ANNUAL FINANCIAL REPORT

PERRY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015

TENNESSEE COMPTROLLER OF THE TREASURY

DIVISION OF LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT

PERRY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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Director

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

PERRY COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Perry County, Tennessee
For the Year Ended June 30, 2015

Scope

We have audited the basic financial statements of Perry County as of and for the year ended June 30, 2015.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- The General Fund had a deficit in unassigned fund balance.
- Material audit adjustments were required for proper financial statement presentation.

OFFICE OF SUPERINTENDENT OF HIGHWAYS

- Material audit adjustments were required for proper financial statement presentation.
- Invoices were paid without documentation that goods had been received or services rendered.

OFFICE OF DIRECTOR OF SCHOOLS

- A lease-purchase agreement was not issued in compliance with state statute.

DEPARTMENT OF AMBULANCE SERVICE AND THE OFFICES OF SUPERINTENDENT OF HIGHWAYS, TRUSTEE, COUNTY CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS

- Duties were not segregated adequately.

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

- Multiple employees operated from the same cash drawer.

Introductory Section

Perry County Officials
June 30, 2015

Officials

Terry Richardson, 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

David Trull, Chairman
Benny Carroll
Blake Skelton
Eddie Ledbetter
Michael Bell
Mary Ann Qualls
Rodger Barber
Jonathan Hickerson
Chris O'Guin
J.B. Trull
Johnny Ward
Jeff Graves

Board of Education

Martha Sharp, Chairperson
Don Barnette
Phillip Tatum
Janet Carroll
Rodd Spaid
Jackie Duncan

Audit Committee

Jonathan Hickerson, Chairman
Mary Ann Qualls
Jessie Ruth Tiller

Financial Section

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

Independent Auditor's Report

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

To the County Mayor and County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Perry County, Tennessee, as of and for the year ended June 30, 2015, 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 10.5 percent, 15.8 percent, and 2.7 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Also, we did not audit the financial statements of the discretely presented Industrial Development Board of Perry County, which represent 22.2 percent, 19.8 percent, and 1.2 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar

as it relates to the amounts included for Perry County Emergency Communications District and the Industrial Development Board of Perry County, is based solely on the reports 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 reports 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, 2015, and the respective changes in financial position and the respective budgetary comparisons for the General, Solid Waste/Sanitation, Ambulance Service, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As described in Note V.B., Perry County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions;* GASB Statement No. 69, *Government Combinations and Disposals of Government Operations;* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* Our opinion is not modified with respect to these matters.

Emphasis of Matter

We draw attention to Note I.D.8. to the financial statements, which describes restatements decreasing the beginning Governmental Activities net position of the primary government by $82,968 and decreasing the beginning net position of the discretely presented Perry

County School Department by 1,625,611 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress – other postemployment benefits plans on pages 95-101 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 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

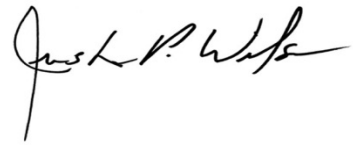
(a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2016, 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

February 23, 2016

JPW/kp

Basic Financial Statements

Exhibit A

Perry County, Tennessee
Statement of Net Position
June 30, 2015

	Primary Government	Component Units		
	Governmental Activities	Perry County School Department	Perry County Emergency Communications District	Industrial Development Board of Perry County
ASSETS				
Cash	$ 0	$ 81,310	$ 929,323	$ 10,544
Equity in Pooled Cash and Investments	6,637,362	293,916	0	0
Accounts Receivable	852,766	0	0	0
Allowance for Uncollectibles	(696,771)	0	0	0
Due from Other Governments	494,155	258,907	0	0
Due from Component Units	539,956	0	0	0
Property Taxes Receivable	2,344,926	1,306,188	0	0
Allowance for Uncollectible Property Taxes	(99,032)	(55,163)	0	0
Net Pension Asset - Agent Plan	395,154	377,234	0	0
Net Pension Asset - Cost-sharing Plan	0	19,566	0	0
Prepaid Items	0	0	6,820	0
Note Receivable - Current	11,000	0	0	0
Note Receivable - Long-term	44,000	0	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	290,266	138,512	0	127,737
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	4,193,031	5,733,618	138,750	0
Infrastructure	2,886,072	0	0	0
Other Capital Assets	1,833,926	519,729	280,868	2,730,328
Total Assets	$ 19,726,811	$ 8,673,817	$ 1,355,761	$ 2,868,609
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Changes in Experience	$ 0	$ 47,502	$ 0	$ 0
Deferred Pension Change in Proportionate Share of NPL	0	13,233	0	0
Deferred Pension Contributions After Measurement Date	271,764	606,436	0	0
Total Deferred Outflows of Resouces	$ 271,764	$ 667,171	$ 0	$ 0
LIABILITIES				
Accounts Payable	$ 177,500	$ 0	$ 1,733	$ 0
Accrued Interest Payable	15,755	0	0	0
Payroll Deductions Payable	0	80,810	0	0
Due to Primary Government	0	99,023	0	440,933
Noncurrent Liabilities:				
Due Within One Year	966,464	9,354	0	140,000
Due in More Than One Year	2,271,682	377,493	0	596,051
Total Liabilities	$ 3,431,401	$ 566,680	$ 1,733	$ 1,176,984
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 2,171,507	$ 1,209,589	$ 0	$ 0
Deferred Pension Changes in Investment Earnings	432,240	2,024,769	0	0
Deferred Pension Changes in Experience	33,475	31,957	0	0
Total Deferred Inflows of Resources	$ 2,637,222	$ 3,266,315	$ 0	$ 0

(Continued)

Exhibit A

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

	Primary Government	Component Units		
	Governmental Activities	Perry County School Department	Perry County Emergency Communications District	Industrial Development Board of Perry County
NET POSITION				
Net Investment in Capital Assets	$ 7,802,045	$ 6,292,836	$ 419,618	$ 1,681,081
Restricted for:				
General Government	29,505	0	0	0
Administration of Justice	33,336	0	0	0
Public Safety	108,424	0	0	0
Social, Cultural, and Recreational	151,952	0	0	0
Highway/Public Works	4,552,823	0	0	0
Other Purposes	395,154	0	0	0
Education	0	568,102	0	0
Unrestricted	856,713	(1,352,945)	934,410	10,544
Total Net Position	$ 13,929,952	$ 5,507,993	$ 1,354,028	$ 1,691,625

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, 2015

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government	Component Units		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Perry County School Department	Perry County Emergency Communications District	Industrial Development Board of Perry County
Primary Government:								
Governmental Activities:								
General Government	$ 1,010,975	$ 208,485	$ 54,093	$ 0	$ (748,397)	$ 0	$ 0	$ 0
Finance	384,634	216,653	0	0	(167,981)	0	0	0
Administration of Justice	386,143	186,694	9,000	0	(190,449)	0	0	0
Public Safety	2,134,082	542,146	118,209	0	(1,473,727)	0	0	0
Public Health and Welfare	1,403,915	692,020	50,466	0	(661,429)	0	0	0
Social, Cultural, and Recreational Services	269,499	1,869	200	0	(267,430)	0	0	0
Agriculture and Natural Resources	59,260	0	0	0	(59,260)	0	0	0
Highways/Public Works	1,977,187	5,476	1,564,115	368,905	(38,691)	0	0	0
Education	10,192	0	0	0	(10,192)	0	0	0
Interest on Long-term Debt	88,044	0	0	0	(88,044)	0	0	0
Total Primary Government	$ 7,723,931	$ 1,853,343	$ 1,796,083	$ 368,905	$ (3,705,600)	$ 0	$ 0	$ 0
Component Units:								
Perry County School Department	$ 10,069,282	$ 221,560	$ 1,712,791	$ 0	$ 0	$ (8,134,931)	$ 0	$ 0
Perry County Emergency Communications District	197,113	45,106	193,872	0	0	0	41,865	0
Industrial Development Board of Perry County	184,367	117,262	0	0	0	0	0	(67,105)
Total Component Units	$ 10,450,762	$ 383,928	$ 1,906,663	$ 0	$ 0	$ (8,134,931)	$ 41,865	$ (67,105)

(Continued)

Exhibit B

Perry County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total Governmental Activities	Component Units: Perry County School Department	Component Units: Perry County Emergency Communications District	Component Units: Industrial Development Board of Perry County
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					$ 2,440,223	$ 1,380,375	$ 0	$ 0
Property Taxes Levied for Debt Service					212,746	0	0	0
Local Option Sales Tax					635,402	224,518	0	0
Mineral Severance Tax					60,391	0	0	0
Wholesale Beer Tax					50,563	0	0	0
Other Local Taxes					84,192	722	0	0
Grants and Contributions Not Restricted to Specific Programs					807,879	6,557,992	39,731	5,000
Unrestricted Investment Earnings					16,881	4,487	2,424	0
Miscellaneous					18,500	37,500	0	0
Pension Income					12,407	26,420	0	0
Total General Revenues					$ 4,339,184	$ 8,232,014	$ 42,155	$ 5,000
Change in Net Position					$ 633,584	$ 97,083	$ 84,020	$ (62,105)
Net Position, July 1, 2014					13,379,336	7,036,521	1,270,008	1,753,730
Restatement - See Note I.D.8.					(82,968)	(1,625,611)	0	0
Net Position, June 30, 2015					$ 13,929,952	$ 5,507,993	$ 1,354,028	$ 1,691,625

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

Exhibit C-1

Perry County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service
ASSETS					
Equity in Pooled Cash and Investments	$ 185,625	$ 111,872	$ 375,057	$ 4,257,883	$ 1,601,923
Accounts Receivable	0	0	852,766	0	0
Allowance for Uncollectibles	0	0	(696,771)	0	0
Due from Other Governments	77,867	4,680	0	294,940	116,668
Due from Component Units	0	0	0	0	440,933
Property Taxes Receivable	1,705,372	425,467	0	0	214,087
Allowance for Uncollectible Property Taxes	(72,022)	(17,968)	0	0	(9,042)
Notes Receivable - Current	0	0	0	0	11,000
Notes Receivable - Long-term	0	0	0	0	44,000
Total Assets	$ 1,896,842	$ 524,051	$ 531,052	$ 4,552,823	$ 2,419,569
LIABILITIES					
Accounts Payable	$ 177,500	$ 0	$ 0	$ 0	$ 0
Total Liabilities	$ 177,500	$ 0	$ 0	$ 0	$ 0
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 1,579,251	$ 394,002	$ 0	$ 0	$ 198,254
Deferred Delinquent Property Taxes	47,009	11,970	0	0	5,925
Other Deferred/Unavailable Revenue	8,757	0	110,201	145,664	50,818
Total Deferred Inflows of Resources	$ 1,635,017	$ 405,972	$ 110,201	$ 145,664	$ 254,997

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service
FUND BALANCES					
Restricted:					
Restricted for General Government	$ 29,505	$ 0	$ 0	$ 0	$ 0
Restricted for Administration of Justice	16,434	0	0	0	0
Restricted for Public Safety	45,150	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	151,952	0	0	0	0
Restricted for Highways/Public Works	0	0	0	4,407,159	0
Committed:					
Committed for General Government	68,467	0	0	0	0
Committed for Public Health and Welfare	0	118,079	420,851	0	0
Committed for Capital Outlay	15,139	0	0	0	0
Committed for Debt Service	0	0	0	0	2,164,572
Assigned:					
Assigned for Administration of Justice	0	0	0	0	0
Unassigned	(242,322)	0	0	0	0
Total Fund Balances	$ 84,325	$ 118,079	$ 420,851	$ 4,407,159	$ 2,164,572
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,896,842	$ 524,051	$ 531,052	$ 4,552,823	$ 2,419,569

(Continued)

Exhibit C-1

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

	Nonmajor Funds Other Govern-mental Funds	Total Governmental Funds
ASSETS		
Equity in Pooled Cash and Investments	$ 105,002	$ 6,637,362
Accounts Receivable	0	852,766
Allowance for Uncollectibles	0	(696,771)
Due from Other Governments	0	494,155
Due from Component Units	0	440,933
Property Taxes Receivable	0	2,344,926
Allowance for Uncollectible Property Taxes	0	(99,032)
Notes Receivable - Current	0	11,000
Notes Receivable - Long-term	0	44,000
Total Assets	$ 105,002	$ 10,029,339
LIABILITIES		
Accounts Payable	$ 0	$ 177,500
Total Liabilities	$ 0	$ 177,500
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	$ 0	$ 2,171,507
Deferred Delinquent Property Taxes	0	64,904
Other Deferred/Unavailable Revenue	0	315,440
Total Deferred Inflows of Resources	$ 0	$ 2,551,851

(Continued)

Exhibit C-1

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

	Nonmajor Funds Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES		
Restricted:		
Restricted for General Government	$ 0	$ 29,505
Restricted for Administration of Justice	16,902	33,336
Restricted for Public Safety	63,274	108,424
Restricted for Social, Cultural, and Recreational Services	0	151,952
Restricted for Highways/Public Works	0	4,407,159
Committed:		
Committed for General Government	0	68,467
Committed for Public Health and Welfare	0	538,930
Committed for Capital Outlay	0	15,139
Committed for Debt Service	0	2,164,572
Assigned:		
Assigned for Administration of Justice	24,826	24,826
Unassigned	0	(242,322)
Total Fund Balances	$ 105,002	$ 7,299,988
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 105,002	$ 10,029,339

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, 2015

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:		
Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 7,299,988
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 290,266	
Add: buildings and improvements net of accumulated depreciation	4,193,031	
Add: infrastructure net of accumulated depreciation	2,886,072	
Add: other capital assets net of accumulated depreciation	1,833,926	9,203,295
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (2,642,000)	
Less: notes payable	(30,057)	
Less: capital leases payable	(68,966)	
Add: due from component unit for debt retirement	99,023	
Less: accrued interest on bonds, notes, and capital leases	(15,755)	
Less: compensated absences payable	(84,489)	
Less: landfill closure/postclosure care costs	(367,743)	
Less: other postemployment benefits liability	(44,891)	(3,154,878)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	$ 271,764	
Less: deferred inflows of resources related to pensions	(465,715)	(193,951)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		395,154
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		380,344
Net position of governmental activities (Exhibit A)		$ 13,929,952

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, 2015

	Major Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service
Revenues					
Local Taxes	$ 2,355,560	$ 463,464	$ 0	$ 60,391	$ 659,109
Licenses and Permits	985	0	0	0	0
Fines, Forfeitures, and Penalties	55,207	0	0	0	0
Charges for Current Services	26,097	49,561	921,327	0	0
Other Local Revenues	214,080	3,018	0	3,859	48,350
Fees Received From County Officials	365,131	0	0	0	0
State of Tennessee	645,193	108,415	0	1,911,345	217,465
Federal Government	123,764	0	0	0	0
Other Governments and Citizens Groups	216,741	0	0	6,740	225,258
Total Revenues	$ 4,002,758	$ 624,458	$ 921,327	$ 1,982,335	$ 1,150,182
Expenditures					
Current:					
General Government	$ 975,919	$ 0	$ 0	$ 0	$ 0
Finance	396,851	0	0	0	0
Administration of Justice	384,578	0	0	0	0
Public Safety	1,905,023	0	0	0	0
Public Health and Welfare	38,644	567,520	740,533	0	0
Social, Cultural, and Recreational Services	234,114	0	0	0	0
Agriculture and Natural Resources	52,881	0	0	0	0
Other Operations	161,976	163	9,993	0	0
Highways	22,374	313	0	1,842,431	0
Debt Service:					
Principal on Debt	0	0	0	0	1,353,532
Interest on Debt	0	0	0	0	72,289
Other Debt Service	0	0	0	0	60,142

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Debt Service
Expenditures (Cont.)					
Capital Projects	$ 30,207	$ 0	$ 0	$ 0	$ 0
Total Expenditures	$ 4,202,567	$ 567,996	$ 750,526	$ 1,842,431	$ 1,485,963
Excess (Deficiency) of Revenues Over Expenditures	$ (199,809)	$ 56,462	$ 170,801	$ 139,904	$ (335,781)
Other Financing Sources (Uses)					
Capital Leases Issued	$ 0	$ 0	$ 0	$ 0	$ 0
Insurance Recovery	0	6,000	0	0	0
Transfers In	0	23,624	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	$ 0	$ 29,624	$ 0	$ 0	$ 0
Net Change in Fund Balances	$ (199,809)	$ 86,086	$ 170,801	$ 139,904	$ (335,781)
Fund Balance, July 1, 2014	284,134	31,993	250,050	4,267,255	2,500,353
Fund Balance, June 30, 2015	$ 84,325	$ 118,079	$ 420,851	$ 4,407,159	$ 2,164,572

(Continued)

Exhibit C-3

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

	Nonmajor Funds	
	Other Govern-mental Funds	Total Governmental Funds
Revenues		
Local Taxes	$ 23,604	$ 3,562,128
Licenses and Permits	0	985
Fines, Forfeitures, and Penalties	10,554	65,761
Charges for Current Services	9,850	1,006,835
Other Local Revenues	81,639	350,946
Fees Received From County Officials	0	365,131
State of Tennessee	0	2,882,418
Federal Government	0	123,764
Other Governments and Citizens Groups	0	448,739
Total Revenues	$ 125,647	$ 8,806,707
Expenditures		
Current:		
General Government	$ 2,673	$ 978,592
Finance	0	396,851
Administration of Justice	9,907	394,485
Public Safety	78,849	1,983,872
Public Health and Welfare	0	1,346,697
Social, Cultural, and Recreational Services	0	234,114
Agriculture and Natural Resources	0	52,881
Other Operations	202	172,334
Highways	0	1,865,118
Debt Service:		
Principal on Debt	0	1,353,532
Interest on Debt	0	72,289
Other Debt Service	0	60,142

(Continued)

