

ANNUAL FINANCIAL REPORT
WEAKLEY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2005

**Comptroller of the Treasury
Department of Audit
Division of County Audit
Nashville, Tennessee**

ANNUAL FINANCIAL REPORT
WEAKLEY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2005

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This financial report is available at www.comptroller.state.tn.us

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Audit Highlights

Annual Financial Report
Weakley County, Tennessee
For the Year Ended June 30, 2005

Scope

We have audited the basic financial statements of Weakley County as of and for the year ended June 30, 2005.

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements did not include one component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is unqualified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF HIGHWAY SUPERVISOR

- ◆ A list of county roads was not submitted to the County Commission for approval as required by state statute.

OTHER FINDINGS

- ◆ Financial activity of the Weakley County Senior Citizens Program was not subject to the budgetary control of the County Commission, documentation for disbursements from checking accounts was not maintained, and a check was improperly signed.
- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Trustee, Register, and Sheriff.

*State of Tennessee
Comptroller of the Treasury
Department of Audit
Division of County Audit*

INTRODUCTORY SECTION

Weakley County Officials

June 30, 2005

Officials:

Ron Gifford, County Mayor
Kermit Hopper, Highway Supervisor
Richard Barber, Director of Schools
Donald Doster, Trustee
David Tuck, Assessor of Property
Pat Scarbrough, County Clerk
Pam Belew, Circuit and General Sessions Courts Clerk
Patricia L. Taylor, Clerk and Master
Donna Winstead, Register
Michael Wilson, Sheriff
Shawn Francisco, Director of Finance

Board of County Commissioners:

Richard Phebus, Chairman
Mac Buckley, Chairman Pro-Tem
Jack Baltz
James Barner
Robert A. Gardner
Tommy Hunt
William T. Jones
Kevin McAlpin
Eric Owen

Andy Page
Julia Rich
David Rook
John Salmon
Sam Sinclair
Roger Stewart
Jack Vincent
James H. Westbrook, Jr.
Earl Wright

Finance, Ways, and Means Committee:

Richard Phebus, Chairman
William T. Jones
Eric Owen
Roger Stewart
James H. Westbrook, Jr.
Earl Wright

Highway Commission:

Garry Mansfield, Chairman
David Bell
Bobby Robinson

Board of Education:

Gordon Morris, Chairman
Gath Meeks
Sarah Ann Pentecost
Jeff Perkins
Joan Pritchett
Lindell Roney
Doug Sims
Barbara Trentham
Steve Vantrease

Financial Management Committ

Roger Stewart, Chairman
Richard Barber
Ron Gifford
Kermit Hopper
Richard Phebus
Jack Vincent
James H. Westbrook, Jr.

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT**

**SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841**

INDEPENDENT AUDITOR'S REPORT

November 4, 2005

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of and for the year ended June 30, 2005, which collectively comprise Weakley County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Weakley County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Weakley County Municipal Electric System (a major fund and the entire business-type activities). Nor did we audit the financial statements of the discretely presented Weakley County Nursing Home, which represent 6.8 percent and 16.7 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Weakley County Municipal Electric System and the discretely presented Weakley County Nursing Home, is based 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 auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as

evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

The financial statements of the Weakley County Emergency Communications District had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units referred to above do not include the financial statements of the Weakley County Emergency Communications District which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements are not reasonably determinable.

In our opinion, based on our audit and the reports of other auditors, and except for the effects of not including the financial statements of the Weakly County Emergency Communications District, a discretely presented component unit, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 4, 2005, on our consideration of Weakley County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Weakley County has implemented Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures, which modifies the county's disclosures for custodial credit risk and adds disclosures about other types of risk.

The management's discussion and analysis on pages 9 through 16 and the budgetary comparison information on pages 69 through 73 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Weakley 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 Weakley County School

Department (a discretely presented component unit), miscellaneous schedules, and statistical tables 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 Weakley County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/rd

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Weakley County Government (the county), we offer readers of the county's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2005. All amounts, unless otherwise indicated, are expressed in actual dollars.

FINANCIAL HIGHLIGHTS

Management believes the county's financial condition is strong. The county is well within its budget and the more stringent financial policies and guidelines set by the Board and management. The following are key financial highlights.

- ◆ Total assets at year-end were \$56,426,638 and exceeded liabilities in the amount of \$7,752,609 (i.e. net assets).
- ◆ Total revenues of the governmental funds were \$14,633,287, an increase from year 2004 in the amount of \$831,854.
- ◆ Total expenditures of the governmental funds were \$15,803,408, a decrease over year 2004 in the amount of \$7,061,928. The decrease is due to the completion of the Board of Education's capital project.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the financial statements and supplementary information. The MD&A represents management's examination and analysis of the county's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the county's strategic plan, budget, and other management tools were used for this analysis. The Annual Financial Report is made up of three sections: (1) the government-wide financial statements, (2) the fund financial statements, and (3) the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the county's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the county's assets and liabilities, with the difference between the two reported as net assets. Over time, increase or decrease in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The statement of activities presents information illustrating the changes in the government's net assets during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements include the Weakley County Government itself (known as the primary government), but also a legally separate school district – the Weakley County Board of Education, for which the Weakley County Government is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreation services; agriculture & natural resources; highway/public works; and debt service. The government-wide business-type activity is the Weakley County Municipal Electric System.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the county can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Weakley County, Tennessee, maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Highway/Public Works Fund, and the General Debt Service Fund, which are all considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The county adopts an annual budget for general, special revenue, and debt service funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibit C-1 and Exhibit D-1 of this report.

Proprietary funds. Weakley County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county uses an enterprise fund to account for its Municipal Electric System.

Proprietary funds provide that same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the municipal electric system.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Weakley County's major funds' budgetary statements (General Fund and Highway/Public Works Fund). Required supplementary information can be found after the basic financial statements section of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Weakley County, liabilities exceeded assets by \$20,044,311 at the close of the most recent fiscal year for the governmental activities. The Constitution for the State of Tennessee allows only the local legislative body authorization to issue debt. Therefore, whenever the Weakley County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by Weakley County Government. As of June 30, 2005, the county had outstanding debt totaling \$33,026,878 for capital purposes for the Weakley County Board of Education, but the capital assets are reported in the financial statements of the Weakley County Board of Education. As a result, the county has incurred the related liability without a corresponding increase in the county's capital assets, thereby significantly decreasing its unrestricted net assets.

