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# ANNUAL FINANCIAL REPORT PERRY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2013



**ANNUAL FINANCIAL REPORT**  
**PERRY COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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

*DIVISION OF LOCAL GOVERNMENT AUDIT*  
*JAMES R. ARNETTE*  
*Director*

*JEFF BAILEY, CPA, CFE, CGFM*  
*Audit Manager*

*KENT WHITE, CPA, CFE, CGFM*  
*Auditor 4*

*DONYA WADE, CFE*  
*KINSLEY HAYES*  
*WENDY HEATH, CFE*  
*State Auditors*

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

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## PERRY COUNTY, TENNESSEE

### TABLE OF CONTENTS

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|   | Exhibit | Page(s) |
|---|---------|---------|
| Audit Highlights  |         | 6-7     |
| <u>INTRODUCTORY SECTION</u>   |         | 8       |
| Perry County Officials  |         | 9       |
| <u>FINANCIAL SECTION</u>  |         | 10      |
| Independent Auditor's Report  |         | 11-14   |
| BASIC FINANCIAL STATEMENTS:   |         | 15      |
| Government-wide Financial Statements:   |         |         |
| Statement of Net Position   | A       | 16-17   |
| Statement of Activities   | B       | 18-19   |
| Fund Financial Statements:  |         |         |
| Governmental Funds:   |         |         |
| Balance Sheet   | C-1     | 20-21   |
| Reconciliation of the Balance Sheet of Governmental Funds<br>to the Statement of Net Position   | C-2     | 22      |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balances  | C-3     | 23      |
| Reconciliation of the Statement of Revenues, Expenditures,<br>and Changes in Fund Balances of Governmental Funds<br>to the Statement of Activities    | C-4     | 24      |
| Statements of Revenues, Expenditures, and Changes in Fund<br>Balances – Actual and Budget:  |         |         |
| General Fund  | C-5     | 25-26   |
| Solid Waste/Sanitation Fund   | C-6     | 27      |
| Highway/Public Works Fund   | C-7     | 28      |
| Fiduciary Funds:  |         |         |
| Statement of Fiduciary Assets and Liabilities   | D       | 29      |
| Index and Notes to the Financial Statements   |         | 30-66   |
| REQUIRED SUPPLEMENTARY INFORMATION:   |         | 67      |
| Schedule of Funding Progress – Pension Plan – Primary Government<br>and Discretely Presented Perry County School Department                           | E-1     | 68      |
| Schedule of Funding Progress – Other Postemployment Benefits<br>Plans – Primary Government and Discretely Presented Perry<br>County School Department | E-2     | 69      |
| Notes to the Required Supplementary Information   |         | 70      |

|  | Exhibit | Page(s) |
|--|---------|---------|
| COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:  |         | 71      |
| Nonmajor Governmental Funds:   |         | 72-73   |
| Combining Balance Sheet  | F-1     | 74      |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  | F-2     | 75      |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:   |         |         |
| Courthouse and Jail Maintenance Fund   | F-3     | 76      |
| Special Purpose Fund   | F-4     | 77      |
| Drug Control Fund  | F-5     | 78      |
| Major Governmental Fund:   |         | 79      |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:   |         |         |
| General Debt Service Fund  | G       | 80      |
| Fiduciary Funds:   |         | 81      |
| Combining Statement of Fiduciary Assets and Liabilities  | H-1     | 82      |
| Combining Statement of Changes in Assets and Liabilities – All Agency Funds  | H-2     | 83      |
| Component Unit:  |         |         |
| Discretely Presented Perry County School Department:   |         | 84      |
| Statement of Activities  | I-1     | 85      |
| Balance Sheet – Governmental Funds   | I-2     | 86      |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position   | I-3     | 87      |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds   | I-4     | 88      |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | I-5     | 89      |
| Combining Balance Sheet - Nonmajor Governmental Funds  | I-6     | 90      |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds                                     | I-7     | 91      |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:   |         |         |
| General Purpose School Fund  | I-8     | 92-93   |
| School Federal Projects Fund   | I-9     | 94      |
| Central Cafeteria Fund   | I-10    | 95      |

|   | Exhibit | Page(s) |
|---|---------|---------|
| Miscellaneous Schedules:  |         | 96      |
| Schedule of Changes in Long-term Notes and Other Loans  | J-1     | 97      |
| Schedule of Long-term Debt Requirements by Year   | J-2     | 98      |
| Schedule of Note Receivable   | J-3     | 99      |
| Schedule of Transfers – Discretely Presented Perry County<br>School Department  | J-4     | 100     |
| Schedule of Salaries and Official Bonds of Principal Officials –<br>Primary Government and Discretely Presented Perry<br>County School Department   | J-5     | 101     |
| Schedule of Detailed Revenues – All Governmental Fund Types   | J-6     | 102-109 |
| Schedule of Detailed Revenues – All Governmental Fund Types –<br>Discretely Presented Perry County School Department  | J-7     | 110-111 |
| Schedule of Detailed Expenditures – All Governmental Fund Types   | J-8     | 112-128 |
| Schedule of Detailed Expenditures – All Governmental Fund Types –<br>Discretely Presented Perry County School Department  | J-9     | 129-137 |
| Schedule of Detailed Receipts, Disbursements, and Changes in<br>Cash Balance – City Agency Fund   | J-10    | 138     |
| <br><u>SINGLE AUDIT SECTION</u>   |         | <br>139 |
| Auditor's Report on Internal Control Over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial<br>Statements Performed in Accordance With <i>Government</i><br><i>Auditing Standards</i> |         | 140-141 |
| Auditor's Report on Compliance for Each Major Federal Program;<br>Report on Internal Control Over Compliance; and Report on the<br>Schedule of Expenditures of Federal Awards Required by<br>OMB Circular A-133               |         | 142-144 |
| Schedule of Expenditures of Federal Awards and State Grants   |         | 145-146 |
| Schedule of Audit Findings Not Corrected  |         | 147     |
| Schedule of Findings and Questioned Costs   |         | 148-154 |
| Auditee Reporting Responsibilities  |         | 155     |

***Audit Highlights***  
Annual Financial Report  
Perry County, Tennessee  
For the Year Ended June 30, 2013

***Scope***

We have audited the basic financial statements of Perry County as of and for the year ended June 30, 2013.

***Results***

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

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

***Findings and Best Practices***

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

**OFFICE OF COUNTY MAYOR**

- ◆ Various funds' general ledger cash accounts were not reconciled accurately with county trustee reports.
- ◆ Invoices were paid without documentation that goods had been received or services rendered.
- ◆ Several capital assets were not included in the capital asset records.

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**OFFICE OF TRUSTEE**

- ◆ Bank statements were not reconciled with the general ledger currently.

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**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.
- 

### **BEST PRACTICES**

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

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

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# INTRODUCTORY SECTION

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Perry County Officials  
June 30, 2013

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**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                         |              |

**Board of Education**

|                           |               |
|---------------------------|---------------|
| Martha Sharp, Chairperson | Janet Carroll |
| Don Barnette              | Joel Plunkett |
| Phillip Seiber            | Jackie Duncan |

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## FINANCIAL SECTION

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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, 2013, 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 discretely presented Perry County Emergency Communications District, which represent 12 percent, 14 percent, and five percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. 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 the Perry County Emergency Communications District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Perry County, Tennessee, as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note V.B., Perry County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*), which became effective for the year ended June 30, 2013. Perry County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

## ***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 68 through 70 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

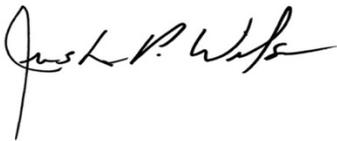
other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of 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 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 November 18, 2013, 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,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

November 18, 2013

JPW/kp

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Perry County, Tennessee  
Statement of Net Position  
June 30, 2013

|  | Primary<br>Government<br>Governmental<br>Activities | Component Units                         |   |
|--|---|---|---|
|  |   | Perry<br>County<br>School<br>Department | Perry County<br>Emergency<br>Communications<br>District |
| <u>ASSETS</u>                              |   |   |   |
| Cash                                       | \$ 0  | \$ 76,350                               | \$ 797,358  |
| Equity in Pooled Cash and Investments      | 6,357,992   | 693,874                                 | 0   |
| Accounts Receivable                        | 598,917   | 0                                       | 8,702   |
| Allowance for Uncollectibles               | (120,358)   | 0                                       | 0   |
| Due from Component Unit                    | 100,120   | 0                                       | 0   |
| Due from Other Governments                 | 427,544   | 227,632                                 | 0   |
| Property Taxes Receivable                  | 2,354,019   | 1,311,253                               | 0   |
| Allowance for Uncollectible Property Taxes | (88,935)  | (49,540)                                | 0   |
| Prepaid Items                              | 0   | 0                                       | 6,820   |
| Note Receivable - Current                  | 11,000  | 0                                       | 0   |
| Note Receivable - Long-term                | 66,000  | 0                                       | 0   |
| Capital Assets:                            |   |   |   |
| Assets Not Depreciated:                    |   |   |   |
| Land                                       | 210,266   | 138,512                                 | 0   |
| Assets Net of Accumulated Depreciation:    |   |   |   |
| Buildings and Improvements                 | 4,048,699   | 6,267,382                               | 146,250   |
| Infrastructure                             | 2,641,390   | 0                                       | 0   |
| Other Capital Assets                       | 1,298,964   | 485,297                                 | 263,350   |
| Total Assets                               | <u>\$ 17,905,618</u>                                | <u>\$ 9,150,760</u>                     | <u>\$ 1,222,480</u>                                     |
| <u>LIABILITIES</u>                         |   |   |   |
| Accounts Payable                           | \$ 2,500  | \$ 0                                    | \$ 2,152  |
| Payroll Deductions Payable                 | 0   | 75,850                                  | 0   |
| Due to Primary Government                  | 0   | 100,120                                 | 0   |
| Noncurrent Liabilities:                    |   |   |   |
| Due Within One Year                        | 847,360   | 8,884                                   | 0   |
| Due in More Than One Year                  | 5,083,566   | 338,437                                 | 0   |
| Total Liabilities                          | <u>\$ 5,933,426</u>                                 | <u>\$ 523,291</u>                       | <u>\$ 2,152</u>   |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |   |   |   |
| Deferred Current Property Taxes            | \$ 2,174,068  | \$ 1,211,015                            | \$ 0  |
| Total Deferred Inflows of Resources        | <u>\$ 2,174,068</u>                                 | <u>\$ 1,211,015</u>                     | <u>\$ 0</u>   |

(Continued)

Exhibit A

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

|   | Primary<br>Government<br>Governmental<br>Activities | Component Units                         |   |
|---|---|---|---|
|   |   | Perry<br>County<br>School<br>Department | Perry County<br>Emergency<br>Communications<br>District |
| <u>NET POSITION</u>                     |   |   |   |
| Net Investment in Capital Assets        | \$ 5,924,069  | \$ 0                                    | \$ 0  |
| Investment in Capital Assets            | 0   | 6,891,191                               | 409,600   |
| Restricted for:                         |   |   |   |
| General Government                      | 80,844  | 0                                       | 0   |
| Administration of Justice               | 28,070  | 0                                       | 0   |
| Public Safety                           | 75,789  | 0                                       | 0   |
| Social, Cultural, and Recreational      | 83,146  | 0                                       | 0   |
| Highway/Public Works                    | 4,145,294   | 0                                       | 0   |
| Instruction                             | 0   | 162,139                                 | 0   |
| Operation of Non-Instructional Services | 0   | 151,281                                 | 0   |
| Unrestricted                            | (539,088)   | 211,843                                 | 810,728   |
| Total Net Position                      | <u>\$ 9,798,124</u>                                 | <u>\$ 7,416,454</u>                     | <u>\$ 1,220,328</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, 2013

| Functions/Programs                             | Net (Expense) Revenue and Changes in Net Position |                      |                                    |                                  |  |                                |  |             |             |                  |
|--|---|----------------------|------------------------------------|----------------------------------|--|--------------------------------|--|-------------|-------------|------------------|
|  | Program Revenues                                  |                      |                                    |                                  |  | Component Units                |  |             |             |                  |
|  | Expenses  | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government Total Governmental Activities | Perry County School Department | Perry County Emergency Communications District |             |             |                  |
|  |   |                      |                                    |                                  |  |                                |  |             |             |                  |
| Primary Government:                            |   |                      |                                    |                                  |  |                                |  |             |             |                  |
| Governmental Activities:                       |   |                      |                                    |                                  |  |                                |  |             |             |                  |
| General Government                             | \$ 291,189  | \$ 250,535           | \$ 149,494                         | \$ 0                             | \$ 108,840                                       | \$ 0                           | \$ 0   | \$ 0        | \$ 0        | \$ 0             |
| Finance  | 371,302   | 208,104              | 0                                  | 0                                | (163,198)  | 0                              | 0  | 0           | 0           | 0                |
| Administration of Justice                      | 418,914   | 188,691              | 9,000                              | 0                                | (221,223)  | 0                              | 0  | 0           | 0           | 0                |
| Public Safety                                  | 2,379,586   | 532,260              | 305,393                            | 0                                | (1,541,933)                                      | 0                              | 0  | 0           | 0           | 0                |
| Public Health and Welfare                      | 1,364,676   | 1,191,960            | 54,656                             | 0                                | (118,060)  | 0                              | 0  | 0           | 0           | 0                |
| Social, Cultural, and Recreational Services    | 225,041   | 1,385                | 10,966                             | 0                                | (212,690)  | 0                              | 0  | 0           | 0           | 0                |
| Agriculture and Natural Resources              | 55,500  | 0                    | 0                                  | 0                                | (55,500)   | 0                              | 0  | 0           | 0           | 0                |
| Other Operations                               | 215,256   | 600                  | 0                                  | 0                                | (214,656)  | 0                              | 0  | 0           | 0           | 0                |
| Highways/Public Works                          | 1,429,088   | 13,311               | 1,489,218                          | 0                                | 73,491   | 0                              | 0  | 0           | 0           | 0                |
| Interest on Long-term Debt                     | 26,705  | 0                    | 0                                  | 0                                | (26,705)   | 0                              | 0  | 0           | 0           | 0                |
| Other Debt Service                             | 141,275   | 0                    | 0                                  | 0                                | (141,275)  | 0                              | 0  | 0           | 0           | 0                |
| <b>Total Primary Government</b>                | <b>\$ 6,918,482</b>                               | <b>\$ 2,386,846</b>  | <b>\$ 2,018,727</b>                | <b>\$ 0</b>                      | <b>\$ (2,512,909)</b>                            | <b>\$ 0</b>                    | <b>\$ 0</b>                                    | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b>      |
| Component Units:                               |   |                      |                                    |                                  |  |                                |  |             |             |                  |
| Perry County School Department                 | \$ 10,553,486                                     | \$ 243,479           | \$ 1,980,193                       | \$ 4,695                         | \$ 0   | \$ (8,325,119)                 | \$ 0   | \$ 0        | \$ 0        | \$ 0             |
| Perry County Emergency Communications District | 163,935   | 88,039               | 123,518                            | 0                                | 0  | 0                              | 0  | 0           | 0           | 47,622           |
| <b>Total Component Units</b>                   | <b>\$ 10,717,421</b>                              | <b>\$ 331,518</b>    | <b>\$ 2,103,711</b>                | <b>\$ 4,695</b>                  | <b>\$ 0</b>                                      | <b>\$ (8,325,119)</b>          | <b>\$ 0</b>                                    | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 47,622</b> |

(Continued)

Exhibit B

Perry County, Tennessee  
Statement of Activities (Cont.)

| Functions/Programs   | Program Revenues           |   |   | Net (Expense) Revenue and Changes in Net Position |   |   |
|--|----------------------------|---|---|---|---|---|
|  | Charges<br>for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions | Primary   |   |   |
|  |                            |   |   | Governmental<br>Activities                        | Perry<br>County<br>School<br>Department | Perry County<br>Emergency<br>Communications<br>District |
| General Revenues:  |                            |   |   |   |   |   |
| Taxes:   |                            |   |   |   |   |   |
| Property Taxes Levied for General Purposes                   |                            |   |   | \$ 2,051,036                                      | \$ 1,322,263                            | \$ 0  |
| Property Taxes Levied for Debt Service                       |                            |   |   | 216,516   | 0                                       | 0   |
| Local Option Sales Tax                                       |                            |   |   | 505,563   | 202,383                                 | 0   |
| Mineral Severance Tax  |                            |   |   | 57,744  | 0                                       | 0   |
| Wholesale Beer Tax   |                            |   |   | 25,648  | 0                                       | 0   |
| Other Local Taxes  |                            |   |   | 0   | 675                                     | 0   |
| Grants and Contributions Not Restricted to Specific Programs |                            |   |   | 581,608   | 6,472,635                               | 291,292   |
| Unrestricted Investment Earnings                             |                            |   |   | 24,767  | 5,637                                   | 3,112   |
| Miscellaneous  |                            |   |   | 17,990  | 103,466                                 | 4,656   |
| Gain on Sale of Capital Assets                               |                            |   |   | 21,350  | 0                                       | 0   |
| Total General Revenues                                       |                            |   |   | \$ 3,502,222                                      | \$ 8,107,059                            | \$ 299,060  |
| Change in Net Position                                       |                            |   |   | \$ 989,313  | \$ (218,060)                            | \$ 346,682  |
| Net Position, July 1, 2012                                   |                            |   |   | 8,808,811   | 7,634,514                               | 873,646   |
| Net Position, June 30, 2013                                  |                            |   |   | \$ 9,798,124                                      | \$ 7,416,454                            | \$ 1,220,328  |

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

Perry County, Tennessee  
 Balance Sheet  
 Governmental Funds  
 June 30, 2013

|    | Major Funds |                          |                        |                      | Nonmajor Funds           |    | Total Governmental Funds |
|----|-------------|--------------------------|------------------------|----------------------|--------------------------|----|--------------------------|
|    | General     | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Other Governmental Funds |    |                          |
| \$ | 145,827     | 28,159                   | 3,865,392              | 2,174,186            | 144,428                  | \$ | 6,357,982                |
|    | 598,917     | 0                        | 0                      | 0                    | 0                        |    | 598,917                  |
|    | (120,358)   | 0                        | 0                      | 0                    | 0                        |    | (120,358)                |
|    | 45,804      | 0                        | 279,902                | 101,838              | 0                        |    | 427,544                  |
|    | 1,711,985   | 427,117                  | 0                      | 214,917              | 0                        |    | 2,354,019                |
|    | (64,678)    | (16,137)                 | 0                      | (8,120)              | 0                        |    | (88,935)                 |
|    | 0           | 0                        | 0                      | 11,000               | 0                        |    | 11,000                   |
|    | 0           | 0                        | 0                      | 66,000               | 0                        |    | 66,000                   |
| \$ | 2,317,497   | 439,139                  | 4,145,294              | 2,559,821            | 144,428                  | \$ | 9,606,179                |

ASSETS

Equity in Pooled Cash and Investments  
 Accounts Receivable  
 Allowance for Uncollectibles  
 Due from Other Governments  
 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

FUND BALANCES

Restricted:  
 Restricted for General Government  
 Restricted for Administration of Justice  
 Restricted for Public Safety  
 Restricted for Social, Cultural, and Recreational Services  
 Restricted for Highways/Public Works  
 Committed:  
 Committed for General Government  
 Committed for Public Health and Welfare  
 Committed for Capital Outlay  
 Committed for Debt Service  
 Committed for Capital Projects  
 Assigned:  
 Assigned for Administration of Justice

(Continued)

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

|    | Major Funds |                          |                        |                      | Nonmajor Funds           |         | Total Governmental Funds |
|----|-------------|--------------------------|------------------------|----------------------|--------------------------|---------|--------------------------|
|    | General     | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Other Governmental Funds |         |                          |
| \$ | 5,010       | 0                        | 0                      | 0                    | 0                        | 0       | 5,010                    |
| \$ | 230,987     | 27,186                   | 4,008,193              | 2,311,224            | 144,428                  | 144,428 | 6,722,018                |
| \$ | 2,317,497   | 439,139                  | 4,145,294              | 2,559,821            | 144,428                  | 144,428 | 9,606,179                |

FUND BALANCES (Cont.)

Unassigned  
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

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

Exhibit C-2

Perry County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2013

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)  |    | \$ 6,722,018     |                     |
| (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   |    | 4,048,699        |                     |
| Add: infrastructure net of accumulated depreciation   |    | 2,641,390        |                     |
| Add: other capital assets net of accumulated depreciation   |    | <u>1,298,964</u> | 8,199,319           |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.         |    |                  |                     |
| Less: notes payable   | \$ | (100,120)        |                     |
| Add: due from component unit for debt retirement  |    | 100,120          |                     |
| Less: other loans payable   |    | (5,321,000)      |                     |
| Less: compensated absences payable  |    | (106,645)        |                     |
| Less: landfill closure/postclosure care costs   |    | (366,704)        |                     |
| Less: other postemployment benefits liability   |    | <u>(36,457)</u>  | (5,830,806)         |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. |    |                  | <u>707,593</u>      |
| Net position of governmental activities (Exhibit A)   |    |                  | <u>\$ 9,798,124</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, 2013

|   | Major Funds  |                          |                        |                      |                    | Nonmajor Funds     |              | Total Governmental Funds |
|---|--------------|--------------------------|------------------------|----------------------|--------------------|--------------------|--------------|--------------------------|
|   | General      | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Other              |                    |              |                          |
|   |              |                          |                        |                      | Governmental Funds | Governmental Funds |              |                          |
| <u>Revenues</u>                                   |              |                          |                        |                      |                    |                    |              |                          |
| Local Taxes                                       | \$ 1,873,994 | \$ 429,425               | \$ 57,743              | \$ 663,532           | \$ 17,715          | \$ 0               | \$ 3,042,409 |                          |
| Licenses and Permits                              | 885          | 0                        | 0                      | 0                    | 0                  | 0                  | 885          |                          |
| Fines, Forfeitures, and Penalties                 | 56,111       | 0                        | 0                      | 0                    | 10,741             | 0                  | 66,852       |                          |
| Charges for Current Services                      | 837,502      | 32,958                   | 0                      | 0                    | 6,429              | 0                  | 876,889      |                          |
| Other Local Revenues                              | 302,193      | 80                       | 16,716                 | 74,304               | 21,432             | 0                  | 414,725      |                          |
| Fees Received from County Officials               | 358,619      | 0                        | 0                      | 0                    | 210                | 0                  | 358,829      |                          |
| State of Tennessee                                | 635,692      | 78,548                   | 1,489,218              | 247,707              | 0                  | 0                  | 2,451,165    |                          |
| Federal Government                                | 45,009       | 0                        | 98,112                 | 0                    | 288,102            | 0                  | 431,223      |                          |
| Other Governments and Citizens Groups             | 219,717      | 0                        | 0                      | 249,697              | 253                | 0                  | 469,667      |                          |
| Total Revenues                                    | \$ 4,329,722 | \$ 541,011               | \$ 1,661,789           | \$ 1,235,240         | \$ 344,882         | \$ 0               | \$ 8,112,644 |                          |
| <u>Expenditures</u>                               |              |                          |                        |                      |                    |                    |              |                          |
| Current:  |              |                          |                        |                      |                    |                    |              |                          |
| General Government                                | \$ 691,935   | \$ 0                     | \$ 0                   | \$ 0                 | \$ 6,291           | \$ 0               | \$ 698,226   |                          |
| Finance   | 357,742      | 0                        | 0                      | 0                    | 0                  | 0                  | 357,742      |                          |
| Administration of Justice                         | 397,897      | 0                        | 0                      | 0                    | 6,532              | 0                  | 404,429      |                          |
| Public Safety                                     | 1,923,378    | 0                        | 0                      | 0                    | 17,277             | 0                  | 1,940,655    |                          |
| Public Health and Welfare                         | 719,757      | 529,215                  | 0                      | 0                    | 0                  | 0                  | 1,248,972    |                          |
| Social, Cultural, and Recreational Services       | 148,759      | 0                        | 0                      | 0                    | 0                  | 0                  | 148,759      |                          |
| Agriculture and Natural Resources                 | 54,978       | 0                        | 0                      | 0                    | 0                  | 0                  | 54,978       |                          |
| Other Operations                                  | 233,473      | 169                      | 0                      | 0                    | 153                | 0                  | 233,795      |                          |
| Highways  | 39,910       | 0                        | 1,258,633              | 0                    | 0                  | 0                  | 1,298,543    |                          |
| Debt Service:                                     |              |                          |                        |                      |                    |                    |              |                          |
| Principal on Debt                                 | 0            | 0                        | 0                      | 819,236              | 0                  | 0                  | 819,236      |                          |
| Interest on Debt                                  | 0            | 0                        | 0                      | 26,704               | 0                  | 0                  | 26,704       |                          |
| Other Debt Service                                | 0            | 0                        | 0                      | 141,275              | 0                  | 0                  | 141,275      |                          |
| Capital Projects                                  | 0            | 0                        | 0                      | 0                    | 477,877            | 0                  | 477,877      |                          |
| Total Expenditures                                | \$ 4,567,829 | \$ 529,384               | \$ 1,258,633           | \$ 987,215           | \$ 508,130         | \$ 0               | \$ 7,851,191 |                          |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (238,107) | \$ 11,627                | \$ 403,156             | \$ 248,025           | \$ (163,248)       | \$ 0               | \$ 261,453   |                          |
| Net Change in Fund Balances                       | \$ (238,107) | \$ 11,627                | \$ 403,156             | \$ 248,025           | \$ (163,248)       | \$ 0               | \$ 261,453   |                          |
| Fund Balance, July 1, 2012                        | 469,094      | 15,559                   | 3,605,037              | 2,063,199            | 307,676            | 0                  | 6,460,565    |                          |
| Fund Balance, June 30, 2013                       | \$ 230,987   | \$ 27,186                | \$ 4,008,193           | \$ 2,311,224         | \$ 144,428         | \$ 0               | \$ 6,722,018 |                          |

