment		6,978	
Postal Charges		100	
Transportation - Other than Students		4,769	
Travel		2,161	
Other Contracted Services		6,908	
Food Preparation Supplies		16,616	
Food Supplies		264,851	
Office Supplies		291	
USDA - Commodities		38,331	
Other Supplies and Materials		974	
In Service/Staff Development		191	
Other Charges		1,283	
Food Service Equipment		3,547	
Total Food Service			\$ 692,626

Total Central Cafeteria Fund 692,626

Total Governmental Funds - Perry County School Department \$ 10,573,657

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, 2014

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 268,322
Total Cash Receipts	<u>\$ 268,322</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 265,639
Trustee's Commission	2,683
Total Cash Disbursements	<u>\$ 268,322</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2013	<u>0</u>
Cash Balance, June 30, 2014	<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***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2014, and the related notes to the financial statements, which collectively comprise Perry County's basic financial statements, and have issued our report thereon dated September 15, 2014. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Perry County Emergency Communications District, as described in our report on Perry County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Perry County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Perry County's internal control.

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 a 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2014-001, 2014-003, and 2014-004.

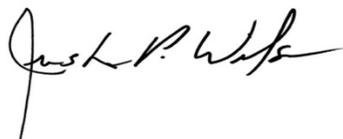
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Perry County's financial statements are free from 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2014-002.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Perry County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 15, 2014

JPW/kp



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 for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Perry County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Perry County's major federal programs for the year ended June 30, 2014. Perry County's major federal programs are identified in the summary of auditors results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Perry County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide legal determination of Perry County's compliance.

Opinion on Each Major Federal Program

In our opinion, Perry County complied, in all material respects, with the types of compliance 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, 2014.

Report on Internal Control Over Compliance

Management of Perry County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Perry County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

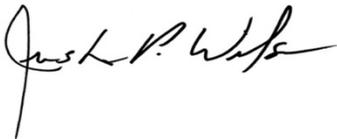
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2014, and the related notes to the financial statements, which collectively comprise Perry County's basic financial statements. We issued our report thereon dated September 15, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 15, 2014

JPW/kp

Perry County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2014

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	\$ 38,331 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	107,028
National School Lunch Program	10.555	N/A	319,908 (3)
Total U.S. Department of Agriculture			<u>\$ 465,267</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	N/A	\$ 910,744
Total U.S. Department of Housing and Urban Development			<u>\$ 910,744</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	N/A	\$ 429,896
Total U.S. Department of Transportation			<u>\$ 429,896</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 366,484
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	423,421
Special Education - Preschool Grants	84.173	N/A	24,865
Career and Technical Education - Basic Grants to States	84.048	N/A	19,166
Rural Education	84.358	N/A	16,356
Improving Teacher Quality State Grants	84.367	N/A	59,983
State Fiscal Stabilization Funds (SFSF) - Race-to-the-Top Incentive Grant, Recovery Act	84.395	N/A	72,370
State Fiscal Stabilization Funds (SFSF) - Government Services, Recovery Act	84.397	N/A	2,934
Total U.S. Department of Education			<u>\$ 985,579</u>
U.S. Election Assistance Commission:			
Direct Program:			
Help America Vote Act Requirements Payments	90.401	N/A	\$ 25,998
Total U.S. Election Assistance Commission			<u>\$ 25,998</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 65,605
Homeland Security Grant Program	97.067	GG-08-24130-00	4,298
Total U.S. Department of Homeland Security			<u>\$ 69,903</u>
Total Expenditures of Federal Awards			<u>\$ 2,887,387</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:			
Juvenile Justice - State Commission on Children and Youth	N/A	(2)	\$ 9,000
Student Ticket Subsidy Grant - Tennessee Arts Commission	N/A	(2)	3,000
Family Resource Center - State Department of Education	N/A	(2)	29,612
Save the Children - State Department of Education	N/A	(2)	179,565
Three Star Technology Grant - State Department of Education	N/A	(2)	15,000
Coordinated School Health - State Department of Education	N/A	(2)	89,987
Early Childhood Education - State Department of Education	N/A	(2)	302,523
Lottery for Education Afterschool Program - State Department of Education	N/A	(2)	78,709
Litter Program - State Department of Transportation	N/A	Z-11-LIT068	30,081
Health Department Program - State Department of Health and Human Services	N/A	GG-13-38798-00	11,327
Governor's Safety High Visibility Enforcement Grant - State Department of Transportation	N/A	(2)	4,974
ACT-Plan and Explore Grant - State Department of Education	N/A	(2)	<u>6,031</u>
 Total State Grants			 <u>\$ 759,809</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 \$358,239.

Perry County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

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, 2013, which have not been corrected.

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-005	151	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>
2013-006	152	Multiple employees worked from the same cash drawer

PERRY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information is unmodified.
2. The audit of the financial statements of Perry County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Perry County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Community Development Block Grant/State's Program (CFDA No. 14.228), and the Airport Improvement Program (CFDA No. 20.106) 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. Management officials did not provide responses for inclusion in this report.

OFFICE OF SUPERINTENDENT OF HIGHWAYS

FINDING 2014-001

THE OFFICE HAD PURCHASING DEFICIENCIES

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

As a part of our auditing procedures for determining whether internal controls over purchasing were operating as designed, we selected a sample of 40 disbursements. Our sample revealed that purchase orders were not issued for five of 21 applicable disbursements (a 24 percent deviation rate), and purchase orders were issued after the purchases were made for one of 21 applicable purchases (a five percent deviation rate). Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. The practice of issuing purchase orders after the purchase was made defeats the purpose of the purchase order and makes it an approval of payment rather than an approval of the purchase. These deficiencies were the result of a lack of management oversight.

RECOMMENDATION

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2014-002

THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT OF \$15,730 AT JUNE 30, 2014

(Noncompliance Under *Government Auditing Standards*)

At June 30, 2014, the School Federal Projects Fund had a cash overdraft of \$15,730. Sound business practices dictate that expenditures be held within available funds. This overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. This cash overdraft was liquidated subsequent to June 30, 2014.

RECOMMENDATION

The School Department should not issue warrants exceeding cash on deposit with the county trustee.

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

FINDING 2014-003

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 of Deeds. 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 2014-004

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. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

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

There were no findings and questioned costs for federal awards.

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Perry County.

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 processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Perry County. Therefore, 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.

**PERRY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2014**

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