Weakley County Net Assets

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets:						
Current and other						
assets	\$ 12,464,819	\$ 13,046,985	\$ 7,955,900	\$ 7,674,898	\$ 20,420,719	\$ 20,721,883
Capital assets	10,793,385	10,438,937	25,212,534	24,771,118	36,005,919	35,210,055
Total Assets	\$ 23,258,204	\$ 23,485,922	\$ 33,168,434	\$ 32,446,016	\$ 56,426,638	\$ 55,931,938
Liabilities:						
Other Liabilities	\$ 5,199,595	\$ 5,059,064	\$ 2,991,263	\$ 3,851,414	\$ 8,190,858	\$ 8,910,478
Long-term Liabilities						
Outstanding	38,120,920	39,486,180	2,380,251	1,653,498	40,501,171	41,139,678
Total Liabilities	\$ 43,320,515	\$ 44,545,244	\$ 5,371,514	\$ 5,504,912	\$ 48,692,029	\$ 50,050,156
Net Assets						
Invested in Capital Assets,						
net of related debt	\$ 5,180,385	\$ 4,529,937	\$ 0	\$ 0	\$ 5,180,385	\$ 4,529,937
Invested in Capital						
Assets	0	0	25,212,534	24,771,118	25,212,534	24,771,118
Restricted	7,188,752	7,786,595	0	0	7,188,752	7,786,595
Unrestricted	(32,413,448)	(33,375,854)	2,584,386	2,169,986	(29,829,062)	(31,205,868)
Total Net Assets	\$ (20,044,311)	\$ (21,059,322)	\$ 27,796,920	\$ 26,941,104	\$ 7,752,609	\$ 5,881,782

By far the largest portion of the county's net assets reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Weakley County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Weakley County's investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the county's net assets (\$7,188,752) represents resources that are subject to external restrictions on how they may be used.

Weakley County Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,119,421	\$ 2,035,585	\$ 32,208,210	\$ 32,275,358	\$ 34,327,631	\$ 34,310,943
Operating Grants & Contributions	3,191,862	3,545,323	0	0	3,191,862	3,545,323
Capital Grants & Contributions	1,378,615	650,979	0	0	1,378,615	650,979
General Revenues:						
Property Taxes	5,132,664	5,028,781	0	0	5,132,664	5,028,781
Other Taxes	1,173,478	1,109,782	0	0	1,173,478	1,109,782
Grants & Contributions not Restricted to Specific Programs	1,139,770	1,087,196	0	0	1,139,770	1,087,196
Unrestricted Investment Earnings	230,590	167,163	103,165	63,709	0	230,872
Other	127,481	53,367	0	0	127,481	53,367
Gain on Disposal of Capital Assets	0	18,900	0	0	0	18,900
Total Revenues	\$ 14,493,881	\$ 13,697,076	\$ 32,311,375	\$ 32,339,067	\$ 46,471,501	\$ 46,036,143
Expenses:						
General Government	\$ 740,919	\$ 703,690	\$ 0	\$ 0	\$ 740,919	\$ 703,690
Finance	950,290	903,384	0	0	950,290	903,384
Administration of Justice	904,534	852,600	0	0	904,534	852,600
Public Safety	2,797,638	2,583,808	0	0	2,797,638	2,583,808
Public Health & Welfare	454,252	460,173	0	0	454,252	460,173
Social, Cultural & Rec Services	303,794	290,141	0	0	303,794	290,141
Agriculture & Natural Resources	128,915	124,153	0	0	128,915	124,153
Other Operations	196,358	481,420	0	0	196,358	481,420
Highway/Public Works	5,001,484	4,447,916	0	0	5,001,484	4,447,916
Education	545,000	8,209,900	0	0	545,000	8,209,900
Interest on Long-Term Debt	1,342,949	1,161,977	0	0	1,342,949	1,161,977
Other Debt Service	112,737	155,914	0	0	112,737	155,914
Public Utility	0	0	31,455,559	31,650,325	31,455,559	31,650,325
Total Expenses	\$ 13,478,870	\$ 20,375,076	\$ 31,455,559	\$ 31,650,325	\$ 44,934,429	\$ 52,025,401
Increase in Net Assets	\$ 1,015,011	\$ (6,678,000)	\$ 855,816	\$ 688,742	\$ 1,870,827	\$ (5,989,258)
Net Assets July 1, 2004	(21,059,322)	(14,381,322)	26,941,104	26,252,362	5,881,782	11,871,040
Net Assets June 30, 2005	\$ (20,044,311)	\$ (21,059,322)	\$ 27,796,920	\$ 26,941,104	\$ 7,752,609	\$ 5,881,782

Financial Analysis of Government's Funds

As noted earlier, the county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Weakley County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the county's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$6,802,040, a decrease of \$625,121 in comparison with the prior year.

Of this total amount, \$6,376,491 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that is not readily available for new spending because it has already been committed to (1) to liquidate contracts and purchase orders of the prior period (\$278,561), and (2) for a variety of other restricted purposes (\$146,988).

The General Fund is the chief operating fund of the county. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$342,165, while total fund balance was \$543,572. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance of the General Fund represents six percent of total General Fund expenditures, while total fund balance represents nine percent of that same amount.

The General Debt Service Fund has a total fund balance of \$5,636,138. The increase in fund balance of \$226,086 from the prior year is due to expenditure decrease.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor and can be briefly summarized as follows:

General Government	\$ 95,843
Finance	23,688
Administration of Justice	56,655
Public Safety	303,310
Public Health & Welfare	40,817
Social, Cultural, and Recreational Services	11,961
Agriculture & Natural Resources	13,580
Other Operations	<u>18,560</u>
Total Increase in Budgeted Expenditures	<u>\$ 564,414</u>

During the year, revenues were less than budgetary estimates; however expenditures were significantly less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

Capital Asset and Debt Administration

Capital Assets. The county’s investment in capital assets for its governmental activities as of June 30, 2005, amounted to \$10,793,385 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements, other capital assets (includes equipment), and infrastructure (roads, highway, and bridges). The total increase in Weakley County Government’s investment in capital assets for the current fiscal year was \$354,448 (net of accumulated depreciation).

Major capital asset events during the current fiscal year included the following:

- ◆ Board of Education continued with school building additions and renovations. The building project, with a total estimated cost of \$10.4 million, was generally complete at June 30, 2005.
- ◆ The Weakley County Sheriff Department purchased four new patrol vehicles. The Board of Education Transportation purchased four new school buses, one new farm truck, and outdoor aluminum bleachers. The Weakley County Highway/Public Works Department purchased one new dump truck and one motor grader.

Long-term Debt. At the end of the current fiscal year, Weakley County had total bonded debt outstanding of \$23,335,000, notes payable of \$109,173, and other loans payable of \$15,195,705. All debt is backed by full faith and credit of the county.