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, 2013

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)  |                  | \$ 261,453        |
| <p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>  |                  |                   |
| Add: capital assets purchased in the current period   | \$ 675,340       |                   |
| Less: current-year depreciation expense   | <u>(514,903)</u> | 160,437           |
| <p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>   |                  |                   |
| Less: deferred delinquent property taxes and other deferred June 30, 2012   | \$ (874,457)     |                   |
| Add: deferred delinquent property taxes and other deferred June 30, 2013  | <u>707,593</u>   | (166,864)         |
| <p>(3) 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.</p> |                  |                   |
| Add: principal payments on notes  | \$ 154,235       |                   |
| Less: debt service contributions for principal to primary government  | (37,985)         |                   |
| Add: principal payments on other loans  | <u>665,000</u>   | 781,250           |
| <p>(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>  |                  |                   |
| Change in compensated absences payable  | \$ (38,350)      |                   |
| Change in landfill closure/postclosure care costs   | (1,837)          |                   |
| Change in LOGIC assessment liability  | 4,069            |                   |
| Change in other postemployment benefits liability   | <u>(10,845)</u>  | <u>(46,963)</u>   |
| Change in net position of governmental activities (Exhibit B)   |                  | <u>\$ 989,313</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, 2013

|  | Actual       | Budgeted Amounts |              | Variance with Final Budget - Positive (Negative) |
|--|--------------|------------------|--------------|--|
|  |              | Original         | Final        |  |
| <u>Revenues</u>                                    |              |                  |              |  |
| Local Taxes  | \$ 1,873,994 | \$ 2,223,743     | \$ 2,275,743 | \$ (401,749)                                     |
| Licenses and Permits                               | 885          | 4,000            | 4,000        | (3,115)  |
| Fines, Forfeitures, and Penalties                  | 56,111       | 46,400           | 46,400       | 9,711  |
| Charges for Current Services                       | 837,502      | 867,200          | 867,200      | (29,698)   |
| Other Local Revenues                               | 302,193      | 211,850          | 311,350      | (9,157)  |
| Fees Received from County Officials                | 358,619      | 373,000          | 373,000      | (14,381)   |
| State of Tennessee                                 | 635,692      | 1,185,111        | 1,189,997    | (54,305)   |
| Federal Government                                 | 45,009       | 100,000          | 109,529      | (64,520)   |
| Other Governments and Citizens Groups              | 219,717      | 228,000          | 239,000      | (19,283)   |
| Total Revenues                                     | \$ 4,329,722 | \$ 5,239,304     | \$ 5,416,219 | \$ (1,086,497)                                   |
| <u>Expenditures</u>                                |              |                  |              |  |
| <u>General Government</u>                          |              |                  |              |  |
| County Commission                                  | \$ 28,199    | \$ 30,481        | \$ 29,481    | \$ 1,282   |
| County Mayor/Executive                             | 159,691      | 160,682          | 160,682      | 991  |
| County Attorney                                    | 19,879       | 20,000           | 20,000       | 121  |
| Election Commission                                | 127,966      | 117,871          | 128,371      | 405  |
| Register of Deeds                                  | 102,824      | 104,397          | 104,397      | 1,573  |
| Geographical Information Systems                   | 211          | 500              | 500          | 289  |
| County Buildings                                   | 253,165      | 264,598          | 264,598      | 11,433   |
| Preservation of Records                            | 0            | 1,000            | 1,000        | 1,000  |
| <u>Finance</u>                                     |              |                  |              |  |
| Accounting and Budgeting                           | 1,080        | 900              | 1,100        | 20   |
| Property Assessor's Office                         | 100,062      | 102,705          | 102,705      | 2,643  |
| Reappraisal Program                                | 51,615       | 46,064           | 53,064       | 1,449  |
| County Trustee's Office                            | 110,751      | 111,329          | 113,644      | 2,893  |
| County Clerk's Office                              | 94,234       | 99,963           | 99,963       | 5,729  |
| <u>Administration of Justice</u>                   |              |                  |              |  |
| Circuit Court                                      | 160,176      | 162,652          | 161,302      | 1,126  |
| General Sessions Court                             | 114,228      | 112,778          | 114,229      | 1  |
| Chancery Court                                     | 104,017      | 111,163          | 111,163      | 7,146  |
| Juvenile Court                                     | 12,558       | 12,558           | 12,558       | 0  |
| Other Administration of Justice                    | 6,918        | 2,954            | 6,954        | 36   |
| <u>Public Safety</u>                               |              |                  |              |  |
| Sheriff's Department                               | 840,143      | 844,927          | 842,078      | 1,935  |
| Jail   | 786,262      | 783,710          | 786,558      | 296  |
| Civil Defense                                      | 84,258       | 96,149           | 96,149       | 11,891   |
| Rescue Squad                                       | 9,983        | 10,000           | 10,000       | 17   |
| Other Emergency Management                         | 156,356      | 156,360          | 156,360      | 4  |
| County Coroner/Medical Examiner                    | 10,738       | 6,500            | 12,200       | 1,462  |
| Other Public Safety                                | 35,638       | 38,215           | 38,215       | 2,577  |
| <u>Public Health and Welfare</u>                   |              |                  |              |  |
| Local Health Center                                | 35,457       | 37,315           | 37,315       | 1,858  |
| Ambulance/Emergency Medical Services               | 661,978      | 725,263          | 725,263      | 63,285   |
| Other Local Health Services                        | 22,322       | 34,986           | 34,986       | 12,664   |
| <u>Social, Cultural, and Recreational Services</u> |              |                  |              |  |
| Senior Citizens Assistance                         | 10,000       | 10,000           | 10,000       | 0  |

(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>Social, Cultural, and Recreational Services (Cont.)</u> |              |                  |              |  |
| Libraries  | \$ 99,571    | \$ 102,080       | \$ 102,080   | \$ 2,509   |
| Parks and Fair Boards                                      | 10,000       | 10,000           | 10,000       | 0  |
| Other Social, Cultural, and Recreational                   | 29,188       | 29,700           | 29,700       | 512  |
| <u>Agriculture and Natural Resources</u>                   |              |                  |              |  |
| Agriculture Extension Service                              | 31,603       | 33,244           | 33,244       | 1,641  |
| Soil Conservation  | 23,375       | 23,414           | 23,414       | 39   |
| <u>Other Operations</u>                                    |              |                  |              |  |
| Tourism  | 36,538       | 36,538           | 36,538       | 0  |
| Industrial Development                                     | 4,760        | 4,760            | 4,760        | 0  |
| Airport  | 64,014       | 552,482          | 552,482      | 488,468  |
| Veterans' Services   | 12,681       | 11,410           | 12,910       | 229  |
| Other Charges  | 54,470       | 57,000           | 57,000       | 2,530  |
| Employee Benefits  | 17,032       | 20,650           | 20,650       | 3,618  |
| Miscellaneous  | 43,978       | 33,003           | 44,003       | 25   |
| <u>Highways</u>  |              |                  |              |  |
| Litter and Trash Collection                                | 39,910       | 34,314           | 41,114       | 1,204  |
| Total Expenditures   | \$ 4,567,829 | \$ 5,154,615     | \$ 5,202,730 | \$ 634,901                                       |
| Excess (Deficiency) of Revenues Over Expenditures          | \$ (238,107) | \$ 84,689        | \$ 213,489   | \$ (451,596)                                     |
| <u>Other Financing Sources (Uses)</u>                      |              |                  |              |  |
| Insurance Recovery   | \$ 0         | \$ 13,373        | \$ 13,373    | \$ (13,373)                                      |
| Transfers In   | 0            | 800,000          | 0            | 0  |
| Transfers Out  | 0            | (700,000)        | 0            | 0  |
| Total Other Financing Sources                              | \$ 0         | \$ 113,373       | \$ 13,373    | \$ (13,373)                                      |
| Net Change in Fund Balance                                 | \$ (238,107) | \$ 198,062       | \$ 226,862   | \$ (464,969)                                     |
| Fund Balance, July 1, 2012                                 | 469,094      | 347,956          | 347,956      | 121,138  |
| Fund Balance, June 30, 2013                                | \$ 230,987   | \$ 546,018       | \$ 574,818   | \$ (343,831)                                     |

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, 2013

|  | Actual            | Budgeted Amounts  |                   | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|--|
|  |                   | Original          | Final             |  |
| <u>Revenues</u>                                      |                   |                   |                   |  |
| Local Taxes  | \$ 429,425        | \$ 445,129        | \$ 445,129        | \$ (15,704)  |
| Charges for Current Services                         | 32,958            | 48,025            | 48,025            | (15,067)   |
| Other Local Revenues                                 | 80                | 500               | 500               | (420)  |
| State of Tennessee                                   | 78,548            | 51,290            | 61,290            | 17,258   |
| Total Revenues                                       | <u>\$ 541,011</u> | <u>\$ 544,944</u> | <u>\$ 554,944</u> | <u>\$ (13,933)</u>   |
| <u>Expenditures</u>                                  |                   |                   |                   |  |
| <u>Public Health and Welfare</u>                     |                   |                   |                   |  |
| Sanitation Education/Information                     | \$ 9,771          | \$ 10,000         | \$ 10,000         | \$ 229   |
| Convenience Centers                                  | 59,724            | 73,716            | 73,716            | 13,992   |
| Transfer Stations                                    | 389,931           | 388,674           | 393,674           | 3,743  |
| Landfill Operation and Maintenance                   | 69,789            | 71,027            | 75,027            | 5,238  |
| <u>Other Operations</u>                              |                   |                   |                   |  |
| Employee Benefits                                    | 169               | 1,525             | 1,525             | 1,356  |
| Total Expenditures                                   | <u>\$ 529,384</u> | <u>\$ 544,942</u> | <u>\$ 553,942</u> | <u>\$ 24,558</u>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 11,627</u>  | <u>\$ 2</u>       | <u>\$ 1,002</u>   | <u>\$ 10,625</u>   |
| <u>Other Financing Sources (Uses)</u>                |                   |                   |                   |  |
| Transfers In   | \$ 0              | \$ 250,000        | \$ 250,000        | \$ (250,000)   |
| Transfers Out  | 0                 | (250,000)         | (250,000)         | 250,000  |
| Total Other Financing Sources                        | <u>\$ 0</u>       | <u>\$ 0</u>       | <u>\$ 0</u>       | <u>\$ 0</u>  |
| Net Change in Fund Balance                           | \$ 11,627         | \$ 2              | \$ 1,002          | \$ 10,625  |
| Fund Balance, July 1, 2012                           | <u>15,559</u>     | <u>27,484</u>     | <u>27,484</u>     | <u>(11,925)</u>  |
| Fund Balance, June 30, 2013                          | <u>\$ 27,186</u>  | <u>\$ 27,486</u>  | <u>\$ 28,486</u>  | <u>\$ (1,300)</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  
Highway/Public Works Fund  
For the Year Ended June 30, 2013

|   | Actual              | Budgeted Amounts    |                     | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
|   |                     | Original            | Final               |  |
| <u>Revenues</u>                                   |                     |                     |                     |  |
| Local Taxes                                       | \$ 57,743           | \$ 45,000           | \$ 45,000           | \$ 12,743  |
| Other Local Revenues                              | 16,716              | 0                   | 0                   | 16,716   |
| State of Tennessee                                | 1,489,218           | 1,938,230           | 1,938,230           | (449,012)  |
| Federal Government                                | 98,112              | 67,050              | 67,050              | 31,062   |
| Total Revenues                                    | <u>\$ 1,661,789</u> | <u>\$ 2,050,280</u> | <u>\$ 2,050,280</u> | <u>\$ (388,491)</u>                              |
| <u>Expenditures</u>                               |                     |                     |                     |  |
| <u>Highways</u>                                   |                     |                     |                     |  |
| Administration                                    | \$ 138,250          | \$ 147,678          | \$ 148,278          | \$ 10,028  |
| Highway and Bridge Maintenance                    | 470,081             | 1,492,200           | 1,491,600           | 1,021,519  |
| Operation and Maintenance of Equipment            | 213,235             | 272,800             | 272,800             | 59,565   |
| Other Charges                                     | 83,313              | 128,950             | 128,950             | 45,637   |
| Employee Benefits                                 | 191,847             | 226,250             | 226,250             | 34,403   |
| Capital Outlay                                    | 161,907             | 743,348             | 743,348             | 581,441  |
| Total Expenditures                                | <u>\$ 1,258,633</u> | <u>\$ 3,011,226</u> | <u>\$ 3,011,226</u> | <u>\$ 1,752,593</u>                              |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 403,156</u>   | <u>\$ (960,946)</u> | <u>\$ (960,946)</u> | <u>\$ 1,364,102</u>                              |
| Net Change in Fund Balance                        | \$ 403,156          | \$ (960,946)        | \$ (960,946)        | \$ 1,364,102                                     |
| Fund Balance, July 1, 2012                        | 3,605,037           | 3,605,037           | 3,605,037           | 0  |
| Fund Balance, June 30, 2013                       | <u>\$ 4,008,193</u> | <u>\$ 2,644,091</u> | <u>\$ 2,644,091</u> | <u>\$ 1,364,102</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, 2013

|                                     | <u>Agency<br/>Funds</u>  |
|-------------------------------------|--------------------------|
| <u>ASSETS</u>                       |                          |
| Cash                                | \$ 81,287                |
| Due from Other Governments          | <u>45,462</u>            |
| Total Assets                        | <u><u>\$ 126,749</u></u> |
| <u>LIABILITIES</u>                  |                          |
| Due to Other Taxing Units           | \$ 45,462                |
| Due to Litigants, Heirs, and Others | <u>81,287</u>            |
| Total Liabilities                   | <u><u>\$ 126,749</u></u> |

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

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**PERRY COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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| Note  | Page(s) |
|---|---------|
| <b>I. Summary of Significant Accounting Policies</b>  |         |
| A. Reporting Entity   | 31      |
| B. Government-wide and Fund Financial Statements  | 32      |
| C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation   | 33      |
| D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance   | 35      |
| 1. Deposits and Investments   | 35      |
| 2. Receivables and Payables   | 36      |
| 3. Capital Assets   | 37      |
| 4. Deferred Outflows/Inflows of Resources   | 37      |
| 5. Compensated Absences   | 38      |
| 6. Long-term Obligations  | 38      |
| 7. Net Position and Fund Balance  | 39      |
| <b>II. Reconciliation of Government-wide and Fund Financial Statements</b>  |         |
| A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position   | 41      |
| 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 | 41      |
| <b>III. Stewardship, Compliance, and Accountability</b>   |         |
| Budgetary Information   | 41      |
| <b>IV. Detailed Notes on All Funds</b>  |         |
| A. Deposits and Investments   | 42      |
| B. Note Receivable  | 43      |
| C. Capital Assets   | 44      |
| D. Interfund Receivables, Payables, and Transfers   | 46      |
| E. Long-term Obligations  | 47      |
| F. Pledges of Receivables and Future Revenues   | 51      |
| G. On-Behalf Payments   | 51      |
| H. Short-term Debt  | 52      |
| <b>V. Other Information</b>   |         |
| A. Risk Management  | 52      |
| B. Accounting Changes   | 53      |
| C. Subsequent Event   | 54      |
| D. Contingent Liabilities   | 54      |
| E. Landfill Postclosure Care Costs  | 55      |
| F. Joint Ventures   | 55      |
| G. Jointly Governed Organization  | 56      |
| H. Retirement Commitments   | 56      |
| I. Other Postemployment Benefits (OPEB)   | 59      |
| J. Purchasing Laws  | 62      |
| <b>VI. Other Notes - Discretely Presented Perry County Emergency Communications District</b>  | 63      |

**PERRY COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**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 Perry County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Perry County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

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

The government-wide financial statements (i.e., the Statement of Net 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. No debt issues were contributed by the county to the School Department during the year ended June 30, 2013.

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.

**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:

**General Capital Projects Fund** – This 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.

In a prior year, Perry County purchased three properties, which were titled to the Perry County Industrial Development Board, for the purpose of creating jobs in Perry County. On May 22, 2012, the county entered into an agreement whereby the board agreed to repay the county \$480,933 from lease revenues derived from these properties. The agreement bears a zero percent interest rate and specifies that

the industrial development board may retain sufficient revenues to fund their operations and repay the county from any excess revenues collected. Due to the uncertainty of collecting this debt, a receivable has not been recorded in the financial statements of this report. No repayments were received during the year ended June 30, 2013.

**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 several sources: current property taxes, delinquent property taxes, as well as, other receivables for revenues, 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 inflow 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 may be displayed in the following 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. Investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation.
- c. 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.
- d. 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, 2013, Perry County had \$3,045,750 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.

## **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**

### **Budgetary Information**

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the

presentation of the information for both municipal and county governments in Tennessee.

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.

#### **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, 2013.

### **B. Note Receivable**

Notes receivable of \$77,000 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 \$66,000 and is offset by committed fund balance.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2013, was as follows:

**Primary Government**

**Governmental Activities:**

|  | Balance<br>7-1-12    | Increases           | Decreases             | Balance<br>6-30-13   |
|--|----------------------|---------------------|-----------------------|----------------------|
| Capital Assets Not Depreciated:                    |                      |                     |                       |                      |
| Land   | \$ 210,266           | \$ 0                | \$ 0                  | \$ 210,266           |
| Construction in Progress                           | 1,066,270            | 0                   | (1,066,270)           | 0                    |
| <b>Total Capital Assets Not Depreciated</b>        | <b>\$ 1,276,536</b>  | <b>\$ 0</b>         | <b>\$ (1,066,270)</b> | <b>\$ 210,266</b>    |
| Capital Assets Depreciated:                        |                      |                     |                       |                      |
| Buildings and Improvements                         | \$ 4,760,876         | \$ 1,386,302        | \$ 0                  | \$ 6,147,178         |
| Infrastructure                                     | 3,614,190            | 0                   | 0                     | 3,614,190            |
| Other Capital Assets                               | 3,836,609            | 355,308             | (140,686)             | 4,051,231            |
| <b>Total Capital Assets Depreciated</b>            | <b>\$ 12,211,675</b> | <b>\$ 1,741,610</b> | <b>\$ (140,686)</b>   | <b>\$ 13,812,599</b> |
| Less Accumulated Depreciation For:                 |                      |                     |                       |                      |
| Buildings and Improvements                         | \$ 1,979,420         | \$ 119,059          | \$ 0                  | \$ 2,098,479         |
| Infrastructure                                     | 798,279              | 174,521             | 0                     | 972,800              |
| Other Capital Assets                               | 2,671,630            | 221,323             | (140,686)             | 2,752,267            |
| <b>Total Accumulated Depreciation</b>              | <b>\$ 5,449,329</b>  | <b>\$ 514,903</b>   | <b>\$ (140,686)</b>   | <b>\$ 5,823,546</b>  |
| <b>Total Capital Assets Depreciated, Net</b>       | <b>\$ 6,762,346</b>  | <b>\$ 1,226,707</b> | <b>\$ 0</b>           | <b>\$ 7,989,053</b>  |
| <b>Governmental Activities Capital Assets, Net</b> | <b>\$ 8,038,882</b>  | <b>\$ 1,226,707</b> | <b>\$ (1,066,270)</b> | <b>\$ 8,199,319</b>  |

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

**Governmental Activities:**

|   |    |                       |
|---|----|-----------------------|
| General Government                                      | \$ | 35,842                |
| Public Safety   |    | 137,360               |
| Public Health and Welfare                               |    | 61,290                |
| Highways/Public Works                                   |    | <u>280,411</u>        |
| Total Depreciation Expense -<br>Governmental Activities | \$ | <u><u>514,903</u></u> |

**Discretely Presented Perry County School Department**

**Governmental Activities:**

|  | Balance<br>7-1-12    | Increases           | Decreases           | Balance<br>6-30-13   |
|--|----------------------|---------------------|---------------------|----------------------|
| Capital Assets Not<br>Depreciated:             |                      |                     |                     |                      |
| Land   | \$ 138,512           | \$ 0                | \$ 0                | \$ 138,512           |
| Total Capital Assets<br>Not Depreciated        | <u>\$ 138,512</u>    | <u>\$ 0</u>         | <u>\$ 0</u>         | <u>\$ 138,512</u>    |
| Capital Assets Depreciated:                    |                      |                     |                     |                      |
| Buildings and<br>Improvements                  | \$ 11,150,760        | \$ 0                | \$ 0                | \$ 11,150,760        |
| Other Capital Assets                           | 1,882,769            | 76,958              | (382,024)           | 1,577,703            |
| Total Capital Assets<br>Depreciated            | <u>\$ 13,033,529</u> | <u>\$ 76,958</u>    | <u>\$ (382,024)</u> | <u>\$ 12,728,463</u> |
| Less Accumulated<br>Depreciation For:          |                      |                     |                     |                      |
| Buildings and<br>Improvements                  | \$ 4,616,496         | \$ 266,882          | \$ 0                | \$ 4,883,378         |
| Other Capital Assets                           | 1,372,403            | 102,027             | (382,024)           | 1,092,406            |
| Total Accumulated Depreciation                 | <u>\$ 5,988,899</u>  | <u>\$ 368,909</u>   | <u>\$ (382,024)</u> | <u>\$ 5,975,784</u>  |
| Total Capital Assets<br>Depreciated, Net       | <u>\$ 7,044,630</u>  | <u>\$ (291,951)</u> | <u>\$ 0</u>         | <u>\$ 6,752,679</u>  |
| Governmental Activities<br>Capital Assets, Net | <u>\$ 7,183,142</u>  | <u>\$ (291,951)</u> | <u>\$ 0</u>         | <u>\$ 6,891,191</u>  |

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

**Governmental Activities:**

|   |                   |
|---|-------------------|
| Instruction   | \$ 100,160        |
| Support Services  | 217,368           |
| Operation of Non-Instructional Services                 | <u>51,381</u>     |
| Total Depreciation Expense -<br>Governmental Activities | <u>\$ 368,909</u> |

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

The composition of interfund balances as of June 30, 2013, was as follows:

**Due to/from Primary Government and Component Unit:**

| <u>Receivable</u>  | <u>Payable</u>                       | <u>Amount</u> |
|--------------------|--------------------------------------|---------------|
| Primary Government | Component Unit:<br>School Department | \$ 100,120    |

The Due to Primary Government 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.

**Interfund Transfer:**

Interfund transfers for the year ended June 30, 2013, consisted of the following amount:

**Discretely Presented Perry County School Department**

| <u>Transfer Out</u>        | <u>Transfer In</u>             |
|----------------------------|--------------------------------|
|                            | General Purpose<br>School Fund |
| Nonmajor governmental fund | \$ 9,236                       |

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**

**Notes and Other Loans**

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

Capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to ten years for notes and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund.

Capital outlay notes and other loans outstanding as of June 30, 2013, for governmental activities are as follows:

| Type                 | Interest Rate | Final Maturity | Original Amount of Issue | Balance 6-30-13 |
|----------------------|---------------|----------------|--------------------------|-----------------|
| Capital Outlay Notes | 0 to 5.949    | % 1-15-2017    | \$ 296,857               | \$ 100,120      |
| Other Loans          | Variable      | 5-25-2023      | 11,500,000               | 5,321,000       |

In prior years, Perry County entered into loan agreements with the Montgomery County Public Building Authority. Under these loan agreements, the authority loaned \$5,000,000, \$2,500,000, and \$4,000,000 to Perry County for various renovation and construction projects. The loans are payable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with the loans. At June 30, 2013, the loans had a variable interest rate of .31 percent on the \$5,000,000 and \$2,500,000 loans and .33 percent on the \$4,000,000 loan, \$85 per month per loan trustee fee, and .08 percent remarketing fee of the outstanding principal on the three loans. Letter of credit fees were .35 percent for the \$5,000,000 and \$2,500,000 loans and .5 percent for the \$4,000,000 loan.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2013, including interest payments and other loan fees, are presented in the following tables:

| Year Ending<br>June 30 | Notes      |          |            |
|------------------------|------------|----------|------------|
|                        | Principal  | Interest | Total      |
| 2014                   | \$ 38,715  | \$ 3,381 | \$ 42,096  |
| 2015                   | 39,092     | 2,608    | 41,700     |
| 2016                   | 14,595     | 1,788    | 16,383     |
| 2017                   | 7,718      | 921      | 8,639      |
| Total                  | \$ 100,120 | \$ 8,698 | \$ 108,818 |

| Year Ending<br>June 30 | Other Loans  |           |            |              |
|------------------------|--------------|-----------|------------|--------------|
|                        | Principal    | Interest  | Other Fees | Total        |
| 2014                   | \$ 697,000   | \$ 17,446 | \$ 30,186  | \$ 744,632   |
| 2015                   | 729,000      | 15,243    | 26,878     | 771,121      |
| 2016                   | 764,000      | 12,940    | 23,424     | 800,364      |
| 2017                   | 800,000      | 10,529    | 19,807     | 830,336      |
| 2018                   | 837,000      | 8,003     | 16,024     | 861,027      |
| 2019-2023              | 1,494,000    | 14,138    | 30,262     | 1,538,400    |
| Total                  | \$ 5,321,000 | \$ 78,299 | \$ 146,581 | \$ 5,545,880 |

There is \$2,311,224 available in the General Debt Service Fund to service long-term debt. Debt per capita, including notes and other loans, totaled \$685, based on the 2010 federal census.

The School Department is currently servicing 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. In the prior year, this debt was reflected as debt of the School Department; however, this debt has been reclassified as debt of the primary government because the primary government is legally obligated to repay the debt. During the year, School Department made principal contributions of \$37,985 to the primary government.

| Description of Indebtedness                        | Outstanding<br>6-30-13 |
|--|------------------------|
| <u>Notes Payable</u>                               |                        |
| <u>Payable through General Purpose School Fund</u> |                        |
| Bleachers  | \$ 48,691              |
| Energy Efficiency Loan                             | 51,429                 |
| Total  | <u>\$ 100,120</u>      |

Changes in Long-term Obligations

Long-term obligation activity for the year ended June 30, 2013, was as follows:

|                                 | Notes             | Other<br>Loans      | Compensated<br>Absences |
|---------------------------------|-------------------|---------------------|-------------------------|
| Balance, July 1, 2012           | \$ 116,250        | \$ 5,986,000        | \$ 68,295               |
| Reclassification of School Debt | 138,105           | 0                   | 0                       |
| Additions                       | 0                 | 0                   | 76,046                  |
| Reductions                      | (154,235)         | (665,000)           | (37,696)                |
| Balance, June 30, 2013          | <u>\$ 100,120</u> | <u>\$ 5,321,000</u> | <u>\$ 106,645</u>       |
| Balance Due Within One Year     | <u>\$ 38,715</u>  | <u>\$ 697,000</u>   | <u>\$ 106,645</u>       |

|                             | LOGIC<br>Assessment | Landfill<br>Postclosure<br>Care Costs | Other<br>Postemployment<br>Benefits |
|-----------------------------|---------------------|---------------------------------------|-------------------------------------|
| Balance, July 1, 2012       | \$ 4,069            | \$ 364,867                            | \$ 25,612                           |
| Additions                   | 0                   | 6,837                                 | 11,937                              |
| Reductions                  | (4,069)             | (5,000)                               | (1,092)                             |
| Balance, June 30, 2013      | <u>\$ 0</u>         | <u>\$ 366,704</u>                     | <u>\$ 36,457</u>                    |
| Balance Due Within One Year | <u>\$ 0</u>         | <u>\$ 5,000</u>                       | <u>\$ 0</u>                         |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

|   |                  |
|---|------------------|
| Total Noncurrent Liabilities, June 30, 2013 | \$ 5,930,926     |
| Less: Balance Due Within One Year           | <u>(847,360)</u> |

|   |                     |
|---|---------------------|
| Noncurrent Liabilities - Due in<br>More Than One Year - Exhibit A | <u>\$ 5,083,566</u> |
|---|---------------------|

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

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.

Changes in Long-term Obligations

Long-term obligation activity for the discretely presented Perry County School Department for the year ended June 30, 2013, was as follows:

| Governmental Activities:        | Notes        | Compensated<br>Absences | Other<br>Postemployment<br>Benefits |
|---------------------------------|--------------|-------------------------|-------------------------------------|
|                                 | <u>Notes</u> | <u>Absences</u>         | <u>Benefits</u>                     |
| Balance, July 1, 2012           | \$ 138,105   | \$ 35,883               | \$ 242,165                          |
| Additions                       | 0            | 17,052                  | 105,405                             |
| Reductions                      | 0            | (17,398)                | (35,786)                            |
| Reclassification of School Debt | (138,105)    | 0                       | 0                                   |
|                                 | <u>0</u>     | <u>35,537</u>           | <u>311,784</u>                      |
| Balance, June 30, 2013          | \$ 0         | \$ 35,537               | \$ 311,784                          |
|                                 | <u>0</u>     | <u>8,884</u>            | <u>0</u>                            |
| Balance Due Within One Year     | \$ 0         | \$ 8,884                | \$ 0                                |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

|   |                   |
|---|-------------------|
| Total Noncurrent Liabilities, June 30, 2013                       | \$ 347,321        |
| Less: Balance Due Within One Year                                 | <u>(8,884)</u>    |
| Noncurrent Liabilities - Due in<br>More Than One Year - Exhibit A | <u>\$ 338,437</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 and are payable through 2019.