Exhibit C-3

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

	Nonmajor Funds Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)		
Capital Projects	$ 89,650	$ 119,857
Total Expenditures	$ 181,281	$ 9,030,764
Excess (Deficiency) of Revenues Over Expenditures	$ (55,634)	$ (224,057)
Other Financing Sources (Uses)		
Capital Leases Issued	$ 82,150	$ 82,150
Insurance Recovery	0	6,000
Transfers In	0	23,624
Transfers Out	(23,624)	(23,624)
Total Other Financing Sources (Uses)	$ 58,526	$ 88,150
Net Change in Fund Balances	$ 2,892	$ (135,907)
Fund Balance, July 1, 2014	102,110	7,435,895
Fund Balance, June 30, 2015	$ 105,002	$ 7,299,988

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, 2015

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)		$ (135,907)
(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	$ 267,765	
Less: current-year depreciation expense	(639,437)	(371,672)
(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, 2014	$ (803,411)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	380,344	(423,067)
(3) The issuance of long-term debt (e.g., bonds, notes, capital leases and other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on capital leases	$ 13,184	
Add: principal payments on notes	31,348	
Add: capital lease contributed to school department	82,150	
Less: debt service contributions for principal to primary government	(44,532)	
Less: capital lease proceeds	(82,150)	
Add: principal payments on other loans	486,000	
Add: principal payments on bonds	823,000	1,309,000
(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 accrued interest payable	$ (15,755)	
Change in other postemployment benefits liability	(3,771)	
Change in landfill closure/postclosure care costs	(613)	
Change in compensated absences payable	(8,802)	
Change in net pension libility/asset	478,122	
Change in deferred outflows of resources related to pensions	271,764	
Change in deferred inflows of resources related to pensions	(465,715)	255,230
Change in net position of governmental activities (Exhibit B)		$ 633,584

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, 2015

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 2,355,560	$ 2,274,761	$ 2,327,761	$ 27,799
Licenses and Permits	985	4,200	4,200	(3,215)
Fines, Forfeitures, and Penalties	55,207	67,385	67,385	(12,178)
Charges for Current Services	26,097	30,250	30,250	(4,153)
Other Local Revenues	214,080	263,500	263,500	(49,420)
Fees Received From County Officials	365,131	340,081	352,081	13,050
State of Tennessee	645,193	1,374,251	1,525,839	(880,646)
Federal Government	123,764	30,000	30,000	93,764
Other Governments and Citizens Groups	216,741	180,000	189,307	27,434
Total Revenues	$ 4,002,758	$ 4,564,428	$ 4,790,323	$ (787,565)
Expenditures				
General Government				
County Commission	$ 244,915	$ 27,125	$ 261,825	$ 16,910
County Mayor/Executive	169,643	169,814	174,814	5,171
County Attorney	4,950	5,000	7,000	2,050
Election Commission	142,885	126,471	146,471	3,586
Register of Deeds	110,108	111,080	111,580	1,472
Geographical Information Systems	26	0	75	49
County Buildings	301,897	273,399	305,399	3,502
Preservation of Records	1,495	0	1,600	105
Finance				
Accounting and Budgeting	0	300	300	300
Property Assessor's Office	109,591	108,750	109,750	159
Reappraisal Program	49,587	47,676	51,276	1,689
County Trustee's Office	119,158	120,276	121,276	2,118
County Clerk's Office	118,515	111,630	120,417	1,902
Administration of Justice				
Circuit Court	164,236	163,832	167,832	3,596
General Sessions Court	96,043	104,167	104,167	8,124
Chancery Court	108,922	107,919	110,299	1,377
Juvenile Court	14,203	14,075	14,600	397
Other Administration of Justice	1,174	2,954	2,954	1,780
Public Safety				
Sheriff's Department	806,294	823,577	823,578	17,284
Administration of the Sexual Offender Registry	0	0	100	100
Jail	813,092	818,008	818,007	4,915
Civil Defense	58,964	77,599	77,599	18,635
Rescue Squad	9,887	10,000	10,000	113
Other Emergency Management	167,439	160,503	167,810	371
County Coroner/Medical Examiner	14,198	10,000	15,500	1,302
Other Public Safety	35,149	36,308	36,308	1,159
Public Health and Welfare				
Local Health Center	38,644	35,915	39,019	375
Other Local Health Services	0	34,986	9,776	9,776
Social, Cultural, and Recreational Services				
Senior Citizens Assistance	10,000	10,000	10,000	0
Libraries	103,976	102,080	103,976	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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)				
Social, Cultural, and Recreational Services (Cont.)				
Parks and Fair Boards	$ 91,298	$ 7,500	$ 94,000	$ 2,702
Other Social, Cultural, and Recreational	28,840	23,200	33,200	4,360
Agriculture and Natural Resources				
Agricultural Extension Service	35,881	37,696	37,696	1,815
Forest Service	2,000	0	2,000	0
Soil Conservation	15,000	15,000	15,000	0
Other Operations				
Tourism	32,773	29,200	34,200	1,427
Industrial Development	1,057	3,400	3,400	2,343
Airport	16,006	88,700	88,700	72,694
Veterans' Services	15,392	17,399	18,399	3,007
Other Charges	52,000	51,000	52,000	0
Employee Benefits	17,521	15,200	20,200	2,679
Miscellaneous	27,227	28,379	33,379	6,152
Highways				
Litter and Trash Collection	22,374	34,314	34,314	11,940
Capital Projects				
Public Health and Welfare Projects	30,207	0	35,000	4,793
Total Expenditures	$ 4,202,567	$ 3,964,432	$ 4,424,796	$ 222,229
Excess (Deficiency) of Revenues Over Expenditures	$ (199,809)	$ 599,996	$ 365,527	$ (565,336)
Other Financing Sources (Uses)				
Insurance Recovery	$ 0	$ 0	$ 5,186	$ (5,186)
Total Other Financing Sources	$ 0	$ 0	$ 5,186	$ (5,186)
Net Change in Fund Balance	$ (199,809)	$ 599,996	$ 370,713	$ (570,522)
Fund Balance, July 1, 2014	284,134	330,103	284,134	0
Fund Balance, June 30, 2015	$ 84,325	$ 930,099	$ 654,847	$ (570,522)

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, 2015

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 463,464	$ 447,145	$ 458,105	$ 5,359
Charges for Current Services	49,561	37,000	42,000	7,561
Other Local Revenues	3,018	1,000	3,178	(160)
State of Tennessee	108,415	53,590	109,744	(1,329)
Total Revenues	$ 624,458	$ 538,735	$ 613,027	$ 11,431
Expenditures				
Public Health and Welfare				
Sanitation Education/Information	$ 10,245	$ 9,500	$ 10,800	$ 555
Convenience Centers	43,197	63,801	53,801	10,604
Transfer Stations	427,805	384,395	434,395	6,590
Landfill Operation and Maintenance	86,273	76,350	96,543	10,270
Other Operations				
Employee Benefits	163	300	163	0
Highways				
Litter and Trash Collection	313	0	313	0
Total Expenditures	$ 567,996	$ 534,346	$ 596,015	$ 28,019
Excess (Deficiency) of Revenues Over Expenditures	$ 56,462	$ 4,389	$ 17,012	$ 39,450
Other Financing Sources (Uses)				
Insurance Recovery	$ 6,000	$ 0	$ 6,000	$ 0
Transfers In	23,624	0	0	23,624
Total Other Financing Sources	$ 29,624	$ 0	$ 6,000	$ 23,624
Net Change in Fund Balance	$ 86,086	$ 4,389	$ 23,012	$ 63,074
Fund Balance, July 1, 2014	31,993	31,993	31,993	0
Fund Balance, June 30, 2015	$ 118,079	$ 36,382	$ 55,005	$ 63,074

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

Exhibit C-7

Perry County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 921,327	$ 735,000	$ 735,000	$ 186,327
Total Revenues	$ 921,327	$ 735,000	$ 735,000	$ 186,327
Expenditures				
Public Health and Welfare				
Ambulance/Emergency Medical Services	$ 740,533	$ 734,439	$ 745,439	$ 4,906
Other Operations				
Other Charges	9,688	11,000	11,000	1,312
Employee Benefits	305	4,750	4,750	4,445
Total Expenditures	$ 750,526	$ 750,189	$ 761,189	$ 10,663
Excess (Deficiency) of Revenues Over Expenditures	$ 170,801	$ (15,189)	$ (26,189)	$ 196,990
Net Change in Fund Balance	$ 170,801	$ (15,189)	$ (26,189)	$ 196,990
Fund Balance, July 1, 2014	250,050	250,050	250,050	0
Fund Balance, June 30, 2015	$ 420,851	$ 234,861	$ 223,861	$ 196,990

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

Exhibit C-8

Perry County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 60,391	$ 55,000	$ 55,099	$ 5,292
Other Local Revenues	3,859	16,000	16,000	(12,141)
State of Tennessee	1,911,345	1,796,417	1,883,875	27,470
Other Governments and Citizens Groups	6,740	15,000	15,000	(8,260)
Total Revenues	$ 1,982,335	$ 1,882,417	$ 1,969,974	$ 12,361
Expenditures				
Highways				
Administration	$ 119,362	$ 155,218	$ 152,017	$ 32,655
Highway and Bridge Maintenance	672,995	1,167,600	1,169,508	496,513
Operation and Maintenance of Equipment	210,920	244,720	295,270	84,350
Other Charges	86,379	125,500	125,776	39,397
Employee Benefits	168,661	233,300	234,338	65,677
Capital Outlay	584,114	753,000	789,487	205,373
Total Expenditures	$ 1,842,431	$ 2,679,338	$ 2,766,396	$ 923,965
Excess (Deficiency) of Revenues Over Expenditures	$ 139,904	$ (796,921)	$ (796,422)	$ 936,326
Net Change in Fund Balance	$ 139,904	$ (796,921)	$ (796,422)	$ 936,326
Fund Balance, July 1, 2014	4,267,255	4,267,255	4,267,255	0
Fund Balance, June 30, 2015	$ 4,407,159	$ 3,470,334	$ 3,470,833	$ 936,326

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, 2015

	Agency Funds
ASSETS	
Cash	$ 244,264
Accounts Receivable	24
Due from Other Governments	50,099
Total Assets	$ 294,387
LIABILITIES	
Due to Other Taxing Units	$ 50,099
Due to Litigants, Heirs, and Others	244,288
Total Liabilities	$ 294,387

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

PERRY COUNTY, TENNESSEE
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PERRY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Perry County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Perry County:

A. Reporting Entity

Perry County is a public municipal corporation governed by an elected 12-member board. As required by GAAP, these financial statements present Perry County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Perry County School Department operates the public school system in the county, and the voters of Perry County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Perry County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Perry County, and the Perry County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Industrial Development Board of Perry County consists of members appointed by the Perry County Commission, and it has been delegated the authority to develop, maintain, and operate industrial sites for the benefit of the community.

The 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 and the Industrial Development Board of Perry County can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Perry County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Perry County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Perry County issues all debt for the discretely presented Perry County School Department. Debt issues totaling $82,150 were contributed by the county to the School Department during the year ended June 30, 2015.

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/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Perry County has no proprietary funds to report.

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

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

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

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

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

Perry County reports the following major governmental funds:

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

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

Ambulance Service Fund – This special revenue fund accounts for transactions of the county's ambulance service. General service charges are the foundational revenues of this fund.

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

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

Additionally, Perry County reports the following fund types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Perry County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Perry County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash

and Investments. Most income from these pooled investments is assigned to the General Fund. Perry County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

Ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to two percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable

that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

3. Capital Assets

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

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

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

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

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

Assets	Years
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. Deferred

outflows of resources represent 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 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 items are for pension changes in experience, pension changes in employer contributions made to the pension plan after the measurement date, and pension changes in the proportionate share of pension contributions.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent 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 items are from the following sources: current and delinquent property taxes, pension changes in investment earnings, pension changes in experience, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. <u>Compensated Absences</u>

It is the county's policy to permit employees (excluding the Highway Department, which closes one week in July and one week in December) to accumulate earned but unused vacation benefits, which will be paid to employees upon separation from service. A liability for vacation leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. The granting of sick leave for employees of Perry County has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The discretely presented Perry County School Department does permit Central Office employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from service. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. The School Department permits professional personnel (teachers) to accumulate an unlimited amount of unused sick leave days. However, the granting of sick leave has no guaranteed payment attached and, therefore, is not required to be accrued or recorded.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, landfill postclosure care costs, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Position and Fund Balance

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

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes totaling $395,154 for the primary government consists of amounts restricted to recognize the net pension asset of the county's agent pension plan.

As of June 30, 2015, Perry County had $1,339,773 in outstanding debt for capital purposes for the discretely presented Perry County School Department. This debt is a liability of Perry County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Perry County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

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

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

decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by resolution authorized the county's Budget Committee to make assignments for the general government. The Board of Education by resolution makes assignments for the School Department.

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

8. Restatement

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement decreasing Perry County's and the Perry County School Department's beginning net position has been recognized on the Statement of Activities for $82,968 and $1,625,611, respectively.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Perry County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Perry County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Perry County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Perry County School Department

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

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

Primary Government

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

Discretely Presented Perry County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Fund Deficit

The General Fund had a deficit unassigned fund balance of $242,322 at June 30, 2015. This deficit unassigned fund balance resulted from expenditures exceeding restricted, committed, and assigned balances.

C. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the County Commission in the Drug Control Fund by $1,520. Expenditures that exceed appropriations are a violation of state statues. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the Drug Fund.

D. The School Department Failed to Comply with State Statute when Entering into a Lease-Purchase Agreement

The School Department failed to comply with state statute when entering into a lease-purchase agreement for a school bus. Details are discussed in the Schedule of Findings and Questioned Costs section of this report.

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, 2015.

B. Notes Receivable

A note receivable of $55,000 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 $44,000 and is offset by committed fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-14	Increases	Balance 6-30-15
Capital Assets Not Depreciated:			
Land	$ 210,266	$ 80,000	$ 290,266
Total Capital Assets Not Depreciated	$ 210,266	$ 80,000	$ 290,266
Capital Assets Depreciated:			
Buildings and Improvements	$ 6,256,713	$ 39,918	$ 6,296,631
Infrastructure	4,270,845	0	4,270,845
Other Capital Assets	4,946,871	147,847	5,094,718
Total Capital Assets Depreciated	$ 15,474,429	$ 187,765	$ 15,662,194
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 1,960,943	$ 142,657	$ 2,103,600
Infrastructure	1,177,418	207,355	1,384,773
Other Capital Assets	2,971,367	289,425	3,260,792
Total Accumulated Depreciation	$ 6,109,728	$ 639,437	$ 6,749,165
Total Capital Assets Depreciated, Net	$ 9,364,701	$ (451,672)	$ 8,913,029
Governmental Activities Capital Assets, Net	$ 9,574,967	$ (371,672)	$ 9,203,295

There were no decreases in capital assets to report during the year ended June 30, 2015.

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

Governmental Activities:

General Government	$ 59,271
Public Safety	175,321
Public Health and Welfare	96,211
Other Operations	8,281
Highways/Public Works	300,353
Total Depreciation Expense - Governmental Activities	$ 639,437

Discretely Presented Perry County School Department

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	$ 138,512	$ 0	$ 0	$ 138,512
Total Capital Assets Not Depreciated	$ 138,512	$ 0	$ 0	$ 138,512
Capital Assets Depreciated:				
Buildings and Improvements	$ 11,150,760	$ 0	$ 0	$ 11,150,760
Other Capital Assets	1,750,238	82,150	92,377	1,924,765
Total Capital Assets Depreciated	$ 12,900,998	$ 82,150	$ 92,377	$ 13,075,525
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 5,150,260	$ 266,882	$ 0	$ 5,417,142
Other Capital Assets	1,201,576	111,083	92,377	1,405,036
Total Accumulated Depreciation	$ 6,351,836	$ 377,965	$ 92,377	$ 6,822,178
Total Capital Assets Depreciated, Net	$ 6,549,162	$ (295,815)	$ 0	$ 6,253,347
Governmental Activities Capital Assets, Net	$ 6,687,674	$ (295,815)	$ 0	$ 6,391,859

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

Governmental Activities:

Instruction	$	99,128
Support Services		227,457
Operation of Non-instructional Services		51,380
Total Depreciation Expense - Governmental Activities	$	377,965

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, was as follows:

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund		Amount
Primary Government: Governmental Activities	Component Units: School Department	$	99,023
General Debt Service	Industrial Development Board of Perry County: Operating Fund		440,933
Total		$	539,956

The Due to Primary Government from the School Department is the balance of a capital outlay note and a capital lease issued by the county for the School Department. The School Department has agreed to contribute the funds necessary to retire the debt. This debt is reflected in the government-wide financial statements.

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2015, consisted of the following amounts:

Primary Government

Transfer Out	Transfer In Solid Waste/ Sanitation Fund
Nonmajor governmental fund	$ 23,624

Discretely Presented Perry County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	$ 8,580

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.

The county made a one-time transfer of $23,624 from the General Capital Projects Fund to the Solid Waste/Sanitation Fund to close the General Capital Projects Fund.

E. Capital Leases

On September 5, 2014, Perry County entered into a seven-year lease-purchase agreement for the School Department for a school bus. The terms of the agreement require total lease payments of $82,150 plus interest of 3.99 percent. Title to the school bus transferred to the School Department immediately upon the acceptance. The lease payments are made from the General Purpose School Fund. This lease-purchase agreement was not entered into in compliance with state statutes.

The asset acquired through the capital lease is as follows:

Asset	Governmental Activities
Other Capital Assets	$ 82,150
Less: Accumulated Depreciation	(6,846)
Total Book Value	$ 75,304

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

Year Ending June 30		Governmental Funds
2016	$	13,184
2017		13,184
2018		13,184
2019		13,184
2020		13,184
2021		13,181
Total Minimum Lease Payments	$	79,101
Less: Amount Representing Interest		(10,135)
Present Value of Minimum Lease Payments	$	68,966

F. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to four years for bonds and up to ten years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds - Refunding	1.89 to 2.03 %	$ 4,260,370	$ 2,642,000
Capital Outlay Notes	5.949	116,857	30,057

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2015, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds Principal	Interest	Total
2016	$ 852,000	$ 49,933	$ 901,933
2017	881,000	33,831	914,831
2018	909,000	17,180	926,180
Total	$ 2,642,000	$ 100,944	$ 2,742,944

Year Ending June 30	Notes Principal	Interest	Total
2016	$ 14,594	$ 1,788	$ 16,382
2017	15,463	920	16,383
Total	$ 30,057	$ 2,708	$ 32,765

There is $2,164,572 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and capital leases, totaled $346, based on the 2010 federal census.