	Governmental Activities
Notes Payable	\$ 109,173
Other Loans Payable	15,195,705
General Bonded Debt	23,335,000
 Total	 \$ 38,639,878

Weakley County maintains an Aaa rating from Moody’s for general obligation debt.

Economic Factors and Next Year’s Budget and Rates

- ◆ The unemployment rate of Weakley County is currently 6.8 percent, which is a decrease from a rate of nine percent in July. This compares favorably to the state’s average unemployment rate of 5.5 percent and the national average of five percent.
- ◆ The county experienced limited commercial and industrial growth during the year.
- ◆ Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the county's budget for the 2006 fiscal year.

During the 2004-2005 fiscal year, unreserved fund balance in the General Fund decreased by \$208,373. Due to the use of the unreserved fund balance, the county chose to increase the property tax by one-cent.

Requests for Information

This financial report is designed to provide a general overview of Weakley County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance, Weakley County Government, 8319 Highway 22, Suite B, Dresden, Tennessee 38225 or via email at franciscos@k12tn.net.

BASIC FINANCIAL STATEMENTS

Exhibit A

Weakley County, Tennessee
Statement of Net Assets
June 30, 2005

	Primary Government			Component Units	
	Governmental	Business-type	Total	Weakley	Weakley
	Activities	Activities		School	County
				Department	Nursing
					Home
<u>ASSETS</u>					
Cash	\$ 2,791	\$ 3,079,744	\$ 3,082,535	\$ 0	\$ 605,139
Equity in Pooled Cash and Investments	6,434,696	0	6,434,696	2,041,210	0
Inventories	0	470,816	470,816	0	40,054
Investments	0	4,784	4,784	0	0
Accounts Receivable	28,949	2,225,384	2,254,333	9,525	1,304,209
Due from Other Governments	536,682	0	536,682	927,189	0
Due from Component Units	675	0	675	0	0
Property Taxes Receivable	5,467,988	0	5,467,988	3,192,986	0
Allowance for Uncollectible Property Taxes	(247,793)	0	(247,793)	(144,696)	0
Prepaid Items	0	1,007,458	1,007,458	0	74
Notes Receivable	0	1,167,714	1,167,714	0	0
Accrued Interest Receivable	0	0	0	0	1,824
Other Restricted Assets	0	0	0	0	30,334
Deferred Charges - Debt Issuance Costs	240,831	0	240,831	0	0
Capital Assets:					
Assets Not Depreciated:					
Land	1,575,535	314,431	1,889,966	1,935,850	2,371
Construction in Progress	0	406,559	406,559	0	397,171
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	7,463,605	0	7,463,605	32,344,092	339,523
Infrastructure	1,205,900	0	1,205,900	0	0
Other Capital Assets	548,345	24,491,544	25,039,889	635,731	285,212
Total Assets	\$ 23,258,204	\$ 33,168,434	\$ 56,426,638	\$ 40,941,887	\$ 3,005,911
<u>LIABILITIES</u>					
Accounts Payable	\$ 1,004	\$ 2,370,818	\$ 2,371,822	\$ 36,953	\$ 253,163
Accrued Payroll	0	585,547	585,547	0	79,118
Payroll Deductions Payable	0	0	0	0	20,272
Accrued Leave	0	0	0	0	41,677
Matured Interest on Bonds	1,015	0	1,015	0	0
Accrued Interest Payable	168,834	0	168,834	3,382	0
Other Current Liabilities	0	34,898	34,898	0	55,551
Deferred Revenue - Current Property Taxes	5,028,742	0	5,028,742	2,936,492	0
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	0	865,530	865,530	0	0
Noncurrent Liabilities:					
Due Within One Year	2,136,088	0	2,136,088	78,461	0
Due In More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	35,966,832	1,514,721	37,481,553	66,794	0
Total Liabilities	\$ 43,302,515	\$ 5,371,514	\$ 48,674,029	\$ 3,122,082	\$ 449,781

(Continued)

Exhibit A

Weakley County, Tennessee
Statement of Net Assets (Cont.)

	Primary Government			Component Units	
	Governmental	Business-type	Total	Weakley	Weakley
	Activities	Activities		County	County
				School	Nursing
				Department	Home
<u>NET ASSETS</u>					
Invested in Capital Assets, Net of Related Debt	\$ 5,180,385	\$ 0	\$ 5,180,385	\$ 34,798,219	\$ 0
Invested in Capital Assets	0	25,212,534	25,212,534	0	1,024,277
Restricted for:					
Capital Projects	0	0	0	189,105	0
Debt Service	6,265,730	0	6,265,730	0	0
Other Purposes	923,022	0	923,022	1,015,210	0
Unrestricted	(32,413,448)	2,584,386	(29,829,062)	1,817,271	1,531,853
Total Net Assets	<u>\$ (20,044,311)</u>	<u>\$ 27,796,920</u>	<u>\$ 7,752,609</u>	<u>\$ 37,819,805</u>	<u>\$ 2,556,130</u>

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

Exhibit B

Weakley County, Tennessee
Statement of Activities
For the Year Ended June 30, 2005

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets										
	Program Revenues				Primary Government			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Business-type Activities	Total	Weakley County School Department	Weakley County Nursing Home		
Primary Government:											
Governmental Activities:											
General Government	\$ 740,919	\$ 172,111	\$ 16,380	\$ 0	\$ (552,428)	\$ 0	\$ (552,428)	\$ 0	\$ 0		
Finance	950,290	669,060	12,042	0	(269,188)	0	(269,188)	0	0		
Administration of Justice	904,534	708,274	122,340	0	(73,920)	0	(73,920)	0	0		
Public Safety	2,797,638	567,737	53,737	154,585	(2,021,579)	0	(2,021,579)	0	0		
Public Health and Welfare	454,252	0	76,807	0	(377,445)	0	(377,445)	0	0		
Social, Cultural, and Recreational Services	303,794	0	125,339	1,200	(177,255)	0	(177,255)	0	0		
Agriculture and Natural Resources	128,915	0	0	0	(128,915)	0	(128,915)	0	0		
Other Operations	196,358	0	0	0	(196,358)	0	(196,358)	0	0		
Highways/Public Works	5,001,484	306	1,977,018	1,222,830	(1,801,330)	0	(1,801,330)	0	0		
Education	545,000	0	0	0	(545,000)	0	(545,000)	0	0		
Interest on Long-term Debt	1,342,949	1,933	808,199	0	(532,817)	0	(532,817)	0	0		
Other Debt Service	112,737	0	0	0	(112,737)	0	(112,737)	0	0		
Total Governmental Activities	\$ 13,478,870	\$ 2,119,421	\$ 3,191,862	\$ 1,378,615	\$ (6,788,972)	\$ 0	\$ (6,788,972)	\$ 0	\$ 0		
Business-type Activities:											
Public Utility	\$ 31,455,559	\$ 32,208,210	\$ 0	\$ 0	\$ 0	\$ 752,651	\$ 752,651	\$ 0	\$ 0		
Total Primary Government	\$ 44,934,429	\$ 34,327,631	\$ 3,191,862	\$ 1,378,615	\$ (6,788,972)	\$ 752,651	\$ (6,036,321)	\$ 0	\$ 0		
Component Unit:											
Weakley County School Department	\$ 29,913,446	\$ 1,217,239	\$ 4,145,538	\$ 545,000	\$ 0	\$ 0	\$ 0	\$ (24,005,669)	\$ 0		
Weakley County Nursing Home	5,869,037	5,910,724	0	0	0	0	0	0	41,687		
Total Component Units	\$ 35,782,483	\$ 7,127,963	\$ 4,145,538	\$ 545,000	\$ 0	\$ 0	\$ 0	\$ (24,005,669)	\$ 41,687		