Under the terms of an agreement between the Perry County Commission and the Perry County Board of Education, beginning in 2000-01, the Perry County Board of Education began paying \$150,000 per year to the General Debt Service Fund to retire any indebtedness incurred as a result of the 1996-99 school building program until such indebtedness is paid in full or for 20 years, whichever comes first. The board was allowed to skip the 2012 payment, extending the agreement for an additional year. At June 30, 2013, principal, interest, and other loan fee requirements totaled \$3,659,688 for the loans, and payments will be made in monthly installments through May 2019.

**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, 2013, were \$20,661 and \$4,183, 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 (\$250,000) funds. These notes were necessary because funds were not available to meet operating expenses due before current tax collections. Short-term debt activity for the year ended June 30, 2013, was as follows:

|                        | Balance |              |                | Balance |
|------------------------|---------|--------------|----------------|---------|
|                        | 7-1-12  | Issued       | Paid           | 6-30-13 |
| Tax Anticipation Notes | \$ 0    | \$ 1,050,000 | \$ (1,050,000) | \$ 0    |

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

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

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

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

LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

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

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

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

## **B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Perry County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial

reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

**C. Subsequent Event**

On September 23, 2013, the county's General Debt Service Fund issued tax anticipation notes to the General (\$800,000) and Solid Waste/Sanitation (\$78,450) funds for temporary operating funds.

**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 \$366,704 reported as postclosure care liability at June 30, 2013, represents amounts based on what it would cost to perform all postclosure care in 2013. 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, 2013.

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, 2013.

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)**

**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 SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs/Schools](http://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 \$1,092 and \$35,786, respectively, for postemployment health care during the year ended June 30, 2013.

### Annual OPEB Cost and Net OPEB Obligation

|                              | Local<br>Education<br>Group<br>Plan | Local<br>Government<br>Group<br>Plan |
|------------------------------|-------------------------------------|--------------------------------------|
| ARC                          | \$ 106,000                          | \$ 12,000                            |
| Interest on the NOPEBO       | 9,687                               | 1,024                                |
| Adjustment to the ARC        | (10,282)                            | (1,087)                              |
| Annual OPEB cost             | \$ 105,405                          | \$ 11,937                            |
| Less: Amount of contribution | (35,786)                            | (1,092)                              |
| Increase/decrease in NOPEBO  | \$ 69,619                           | \$ 10,845                            |
| Net OPEB obligation, 7-1-12  | 242,165                             | 25,612                               |
| Net OPEB obligation, 6-30-13 | \$ 311,784                          | \$ 36,457                            |

| Fiscal Year Ended | Plans                  | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|-------------------|------------------------|------------------|--|---------------------------------|
| 6-30-11           | Local Government Group | \$ 3,033         | 20%  | \$ 14,708                       |
| 6-30-12           | "                      | 11,964           | 9  | 25,612                          |
| 6-30-13           | "                      | 11,937           | 9  | 36,457                          |
| 6-30-11           | Local Education Group  | 78,308           | 51   | 167,922                         |
| 6-30-12           | "                      | 104,587          | 29   | 242,165                         |
| 6-30-13           | "                      | 105,405          | 34   | 311,784                         |

#### Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:  
(dollars in thousands):

|   | Local Education Group Plan | Local Government Group Plan |
|---|----------------------------|-----------------------------|
| -   |                            |                             |
| Actuarial valuation date                    | 7-1-11                     | 7-1-11                      |
| Actuarial accrued liability (AAL)           | \$ 935                     | \$ 65                       |
| Actuarial value of plan assets              | \$ 0                       | \$ 0                        |
| Unfunded actuarial accrued liability (UAAL) | \$ 935                     | \$ 65                       |
| Actuarial value of assets as a % of the AAL | 0%                         | 0%                          |
| Covered payroll (active plan members)       | \$ 4,290                   | \$ 725                      |
| UAAL as a % of covered payroll              | 22%                        | 9%                          |

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

#### Actuarial Methods and Assumptions

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

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

In the July 1, 2011, actuarial valuation for the Local Education 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 of 8.75 percent for fiscal year 2013. The trend will decrease to 8.25 percent in fiscal year 2014 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. 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<br>7-1-12 | Increases   | Decreases | Balance<br>6-30-13 |
|-------------------------------|-------------------|-------------|-----------|--------------------|
| Buildings                     | \$ 150,000        | \$ 0        | \$ 0      | \$ 150,000         |
| Vehicles                      | 20,000            | 0           | 0         | 20,000             |
| Communications Equipment      | 400,465           | 56,212      | 0         | 456,677            |
| Total Capital Assets          |                   |             |           |                    |
| Being Depreciated             | \$ 570,465        | \$ 56,212   | \$ 0      | \$ 626,677         |
| Less Accumulated Depreciation | \$ (177,558)      | \$ (39,519) | \$ 0      | \$ (217,077)       |
| Total Capital Assets, Net     | \$ 392,907        | \$ 16,693   | \$ 0      | \$ 409,600         |

The accumulated depreciation for communications equipment is \$193,327, buildings is \$3,750, and \$20,000 for vehicles. Depreciation expense for the year was \$39,519, which was all for communications equipment.

**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.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Perry County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Perry County School Department  
June 30, 2013

(Dollar amounts in thousands)

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Frozen<br>Entry Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b)-(a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|--|--|--------------------------------------|--------------------------|---------------------------|---|
| 7-1-11                         | \$ 10,360                              | \$ 10,991  | \$ 631                               | 94.26                    | % \$ 4,105                | 15.37 %   |
| 7-1-09                         | 8,174                                  | 8,421  | 247                                  | 97.07                    | 3,561                     | 6.93  |
| 7-1-07                         | 7,556                                  | 7,854  | 298                                  | 96.21                    | 2,824                     | 10.55   |

Exhibit E-2

Perry County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Perry County School Department  
June 30, 2013

(Dollar amounts in thousands)

| <u>Plans</u>   | <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets (a)</u> | <u>Actuarial Accrued Liability (AAL) Projected Unit Credit (b)</u> | <u>Unfunded AAL (UAAAL) (b)-(a)</u> | <u>Funded Ratio (a/b)</u> | <u>Covered Payroll (c)</u> | <u>UAAAL as a Percentage of Covered Payroll ((b-a)/c)</u> |
|--|---------------------------------|--------------------------------------|--|-------------------------------------|---------------------------|----------------------------|---|
| <u>PRIMARY GOVERNMENT</u>                                  |                                 |                                      |  |                                     |                           |                            |   |
| Local Government Group                                     | 7-1-09                          | \$ 0                                 | \$ 97  | \$ 97                               | 0 %                       | \$ 732                     | 13 %  |
| "  | 7-1-10                          | 0                                    | 21   | 21                                  | 0                         | 725                        | 3   |
| "  | 7-1-11                          | 0                                    | 65   | 65                                  | 0                         | 725                        | 9   |
| <u>DISCRETELY PRESENTED PERRY COUNTY SCHOOL DEPARTMENT</u> |                                 |                                      |  |                                     |                           |                            |   |
| Local Education Group                                      | 7-1-09                          | 0                                    | 679  | 679                                 | 0                         | 3,644                      | 19  |
| "  | 7-1-10                          | 0                                    | 708  | 708                                 | 0                         | 4,290                      | 16  |
| "  | 7-1-11                          | 0                                    | 935  | 935                                 | 0                         | 4,290                      | 22  |

**PERRY COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2013**

**BUDGETARY INFORMATION**

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for 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.

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

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

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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.

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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, 2013

|  | Special Revenue Funds                 |                    |                 |           | Capital<br>Projects<br>Fund    | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---------------------------------------|--------------------|-----------------|-----------|--------------------------------|--|
|  | Courthouse<br>and Jail<br>Maintenance | Special<br>Purpose | Drug<br>Control | Total     | General<br>Capital<br>Projects |  |
| Equity in Pooled Cash and Investments    | \$ 13,229                             | \$ 29,816          | \$ 24,706       | \$ 67,751 | \$ 76,677                      | \$ 144,428                                 |
| Total Assets                             | \$ 13,229                             | \$ 29,816          | \$ 24,706       | \$ 67,751 | \$ 76,677                      | \$ 144,428                                 |
| <u>FUND BALANCES</u>                     |                                       |                    |                 |           |                                |  |
| Restricted:                              |                                       |                    |                 |           |                                |  |
| Restricted for Administration of Justice | \$ 0                                  | \$ 14,655          | \$ 0            | \$ 14,655 | \$ 0                           | \$ 14,655                                  |
| Restricted for Public Safety             | 13,229                                | 0                  | 24,706          | 37,935    | 0                              | 37,935                                     |
| Committed:                               |                                       |                    |                 |           |                                |  |
| Committed for Capital Projects           | 0                                     | 0                  | 0               | 0         | 76,677                         | 76,677                                     |
| Assigned:                                |                                       |                    |                 |           |                                |  |
| Assigned for Administration of Justice   | 0                                     | 15,161             | 0               | 15,161    | 0                              | 15,161                                     |
| Total Fund Balances                      | \$ 13,229                             | \$ 29,816          | \$ 24,706       | \$ 67,751 | \$ 76,677                      | \$ 144,428                                 |

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, 2013

|   | Special Revenue Funds                 |                    |                  |   |                  | Total             | Capital<br>Projects<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|---------------------------------------|--------------------|------------------|---|------------------|-------------------|-----------------------------|--|
|   | Courthouse<br>and Jail<br>Maintenance | Special<br>Purpose | Drug<br>Control  | Constitu-<br>tional<br>Officers -<br>Fees |                  |                   |                             |  |
| <u>Revenues</u>   |                                       |                    |                  |   |                  |                   |                             |  |
| Local Taxes   | \$ 14,226                             | \$ 3,489           | \$ 0             | \$ 0                                      | \$ 17,715        | \$ 0              | \$ 17,715                   |  |
| Fines, Forfeitures, and Penalties                         | 1,083                                 | 976                | 8,682            | 0   | 10,741           | 0                 | 10,741                      |  |
| Charges for Current Services                              | 0                                     | 0                  | 0                | 6,429                                     | 6,429            | 0                 | 6,429                       |  |
| Other Local Revenues                                      | 0                                     | 0                  | 21,432           | 0   | 21,432           | 0                 | 21,432                      |  |
| Fees Received from County Officials                       | 0                                     | 210                | 0                | 0   | 210              | 0                 | 210                         |  |
| Federal Government  | 0                                     | 0                  | 0                | 0   | 0                | 288,102           | 288,102                     |  |
| Other Governments and Citizens Groups                     | 0                                     | 0                  | 253              | 0   | 253              | 0                 | 253                         |  |
| <b>Total Revenues</b>                                     | <b>\$ 15,309</b>                      | <b>\$ 4,675</b>    | <b>\$ 30,367</b> | <b>\$ 6,429</b>                           | <b>\$ 56,780</b> | <b>\$ 288,102</b> | <b>\$ 344,882</b>           |  |
| <u>Expenditures</u>                                       |                                       |                    |                  |   |                  |                   |                             |  |
| Current:  |                                       |                    |                  |   |                  |                   |                             |  |
| General Government  | \$ 6,291                              | \$ 0               | \$ 0             | \$ 0                                      | \$ 6,291         | \$ 0              | \$ 6,291                    |  |
| Administration of Justice                                 | 0                                     | 103                | 0                | 6,429                                     | 6,532            | 0                 | 6,532                       |  |
| Public Safety   | 0                                     | 0                  | 10,938           | 0   | 10,938           | 6,339             | 17,277                      |  |
| Other Operations  | 153                                   | 0                  | 0                | 0   | 153              | 0                 | 153                         |  |
| Capital Projects  | 0                                     | 0                  | 0                | 0   | 0                | 477,877           | 477,877                     |  |
| <b>Total Expenditures</b>                                 | <b>\$ 6,444</b>                       | <b>\$ 103</b>      | <b>\$ 10,938</b> | <b>\$ 6,429</b>                           | <b>\$ 23,914</b> | <b>\$ 484,216</b> | <b>\$ 508,130</b>           |  |
| Excess (Deficiency) of Revenues<br>Over Expenditures      | \$ 8,865                              | \$ 4,572           | \$ 19,429        | \$ 0                                      | \$ 32,866        | \$ (196,114)      | \$ (163,248)                |  |
| Net Change in Fund Balances<br>Fund Balance, July 1, 2012 | \$ 8,865                              | \$ 4,572           | \$ 19,429        | \$ 0                                      | \$ 32,866        | \$ (196,114)      | \$ (163,248)                |  |
|   | 4,364                                 | 25,244             | 5,277            | 0   | 34,885           | 272,791           | 307,676                     |  |
| Fund Balance, June 30, 2013                               | \$ 13,229                             | \$ 29,816          | \$ 24,706        | \$ 0                                      | \$ 67,751        | \$ 76,677         | \$ 144,428                  |  |

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, 2013

|  | Actual           | Budgeted Amounts |                  | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|--|
|  |                  | Original         | Final            |  |
| <u>Revenues</u>                                      |                  |                  |                  |  |
| Local Taxes  | \$ 14,226        | \$ 9,050         | \$ 12,050        | \$ 2,176   |
| Fines, Forfeitures, and Penalties                    | 1,083            | 1,350            | 1,350            | (267)  |
| Total Revenues                                       | <u>\$ 15,309</u> | <u>\$ 10,400</u> | <u>\$ 13,400</u> | <u>\$ 1,909</u>  |
| <u>Expenditures</u>                                  |                  |                  |                  |  |
| <u>General Government</u>                            |                  |                  |                  |  |
| County Buildings                                     | \$ 6,291         | \$ 10,285        | \$ 10,285        | \$ 3,994   |
| <u>Other Operations</u>                              |                  |                  |                  |  |
| Other Charges  | 153              | 115              | 215              | 62   |
| Total Expenditures                                   | <u>\$ 6,444</u>  | <u>\$ 10,400</u> | <u>\$ 10,500</u> | <u>\$ 4,056</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 8,865</u>  | <u>\$ 0</u>      | <u>\$ 2,900</u>  | <u>\$ 5,965</u>  |
| Net Change in Fund Balance                           | \$ 8,865         | \$ 0             | \$ 2,900         | \$ 5,965   |
| Fund Balance, July 1, 2012                           | <u>4,364</u>     | <u>729</u>       | <u>729</u>       | <u>3,635</u>   |
| Fund Balance, June 30, 2013                          | <u>\$ 13,229</u> | <u>\$ 729</u>    | <u>\$ 3,629</u>  | <u>\$ 9,600</u>  |

Exhibit F-4

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Special Purpose Fund  
For the Year Ended June 30, 2013

|  | Actual                  | Budgeted Amounts        |                    | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|-------------------------|-------------------------|--------------------|--|
|  |                         | Original                | Final              |  |
| <u>Revenues</u>                                      |                         |                         |                    |  |
| Local Taxes  | \$ 3,489                | \$ 3,000                | \$ 3,400           | \$ 89  |
| Fines, Forfeitures, and Penalties                    | 976                     | 700                     | 665                | 311  |
| Fees Received from County Officials                  | 210                     | 0                       | 0                  | 210  |
| Total Revenues                                       | <u>\$ 4,675</u>         | <u>\$ 3,700</u>         | <u>\$ 4,065</u>    | <u>\$ 610</u>  |
| <u>Expenditures</u>                                  |                         |                         |                    |  |
| <u>Administration of Justice</u>                     |                         |                         |                    |  |
| Circuit Court  | \$ 45                   | \$ 3,050                | \$ 10,250          | \$ 10,205  |
| General Sessions Court                               | 0                       | 3,000                   | 10,000             | 10,000   |
| Chancery Court                                       | 58                      | 3,000                   | 10,000             | 9,942  |
| Total Expenditures                                   | <u>\$ 103</u>           | <u>\$ 9,050</u>         | <u>\$ 30,250</u>   | <u>\$ 30,147</u>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 4,572</u>         | <u>\$ (5,350)</u>       | <u>\$ (26,185)</u> | <u>\$ 30,757</u>   |
| Net Change in Fund Balance                           | \$ 4,572                | \$ (5,350)              | \$ (26,185)        | \$ 30,757  |
| Fund Balance, July 1, 2012                           | <u>25,244</u>           | <u>21,829</u>           | <u>26,185</u>      | <u>(941)</u>   |
| Fund Balance, June 30, 2013                          | <u><u>\$ 29,816</u></u> | <u><u>\$ 16,479</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 29,816</u></u>                                      |

Exhibit F-5

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2013

|  | Actual           | Budgeted Amounts |                   | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|------------------|------------------|-------------------|--|
|  |                  | Original         | Final             |  |
| <u>Revenues</u>                                      |                  |                  |                   |  |
| Fines, Forfeitures, and Penalties                    | \$ 8,682         | \$ 8,100         | \$ 8,161          | \$ 521   |
| Other Local Revenues                                 | 21,432           | 1,000            | 1,000             | 20,432   |
| Other Governments and Citizens Groups                | 253              | 0                | 0                 | 253  |
| Total Revenues                                       | <u>\$ 30,367</u> | <u>\$ 9,100</u>  | <u>\$ 9,161</u>   | <u>\$ 21,206</u>   |
| <u>Expenditures</u>                                  |                  |                  |                   |  |
| <u>Public Safety</u>                                 |                  |                  |                   |  |
| Drug Enforcement                                     | \$ 10,938        | \$ 6,000         | \$ 10,938         | \$ 0   |
| Total Expenditures                                   | <u>\$ 10,938</u> | <u>\$ 6,000</u>  | <u>\$ 10,938</u>  | <u>\$ 0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 19,429</u> | <u>\$ 3,100</u>  | <u>\$ (1,777)</u> | <u>\$ 21,206</u>   |
| Net Change in Fund Balance                           | \$ 19,429        | \$ 3,100         | \$ (1,777)        | \$ 21,206  |
| Fund Balance, July 1, 2012                           | <u>5,277</u>     | <u>27,269</u>    | <u>27,269</u>     | <u>(21,992)</u>  |
| Fund Balance, June 30, 2013                          | <u>\$ 24,706</u> | <u>\$ 30,369</u> | <u>\$ 25,492</u>  | <u>\$ (786)</u>  |

# **Major Governmental Fund**

## **General Debt Service Fund**

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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.

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Exhibit G

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2013

|  | Actual              | Budgeted Amounts    |                     | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|--|
|  |                     | Original            | Final               |  |
| <u>Revenues</u>                                      |                     |                     |                     |  |
| Local Taxes  | \$ 663,532          | \$ 802,800          | \$ 802,800          | \$ (139,268)   |
| Other Local Revenues                                 | 74,304              | 75,000              | 75,000              | (696)  |
| State of Tennessee                                   | 247,707             | 196,200             | 196,200             | 51,507   |
| Other Governments and Citizens Groups                | 249,697             | 135,000             | 177,097             | 72,600   |
| Total Revenues                                       | <u>\$ 1,235,240</u> | <u>\$ 1,209,000</u> | <u>\$ 1,251,097</u> | <u>\$ (15,857)</u>   |
| <u>Expenditures</u>                                  |                     |                     |                     |  |
| <u>Principal on Debt</u>                             |                     |                     |                     |  |
| General Government                                   | \$ 307,200          | \$ 296,000          | \$ 308,200          | \$ 1,000   |
| Education  | 512,036             | 470,000             | 518,036             | 6,000  |
| <u>Interest on Debt</u>                              |                     |                     |                     |  |
| General Government                                   | 8,732               | 82,000              | 81,540              | 72,808   |
| Education  | 17,972              | 181,000             | 163,321             | 145,349  |
| <u>Other Debt Service</u>                            |                     |                     |                     |  |
| General Government                                   | 29,606              | 57,000              | 56,026              | 26,420   |
| Education  | 111,669             | 123,000             | 123,974             | 12,305   |
| Total Expenditures                                   | <u>\$ 987,215</u>   | <u>\$ 1,209,000</u> | <u>\$ 1,251,097</u> | <u>\$ 263,882</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 248,025</u>   | <u>\$ 0</u>         | <u>\$ 0</u>         | <u>\$ 248,025</u>  |
| <u>Other Financing Sources (Uses)</u>                |                     |                     |                     |  |
| Transfers In   | \$ 0                | \$ 1,050,000        | \$ 0                | \$ 0   |
| Transfers Out  | 0                   | (1,350,000)         | (300,000)           | 300,000  |
| Total Other Financing Sources                        | <u>\$ 0</u>         | <u>\$ (300,000)</u> | <u>\$ (300,000)</u> | <u>\$ 300,000</u>  |
| Net Change in Fund Balance                           | \$ 248,025          | \$ (300,000)        | \$ (300,000)        | \$ 548,025   |
| Fund Balance, July 1, 2012                           | <u>2,063,199</u>    | <u>2,472,272</u>    | <u>2,472,272</u>    | <u>(409,073)</u>   |
| Fund Balance, June 30, 2013                          | <u>\$ 2,311,224</u> | <u>\$ 2,172,272</u> | <u>\$ 2,172,272</u> | <u>\$ 138,952</u>  |

# Fiduciary Funds

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

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

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

Exhibit H-1

Perry County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2013

|                                     | <u>Agency Funds</u> |                  |                   |
|-------------------------------------|---------------------|------------------|-------------------|
|                                     | Cities -            | Constitu-        |                   |
|                                     | Sales               | tional           |                   |
|                                     | Tax                 | Officers -       |                   |
|                                     |                     | Agency           | Total             |
| <u>ASSETS</u>                       |                     |                  |                   |
| Cash                                | \$ 0                | \$ 81,287        | \$ 81,287         |
| Due from Other Governments          | 45,462              | 0                | 45,462            |
| Total Assets                        | <u>\$ 45,462</u>    | <u>\$ 81,287</u> | <u>\$ 126,749</u> |
| <u>LIABILITIES</u>                  |                     |                  |                   |
| Due to Other Taxing Units           | \$ 45,462           | \$ 0             | \$ 45,462         |
| Due to Litigants, Heirs, and Others | 0                   | 81,287           | 81,287            |
| Total Liabilities                   | <u>\$ 45,462</u>    | <u>\$ 81,287</u> | <u>\$ 126,749</u> |

Exhibit H-2

Perry County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2013

|  | Beginning<br>Balance | Additions  | Deductions | Ending<br>Balance |
|--|----------------------|------------|------------|-------------------|
| <u>Cities - Sales Tax Fund</u>               |                      |            |            |                   |
| <u>Assets</u>                                |                      |            |            |                   |
| Equity in Pooled Cash and Investments        | \$ 0                 | \$ 249,926 | \$ 249,926 | \$ 0              |
| Due from Other Governments                   | 42,224               | 45,462     | 42,224     | 45,462            |
| Total Assets                                 | \$ 42,224            | \$ 295,388 | \$ 292,150 | \$ 45,462         |
| <u>Liabilities</u>                           |                      |            |            |                   |
| Due to Other Taxing Units                    | \$ 42,224            | \$ 295,388 | \$ 292,150 | \$ 45,462         |
| Total Liabilities                            | \$ 42,224            | \$ 295,388 | \$ 292,150 | \$ 45,462         |
| <u>Constitutional Officers - Agency Fund</u> |                      |            |            |                   |
| <u>Assets</u>                                |                      |            |            |                   |
| Cash   | \$ 97,525            | \$ 81,287  | \$ 97,525  | \$ 81,287         |
| Total Assets                                 | \$ 97,525            | \$ 81,287  | \$ 97,525  | \$ 81,287         |
| <u>Liabilities</u>                           |                      |            |            |                   |
| Due to Litigants, Heirs, and Others          | \$ 97,525            | \$ 81,287  | \$ 97,525  | \$ 81,287         |
| Total Liabilities                            | \$ 97,525            | \$ 81,287  | \$ 97,525  | \$ 81,287         |
| <u>Totals - All Agency Funds</u>             |                      |            |            |                   |
| <u>Assets</u>                                |                      |            |            |                   |
| Cash   | \$ 97,525            | \$ 81,287  | \$ 97,525  | \$ 81,287         |
| Equity in Pooled Cash and Investments        | 0                    | 249,926    | 249,926    | 0                 |
| Due from Other Governments                   | 42,224               | 45,462     | 42,224     | 45,462            |
| Total Assets                                 | \$ 139,749           | \$ 376,675 | \$ 389,675 | \$ 126,749        |
| <u>Liabilities</u>                           |                      |            |            |                   |
| Due to Other Taxing Units                    | \$ 42,224            | \$ 295,388 | \$ 292,150 | \$ 45,462         |
| Due to Litigants, Heirs, and Others          | 97,525               | 81,287     | 97,525     | 81,287            |
| Total Liabilities                            | \$ 139,749           | \$ 376,675 | \$ 389,675 | \$ 126,749        |

# Perry County School Department

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

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

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

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

Exhibit I-1

Perry County, Tennessee  
Statement of Activities  
Discretely Presented Perry County School Department  
For the Year Ended June 30, 2013

| Functions/Programs   | Program Revenues     |                                    |                                  | Expenses | Net (Expense) Revenue and Changes in Net Position |                               |
|--|----------------------|------------------------------------|----------------------------------|----------|---|-------------------------------|
|  | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |          | Net Position                                      | Total Governmental Activities |
| Governmental Activities:                                     |                      |                                    |                                  |          |   |                               |
| Instruction  | \$ 5,568,548         | \$ 0                               | \$ 1,397,979                     | \$ 4,695 | \$ (4,165,874)                                    |                               |
| Support Services   | 3,743,822            | 28,864                             | 112,614                          | 0        | (3,602,344)                                       |                               |
| Operation of Non-Instructional Services                      | 1,241,116            | 214,615                            | 469,600                          | 0        | (556,901)   |                               |
| Total Governmental Activities                                | \$ 10,553,486        | \$ 243,479                         | \$ 1,980,193                     | \$ 4,695 | \$ (8,325,119)                                    |                               |
| General Revenues:  |                      |                                    |                                  |          |   |                               |
| Taxes:   |                      |                                    |                                  |          |   |                               |
| Property Taxes Levied for General Purposes                   |                      |                                    |                                  |          | \$ 1,322,263                                      |                               |
| Local Option Sales Tax                                       |                      |                                    |                                  |          | 202,383   |                               |
| Other Local Taxes  |                      |                                    |                                  |          | 675   |                               |
| Grants and Contributions Not Restricted to Specific Programs |                      |                                    |                                  |          | 6,472,635   |                               |
| Unrestricted Investment Earnings                             |                      |                                    |                                  |          | 5,637   |                               |
| Miscellaneous  |                      |                                    |                                  |          | 103,466   |                               |
| Total General Revenues                                       |                      |                                    |                                  |          | \$ 8,107,059                                      |                               |
| Change in Net Position                                       |                      |                                    |                                  |          | \$ (218,060)                                      |                               |
| Net Position, July 1, 2012                                   |                      |                                    |                                  |          | 7,634,514   |                               |
| Net Position, June 30, 2013                                  |                      |                                    |                                  |          | \$ 7,416,454                                      |                               |