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

Description of Indebtedness	Outstanding 6-30-15
Notes Payable	
Contributions from the General Purpose School Fund	
Bleachers	$ 30,057
Capital Leases Payable	
Contributions from the General Purpose School Fund	
School Bus	68,966
Total	$ 99,023

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

	Bonds	Notes	Other Loans
Balance, July 1, 2014	$ 3,465,000	$ 61,405	$ 486,000
Additions	0	0	0
Reductions	(823,000)	(31,348)	(486,000)
Balance, June 30, 2015	$ 2,642,000	$ 30,057	$ 0
Balance Due Within One Year	$ 852,000	$ 14,594	$ 0

	Capital Leases	Compensated Absences	Landfill Postclosure Care Costs
Balance, July 1, 2014	$ 0	$ 75,687	$ 367,130
Additions	82,150	75,987	5,613
Reductions	(13,184)	(67,185)	(5,000)
Balance, June 30, 2015	$ 68,966	$ 84,489	$ 367,743
Balance Due Within One Year	$ 10,381	$ 84,489	$ 5,000

	Other Postemployment Benefits
Balance, July 1, 2014	$ 41,120
Additions	5,043
Reductions	(1,272)
Balance, June 30, 2015	$ 44,891
Balance Due Within One Year	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	$ 3,238,146
Less: Balance Due Within One Year	(966,464)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 2,271,682

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Fund. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Perry County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Perry County School Department for the year ended June 30, 2015, was as follows:

Governmental Activities:	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2014	$ 39,380	$ 323,571
Additions	18,081	54,334
Reductions	(20,045)	(28,474)
Balance, June 30, 2015	$ 37,416	$ 349,431
Balance Due Within One Year	$ 9,354	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	$ 386,847
Less: Balance Due Within One Year	(9,354)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 377,493

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

G. Pledges of Receivables and Future Revenues

Local Option Sales Tax Revenues Pledged

In 1996, Perry County voters approved an additional one-half cent increase in the local sales tax rate that was allocated 100 percent for the repayment of school indebtedness related to the 1996-1999 school building program. Other loans were issued by Perry County in 1998 and 2000 totaling $7,500,000 to provide financing for the school construction. On December 23, 2013, Perry County refunded one of these loans with general obligation refunding bonds. The remaining loan was retired during the audit period and the refunding bond is payable through 2018.

Component Unit Revenues Pledged for Primary Government Debt

Under the terms of an agreement between the Perry County Commission and the Perry County Board of Education, beginning in 2000-01, the Perry County Board of Education began paying $150,000 per year to the General Debt Service Fund to retire any indebtedness incurred as a result of the 1996-99 school building program until such indebtedness is paid in full or for 20 years, whichever comes first. The board was allowed to skip the 2012 payment, extending the agreement for an additional year. At

June 30, 2015, principal and interest requirements totaled $1,288,385 for the general obligation refunding bond.

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

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Perry County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2015, were $200. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

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, 2015, were $29,597 and $5,750, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. 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 ($650,000) and Solid Waste/Sanitation ($50,000) 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, 2015, was as follows:

	Balance 7-1-14	Issued	Paid	Balance 6-30-15
Tax Anticipation Notes	$ 0	$ 700,000	$ (700,000)	$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

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

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. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

C. Subsequent Events

On July 21, 2015, the county's General Debt Service Fund issued a $250,000 tax anticipation note to the General Fund.

On August 13, 2015, the county's General Debt Service Fund issued a $200,000 tax anticipation note to the General Fund.

On September 3, 2015, the county's General Debt Service Fund issued a $128,000 tax anticipation note to the General Fund.

On September 16, 2015, the county's General Debt Service Fund issued a $125,000 tax anticipation note to the General Fund.

On October 1, 2015, the county's General Debt Service Fund issued a $125,000 tax anticipation note to the General Fund.

Sheriff Tommy Hickerson passed away October 8, 2015, and was succeeded by Nick Weems effective December 30, 2015.

On October 15, 2015, the county's General Debt Service Fund issued a $36,400 tax anticipation note to the Solid Waste/Sanitation Fund.

On November 4, 2015 Perry County issued capital outlay notes totaling $224,000 for a new garbage truck.

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. Change in Administration

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

F. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Perry County closed its sanitary landfill in 1998. The $367,743 reported as postclosure care liability at June 30, 2015, represents amounts based on what it would cost to perform all postclosure care in 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. 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, 2015.

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, 2015.

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

H. 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 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 the SCTRA are lease payments, switching fees, interest income, and grants.

I. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Perry County and non-certified employees of the discretely presented Perry County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 51.16 percent and the non-certified employees of the discretely presented School Department comprise 48.84 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. Tennessee Code Annotated, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each

July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPA is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	92
Inactive Employees Entitled to But Not Yet Receiving Benefits	125
Active Employees	172
Total	389

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Perry County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Perry County were $439,737 based on a rate of 9.74 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Perry County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Perry County's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	6.46	%	33	%
Developed Market International Equity	6.26		17	
Emerging Market International Equity	6.40		5	
Private Equity and Strategic Lending	4.61		8	
U.S. Fixed Income	0.98		29	
Real Estate	4.73		7	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Perry County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	$ 12,205,281	$ 11,597,858	$ 607,423
Changes for the year:			
Service Cost	$ 372,604	$ 0	$ 372,604
Interest	920,989	0	920,989
Differences Between Expected and Actual Experience	(81,790)	0	(81,790)
Contributions-Employer	0	445,249	(445,249)
Contributions-Employees	0	224,649	(224,649)
Net Investment Income	0	1,928,453	(1,928,453)
Benefit Payments, Including Refunds of Employee Contributions	(596,061)	(596,061)	0
Administrative Expense	0	(6,737)	6,737
Other Changes	0	0	0
Net Changes	$ 615,742	$ 1,995,553	$ (1,379,811)
Balance, June 30, 2014	$ 12,821,023	$ 13,593,411	$ (772,388)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	51.16%	$ 6,559,235	$ 6,954,389	$ (395,154)
School Department	48.84%	6,261,788	6,639,022	(377,234)
Total		$ 12,821,023	$ 13,593,411	$ (772,388)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Perry County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

Perry County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	$ 760,028	$ (772,388)	$ (2,057,129)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Income. For the year ended June 30, 2015, Perry County recognized pension income of $24,252.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Perry County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 0	$ 65,432
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	844,878
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	439,737	N/A
Total	$ 439,737	$ 910,310

(1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2014," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	$ 271,764	$ 465,715
School Department	167,973	444,595
Total	$ 439,737	$ 910,310

Amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	$ (227,577)
2017	(227,577)
2018	(227,577)
2019	(227,577)
2020	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Perry County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Perry County and non-certified employees of the discretely presented Perry County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 51.16 percent and the non-certified employees of the discretely presented School Department comprise 48.84 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Perry County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including

COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were $5,891, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, the Perry County School Department did not recognize any pension expense at June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Perry County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	$ 5,891	N/A

The Perry County School Department's employer contributions of $5,891 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ended June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Perry County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability

benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Perry County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were $432,572, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Assets. At June 30, 2015, the Perry County School Department reported an asset of $19,566 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Perry County School Department's proportion of the net pension asset was based on the Perry County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all participating LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Perry County School Department's proportion was .120411 percent. The proportion measured as of June 30, 2013, was .119473 percent.

Pension Income. For the year ended June 30, 2015, the Perry County School Department recognized pension income of $14,575.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Perry County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 47,502	$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,612,131
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions	13,233	0
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	432,572	N/A
Total	$ 493,307	$ 1,612,131

The Perry County School Department's employer contributions of $432,572 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	$ (392,910)
2017	(392,910)
2018	(392,910)
2019	(392,910)
2020	10,123
Thereafter	10,123

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	6.46	%	33	%
Developed Market International Equity	6.26		17	
Emerging Market International Equity	6.40		5	
Private Equity and Strategic Lending	4.61		8	
U.S. Fixed Income	0.98		29	
Real Estate	4.73		7	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents Perry County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Perry County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	$ 3,300,062	$ (19,566)	$ (2,767,859)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

2. Deferred Compensation

Teachers hired after July 1, 2014, by the discretely presented Perry County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Perry County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Perry County School Department contributed $7,237 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

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.

J. 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 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 plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop 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 $1,272 and $28,474, respectively, for postemployment health care during the year ended June 30, 2015.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	$ 54,000	$ 5,000
Interest on the NOPEBO	12,943	1,645
Adjustment to the ARC	(12,609)	(1,602)
Annual OPEB cost	$ 54,334	$ 5,043
Amount of contribution	(28,474)	(1,272)
Increase/decrease in NOPEBO	$ 25,860	$ 3,771
Net OPEB obligation, 7-1-14	323,571	41,120
Net OPEB obligation, 6-30-15	$ 349,431	$ 44,891

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Government Group	$ 11,937	9%	$ 36,457
6-30-14	"	5,037	7	41,120
6-30-15	"	5,043	25	44,891
6-30-13	Local Education Group	105,405	34	311,784
6-30-14	"	52,321	77	323,571
6-30-15	"	54,334	52	349,431

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

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

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

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Education Plan and the Local Government Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of seven percent for fiscal year 2015. The trend rate will decrease to 6.5 percent in 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

K. 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 7-1-14	Increases	Decreases	Balance 6-30-15
Buildings	$ 150,000	$ 0	$ 0	$ 150,000
Vehicles	20,000	0	0	20,000
Communications Equipment	535,462	0	0	535,462
Total Capital Assets Being Depreciated	$ 705,462	$ 0	$ 0	$ 705,462
Less Accumulated Depreciation	(234,703)			(285,844)
Total Capital Assets, Net	$ 470,759			$ 419,618

The depreciation expense for communications equipment is $47,391 and for the buildings is $3,750. Depreciation expense for the year was $51,141.

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.

VII. OTHER NOTES – DISCRETELY PRESENTED INDUSTRIAL DEVELOPMENT BOARD OF PERRY COUNTY

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Industrial Development Board of Perry County, Tennessee, consists of member appointed by Perry County. As an agency for the county, the board has been delegated the authority to develop, operate, and maintain industrial sites for the benefit of the community.

The accounting policies of the board conform to the generally accepted accounting principles as applicable to government. The following is a summary of the more significant policies.

Government-wide and Fund Financial Statements

The Government-wide Financial Statements, the Statement of Net Position and the Statement of Activities report information on all of the financial activities of the board.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Measurement Focus and Availability

Governmental fund revenues 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 collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers most governmental revenues as available if received within 45 days of years end. Expenditures are recorded generally when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of

accounting. Revenues are reported when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The board reports the following major fund:

General (Operating) Fund – The General Fund is the general operating fund of the Industrial Development Board. It is used to account for all financial resources of the general government except those required to be accounted for in another fund.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of checking accounts and a money market account. When both restricted and unrestricted resources are available for use, it is the board's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted funds are used the board used committed, assigned then unassigned funds.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets consisting of certain improvements other than buildings are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the board as assets with an individual cost of $5,000 and an estimated useful life in excess of three years. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is provided over the estimated useful lives using the straight line method.

The estimated useful lives are as follows:

Land Improvements	10-15 years
Buildings	25-40 years
Machinery and Equipment	5-10 years

Budget and Budgetary Accounting

The board is not legally required to adopt a budget; therefore, no budget comparison is presented in these financial statements.

Net Position Flow Assumption

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

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Credit Risk

Financial instruments that potentially subject the board to significant concentrations of credit risk consist principally of cash and cash equivalents. The board places its cash with federally-insured financial institutions or institutions participating in the State collateral pool.

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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds and are presented in the accompanying financial statements as other assets.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is 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.

Fund Balance

The board implemented GASB 54, which addresses issues related to how fund balances are reported. Fund Balances are now reported in the following manner:

Nonspendable fund balances – amounts that are not in a spendable form.

Restricted fund balance – amounts constrained to specific purposes by their providers, provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance – amounts that are available for any purpose; these amounts are reported only in the general fund. Only by board approval can fund balance amounts be classified as committed or assigned.

2. Cash and Cash Equivalents

The board is authorized to invest funds in federal treasury bills and notes, State of Tennessee Local Government Investment Pool and financial institution demand deposit accounts and certificates of deposit. Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The board 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 board and must total a minimum 105 percent of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. The board's deposits with financial institutions are fully insured or collateralized by securities held in the board's name.

3. Capital Assets

A summary of changes in general capital assets, as presented in the governmental activities column of the government-wide financial statements, is as follows:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Land	$ 127,737	$ 0	$ 0	$ 127,737
Buildings	480,933	0	(240,933)	240,000
Improvements	2,563,170	135,939	0	2,699,109
Total Capital Assets Being Depreciated	$ 3,171,840	$ 135,939	$ (240,933)	$ 3,066,846
Less Accumulated Depreciation	(121,842)			(208,781)
Total Capital Assets, Net	$ 3,049,998			$ 2,858,065

Depreciation expenses for the year were $103,001 ($8,000 for buildings and $95,001 for improvements). During the year, the board sold a building for $240,933.

4. Long-term Debt

A summary of changes in long-term debt as presented in the governmental activities column of the government-wide financial statements is as follows:

	Balance 7-1-14	Deletions	Balance 6-30-15
Montrex building from Perry County	$ 200,000	$ 0	$ 200,000
Linden drug building from Perry County	240,933	0	240,933
Loan from Bank of Perry County	875,744	139,693	736,051
Total Capital Assets Being Depreciated	$ 1,316,677	$ 139,693	$ 1,176,984

The board borrowed funds from Perry County, Tennessee, to purchase the Montrex, Fisher and Linden drug buildings. Repayment shall be at zero percent interest and shall be payable from rents and income derived from said properties. The board shall repay Perry County, Tennessee, as rents are paid to them by the tenants of these buildings until the amounts have been repaid. However, the board shall be entitled to hold sufficient funds for maintenance and other normal expenses associated with the ownership of properties during the course of repayment. The board borrowed funds from the Bank of Perry County to assist in financing the construction of a roofing project.

5. Commitments and Contingencies

Litigation

There are no pending lawsuits in which the board is involved, which are significant to the financial statements.

Grants

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims including amounts already collected, could become a liability of the applicable fund.

6. Insurance

The board carries commercial insurance for the majority of risks of loss, including general liability, and property. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Required Supplementary Information

Exhibit E-1

Perry County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014
Total Pension Liability (Asset)	
Service Cost	$ 372,604
Interest	920,989
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(81,790)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	(596,061)
Net Change in Total Pension Liability (Asset)	$ 615,742
Total Pension Liability (Asset), Beginning	12,205,281
Total Pension Liability (Asset), Ending (a)	$ 12,821,023
Plan Fiduciary Net Position	
Contributions - Employer	$ 445,249
Contributions - Employee	224,649
Net Investment Income	1,928,453
Benefit Payments, Including Refunds of Employee Contributions	(596,061)
Administrative Expense	(6,737)
Net Change in Plan Fiduciary Net Position	$ 1,995,553
Plan Fiduciary Net Position, Beginning	11,597,858
Plan Fiduciary Net Position, Ending (b)	$ 13,593,411
Net Pension Liability (Asset), Ending (a - b)	$ (772,388)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.02%
Covered Employee Payroll	$ 4,492,905
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	17.19%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit E-2

Perry County, Tennessee
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015
Actuarially Determined Contribution	$ 445,249	$ 439,737
Less Contributions in Relation to the Actuarially Determined Contribution	(445,249)	(439,737)
Contribution Deficiency (Excess)	$ 0	$ 0
Covered Employee Payroll	$ 4,492,905	$ 5,410,181
Contributions as a Percentage of Covered Employee Payroll	9.91%	8.13%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit E-3

Perry County, Tennessee
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS
Discretely Presented Perry County School Department
For the Fiscal Year Ended June 30

		2015
Actuarially Determined Contribution	$	3,618
Less Contributions in Relation to the Actuarially Determined Contribution		(5,891)
Contribution Deficiency (Excess)	$	(2,273)
Covered Employee Payroll	$	144,738
Contributions as a Percentage of Covered Employee Payroll		4.07%

Note: ten years of data will be presented when available.

Exhibit E-4

Perry County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Perry County School Department
For the Fiscal Year Ended June 30

	2014	2015
Actuarially Determined Contribution	$ 419,679	$ 432,572
Less Contributions in Relation to the Actuarially Determined Contribution	(419,679)	(432,572)
Contribution Deficiency (Excess)	$ 0	$ 0
Covered Employee Payroll	$ 4,726,122	$ 4,785,115
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.04%

Note: ten years of data will be presented when available.