(Continued)

Exhibit B

Weakley County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Total Governmental Activities	Business-type Activities	Total	Weakley County School Department	Weakley County Nursing Home
General Revenues:									
Taxes:									
Property taxes levied for general purposes					\$ 3,071,435	\$ 0	\$ 3,071,435	\$ 2,994,267	\$ 0
Property taxes levied for debt service					2,061,229	0	2,061,229	0	0
Local option sales tax					209,487	0	209,487	2,753,492	0
Other local taxes					963,991	0	963,991	135,846	0
Grants & Contributions not restricted for specific programs					1,139,770	0	1,139,770	17,782,665	0
Unrestricted Investment Earnings					230,590	103,165	333,755	0	12,804
Miscellaneous					127,481	0	127,481	18,733	0
Total General Revenues					\$ 7,803,983	\$ 103,165	\$ 7,907,148	\$ 23,685,003	\$ 12,804
Change in net assets					\$ 1,015,011	\$ 855,816	\$ 1,870,827	\$ (320,666)	\$ 54,491
Net assets, July 1, 2004					(21,059,322)	26,941,104	5,881,782	38,140,471	2,501,639
Net assets, June 30, 2005					\$ (20,044,311)	\$ 27,796,920	\$ 7,752,609	\$ 37,819,805	\$ 2,556,130

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

Exhibit C-1

Weakley County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2005

	Major Funds			Nonmajor	Total
	General	Highway /	General	Other	
		Public	Debt	Govern-	
	Works	Service	mental	mental	
			Funds	Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,015	\$ 1,776	\$ 2,791
Equity in Pooled Cash and Investments	401,307	181,299	5,614,179	237,911	6,434,696
Accounts Receivable	9,073	19,624	0	252	28,949
Due from Other Governments	179,343	338,031	14,219	5,089	536,682
Due from Other Funds	1,928	0	0	0	1,928
Due from Component Units	675	0	0	0	675
Property Taxes Receivable	2,604,362	762,489	2,007,097	94,040	5,467,988
Allowance for Uncollectible Property Taxes	(107,691)	(42,898)	(94,929)	(2,275)	(247,793)
Total Assets	\$ 3,088,997	\$ 1,258,545	\$ 7,541,581	\$ 336,793	\$ 12,225,916
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 1,004	\$ 0	\$ 0	\$ 0	\$ 1,004
Due to Other Funds	0	0	0	1,928	1,928
Matured Interest on Bonds	0	0	1,015	0	1,015
Deferred Revenue - Current Property Taxes	2,422,606	679,064	1,835,307	91,765	5,028,742
Deferred Revenue - Delinquent Property Taxes	62,571	34,237	64,933	0	161,741
Other Deferred Revenues	59,244	166,014	4,188	0	229,446
Total Liabilities	\$ 2,545,425	\$ 879,315	\$ 1,905,443	\$ 93,693	\$ 5,423,876
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 54,419	\$ 223,796	\$ 0	\$ 346	\$ 278,561
Reserved for Alcohol and Drug Treatment	57,283	0	0	0	57,283
Reserved for Drug Court	40,762	0	0	0	40,762
Reserved for Sexual Offender Registration	780	0	0	0	780
Reserved for Computer System - Register	16,725	0	0	0	16,725
Reserved for Automation Purposes - Circuit Court	581	0	0	0	581
Reserved for Automation Purposes - General Sessions Court	20,384	0	0	0	20,384
Reserved for Automation Purposes - Juvenile Court	5,363	0	0	0	5,363
Reserved for Automation Purposes - Chancery Court	3,915	0	0	0	3,915
Reserved for Automation Purposes - Sheriff	1,195	0	0	0	1,195
Unreserved, Reported In:					
General Fund	342,165	0	0	0	342,165
Special Revenue Funds	0	155,434	0	242,754	398,188
Debt Service Fund	0	0	5,636,138	0	5,636,138
Total Fund Balances	\$ 543,572	\$ 379,230	\$ 5,636,138	\$ 243,100	\$ 6,802,040
Total Liabilities and Fund Balances	\$ 3,088,997	\$ 1,258,545	\$ 7,541,581	\$ 336,793	\$ 12,225,916

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

Exhibit C-2

Weakley County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2005

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	6,802,040
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			
Land	\$	1,575,535	
Buildings and Improvements		12,371,669	
Infrastructure		1,237,375	
Other Capital Assets		3,085,024	
Depreciation		<u>(7,476,218)</u>	10,793,385
(2) Long-term liabilities are not due in the current period and therefore are not reported in the funds			
Notes Payable	\$	(109,173)	
Other Loans Payable		(15,195,705)	
Bonds Payable		(23,335,000)	
Compensated Absences Payable		(171,472)	
Accrued Interest on Bonds Payable		(168,834)	
Deferred Revenue - Premium on Debt		(20,875)	
Amortized Debt Issuance Costs		240,831	
Deferred Amount on Refunding		<u>729,305</u>	(38,030,923)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds			
Deferred Revenues - Delinquent Property Taxes	\$	161,741	
Other Deferred Revenues		<u>229,446</u>	<u>391,187</u>
Net assets of governmental activities (Exhibit A)			<u>\$ (20,044,311)</u>