Exhibit I-2

Perry County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Perry County School Department  
June 30, 2013

|   | <u>Major Fund</u>            | <u>Nonmajor<br/>Funds</u>           |                                |
|---|------------------------------|-------------------------------------|--------------------------------|
|   | General<br>Purpose<br>School | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>ASSETS</u>   |                              |                                     |                                |
| Cash  | \$ 66,290                    | \$ 10,060                           | \$ 76,350                      |
| Equity in Pooled Cash and Investments                               | 542,178                      | 151,696                             | 693,874                        |
| Due from Other Governments  | 227,632                      | 0                                   | 227,632                        |
| Property Taxes Receivable   | 1,311,253                    | 0                                   | 1,311,253                      |
| Allowance for Uncollectible Property Taxes                          | (49,540)                     | 0                                   | (49,540)                       |
| Total Assets  | <u>\$ 2,097,813</u>          | <u>\$ 161,756</u>                   | <u>\$ 2,259,569</u>            |
| <u>LIABILITIES</u>  |                              |                                     |                                |
| Payroll Deductions Payable  | \$ 65,790                    | \$ 10,060                           | \$ 75,850                      |
| Total Liabilities   | <u>\$ 65,790</u>             | <u>\$ 10,060</u>                    | <u>\$ 75,850</u>               |
| <u>DEFERRED INFLOWS OF RESOURCES</u>                                |                              |                                     |                                |
| Deferred Current Property Taxes                                     | \$ 1,211,015                 | \$ 0                                | \$ 1,211,015                   |
| Deferred Delinquent Property Taxes                                  | 45,416                       | 0                                   | 45,416                         |
| Other Deferred/Unavailable Revenue                                  | 18,254                       | 0                                   | 18,254                         |
| Total Deferred Inflows of Resources                                 | <u>\$ 1,274,685</u>          | <u>\$ 0</u>                         | <u>\$ 1,274,685</u>            |
| <u>FUND BALANCES</u>  |                              |                                     |                                |
| Restricted:   |                              |                                     |                                |
| Restricted for Education  | \$ 161,724                   | \$ 415                              | \$ 162,139                     |
| Restricted for Operation of Non-Instructional Services              | 0                            | 151,281                             | 151,281                        |
| Unassigned  | 595,614                      | 0                                   | 595,614                        |
| Total Fund Balances   | <u>\$ 757,338</u>            | <u>\$ 151,696</u>                   | <u>\$ 909,034</u>              |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 2,097,813</u>          | <u>\$ 161,756</u>                   | <u>\$ 2,259,569</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, 2013

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)  |    | \$               | 909,034                 |
| (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   |    | 6,267,382        |                         |
| Add: other capital assets net of accumulated depreciation   |    | <u>485,297</u>   | 6,891,191               |
| (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  | \$ | (100,120)        |                         |
| Less: compensated absences payable  |    | (35,537)         |                         |
| Less: other postemployment benefits liability   |    | <u>(311,784)</u> | (447,441)               |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. |    |                  | <u>63,670</u>           |
| Net position of governmental activities (Exhibit A)   |    | \$               | <u><u>7,416,454</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, 2013

|  | <u>Major Fund</u>   | <u>Nonmajor</u><br><u>Funds</u> |                      |
|--|---------------------|---------------------------------|----------------------|
|  | General             | Other                           | Total                |
|  | Purpose             | Govern-<br>mental               | Governmental         |
|  | School              | Funds                           | Funds                |
| <u>Revenues</u>                                      |                     |                                 |                      |
| Local Taxes  | \$ 1,531,233        | \$ 0                            | \$ 1,531,233         |
| Licenses and Permits                                 | 541                 | 0                               | 541                  |
| Charges for Current Services                         | 28,864              | 214,615                         | 243,479              |
| Other Local Revenues                                 | 112,742             | 4,097                           | 116,839              |
| State of Tennessee                                   | 6,909,647           | 6,067                           | 6,915,714            |
| Federal Government                                   | 81,707              | 1,373,303                       | 1,455,010            |
| Other Governments and Citizens Groups                | 76,958              | 0                               | 76,958               |
| Total Revenues                                       | <u>\$ 8,741,692</u> | <u>\$ 1,598,082</u>             | <u>\$ 10,339,774</u> |
| <u>Expenditures</u>                                  |                     |                                 |                      |
| Current:   |                     |                                 |                      |
| Instruction  | \$ 4,732,810        | \$ 643,686                      | \$ 5,376,496         |
| Support Services                                     | 3,209,664           | 269,974                         | 3,479,638            |
| Operation of Non-Instructional Services              | 483,018             | 700,657                         | 1,183,675            |
| Debt Service:  |                     |                                 |                      |
| Other Debt Service                                   | 192,097             | 0                               | 192,097              |
| Total Expenditures                                   | <u>\$ 8,617,589</u> | <u>\$ 1,614,317</u>             | <u>\$ 10,231,906</u> |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 124,103</u>   | <u>\$ (16,235)</u>              | <u>\$ 107,868</u>    |
| <u>Other Financing Sources (Uses)</u>                |                     |                                 |                      |
| Transfers In   | \$ 9,236            | \$ 0                            | \$ 9,236             |
| Transfers Out  | 0                   | (9,236)                         | (9,236)              |
| Total Other Financing Sources (Uses)                 | <u>\$ 9,236</u>     | <u>\$ (9,236)</u>               | <u>\$ 0</u>          |
| Net Change in Fund Balances                          | \$ 133,339          | \$ (25,471)                     | \$ 107,868           |
| Fund Balance, July 1, 2012                           | 623,999             | 177,167                         | 801,166              |
| Fund Balance, June 30, 2013                          | <u>\$ 757,338</u>   | <u>\$ 151,696</u>               | <u>\$ 909,034</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, 2013

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)  |    | \$               | 107,868             |
| (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   | \$ | 76,958           |                     |
| Less: current-year depreciation expense   |    | <u>(368,909)</u> | (291,951)           |
| (2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |    |                  |                     |
| Less: deferred delinquent property taxes and other deferred June 30, 2012   | \$ | (68,018)         |                     |
| Add: deferred delinquent property taxes and other deferred June 30, 2013  |    | <u>63,670</u>    | (4,348)             |
| (3) The issuance of long-term debt (e.g., notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. |    |                  |                     |
| Add: principal payments on debt for primary government  |    |                  | 37,985              |
| (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  | \$ | 346              |                     |
| Change in accrued interest on notes   |    | 1,659            |                     |
| Change in other postemployment benefits liability   |    | <u>(69,619)</u>  | <u>(67,614)</u>     |
| Change in net position of governmental activities (Exhibit B)   |    |                  | <u>\$ (218,060)</u> |

Exhibit I-6

Perry County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Perry County School Department  
June 30, 2013

|  | <u>Special Revenue Funds</u>  |                      |  |
|--|-------------------------------|----------------------|--|
|  | School<br>Federal<br>Projects | Central<br>Cafeteria | Total<br>Nonmajor<br>Governmental<br>Funds |
| <u>ASSETS</u>  |                               |                      |  |
| Cash   | \$ 3,600                      | \$ 6,460             | \$ 10,060                                  |
| Equity in Pooled Cash and Investments                  | 415                           | 151,281              | 151,696                                    |
| Total Assets   | <u>\$ 4,015</u>               | <u>\$ 157,741</u>    | <u>\$ 161,756</u>                          |
| <u>LIABILITIES</u>                                     |                               |                      |  |
| Payroll Deductions Payable                             | \$ 3,600                      | \$ 6,460             | \$ 10,060                                  |
| Total Liabilities                                      | <u>\$ 3,600</u>               | <u>\$ 6,460</u>      | <u>\$ 10,060</u>                           |
| <u>FUND BALANCES</u>                                   |                               |                      |  |
| Restricted:  |                               |                      |  |
| Restricted for Education                               | \$ 415                        | \$ 0                 | \$ 415                                     |
| Restricted for Operation of Non-Instructional Services | 0                             | 151,281              | 151,281                                    |
| Total Fund Balances                                    | <u>\$ 415</u>                 | <u>\$ 151,281</u>    | <u>\$ 151,696</u>                          |
| Total Liabilities and Fund Balances                    | <u>\$ 4,015</u>               | <u>\$ 157,741</u>    | <u>\$ 161,756</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, 2013

|  | <u>Special Revenue Funds</u>  |                      | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-------------------------------|----------------------|--|
|  | School<br>Federal<br>Projects | Central<br>Cafeteria |  |
| <u>Revenues</u>                                      |                               |                      |  |
| Charges for Current Services                         | \$ 0                          | \$ 214,615           | \$ 214,615                                 |
| Other Local Revenues                                 | 25                            | 4,072                | 4,097                                      |
| State of Tennessee                                   | 0                             | 6,067                | 6,067                                      |
| Federal Government                                   | 909,770                       | 463,533              | 1,373,303                                  |
| Total Revenues                                       | <u>\$ 909,795</u>             | <u>\$ 688,287</u>    | <u>\$ 1,598,082</u>                        |
| <u>Expenditures</u>                                  |                               |                      |  |
| Current:   |                               |                      |  |
| Instruction  | \$ 643,686                    | \$ 0                 | \$ 643,686                                 |
| Support Services                                     | 269,974                       | 0                    | 269,974                                    |
| Operation of Non-Instructional Services              | 0                             | 700,657              | 700,657                                    |
| Total Expenditures                                   | <u>\$ 913,660</u>             | <u>\$ 700,657</u>    | <u>\$ 1,614,317</u>                        |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ (3,865)</u>             | <u>\$ (12,370)</u>   | <u>\$ (16,235)</u>                         |
| <u>Other Financing Sources (Uses)</u>                |                               |                      |  |
| Transfers Out  | <u>\$ (9,236)</u>             | <u>\$ 0</u>          | <u>\$ (9,236)</u>                          |
| Total Other Financing Sources (Uses)                 | <u>\$ (9,236)</u>             | <u>\$ 0</u>          | <u>\$ (9,236)</u>                          |
| Net Change in Fund Balances                          | \$ (13,101)                   | \$ (12,370)          | \$ (25,471)                                |
| Fund Balance, July 1, 2012                           | <u>13,516</u>                 | <u>163,651</u>       | <u>177,167</u>                             |
| Fund Balance, June 30, 2013                          | <u>\$ 415</u>                 | <u>\$ 151,281</u>    | <u>\$ 151,696</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, 2013

|   | Actual              | Budgeted Amounts    |                     | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
|   |                     | Original            | Final               |  |
| <u>Revenues</u>                                   |                     |                     |                     |  |
| Local Taxes                                       | \$ 1,531,233        | \$ 1,614,040        | \$ 1,577,770        | \$ (46,537)                                      |
| Licenses and Permits                              | 541                 | 675                 | 505                 | 36   |
| Charges for Current Services                      | 28,864              | 22,000              | 27,550              | 1,314  |
| Other Local Revenues                              | 112,742             | 59,500              | 51,165              | 61,577   |
| State of Tennessee                                | 6,909,647           | 6,605,755           | 6,645,425           | 264,222  |
| Federal Government                                | 81,707              | 177,075             | 258,780             | (177,073)  |
| Other Governments and Citizens Groups             | 76,958              | 0                   | 76,958              | 0  |
| <b>Total Revenues</b>                             | <b>\$ 8,741,692</b> | <b>\$ 8,479,045</b> | <b>\$ 8,638,153</b> | <b>\$ 103,539</b>                                |
| <u>Expenditures</u>                               |                     |                     |                     |  |
| <u>Instruction</u>                                |                     |                     |                     |  |
| Regular Instruction Program                       | \$ 3,505,127        | \$ 3,530,640        | \$ 3,527,485        | \$ 22,358  |
| Alternative Instruction Program                   | 71,040              | 72,805              | 72,055              | 1,015  |
| Special Education Program                         | 821,461             | 829,345             | 829,165             | 7,704  |
| Vocational Education Program                      | 335,182             | 337,645             | 336,415             | 1,233  |
| <u>Support Services</u>                           |                     |                     |                     |  |
| Attendance  | 1,437               | 5,100               | 2,600               | 1,163  |
| Health Services                                   | 127,364             | 110,695             | 130,970             | 3,606  |
| Other Student Support                             | 198,013             | 197,600             | 199,860             | 1,847  |
| Regular Instruction Program                       | 234,587             | 306,755             | 237,755             | 3,168  |
| Special Education Program                         | 79,294              | 74,050              | 85,050              | 5,756  |
| Vocational Education Program                      | 9,660               | 10,260              | 10,260              | 600  |
| Other Programs                                    | 24,844              | 0                   | 24,844              | 0  |
| Board of Education                                | 143,716             | 134,430             | 154,430             | 10,714   |
| Director of Schools                               | 125,729             | 121,735             | 129,200             | 3,471  |
| Office of the Principal                           | 550,711             | 549,405             | 551,580             | 869  |
| Fiscal Services                                   | 116,806             | 125,655             | 117,455             | 649  |
| Operation of Plant                                | 684,157             | 608,470             | 710,620             | 26,463   |
| Maintenance of Plant                              | 278,836             | 263,485             | 287,705             | 8,869  |
| Transportation                                    | 626,912             | 532,050             | 662,300             | 35,388   |
| Central and Other                                 | 7,598               | 7,390               | 7,600               | 2  |
| <u>Operation of Non-Instructional Services</u>    |                     |                     |                     |  |
| Food Service                                      | 20,400              | 19,000              | 20,400              | 0  |
| Community Services                                | 169,410             | 177,200             | 177,200             | 7,790  |
| Early Childhood Education                         | 293,208             | 294,230             | 294,230             | 1,022  |
| <u>Principal on Debt</u>                          |                     |                     |                     |  |
| Education   | 0                   | 42,100              | 3                   | 3  |
| <u>Other Debt Service</u>                         |                     |                     |                     |  |
| Education   | 192,097             | 0                   | 192,097             | 0  |
| <b>Total Expenditures</b>                         | <b>\$ 8,617,589</b> | <b>\$ 8,350,045</b> | <b>\$ 8,761,279</b> | <b>\$ 143,690</b>                                |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 124,103          | \$ 129,000          | \$ (123,126)        | \$ 247,229                                       |
| <u>Other Financing Sources (Uses)</u>             |                     |                     |                     |  |
| Insurance Recovery                                | \$ 0                | \$ 0                | \$ 27,770           | \$ (27,770)                                      |

(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             |  |
| <u>Other Financing Sources (Uses) (Cont.)</u> |                   |                     |                   |  |
| Transfers In                                  | \$ 9,236          | \$ 20,000           | \$ 32,542         | \$ (23,306)                                      |
| Transfers Out                                 | 0                 | (150,000)           | 0                 | 0  |
| Total Other Financing Sources                 | <u>\$ 9,236</u>   | <u>\$ (130,000)</u> | <u>\$ 60,312</u>  | <u>\$ (51,076)</u>                               |
| Net Change in Fund Balance                    | \$ 133,339        | \$ (1,000)          | \$ (62,814)       | \$ 196,153                                       |
| Fund Balance, July 1, 2012                    | <u>623,999</u>    | <u>623,999</u>      | <u>623,999</u>    | <u>0</u>   |
| Fund Balance, June 30, 2013                   | <u>\$ 757,338</u> | <u>\$ 622,999</u>   | <u>\$ 561,185</u> | <u>\$ 196,153</u>                                |

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, 2013

|  | Actual            | Budgeted Amounts   |                    | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|-------------------|--------------------|--------------------|--|
|  |                   | Original           | Final              |  |
| <u>Revenues</u>                                      |                   |                    |                    |  |
| Other Local Revenues                                 | \$ 25             | \$ 0               | \$ 0               | \$ 25  |
| Federal Government                                   | 909,770           | 997,803            | 997,803            | (88,033)   |
| Total Revenues                                       | <u>\$ 909,795</u> | <u>\$ 997,803</u>  | <u>\$ 997,803</u>  | <u>\$ (88,008)</u>   |
| <u>Expenditures</u>                                  |                   |                    |                    |  |
| <u>Instruction</u>                                   |                   |                    |                    |  |
| Regular Instruction Program                          | \$ 451,775        | \$ 471,566         | \$ 471,566         | \$ 19,791  |
| Special Education Program                            | 175,293           | 200,557            | 195,027            | 19,734   |
| Vocational Education Program                         | 16,618            | 17,865             | 17,098             | 480  |
| <u>Support Services</u>                              |                   |                    |                    |  |
| Other Student Support                                | 5,038             | 3,748              | 4,515              | (523)  |
| Regular Instruction Program                          | 106,656           | 132,139            | 132,139            | 25,483   |
| Special Education Program                            | 157,446           | 168,214            | 173,824            | 16,378   |
| Vocational Education Program                         | 834               | 834                | 834                | 0  |
| Total Expenditures                                   | <u>\$ 913,660</u> | <u>\$ 994,923</u>  | <u>\$ 995,003</u>  | <u>\$ 81,343</u>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ (3,865)</u> | <u>\$ 2,880</u>    | <u>\$ 2,800</u>    | <u>\$ (6,665)</u>  |
| <u>Other Financing Sources (Uses)</u>                |                   |                    |                    |  |
| Transfers In   | \$ 0              | \$ 4,700           | \$ 4,700           | \$ (4,700)   |
| Transfers Out  | (9,236)           | (21,096)           | (21,016)           | 11,780   |
| Total Other Financing Sources                        | <u>\$ (9,236)</u> | <u>\$ (16,396)</u> | <u>\$ (16,316)</u> | <u>\$ 7,080</u>  |
| Net Change in Fund Balance                           | \$ (13,101)       | \$ (13,516)        | \$ (13,516)        | \$ 415   |
| Fund Balance, July 1, 2012                           | <u>13,516</u>     | <u>13,516</u>      | <u>13,516</u>      | <u>0</u>   |
| Fund Balance, June 30, 2013                          | <u>\$ 415</u>     | <u>\$ 0</u>        | <u>\$ 0</u>        | <u>\$ 415</u>  |

Exhibit I-10

Perry County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Perry County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2013

|  | Actual             | Budgeted Amounts   |                    | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|--------------------|--------------------|--------------------|--|
|  |                    | Original           | Final              |  |
| <u>Revenues</u>                                      |                    |                    |                    |  |
| Charges for Current Services                         | \$ 214,615         | \$ 221,000         | \$ 214,000         | \$ 615   |
| Other Local Revenues                                 | 4,072              | 800                | 800                | 3,272  |
| State of Tennessee                                   | 6,067              | 6,000              | 6,000              | 67   |
| Federal Government                                   | 463,533            | 420,000            | 460,584            | 2,949  |
| Total Revenues                                       | <u>\$ 688,287</u>  | <u>\$ 647,800</u>  | <u>\$ 681,384</u>  | <u>\$ 6,903</u>  |
| <u>Expenditures</u>                                  |                    |                    |                    |  |
| <u>Operation of Non-Instructional Services</u>       |                    |                    |                    |  |
| Food Service   | \$ 700,657         | \$ 677,540         | \$ 711,124         | \$ 10,467  |
| Total Expenditures                                   | <u>\$ 700,657</u>  | <u>\$ 677,540</u>  | <u>\$ 711,124</u>  | <u>\$ 10,467</u>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ (12,370)</u> | <u>\$ (29,740)</u> | <u>\$ (29,740)</u> | <u>\$ 17,370</u>   |
| Net Change in Fund Balance                           | \$ (12,370)        | \$ (29,740)        | \$ (29,740)        | \$ 17,370  |
| Fund Balance, July 1, 2012                           | <u>163,651</u>     | <u>163,651</u>     | <u>163,651</u>     | <u>0</u>   |
| Fund Balance, June 30, 2013                          | <u>\$ 151,281</u>  | <u>\$ 133,911</u>  | <u>\$ 133,911</u>  | <u>\$ 17,370</u>   |

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Perry County, Tennessee  
Schedule of Changes in Long-term Notes and Other Loans  
For the Year Ended June 30, 2013

| Description of Indebtedness                            | Original<br>Amount<br>of Issue | Interest<br>Rate | Date<br>of<br>Issue | Last<br>Maturity<br>Date | Outstanding<br>7-1-12 | Paid and/or<br>Matured<br>During<br>Period | Outstanding<br>6-30-13 |
|--|--------------------------------|------------------|---------------------|--------------------------|-----------------------|--|------------------------|
|  |                                |                  |                     |                          |                       |  |                        |
| <u>NOTES PAYABLE</u>                                   |                                |                  |                     |                          |                       |  |                        |
| Payable through General Debt Service Fund              |                                |                  |                     |                          |                       |  |                        |
| Angelica Industrial Building                           | \$ 450,000                     | 0%               | 1-10-05             | 3-6-13                   | \$ 116,250            | \$ 116,250                                 | \$ 0                   |
| <u>Payable by School Department Contributions</u>      |                                |                  |                     |                          |                       |  |                        |
| to the General Debt Service Fund                       |                                |                  |                     |                          |                       |  |                        |
| Bleachers  | 116,857                        | 5.949            | 8-20-07             | 1-15-17                  | 60,962                | 12,271                                     | 48,691                 |
| Energy Efficiency Loan                                 | 180,000                        | 0                | 4-1-08              | 6-1-15                   | 77,143                | 25,714                                     | 51,429                 |
| Total Notes Payable                                    |                                |                  |                     |                          | \$ 254,355            | \$ 154,235                                 | \$ 100,120             |
| <u>OTHER LOANS PAYABLE</u>                             |                                |                  |                     |                          |                       |  |                        |
| Payable through General Debt Service Fund              |                                |                  |                     |                          |                       |  |                        |
| School   | 5,000,000                      | Variable         | 10-14-1998          | 5-25-18                  | \$ 2,152,000          | \$ 312,000                                 | \$ 1,840,000           |
| School   | 2,500,000                      | Variable         | 5-24-00             | 5-25-19                  | 1,238,000             | 152,000                                    | 1,086,000              |
| Angelica Building, Jail, Solid Waste Equipment, School | 4,000,000                      | Variable         | 10-28-03            | 5-25-23                  | 2,596,000             | 201,000                                    | 2,395,000              |
| Total Other Loans Payable                              |                                |                  |                     |                          | \$ 5,986,000          | \$ 665,000                                 | \$ 5,321,000           |

Exhibit J-2

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

PRIMARY GOVERNMENT

| Year<br>Ending<br>June 30 | Notes      |          | Total      |
|---------------------------|------------|----------|------------|
|                           | Principal  | Interest |            |
| 2014                      | \$ 38,715  | \$ 3,381 | \$ 42,096  |
| 2015                      | 39,092     | 2,608    | 41,700     |
| 2016                      | 14,595     | 1,788    | 16,383     |
| 2017                      | 7,718      | 921      | 8,639      |
| Total                     | \$ 100,120 | \$ 8,698 | \$ 108,818 |

| Year<br>Ending<br>June 30 | Other Loans  |           |            | Total        |
|---------------------------|--------------|-----------|------------|--------------|
|                           | Principal    | Interest  | Other Fees |              |
| 2014                      | \$ 697,000   | \$ 17,446 | \$ 30,186  | \$ 744,632   |
| 2015                      | 729,000      | 15,243    | 26,878     | 771,121      |
| 2016                      | 764,000      | 12,940    | 23,424     | 800,364      |
| 2017                      | 800,000      | 10,529    | 19,807     | 830,336      |
| 2018                      | 837,000      | 8,003     | 16,024     | 861,027      |
| 2019                      | 446,000      | 5,361     | 10,840     | 462,201      |
| 2020                      | 250,000      | 3,458     | 7,098      | 260,556      |
| 2021                      | 258,000      | 2,633     | 5,648      | 266,281      |
| 2022                      | 266,000      | 1,782     | 4,152      | 271,934      |
| 2023                      | 274,000      | 904       | 2,524      | 277,428      |
| Total                     | \$ 5,321,000 | \$ 78,299 | \$ 146,581 | \$ 5,545,880 |

Exhibit J-3

Perry County, Tennessee  
Schedule of Note Receivable  
June 30, 2013

| Description                      | Debtor                             | Original<br>Amount<br>of Notes | Date<br>of<br>Issue | Date<br>of<br>Maturity | Interest<br>Rate | Balance<br>6-30-13 |
|----------------------------------|------------------------------------|--------------------------------|---------------------|------------------------|------------------|--------------------|
| <u>General Debt Service Fund</u> |                                    |                                |                     |                        |                  |                    |
| Senior Citizen Center            | Perry County Senior Citizen Center | \$ 110,000                     | 7-1-10              | 6-1-20                 | 0 %              | \$ 77,000          |

Exhibit J-4

Perry County, Tennessee  
Schedule of Transfers  
Discretely Presented Perry County School Department  
For the Year Ended June 30, 2013

| <u>From Fund</u>        | <u>To Fund</u>         | <u>Purpose</u> | <u>Amount</u>   |
|-------------------------|------------------------|----------------|-----------------|
| School Federal Projects | General Purpose School | Indirect costs | <u>\$ 9,236</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, 2013

| Official                                  | Authorization for Salary                                     | Salary Paid During Period | Bond      | Surety                                      |
|---|--|---------------------------|-----------|---|
| County Mayor                              | Section 8-24-102, TCA  | \$ 62,691                 | \$ 25,000 | Auto-Owners Mutual Insurance Company        |
| Superintendent of Highways                | Section 8-24-102, TCA  | 58,563                    | 100,000   | "   |
| Director of Schools                       | State Board of Education and Perry County Board of Education | 79,050 (1)                | 100,000   | Western Surety Company                      |
| Trustee                                   | Section 8-24-102, TCA  | 53,239                    | 350,000   | "   |
| Assessor of Property                      | Section 8-24-102, TCA  | 53,239                    | 10,000    | Auto Owners Mutual Insurance Company        |
| County Clerk                              | Section 8-24-102, TCA  | 53,239                    | 25,000    | Western Surety Company                      |
| Circuit and General Sessions Courts Clerk | Section 8-24-102, TCA  | 53,239                    | 25,000    | "   |
| Clerk and Master                          | Section 8-24-102, TCA  | 53,239 (3)                | 35,000    | RLI Insurance Company                       |
| Register of Deeds                         | Section 8-24-102, TCA  | 53,239                    | 15,000    | Western Surety Company                      |
| Sheriff                                   | Section 8-24-102, TCA  | 59,156 (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 \$6,379 in special commissioner fees.