Exhibit E-5

Perry County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Perry County School Department
For the Fiscal Year Ended June 30 *

		2014
School Department's Proportion of the Net Pension Asset		0.120411%
School Department's Proportionate Share of the Net Pension Asset	$	19,566
Covered Employee Payroll	$	4,726,122
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll		0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		100.08%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit E-6

Perry County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Perry County School Department
June 30, 2015

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PRIMARY GOVERNMENT							
Local Government Group	7-1-10	$ 0	$ 21	$ 21	0 %	$ 725	3 %
"	7-1-11	0	65	65	0	725	9
"	7-1-13	0	36	36	0	731	5
DISCRETELY PRESENTED PERRY COUNTY SCHOOL DEPARTMENT							
Local Education Group	7-1-10	0	708	708	0	4,290	16
"	7-1-11	0	935	935	0	4,290	22
"	7-1-13	0	527	527	0	5,076	10

PERRY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	1 Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

Combining and Individual Fund Financial Statements and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Capital Projects Fund

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

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

Exhibit F-1

Perry County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds			
	Courthouse and Jail Maintenance	Special Purpose	Drug Control	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Investments	$ 35,158	$ 41,728	$ 28,116	$ 105,002
Total Assets	$ 35,158	$ 41,728	$ 28,116	$ 105,002
FUND BALANCES				
Restricted:				
Restricted for Administration of Justice	$ 0	$ 16,902	$ 0	$ 16,902
Restricted for Public Safety	35,158	0	28,116	63,274
Assigned:				
Assigned for Administration of Justice	0	24,826	0	24,826
Total Fund Balances	$ 35,158	$ 41,728	$ 28,116	$ 105,002

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, 2015

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Special Purpose	Drug Control	Constitu - tional Officers - Fees	Total
Revenues					
Local Taxes	$ 19,483	$ 4,121	$ 0	$ 0	$ 23,604
Fines, Forfeitures, and Penalties	708	1,600	8,246	0	10,554
Charges for Current Services	0	0	0	9,850	9,850
Other Local Revenues	0	0	81,639	0	81,639
Total Revenues	$ 20,191	$ 5,721	$ 89,885	$ 9,850	$ 125,647
Expenditures					
Current:					
General Government	$ 2,673	$ 0	$ 0	$ 0	$ 2,673
Administration of Justice	0	57	0	9,850	9,907
Public Safety	9,702	0	69,147	0	78,849
Other Operations	202	0	0	0	202
Capital Projects	0	0	0	0	0
Total Expenditures	$ 12,577	$ 57	$ 69,147	$ 9,850	$ 91,631
Excess (Deficiency) of Revenues Over Expenditures	$ 7,614	$ 5,664	$ 20,738	$ 0	$ 34,016
Other Financing Sources (Uses)					
Capital Leases Issued	$ 0	$ 0	$ 0	$ 0	$ 0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ 0	$ 0
Net Change in Fund Balances	$ 7,614	$ 5,664	$ 20,738	$ 0	$ 34,016
Fund Balance, July 1, 2014	27,544	36,064	7,378	0	70,986
Fund Balance, June 30, 2015	$ 35,158	$ 41,728	$ 28,116	$ 0	$ 105,002

(Continued)

Exhibit F-2

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

	Capital Projects Fund General Capital Projects	Total Nonmajor Governmental Funds
Revenues		
Local Taxes	$ 0	$ 23,604
Fines, Forfeitures, and Penalties	0	10,554
Charges for Current Services	0	9,850
Other Local Revenues	0	81,639
Total Revenues	$ 0	$ 125,647
Expenditures		
Current:		
General Government	$ 0	$ 2,673
Administration of Justice	0	9,907
Public Safety	0	78,849
Other Operations	0	202
Capital Projects	89,650	89,650
Total Expenditures	$ 89,650	$ 181,281
Excess (Deficiency) of Revenues Over Expenditures	$ (89,650)	$ (55,634)
Other Financing Sources (Uses)		
Capital Leases Issued	$ 82,150	$ 82,150
Transfers Out	(23,624)	(23,624)
Total Other Financing Sources (Uses)	$ 58,526	$ 58,526
Net Change in Fund Balances	$ (31,124)	$ 2,892
Fund Balance, July 1, 2014	31,124	102,110
Fund Balance, June 30, 2015	$ 0	$ 105,002

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, 2015

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 19,483	$ 16,550	$ 16,550	$ 2,933
Fines, Forfeitures, and Penalties	708	1,350	1,350	(642)
Total Revenues	$ 20,191	$ 17,900	$ 17,900	$ 2,291
Expenditures				
General Government				
County Buildings	$ 2,673	$ 11,785	$ 11,785	$ 9,112
Public Safety				
Jail	9,702	12,500	12,500	2,798
Other Operations				
Other Charges	202	115	365	163
Total Expenditures	$ 12,577	$ 24,400	$ 24,650	$ 12,073
Excess (Deficiency) of Revenues Over Expenditures	$ 7,614	$ (6,500)	$ (6,750)	$ 14,364
Net Change in Fund Balance	$ 7,614	$ (6,500)	$ (6,750)	$ 14,364
Fund Balance, July 1, 2014	27,544	27,544	27,544	0
Fund Balance, June 30, 2015	$ 35,158	$ 21,044	$ 20,794	$ 14,364

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, 2015

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 4,121	$ 3,000	$ 3,000	$ 1,121
Fines, Forfeitures, and Penalties	1,600	700	700	900
Total Revenues	$ 5,721	$ 3,700	$ 3,700	$ 2,021
Expenditures				
Administration of Justice				
Circuit Court	$ 57	$ 10,050	$ 10,050	$ 9,993
General Sessions Court	0	10,000	10,000	10,000
Chancery Court	0	10,000	10,000	10,000
Total Expenditures	$ 57	$ 30,050	$ 30,050	$ 29,993
Excess (Deficiency) of Revenues Over Expenditures	$ 5,664	$ (26,350)	$ (26,350)	$ 32,014
Net Change in Fund Balance	$ 5,664	$ (26,350)	$ (26,350)	$ 32,014
Fund Balance, July 1, 2014	36,064	36,064	36,064	0
Fund Balance, June 30, 2015	$ 41,728	$ 9,714	$ 9,714	$ 32,014

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, 2015

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 8,246	$ 8,100	$ 8,100	$ 146
Other Local Revenues	81,639	41,000	62,625	19,014
Total Revenues	$ 89,885	$ 49,100	$ 70,725	$ 19,160
Expenditures				
Public Safety				
Drug Enforcement	$ 69,147	$ 46,000	$ 67,627	$ (1,520)
Total Expenditures	$ 69,147	$ 46,000	$ 67,627	$ (1,520)
Excess (Deficiency) of Revenues Over Expenditures	$ 20,738	$ 3,100	$ 3,098	$ 17,640
Net Change in Fund Balance	$ 20,738	$ 3,100	$ 3,098	$ 17,640
Fund Balance, July 1, 2014	7,378	7,378	7,378	0
Fund Balance, June 30, 2015	$ 28,116	$ 10,478	$ 10,476	$ 17,640

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Perry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 659,109	$ 547,429	$ 547,429	$ 111,680
Other Local Revenues	48,350	60,100	60,100	(11,750)
State of Tennessee	217,465	210,100	210,100	7,365
Other Governments and Citizens Groups	225,258	35,000	35,000	190,258
Total Revenues	$ 1,150,182	$ 852,629	$ 852,629	$ 297,553
Expenditures				
Principal on Debt				
General Government	$ 448,400	$ 448,400	$ 448,400	$ 0
Education	905,132	913,274	905,132	0
Interest on Debt				
General Government	34,890	36,253	34,890	0
Education	37,399	59,206	61,996	24,597
Other Debt Service				
General Government	49,950	32,500	56,863	6,913
Education	10,192	0	10,192	0
Total Expenditures	$ 1,485,963	$ 1,489,633	$ 1,517,473	$ 31,510
Excess (Deficiency) of Revenues Over Expenditures	$ (335,781)	$ (637,004)	$ (664,844)	$ 329,063
Other Financing Sources (Uses)				
Transfers In	$ 0	$ 250,000	$ 0	$ 0
Total Other Financing Sources	$ 0	$ 250,000	$ 0	$ 0
Net Change in Fund Balance	$ (335,781)	$ (387,004)	$ (664,844)	$ 329,063
Fund Balance, July 1, 2014	2,500,353	2,501,326	2,501,326	(973)
Fund Balance, June 30, 2015	$ 2,164,572	$ 2,114,322	$ 1,836,482	$ 328,090

Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register of deeds, 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, 2015

	Agency Funds		
	Cities - Sales Tax	Constitutional Officers - Agency	Total
ASSETS			
Cash	$ 0	$ 244,264	$ 244,264
Accounts Receivable	0	24	24
Due from Other Governments	50,099	0	50,099
Total Assets	$ 50,099	$ 244,288	$ 294,387
LIABILITIES			
Due to Other Taxing Units	$ 50,099	$ 0	$ 50,099
Due to Litigants, Heirs, and Others	0	244,288	244,288
Total Liabilities	$ 50,099	$ 244,288	$ 294,387

Exhibit H-2

Perry County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 272,025	$ 272,025	$ 0
Due from Other Governments	45,462	50,099	45,462	50,099
Total Assets	$ 45,462	$ 322,124	$ 317,487	$ 50,099
Liabilities				
Due to Other Taxing Units	$ 45,462	$ 322,124	$ 317,487	$ 50,099
Total Liabilities	$ 45,462	$ 322,124	$ 317,487	$ 50,099
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 200,352	$ 1,675,789	$ 1,631,877	$ 244,264
Accounts Receivable	0	24	0	24
Total Assets	$ 200,352	$ 1,675,813	$ 1,631,877	$ 244,288
Liabilities				
Due to Litigants, Heirs, and Others	$ 200,352	$ 1,675,813	$ 1,631,877	$ 244,288
Total Liabilities	$ 200,352	$ 1,675,813	$ 1,631,877	$ 244,288
Totals - All Agency Funds				
Assets				
Cash	$ 200,352	$ 1,675,789	$ 1,631,877	$ 244,264
Equity in Pooled Cash and Investments	0	272,025	272,025	0
Accounts Receivable	0	24	0	24
Due from Other Governments	45,462	50,099	45,462	50,099
Total Assets	$ 245,814	$ 1,997,937	$ 1,949,364	$ 294,387
Liabilities				
Due to Other Taxing Units	$ 45,462	$ 322,124	$ 317,487	$ 50,099
Due to Litigants, Heirs, and Others	200,352	1,675,813	1,631,877	244,288
Total Liabilities	$ 245,814	$ 1,997,937	$ 1,949,364	$ 294,387

Perry County School Department

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

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

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

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

Exhibit I-1

Perry County, Tennessee
Statement of Activities
Discretely Presented Perry County School Department
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:				
Instruction	$ 5,256,370	$ 0	$ 1,221,738	$ (4,034,632)
Support Services	3,614,430	36,593	37,547	(3,540,290)
Operation of Non-instructional Services	1,198,482	184,967	453,506	(560,009)
Total Governmental Activities	$ 10,069,282	$ 221,560	$ 1,712,791	$ (8,134,931)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 1,380,375
Local Option Sales Tax				224,518
Other Local Taxes				722
Grants and Contributions Not Restricted to Specific Programs				6,557,992
Unrestricted Investment Earnings				4,487
Miscellaneous				37,500
Pension Income				26,420
Total General Revenues				$ 8,232,014
Change in Net Position				$ 97,083
Net Position, July 1, 2014				7,036,521
Restatement - See Note I.D.8.				(1,625,611)
Net Position, June 30, 2015				$ 5,507,993

Exhibit I-2

Perry County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Perry County School Department
June 30, 2015

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
ASSETS			
Cash	$ 68,330	$ 12,980	$ 81,310
Equity in Pooled Cash and Investments	151,912	142,004	293,916
Due from Other Governments	258,907	0	258,907
Property Taxes Receivable	1,306,188	0	1,306,188
Allowance for Uncollectible Property Taxes	(55,163)	0	(55,163)
Total Assets	$ 1,730,174	$ 154,984	$ 1,885,158
LIABILITIES			
Payroll Deductions Payable	$ 67,830	$ 12,980	$ 80,810
Total Liabilities	$ 67,830	$ 12,980	$ 80,810
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 1,209,589	$ 0	$ 1,209,589
Deferred Delinquent Property Taxes	36,153	0	36,153
Other Deferred/Unavailable Revenue	20,978	0	20,978
Total Deferred Inflows of Resources	$ 1,266,720	$ 0	$ 1,266,720
FUND BALANCES			
Restricted:			
Restricted for Education	$ 29,298	$ 142,004	$ 171,302
Unassigned	366,326	0	366,326
Total Fund Balances	$ 395,624	$ 142,004	$ 537,628
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,730,174	$ 154,984	$ 1,885,158

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, 2015

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)		$ 537,628
(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	5,733,618	
Add: other capital assets net of accumulated depreciation	519,729	6,391,859
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for notes	$ (30,057)	
Less: contributions due on primary government debt for capital leases	(68,966)	
Less: other postemployment benefits liability	(349,431)	
Less: compensated absences payable	(37,416)	(485,870)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	$ 667,171	
Less: deferred inflows of resources related to pensions	(2,056,726)	(1,389,555)
(4) Net pension assets of the agent and cost-sharing plans are not current financial resources and therefore are not reported in the governmental funds.		396,800
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		57,131
Net position of governmental activities (Exhibit A)		$ 5,507,993

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, 2015

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 1,653,038	$ 0	$ 1,653,038
Licenses and Permits	684	0	684
Charges for Current Services	23,053	184,967	208,020
Other Local Revenues	57,801	1,126	58,927
State of Tennessee	6,831,181	6,141	6,837,322
Federal Government	38,410	1,369,669	1,408,079
Other Governments and Citizens Groups	82,150	0	82,150
Total Revenues	$ 8,686,317	$ 1,561,903	$ 10,248,220
Expenditures			
Current:			
Instruction	$ 4,735,571	$ 733,669	$ 5,469,240
Support Services	3,347,135	178,722	3,525,857
Operation of Non-Instructional Services	554,074	646,087	1,200,161
Debt Service:			
Other Debt Service	205,281	0	205,281
Total Expenditures	$ 8,842,061	$ 1,558,478	$ 10,400,539
Excess (Deficiency) of Revenues Over Expenditures	$ (155,744)	$ 3,425	$ (152,319)
Other Financing Sources (Uses)			
Transfers In	$ 8,580	$ 0	$ 8,580
Transfers Out	0	(8,580)	(8,580)
Total Other Financing Sources (Uses)	$ 8,580	$ (8,580)	$ 0
Net Change in Fund Balances	$ (147,164)	$ (5,155)	$ (152,319)
Fund Balance, July 1, 2014	542,788	147,159	689,947
Fund Balance, June 30, 2015	$ 395,624	$ 142,004	$ 537,628

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, 2015

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)		$ (152,319)
(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	$ 82,150	
Less: current-year depreciation expense	(377,965)	(295,815)
(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, 2014	$ (83,256)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	57,131	(26,125)
(3) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on notes to primary government	$ 31,348	
Add: principal contributions on capital lease to primary government	13,184	
Less: capital lease proceeds contributed from primary government	(82,150)	(37,618)
(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 net pension liability/asset	$ 2,022,411	
Change in deferred outflows of resources related to pensions	667,171	
Change in deferred inflows of resources related to pensions	(2,056,726)	
Change in compensated absences payable	1,964	
Change in other postemployment benefits liability	(25,860)	608,960
Change in net position of governmental activities (Exhibit B)		$ 97,083

Exhibit I-6

Perry County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Perry County School Department
June 30, 2015

	Special Revenue Funds		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 6,720	$ 6,260	$ 12,980
Equity in Pooled Cash and Investments	1,671	140,333	142,004
Total Assets	$ 8,391	$ 146,593	$ 154,984
LIABILITIES			
Payroll Deductions Payable	$ 6,720	$ 6,260	$ 12,980
Total Liabilities	$ 6,720	$ 6,260	$ 12,980
FUND BALANCES			
Restricted:			
Restricted for Education	$ 1,671	$ 140,333	$ 142,004
Total Fund Balances	$ 1,671	$ 140,333	$ 142,004
Total Liabilities and Fund Balances	$ 8,391	$ 146,593	$ 154,984

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, 2015

	Special Revenue Funds		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
Revenues			
Charges for Current Services	$ 0	$ 184,967	$ 184,967
Other Local Revenues	0	1,126	1,126
State of Tennessee	0	6,141	6,141
Federal Government	922,304	447,365	1,369,669
Total Revenues	$ 922,304	$ 639,599	$ 1,561,903
Expenditures			
Current:			
Instruction	$ 733,669	$ 0	$ 733,669
Support Services	178,722	0	178,722
Operation of Non-Instructional Services	0	646,087	646,087
Total Expenditures	$ 912,391	$ 646,087	$ 1,558,478
Excess (Deficiency) of Revenues Over Expenditures	$ 9,913	$ (6,488)	$ 3,425
Other Financing Sources (Uses)			
Transfers Out	$ (8,580)	$ 0	$ (8,580)
Total Other Financing Sources (Uses)	$ (8,580)	$ 0	$ (8,580)
Net Change in Fund Balances	$ 1,333	$ (6,488)	$ (5,155)
Fund Balance, July 1, 2014	338	146,821	147,159
Fund Balance, June 30, 2015	$ 1,671	$ 140,333	$ 142,004

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, 2015

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,653,038	$ 1,628,835	$ 1,654,010	$ (972)
Licenses and Permits	684	570	570	114
Charges for Current Services	23,053	28,250	23,440	(387)
Other Local Revenues	57,801	61,355	53,565	4,236
State of Tennessee	6,831,181	6,672,680	6,792,536	38,645
Federal Government	38,410	150,085	188,485	(150,075)
Other Governments and Citizens Groups	82,150	0	82,150	0
Total Revenues	$ 8,686,317	$ 8,541,775	$ 8,794,756	$ (108,439)
Expenditures				
Instruction				
Regular Instruction Program	$ 3,670,687	$ 3,481,625	$ 3,684,090	$ 13,403
Alternative Instruction Program	0	83,775	0	0
Special Education Program	725,881	777,835	729,420	3,539
Vocational Education Program	339,003	336,725	340,595	1,592
Support Services				
Attendance	12,979	1,900	13,230	251
Health Services	124,406	129,510	127,390	2,984
Other Student Support	189,103	190,733	189,600	497
Regular Instruction Program	312,181	348,681	318,865	6,684
Special Education Program	110,902	119,340	114,485	3,583
Vocational Education Program	10,482	9,730	10,625	143
Other Programs	35,347	0	35,347	0
Board of Education	140,312	156,465	156,895	16,583
Director of Schools	146,481	140,955	149,640	3,159
Office of the Principal	637,027	642,628	644,133	7,106
Fiscal Services	121,237	118,530	121,250	13
Operation of Plant	607,164	647,261	619,266	12,102
Maintenance of Plant	260,855	283,625	267,285	6,430
Transportation	631,863	675,900	695,919	64,056
Central and Other	6,796	8,086	6,846	50
Operation of Non-Instructional Services				
Food Service	23,327	21,600	23,350	23
Community Services	230,456	235,970	237,060	6,604
Early Childhood Education	300,291	303,185	303,185	2,894
Principal on Debt				
Education	0	42,100	3	3
Other Debt Service				
Education	205,281	0	205,281	0
Total Expenditures	$ 8,842,061	$ 8,756,159	$ 8,993,760	$ 151,699
Excess (Deficiency) of Revenues Over Expenditures	$ (155,744)	$ (214,384)	$ (199,004)	$ 43,260