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

Exhibit D-1

Weakley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2005

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 3,177,008	\$ 1,701,212	\$ 2,328,002	\$ 2	\$ 7,206,224
Licenses and Permits	3,908	0	0	0	3,908
Fines, Forfeitures, and Penalties	270,312	0	0	54,781	325,093
Charges for Current Services	124,261	306	0	0	124,567
Other Local Revenues	26,367	139,145	230,590	13,864	409,966
Fees Received from County Officials	1,226,825	0	0	0	1,226,825
State of Tennessee	797,905	3,198,589	234,387	17,149	4,248,030
Federal Government	155,785	32,835	0	0	188,620
Other Governments and Citizens Groups	91,855	0	808,199	0	900,054
Total Revenues	<u>\$ 5,874,226</u>	<u>\$ 5,072,087</u>	<u>\$ 3,601,178</u>	<u>\$ 85,796</u>	<u>\$ 14,633,287</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 709,002	\$ 0	\$ 0	\$ 0	\$ 709,002
Finance	912,459	0	0	0	912,459
Administration of Justice	819,364	0	0	29,044	848,408
Public Safety	2,457,213	0	0	27,503	2,484,716
Public Health and Welfare	402,343	0	0	25,942	428,285
Social, Cultural, and Recreational Services	285,894	0	0	0	285,894
Agricultural and Natural Resources	120,282	0	0	0	120,282
Other Operations	285,178	0	0	0	285,178
Highways	0	5,809,092	0	0	5,809,092
Debt Service:					
Principal	0	0	2,033,805	0	2,033,805
Interest	0	0	1,249,166	0	1,249,166
Other Debt Service	0	0	92,121	0	92,121
Capital Projects	0	0	0	545,000	545,000
Total Expenditures	<u>\$ 5,991,735</u>	<u>\$ 5,809,092</u>	<u>\$ 3,375,092</u>	<u>\$ 627,489</u>	<u>\$ 15,803,408</u>
Excess (Deficiency) of Revenues Over Expenditures					
	<u>\$ (117,509)</u>	<u>\$ (737,005)</u>	<u>\$ 226,086</u>	<u>\$ (541,693)</u>	<u>\$ (1,170,121)</u>
<u>Other Financing Sources (Uses)</u>					
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 545,000	\$ 545,000
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 545,000</u>	<u>\$ 545,000</u>
Net Change in Fund Balances					
Fund Balance, July 1, 2004	\$ (117,509)	\$ (737,005)	\$ 226,086	\$ 3,307	\$ (625,121)
	<u>661,081</u>	<u>1,116,235</u>	<u>5,410,052</u>	<u>239,793</u>	<u>7,427,161</u>
Fund Balance, June 30, 2005	<u>\$ 543,572</u>	<u>\$ 379,230</u>	<u>\$ 5,636,138</u>	<u>\$ 243,100</u>	<u>\$ 6,802,040</u>

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

Exhibit D-2

Weakley 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, 2005

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

Net change in fund balances - total governmental funds (Exhibit D-1)		\$ (625,121)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is itemized as follows:		
Assets Purchased and Capitalized	\$ 1,095,740	
Depreciation Expense	<u>(689,294)</u>	406,446
(2) The net effect of various miscellaneous transactions involving the sale of capital assets is to decrease net assets.		(51,998)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred Revenues - Delinquent Property Taxes	\$ (81,981)	
Other Deferred Revenues	<u>(7,463)</u>	(89,444)
(4) The issuance of long-term debt (e.g., bonds, notes, 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Other Loans Issued	\$ (545,000)	
Amortization of Premium on Debt	1,933	
Amortization of Issuance Costs	(20,616)	
Amortization of Deferred Amount on Refunding	(106,267)	
Principal on Notes	17,805	
Principal on Other Loans	681,000	
Principal on Bonds	<u>1,335,000</u>	1,363,855
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Net Change in Accrued Interest on Bonds	\$ 12,484	
Net Change in Compensated Absences	<u>(1,211)</u>	<u>11,273</u>
Change in net assets of governmental activities (Exhibit B)		<u><u>\$ 1,015,011</u></u>

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

Weakley County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2005

	Business-type Activities
	<u>Major Fund</u>
	Weakley County Municipal Electric System
<u>Operating Revenues</u>	
<u>Sale of Electric Energy</u>	
Residential and rural	\$ 17,282,038
Small commercial	3,067,704
Large commercial	10,366,099
Street and outdoor lighting	921,465
<u>Other Electric Revenues</u>	
Consumer forfeited discounts	204,850
Rent from electric property	225,987
Service charge - meter sets	87,815
Miscellaneous	52,252
Total Operating Revenues	<u>\$ 32,208,210</u>
<u>Operating Expenses</u>	
Purchased power	\$ 25,359,281
<u>Operation Expense</u>	
<u>Transmission Expense</u>	
Overhead wire expense	2,162
Station expense	16,167
<u>Distribution Expense</u>	
Supervision and engineering	98,573
Station expense	31,449
Overhead line expense	334,760
Underground line expense	32,763
Street lighting and signal expense	8,544
Removing and resetting meters	139,780
Services on customer's premises	43,418
Miscellaneous distribution expense	7,537
Rents	20,303
<u>Customer Accounts Expense</u>	
Supervision and accounting	24,498
Meter reading	138,631
Records and collections	552,503
<u>Customer Service and Sales Expense</u>	
Supervision	9,118
Customer assistance	37,265
Miscellaneous sales expense	114,499

(Continued)

Exhibit E-1

Weakley County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund (Cont.)

	Business-type Activities
	<u>Major Fund</u>
	Weakley County Municipal Electric System
<u>Operating Expenses (Cont.)</u>	
<u>Administrative and General Expense</u>	
Salaries	\$ 301,328
Office supplies and expense	84,154
Outside services	10,474
Insurance	42,641
Injuries and damages	283,143
Employee pension and benefits	751,909
Miscellaneous	42,653
<u>Maintenance Expense</u>	
<u>Transmission Maintenance</u>	
Station equipment	5,773
Overhead lines	16,942
<u>Distribution Maintenance</u>	
Station equipment	48,763
Overhead lines	585,765
Underground lines	10,135
Line transformers and devices	35,245
Street lights and signal systems	8,880
Meters	29,497
Security lights	38,572
<u>Administrative and General Maintenance</u>	
Structures and improvements	65,661
Communication equipment	11,582
Depreciation and amortization	1,340,370
Tax equivalent	636,695
Payroll taxes	121,761
Total Operating Expenses	<u>\$ 31,443,194</u>
Operating Income	<u>\$ 765,016</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment income	\$ 103,165
Other interest expense	(12,365)
Total Nonoperating Revenues (Expenses)	<u>\$ 90,800</u>
Change in Net Assets	\$ 855,816
Net Assets, July 1, 2004	<u>26,941,104</u>
Net Assets, June 30, 2005	<u><u>\$ 27,796,920</u></u>