Exhibit J-6

Perry County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2013

|  | Special Revenue Funds |                                       |                                |                    |                 |   |             | Highway /<br>Public<br>Works |
|--|-----------------------|---------------------------------------|--------------------------------|--------------------|-----------------|---|-------------|------------------------------|
|  | General               | Courthouse<br>and Jail<br>Maintenance | Solid<br>Waste /<br>Sanitation | Special<br>Purpose | Drug<br>Control | Constitu-<br>tional<br>Officers -<br>Fees |             |                              |
| <u>Local Taxes</u>                               |                       |                                       |                                |                    |                 |   |             |                              |
| <u>County Property Taxes</u>                     |                       |                                       |                                |                    |                 |   |             |                              |
| Current Property Tax                             | \$ 1,497,073          | \$ 0                                  | \$ 398,214                     | \$ 0               | \$ 0            | \$ 0                                      | \$ 0        | 0                            |
| Trustee's Collections - Prior Year               | 75,924                | 0                                     | 16,361                         | 0                  | 0               | 0   | 0           | 0                            |
| Circuit/Clerk & Master Collections - Prior Years | 45,710                | 0                                     | 11,157                         | 0                  | 0               | 0   | 0           | 0                            |
| Interest and Penalty                             | 14,185                | 0                                     | 3,161                          | 0                  | 0               | 0   | 0           | 0                            |
| Pick-up Taxes                                    | 92                    | 0                                     | 23                             | 0                  | 0               | 0   | 0           | 0                            |
| Payments in-Lieu-of-Taxes - T.V.A.               | 1,664                 | 0                                     | 415                            | 0                  | 0               | 0   | 0           | 0                            |
| Payments in-Lieu-of-Taxes - Other                | 379                   | 0                                     | 94                             | 0                  | 0               | 0   | 0           | 0                            |
| <u>County Local Option Taxes</u>                 |                       |                                       |                                |                    |                 |   |             |                              |
| Local Option Sales Tax                           | 90,523                | 0                                     | 0                              | 0                  | 0               | 0   | 0           | 0                            |
| Hotel/Motel Tax                                  | 4,698                 | 0                                     | 0                              | 0                  | 0               | 0   | 0           | 0                            |
| Litigation Tax - General                         | 20,751                | 1,988                                 | 0                              | 0                  | 0               | 0   | 0           | 0                            |
| Litigation Tax - Special Purpose                 | 0                     | 12                                    | 0                              | 3,489              | 0               | 0   | 0           | 0                            |
| Litigation Tax - Jail, Workhouse, or Courthouse  | 0                     | 12,226                                | 0                              | 0                  | 0               | 0   | 0           | 0                            |
| Business Tax                                     | 28,866                | 0                                     | 0                              | 0                  | 0               | 0   | 0           | 0                            |
| Mineral Severance Tax                            | 0                     | 0                                     | 0                              | 0                  | 0               | 0   | 0           | 57,743                       |
| <u>Statutory Local Taxes</u>                     |                       |                                       |                                |                    |                 |   |             |                              |
| Bank Excise Tax                                  | 49,546                | 0                                     | 0                              | 0                  | 0               | 0   | 0           | 0                            |
| Wholesale Beer Tax                               | 44,039                | 0                                     | 0                              | 0                  | 0               | 0   | 0           | 0                            |
| Interstate Telecommunications Tax                | 544                   | 0                                     | 0                              | 0                  | 0               | 0   | 0           | 0                            |
| <b>Total Local Taxes</b>                         | <b>\$ 1,873,994</b>   | <b>\$ 14,226</b>                      | <b>\$ 429,425</b>              | <b>\$ 3,489</b>    | <b>\$ 0</b>     | <b>\$ 0</b>                               | <b>\$ 0</b> | <b>\$ 57,743</b>             |

|                                   |               |             |             |             |             |             |             |             |
|-----------------------------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Licenses and Permits</u>       |               |             |             |             |             |             |             |             |
| <u>Permits</u>                    |               |             |             |             |             |             |             |             |
| Beer Permits                      | 270           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Other Permits                     | 615           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Total Licenses and Permits</b> | <b>\$ 885</b> | <b>\$ 0</b> |

|  |       |   |   |     |   |   |   |   |
|--|-------|---|---|-----|---|---|---|---|
| <u>Fines, Forfeitures, and Penalties</u> |       |   |   |     |   |   |   |   |
| <u>Circuit Court</u>                     |       |   |   |     |   |   |   |   |
| Fines                                    | 1,164 | 0 | 0 | 0   | 0 | 0 | 0 | 0 |
| Officers Costs                           | 438   | 0 | 0 | 0   | 0 | 0 | 0 | 0 |
| Game and Fish Fines                      | 309   | 0 | 0 | 0   | 0 | 0 | 0 | 0 |
| Jail Fees                                | 1,283 | 0 | 0 | 0   | 0 | 0 | 0 | 0 |
| DUI Treatment Fines                      | 228   | 0 | 0 | 0   | 0 | 0 | 0 | 0 |
| Data Entry Fee - Circuit Court           | 0     | 0 | 0 | 362 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee                   | 38    | 0 | 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 |                                       |                                |                    |                 |             | Constitu-<br>tional<br>Officers -<br>Fees | Highway /<br>Public<br>Works |
|--|-----------------------|---------------------------------------|--------------------------------|--------------------|-----------------|-------------|---|------------------------------|
|  | General               | Courthouse<br>and Jail<br>Maintenance | Solid<br>Waste /<br>Sanitation | Special<br>Purpose | Drug<br>Control |             |   |                              |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> |                       |                                       |                                |                    |                 |             |   |                              |
| <u>Criminal Court</u>                            |                       |                                       |                                |                    |                 |             |   |                              |
| Fines  | \$ 3,535              | \$ 0                                  | \$ 0                           | \$ 0               | \$ 0            | \$ 0        | \$ 0                                      |                              |
| Game and Fish Fines                              | 81                    | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| Drug Court Fees                                  | 145                   | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| DUI Treatment Fines                              | 142                   | 0                                     | 0                              | 0                  | 119             | 0           | 0   |                              |
| <u>General Sessions Court</u>                    |                       |                                       |                                |                    |                 |             |   |                              |
| Fines  | 12,010                | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| Officers Costs                                   | 11,014                | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| Game and Fish Fines                              | 398                   | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| Drug Control Fines                               | 0                     | 0                                     | 0                              | 0                  | 6,808           | 0           | 0   |                              |
| Drug Court Fees                                  | 1,663                 | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| Jail Fees  | 6,559                 | 1,083                                 | 0                              | 0                  | 0               | 0           | 0   |                              |
| DUI Treatment Fines                              | 1,330                 | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| Courtroom Security Fee                           | 6                     | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| <u>Juvenile Court</u>                            |                       |                                       |                                |                    |                 |             |   |                              |
| Fines  | 3,560                 | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| <u>Chancery Court</u>                            |                       |                                       |                                |                    |                 |             |   |                              |
| Officers Costs                                   | 2,065                 | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| Data Entry Fee - Chancery Court                  | 320                   | 0                                     | 0                              | 614                | 0               | 0           | 0   |                              |
| Courtroom Security Fee                           | 8,056                 | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| <u>Judicial District Drug Program</u>            |                       |                                       |                                |                    |                 |             |   |                              |
| Drug Task Force Forfeitures and Seizures         | 0                     | 0                                     | 0                              | 0                  | 1,242           | 0           | 0   |                              |
| Courtroom Security Fee                           | 19                    | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| <u>Other Fines, Forfeitures, and Penalties</u>   |                       |                                       |                                |                    |                 |             |   |                              |
| Proceeds from Confiscated Property               | 1,748                 | 0                                     | 0                              | 0                  | 513             | 0           | 0   |                              |
| <b>Total Fines, Forfeitures, and Penalties</b>   | <b>\$ 56,111</b>      | <b>\$ 1,083</b>                       | <b>\$ 0</b>                    | <b>\$ 976</b>      | <b>\$ 8,682</b> | <b>\$ 0</b> | <b>\$ 0</b>                               |                              |
| <u>Charges for Current Services</u>              |                       |                                       |                                |                    |                 |             |   |                              |
| <u>General Service Charges</u>                   |                       |                                       |                                |                    |                 |             |   |                              |
| Self-Insurance Premiums/Contributions            | \$ 966                | \$ 0                                  | \$ 0                           | \$ 0               | \$ 0            | \$ 0        | \$ 0                                      |                              |
| Tipping Fees                                     | 0                     | 0                                     | 428                            | 0                  | 0               | 0           | 0   |                              |
| Solid Waste Disposal Fees                        | 0                     | 0                                     | 32,530                         | 0                  | 0               | 0           | 0   |                              |
| Patient Charges                                  | 815,221               | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| <u>Fees</u>                                      |                       |                                       |                                |                    |                 |             |   |                              |
| Airport Fees                                     | 600                   | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| Copy Fees  | 1,719                 | 0                                     | 0                              | 0                  | 0               | 0           | 0   |                              |
| Library Fees                                     | 1,385                 | 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 |                                       |                                |                    |                 |   | Highway /<br>Public<br>Works |
|---|-----------------------|---------------------------------------|--------------------------------|--------------------|-----------------|---|------------------------------|
|   | General               | Courthouse<br>and Jail<br>Maintenance | Solid<br>Waste /<br>Sanitation | Special<br>Purpose | Drug<br>Control | Constitu-<br>tional<br>Officers -<br>Fees |                              |
| <u>Charges for Current Services (Cont.)</u>   |                       |                                       |                                |                    |                 |   |                              |
| <u>Fees (Cont.)</u>                           |                       |                                       |                                |                    |                 |   |                              |
| Telephone Commissions                         | \$ 11,765             | \$ 0                                  | \$ 0                           | \$ 0               | \$ 0            | \$ 0                                      | \$ 0                         |
| Constitutional Officers' Fees and Commissions | 234                   | 0                                     | 0                              | 0                  | 0               | 6,429                                     | 0                            |
| Data Processing Fee - Register                | 2,478                 | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Data Processing Fee - Sheriff                 | 1,206                 | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Sexual Offender Registration Fees - Sheriff   | 1,500                 | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Data Processing Fee - County Clerk            | 428                   | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Total Charges for Current Services            | \$ 837,502            | \$ 0                                  | \$ 32,958                      | \$ 0               | \$ 0            | \$ 6,429                                  | \$ 0                         |
| <u>Other Local Revenues</u>                   |                       |                                       |                                |                    |                 |   |                              |
| <u>Recurring Items</u>                        |                       |                                       |                                |                    |                 |   |                              |
| Investment Income                             | \$ 22,142             | \$ 0                                  | \$ 0                           | \$ 0               | \$ 0            | \$ 0                                      | \$ 0                         |
| Lease/Rentals                                 | 248,808               | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Sale of Materials and Supplies                | 92                    | 0                                     | 0                              | 0                  | 0               | 0   | 3,599                        |
| Commissary Sales                              | 4,235                 | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Sale of Maps                                  | 177                   | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Miscellaneous Refunds                         | 3,827                 | 0                                     | 80                             | 0                  | 0               | 0   | 13,117                       |
| Expenditure Credits                           | 20,044                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| <u>Nonrecurring Items</u>                     |                       |                                       |                                |                    |                 |   |                              |
| Sale of Equipment                             | 0                     | 0                                     | 0                              | 0                  | 9,620           | 0   | 0                            |
| Sale of Property                              | 868                   | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Contributions and Gifts                       | 2,000                 | 0                                     | 0                              | 0                  | 11,812          | 0   | 0                            |
| Total Other Local Revenues                    | \$ 302,193            | \$ 0                                  | \$ 80                          | \$ 0               | \$ 21,432       | \$ 0                                      | \$ 16,716                    |
| <u>Fees Received from County Officials</u>    |                       |                                       |                                |                    |                 |   |                              |
| <u>Excess Fees</u>                            |                       |                                       |                                |                    |                 |   |                              |
| Other Officials                               | \$ 6,300              | \$ 0                                  | \$ 0                           | \$ 0               | \$ 0            | \$ 0                                      | \$ 0                         |
| <u>Fees in-Lieu-of Salary</u>                 |                       |                                       |                                |                    |                 |   |                              |
| County Clerk                                  | 63,697                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Circuit Court Clerk                           | 29,716                | 0                                     | 0                              | 64                 | 0               | 0   | 0                            |
| General Sessions Court Clerk                  | 39,416                | 0                                     | 0                              | 146                | 0               | 0   | 0                            |
| Clerk and Master                              | 45,358                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Juvenile Court Clerk                          | 476                   | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Register                                      | 32,233                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Sheriff                                       | 3,744                 | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Trustee                                       | 137,679               | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Total Fees Received from County Officials     | \$ 358,619            | \$ 0                                  | \$ 210                         | \$ 0               | \$ 0            | \$ 0                                      | \$ 0                         |

(Continued)

Exhibit J-6

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

|  | Special Revenue Funds |                                       |                                |                    |                 |   | Highway /<br>Public<br>Works |
|--|-----------------------|---------------------------------------|--------------------------------|--------------------|-----------------|---|------------------------------|
|  | General               | Courthouse<br>and Jail<br>Maintenance | Solid<br>Waste /<br>Sanitation | Special<br>Purpose | Drug<br>Control | Constitu-<br>tional<br>Officers -<br>Fees |                              |
| <u>State of Tennessee</u>                    |                       |                                       |                                |                    |                 |   |                              |
| <u>General Government Grants</u>             |                       |                                       |                                |                    |                 |   |                              |
| Juvenile Services Program                    | \$ 9,000              | \$ 0                                  | \$ 0                           | \$ 0               | \$ 0            | \$ 0                                      | \$ 0                         |
| Other General Government Grants              | 10,966                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| <u>Public Safety Grants</u>                  |                       |                                       |                                |                    |                 |   |                              |
| Law Enforcement Training Programs            | 8,400                 | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Health and Welfare Grants                    |                       |                                       |                                |                    |                 |   |                              |
| Health Department Programs                   | 25,887                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| <u>Public Works Grants</u>                   |                       |                                       |                                |                    |                 |   |                              |
| Litter Program                               | 45,161                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| <u>Other State Revenues</u>                  |                       |                                       |                                |                    |                 |   |                              |
| Resort District Sales Tax                    | 91,613                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Beer Tax                                     | 18,586                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Alcoholic Beverage Tax                       | 30,185                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Mixed Drink Tax                              | 238                   | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| State Revenue Sharing - T.V.A.               | 315,969               | 0                                     | 78,548                         | 0                  | 0               | 0   | 0                            |
| Contracted Prisoner Boarding                 | 64,423                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Gasoline and Motor Fuel Tax                  | 0                     | 0                                     | 0                              | 0                  | 0               | 0   | 1,483,507                    |
| Petroleum Special Tax                        | 0                     | 0                                     | 0                              | 0                  | 0               | 0   | 5,711                        |
| Registrar's Salary Supplement                | 15,164                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Other State Revenues                         | 100                   | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Total State of Tennessee                     | \$ 635,692            | \$ 0                                  | \$ 78,548                      | \$ 0               | \$ 0            | \$ 0                                      | \$ 1,489,218                 |
| <u>Federal Government</u>                    |                       |                                       |                                |                    |                 |   |                              |
| <u>Federal Through State</u>                 |                       |                                       |                                |                    |                 |   |                              |
| Disaster Relief                              | 0                     | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Homeland Security Grants                     | 45,009                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Other Federal through State                  | 0                     | 0                                     | 0                              | 0                  | 0               | 0   | 98,112                       |
| Total Federal Government                     | \$ 45,009             | \$ 0                                  | \$ 0                           | \$ 0               | \$ 0            | \$ 0                                      | \$ 98,112                    |
| <u>Other Governments and Citizens Groups</u> |                       |                                       |                                |                    |                 |   |                              |
| <u>Other Governments</u>                     |                       |                                       |                                |                    |                 |   |                              |
| Prisoner Board                               | 19,260                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Paving and Maintenance                       | 10,457                | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Contributions                                | 40,000                | 0                                     | 0                              | 0                  | 253             | 0   | 0                            |
| Contracted Services                          | 150,000               | 0                                     | 0                              | 0                  | 0               | 0   | 0                            |
| Total Other Governments and Citizens Groups  | \$ 219,717            | \$ 0                                  | \$ 0                           | \$ 0               | \$ 253          | \$ 0                                      | \$ 0                         |
| <u>Total</u>                                 | \$ 4,329,722          | \$ 15,309                             | \$ 541,011                     | \$ 4,675           | \$ 30,367       | \$ 6,429                                  | \$ 1,661,789                 |

(Continued)

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

|  | Debt Service Fund |                | Capital Projects Fund |                  | Total            |
|--|-------------------|----------------|-----------------------|------------------|------------------|
|  | General           | Debt Service   | General               | Capital Projects |                  |
| <u>Local Taxes</u>                               |                   |                |                       |                  |                  |
| <u>County Property Taxes</u>                     |                   |                |                       |                  |                  |
| Current Property Tax                             |                   | 198,723        | 0                     | 0                | 2,094,010        |
| Trustee's Collections - Prior Year               |                   | 9,274          | 0                     | 0                | 101,559          |
| Circuit/Clerk & Master Collections - Prior Years |                   | 5,713          | 0                     | 0                | 62,580           |
| Interest and Penalty                             |                   | 1,742          | 0                     | 0                | 19,088           |
| Pick-up Taxes                                    |                   | 11             | 0                     | 0                | 126              |
| Payments in-Lieu-of-Taxes - T.V.A.               |                   | 209            | 0                     | 0                | 2,288            |
| Payments in-Lieu-of-Taxes - Other                |                   | 48             | 0                     | 0                | 521              |
| <u>County Local Option Taxes</u>                 |                   |                |                       |                  |                  |
| Local Option Sales Tax                           |                   | 447,057        | 0                     | 0                | 537,580          |
| Hotel/Motel Tax                                  |                   | 0              | 0                     | 0                | 4,698            |
| Litigation Tax - General                         |                   | 0              | 0                     | 0                | 22,739           |
| Litigation Tax - Special Purpose                 |                   | 0              | 0                     | 0                | 3,501            |
| Litigation Tax - Jail, Workhouse, or Courthouse  |                   | 755            | 0                     | 0                | 12,981           |
| Business Tax                                     |                   | 0              | 0                     | 0                | 28,866           |
| Mineral Severance Tax                            |                   | 0              | 0                     | 0                | 57,743           |
| <u>Statutory Local Taxes</u>                     |                   |                |                       |                  |                  |
| Bank Excise Tax                                  |                   | 0              | 0                     | 0                | 49,546           |
| Wholesale Beer Tax                               |                   | 0              | 0                     | 0                | 44,039           |
| Interstate Telecommunications Tax                |                   | 0              | 0                     | 0                | 544              |
| <b>Total Local Taxes</b>                         |                   | <b>663,532</b> | <b>0</b>              | <b>0</b>         | <b>3,042,409</b> |
| <u>Licenses and Permits</u>                      |                   |                |                       |                  |                  |
| <u>Permits</u>                                   |                   |                |                       |                  |                  |
| Beer Permits                                     |                   | 0              | 0                     | 0                | 270              |
| Other Permits                                    |                   | 0              | 0                     | 0                | 615              |
| <b>Total Licenses and Permits</b>                |                   | <b>0</b>       | <b>0</b>              | <b>0</b>         | <b>885</b>       |
| <u>Fines, Forfeitures, and Penalties</u>         |                   |                |                       |                  |                  |
| <u>Circuit Court</u>                             |                   |                |                       |                  |                  |
| Fines  |                   | 0              | 0                     | 0                | 1,164            |
| Officers Costs                                   |                   | 0              | 0                     | 0                | 438              |
| Game and Fish Fines                              |                   | 0              | 0                     | 0                | 309              |
| Jail Fees  |                   | 0              | 0                     | 0                | 1,283            |
| DUI Treatment Fines                              |                   | 0              | 0                     | 0                | 228              |
| Data Entry Fee - Circuit Court                   |                   | 0              | 0                     | 0                | 362              |
| Courtroom Security Fee                           |                   | 0              | 0                     | 0                | 38               |

(Continued)

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

|  | Debt Service Fund    |      | Capital Projects Fund |                  | Total   |
|--|----------------------|------|-----------------------|------------------|---------|
|  | General Debt Service |      | General Capital       | Projects Capital |         |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> |                      |      |                       |                  |         |
| <u>Criminal Court</u>                            |                      |      |                       |                  |         |
| Fines  | \$                   | 0 \$ | 0 \$                  |                  | 3,535   |
| Game and Fish Fines                              |                      | 0    | 0                     |                  | 81      |
| Drug Court Fees                                  |                      | 0    | 0                     |                  | 145     |
| DUI Treatment Fines                              |                      | 0    | 0                     |                  | 261     |
| <u>General Sessions Court</u>                    |                      |      |                       |                  |         |
| Fines  |                      | 0    | 0                     |                  | 12,010  |
| Officers Costs                                   |                      | 0    | 0                     |                  | 11,014  |
| Game and Fish Fines                              |                      | 0    | 0                     |                  | 398     |
| Drug Control Fines                               |                      | 0    | 0                     |                  | 6,808   |
| Drug Court Fees                                  |                      | 0    | 0                     |                  | 1,663   |
| Jail Fees  |                      | 0    | 0                     |                  | 7,642   |
| DUI Treatment Fines                              |                      | 0    | 0                     |                  | 1,330   |
| Courtroom Security Fee                           |                      | 0    | 0                     |                  | 6       |
| <u>Juvenile Court</u>                            |                      |      |                       |                  |         |
| Fines  |                      | 0    | 0                     |                  | 3,560   |
| <u>Chancery Court</u>                            |                      |      |                       |                  |         |
| Officers Costs                                   |                      | 0    | 0                     |                  | 2,065   |
| Data Entry Fee - Chancery Court                  |                      | 0    | 0                     |                  | 934     |
| Courtroom Security Fee                           |                      | 0    | 0                     |                  | 8,056   |
| <u>Judicial District Drug Program</u>            |                      |      |                       |                  |         |
| Drug Task Force Forfeitures and Seizures         |                      | 0    | 0                     |                  | 1,242   |
| Courtroom Security Fee                           |                      | 0    | 0                     |                  | 19      |
| <u>Other Fines, Forfeitures, and Penalties</u>   |                      |      |                       |                  |         |
| Proceeds from Confiscated Property               |                      | 0    | 0                     |                  | 2,261   |
| Total Fines, Forfeitures, and Penalties          | \$                   | 0 \$ | 0 \$                  |                  | 66,852  |
| <u>Charges for Current Services</u>              |                      |      |                       |                  |         |
| <u>General Service Charges</u>                   |                      |      |                       |                  |         |
| Self-Insurance Premiums/Contributions            | \$                   | 0 \$ | 0 \$                  |                  | 966     |
| Tipping Fees                                     |                      | 0    | 0                     |                  | 428     |
| Solid Waste Disposal Fees                        |                      | 0    | 0                     |                  | 32,530  |
| Patient Charges                                  |                      | 0    | 0                     |                  | 815,221 |
| <u>Fees</u>                                      |                      |      |                       |                  |         |
| Airport Fees                                     |                      | 0    | 0                     |                  | 600     |
| Copy Fees  |                      | 0    | 0                     |                  | 1,719   |
| Library Fees                                     |                      | 0    | 0                     |                  | 1,385   |

(Continued)

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

|   | Debt Service Fund    |      | Capital Projects Fund    |      | Total   |
|---|----------------------|------|--------------------------|------|---------|
|   | General Debt Service |      | General Capital Projects |      |         |
| <u>Charges for Current Services (Cont.)</u>   |                      |      |                          |      |         |
| <u>Fees (Cont.)</u>                           |                      |      |                          |      |         |
| Telephone Commissions                         |                      | 0 \$ |                          | 0 \$ | 11,765  |
| Constitutional Officers' Fees and Commissions |                      | 0    |                          | 0    | 6,663   |
| Data Processing Fee - Register                |                      | 0    |                          | 0    | 2,478   |
| Data Processing Fee - Sheriff                 |                      | 0    |                          | 0    | 1,206   |
| Sexual Offender Registration Fees - Sheriff   |                      | 0    |                          | 0    | 1,500   |
| Data Processing Fee - County Clerk            |                      | 0    |                          | 0    | 428     |
| Total Charges for Current Services            |                      | 0 \$ |                          | 0 \$ | 876,889 |
| <u>Other Local Revenues</u>                   |                      |      |                          |      |         |
| <u>Recurring Items</u>                        |                      |      |                          |      |         |
| Investment Income                             | 2,625 \$             |      | 0 \$                     |      | 24,767  |
| Lease/Rentals                                 | 71,679               |      | 0                        |      | 320,487 |
| Sale of Materials and Supplies                | 0                    |      | 0                        |      | 3,691   |
| Commissary Sales                              | 0                    |      | 0                        |      | 4,235   |
| Sale of Maps                                  | 0                    |      | 0                        |      | 177     |
| Miscellaneous Refunds                         | 0                    |      | 0                        |      | 17,024  |
| Expenditure Credits                           | 0                    |      | 0                        |      | 20,044  |
| <u>Nonrecurring Items</u>                     |                      |      |                          |      |         |
| Sale of Equipment                             | 0                    |      | 0                        |      | 9,620   |
| Sale of Property                              | 0                    |      | 0                        |      | 868     |
| Contributions and Gifts                       | 0                    |      | 0                        |      | 13,812  |
| Total Other Local Revenues                    | 74,304 \$            |      | 0 \$                     |      | 414,725 |
| <u>Fees Received from County Officials</u>    |                      |      |                          |      |         |
| <u>Excess Fees</u>                            |                      |      |                          |      |         |
| Other Officials                               | 0 \$                 |      | 0 \$                     |      | 6,300   |
| <u>Fees in-Lieu-of Salary</u>                 |                      |      |                          |      |         |
| County Clerk                                  | 0                    |      | 0                        |      | 63,697  |
| Circuit Court Clerk                           | 0                    |      | 0                        |      | 29,780  |
| General Sessions Court Clerk                  | 0                    |      | 0                        |      | 39,562  |
| Clerk and Master                              | 0                    |      | 0                        |      | 45,358  |
| Juvenile Court Clerk                          | 0                    |      | 0                        |      | 476     |
| Register                                      | 0                    |      | 0                        |      | 32,233  |
| Sheriff                                       | 0                    |      | 0                        |      | 3,744   |
| Trustee                                       | 0                    |      | 0                        |      | 137,679 |
| Total Fees Received from County Officials     | 0 \$                 |      | 0 \$                     |      | 358,829 |

(Continued)

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

|  | Debt Service    |                 | Capital             |                     | Total        |
|--|-----------------|-----------------|---------------------|---------------------|--------------|
|  | Fund<br>General | Debt<br>Service | Projects<br>General | Capital<br>Projects |              |
| <u>State of Tennessee</u>                    |                 |                 |                     |                     |              |
| <u>General Government Grants</u>             |                 |                 |                     |                     |              |
| Juvenile Services Program                    |                 | 0 \$            | 0 \$                |                     | 9,000        |
| Other General Government Grants              |                 | 0               | 0                   |                     | 10,966       |
| <u>Public Safety Grants</u>                  |                 |                 |                     |                     |              |
| Law Enforcement Training Programs            |                 | 0               | 0                   |                     | 8,400        |
| Health and Welfare Grants                    |                 |                 |                     |                     |              |
| Health Department Programs                   |                 | 0               | 0                   |                     | 25,887       |
| Public Works Grants                          |                 |                 |                     |                     |              |
| Litter Program                               |                 | 0               | 0                   |                     | 45,161       |
| <u>Other State Revenues</u>                  |                 |                 |                     |                     |              |
| Resort District Sales Tax                    |                 | 0               | 0                   |                     | 91,613       |
| Beer Tax                                     |                 | 0               | 0                   |                     | 18,586       |
| Alcoholic Beverage Tax                       |                 | 0               | 0                   |                     | 30,185       |
| Mixed Drink Tax                              |                 | 0               | 0                   |                     | 238          |
| State Revenue Sharing - T.V.A.               |                 | 39,637          | 0                   |                     | 434,154      |
| Contracted Prisoner Boarding                 |                 | 208,070         | 0                   |                     | 272,493      |
| Gasoline and Motor Fuel Tax                  |                 | 0               | 0                   |                     | 1,483,507    |
| Petroleum Special Tax                        |                 | 0               | 0                   |                     | 5,711        |
| Registrar's Salary Supplement                |                 | 0               | 0                   |                     | 15,164       |
| Other State Revenues                         |                 | 0               | 0                   |                     | 100          |
| Total State of Tennessee                     |                 | \$ 247,707      | \$ 0                | \$ 0                | \$ 2,451,165 |
| <u>Federal Government</u>                    |                 |                 |                     |                     |              |
| <u>Federal Through State</u>                 |                 |                 |                     |                     |              |
| Disaster Relief                              |                 | 0 \$            | 89,221 \$           |                     | 89,221       |
| Homeland Security Grants                     |                 | 0               | 0                   |                     | 45,009       |
| Other Federal through State                  |                 | 0               | 198,881             |                     | 296,993      |
| Total Federal Government                     |                 | \$ 0            | \$ 288,102          | \$ 0                | \$ 431,223   |
| <u>Other Governments and Citizens Groups</u> |                 |                 |                     |                     |              |
| <u>Other Governments</u>                     |                 |                 |                     |                     |              |
| Prisoner Board                               |                 | 57,600 \$       | 0 \$                |                     | 76,860       |
| Paving and Maintenance                       |                 | 0               | 0                   |                     | 10,457       |
| Contributions                                |                 | 192,097         | 0                   |                     | 232,350      |
| Contracted Services                          |                 | 0               | 0                   |                     | 150,000      |
| Total Other Governments and Citizens Groups  |                 | \$ 249,697      | \$ 0                | \$ 0                | \$ 469,667   |
| <u>Total</u>                                 |                 | \$ 1,235,240    | \$ 288,102          | \$ 8,112,644        |              |