(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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses)				
Transfers In	$ 8,580	$ 20,000	$ 20,000	$ (11,420)
Transfers Out	0	(150,000)	0	0
Total Other Financing Sources	$ 8,580	$ (130,000)	$ 20,000	$ (11,420)
Net Change in Fund Balance	$ (147,164)	$ (344,384)	$ (179,004)	$ 31,840
Fund Balance, July 1, 2014	542,788	542,788	542,788	0
Fund Balance, June 30, 2015	$ 395,624	$ 198,404	$ 363,784	$ 31,840

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, 2015

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Federal Government	$ 922,304	$ 900,304	$ 1,011,668	$ (89,364)
Total Revenues	$ 922,304	$ 900,304	$ 1,011,668	$ (89,364)
Expenditures				
Instruction				
Regular Instruction Program	$ 386,678	$ 368,843	$ 426,801	$ 40,123
Special Education Program	329,491	313,495	350,426	20,935
Vocational Education Program	17,500	17,787	17,503	3
Support Services				
Other Student Support	9,300	5,797	10,620	1,320
Regular Instruction Program	96,530	110,031	123,420	26,890
Special Education Program	66,555	67,970	67,970	1,415
Vocational Education Program	753	753	753	0
Transportation	5,584	7,120	5,595	11
Total Expenditures	$ 912,391	$ 891,796	$ 1,003,088	$ 90,697
Excess (Deficiency) of Revenues Over Expenditures	$ 9,913	$ 8,508	$ 8,580	$ 1,333
Other Financing Sources (Uses)				
Transfers In	$ 0	$ 4,700	$ 4,700	$ (4,700)
Transfers Out	(8,580)	(13,208)	(13,280)	4,700
Total Other Financing Sources	$ (8,580)	$ (8,508)	$ (8,580)	$ 0
Net Change in Fund Balance	$ 1,333	$ 0	$ 0	$ 1,333
Fund Balance, July 1, 2014	338	0	0	338
Fund Balance, June 30, 2015	$ 1,671	$ 0	$ 0	$ 1,671

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, 2015

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 184,967	$ 205,000	$ 184,800	$ 167
Other Local Revenues	1,126	1,200	1,000	126
State of Tennessee	6,141	5,900	5,900	241
Federal Government	447,365	445,000	454,100	(6,735)
Total Revenues	$ 639,599	$ 657,100	$ 645,800	$ (6,201)
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 646,087	$ 734,280	$ 734,280	$ 88,193
Total Expenditures	$ 646,087	$ 734,280	$ 734,280	$ 88,193
Excess (Deficiency) of Revenues Over Expenditures	$ (6,488)	$ (77,180)	$ (88,480)	$ 81,992
Net Change in Fund Balance	$ (6,488)	$ (77,180)	$ (88,480)	$ 81,992
Fund Balance, July 1, 2014	146,821	146,821	146,821	0
Fund Balance, June 30, 2015	$ 140,333	$ 69,641	$ 58,341	$ 81,992

Miscellaneous Schedules

Exhibit J-1

Perry County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, Capital Leases, and Other Loans
For the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-15
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Refunding Bond Series 2013	$ 1,851,000	1.89 %	12-23-13	4-1-18	$ 1,518,000	$ 0	$ 351,000	$ 1,167,000
General Obligation Refunding Bond Series 2013	2,409,370	2.03	12-23-13	4-1-18	1,947,000	0	472,000	1,475,000
Total Bonds Payable					$ 3,465,000	$ 0	$ 823,000	$ 2,642,000
NOTES PAYABLE								
Payable by School Department Contributions to the General Debt Service Fund								
Bleachers	116,857	5.949	8-20-07	1-15-17	$ 35,690	$ 0	$ 5,633	$ 30,057
Energy Efficiency Loan	180,000	0	4-1-08	5-20-15	25,715	0	25,715	0
Total Notes Payable					$ 61,405	$ 0	$ 31,348	$ 30,057
CAPITAL LEASES PAYABLE								
Payable by School Department Contributions to the General Debt Service Fund								
School Bus	82,150	3.99	9-5-14	9-5-20	$ 0	$ 82,150	$ 13,184	$ 68,966
Total Capital Leases Payable					$ 0	$ 82,150	$ 13,184	$ 68,966
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
School	2,500,000	Variable	5-24-00	8-19-14	$ 486,000	$ 0	$ 486,000	$ 0
Total Other Loans Payable					$ 486,000	$ 0	$ 486,000	$ 0

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	$ 852,000	$ 49,933	$ 901,933
2017	881,000	33,831	914,831
2018	909,000	17,180	926,180
Total	$ 2,642,000	$ 100,944	$ 2,742,944

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	$ 14,594	$ 1,788	$ 16,382
2017	15,463	920	16,383
Total	$ 30,057	$ 2,708	$ 32,765

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2016	$ 10,381	$ 2,803	$ 13,184
2017	10,803	2,381	13,184
2018	11,242	1,942	13,184
2019	11,698	1,486	13,184
2020	12,174	1,010	13,184
2021	12,668	513	13,181
Total	$ 68,966	$ 10,135	$ 79,101

Exhibit J-3

Perry County, Tennessee
Schedule of Notes Receivable
June 30, 2015

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-15
General Debt Service Fund						
Senior Citizen Center	Perry County Senior Citizen Center	$ 110,000	7-1-10	6-1-20	0 %	$ 55,000

Exhibit J-4

Perry County, Tennessee
Schedule of Transfers
Discretely Presented Perry County School Department
For the Year Ended June 30, 2015

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General Capital Projects	Solid Waste/Sanitation	To close fund	$ 23,624
Total Transfers Primary Government			$ 23,624
DISCRETELY PRESENTED PERRY COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	$ 8,580
Total Transfers Discretely Presented Perry County School Department			$ 8,580

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, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
John Carroll (7-1-14 through 8-31-14)	Section 8-24-102, *TCA*	$ 14,509	$ 25,000	Auto-Owners Mutual Insurance Company
Terry Richardson (9-1-14 through 6-30-15)	Section 8-24-102, *TCA*	54,077	100,000	Western Surety Company
Superintendent of Highways	Section 8-24-102, *TCA*	64,178	100,000	Auto-Owners Mutual Insurance Company
Director of Schools	State Board of Education and Perry County Board of Education	90,894 (1)	(2)	
Trustee	Section 8-24-102, *TCA*	58,343	418,000	Western Surety Company
Assessor of Property	Section 8-24-102, *TCA*	58,343	50,000	Auto-Owners Mutual Insurance Company
County Clerk	Section 8-24-102, *TCA*	58,343	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, *TCA*	58,343	50,000	"
Clerk and Master	Section 8-24-102, *TCA,* and Chancery Court Judge	58,343 (3)	60,000	RLI Insurance Company
Register of Deeds	Section 8-24-102, *TCA*	58,343	50,000	Western Surety Company
Sheriff	Section 8-24-102, *TCA*	64,778 (4)	25,000	Auto-Owners Mutual Insurance Company
Employee Blanket Bonds:				
Employee Fidelity - County Departments			150,000	Local Government Property and Casualty Fund
Employee Fidelity - School Department			150,000	Tennessee Risk Management Trust

(1) Includes a chief executive officer training supplement of $1,000. Does not include 100 percent of the premium for family health insurance ($7,570).
(2) The director of schools is an employee of the Board of Education and is bonded under the public employee dishonesty blanket bond.

(3) Does not include $9,800 in special commissioner fees.
(4) Includes a law enforcement training supplement of $600.

Exhibit J-6

Perry County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2015

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
Local Taxes						
County Property Taxes						
Current Property Tax	$ 1,960,172	$ 0	$ 422,033	$ 0	$ 0	$ 0
Trustee's Collections - Prior Year	95,249	0	20,513	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	46,896	0	10,096	0	0	0
Interest and Penalty	17,714	0	3,814	0	0	0
Pickup Taxes	319	0	70	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	1,840	0	396	0	0	0
Payments in-Lieu-of Taxes - Other	72	0	16	0	0	0
County Local Option Taxes						
Local Option Sales Tax	92,507	0	0	0	0	0
Hotel/Motel Tax	8,317	0	0	0	0	0
Litigation Tax - General	22,122	1,644	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	4,121	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	17,839	0	0	0	0
Business Tax	28,807	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	30,311	0	6,526	0	0	0
Wholesale Beer Tax	50,563	0	0	0	0	0
Interstate Telecommunications Tax	671	0	0	0	0	0
Total Local Taxes	$ 2,355,560	$ 19,483	$ 463,464	$ 0	$ 4,121	$ 0
Licenses and Permits						
Permits						
Beer Permits	$ 240	$ 0	$ 0	$ 0	$ 0	$ 0
Other Permits	745	0	0	0	0	0
Total Licenses and Permits	$ 985	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit J-6

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
Fines, Forfeitures, and Penalties						
Circuit Court						
Jail Fees	$ 332	$ 0	$ 0	$ 0	$ 0	$ 0
Data Entry Fee - Circuit Court	0	0	0	0	682	0
Courtroom Security Fee	20	0	0	0	0	0
Criminal Court						
Fines	1,458	0	0	0	0	0
Jail Fees	33	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	286
General Sessions Court						
Fines	10,727	0	0	0	0	0
Officers Costs	10,341	0	0	0	0	0
Game and Fish Fines	439	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	4,467
Drug Court Fees	1,503	0	0	0	0	0
Jail Fees	5,542	708	0	0	0	0
DUI Treatment Fines	1,178	0	0	0	0	0
Courtroom Security Fee	6	0	0	0	10	0
Juvenile Court						
Fines	3,658	0	0	0	0	0
Chancery Court						
Officers Costs	2,159	0	0	0	0	0
Data Entry Fee - Chancery Court	402	0	0	0	908	0
Courtroom Security Fee	17,386	0	0	0	0	0
Judicial District Drug Program						
Courtroom Security Fee	23	0	0	0	0	0

(Continued)

Exhibit J-6

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
Fines, Forfeitures, and Penalties (Cont.)						
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,493
Total Fines, Forfeitures, and Penalties	$ 55,207	$ 708	$ 0	$ 0	$ 1,600	$ 8,246
Charges for Current Services						
General Service Charges						
Self-Insurance Premiums/Contributions	$ 1,481	$ 0	$ 0	$ 0	$ 0	$ 0
Tipping Fees	0	0	1,446	0	0	0
Solid Waste Disposal Fee	0	0	46,670	0	0	0
Surcharge - Waste Tire Disposal	0	0	1,445	0	0	0
Patient Charges	0	0	0	921,327	0	0
Fees						
Airport Fees	1,150	0	0	0	0	0
Copy Fees	1,734	0	0	0	0	0
Library Fees	669	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0
Telephone Commissions	15,739	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	2,992	0	0	0	0	0
Data Processing Fee - Sheriff	1,053	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,100	0	0	0	0	0
Data Processing Fee - County Clerk	129	0	0	0	0	0
Total Charges for Current Services	$ 26,097	$ 0	$ 49,561	$ 921,327	$ 0	$ 0

(Continued)

Exhibit J-6

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
Other Local Revenues						
Recurring Items						
Investment Income	$ 16,881	$ 0	$ 0	$ 0	$ 0	$ 0
Lease/Rentals	176,827	0	0	0	0	0
Sale of Materials and Supplies	193	0	2,678	0	0	0
Commissary Sales	5,455	0	0	0	0	0
Sale of Maps	60	0	0	0	0	0
Sale of Recycled Materials	0	0	340	0	0	3,111
Miscellaneous Refunds	8,679	0	0	0	0	1,294
Expenditure Credits	0	0	0	0	0	250
Nonrecurring Items						
Sale of Equipment	3,261	0	0	0	0	74,984
Other Local Revenues						
Other Local Revenues	2,724	0	0	0	0	2,000
Total Other Local Revenues	$ 214,080	$ 0	$ 3,018	$ 0	$ 0	$ 81,639
Fees Received From County Officials						
Excess Fees						
Other Officials	$ 2,400	$ 0	$ 0	$ 0	$ 0	$ 0
Fees In-Lieu-of Salary						
County Clerk	67,808	0	0	0	0	0
Circuit Court Clerk	31,325	0	0	0	0	0
General Sessions Court Clerk	34,081	0	0	0	0	0
Clerk and Master	45,677	0	0	0	0	0
Register	33,917	0	0	0	0	0
Sheriff	3,607	0	0	0	0	0
Trustee	146,316	0	0	0	0	0
Total Fees Received From County Officials	$ 365,131	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit J-6

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0	$ 0
Solid Waste Grants	0	0	33,739	0	0	0
On-behalf Contributions for OPEB	200	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	9,000	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	16,727	0	0	0	0	0
Other State Revenues						
Income Tax	8,732	0	0	0	0	0
Resort District Sales Tax	93,099	0	0	0	0	0
Beer Tax	18,055	0	0	0	0	0
Vehicle Certificate of Title Fees	10,807	0	0	0	0	0
Alcoholic Beverage Tax	33,018	0	0	0	0	0
State Revenue Sharing - T.V.A.	346,848	0	74,676	0	0	0
Contracted Prisoner Boarding	60,169	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	3,676	0	0	0	0	0
Other State Revenues	20,698	0	0	0	0	0
Total State of Tennessee	$ 645,193	$ 0	$ 108,415	$ 0	$ 0	$ 0

(Continued)

Exhibit J-6

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
Federal Government						
Federal Through State						
Civil Defense Reimbursement	$ 14,555	$ 0	$ 0	$ 0	$ 0	$ 0
Other Federal through State	109,209	0	0	0	0	0
Total Federal Government	$ 123,764	$ 0	$ 0	$ 0	$ 0	$ 0
Other Governments and Citizens Groups						
Other Governments						
Prisoner Board	$ 6,659	$ 0	$ 0	$ 0	$ 0	$ 0
Paving and Maintenance	0	0	0	0	0	0
Contributions	58,082	0	0	0	0	0
Contracted Services	150,000	0	0	0	0	0
Citizens Groups						
Donations	2,000	0	0	0	0	0
Total Other Governments and Citizens Groups	$ 216,741	$ 0	$ 0	$ 0	$ 0	$ 0
Total	$ 4,002,758	$ 20,191	$ 624,458	$ 921,327	$ 5,721	$ 89,885

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 0	$ 0	$ 117,557	$ 2,499,762
Trustee's Collections - Prior Year	0	0	5,724	121,486
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	2,812	59,804
Interest and Penalty	0	0	1,064	22,592
Pickup Taxes	0	0	29	418
Payments in-Lieu-of Taxes - T.V.A.	0	0	110	2,346
Payments in-Lieu-of Taxes - Other	0	0	4	92
County Local Option Taxes				
Local Option Sales Tax	0	0	529,320	621,827
Hotel/Motel Tax	0	0	0	8,317
Litigation Tax - General	0	0	0	23,766
Litigation Tax - Special Purpose	0	0	0	4,121
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	671	18,510
Business Tax	0	0	0	28,807
Mineral Severance Tax	0	60,391	0	60,391
Statutory Local Taxes				
Bank Excise Tax	0	0	1,818	38,655
Wholesale Beer Tax	0	0	0	50,563
Interstate Telecommunications Tax	0	0	0	671
Total Local Taxes	$ 0	$ 60,391	$ 659,109	$ 3,562,128
Licenses and Permits				
Permits				
Beer Permits	$ 0	$ 0	$ 0	$ 240
Other Permits	0	0	0	745
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 985

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Fines, Forfeitures, and Penalties				
Circuit Court				
Jail Fees	$ 0	$ 0	$ 0	$ 332
Data Entry Fee - Circuit Court	0	0	0	682
Courtroom Security Fee	0	0	0	20
Criminal Court				
Fines	0	0	0	1,458
Jail Fees	0	0	0	33
DUI Treatment Fines	0	0	0	286
General Sessions Court				
Fines	0	0	0	10,727
Officers Costs	0	0	0	10,341
Game and Fish Fines	0	0	0	439
Drug Control Fines	0	0	0	4,467
Drug Court Fees	0	0	0	1,503
Jail Fees	0	0	0	6,250
DUI Treatment Fines	0	0	0	1,178
Courtroom Security Fee	0	0	0	16
Juvenile Court				
Fines	0	0	0	3,658
Chancery Court				
Officers Costs	0	0	0	2,159
Data Entry Fee - Chancery Court	0	0	0	1,310
Courtroom Security Fee	0	0	0	17,386
Judicial District Drug Program				
Courtroom Security Fee	0	0	0	23

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Fines, Forfeitures, and Penalties (Cont.)				
Other Fines, Forfeitures, and Penalties				
Proceeds from Confiscated Property	$ 0	$ 0	$ 0	$ 3,493
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 65,761
Charges for Current Services				
General Service Charges				
Self-Insurance Premiums/Contributions	$ 0	$ 0	$ 0	$ 1,481
Tipping Fees	0	0	0	1,446
Solid Waste Disposal Fee	0	0	0	46,670
Surcharge - Waste Tire Disposal	0	0	0	1,445
Patient Charges	0	0	0	921,327
Fees				
Airport Fees	0	0	0	1,150
Copy Fees	0	0	0	1,734
Library Fees	0	0	0	669
Greenbelt Late Application Fee	0	0	0	50
Telephone Commissions	0	0	0	15,739
Constitutional Officers' Fees and Commissions	9,850	0	0	9,850
Data Processing Fee - Register	0	0	0	2,992
Data Processing Fee - Sheriff	0	0	0	1,053
Sexual Offender Registration Fee - Sheriff	0	0	0	1,100
Data Processing Fee - County Clerk	0	0	0	129
Total Charges for Current Services	$ 9,850	$ 0	$ 0	$ 1,006,835