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

Exhibit E-2

Weakley County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2005

	<u>Business-type Activities Major Fund</u>
	<u>Weakley County Municipal Electric System</u>
<u>Cash Flows from Operating Activities</u>	
Cash received from customers	\$ 32,088,758
Cash payments to suppliers for goods and services	(25,017,008)
Cash payments to employees for services	(2,669,047)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 4,402,703</u>
<u>Cash Flows from Non-capital Financing Activities</u>	
Interest paid	\$ (13,043)
Payments on conservation loans payable	(41,109)
Net Cash Provided By (Used In) Non-capital Financing Activities	<u>\$ (54,152)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Additions to plant	\$ (1,805,993)
Removal cost	(181,969)
Payments against deferred expenses	(66,493)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (2,054,455)</u>
<u>Cash Flows from Investing Activities</u>	
Investment income	\$ 103,165
Purchase of investments	(99)
Decrease in conservation loans receivable	63,875
Decrease in prepaid purchased power	130,500
Net Cash Provided By (Used In) Investing Activities	<u>\$ 297,441</u>
Net Increase in Cash	\$ 2,591,537
Cash and Cash Equivalents, July 1, 2004	<u>488,207</u>
Cash and Cash Equivalents, June 30, 2005	<u>\$ 3,079,744</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>	
Operating Income	\$ 765,016
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and amortization	1,492,373
Change In:	
Accounts receivable	(156,279)
Rents receivable	(8,328)
Materials and supplies	37,594
Prepayments	2,297,446
Accounts payable	(21,762)
Customer deposits	45,155
Accrued salaries and leave	34,181
Other current and accrued liabilities	(52,195)
Deferred credits	(30,498)
Net Cash Provided by Operating Activities	<u>\$ 4,402,703</u>

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

Exhibit F

Weakley County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2005

	<u>Agency Funds</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 52,692
Cash	1,237,955
Due from Other Governments	<u>443,826</u>
Total Assets	<u>\$ 1,734,473</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 441,620
Due to Litigants, Heirs, and Others	1,231,561
Due to Joint Ventures	<u>61,292</u>
Total Liabilities	<u>\$ 1,734,473</u>

The accompanying notes are an integral part of this statement.

WEAKLEY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Weakley 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 Weakley County:

A. Reporting Entity

Weakley County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Weakley 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.

Blended Component Units – There are no legally separate component units of Weakley County that meet the criteria for being reported as part of the primary government by the blending method.

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 Weakley County School Department operates the public school system in the county, and the voters of Weakley County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Weakley County Nursing Home provides intermediate health care to the citizens of Weakley County, and the County Commission appoints its governing body. Before the issuance of any debt instruments, the nursing home must obtain the approval of the County Commission.

The Weakley County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Weakley County, and the Weakley 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 financial statements of the Weakley County Emergency Communications District were not

available from other auditors in time for inclusion in the financial statements of this report.

The Weakley County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Weakley County School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Weakley County Emergency Communications District were not available in time for inclusion in this report, as previously mentioned. Complete financial statements of the Weakley County Emergency Communications District and the Weakley County Nursing Home can be obtained from their administrative offices at the following addresses:

Weakley County Emergency
Communications District
P. O. Box 911
Dresden, TN 38225

Weakley County Nursing Home
700 Nursing Home Road
Dresden, TN 38225

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Weakley 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.

Weakley County issues all debt for the discretely presented Weakley County School Department. Net debt issues (\$545,000) were contributed by the county to the School Department during the year ended June 30, 2005.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), 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 proprietary fund and fiduciary funds financial statements. 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 Weakley County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Separate financial statements are provided for governmental funds, the proprietary fund (enterprise), and fiduciary funds. Major individual governmental funds and the major individual enterprise fund 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 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. Weakley County considers grant and similar revenues to be available if they are collected within 120 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.

Proprietary fund and fiduciary fund financial statements are reported using the economic resources 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Weakley 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.

Highway/Public Works Fund – This fund accounts for transactions of the county’s Highway Department.

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.

Weakley County reports the following major proprietary fund:

Public Utility Fund – This fund is used to account for the operations of the Weakley County Municipal Electric System, which is financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Additionally, Weakley County reports the following fund types:

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital projects.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Weakley County, state grants and other restricted revenues held for the benefit of the Twenty-seventh Judicial District Drug Task Force, and funds collected and held in a custodial capacity for a watershed district. 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 Weakley County School Department reports the following major governmental funds:

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

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

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

Capital Projects Fund – The Education Capital Projects Fund is used to account for the receipt of debt issued by Weakley County and contributed to the School Department for building construction and renovations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund, used to account for public utility operations. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's proprietary fund are charges for sales and services to customers. Operating expenses for the proprietary fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the statement of cash flows, cash includes cash on hand and demand deposits.

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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Weakley County Municipal Electric System) and the discretely presented Weakley County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Weakley County (excluding the Weakley County Municipal Electric System) and the Weakley County School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.42 percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current

fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

Trade receivables of the Weakley County Municipal Electric System result from unpaid billings for electric service to customers and from unpaid billings related to work performed for or materials sold to certain entities. The electric system uses the direct write-off method of uncollectible accounts, rather than an estimated allowance for uncollectible accounts. This method, though not recognized by generally accepted accounting principles, does not distort the presentation by a material amount. Operating revenues are reported net of bad debt expense. Bad debt expense for the year ended June 30, 2005, was \$17,986.

3. Inventories and Prepaid Items

The Weakley County Municipal Electric System (WCMES) uses a perpetual inventory system and has physical counts every six months. Inventories are stated at cost, using an average costing method.

The WCMES elected to participate in a Discounted Energy Units (DEU) Program offered by TVA. This program allowed the WCMES to purchase DEUs in one million dollar increments, which entitles them to a 2.5 cent per-kwh program discount on a specified quantity for a specified term. The WCMES's agreement is for a period of ten years, and amounts will be amortized over the ten-year period. The prepaid purchased power at June 30, 2005, was \$989,625.