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, 2013

|  | General Purpose School | Special Revenue Funds   |                   | Total               |
|--|------------------------|-------------------------|-------------------|---------------------|
|  |                        | School Federal Projects | Central Cafeteria |                     |
| <u>Local Taxes</u>                                   |                        |                         |                   |                     |
| <u>County Property Taxes</u>                         |                        |                         |                   |                     |
| Current Property Tax                                 | \$ 1,227,807           | \$ 0                    | \$ 0              | \$ 1,227,807        |
| Trustee's Collections - Prior Year                   | 56,583                 | 0                       | 0                 | 56,583              |
| Circuit/Clerk & Master Collections - Prior Years     | 32,635                 | 0                       | 0                 | 32,635              |
| Interest and Penalty                                 | 10,633                 | 0                       | 0                 | 10,633              |
| Pick-up Taxes  | 70                     | 0                       | 0                 | 70                  |
| Payments in-Lieu-of Taxes - T.V.A.                   | 1,274                  | 0                       | 0                 | 1,274               |
| Payments in-Lieu-of Taxes - Other                    | 290                    | 0                       | 0                 | 290                 |
| <u>County Local Option Taxes</u>                     |                        |                         |                   |                     |
| Local Option Sales Tax                               | 201,266                | 0                       | 0                 | 201,266             |
| <u>Statutory Local Taxes</u>                         |                        |                         |                   |                     |
| Interstate Telecommunications Tax                    | 675                    | 0                       | 0                 | 675                 |
| <b>Total Local Taxes</b>                             | <b>\$ 1,531,233</b>    | <b>\$ 0</b>             | <b>\$ 0</b>       | <b>\$ 1,531,233</b> |
| <u>Licenses and Permits</u>                          |                        |                         |                   |                     |
| <u>Licenses</u>                                      |                        |                         |                   |                     |
| Marriage Licenses                                    | \$ 541                 | \$ 0                    | \$ 0              | \$ 541              |
| <b>Total Licenses and Permits</b>                    | <b>\$ 541</b>          | <b>\$ 0</b>             | <b>\$ 0</b>       | <b>\$ 541</b>       |
| <u>Charges for Current Services</u>                  |                        |                         |                   |                     |
| <u>Education Charges</u>                             |                        |                         |                   |                     |
| Lunch Payments - Children                            | \$ 0                   | \$ 0                    | \$ 180,166        | \$ 180,166          |
| Lunch Payments - Adults                              | 0                      | 0                       | 22,265            | 22,265              |
| Income from Breakfast                                | 0                      | 0                       | 12,184            | 12,184              |
| Receipts from Individual Schools                     | 27,472                 | 0                       | 0                 | 27,472              |
| TBI Criminal Background Fees                         | 1,392                  | 0                       | 0                 | 1,392               |
| <b>Total Charges for Current Services</b>            | <b>\$ 28,864</b>       | <b>\$ 0</b>             | <b>\$ 214,615</b> | <b>\$ 243,479</b>   |
| <u>Other Local Revenues</u>                          |                        |                         |                   |                     |
| <u>Recurring Items</u>                               |                        |                         |                   |                     |
| Investment Income                                    | \$ 4,856               | \$ 0                    | \$ 781            | \$ 5,637            |
| Refund of Telecommunication & Internet Fees (E-Rate) | 18,837                 | 0                       | 0                 | 18,837              |
| Miscellaneous Refunds                                | 78,079                 | 25                      | 3,291             | 81,395              |
| <u>Nonrecurring Items</u>                            |                        |                         |                   |                     |
| Sale of Equipment                                    | 1,709                  | 0                       | 0                 | 1,709               |
| Sale of Property                                     | 1,375                  | 0                       | 0                 | 1,375               |
| Damages Recovered from Individuals                   | 150                    | 0                       | 0                 | 150                 |
| Contributions and Gifts                              | 7,736                  | 0                       | 0                 | 7,736               |
| <b>Total Other Local Revenues</b>                    | <b>\$ 112,742</b>      | <b>\$ 25</b>            | <b>\$ 4,072</b>   | <b>\$ 116,839</b>   |
| <u>State of Tennessee</u>                            |                        |                         |                   |                     |
| <u>General Government Grants</u>                     |                        |                         |                   |                     |
| On-Behalf Contributions for OPEB                     | \$ 24,844              | \$ 0                    | \$ 0              | \$ 24,844           |
| <u>State Education Funds</u>                         |                        |                         |                   |                     |
| Basic Education Program                              | 5,819,517              | 0                       | 0                 | 5,819,517           |
| Early Childhood Education                            | 295,244                | 0                       | 0                 | 295,244             |
| School Food Service                                  | 0                      | 0                       | 6,067             | 6,067               |
| Energy Efficient School Initiative                   | 47,213                 | 0                       | 0                 | 47,213              |
| Other State Education Funds                          | 378,586                | 0                       | 0                 | 378,586             |
| Statewide Student Management System (SSMS) - ARRA    | 3,076                  | 0                       | 0                 | 3,076               |
| Career Ladder Program                                | 80,036                 | 0                       | 0                 | 80,036              |
| Career Ladder - Extended Contract                    | 14,600                 | 0                       | 0                 | 14,600              |
| <u>Other State Revenues</u>                          |                        |                         |                   |                     |
| State Revenue Sharing - T.V.A.                       | 241,836                | 0                       | 0                 | 241,836             |
| Other State Revenues                                 | 4,695                  | 0                       | 0                 | 4,695               |
| <b>Total State of Tennessee</b>                      | <b>\$ 6,909,647</b>    | <b>\$ 0</b>             | <b>\$ 6,067</b>   | <b>\$ 6,915,714</b> |

(Continued)

Exhibit J-7

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

|  | General<br>Purpose<br>School | Special Revenue Funds         |                      | Total         |
|--|------------------------------|-------------------------------|----------------------|---------------|
|  |                              | School<br>Federal<br>Projects | Central<br>Cafeteria |               |
| <u>Federal Government</u>                        |                              |                               |                      |               |
| <u>Federal Through State</u>                     |                              |                               |                      |               |
| USDA School Lunch Program                        | \$ 0                         | \$ 0                          | \$ 310,881           | \$ 310,881    |
| USDA - Commodities                               | 0                            | 0                             | 33,584               | 33,584        |
| Breakfast  | 0                            | 0                             | 119,068              | 119,068       |
| Vocational Education - Basic Grants to States    | 0                            | 22,750                        | 0                    | 22,750        |
| Title I Grants to Local Education Agencies       | 0                            | 409,177                       | 0                    | 409,177       |
| Special Education - Grants to States             | 63,630                       | 308,646                       | 0                    | 372,276       |
| Special Education Preschool Grants               | 18,077                       | 24,900                        | 0                    | 42,977        |
| Rural Education                                  | 0                            | 22,209                        | 0                    | 22,209        |
| Eisenhower Professional Development State Grants | 0                            | 64,814                        | 0                    | 64,814        |
| Race-to-the-Top - ARRA                           | 0                            | 57,274                        | 0                    | 57,274        |
| Total Federal Government                         | \$ 81,707                    | \$ 909,770                    | \$ 463,533           | \$ 1,455,010  |
| <u>Other Governments and Citizens Groups</u>     |                              |                               |                      |               |
| <u>Other Governments</u>                         |                              |                               |                      |               |
| Contributions                                    | \$ 76,958                    | \$ 0                          | \$ 0                 | \$ 76,958     |
| Total Other Governments and Citizens Groups      | \$ 76,958                    | \$ 0                          | \$ 0                 | \$ 76,958     |
| Total  | \$ 8,741,692                 | \$ 909,795                    | \$ 688,287           | \$ 10,339,774 |

Exhibit J-8

Perry County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2013

General Fund

General Government

County Commission

|   |    |        |           |
|---|----|--------|-----------|
| Board and Committee Members Fees          | \$ | 22,940 |           |
| Social Security                           |    | 1,384  |           |
| State Retirement                          |    | 861    |           |
| Employer Medicare                         |    | 324    |           |
| Audit Services                            |    | 2,375  |           |
| Legal Notices, Recording, and Court Costs |    | 315    |           |
| Total County Commission                   |    |        | \$ 28,199 |

County Mayor/Executive

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 62,691 |         |
| Accountants/Bookkeepers                |    | 30,277 |         |
| Secretary(ies)                         |    | 30,277 |         |
| Longevity Pay                          |    | 3,300  |         |
| Other Salaries and Wages               |    | 3,000  |         |
| Social Security                        |    | 7,613  |         |
| State Retirement                       |    | 12,838 |         |
| Employer Medicare                      |    | 1,780  |         |
| Communication                          |    | 1,932  |         |
| Data Processing Services               |    | 4,305  |         |
| Postal Charges                         |    | 46     |         |
| Printing, Stationery, and Forms        |    | 204    |         |
| Travel                                 |    | 971    |         |
| Office Supplies                        |    | 457    |         |
| Total County Mayor/Executive           |    |        | 159,691 |

County Attorney

|   |    |        |        |
|---|----|--------|--------|
| Legal Notices, Recording, and Court Costs | \$ | 19,879 |        |
| Total County Attorney                     |    |        | 19,879 |

Election Commission

|   |    |        |  |
|---|----|--------|--|
| County Official/Administrative Officer    | \$ | 47,915 |  |
| Deputy(ies)                               |    | 23,347 |  |
| Longevity Pay                             |    | 1,100  |  |
| Election Commission                       |    | 3,115  |  |
| Election Workers                          |    | 10,850 |  |
| Social Security                           |    | 4,580  |  |
| State Retirement                          |    | 7,171  |  |
| Employer Medicare                         |    | 1,071  |  |
| Communication                             |    | 1,154  |  |
| Contracts with Private Agencies           |    | 18,397 |  |
| Dues and Memberships                      |    | 175    |  |
| Legal Notices, Recording, and Court Costs |    | 1,153  |  |
| Postal Charges                            |    | 44     |  |
| Printing, Stationery, and Forms           |    | 1,413  |  |
| Travel                                    |    | 3,531  |  |
| Other Contracted Services                 |    | 202    |  |
| Electricity                               |    | 899    |  |
| Natural Gas                               |    | 650    |  |
| Office Supplies                           |    | 32     |  |
| Water and Sewer                           |    | 134    |  |

(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.)

|                              |    |       |            |
|------------------------------|----|-------|------------|
| Other Supplies and Materials | \$ | 20    |            |
| Data Processing Equipment    |    | 1,013 |            |
| Total Election Commission    |    |       | \$ 127,966 |

Register of Deeds

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 53,239 |         |
| Deputy(ies)                            |    | 25,941 |         |
| Longevity Pay                          |    | 1,000  |         |
| Social Security                        |    | 4,440  |         |
| State Retirement                       |    | 7,946  |         |
| Employer Medicare                      |    | 1,038  |         |
| Communication                          |    | 1,875  |         |
| Data Processing Services               |    | 1,527  |         |
| Dues and Memberships                   |    | 337    |         |
| Operating Lease Payments               |    | 2,941  |         |
| Postal Charges                         |    | 46     |         |
| Printing, Stationery, and Forms        |    | 1,513  |         |
| Data Processing Supplies               |    | 527    |         |
| Office Supplies                        |    | 354    |         |
| Premiums on Corporate Surety Bonds     |    | 100    |         |
| Total Register of Deeds                |    |        | 102,824 |

Geographical Information Systems

|  |    |     |     |
|--|----|-----|-----|
| Road Signs                             | \$ | 211 |     |
| Total Geographical Information Systems |    |     | 211 |

County Buildings

|   |    |        |         |
|---|----|--------|---------|
| Custodial Personnel                         | \$ | 18,096 |         |
| Social Security                             |    | 1,122  |         |
| State Retirement                            |    | 1,793  |         |
| Employer Medicare                           |    | 262    |         |
| Communication                               |    | 216    |         |
| Janitorial Services                         |    | 150    |         |
| Maintenance and Repair Services - Buildings |    | 7,425  |         |
| Other Contracted Services                   |    | 7,330  |         |
| Custodial Supplies                          |    | 4,674  |         |
| Electricity                                 |    | 23,693 |         |
| Natural Gas                                 |    | 7,840  |         |
| Water and Sewer                             |    | 1,494  |         |
| Other Supplies and Materials                |    | 390    |         |
| Liability Insurance                         |    | 92,383 |         |
| Workers' Compensation Insurance             |    | 86,118 |         |
| Other Charges                               |    | 179    |         |
| Total County Buildings                      |    |        | 253,165 |

Finance

Accounting and Budgeting

|                   |    |    |  |
|-------------------|----|----|--|
| Social Security   | \$ | 49 |  |
| State Retirement  |    | 89 |  |
| Employer Medicare |    | 11 |  |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

|                                |    |     |          |
|--------------------------------|----|-----|----------|
| Other Contracted Services      | \$ | 900 |          |
| Data Processing Equipment      |    | 31  |          |
| Total Accounting and Budgeting |    |     | \$ 1,080 |

Property Assessor's Office

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 53,239 |         |
| Deputy(ies)                            |    | 25,940 |         |
| Longevity Pay                          |    | 1,700  |         |
| Social Security                        |    | 4,373  |         |
| State Retirement                       |    | 8,015  |         |
| Employer Medicare                      |    | 1,023  |         |
| Communication                          |    | 1,982  |         |
| Contracts with Private Agencies        |    | 3,000  |         |
| Operating Lease Payments               |    | 451    |         |
| Postal Charges                         |    | 46     |         |
| Office Supplies                        |    | 293    |         |
| Total Property Assessor's Office       |    |        | 100,062 |

Reappraisal Program

|   |    |        |        |
|---|----|--------|--------|
| Assistant(s)                                | \$ | 25,940 |        |
| Longevity Pay                               |    | 400    |        |
| Other Salaries and Wages                    |    | 1,500  |        |
| Social Security                             |    | 1,691  |        |
| State Retirement                            |    | 2,759  |        |
| Employer Medicare                           |    | 395    |        |
| Contracts with Government Agencies          |    | 7,383  |        |
| Contracts with Private Agencies             |    | 2,425  |        |
| Maintenance and Repair Services - Equipment |    | 667    |        |
| Postal Charges                              |    | 420    |        |
| Travel                                      |    | 767    |        |
| Other Contracted Services                   |    | 225    |        |
| Gasoline                                    |    | 621    |        |
| Office Supplies                             |    | 813    |        |
| Other Supplies and Materials                |    | 1,091  |        |
| Motor Vehicles                              |    | 4,518  |        |
| Total Reappraisal Program                   |    |        | 51,615 |

County Trustee's Office

|  |    |        |  |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 53,239 |  |
| Deputy(ies)                            |    | 25,941 |  |
| Longevity Pay                          |    | 1,400  |  |
| Social Security                        |    | 4,438  |  |
| State Retirement                       |    | 7,985  |  |
| Employer Medicare                      |    | 1,038  |  |
| Communication                          |    | 1,636  |  |
| Contracts with Government Agencies     |    | 2,313  |  |
| Data Processing Services               |    | 6,510  |  |
| Dues and Memberships                   |    | 537    |  |
| Postal Charges                         |    | 2,499  |  |
| Printing, Stationery, and Forms        |    | 79     |  |

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

|                                    |    |       |            |
|------------------------------------|----|-------|------------|
| Office Supplies                    | \$ | 796   |            |
| Premiums on Corporate Surety Bonds |    | 2,340 |            |
| Total County Trustee's Office      |    |       | \$ 110,751 |

County Clerk's Office

|  |    |        |        |
|--|----|--------|--------|
| County Official/Administrative Officer | \$ | 53,239 |        |
| Deputy(ies)                            |    | 18,385 |        |
| Social Security                        |    | 4,377  |        |
| State Retirement                       |    | 7,098  |        |
| Employer Medicare                      |    | 1,024  |        |
| Communication                          |    | 1,841  |        |
| Data Processing Services               |    | 4,290  |        |
| Dues and Memberships                   |    | 437    |        |
| Operating Lease Payments               |    | 1,062  |        |
| Postal Charges                         |    | 46     |        |
| Printing, Stationery, and Forms        |    | 507    |        |
| Office Supplies                        |    | 1,638  |        |
| Data Processing Equipment              |    | 290    |        |
| Total County Clerk's Office            |    |        | 94,234 |

Administration of Justice

Circuit Court

|   |    |        |         |
|---|----|--------|---------|
| County Official/Administrative Officer    | \$ | 53,239 |         |
| Deputy(ies)                               |    | 28,020 |         |
| Secretary(ies)                            |    | 25,941 |         |
| Longevity Pay                             |    | 1,300  |         |
| Other Salaries and Wages                  |    | 4,500  |         |
| Jury and Witness Expense                  |    | 6,466  |         |
| Social Security                           |    | 6,318  |         |
| State Retirement                          |    | 11,198 |         |
| Employer Medicare                         |    | 1,478  |         |
| Communication                             |    | 2,055  |         |
| Data Processing Services                  |    | 10,470 |         |
| Dues and Memberships                      |    | 457    |         |
| Operating Lease Payments                  |    | 1,615  |         |
| Legal Notices, Recording, and Court Costs |    | 2,263  |         |
| Postal Charges                            |    | 46     |         |
| Printing, Stationery, and Forms           |    | 1,173  |         |
| Travel                                    |    | 1,395  |         |
| Office Supplies                           |    | 1,674  |         |
| Other Supplies and Materials              |    | 193    |         |
| Premiums on Corporate Surety Bonds        |    | 125    |         |
| Furniture and Fixtures                    |    | 250    |         |
| Total Circuit Court                       |    |        | 160,176 |

General Sessions Court

|                 |    |        |
|-----------------|----|--------|
| Judge(s)        | \$ | 65,761 |
| Secretary(ies)  |    | 25,941 |
| Longevity Pay   |    | 400    |
| Social Security |    | 5,710  |

(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.)

|   |    |       |            |
|---|----|-------|------------|
| State Retirement                          | \$ | 9,127 |            |
| Employer Medicare                         |    | 1,335 |            |
| Communication                             |    | 1,935 |            |
| Dues and Memberships                      |    | 265   |            |
| Operating Lease Payments                  |    | 1,653 |            |
| Legal Notices, Recording, and Court Costs |    | 167   |            |
| Postal Charges                            |    | 46    |            |
| Printing, Stationery, and Forms           |    | 257   |            |
| Travel                                    |    | 1,177 |            |
| Office Supplies                           |    | 454   |            |
| Total General Sessions Court              |    |       | \$ 114,228 |

Chancery Court

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer             | \$ | 53,239 |         |
| Deputy(ies)  |    | 21,181 |         |
| Longevity Pay                                      |    | 100    |         |
| In-Service Training                                |    | 195    |         |
| Social Security                                    |    | 4,620  |         |
| State Retirement                                   |    | 7,209  |         |
| Employer Medicare                                  |    | 1,081  |         |
| Communication                                      |    | 2,314  |         |
| Data Processing Services                           |    | 5,070  |         |
| Dues and Memberships                               |    | 417    |         |
| Operating Lease Payments                           |    | 1,603  |         |
| Legal Notices, Recording, and Court Costs          |    | 806    |         |
| Maintenance and Repair Services - Office Equipment |    | 144    |         |
| Postal Charges                                     |    | 564    |         |
| Printing, Stationery, and Forms                    |    | 2,960  |         |
| Travel   |    | 683    |         |
| Data Processing Supplies                           |    | 220    |         |
| Office Supplies                                    |    | 1,461  |         |
| Premiums on Corporate Surety Bonds                 |    | 150    |         |
| Total Chancery Court                               |    |        | 104,017 |

Juvenile Court

|                      |    |       |        |
|----------------------|----|-------|--------|
| Assistant(s)         | \$ | 9,079 |        |
| Social Security      |    | 563   |        |
| Employer Medicare    |    | 132   |        |
| Communication        |    | 2,135 |        |
| Travel               |    | 607   |        |
| Office Supplies      |    | 42    |        |
| Total Juvenile Court |    |       | 12,558 |

Other Administration of Justice

|                                       |    |       |       |
|---------------------------------------|----|-------|-------|
| Teachers                              | \$ | 3,750 |       |
| Social Security                       |    | 232   |       |
| State Retirement                      |    | 372   |       |
| Employer Medicare                     |    | 54    |       |
| Other Supplies and Materials          |    | 2,510 |       |
| Total Other Administration of Justice |    |       | 6,918 |

(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      | \$ | 59,156  |            |
| Deputy(ies)                                 |    | 436,472 |            |
| Secretary(ies)                              |    | 25,954  |            |
| Part-time Personnel                         |    | 33,413  |            |
| Longevity Pay                               |    | 4,700   |            |
| Other Salaries and Wages                    |    | 100     |            |
| In-Service Training                         |    | 18,067  |            |
| Social Security                             |    | 35,646  |            |
| State Retirement                            |    | 45,032  |            |
| Employer Medicare                           |    | 8,337   |            |
| Advertising                                 |    | 413     |            |
| Communication                               |    | 8,350   |            |
| Contracts with Private Agencies             |    | 3,657   |            |
| Data Processing Services                    |    | 2,205   |            |
| Dues and Memberships                        |    | 1,050   |            |
| Evaluation and Testing                      |    | 250     |            |
| Operating Lease Payments                    |    | 2,508   |            |
| Legal Services                              |    | 2,650   |            |
| Legal Notices, Recording, and Court Costs   |    | 518     |            |
| Maintenance and Repair Services - Buildings |    | 115     |            |
| Maintenance and Repair Services - Equipment |    | 831     |            |
| Maintenance and Repair Services - Vehicles  |    | 13,998  |            |
| Medical and Dental Services                 |    | 149     |            |
| Postal Charges                              |    | 1,529   |            |
| Printing, Stationery, and Forms             |    | 382     |            |
| Travel                                      |    | 4,007   |            |
| Custodial Supplies                          |    | 9       |            |
| Food Supplies                               |    | 242     |            |
| Gasoline                                    |    | 73,281  |            |
| Law Enforcement Supplies                    |    | 4,941   |            |
| Office Supplies                             |    | 3,354   |            |
| Uniforms                                    |    | 7,964   |            |
| Water and Sewer                             |    | 21      |            |
| Other Supplies and Materials                |    | 10,939  |            |
| Communication Equipment                     |    | 1,599   |            |
| Law Enforcement Equipment                   |    | 10,727  |            |
| Motor Vehicles                              |    | 17,347  |            |
| Office Equipment                            |    | 230     |            |
| Total Sheriff's Department                  |    |         | \$ 840,143 |

Jail

|                         |    |         |
|-------------------------|----|---------|
| Supervisor/Director     | \$ | 29,234  |
| Deputy(ies)             |    | 315,628 |
| Captain(s)              |    | 31,556  |
| Accountants/Bookkeepers |    | 4,341   |
| Maintenance Personnel   |    | 26,229  |
| Part-time Personnel     |    | 42,345  |
| Longevity Pay           |    | 2,900   |
| In-Service Training     |    | 2,959   |
| Social Security         |    | 27,997  |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| State Retirement                            | \$ | 37,773 |            |
| Employer Medicare                           |    | 6,548  |            |
| Communication                               |    | 8,234  |            |
| Contracts with Private Agencies             |    | 1,930  |            |
| Evaluation and Testing                      |    | 500    |            |
| Legal Services                              |    | 1,000  |            |
| Maintenance and Repair Services - Buildings |    | 806    |            |
| Maintenance and Repair Services - Equipment |    | 11,749 |            |
| Maintenance and Repair Services - Vehicles  |    | 1,074  |            |
| Medical and Dental Services                 |    | 80,920 |            |
| Pest Control                                |    | 1,375  |            |
| Travel                                      |    | 406    |            |
| Other Contracted Services                   |    | 306    |            |
| Custodial Supplies                          |    | 8,528  |            |
| Electricity                                 |    | 33,734 |            |
| Food Supplies                               |    | 65,364 |            |
| Gasoline                                    |    | 10,818 |            |
| Instructional Supplies and Materials        |    | 286    |            |
| Law Enforcement Supplies                    |    | 2,049  |            |
| Natural Gas                                 |    | 8,633  |            |
| Office Supplies                             |    | 439    |            |
| Prisoners Clothing                          |    | 1,194  |            |
| Uniforms                                    |    | 408    |            |
| Water and Sewer                             |    | 11,991 |            |
| Other Supplies and Materials                |    | 7,008  |            |
| Total Jail                                  |    |        | \$ 786,262 |

Civil Defense

|  |    |        |        |
|--|----|--------|--------|
| Supervisor/Director                                | \$ | 12,239 |        |
| Accountants/Bookkeepers                            |    | 25,937 |        |
| Social Security                                    |    | 2,367  |        |
| State Retirement                                   |    | 3,783  |        |
| Employer Medicare                                  |    | 554    |        |
| Communication                                      |    | 50     |        |
| Maintenance and Repair Services - Office Equipment |    | 571    |        |
| Travel   |    | 447    |        |
| Gasoline   |    | 157    |        |
| Office Supplies                                    |    | 346    |        |
| Other Supplies and Materials                       |    | 37,807 |        |
| Total Civil Defense                                |    |        | 84,258 |

Rescue Squad

|   |    |       |  |
|---|----|-------|--|
| Communication                               | \$ | 30    |  |
| Dues and Memberships                        |    | 50    |  |
| Maintenance and Repair Services - Buildings |    | 267   |  |
| Maintenance and Repair Services - Vehicles  |    | 2,488 |  |
| Electricity                                 |    | 1,016 |  |
| Gasoline                                    |    | 2,467 |  |
| Natural Gas                                 |    | 553   |  |
| Water and Sewer                             |    | 78    |  |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad (Cont.)

|                                 |    |       |          |
|---------------------------------|----|-------|----------|
| Vehicle and Equipment Insurance | \$ | 1,292 |          |
| Other Equipment                 |    | 1,742 |          |
| Total Rescue Squad              |    |       | \$ 9,983 |