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Other Local Revenues				
Recurring Items				
Investment Income	$ 0	$ 0	$ 0	$ 16,881
Lease/Rentals	0	0	48,350	225,177
Sale of Materials and Supplies	0	2,605	0	5,476
Commissary Sales	0	0	0	5,455
Sale of Maps	0	0	0	60
Sale of Recycled Materials	0	208	0	3,659
Miscellaneous Refunds	0	1,046	0	11,019
Expenditure Credits	0	0	0	250
Nonrecurring Items				
Sale of Equipment	0	0	0	78,245
Other Local Revenues				
Other Local Revenues	0	0	0	4,724
Total Other Local Revenues	$ 0	$ 3,859	$ 48,350	$ 350,946
Fees Received From County Officials				
Excess Fees				
Other Officials	$ 0	$ 0	$ 0	$ 2,400
Fees In-Lieu-of Salary				
County Clerk	0	0	0	67,808
Circuit Court Clerk	0	0	0	31,325
General Sessions Court Clerk	0	0	0	34,081
Clerk and Master	0	0	0	45,677
Register	0	0	0	33,917
Sheriff	0	0	0	3,607
Trustee	0	0	0	146,316
Total Fees Received From County Officials	$ 0	$ 0	$ 0	$ 365,131

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
State of Tennessee				
General Government Grants				
Juvenile Services Program	$ 0	$ 0	$ 0	$ 9,000
Solid Waste Grants	0	0	0	33,739
On-behalf Contributions for OPEB	0	0	0	200
Public Safety Grants				
Law Enforcement Training Programs	0	0	0	9,000
Public Works Grants				
Bridge Program	0	87,458	0	87,458
State Aid Program	0	281,447	0	281,447
Litter Program	0	0	0	16,727
Other State Revenues				
Income Tax	0	0	0	8,732
Resort District Sales Tax	0	0	0	93,099
Beer Tax	0	0	0	18,055
Vehicle Certificate of Title Fees	0	0	0	10,807
Alcoholic Beverage Tax	0	0	0	33,018
State Revenue Sharing - T.V.A.	0	0	20,801	442,325
Contracted Prisoner Boarding	0	0	196,664	256,833
Gasoline and Motor Fuel Tax	0	1,536,729	0	1,536,729
Petroleum Special Tax	0	5,711	0	5,711
Registrar's Salary Supplement	0	0	0	15,164
Other State Grants	0	0	0	3,676
Other State Revenues	0	0	0	20,698
Total State of Tennessee	$ 0	$ 1,911,345	$ 217,465	$ 2,882,418

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Federal Government				
Federal Through State				
Civil Defense Reimbursement	$ 0	$ 0	$ 0	$ 14,555
Other Federal through State	0	0	0	109,209
Total Federal Government	$ 0	$ 0	$ 0	$ 123,764
Other Governments and Citizens Groups				
Other Governments				
Prisoner Board	$ 0	$ 0	$ 19,976	$ 26,635
Paving and Maintenance	0	6,740	0	6,740
Contributions	0	0	205,282	263,364
Contracted Services	0	0	0	150,000
Citizens Groups				
Donations	0	0	0	2,000
Total Other Governments and Citizens Groups	$ 0	$ 6,740	$ 225,258	$ 448,739
Total	$ 9,850	$ 1,982,335	$ 1,150,182	$ 8,806,707

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, 2015

		Special Revenue Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 1,300,931	$ 0	$ 0	$ 1,300,931
Trustee's Collections - Prior Year	62,974	0	0	62,974
Circuit Clerk/Clerk and Master Collections - Prior Years	32,991	0	0	32,991
Interest and Penalty	11,711	0	0	11,711
Pickup Taxes	228	0	0	228
Payments in-Lieu-of Taxes - T.V.A.	1,216	0	0	1,216
Payments in-Lieu-of Taxes - Other	48	0	0	48
County Local Option Taxes				
Local Option Sales Tax	222,183	0	0	222,183
Statutory Local Taxes				
Bank Excise Tax	20,034	0	0	20,034
Interstate Telecommunications Tax	722	0	0	722
Total Local Taxes	$ 1,653,038	$ 0	$ 0	$ 1,653,038
Licenses and Permits				
Licenses				
Marriage Licenses	$ 684	$ 0	$ 0	$ 684
Total Licenses and Permits	$ 684	$ 0	$ 0	$ 684
Charges for Current Services				
Education Charges				
Tuition - Other	$ 1,200	$ 0	$ 0	$ 1,200
Lunch Payments - Children	0	0	155,981	155,981
Lunch Payments - Adults	0	0	20,111	20,111

(Continued)

Exhibit J-7

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

		Special Revenue Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Total
Charges for Current Services (Cont.)				
Education Charges (Cont.)				
Income from Breakfast	$ 0	$ 0	$ 8,875	$ 8,875
Receipts from Individual Schools	20,815	0	0	20,815
TBI Criminal Background Fee	1,038	0	0	1,038
Total Charges for Current Services	$ 23,053	$ 0	$ 184,967	$ 208,020
Other Local Revenues				
Recurring Items				
Investment Income	$ 3,706	$ 0	$ 781	$ 4,487
Sale of Materials and Supplies	315	0	0	315
E-Rate Funding	20,018	0	0	20,018
Miscellaneous Refunds	3,842	0	345	4,187
Nonrecurring Items				
Sale of Equipment	12,780	0	0	12,780
Sale of Property	200	0	0	200
Contributions and Gifts	2,200	0	0	2,200
Other Local Revenues				
Other Local Revenues	14,740	0	0	14,740
Total Other Local Revenues	$ 57,801	$ 0	$ 1,126	$ 58,927
State of Tennessee				
General Government Grants				
On-behalf Contributions for OPEB	$ 35,347	$ 0	$ 0	$ 35,347
State Education Funds				
Basic Education Program	5,914,271	0	0	5,914,271

(Continued)

Exhibit J-7

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

		Special Revenue Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Total
State of Tennessee (Cont.)				
State Education Funds (Cont.)				
Early Childhood Education	$ 300,257	$ 0	$ 0	$ 300,257
School Food Service	0	0	6,141	6,141
Other State Education Funds	291,495	0	0	291,495
Career Ladder Program	49,085	0	0	49,085
Career Ladder - Extended Contract	11,470	0	0	11,470
Other State Revenues				
State Revenue Sharing - T.V.A.	229,256	0	0	229,256
Total State of Tennessee	$ 6,831,181	$ 0	$ 6,141	$ 6,837,322
Federal Government				
Federal Through State				
USDA School Lunch Program	$ 0	$ 0	$ 316,179	$ 316,179
USDA - Commodities	0	0	35,896	35,896
Breakfast	0	0	95,290	95,290
Vocational Education - Basic Grants to States	0	24,546	0	24,546
Title I Grants to Local Education Agencies	0	391,283	0	391,283
Special Education - Grants to States	38,410	381,872	0	420,282
Special Education Preschool Grants	0	26,571	0	26,571
Rural Education	0	16,840	0	16,840
Eisenhower Professional Development State Grants	0	63,122	0	63,122
Race to the Top - ARRA	0	18,070	0	18,070
Total Federal Government	$ 38,410	$ 922,304	$ 447,365	$ 1,408,079

(Continued)

Exhibit J-7

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

		Special Revenue Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Total
Other Governments and Citizens Groups				
Other Governments				
Contributions	$ 82,150	$ 0	$ 0	$ 82,150
Total Other Governments and Citizens Groups	$ 82,150	$ 0	$ 0	$ 82,150
Total	$ 8,686,317	$ 922,304	$ 639,599	$ 10,248,220

Exhibit J-8

Perry County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2015

General Fund				
General Government				
County Commission				
Board and Committee Members Fees	$	24,063		
Social Security		1,457		
State Retirement		1,230		
Employer Medicare		341		
On-behalf Payments to OPEB		200		
Audit Services		2,375		
Legal Services		150		
Legal Notices, Recording, and Court Costs		817		
Travel		105		
Office Supplies		37		
Judgments		214,140		
Total County Commission			$	244,915
County Mayor/Executive				
County Official/Administrative Officer	$	68,586		
Accountants/Bookkeepers		24,336		
Secretary(ies)		30,883		
Longevity Pay		1,700		
Other Salaries and Wages		3,000		
In-service Training		600		
Social Security		7,089		
State Retirement		12,025		
Employer Medicare		1,658		
Communication		2,816		
Data Processing Services		5,080		
Legal Notices, Recording, and Court Costs		63		
Postal Charges		54		
Printing, Stationery, and Forms		287		
Travel		788		
Data Processing Supplies		1,900		
Gasoline		86		
Office Supplies		203		
Premiums on Corporate Surety Bonds		1,190		
Data Processing Equipment		7,299		
Total County Mayor/Executive				169,643
County Attorney				
Legal Services	$	4,950		
Total County Attorney				4,950
Election Commission				
County Official/Administrative Officer	$	52,509		
Deputy(ies)		23,814		
Longevity Pay		1,300		
Election Commission		2,125		
Election Workers		11,250		
Social Security		4,845		

(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.)				
State Retirement	$	7,557		
Employer Medicare		1,133		
Communication		1,164		
Contracts with Private Agencies		19,000		
Data Processing Services		3,380		
Dues and Memberships		1,475		
Legal Notices, Recording, and Court Costs		2,205		
Postal Charges		25		
Printing, Stationery, and Forms		1,284		
Travel		1,536		
Other Contracted Services		6,220		
Electricity		1,158		
Natural Gas		5		
Office Supplies		575		
Water and Sewer		10		
Other Supplies and Materials		65		
Premiums on Corporate Surety Bonds		50		
Furniture and Fixtures		200		
Total Election Commission			$	142,885
Register of Deeds				
County Official/Administrative Officer	$	58,343		
Deputy(ies)		26,460		
Longevity Pay		1,200		
Social Security		4,768		
State Retirement		8,373		
Employer Medicare		1,115		
Communication		2,262		
Data Processing Services		3,940		
Dues and Memberships		437		
Operating Lease Payments		1,044		
Postal Charges		54		
Printing, Stationery, and Forms		502		
Data Processing Supplies		263		
Office Supplies		1,223		
Premiums on Corporate Surety Bonds		124		
Total Register of Deeds				110,108
Geographical Information Systems				
Road Signs	$	26		
Total Geographical Information Systems				26
County Buildings				
Custodial Personnel	$	18,868		
Longevity Pay		200		
Social Security		1,176		
State Retirement		1,900		

(Continued)

Exhibit J-8

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Employer Medicare	$ 275	
Communication	108	
Contracts with Private Agencies	1,045	
Maintenance and Repair Services - Buildings	15,886	
Maintenance and Repair Services - Equipment	2,840	
Other Contracted Services	2,258	
Custodial Supplies	3,200	
Electricity	24,267	
Natural Gas	14,038	
Office Supplies	19	
Water and Sewer	2,463	
Other Supplies and Materials	371	
Liability Insurance	108,011	
Medical Claims	295	
Workers' Compensation Insurance	104,617	
Other Charges	60	
Total County Buildings		$ 301,897
Preservation of Records		
Other Supplies and Materials	$ 1,495	
Total Preservation of Records		1,495
Finance		
Property Assessor's Office		
County Official/Administrative Officer	$ 58,343	
Deputy(ies)	26,460	
Longevity Pay	1,900	
Social Security	4,758	
State Retirement	8,441	
Employer Medicare	1,113	
Communication	3,382	
Contracts with Private Agencies	1,905	
Operating Lease Payments	2,354	
Postal Charges	147	
Travel	142	
Gasoline	87	
Office Supplies	524	
Other Charges	35	
Total Property Assessor's Office		109,591
Reappraisal Program		
Assistant(s)	$ 26,460	
Longevity Pay	600	
Other Salaries and Wages	1,800	
Board and Committee Members Fees	600	
Social Security	1,751	
State Retirement	2,810	

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Finance (Cont.)				
Reappraisal Program (Cont.)				
Employer Medicare	$	410		
Contracts with Government Agencies		3,318		
Contracts with Private Agencies		5,796		
Data Processing Services		2,572		
Legal Notices, Recording, and Court Costs		69		
Postal Charges		54		
Travel		487		
Data Processing Supplies		2,617		
Gasoline		140		
Office Supplies		76		
Other Supplies and Materials		27		
Total Reappraisal Program			$	49,587
County Trustee's Office				
County Official/Administrative Officer	$	58,343		
Deputy(ies)		26,460		
Longevity Pay		1,600		
Social Security		5,095		
State Retirement		8,412		
Employer Medicare		1,192		
Communication		2,262		
Data Processing Services		7,462		
Dues and Memberships		437		
Maintenance and Repair Services - Office Equipment		120		
Postal Charges		2,264		
Printing, Stationery, and Forms		2,030		
Data Processing Supplies		154		
Office Supplies		978		
Premiums on Corporate Surety Bonds		2,340		
Office Equipment		9		
Total County Trustee's Office				119,158
County Clerk's Office				
County Official/Administrative Officer	$	58,343		
Deputy(ies)		26,460		
Longevity Pay		200		
Social Security		5,201		
State Retirement		8,275		
Employer Medicare		1,216		
Communication		2,262		
Data Processing Services		12,887		
Dues and Memberships		437		
Operating Lease Payments		1,015		
Legal Notices, Recording, and Court Costs		60		
Postal Charges		54		
Printing, Stationery, and Forms		46		
Office Supplies		1,768		

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Finance (Cont.)				
County Clerk's Office (Cont.)				
Other Supplies and Materials	$	20		
Premiums on Corporate Surety Bonds		271		
Total County Clerk's Office			$	118,515
Administration of Justice				
Circuit Court				
County Official/Administrative Officer	$	58,343		
Deputy(ies)		28,581		
Secretary(ies)		26,460		
Longevity Pay		1,700		
Other Salaries and Wages		4,500		
Jury and Witness Expense		3,466		
Social Security		6,664		
State Retirement		11,642		
Employer Medicare		1,558		
Communication		2,415		
Data Processing Services		11,574		
Dues and Memberships		497		
Operating Lease Payments		2,194		
Legal Notices, Recording, and Court Costs		375		
Postal Charges		54		
Printing, Stationery, and Forms		845		
Travel		1,000		
Other Contracted Services		250		
Office Supplies		1,757		
Other Supplies and Materials		15		
Premiums on Corporate Surety Bonds		346		
Total Circuit Court				164,236
General Sessions Court				
Judge(s)	$	62,645		
Secretary(ies)		14,500		
Longevity Pay		600		
Social Security		4,820		
State Retirement		6,502		
Employer Medicare		1,127		
Communication		2,262		
Dues and Memberships		485		
Operating Lease Payments		1,109		
Postal Charges		50		
Printing, Stationery, and Forms		497		
Travel		684		
Office Supplies		499		
Other Supplies and Materials		263		
Total General Sessions Court				96,043

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Chancery Court				
County Official/Administrative Officer	$	58,343		
Deputy(ies)		21,790		
Social Security		4,917		
State Retirement		7,801		
Employer Medicare		1,150		
Communication		2,262		
Data Processing Services		5,654		
Dues and Memberships		597		
Operating Lease Payments		952		
Legal Services		375		
Legal Notices, Recording, and Court Costs		847		
Postal Charges		697		
Printing, Stationery, and Forms		1,205		
Travel		227		
Data Processing Supplies		726		
Office Supplies		1,206		
Premiums on Corporate Surety Bonds		173		
Total Chancery Court			$	108,922
Juvenile Court				
Assistant(s)	$	9,685		
Social Security		601		
Employer Medicare		140		
Communication		3,308		
Travel		350		
Data Processing Supplies		60		
Office Supplies		17		
Other Charges		42		
Total Juvenile Court				14,203
Other Administration of Justice				
Teachers	$	1,000		
Social Security		62		
State Retirement		97		
Employer Medicare		15		
Total Other Administration of Justice				1,174
Public Safety				
Sheriff's Department				
County Official/Administrative Officer	$	64,778		
Deputy(ies)		467,976		
Secretary(ies)		27,132		
Part-time Personnel		5,084		
Longevity Pay		4,200		
Other Salaries and Wages		2,310		
In-service Training		23,062		
Social Security		36,584		

(Continued)

Exhibit J-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
State Retirement	$ 43,071	
Employer Medicare	8,556	
Communication	11,670	
Contracts with Private Agencies	2,526	
Evaluation and Testing	350	
Operating Lease Payments	2,414	
Legal Services	1,250	
Maintenance and Repair Services - Equipment	68	
Maintenance and Repair Services - Vehicles	12,846	
Postal Charges	1,189	
Printing, Stationery, and Forms	38	
Travel	1,352	
Electricity	4,557	
Food Supplies	233	
Gasoline	56,402	
Office Supplies	3,700	
Uniforms	1,356	
Water and Sewer	1,052	
Other Supplies and Materials	6,942	
Premiums on Corporate Surety Bonds	501	
Communication Equipment	9,958	
Law Enforcement Equipment	5,137	
Total Sheriff's Department		$ 806,294
Jail		
Supervisor/Director	$ 28,764	
Deputy(ies)	300,407	
Captain(s)	32,154	
Accountants/Bookkeepers	25,963	
Maintenance Personnel	26,745	
Part-time Personnel	13,745	
Longevity Pay	2,600	
In-service Training	9,616	
Social Security	27,120	
State Retirement	33,731	
Employer Medicare	6,343	
Communication	9,444	
Contracts with Private Agencies	1,528	
Evaluation and Testing	750	
Operating Lease Payments	90	
Maintenance and Repair Services - Buildings	350	
Maintenance and Repair Services - Equipment	10,000	
Maintenance and Repair Services - Vehicles	1,008	
Medical and Dental Services	102,082	
Pest Control	1,125	
Postal Charges	138	
Travel	302	