4. 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 and the business-type column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$1,000 or more

and an estimated useful life of more than two years. 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 (excluding the Weakley County Municipal Electric System) and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5
Infrastructure:	
Roads	20
Bridges	20-30

Capital assets of the Weakley County Municipal Electric System (WCMES) include land, plant and equipment, work in progress, and an electric plant acquisition adjustment. Such assets are stated substantially at original cost. The WCMES capitalizes interest cost as part of the cost of construction when the construction period covers more than 12 months. For the year, no interest cost was capitalized. The WCMES provides for depreciation on a straight-line basis at rates recommended by the Tennessee Valley Authority. These rates purport to depreciate the property over its estimated useful life. Depreciation for the year ended June 30, 2005, consisted of \$1,301,642 charged to depreciation expense and \$152,002 cleared through other accounts, for a total accrual of \$1,453,644. The electric plant acquisition adjustment represents the cost of acquiring existing plant from neighboring systems over the book value of the plant purchased. This amount is amortized over a ten-year period as prescribed by state statutes. Amortization for the year ended June 30, 2005, was \$38,728.

5. Compensated Absences

It is the policy of Weakley County (with the exception of the Weakley County Municipal Electric System) and the discretely presented Weakley County School Department to permit employees to accumulate a limited amount of earned but unused vacation and sick leave benefits. The granting of sick leave has no guaranteed payment attached and therefore

is not required to be accrued or recorded. Accumulated vacation benefits will be paid to employees upon separation from county service. All vacation leave is accrued when incurred in the government-wide statements for the county and the discretely presented Weakley County School Department. 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.

Weakley County Municipal Electric System employees are entitled to paid vacation and sick days depending on length of service and other factors. An accrual for compensated absences has been made which includes accumulated vacation leave and one-half of accumulated sick leave.

6. Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

In 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, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Assets and Fund Equity

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

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

- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2005, Weakley County had \$33,026,878 in outstanding debt for capital purposes for the discretely presented Weakley County School Department. The debt is a liability of Weakley County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Weakley County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The discretely presented Weakley County School Department's General Purpose School Fund has \$91,186 designated for the operations of the student farm at June 30, 2005.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

Primary Government

Exhibit C-2 in the basic financial statements includes explanations of the nature of individual elements of items required to reconcile fund balances reported on the Governmental Funds Balance Sheet (Exhibit C-1) to net assets reported in the primary government – governmental activities column of the Statement of Net Assets (Exhibit A).

Discretely Presented Weakley County School Department

Exhibit K-3 includes explanations of the nature of individual elements of items required to reconcile fund balances reported on the Governmental Funds Balance Sheet (Exhibit K-2) to net assets reported in the discretely presented component unit – Weakley County School Department column of the Statement of Net Assets (Exhibit A).

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 D-2 in the basic financial statements includes explanation of the nature of individual elements of items required to reconcile net changes in fund balances – governmental funds (Exhibit D-1) to changes in net assets reported in the primary government – governmental activities column on the Statement of Activities (Exhibit B).

Discretely Presented Weakley County School Department

Exhibit K-5 includes explanations of the nature of individual elements of items required to reconcile net changes in fund balances – governmental funds (Exhibit K-4) to changes in net assets reported in the discretely presented component unit – Weakley County School Department column of the Statement of Activities (Exhibit B).

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Local Option Sales Tax Commitments – Debt Service

In May 1998, the citizens of Weakley County voted by public referendum to increase the local sales tax by one-half percent (.5%). Weakley County began collecting this tax in July 1998. The increase in sales tax was specifically designated for paying the debt service requirements for a loan from the Public Building Authority of Montgomery County, Tennessee, to construct a detention center and law enforcement complex. Weakley County and the Cities of Martin, Dresden, Gleason, Greenfield, Sharon, and McKenzie have pledged their portions of the sales tax increase to the Weakley County General Debt Service Fund for a period of 12 years for the retirement of this debt. The cities' contributions are limited to maximum amounts for each 12-month period of collections as follows:

Martin	\$274,745
Dresden	59,860
Gleason	16,163
Greenfield	31,683
Sharon	11,002
McKenzie	540

This increase in local option sales tax resulted in the payment of \$390,394 in sales tax collections to the General Debt Service Fund for the year ended June 30, 2005.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Weakley County (excluding the Weakley County Municipal Electric System) and the Weakley County School Department participate in an internal cash and

investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash and Investments reflected on the balance sheets or statements of net assets represent 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. Public fund accounts covered by the pool are considered to be insured for purposes of custodial credit risk exposure.

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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; 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 director of Local Finance 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 market value of the securities on the day of purchase.

Investment Balances. As of June 30, 2005, Weakley County had the following investments carried at cost. All investments (excluding the Weakley County Municipal Electric System) are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Weakley County and the discretely presented Weakley County School Department since both pool their deposits and investments through the county trustee. Nonpooled investments represent amounts held by the Weakley County Municipal Electric System (an enterprise fund).

POOLED INVESTMENTS

Investment	Maturity	Cost
State Treasurer's Investment Pool	Daily	<u>\$58,753</u>
Total		<u><u>\$58,753</u></u>

NONPOOLED INVESTMENTS

Investment	Maturity	Cost
Weakley County Municipal Electric System:		
Business-type Activity:		
State Treasurer's Investment Pool	Daily	<u>\$ 4,784</u>
Total		<u><u>\$ 4,784</u></u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Weakley County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Weakley County has no investment policy that would further limit its investment choices. As of June 30, 2005, Weakley County's investment in the State Treasurer's Investment Pool was unrated.

B. Receivables

Accounts receivable of the Weakley County Municipal Electric System at June 30, 2005, consisted of the following:

	<u>Receivables</u>
Accounts Receivable - customer, net	\$ 1,969,802
Accounts Receivable - other	158,481
Rents Receivable	<u>97,101</u>
Total Account Receivables	<u><u>\$ 2,225,384</u></u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2005, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Capital Assets Not Depreciated:				
Land	\$ 1,575,535	\$ 0	\$ 0	\$ 1,575,535
Total Capital Assets Not Depreciated	<u>\$ 1,575,535</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,575,535</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,371,669	\$ 0	\$ 0	\$ 12,371,669
Infrastructure	420,569	816,806	0	1,237,375
Other Capital Assets	3,110,646	278,934	(304,556)	3,085,024
Total Capital Assets Depreciated	<u>\$ 15,902,884</u>	<u>\$ 1,095,740</u>	<u>\$ (304,556)</u>	<u>\$ 16,694,068</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,490,957	\$ 417,107	\$ 0	\$ 4,908,064
Infrastructure	15,187	16,288	0	31,475
Other Capital Assets	2,533,338	255,899	(252,558)	2,536,679
Total Accumulated Depreciation	<u>\$ 7,039,482</u>	<u>\$ 689,294</u>	<u>\$ (252,558)</u>	<u>\$ 7,476,218</u>
Total Capital Assets Depreciated, Net	<u>\$ 8,863,402</u>	<u>\$ 406,446</u>	<u>\$ (51,998)</u>	<u>\$ 9,217,850</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,438,937</u>	<u>\$ 406,446</u>	<u>\$ (51,998)</u>	<u>\$ 10,793,385</u>