Other Emergency Management

|                                  |    |        |         |
|----------------------------------|----|--------|---------|
| Supervisor/Director              | \$ | 27,050 |         |
| Dispatchers/Radio Operators      |    | 77,823 |         |
| Part-time Personnel              |    | 27,609 |         |
| Longevity Pay                    |    | 1,300  |         |
| Social Security                  |    | 8,753  |         |
| State Retirement                 |    | 11,385 |         |
| Employer Medicare                |    | 2,047  |         |
| Communication                    |    | 389    |         |
| Total Other Emergency Management |    |        | 156,356 |

County Coroner/Medical Examiner

|                                       |    |        |        |
|---------------------------------------|----|--------|--------|
| Other Contracted Services             | \$ | 10,738 |        |
| Total County Coroner/Medical Examiner |    |        | 10,738 |

Other Public Safety

|                           |    |        |        |
|---------------------------|----|--------|--------|
| Guards                    | \$ | 29,338 |        |
| Longevity Pay             |    | 500    |        |
| Other Salaries and Wages  |    | 3,000  |        |
| Social Security           |    | 2,029  |        |
| State Retirement          |    | 297    |        |
| Employer Medicare         |    | 474    |        |
| Total Other Public Safety |    |        | 35,638 |

Public Health and Welfare

Local Health Center

|   |    |        |        |
|---|----|--------|--------|
| Communication                               | \$ | 266    |        |
| Contracts with Government Agencies          |    | 21,286 |        |
| Janitorial Services                         |    | 3,562  |        |
| Maintenance and Repair Services - Buildings |    | 421    |        |
| Pest Control                                |    | 45     |        |
| Other Contracted Services                   |    | 1,757  |        |
| Electricity                                 |    | 6,850  |        |
| Office Supplies                             |    | 957    |        |
| Water and Sewer                             |    | 313    |        |
| Total Local Health Center                   |    |        | 35,457 |

Ambulance/Emergency Medical Services

|                          |    |         |  |
|--------------------------|----|---------|--|
| Assistant(s)             | \$ | 100     |  |
| Supervisor/Director      |    | 35,701  |  |
| Medical Personnel        |    | 334,295 |  |
| Part-time Personnel      |    | 78,687  |  |
| Longevity Pay            |    | 500     |  |
| Other Salaries and Wages |    | 2,000   |  |
| In-Service Training      |    | 3,935   |  |
| Social Security          |    | 28,079  |  |

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| State Retirement                            | \$ | 36,039 |            |
| Employer Medicare                           |    | 6,567  |            |
| Communication                               |    | 2,829  |            |
| Contracts with Private Agencies             |    | 46,080 |            |
| Dues and Memberships                        |    | 962    |            |
| Legal Services                              |    | 472    |            |
| Licenses                                    |    | 1,750  |            |
| Maintenance and Repair Services - Buildings |    | 117    |            |
| Maintenance and Repair Services - Equipment |    | 3,777  |            |
| Maintenance and Repair Services - Vehicles  |    | 6,272  |            |
| Postal Charges                              |    | 66     |            |
| Other Contracted Services                   |    | 2,242  |            |
| Custodial Supplies                          |    | 1,028  |            |
| Diesel Fuel                                 |    | 39,677 |            |
| Drugs and Medical Supplies                  |    | 20,535 |            |
| Electricity                                 |    | 6,075  |            |
| Gasoline                                    |    | 237    |            |
| Natural Gas                                 |    | 265    |            |
| Office Supplies                             |    | 352    |            |
| Uniforms                                    |    | 217    |            |
| Water and Sewer                             |    | 598    |            |
| Other Supplies and Materials                |    | 1,553  |            |
| Refunds                                     |    | 111    |            |
| Data Processing Equipment                   |    | 265    |            |
| Office Equipment                            |    | 398    |            |
| Other Equipment                             |    | 197    |            |
| Total Ambulance/Emergency Medical Services  |    |        | \$ 661,978 |

Other Local Health Services

|                                    |    |        |        |
|------------------------------------|----|--------|--------|
| Medical Personnel                  | \$ | 18,250 |        |
| Longevity Pay                      |    | 200    |        |
| Social Security                    |    | 1,144  |        |
| State Retirement                   |    | 1,828  |        |
| Employer Medicare                  |    | 268    |        |
| Contracts with Government Agencies |    | 114    |        |
| Travel                             |    | 181    |        |
| Office Supplies                    |    | 337    |        |
| Total Other Local Health Services  |    |        | 22,322 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

|                     |    |        |  |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 15,818 |  |
| Librarians          |    | 17,846 |  |
| Part-time Personnel |    | 29,503 |  |
| Social Security     |    | 3,561  |  |
| State Retirement    |    | 2,475  |  |

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

|   |    |       |           |
|---|----|-------|-----------|
| Employer Medicare                           | \$ | 833   |           |
| Communication                               |    | 1,370 |           |
| Contracts with Private Agencies             |    | 30    |           |
| Janitorial Services                         |    | 360   |           |
| Operating Lease Payments                    |    | 3,873 |           |
| Legal Notices, Recording, and Court Costs   |    | 233   |           |
| Maintenance and Repair Services - Buildings |    | 588   |           |
| Maintenance and Repair Services - Equipment |    | 490   |           |
| Matching Share                              |    | 2,874 |           |
| Postal Charges                              |    | 25    |           |
| Printing, Stationery, and Forms             |    | 315   |           |
| Travel                                      |    | 838   |           |
| Other Contracted Services                   |    | 4,519 |           |
| Custodial Supplies                          |    | 217   |           |
| Data Processing Supplies                    |    | 149   |           |
| Electricity                                 |    | 6,094 |           |
| Library Books/Media                         |    | 2,313 |           |
| Natural Gas                                 |    | 905   |           |
| Office Supplies                             |    | 772   |           |
| Water and Sewer                             |    | 467   |           |
| Other Supplies and Materials                |    | 155   |           |
| Other Charges                               |    | 1,611 |           |
| Data Processing Equipment                   |    | 1,337 |           |
| Total Libraries                             |    |       | \$ 99,571 |

Parks and Fair Boards

|                             |    |       |        |
|-----------------------------|----|-------|--------|
| T&I Construction Materials  | \$ | 2,500 |        |
| Other Charges               |    | 7,500 |        |
| Total Parks and Fair Boards |    |       | 10,000 |

Other Social, Cultural, and Recreational

|  |    |        |        |
|--|----|--------|--------|
| Contributions                                  | \$ | 27,000 |        |
| Electricity                                    |    | 1,885  |        |
| Water and Sewer                                |    | 303    |        |
| Total Other Social, Cultural, and Recreational |    |        | 29,188 |

Agriculture and Natural Resources

Agriculture Extension Service

|                                     |    |        |        |
|-------------------------------------|----|--------|--------|
| Salary Supplements                  | \$ | 16,681 |        |
| Secretary(ies)                      |    | 5,728  |        |
| Social Security                     |    | 584    |        |
| State Retirement                    |    | 1,816  |        |
| Employer Medicare                   |    | 822    |        |
| Communication                       |    | 1,662  |        |
| Travel                              |    | 2,500  |        |
| Electricity                         |    | 899    |        |
| Natural Gas                         |    | 640    |        |
| Office Supplies                     |    | 158    |        |
| Water and Sewer                     |    | 113    |        |
| Total Agriculture Extension Service |    |        | 31,603 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

|                                    |           |           |
|------------------------------------|-----------|-----------|
| Contracts with Government Agencies | \$ 23,375 |           |
| Total Soil Conservation            |           | \$ 23,375 |

Other Operations

Tourism

|                                 |        |        |
|---------------------------------|--------|--------|
| Contracts with Private Agencies | \$ 800 |        |
| Contributions                   | 2,877  |        |
| Dues and Memberships            | 1,526  |        |
| Other Contracted Services       | 22,000 |        |
| Other Charges                   | 9,335  |        |
| Total Tourism                   |        | 36,538 |

Industrial Development

|                              |          |       |
|------------------------------|----------|-------|
| Communication                | \$ 1,304 |       |
| Diesel Fuel                  | 1,285    |       |
| Land                         | 2,171    |       |
| Total Industrial Development |          | 4,760 |

Airport

|   |        |        |
|---|--------|--------|
| Legal Notices, Recording, and Court Costs   | \$ 312 |        |
| Maintenance and Repair Services - Equipment | 17,766 |        |
| Gasoline                                    | 475    |        |
| Utilities                                   | 2,415  |        |
| Water and Sewer                             | 21     |        |
| Other Supplies and Materials                | 6,156  |        |
| Airport Improvement                         | 36,869 |        |
| Total Airport                               |        | 64,014 |

Veterans' Services

|                              |          |        |
|------------------------------|----------|--------|
| Other Salaries and Wages     | \$ 8,348 |        |
| Social Security              | 518      |        |
| Employer Medicare            | 121      |        |
| Communication                | 1,608    |        |
| Dues and Memberships         | 25       |        |
| Travel                       | 495      |        |
| Office Supplies              | 1,112    |        |
| Other Supplies and Materials | 454      |        |
| Total Veterans' Services     |          | 12,681 |

Other Charges

|                      |           |        |
|----------------------|-----------|--------|
| Trustee's Commission | \$ 54,470 |        |
| Total Other Charges  |           | 54,470 |

Employee Benefits

|                           |           |        |
|---------------------------|-----------|--------|
| Unemployment Compensation | \$ 14,827 |        |
| Other Charges             | 2,205     |        |
| Total Employee Benefits   |           | 17,032 |

Miscellaneous

|               |          |  |
|---------------|----------|--|
| Communication | \$ 4,028 |  |
|---------------|----------|--|

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

|                                    |    |        |           |
|------------------------------------|----|--------|-----------|
| Contracts with Government Agencies | \$ | 2,483  |           |
| Dues and Memberships               |    | 929    |           |
| Operating Lease Payments           |    | 3,316  |           |
| Postal Charges                     |    | 8,102  |           |
| Printing, Stationery, and Forms    |    | 687    |           |
| Other Contracted Services          |    | 6,174  |           |
| Electricity                        |    | 858    |           |
| Gasoline                           |    | 62     |           |
| Office Supplies                    |    | 4,218  |           |
| Other Supplies and Materials       |    | 11,545 |           |
| Other Charges                      |    | 1,576  |           |
| Total Miscellaneous                |    |        | \$ 43,978 |

Highways

Litter and Trash Collection

|                                   |    |        |        |
|-----------------------------------|----|--------|--------|
| Part-time Personnel               | \$ | 28,446 |        |
| In-Service Training               |    | 6,162  |        |
| Social Security                   |    | 1,803  |        |
| State Retirement                  |    | 3,077  |        |
| Employer Medicare                 |    | 422    |        |
| Total Litter and Trash Collection |    |        | 39,910 |

Total General Fund \$ 4,567,829

Courthouse and Jail Maintenance Fund

General Government

County Buildings

|   |    |       |          |
|---|----|-------|----------|
| Maintenance and Repair Services - Buildings | \$ | 912   |          |
| Electricity                                 |    | 3,548 |          |
| Natural Gas                                 |    | 1,460 |          |
| Water and Sewer                             |    | 371   |          |
| Total County Buildings                      |    |       | \$ 6,291 |

Other Operations

Other Charges

|                      |    |     |     |
|----------------------|----|-----|-----|
| Trustee's Commission | \$ | 153 |     |
| Total Other Charges  |    |     | 153 |

Total Courthouse and Jail Maintenance Fund 6,444

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

|  |    |       |          |
|--|----|-------|----------|
| Trustee's Commission                   | \$ | 9,771 |          |
| Total Sanitation Education/Information |    |       | \$ 9,771 |

Convenience Centers

|                     |    |        |  |
|---------------------|----|--------|--|
| Laborers            | \$ | 34,294 |  |
| Part-time Personnel |    | 11,656 |  |
| Longevity Pay       |    | 2,300  |  |

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

|   |    |       |           |
|---|----|-------|-----------|
| Social Security                             | \$ | 2,919 |           |
| State Retirement                            |    | 3,626 |           |
| Employer Medicare                           |    | 683   |           |
| Communication                               |    | 726   |           |
| Maintenance and Repair Services - Buildings |    | 115   |           |
| Other Contracted Services                   |    | 624   |           |
| Custodial Supplies                          |    | 1     |           |
| Electricity                                 |    | 2,471 |           |
| Natural Gas                                 |    | 171   |           |
| Water and Sewer                             |    | 138   |           |
| Total Convenience Centers                   |    |       | \$ 59,724 |

Transfer Stations

|   |    |         |         |
|---|----|---------|---------|
| Equipment Operators                         | \$ | 49,338  |         |
| Longevity Pay                               |    | 1,100   |         |
| Social Security                             |    | 3,115   |         |
| State Retirement                            |    | 4,242   |         |
| Employer Medicare                           |    | 728     |         |
| Communication                               |    | 1,990   |         |
| Contracts with Private Agencies             |    | 210,757 |         |
| Maintenance Agreements                      |    | 4,500   |         |
| Maintenance and Repair Services - Buildings |    | 311     |         |
| Maintenance and Repair Services - Equipment |    | 34,403  |         |
| Maintenance and Repair Services - Vehicles  |    | 2,336   |         |
| Other Contracted Services                   |    | 16,923  |         |
| Custodial Supplies                          |    | 100     |         |
| Diesel Fuel                                 |    | 30,387  |         |
| Electricity                                 |    | 4,483   |         |
| Gasoline                                    |    | 13,752  |         |
| Uniforms                                    |    | 5,490   |         |
| Water and Sewer                             |    | 273     |         |
| Other Supplies and Materials                |    | 5,703   |         |
| Total Transfer Stations                     |    |         | 389,931 |

Landfill Operation and Maintenance

|   |    |        |        |
|---|----|--------|--------|
| Supervisor/Director                         | \$ | 29,307 |        |
| Equipment Operators                         |    | 62     |        |
| Longevity Pay                               |    | 1,300  |        |
| In-Service Training                         |    | 100    |        |
| Social Security                             |    | 1,901  |        |
| State Retirement                            |    | 3,033  |        |
| Employer Medicare                           |    | 445    |        |
| Evaluation and Testing                      |    | 5,000  |        |
| Maintenance Agreements                      |    | 1,000  |        |
| Maintenance and Repair Services - Equipment |    | 16,937 |        |
| Travel                                      |    | 74     |        |
| Diesel Fuel                                 |    | 3,371  |        |
| Other Supplies and Materials                |    | 7,259  |        |
| Total Landfill Operation and Maintenance    |    |        | 69,789 |

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations

Employee Benefits

Other Charges

\$ 169

Total Employee Benefits

\$ 169

Total Solid Waste/Sanitation Fund

\$ 529,384

Special Purpose Fund

Administration of Justice

Circuit Court

Trustee's Commission

\$ 45

Total Circuit Court

\$ 45

Chancery Court

Other Supplies and Materials

\$ 58

Total Chancery Court

58

Total Special Purpose Fund

103

Drug Control Fund

Public Safety

Drug Enforcement

In-Service Training

\$ 250

Animal Food and Supplies

8,588

Law Enforcement Supplies

300

Other Supplies and Materials

1,000

Trustee's Commission

178

Law Enforcement Equipment

622

Total Drug Enforcement

\$ 10,938

Total Drug Control Fund

10,938

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

\$ 6,379

Total Chancery Court

6,379

Total Constitutional Officers - Fees Fund

6,429

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer

\$ 58,563

Accountants/Bookkeepers

35,360

Communication

1,793

Data Processing Services

6,077

Dues and Memberships

2,250

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

|                      |    |        |            |
|----------------------|----|--------|------------|
| Legal Services       | \$ | 19,009 |            |
| Postal Charges       |    | 222    |            |
| Electricity          |    | 1,823  |            |
| Food Supplies        |    | 1,138  |            |
| Natural Gas          |    | 1,922  |            |
| Office Supplies      |    | 2,134  |            |
| Water and Sewer      |    | 258    |            |
| Other Charges        |    | 7,701  |            |
| Total Administration |    |        | \$ 138,250 |

Highway and Bridge Maintenance

|                                      |    |         |         |
|--------------------------------------|----|---------|---------|
| Foremen                              | \$ | 121,412 |         |
| Equipment Operators                  |    | 109,576 |         |
| Truck Drivers                        |    | 141,246 |         |
| Asphalt - Hot Mix                    |    | 1,260   |         |
| Asphalt - Liquid                     |    | 15,586  |         |
| Crushed Stone                        |    | 12,483  |         |
| Fertilizer, Lime, and Seed           |    | 112     |         |
| Riprap                               |    | 46,880  |         |
| Pipe                                 |    | 12,898  |         |
| Road Signs                           |    | 1,586   |         |
| Small Tools                          |    | 132     |         |
| Gravel and Chert                     |    | 2,500   |         |
| Geotextile Materials                 |    | 4,410   |         |
| Total Highway and Bridge Maintenance |    |         | 470,081 |

Operation and Maintenance of Equipment

|  |    |        |         |
|--|----|--------|---------|
| Mechanic(s)                                  | \$ | 34,320 |         |
| Diesel Fuel                                  |    | 64,027 |         |
| Equipment and Machinery Parts                |    | 38,086 |         |
| Garage Supplies                              |    | 5,679  |         |
| Gasoline                                     |    | 28,931 |         |
| Lubricants                                   |    | 6,381  |         |
| Tires and Tubes                              |    | 35,740 |         |
| Other Supplies and Materials                 |    | 71     |         |
| Total Operation and Maintenance of Equipment |    |        | 213,235 |

Other Charges

|                                 |    |        |        |
|---------------------------------|----|--------|--------|
| Building and Contents Insurance | \$ | 950    |        |
| Liability Insurance             |    | 5,400  |        |
| Trustee's Commission            |    | 15,506 |        |
| Vehicle and Equipment Insurance |    | 7,476  |        |
| Workers' Compensation Insurance |    | 53,981 |        |
| Total Other Charges             |    |        | 83,313 |

Employee Benefits

|                           |    |         |         |
|---------------------------|----|---------|---------|
| Social Security           | \$ | 36,826  |         |
| State Retirement          |    | 49,093  |         |
| Life Insurance            |    | 486     |         |
| Medical Insurance         |    | 105,034 |         |
| Unemployment Compensation |    | 408     |         |
| Total Employee Benefits   |    |         | 191,847 |

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

|                      |            |            |
|----------------------|------------|------------|
| Highway Equipment    | \$ 161,907 |            |
| Total Capital Outlay |            | \$ 161,907 |

Total Highway/Public Works Fund \$ 1,258,633

General Debt Service Fund

Principal on Debt

General Government

|                          |            |            |
|--------------------------|------------|------------|
| Principal on Notes       | \$ 116,250 |            |
| Principal on Other Loans | 190,950    |            |
| Total General Government |            | \$ 307,200 |

Education

|                          |           |         |
|--------------------------|-----------|---------|
| Principal on Notes       | \$ 37,986 |         |
| Principal on Other Loans | 474,050   |         |
| Total Education          |           | 512,036 |

Interest on Debt

General Government

|                          |          |       |
|--------------------------|----------|-------|
| Interest on Other Loans  | \$ 8,732 |       |
| Total General Government |          | 8,732 |

Education

|                         |          |        |
|-------------------------|----------|--------|
| Interest on Notes       | \$ 4,111 |        |
| Interest on Other Loans | 13,861   |        |
| Total Education         |          | 17,972 |

Other Debt Service

General Government

|                          |           |        |
|--------------------------|-----------|--------|
| Trustee's Commission     | \$ 11,105 |        |
| Other Debt Service       | 18,501    |        |
| Total General Government |           | 29,606 |

Education

|                    |           |         |
|--------------------|-----------|---------|
| Other Debt Service | \$ 34,710 |         |
| Motor Vehicles     | 76,959    |         |
| Total Education    |           | 111,669 |

Total General Debt Service Fund 987,215

General Capital Projects Fund

Public Safety

Drug Enforcement

|                        |          |          |
|------------------------|----------|----------|
| Other Charges          | \$ 6,339 |          |
| Total Drug Enforcement |          | \$ 6,339 |

Capital Projects

General Administration Projects

|   |        |     |
|---|--------|-----|
| Maintenance and Repair Services - Buildings | \$ 222 |     |
| Total General Administration Projects       |        | 222 |

(Continued)

Exhibit J-8

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Public Safety Projects

|                                |    |         |            |
|--------------------------------|----|---------|------------|
| Architects                     | \$ | 3,256   |            |
| Other Contracted Services      |    | 284,668 |            |
| General Construction Materials |    | 1,072   |            |
| Other Supplies and Materials   |    | 1,215   |            |
| Other Equipment                |    | 89,221  |            |
| Total Public Safety Projects   |    |         | \$ 379,432 |

Public Health and Welfare Projects

|  |    |        |        |
|--|----|--------|--------|
| Other Contracted Services                | \$ | 19,325 |        |
| General Construction Materials           |    | 13,935 |        |
| Utilities                                |    | 8,572  |        |
| Water and Sewer                          |    | 7,489  |        |
| Total Public Health and Welfare Projects |    |        | 49,321 |

Social, Cultural, and Recreation Projects

|   |    |        |        |
|---|----|--------|--------|
| Maintenance and Repair Services - Buildings     | \$ | 1,046  |        |
| Other Contracted Services                       |    | 47,856 |        |
| Total Social, Cultural, and Recreation Projects |    |        | 48,902 |

Total General Capital Projects Fund \$ 484,216

Total Governmental Funds - Primary Government \$ 7,851,191

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, 2013

General Purpose School Fund

Instruction

Regular Instruction Program

|   |    |           |              |
|---|----|-----------|--------------|
| Teachers                                    | \$ | 2,547,608 |              |
| Career Ladder Program                       |    | 25,485    |              |
| Career Ladder Extended Contracts            |    | 12,500    |              |
| Homebound Teachers                          |    | 2,973     |              |
| Educational Assistants                      |    | 75,031    |              |
| Certified Substitute Teachers               |    | 9,536     |              |
| Non-certified Substitute Teachers           |    | 41,531    |              |
| Social Security                             |    | 151,540   |              |
| State Retirement                            |    | 231,015   |              |
| Medical Insurance                           |    | 237,043   |              |
| Unemployment Compensation                   |    | 3,055     |              |
| Employer Medicare                           |    | 35,441    |              |
| Maintenance and Repair Services - Equipment |    | 107       |              |
| Tuition                                     |    | 18,967    |              |
| Other Contracted Services                   |    | 24,524    |              |
| Instructional Supplies and Materials        |    | 45,910    |              |
| Textbooks                                   |    | 33,865    |              |
| Fee Waivers                                 |    | 6,561     |              |
| Other Charges                               |    | 2,435     |              |
| Total Regular Instruction Program           |    |           | \$ 3,505,127 |

Alternative Instruction Program

|                                       |    |        |        |
|---------------------------------------|----|--------|--------|
| Teachers                              | \$ | 42,093 |        |
| Career Ladder Program                 |    | 1,000  |        |
| Other Salaries and Wages              |    | 16,186 |        |
| Certified Substitute Teachers         |    | 168    |        |
| Non-certified Substitute Teachers     |    | 536    |        |
| Social Security                       |    | 3,582  |        |
| State Retirement                      |    | 5,431  |        |
| Medical Insurance                     |    | 942    |        |
| Unemployment Compensation             |    | 53     |        |
| Employer Medicare                     |    | 838    |        |
| Instructional Supplies and Materials  |    | 211    |        |
| Total Alternative Instruction Program |    |        | 71,040 |

Special Education Program

|                                      |    |         |         |
|--------------------------------------|----|---------|---------|
| Teachers                             | \$ | 506,625 |         |
| Career Ladder Program                |    | 6,000   |         |
| Homebound Teachers                   |    | 1,033   |         |
| Educational Assistants               |    | 103,541 |         |
| Social Security                      |    | 34,031  |         |
| State Retirement                     |    | 55,377  |         |
| Medical Insurance                    |    | 52,375  |         |
| Unemployment Compensation            |    | 715     |         |
| Employer Medicare                    |    | 7,959   |         |
| Contracts with Private Agencies      |    | 26,912  |         |
| Other Contracted Services            |    | 23,330  |         |
| Instructional Supplies and Materials |    | 3,563   |         |
| Total Special Education Program      |    |         | 821,461 |

(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                             | \$ | 255,305 |            |
| Career Ladder Program                |    | 2,000   |            |
| Educational Assistants               |    | 6,439   |            |
| Certified Substitute Teachers        |    | 1,036   |            |
| Non-certified Substitute Teachers    |    | 3,825   |            |
| Social Security                      |    | 15,906  |            |
| State Retirement                     |    | 23,487  |            |
| Medical Insurance                    |    | 9,534   |            |
| Unemployment Compensation            |    | 217     |            |
| Employer Medicare                    |    | 3,720   |            |
| Tuition                              |    | 8,212   |            |
| Instructional Supplies and Materials |    | 3,791   |            |
| Other Supplies and Materials         |    | 1,710   |            |
| Total Vocational Education Program   |    |         | \$ 335,182 |

Support Services

Attendance

|                              |    |     |       |
|------------------------------|----|-----|-------|
| Travel                       | \$ | 464 |       |
| Other Supplies and Materials |    | 673 |       |
| In Service/Staff Development |    | 300 |       |
| Total Attendance             |    |     | 1,437 |

Health Services

|                              |    |        |         |
|------------------------------|----|--------|---------|
| Medical Personnel            | \$ | 44,722 |         |
| Other Salaries and Wages     |    | 48,608 |         |
| Social Security              |    | 5,244  |         |
| State Retirement             |    | 6,577  |         |
| Medical Insurance            |    | 2,400  |         |
| Unemployment Compensation    |    | 121    |         |
| Employer Medicare            |    | 1,226  |         |
| Travel                       |    | 4,750  |         |
| Drugs and Medical Supplies   |    | 717    |         |
| Other Supplies and Materials |    | 12,058 |         |
| In Service/Staff Development |    | 941    |         |
| Total Health Services        |    |        | 127,364 |

Other Student Support

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Career Ladder Program        | \$ | 1,500   |         |
| Guidance Personnel           |    | 116,457 |         |
| Attendants                   |    | 21,854  |         |
| Other Salaries and Wages     |    | 25,469  |         |
| Social Security              |    | 9,768   |         |
| State Retirement             |    | 10,813  |         |
| Medical Insurance            |    | 5,554   |         |
| Unemployment Compensation    |    | 175     |         |
| Employer Medicare            |    | 2,285   |         |
| Evaluation and Testing       |    | 2,211   |         |
| Travel                       |    | 76      |         |
| Other Supplies and Materials |    | 1,851   |         |
| Total Other Student Support  |    |         | 198,013 |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

|                                   |    |        |            |
|-----------------------------------|----|--------|------------|
| Supervisor/Director               | \$ | 77,365 |            |
| Career Ladder Program             |    | 3,000  |            |
| Librarians                        |    | 45,829 |            |
| Instructional Computer Personnel  |    | 53,448 |            |
| Other Salaries and Wages          |    | 3,917  |            |
| Social Security                   |    | 11,073 |            |
| State Retirement                  |    | 15,475 |            |
| Medical Insurance                 |    | 3,103  |            |
| Unemployment Compensation         |    | 123    |            |
| Employer Medicare                 |    | 2,590  |            |
| Travel                            |    | 8,821  |            |
| Other Supplies and Materials      |    | 804    |            |
| In Service/Staff Development      |    | 5,963  |            |
| Other Charges                     |    | 3,076  |            |
| Total Regular Instruction Program |    |        | \$ 234,587 |