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Public Safety (Cont.)				
Jail (Cont.)				
Custodial Supplies	$	9,016		
Electricity		37,901		
Food Supplies		49,449		
Gasoline		11,315		
Law Enforcement Supplies		522		
Natural Gas		11,697		
Office Supplies		795		
Prisoners Clothing		2,192		
Uniforms		968		
Water and Sewer		10,415		
Other Supplies and Materials		5,067		
Specialized Medical Treatment		39,750		
Total Jail			$	813,092
Civil Defense				
Supervisor/Director	$	12,485		
Accountants/Bookkeepers		26,460		
Longevity Pay		300		
Social Security		2,433		
State Retirement		3,821		
Employer Medicare		569		
Communication		600		
Dues and Memberships		135		
Maintenance and Repair Services - Office Equipment		229		
Travel		309		
Electricity		558		
Gasoline		41		
Other Supplies and Materials		11,024		
Total Civil Defense				58,964
Rescue Squad				
Maintenance and Repair Services - Office Equipment	$	533		
Maintenance and Repair Services - Vehicles		1,120		
Gasoline		2,547		
Other Supplies and Materials		634		
Vehicle and Equipment Insurance		1,832		
Other Equipment		3,221		
Total Rescue Squad				9,887
Other Emergency Management				
Supervisor/Director	$	29,067		
Dispatchers/Radio Operators		84,083		
Part-time Personnel		29,557		
Longevity Pay		2,300		
Social Security		8,967		
State Retirement		11,240		
Employer Medicare		2,097		
Communication		128		
Total Other Emergency Management				167,439

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Public Safety (Cont.)				
County Coroner/Medical Examiner				
Pauper Burials	$	720		
Other Contracted Services		13,478		
Total County Coroner/Medical Examiner			$	14,198
Other Public Safety				
Longevity Pay	$	700		
Other Salaries and Wages		31,322		
In-service Training		75		
Social Security		1,985		
State Retirement		230		
Employer Medicare		464		
Communication		177		
Uniforms		78		
Other Supplies and Materials		118		
Total Other Public Safety				35,149
Public Health and Welfare				
Local Health Center				
Communication	$	95		
Contracts with Government Agencies		25,569		
Dues and Memberships		200		
Janitorial Services		3,985		
Maintenance and Repair Services - Buildings		316		
Pest Control		90		
Printing, Stationery, and Forms		480		
Other Contracted Services		402		
Custodial Supplies		197		
Electricity		6,121		
Food Supplies		104		
Office Supplies		444		
Water and Sewer		275		
Other Supplies and Materials		258		
Furniture and Fixtures		108		
Total Local Health Center				38,644
Social, Cultural, and Recreational Services				
Senior Citizens Assistance				
Contributions	$	10,000		
Total Senior Citizens Assistance				10,000
Libraries				
Supervisor/Director	$	21,420		
Librarians		17,340		
Part-time Personnel		28,280		
In-service Training		100		
Social Security		3,592		
State Retirement		3,773		

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Social, Cultural, and Recreational Services (Cont.)				
Libraries (Cont.)				
Employer Medicare	$	840		
Communication		1,554		
Contracts with Private Agencies		360		
Operating Lease Payments		3,856		
Maintenance and Repair Services - Buildings		699		
Matching Share		3,832		
Postal Charges		71		
Printing, Stationery, and Forms		254		
Travel		444		
Other Contracted Services		582		
Custodial Supplies		1,380		
Data Processing Supplies		746		
Electricity		6,125		
Library Books/Media		3,411		
Natural Gas		903		
Office Supplies		1,263		
Water and Sewer		519		
Other Supplies and Materials		1,165		
Other Charges		1,467		
Total Libraries			$	103,976
Parks and Fair Boards				
Other Supplies and Materials	$	1,660		
Other Charges		7,552		
Site Development		82,086		
Total Parks and Fair Boards				91,298
Other Social, Cultural, and Recreational				
Contributions	$	20,000		
Maintenance and Repair Services - Equipment		90		
Electricity		4,569		
Water and Sewer		127		
Other Charges		4,054		
Total Other Social, Cultural, and Recreational				28,840
Agriculture and Natural Resources				
Agricultural Extension Service				
Salary Supplements	$	21,199		
Secretary(ies)		5,902		
Social Security		998		
State Retirement		2,998		
Employer Medicare		188		
Other Fringe Benefits		433		
Communication		1,458		
Travel		1,931		
Electricity		617		
Natural Gas		5		

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Agriculture and Natural Resources (Cont.)				
Agricultural Extension Service (Cont.)				
Office Supplies	$	142		
Water and Sewer		10		
Total Agricultural Extension Service			$	35,881
Forest Service				
Forest Resource Services	$	2,000		
Total Forest Service				2,000
Soil Conservation				
Contracts with Government Agencies	$	15,000		
Total Soil Conservation				15,000
Other Operations				
Tourism				
Communication	$	97		
Dues and Memberships		1,926		
Other Contracted Services		27,000		
Other Charges		3,750		
Total Tourism				32,773
Industrial Development				
Communication	$	97		
Legal Notices, Recording, and Court Costs		57		
Gasoline		903		
Total Industrial Development				1,057
Airport				
Maintenance and Repair Services - Equipment	$	230		
Diesel Fuel		54		
Electricity		1,022		
Gasoline		441		
Utilities		881		
Water and Sewer		237		
Other Supplies and Materials		1,033		
Airport Improvement		12,108		
Total Airport				16,006
Veterans' Services				
Other Salaries and Wages	$	9,500		
In-service Training		752		
Social Security		572		
Employer Medicare		134		
Communication		2,262		
Data Processing Services		399		
Dues and Memberships		55		
Travel		1,180		
Office Supplies		538		
Total Veterans' Services				15,392

(Continued)

Exhibit J-8

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

General Fund (Cont.)			
Other Operations (Cont.)			
Other Charges			
Trustee's Commission	$ 52,000		
Total Other Charges		$ 52,000	
Employee Benefits			
Unemployment Compensation	$ 15,132		
Specialized Medical Treatment	280		
Other Charges	2,109		
Total Employee Benefits		17,521	
Miscellaneous			
State Retirement	$ 42		
Communication	1,524		
Contracts with Government Agencies	1,200		
Dues and Memberships	1,418		
Operating Lease Payments	3,745		
Legal Notices, Recording, and Court Costs	71		
Postal Charges	8,432		
Printing, Stationery, and Forms	20		
Other Contracted Services	3,936		
Custodial Supplies	133		
Office Supplies	692		
Other Supplies and Materials	3,242		
Other Charges	2,772		
Total Miscellaneous		27,227	
Highways			
Litter and Trash Collection			
Part-time Personnel	$ 12,729		
In-service Training	6,428		
Social Security	904		
State Retirement	1,599		
Employer Medicare	212		
Other Supplies and Materials	502		
Total Litter and Trash Collection		22,374	
Capital Projects			
Public Health and Welfare Projects			
Advertising	$ 207		
Other Construction	30,000		
Total Public Health and Welfare Projects		30,207	
Total General Fund			$ 4,202,567
Courthouse and Jail Maintenance Fund			
General Government			
County Buildings			
Maintenance and Repair Services - Buildings	$ 2,673		
Total County Buildings		$ 2,673	

(Continued)

Exhibit J-8

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

Courthouse and Jail Maintenance Fund (Cont.)			
Public Safety			
Jail			
Maintenance and Repair Services - Buildings	$ 9,702		
Total Jail		$ 9,702	
Other Operations			
Other Charges			
Trustee's Commission	$ 202		
Total Other Charges		202	
Total Courthouse and Jail Maintenance Fund			$ 12,577
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Sanitation Education/Information			
Trustee's Commission	$ 10,245		
Total Sanitation Education/Information		$ 10,245	
Convenience Centers			
Laborers	$ 20,720		
Part-time Personnel	14,762		
Longevity Pay	100		
Social Security	2,206		
State Retirement	1,991		
Employer Medicare	516		
Communication	909		
Maintenance and Repair Services - Buildings	858		
Electricity	564		
Gasoline	42		
Natural Gas	179		
Water and Sewer	346		
Other Supplies and Materials	4		
Total Convenience Centers		43,197	
Transfer Stations			
Equipment Operators	$ 60,164		
Longevity Pay	1,500		
Social Security	3,829		
State Retirement	4,710		
Employer Medicare	896		
Communication	2,024		
Contracts with Private Agencies	202,201		
Maintenance Agreements	1,500		
Maintenance and Repair Services - Buildings	84		
Maintenance and Repair Services - Equipment	44,180		
Maintenance and Repair Services - Vehicles	3,875		
Travel	79		
Other Contracted Services	8,422		
Diesel Fuel	37,918		

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Transfer Stations (Cont.)			
Electricity	$ 5,262		
Gasoline	12,061		
Natural Gas	1,159		
Uniforms	6,090		
Water and Sewer	563		
Other Supplies and Materials	4,011		
Other Charges	80		
Solid Waste Equipment	27,197		
Total Transfer Stations		$ 427,805	
Landfill Operation and Maintenance			
Supervisor/Director	$ 29,873		
Equipment Operators	19,519		
Longevity Pay	1,600		
In-service Training	205		
Social Security	3,151		
State Retirement	4,964		
Employer Medicare	737		
Contracts with Private Agencies	74		
Evaluation and Testing	5,000		
Legal Notices, Recording, and Court Costs	32		
Maintenance Agreements	4,000		
Maintenance and Repair Services - Equipment	15,772		
Travel	72		
Other Contracted Services	100		
Electricity	1,099		
Other Charges	75		
Total Landfill Operation and Maintenance		86,273	
Other Operations			
Employee Benefits			
Other Charges	$ 163		
Total Employee Benefits		163	
Highways			
Litter and Trash Collection			
Part-time Personnel	$ 313		
Total Litter and Trash Collection		313	
Total Solid Waste/Sanitation Fund			$ 567,996
Ambulance Service Fund			
Public Health and Welfare			
Ambulance/Emergency Medical Services			
Assistant(s)	$ 6		
Supervisor/Director	36,414		
Medical Personnel	359,191		

(Continued)

Exhibit J-8

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

Ambulance Service Fund (Cont.)			
Public Health and Welfare (Cont.)			
Ambulance/Emergency Medical Services (Cont.)			
Part-time Personnel	$ 90,675		
Longevity Pay	700		
Other Salaries and Wages	2,000		
Board and Committee Members Fees	125		
In-service Training	6,242		
Social Security	30,538		
State Retirement	33,874		
Employer Medicare	7,142		
Communication	2,952		
Contracts with Private Agencies	60,104		
Dues and Memberships	1,113		
Legal Services	44		
Legal Notices, Recording, and Court Costs	150		
Licenses	2,500		
Maintenance and Repair Services - Equipment	1,426		
Maintenance and Repair Services - Vehicles	16,542		
Postal Charges	154		
Custodial Supplies	874		
Diesel Fuel	32,126		
Drugs and Medical Supplies	29,036		
Electricity	5,637		
Gasoline	2,155		
General Construction Materials	588		
Natural Gas	921		
Office Supplies	550		
Uniforms	732		
Water and Sewer	632		
Premiums on Corporate Surety Bonds	50		
Refunds	5,970		
Other Charges	91		
Communication Equipment	120		
Office Equipment	1,262		
Other Equipment	7,897		
Total Ambulance/Emergency Medical Services		$ 740,533	
Other Operations			
Other Charges			
Trustee's Commission	$ 9,688		
Total Other Charges		9,688	
Employee Benefits			
Other Charges	$ 305		
Total Employee Benefits		305	
Total Ambulance Service Fund			$ 750,526

(Continued)

Exhibit J-8

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

Special Purpose Fund			
Administration of Justice			
Circuit Court			
Trustee's Commission	$ 57		
Total Circuit Court		$ 57	
Total Special Purpose Fund			$ 57
Drug Control Fund			
Public Safety			
Drug Enforcement			
Payments to Schools - Other	$ 2,062		
Animal Food and Supplies	974		
Data Processing Supplies	213		
Fuel Oil	1,696		
Other Supplies and Materials	55,992		
Liability Insurance	2,663		
Trustee's Commission	721		
Law Enforcement Equipment	4,826		
Total Drug Enforcement		$ 69,147	
Total Drug Control Fund			69,147
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	$ 9,800		
Total Chancery Court		9,800	
Total Constitutional Officers - Fees Fund			9,850
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 64,178		
Accountants/Bookkeepers	32,056		
Communication	1,485		
Data Processing Services	6,455		
Dues and Memberships	2,250		
Legal Services	600		
Postal Charges	246		
Printing, Stationery, and Forms	215		
Electricity	1,775		
Food Supplies	121		
Natural Gas	2,384		
Office Supplies	3,377		

(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.)				
Water and Sewer	$	235		
Other Charges		3,985		
Total Administration			$	119,362
Highway and Bridge Maintenance				
Foremen	$	94,984		
Equipment Operators		127,230		
Truck Drivers		147,637		
Asphalt - Hot Mix		91,331		
Asphalt - Liquid		94,157		
Crushed Stone		57,471		
Fertilizer, Lime, and Seed		814		
Riprap		36,283		
Other Road Materials		55		
Pipe		17,050		
Road Signs		811		
Small Tools		13		
Wood Products		19		
Gravel and Chert		2,500		
Geotextile Materials		2,640		
Total Highway and Bridge Maintenance				672,995
Operation and Maintenance of Equipment				
Mechanic(s)	$	32,864		
Diesel Fuel		54,398		
Equipment and Machinery Parts		74,276		
Garage Supplies		6,493		
Gasoline		18,796		
Lubricants		5,787		
Tires and Tubes		17,929		
Other Supplies and Materials		377		
Total Operation and Maintenance of Equipment				210,920
Other Charges				
Building and Contents Insurance	$	1,276		
Liability Insurance		5,600		
Premiums on Corporate Surety Bonds		793		
Trustee's Commission		15,970		
Vehicle and Equipment Insurance		8,000		
Workers' Compensation Insurance		53,756		
Other Self-insured Claims		984		
Total Other Charges				86,379
Employee Benefits				
Social Security	$	37,585		
State Retirement		43,948		
Life Insurance		520		

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Employee Benefits (Cont.)			
Medical Insurance	$ 84,820		
Unemployment Compensation	1,788		
Total Employee Benefits		$ 168,661	
Capital Outlay			
Matching Share	$ 4,176		
Bridge Construction	52,487		
Highway Equipment	79,000		
Motor Vehicles	68,846		
State Aid Projects	379,605		
Total Capital Outlay		584,114	
Total Highway/Public Works Fund			$ 1,842,431
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 448,400		
Total General Government		$ 448,400	
Education			
Principal on Bonds	$ 374,600		
Principal on Notes	31,348		
Principal on Capital Leases	13,184		
Principal on Other Loans	486,000		
Total Education		905,132	
Interest on Debt			
General Government			
Interest on Bonds	$ 34,890		
Total General Government		34,890	
Education			
Interest on Bonds	$ 30,598		
Interest on Notes	2,608		
Interest on Other Loans	4,193		
Total Education		37,399	
Other Debt Service			
General Government			
Trustee's Commission	$ 8,669		
Other Debt Service	41,281		
Total General Government		49,950	
Education			
Other Debt Service	$ 10,192		
Total Education		10,192	
Total General Debt Service Fund			1,485,963

(Continued)

Exhibit J-8

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

General Capital Projects Fund			
Capital Projects			
Other General Government Projects			
Other Charges	$ 7,500		
Total Other General Government Projects		$ 7,500	
Education Capital Projects			
Contributions	$ 82,150		
Total Education Capital Projects		82,150	
Total General Capital Projects Fund			$ 89,650
Total Governmental Funds - Primary Government			$ 9,030,764

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, 2015

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 2,625,224	
Career Ladder Program	26,000	
Career Ladder Extended Contracts	9,800	
Homebound Teachers	4,000	
Educational Assistants	78,815	
Other Salaries and Wages	15,420	
Certified Substitute Teachers	11,773	
Non-certified Substitute Teachers	33,252	
Social Security	157,048	
State Retirement	249,464	
Medical Insurance	215,762	
Unemployment Compensation	2,726	
Employer Medicare	36,729	
Travel	107	
Tuition	15,806	
Other Contracted Services	30,428	
Instructional Supplies and Materials	15,986	
Textbooks	84,747	
Fee Waivers	8,248	
Regular Instruction Equipment	49,352	
Total Regular Instruction Program		$ 3,670,687
Special Education Program		
Teachers	$ 427,717	
Career Ladder Program	6,000	
Educational Assistants	135,657	
Certified Substitute Teachers	532	
Non-certified Substitute Teachers	19,916	
Social Security	33,438	
State Retirement	52,210	
Medical Insurance	35,342	
Unemployment Compensation	781	
Employer Medicare	7,820	
Tuition	250	
Instructional Supplies and Materials	5,511	
Special Education Equipment	707	
Total Special Education Program		725,881
Vocational Education Program		
Teachers	$ 261,500	
Career Ladder Program	1,000	
Educational Assistants	7,426	
Certified Substitute Teachers	84	
Non-certified Substitute Teachers	3,596	
Social Security	16,219	
State Retirement	24,441	

(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 (Cont.)				
Medical Insurance	$	9,759		
Unemployment Compensation		270		
Employer Medicare		3,793		
Tuition		9,013		
Instructional Supplies and Materials		1,902		
Total Vocational Education Program			$	339,003
Support Services				
Attendance				
Travel	$	683		
Other Contracted Services		11,270		
Other Supplies and Materials		696		
In Service/Staff Development		330		
Total Attendance				12,979
Health Services				
Medical Personnel	$	46,719		
Other Salaries and Wages		49,884		
Social Security		5,916		
State Retirement		9,060		
Unemployment Compensation		107		
Employer Medicare		1,384		
Travel		4,743		
Drugs and Medical Supplies		573		
Other Supplies and Materials		5,088		
In Service/Staff Development		932		
Total Health Services				124,406
Other Student Support				
Career Ladder Program	$	1,500		
Guidance Personnel		128,904		
Attendants		57		
Other Salaries and Wages		23,135		
Social Security		9,227		
State Retirement		9,405		
Medical Insurance		3,547		
Unemployment Compensation		122		
Employer Medicare		2,158		
Evaluation and Testing		6,770		
Travel		39		
Other Supplies and Materials		4,239		
Total Other Student Support				189,103
Regular Instruction Program				
Supervisor/Director	$	158,680		
Career Ladder Program		3,000		

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Regular Instruction Program (Cont.)				
Librarians	$	48,182		
Instructional Computer Personnel		47,190		
Other Salaries and Wages		3,000		
Social Security		15,564		
State Retirement		18,305		
Medical Insurance		6,086		
Unemployment Compensation		180		
Employer Medicare		3,640		
Travel		3,927		
Other Contracted Services		108		
Other Supplies and Materials		448		
In Service/Staff Development		2,973		
Other Charges		898		
Total Regular Instruction Program			$	312,181
Special Education Program				
Supervisor/Director	$	39,475		
Clerical Personnel		1,372		
Other Salaries and Wages		10,005		
Social Security		2,744		
State Retirement		3,711		
Medical Insurance		5,335		
Unemployment Compensation		37		
Employer Medicare		642		
Travel		3,768		
Other Contracted Services		43,713		
In Service/Staff Development		100		
Total Special Education Program				110,902
Vocational Education Program				
Supervisor/Director	$	4,118		
Clerical Personnel		3,173		
Social Security		437		
State Retirement		681		
Medical Insurance		219		
Unemployment Compensation		5		
Employer Medicare		102		
Travel		742		
Other Supplies and Materials		302		
In Service/Staff Development		285		
Other Equipment		418		
Total Vocational Education Program				10,482
Other Programs				
On-behalf Payments to OPEB	$	35,347		
Total Other Programs				35,347

(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				
Board and Committee Members Fees	$	14,625		
Social Security		907		
State Retirement		1,425		
Life Insurance		6,310		
Unemployment Compensation		7		
Employer Medicare		212		
Dues and Memberships		3,063		
Legal Services		12,444		
Travel		188		
Other Contracted Services		1,260		
Other Supplies and Materials		336		
Liability Insurance		13,489		
Trustee's Commission		45,256		
Workers' Compensation Insurance		39,442		
Criminal Investigation of Applicants - TBI		950		
Other Charges		398		
Total Board of Education			$	140,312
Director of Schools				
County Official/Administrative Officer	$	90,894		
Social Security		5,635		
State Retirement		8,217		
Life Insurance		1,200		
Medical Insurance		6,520		
Unemployment Compensation		36		
Employer Medicare		1,318		
Communication		13,590		
Dues and Memberships		1,631		
Postal Charges		973		
Travel		1,994		
Other Contracted Services		11,418		
Office Supplies		1,616		
Other Supplies and Materials		1,289		
Other Charges		150		
Total Director of Schools				146,481
Office of the Principal				
Principals	$	253,608		
Career Ladder Program		3,000		
Accountants/Bookkeepers		76,410		
Assistant Principals		128,219		
Secretary(ies)		42,138		
Social Security		28,301		
State Retirement		46,335		
Medical Insurance		36,448		
Unemployment Compensation		436		

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Office of the Principal (Cont.)				
Employer Medicare	$	6,619		
Communication		7,328		
Travel		410		
Other Contracted Services		7,775		
Total Office of the Principal			$	637,027
Fiscal Services				
Supervisor/Director	$	48,946		
Clerical Personnel		52,079		
Social Security		6,248		
State Retirement		9,840		
Unemployment Compensation		94		
Employer Medicare		1,461		
Travel		1,369		
Administration Equipment		1,200		
Total Fiscal Services				121,237
Operation of Plant				
Custodial Personnel	$	173,279		
Social Security		10,613		
State Retirement		14,951		
Medical Insurance		1,119		
Unemployment Compensation		312		
Employer Medicare		2,482		
Other Contracted Services		28,955		
Custodial Supplies		33,374		
Electricity		236,614		
Natural Gas		50,860		
Water and Sewer		13,858		
Other Supplies and Materials		284		
Boiler Insurance		2,105		
Building and Contents Insurance		38,358		
Total Operation of Plant				607,164
Maintenance of Plant				
Supervisor/Director	$	24,433		
Maintenance Personnel		130,656		
Social Security		8,596		
State Retirement		15,107		
Medical Insurance		5,529		
Unemployment Compensation		157		
Employer Medicare		2,010		
Maintenance and Repair Services - Buildings		1,375		
Maintenance and Repair Services - Equipment		5,775		
Maintenance and Repair Services - Vehicles		3,123		
Other Contracted Services		11,534		
Equipment and Machinery Parts		52,560		
Total Maintenance of Plant				260,855

(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				
Supervisor/Director	$	24,433		
Mechanic(s)		25,011		
Bus Drivers		272,819		
Other Salaries and Wages		18,900		
In-service Training		476		
Social Security		19,216		
State Retirement		31,485		
Medical Insurance		12,355		
Unemployment Compensation		492		
Employer Medicare		4,494		
Contracts with Parents		4,233		
Maintenance and Repair Services - Vehicles		9,689		
Medical and Dental Services		3,601		
Other Contracted Services		920		
Diesel Fuel		72,392		
Garage Supplies		1,085		
Gasoline		7,187		
Lubricants		690		
Tires and Tubes		8,236		
Vehicle Parts		19,440		
Other Supplies and Materials		698		
Vehicle and Equipment Insurance		11,843		
Other Charges		18		
Transportation Equipment		82,150		
Total Transportation			$	631,863
Central and Other				
Other Contracted Services	$	6,345		
Data Processing Supplies		451		
Total Central and Other				6,796
Operation of Non-Instructional Services				
Food Service				
Medical Insurance	$	21,000		
Food Supplies		2,327		
Total Food Service				23,327
Community Services				
Teachers	$	40,780		
Educational Assistants		109,550		
Part-time Personnel		7,117		
Other Salaries and Wages		14,616		
Social Security		10,431		
State Retirement		16,440		
Unemployment Compensation		201		
Employer Medicare		2,440		

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Community Services (Cont.)			
Maintenance and Repair Services - Equipment	$ 5,450		
Travel	6,968		
Food Supplies	428		
Instructional Supplies and Materials	8,792		
Other Supplies and Materials	2,657		
In Service/Staff Development	384		
Other Charges	4,202		
Total Community Services		$ 230,456	
Early Childhood Education			
Teachers	$ 139,580		
Educational Assistants	45,035		
Other Salaries and Wages	44,400		
Certified Substitute Teachers	140		
Non-certified Substitute Teachers	3,519		
Social Security	12,589		
State Retirement	21,258		
Medical Insurance	15,919		
Unemployment Compensation	340		
Employer Medicare	2,963		
Travel	155		
Instructional Supplies and Materials	11,966		
In Service/Staff Development	2,427		
Total Early Childhood Education		300,291	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 205,281		
Total Education		205,281	
Total General Purpose School Fund			$ 8,842,061
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 255,241		
Educational Assistants	31,416		
Certified Substitute Teachers	1,324		
Non-certified Substitute Teachers	4,531		
Social Security	16,464		
State Retirement	26,134		
Medical Insurance	22,819		
Unemployment Compensation	243		
Employer Medicare	3,794		
Instructional Supplies and Materials	20,023		
Regular Instruction Equipment	4,689		
Total Regular Instruction Program		$ 386,678	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)				
Instruction (Cont.)				
Special Education Program				
Teachers	$	79,238		
Educational Assistants		83,495		
Speech Pathologist		61,391		
Certified Substitute Teachers		280		
Non-certified Substitute Teachers		390		
Social Security		12,883		
State Retirement		20,086		
Medical Insurance		10,123		
Unemployment Compensation		381		
Employer Medicare		3,013		
Other Contracted Services		36,929		
Instructional Supplies and Materials		19,695		
Special Education Equipment		1,587		
Total Special Education Program			$	329,491
Vocational Education Program				
Educational Assistants	$	6,000		
Social Security		372		
State Retirement		584		
Unemployment Compensation		7		
Employer Medicare		87		
Other Supplies and Materials		190		
Vocational Instruction Equipment		10,260		
Total Vocational Education Program				17,500
Support Services				
Other Student Support				
Other Salaries and Wages	$	500		
Social Security		31		
State Retirement		45		
Unemployment Compensation		2		
Employer Medicare		7		
Evaluation and Testing		3,166		
Travel		5,531		
Other Supplies and Materials		18		
Total Other Student Support				9,300
Regular Instruction Program				
Other Salaries and Wages	$	51,156		
Social Security		3,050		
State Retirement		4,624		
Medical Insurance		220		
Unemployment Compensation		35		
Employer Medicare		713		
Travel		13,448		
Other Supplies and Materials		15,451		

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Regular Instruction Program (Cont.)			
In Service/Staff Development	$ 7,798		
Other Charges	35		
Total Regular Instruction Program		$ 96,530	
Special Education Program			
Psychological Personnel	$ 53,052		
Social Security	3,093		
State Retirement	4,796		
Medical Insurance	2,105		
Unemployment Compensation	36		
Employer Medicare	723		
In Service/Staff Development	2,750		
Total Special Education Program		66,555	
Vocational Education Program			
Travel	$ 753		
Total Vocational Education Program		753	
Transportation			
Other Salaries and Wages	$ 4,750		
Social Security	294		
State Retirement	463		
Unemployment Compensation	8		
Employer Medicare	69		
Total Transportation		5,584	
Total School Federal Projects Fund			$ 912,391
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 52,298		
Clerical Personnel	7,438		
Cafeteria Personnel	235,113		
Social Security	15,355		
State Retirement	24,821		
Medical Insurance	180		
Unemployment Compensation	658		
Employer Medicare	3,591		
Communication	300		
Maintenance and Repair Services - Equipment	5,509		
Postal Charges	100		
Transportation - Other than Students	3,202		
Travel	1,876		
Other Contracted Services	6,876		
Food Preparation Supplies	13,315		

(Continued)

Exhibit J-9

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Food Supplies	$ 234,927		
Office Supplies	1,092		
USDA - Commodities	35,896		
Other Supplies and Materials	1,077		
Other Charges	1,183		
Food Service Equipment	1,280		
Total Food Service		$ 646,087	
Total Central Cafeteria Fund			$ 646,087
Total Governmental Funds - Perry County School Department			$ 10,400,539

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, 2015

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 272,025
Total Cash Receipts	$ 272,025
Cash Disbursements	
Remittance of Revenues Collected	$ 269,305
Trustee's Commission	2,720
Total Cash Disbursements	$ 272,025
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2014	0
Cash Balance, June 30, 2015	$ 0

SINGLE AUDIT SECTION

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Perry County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Perry County's basic financial statements, and have issued our report thereon dated February 23, 2016. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Perry County Emergency Communications District and the discretely presented Industrial Development Board of Perry County, 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 Findings and Questioned Costs, 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: 2015-001, 2015-002, and 2015-003.

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: 2015-004, 2015-006, and 2015-007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Perry County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2015-005.

Perry County's Responses to Findings

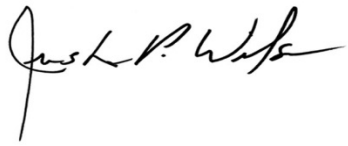
Perry County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Perry County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion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

February 23, 2016

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 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, 2015. 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, 2015.

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.

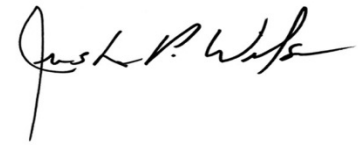
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2015, and the related notes to the financial statements, which collectively comprise Perry County's basic financial statements. We issued our report thereon dated February 23, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 23, 2016

JPW/kp

Perry County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2015

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	$ 35,896 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	95,290
National School Lunch Program	10.555	N/A	316,179 (3)
Total U.S. Department of Agriculture			$ 447,365
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	(2)	$ 30,000
Total U.S. Department of Housing and Urban Development			$ 30,000
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(2)	$ 5,809
Recreational Trails Program	20.219	(2)	68,400
Alcohol Open Container Requirements	20.607	(2)	5,000
Total U.S. Department of Transportation			$ 79,209
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	$ 390,838
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	420,200
Special Education - Preschool Grants	84.173	N/A	26,305
Career and Technical Education - Basic Grants to States	84.048	N/A	24,543
Rural Education	84.358	N/A	16,485
Improving Teacher Quality State Grants	84.367	N/A	62,940
State Fiscal Stabilization Funds (SFSF) - Race-to-the-Top Incentive Grant, Recovery Act	84.395	N/A	18,070
Total U.S. Department of Education			$ 959,381
Total Expenditures of Federal Awards			$ 1,515,955

(Continued)

Perry County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
State Grants:			
ACT-Plan and Explore Grant - State Department of Education	N/A	(2)	$ 1,386
Coordinated School Health - State Department of Education	N/A	(2)	85,117
Early Childhood Education - State Department of Education	N/A	(2)	300,257
Family Resource Center - State Department of Education	N/A	(2)	5,411
Juvenile Justice - State Commission on Children and Youth	N/A	(2)	9,000
Library Technology Grant - TN Secretary of State	N/A	(2)	2,181
Litter Program - State Department of Transportation	N/A	Z-15-LIT068	16,727
Lottery for Education Afterschool Program - State Department of Education	N/A	(2)	69,308
Recycling Hub and Spoke Grant - State Department of Environment and Conservation	N/A	(2)	27,139
Safe Schools Act - State Department of Education	N/A	(2)	6,860
Save the Children - State Department of Education	N/A	(2)	123,413
State and National Archival Partnership - TN Secretary of State	N/A	(2)	1,495
Used Oil Grant - State Department of Environment and Conservation	N/A	(2)	6,600
Total State Grants			$ 654,894

CFDA = Catalog of Federal Domestic Assistance
N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is $352,075.

Perry County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2015

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, 2014, which have not been corrected.

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

Finding Number	Page Number	Subject
2014-003	161	Duties were not segregated adequately

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

Finding Number	Page Number	Subject
2014-004	161	Multiple employees worked from the same cash drawer

PERRY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Perry County is unmodified.

2. The audit of the financial statements of Perry County disclosed significant deficiencies in internal control. Three of these deficiencies were considered to be material weaknesses.

3. The audit disclosed one instance of noncompliance that was material to the financial statements of Perry County.

4. The audit reported 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) 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 county mayor and county clerk provided written responses on certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 2015-001 **THE GENERAL FUND HAD A DEFICIT IN UNASSIGNED FUND BALANCE**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

The General Fund had a deficit in unassigned fund balance totaling $242,322 at June 30, 2015. This fund deficit resulted from expenditures exceeding available funds. Generally accepted accounting principles dictate that expenditures should be held within available funding. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

Officials should liquidate the deficit in unassigned fund balance. Steps should be taken to ensure that expenditures are held within available funding.

FINDING 2015-002 **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2015, certain general ledger account balances in the General Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Audit adjustments were required to increase receivables and payables by $43,897 and $177,500, respectively. Generally accepted accounting principles require Perry County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

OFFICE OF SUPERINTENDENT OF HIGHWAYS

FINDING 2015-003 **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2015, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Audit adjustments were required to increase receivables and deferred revenues by $294,940 and $145,664, respectively. Generally accepted accounting principles require the Highway Department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Highway Department management should have appropriate processes in place to ensure its general ledgers are materially correct.

FINDING 2015-004 **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 40 disbursements. Our sample revealed that 25 of the 40 invoices were paid without documentation that goods had been received or services rendered. This calculates to a 63 percent deviation rate for invoices not properly approved for payment. The practice of paying invoices without documentation that goods were received and/or services were rendered increases the risk of

paying for something that was never received. This deficiency can be attributed to the failure of management to adequately monitor purchasing procedures.

RECOMMENDATION

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2015-005 **A LEASE-PURCHASE AGREEMENT WAS NOT ISSUED IN COMPLIANCE WITH STATE STATUTE**
(Material Noncompliance Under *Government Auditing Standards)*

On September 5, 2014, the director of schools entered into a lease-purchase agreement for a school bus for $82,150. This lease agreement was signed by the director of schools instead of by the county mayor and was not approved by the County Commission. Section 7-51-904, *Tennessee Code Annotated*, requires such contracts, leases, or lease-purchase agreements to be approved by resolution of the County Commission. These deficiencies were the result of a lack of management oversight.

RECOMMENDATION

After the approval of the County Commission, the county mayor should enter into debt obligations for the county.

DEPARTMENT OF AMBULANCE SERVICE AND THE OFFICES OF SUPERINTENDENT OF HIGHWAYS, TRUSTEE, COUNTY CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS

FINDING 2015-006 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among officials and employees in the Department of Ambulance Service and 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. Sound business practices dictate that management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal control that increases the risk of

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

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The director of the Ambulance Service gives the mail to the secretary to receipt checks and monies. After the secretary completes the entries, the director takes the money to the trustee to receipt. At the end of the month, the Ambulance Service and the Trustee's Office compare accounts for accuracy.

MANAGEMENT'S RESPONSE – COUNTY CLERK

The County Clerk's Office has one full-time deputy clerk and one part-time deputy clerk in addition to the county clerk. Because we are a small county and the funds are not readily available to hire more help, duties are segregated as much as possible.

AUDITOR'S COMMENT

We realize that due to limited resources and personnel, management may not be able to fully segregate duties among employees. However, our professional standards require that we bring this matter to your attention.

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

FINDING 2015-007 **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.

MANAGEMENT'S RESPONSE – COUNTY CLERK

On January 1, 2016, each clerk started working from their own assigned cash drawer, starting the day with a fixed amount of cash and at the end of the day each clerk balances that drawer and removes all cash to be deposited in the bank except the fixed amount that remains in the drawer. There are three clerks and each clerk works from their drawer only.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal programs.

BEST PRACTICE

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

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

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

Perry County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Perry County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

PERRY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2015

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