Special Education Program

|                                 |    |        |        |
|---------------------------------|----|--------|--------|
| Supervisor/Director             | \$ | 56,403 |        |
| Clerical Personnel              |    | 1,374  |        |
| Social Security                 |    | 3,008  |        |
| State Retirement                |    | 5,145  |        |
| Medical Insurance               |    | 7,298  |        |
| Unemployment Compensation       |    | 32     |        |
| Employer Medicare               |    | 703    |        |
| Travel                          |    | 4,727  |        |
| In Service/Staff Development    |    | 604    |        |
| Total Special Education Program |    |        | 79,294 |

Vocational Education Program

|                                    |    |       |       |
|------------------------------------|----|-------|-------|
| Supervisor/Director                | \$ | 4,118 |       |
| Clerical Personnel                 |    | 3,181 |       |
| Social Security                    |    | 430   |       |
| State Retirement                   |    | 681   |       |
| Medical Insurance                  |    | 325   |       |
| Unemployment Compensation          |    | 5     |       |
| Employer Medicare                  |    | 101   |       |
| Travel                             |    | 405   |       |
| Other Supplies and Materials       |    | 414   |       |
| Total Vocational Education Program |    |       | 9,660 |

Other Programs

|                            |    |        |        |
|----------------------------|----|--------|--------|
| On-Behalf Payments to OPEB | \$ | 24,844 |        |
| Total Other Programs       |    |        | 24,844 |

Board of Education

|                                  |    |        |  |
|----------------------------------|----|--------|--|
| Board and Committee Members Fees | \$ | 17,125 |  |
| Social Security                  |    | 1,062  |  |
| State Retirement                 |    | 1,450  |  |
| Life Insurance                   |    | 6,176  |  |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Employer Medicare                          | \$ | 248    |            |
| Audit Services                             |    | 8,000  |            |
| Dues and Memberships                       |    | 2,941  |            |
| Legal Services                             |    | 11,679 |            |
| Other Contracted Services                  |    | 2,188  |            |
| Liability Insurance                        |    | 11,299 |            |
| Trustee's Commission                       |    | 43,953 |            |
| Workers' Compensation Insurance            |    | 33,701 |            |
| In Service/Staff Development               |    | 495    |            |
| Criminal Investigation of Applicants - TBI |    | 1,434  |            |
| Other Charges                              |    | 1,965  |            |
| Total Board of Education                   |    |        | \$ 143,716 |

Director of Schools

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 79,050 |         |
| Social Security                        |    | 4,864  |         |
| State Retirement                       |    | 7,020  |         |
| Life Insurance                         |    | 262    |         |
| Medical Insurance                      |    | 2,750  |         |
| Unemployment Compensation              |    | 29     |         |
| Employer Medicare                      |    | 1,138  |         |
| Communication                          |    | 11,660 |         |
| Dues and Memberships                   |    | 2,852  |         |
| Postal Charges                         |    | 1,465  |         |
| Travel                                 |    | 2,070  |         |
| Other Contracted Services              |    | 8,235  |         |
| Office Supplies                        |    | 1,426  |         |
| Other Supplies and Materials           |    | 1,921  |         |
| Other Charges                          |    | 987    |         |
| Total Director of Schools              |    |        | 125,729 |

Office of the Principal

|                                  |    |         |         |
|----------------------------------|----|---------|---------|
| Principals                       | \$ | 247,577 |         |
| Career Ladder Program            |    | 5,000   |         |
| Accountants/Bookkeepers          |    | 75,025  |         |
| Career Ladder Extended Contracts |    | 2,200   |         |
| Assistant Principals             |    | 56,019  |         |
| Secretary(ies)                   |    | 41,060  |         |
| Social Security                  |    | 23,932  |         |
| State Retirement                 |    | 39,153  |         |
| Medical Insurance                |    | 30,521  |         |
| Unemployment Compensation        |    | 365     |         |
| Employer Medicare                |    | 5,597   |         |
| Communication                    |    | 11,874  |         |
| Travel                           |    | 1,588   |         |
| Other Contracted Services        |    | 9,600   |         |
| Other Charges                    |    | 1,200   |         |
| Total Office of the Principal    |    |         | 550,711 |

(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.)

Fiscal Services

|                           |    |        |            |
|---------------------------|----|--------|------------|
| Supervisor/Director       | \$ | 46,965 |            |
| Clerical Personnel        |    | 51,318 |            |
| Social Security           |    | 6,079  |            |
| State Retirement          |    | 9,740  |            |
| Unemployment Compensation |    | 86     |            |
| Employer Medicare         |    | 1,422  |            |
| Travel                    |    | 438    |            |
| Administration Equipment  |    | 758    |            |
| Total Fiscal Services     |    |        | \$ 116,806 |

Operation of Plant

|                                 |    |         |         |
|---------------------------------|----|---------|---------|
| Custodial Personnel             | \$ | 195,286 |         |
| Social Security                 |    | 12,077  |         |
| State Retirement                |    | 16,138  |         |
| Medical Insurance               |    | 454     |         |
| Unemployment Compensation       |    | 309     |         |
| Employer Medicare               |    | 2,824   |         |
| Other Contracted Services       |    | 73,822  |         |
| Custodial Supplies              |    | 33,751  |         |
| Electricity                     |    | 243,856 |         |
| Natural Gas                     |    | 56,529  |         |
| Water and Sewer                 |    | 12,282  |         |
| Other Supplies and Materials    |    | 610     |         |
| Boiler Insurance                |    | 1,764   |         |
| Building and Contents Insurance |    | 32,133  |         |
| In Service/Staff Development    |    | 722     |         |
| Plant Operation Equipment       |    | 1,600   |         |
| Total Operation of Plant        |    |         | 684,157 |

Maintenance of Plant

|   |    |         |         |
|---|----|---------|---------|
| Supervisor/Director                         | \$ | 23,292  |         |
| Maintenance Personnel                       |    | 115,951 |         |
| Social Security                             |    | 7,483   |         |
| State Retirement                            |    | 13,799  |         |
| Medical Insurance                           |    | 4,799   |         |
| Unemployment Compensation                   |    | 134     |         |
| Employer Medicare                           |    | 1,750   |         |
| Communication                               |    | 864     |         |
| Maintenance and Repair Services - Buildings |    | 878     |         |
| Travel                                      |    | 146     |         |
| Other Contracted Services                   |    | 12,535  |         |
| Equipment and Machinery Parts               |    | 93,103  |         |
| Other Supplies and Materials                |    | 1,102   |         |
| Maintenance Equipment                       |    | 3,000   |         |
| Total Maintenance of Plant                  |    |         | 278,836 |

Transportation

|                     |    |        |
|---------------------|----|--------|
| Supervisor/Director | \$ | 23,292 |
| Mechanic(s)         |    | 36,529 |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

|  |    |         |            |
|--|----|---------|------------|
| Bus Drivers                                | \$ | 276,633 |            |
| In-Service Training                        |    | 980     |            |
| Social Security                            |    | 18,933  |            |
| State Retirement                           |    | 31,002  |            |
| Medical Insurance                          |    | 9,647   |            |
| Unemployment Compensation                  |    | 492     |            |
| Employer Medicare                          |    | 4,428   |            |
| Maintenance and Repair Services - Vehicles |    | 4,106   |            |
| Medical and Dental Services                |    | 3,041   |            |
| Travel                                     |    | 103     |            |
| Other Contracted Services                  |    | 2,533   |            |
| Diesel Fuel                                |    | 87,546  |            |
| Garage Supplies                            |    | 1,116   |            |
| Gasoline                                   |    | 8,417   |            |
| Lubricants                                 |    | 108     |            |
| Tires and Tubes                            |    | 8,685   |            |
| Vehicle Parts                              |    | 21,421  |            |
| Other Supplies and Materials               |    | 219     |            |
| Vehicle and Equipment Insurance            |    | 9,921   |            |
| In Service/Staff Development               |    | 509     |            |
| Other Charges                              |    | 293     |            |
| Transportation Equipment                   |    | 76,958  |            |
| Total Transportation                       |    |         | \$ 626,912 |

Central and Other

|                           |    |       |       |
|---------------------------|----|-------|-------|
| Other Contracted Services | \$ | 5,387 |       |
| Data Processing Supplies  |    | 2,211 |       |
| Total Central and Other   |    |       | 7,598 |

Operation of Non-Instructional Services

Food Service

|                    |    |        |        |
|--------------------|----|--------|--------|
| Medical Insurance  | \$ | 20,400 |        |
| Total Food Service |    |        | 20,400 |

Community Services

|   |    |        |         |
|---|----|--------|---------|
| Educational Assistants                      | \$ | 98,970 |         |
| Part-time Personnel                         |    | 5,566  |         |
| Other Salaries and Wages                    |    | 22,796 |         |
| Certified Substitute Teachers               |    | 128    |         |
| Non-certified Substitute Teachers           |    | 2,084  |         |
| Social Security                             |    | 7,936  |         |
| State Retirement                            |    | 12,573 |         |
| Unemployment Compensation                   |    | 213    |         |
| Employer Medicare                           |    | 1,856  |         |
| Maintenance and Repair Services - Equipment |    | 6,160  |         |
| Travel                                      |    | 6,011  |         |
| Instructional Supplies and Materials        |    | 1,702  |         |
| Other Supplies and Materials                |    | 3,415  |         |
| Total Community Services                    |    |        | 169,410 |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

|   |    |         |            |
|---|----|---------|------------|
| Teachers                                    | \$ | 133,017 |            |
| Educational Assistants                      |    | 44,062  |            |
| Other Salaries and Wages                    |    | 35,098  |            |
| Certified Substitute Teachers               |    | 1,736   |            |
| Non-certified Substitute Teachers           |    | 4,794   |            |
| Social Security                             |    | 11,687  |            |
| State Retirement                            |    | 19,516  |            |
| Medical Insurance                           |    | 19,209  |            |
| Unemployment Compensation                   |    | 243     |            |
| Employer Medicare                           |    | 2,733   |            |
| Maintenance and Repair Services - Equipment |    | 6,000   |            |
| Travel                                      |    | 2,622   |            |
| Food Supplies                               |    | 158     |            |
| Instructional Supplies and Materials        |    | 9,643   |            |
| In Service/Staff Development                |    | 2,690   |            |
| Total Early Childhood Education             |    |         | \$ 293,208 |

Other Debt Service

Education

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

Total General Purpose School Fund \$ 8,617,589

School Federal Projects Fund

Instruction

Regular Instruction Program

|                                      |    |         |            |
|--------------------------------------|----|---------|------------|
| Teachers                             | \$ | 282,662 |            |
| Educational Assistants               |    | 29,742  |            |
| Certified Substitute Teachers        |    | 56      |            |
| Non-certified Substitute Teachers    |    | 4,850   |            |
| Social Security                      |    | 17,912  |            |
| State Retirement                     |    | 28,048  |            |
| Medical Insurance                    |    | 21,940  |            |
| Unemployment Compensation            |    | 247     |            |
| Employer Medicare                    |    | 4,189   |            |
| Instructional Supplies and Materials |    | 51,378  |            |
| Other Supplies and Materials         |    | 151     |            |
| Regular Instruction Equipment        |    | 10,600  |            |
| Total Regular Instruction Program    |    |         | \$ 451,775 |

Special Education Program

|                                   |    |        |
|-----------------------------------|----|--------|
| Teachers                          | \$ | 6,105  |
| Educational Assistants            |    | 91,153 |
| Certified Substitute Teachers     |    | 2,956  |
| Non-certified Substitute Teachers |    | 16,550 |
| Social Security                   |    | 5,735  |
| State Retirement                  |    | 9,557  |
| Medical Insurance                 |    | 8,400  |

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

|                                      |    |        |            |
|--------------------------------------|----|--------|------------|
| Unemployment Compensation            | \$ | 251    |            |
| Employer Medicare                    |    | 1,336  |            |
| Instructional Supplies and Materials |    | 30,856 |            |
| Special Education Equipment          |    | 2,394  |            |
| Total Special Education Program      |    |        | \$ 175,293 |

Vocational Education Program

|                                    |    |       |        |
|------------------------------------|----|-------|--------|
| Educational Assistants             | \$ | 6,462 |        |
| Social Security                    |    | 401   |        |
| State Retirement                   |    | 640   |        |
| Unemployment Compensation          |    | 6     |        |
| Employer Medicare                  |    | 94    |        |
| Other Supplies and Materials       |    | 2,005 |        |
| Vocational Instruction Equipment   |    | 7,010 |        |
| Total Vocational Education Program |    |       | 16,618 |

Support Services

Other Student Support

|                             |    |       |       |
|-----------------------------|----|-------|-------|
| Travel                      | \$ | 5,038 |       |
| Total Other Student Support |    |       | 5,038 |

Regular Instruction Program

|                                   |    |        |         |
|-----------------------------------|----|--------|---------|
| Supervisor/Director               | \$ | 18,842 |         |
| Other Salaries and Wages          |    | 60,855 |         |
| Social Security                   |    | 4,821  |         |
| State Retirement                  |    | 4,516  |         |
| Medical Insurance                 |    | 220    |         |
| Unemployment Compensation         |    | 59     |         |
| Employer Medicare                 |    | 1,128  |         |
| Travel                            |    | 2,473  |         |
| Other Supplies and Materials      |    | 879    |         |
| In Service/Staff Development      |    | 12,863 |         |
| Total Regular Instruction Program |    |        | 106,656 |

Special Education Program

|                                 |    |        |         |
|---------------------------------|----|--------|---------|
| Psychological Personnel         | \$ | 51,788 |         |
| Other Salaries and Wages        |    | 9,420  |         |
| Social Security                 |    | 3,454  |         |
| State Retirement                |    | 4,596  |         |
| Medical Insurance               |    | 4,706  |         |
| Unemployment Compensation       |    | 12     |         |
| Employer Medicare               |    | 808    |         |
| Travel                          |    | 5,785  |         |
| Other Contracted Services       |    | 74,788 |         |
| Other Supplies and Materials    |    | 754    |         |
| In Service/Staff Development    |    | 381    |         |
| Other Equipment                 |    | 954    |         |
| Total Special Education Program |    |        | 157,446 |

(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.)

Vocational Education Program

|                                    |        |        |
|------------------------------------|--------|--------|
| Travel                             | \$ 834 |        |
| Total Vocational Education Program |        | \$ 834 |

Total School Federal Projects Fund \$ 913,660

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

|   |           |            |
|---|-----------|------------|
| Supervisor/Director                         | \$ 51,044 |            |
| Clerical Personnel                          | 7,378     |            |
| Cafeteria Personnel                         | 241,821   |            |
| Social Security                             | 14,749    |            |
| State Retirement                            | 26,510    |            |
| Medical Insurance                           | 180       |            |
| Unemployment Compensation                   | 629       |            |
| Employer Medicare                           | 3,449     |            |
| Communication                               | 300       |            |
| Maintenance and Repair Services - Equipment | 10,838    |            |
| Postal Charges                              | 50        |            |
| Transportation - Other than Students        | 2,645     |            |
| Travel                                      | 2,313     |            |
| Other Contracted Services                   | 5,126     |            |
| Food Preparation Supplies                   | 16,988    |            |
| Food Supplies                               | 270,004   |            |
| Office Supplies                             | 816       |            |
| USDA - Commodities                          | 33,584    |            |
| Other Supplies and Materials                | 3,944     |            |
| In Service/Staff Development                | 71        |            |
| Other Charges                               | 1,157     |            |
| Food Service Equipment                      | 7,061     |            |
| Total Food Service                          |           | \$ 700,657 |

Total Central Cafeteria Fund 700,657

Total Governmental Funds - Perry County School Department \$ 10,231,906

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, 2013

|                                      | <u>Cities -<br/>Sales Tax<br/>Fund</u> |
|--------------------------------------|--|
| <u>Cash Receipts</u>                 |  |
| Local Option Sales Tax               | \$ 249,926                             |
| Total Cash Receipts                  | <u>\$ 249,926</u>                      |
| <u>Cash Disbursements</u>            |  |
| Remittance of Revenues Collected     | \$ 247,426                             |
| Trustee's Commission                 | 2,500                                  |
| Total Cash Disbursements             | <u>\$ 249,926</u>                      |
| Excess of Cash Receipts Over (Under) |  |
| Cash Disbursements                   | \$ 0                                   |
| Cash Balance, July 1, 2012           | <u>0</u>                               |
| Cash Balance, June 30, 2013          | <u><u>\$ 0</u></u>                     |

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## SINGLE AUDIT SECTION

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF 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, 2013, and the related notes to the financial statements, which collectively comprise Perry County's basic financial statements, and have issued our report thereon dated November 18, 2013. 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Audit Findings and Recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 2013-003 and 2013-004.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2013-001, 2013-002, 2013-005, and 2013-006.

### **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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

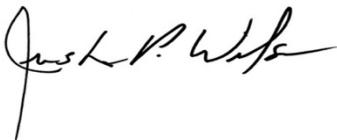
### **Perry County's Responses to Findings**

Perry County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Perry County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 result 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

November 18, 2013

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, 2013. Perry County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***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, 2013.

### **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, 2013, and the related notes to the financial statements, which collectively comprise Perry County's basic financial statements. We issued our report thereon dated November 18, 2013, 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

November 18, 2013

JPW/kp

Perry County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2013

| Federal/Pass-through Agency/State<br>Grantor Program Title                              | Federal<br>CFDA<br>Number | Pass-through<br>Entity<br>Identifying<br>Number | Expenditures        |
|---|---------------------------|---|---------------------|
| U.S. Department of Agriculture:   |                           |   |                     |
| Passed-through State Department of Agriculture:   |                           |   |                     |
| National School Lunch Program (Commodities - Noncash Assistance)                        | 10.555                    | N/A   | \$ 33,584 (3)       |
| Passed-through State Department of Education:   |                           |   |                     |
| Child Nutrition Cluster:  |                           |   |                     |
| School Breakfast Program  | 10.553                    | N/A   | 119,068             |
| National School Lunch Program   | 10.555                    | N/A   | 310,881 (3)         |
| Total U.S. Department of Agriculture  |                           |   | <u>\$ 463,533</u>   |
| U.S. Department of Housing and Urban Development:                                       |                           |   |                     |
| Passed-through State Department of Economic and Community Development:                  |                           |   |                     |
| Community Development Block Grant/ State's Program                                      | 14.228                    | (4)   | <u>\$ 288,102</u>   |
| Total U.S. Department of Housing and Urban Development                                  |                           |   | <u>\$ 288,102</u>   |
| U.S. Department of Education:   |                           |   |                     |
| Passed-through State Department of Education:   |                           |   |                     |
| Title I Grants to Local Educational Agencies  | 84.010                    | N/A   | \$ 418,564          |
| Special Education Cluster:  |                           |   |                     |
| Special Education - Grants to States  | 84.027                    | N/A   | 374,265             |
| Special Education - Preschool Grants  | 84.173                    | N/A   | 42,977              |
| Career and Technical Education - Basic Grants to States                                 | 84.048                    | N/A   | 22,750              |
| Rural Education   | 84.358                    | N/A   | 22,367              |
| Improving Teacher Quality State Grants  | 84.367                    | N/A   | 65,068              |
| State Fiscal Stabilization Funds (SFSF) - Race-to-the-Top Incentive Grant, Recovery Act | 84.395                    | N/A   | 58,611              |
| State Fiscal Stabilization Funds (SFSF) - Government Services, Recovery Act             | 84.397                    | N/A   | 3,076               |
| Total U.S. Department of Education  |                           |   | <u>\$ 1,007,678</u> |
| U.S. Department of Homeland Security:   |                           |   |                     |
| Passed-through State Department of Military:  |                           |   |                     |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters)                 | 97.036                    | (2)   | \$ 98,112           |
| Homeland Security Grant Program   | 97.067                    | GG-08-24130-00                                  | 45,009              |
| Total U.S. Department of Homeland Security  |                           |   | <u>\$ 143,121</u>   |
| Total Expenditures of Federal Awards  |                           |   | <u>\$ 1,902,434</u> |

(Continued)

Perry County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

| Federal/Pass-through Agency/State<br>Grantor Program Title                              | Federal<br>CFDA<br>Number | Contract<br>Number | Expenditures      |
|---|---------------------------|--------------------|-------------------|
| State Grants:   |                           |                    |                   |
| Rural Library Grant - Tennessee Secretary of State                                      | N/A                       | (2)                | \$ 10,966         |
| Litter Program - State Department of Transportation                                     | N/A                       | Z-11-LIT068        | 45,161            |
| Juvenile Justice and Delinquency Prevention - State Commission<br>on Children and Youth | N/A                       | (2)                | 9,000             |
| Health Department Program - State Department of Health                                  | N/A                       | (5)                | 25,887            |
| Coordinated School Health - State Department of Education                               | N/A                       | (2)                | 90,000            |
| Lottery for Education Afterschool Program - State Department of Education               | N/A                       | (2)                | 72,035            |
| Save the Children - State Department of Education                                       | N/A                       | (2)                | 183,260           |
| Family Resource Center - State Department of Education                                  | N/A                       | (2)                | 33,291            |
| Energy Efficient School Incentive Grant - State Department of Education                 | N/A                       | (2)                | 47,213            |
| Early Childhood Education - State Department of Education                               | N/A                       | (2)                | <u>295,244</u>    |
| Total State Grants  |                           |                    | <u>\$ 812,057</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 \$344,465.

(4) GG-08-23753: \$42,090; GG-10-33416: \$156,791; (2): \$89,221.

(5) GG-11-32192: \$3,137; GG-13-38798: \$18,094; Z-12-43829: \$4,656.

Perry County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2013

*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, 2012, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

| <u>Finding<br/>Number</u> | <u>Page<br/>Number</u> | <u>Subject</u>  |
|---------------------------|------------------------|---|
| 12.02                     | 157                    | Various funds' general ledger cash accounts were not reconciled with county trustee reports |
| 12.05                     | 160                    | Several capital assets were not included in the capital asset records                       |

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

| <u>Finding<br/>Number</u> | <u>Page<br/>Number</u> | <u>Subject</u>                        |
|---------------------------|------------------------|---------------------------------------|
| 12.06                     | 160                    | Duties were not segregated adequately |

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

| <u>Finding<br/>Number</u> | <u>Page<br/>Number</u> | <u>Subject</u>                                      |
|---------------------------|------------------------|---|
| 12.07                     | 161                    | Multiple employees worked from the same cash drawer |

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**PERRY COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2013**

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

1. Our report on the financial statements of Perry County is unmodified.
2. The audit of the financial statements of Perry County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Perry County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An 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), Title I Grants to Local Education Agencies (CFDA No. 84.010), and the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Perry County did not qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

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

### **OFFICE OF COUNTY MAYOR**

#### **FINDING 2013-001**

#### **VARIOUS FUNDS' GENERAL LEDGER CASH ACCOUNTS WERE NOT RECONCILED ACCURATELY WITH COUNTY TRUSTEE REPORTS**

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

Management attempted to reconcile the Cash with Trustee account in the various funds with the county trustee's reports monthly; however, numerous errors were noted in these reconciliations. Prior to closing the books at June 30, 2013, the cash balances failed to reconcile with the trustee's cash balance in the General (\$9,972), Courthouse and Jail Maintenance (\$2,865), Solid Waste/Sanitation (\$758), Drug Control (\$463), and General Capital Projects (\$13,304) funds. The failure to accurately reconcile the general ledger's Cash with Trustee accounts with the county trustee's reports monthly is an internal control weakness that could result in posting errors not being discovered and corrected in a timely manner. We provided audit adjustments that management accepted to properly reflect the cash balances in the financial statements of this report properly. This deficiency resulted from the failure of management to correct the finding noted in the prior-year audit report.

#### **RECOMMENDATION**

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

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

Procedures have been updated to provide reconciliations of the cash balance with the trustee on a monthly basis. It is important to note that there were no missing funds.

#### **AUDITOR'S COMMENT**

The failure to reconcile the Cash with Trustee account with the county trustee's reports monthly increases the risks significantly that a shortage of funds could exist and not be detected by management.

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FINDING 2013-002

**INVOICES WERE PAID WITHOUT DOCUMENTATION THAT GOODS HAD BEEN RECEIVED OR SERVICES RENDERED**

(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 60 invoices from a population of 2,738 invoices. Our sample revealed that invoices were paid without documentation that goods had been received or services rendered for ten of the 60 applicable disbursements. This calculates to a 17 percent deviation rate. The practice of paying invoices without documentation that goods were received or services were rendered increases the risk of paying for something that was never received.

RECOMMENDATION

The office should maintain adequate documentation that goods have been received and/or services have been rendered before invoices are paid.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We have updated our procedures to require the signature of the department head or management to indicate the receipt of goods or services prior to payment of the invoice.

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FINDING 2013-003

**SEVERAL CAPITAL ASSETS WERE NOT INCLUDED IN THE CAPITAL ASSET RECORDS**

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

During the year, the county completed construction of an Emergency Communications Center for \$1,386,302 and purchased two all-terrain vehicles for \$13,200 each. These assets were not included in the capital asset records. The capital asset policy adopted by Perry County requires these assets to be capitalized. Generally accepted accounting principles require accountability for all county owned assets, such as buildings, equipment, and vehicles. These deficiencies can be attributed to a lack of management oversight and management’s failure to correct the deficiency reported in the prior-year audit report. We provided management with audit adjustments that they accepted to properly present capital assets in the financial statements of this report. Without accurate capital asset records, Perry County cannot adequately control its assets.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

Records of these three items were on file in the Office of Trustee but had not been posted to the capital asset records, and the information concerning these items had been conveyed to our insurance company. Procedures have been updated to add applicable capital assets to the capital asset records upon receipt.

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OFFICE OF TRUSTEE

FINDING 2013-004

**BANK STATEMENTS WERE NOT RECONCILED WITH THE GENERAL LEDGER CURRENTLY**

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

Bank statements were not reconciled with the general ledger in a timely manner. The trustee prepared the June 2013 bank reconciliation after closing the books at year-end instead of preparing the reconciliation prior to closing the books. As a result, seven direct deposits made between June 19 and June 28, 2013, totaling \$201,462, were undiscovered and unrecorded at June 30, 2013. The trustee subsequently recorded these direct deposits in July 2013. Sound business practices require the reconciliation of bank statements with the general ledger on a current basis to ensure that all collections and disbursements are recorded in the accounting records accurately. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

Bank statements should be reconciled with the general ledger timely, and any errors discovered should be corrected promptly.

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

FINDING 2013-005

**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.

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

FINDING 2013-006                    **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.

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BEST PRACTICES

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

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

Perry County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing process. The

absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission, resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

**MANAGEMENT'S RESPONSE – COUNTY MAYOR**

Perry County is presently evaluating a plan for the implementation of a central system of accounting, budgeting, and purchasing to determine its feasibility.

**ITEM 2. PERRY COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

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

**MANAGEMENT'S RESPONSE – COUNTY MAYOR**

The Perry County Commission approved the establishment of an Audit Committee in the September 2013 meeting. A resolution creating an Audit Committee was adopted November 25, 2013.

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

There were no findings and questioned costs for federal awards.

**PERRY COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2013**

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