Depreciation expense was charged to functions of the primary government (excluding the Weakley County Municipal Electric System) as follows:

Governmental Activities:

General Government	\$ 45,194
Finance	14,183
Administration of Justice	25,445
Public Safety	346,964
Public Health and Welfare	23,885
Social, Cultural, and Recreational Services	13,092
Agriculture & Natural Resources	2,298
Other Operations	766
Highways/Public Works	<u>217,467</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 689,294</u></u>

Business-type Activities

	Balance			Balance
	7-1-04	Increases	Decreases	6-30-05
Capital Assets Not Depreciated:				
Transmission plant land	\$ 95,738	\$ 0	\$ 0	\$ 95,738
Distribution plant land	86,865	25,110	0	111,975
General plant land	106,718	0	0	106,718
Construction in Progress	210,945	195,614	0	406,559
Total Capital Assets Not Depreciated	<u>\$ 500,266</u>	<u>\$ 220,724</u>	<u>\$ 0</u>	<u>\$ 720,990</u>
Capital Assets Depreciated:				
Transmission plant	\$ 4,695,374	\$ 11,603	\$ (1,384)	\$ 4,705,593
Distribution plant	35,958,083	1,348,981	(316,949)	36,990,115
General plant	3,956,444	224,686	(48,302)	4,132,828
Electric acquisition adjustment	519,422	0	(38,728)	480,694
Total Capital Assets Depreciated	<u>\$ 45,129,323</u>	<u>\$ 1,585,270</u>	<u>\$ (405,363)</u>	<u>\$ 46,309,230</u>

Business-type Activities (Cont.):

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Less Accumulated Depreciation:				
Transmission plant	\$ 2,878,880	\$ 63,443	\$ (3,613)	\$ 2,938,710
Distribution plant	14,998,909	1,226,116	(496,689)	15,728,336
General plant	2,980,682	218,260	(48,302)	3,150,640
Total Accumulated Depreciation	\$ 20,858,471	\$ 1,507,819	\$ (548,604)	\$ 21,817,686
Total Capital Assets				
Depreciated, Net	\$ 24,270,852	\$ 77,451	\$ 143,241	\$ 24,491,544
Total Capital Assets, Net	\$ 24,771,118	\$ 298,175	\$ 143,241	\$ 25,212,534

Discretely Presented Weakley County School Department**Governmental Activities:**

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Capital Assets Not Depreciated:				
Land	\$ 1,935,850	\$ 0	\$ 0	\$ 1,935,850
Construction in Progress	8,727,976	0	(8,727,976)	0
Total Capital Assets Not Depreciated	\$ 10,663,826	\$ 0	\$ (8,727,976)	\$ 1,935,850
Capital Assets Depreciated:				
Buildings and Improvements	\$ 50,761,966	\$ 10,568,868	\$ 0	\$ 61,330,834
Other Capital Assets	2,668,806	408,088	(148,134)	2,928,760
Total Capital Assets Depreciated	\$ 53,430,772	\$ 10,976,956	\$ (148,134)	\$ 64,259,594

Governmental Activities (Cont.):

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 27,637,765	\$ 1,348,977	\$ 0	\$ 28,986,742
Other Capital Assets	2,235,151	192,012	(134,134)	2,293,029
Total Accumulated Depreciation	<u>\$ 29,872,916</u>	<u>\$ 1,540,989</u>	<u>\$ (134,134)</u>	<u>\$ 31,279,771</u>
Total Capital Assets Depreciated, Net	<u>\$ 23,557,856</u>	<u>\$ 9,435,967</u>	<u>\$ (14,000)</u>	<u>\$ 32,979,823</u>
Governmental Activities Capital Assets, Net	<u>\$ 34,221,682</u>	<u>\$ 9,435,967</u>	<u>\$ (8,741,976)</u>	<u>\$ 34,915,673</u>

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

Governmental Activities:

Instruction	\$ 1,050,113
Support Services	361,609
Operation of Non-Instructional Services	<u>129,267</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,540,989</u>

D. Construction Commitments

At June 30, 2005, the Highway/Public Works Fund had uncompleted construction contracts of approximately \$223,796 for the construction of three bridges. It was noted that subsequent to June 30, 2005, the purchase orders for these three bridges were voided and reissued from the Highway Capital Projects Fund to be paid from a \$1,000,000 capital outlay note issued September 12, 2005.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2005, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 1,928

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Due to/from primary government and component units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:	Component unit:	
General	Weakley County	
	Nursing Home	\$ 675

The due from component unit balance in the General Fund (\$675) was in transit from the Weakley County Nursing Home at June 30, 2005.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2005, consisted of the following amounts:

Discretely Presented Weakley County School Department

<u>Transfers Out</u>	<u>Transfers In</u>
	<u>General</u>
	<u>Purpose</u>
	<u>School</u>
	<u>Fund</u>
Nonmajor governmental fund	\$ 5,068
Total	<u>\$ 5,068</u>

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.

F. Operating Leases

The Weakley County Municipal Electric System leases attachment space on joint use poles to and from telephone companies and various cable television

companies. These leases are accounted for as operating leases. Rent expense for the year ended June 30, 2005, was \$20,303.

G. Capital Leases

On October 1, 2003, the Weakley County Board of Education entered into a two-year lease-purchase agreement for two school buses for handicapped students. The terms of the agreement call for total lease payments of \$75,037 plus interest at 5.25 percent. The title to the leased equipment transfers to the Weakley County Board of Education at the end of the lease period. The lease payments are made from the School Federal Projects Fund.

On December 17, 2004, the Weakley County Board of Education entered into a two-year lease-purchase agreement for two school buses for handicapped students. The terms of the agreement call for total lease payments of \$121,232 plus interest at 4.64 percent. The title to the leased equipment transfers to the Weakley County Board of Education at the end of the lease period. The lease payments are made from the School Federal Projects Fund.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2005, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Fund</u>
2006	\$ 82,758
2007	<u>42,256</u>
Total Minimum Lease Payments	\$ 125,014
Amounts Representing Interest	<u>(7,560)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 117,454</u></u>

H. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 17 years for bonds, up to 20 years for other loans, and up to 19 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, notes, and other loans included in long-term debt as of June 30, 2005, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2005, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-05
General Obligation Bonds -			
School Refunding	2 to 4.8 %	\$ 24,135,000	\$ 23,335,000
Capital Outlay Notes	0	314,349	109,173
Other Loans	variable	17,739,705	15,195,705

During the 1997-98 year, Weakley County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned Weakley County \$7,400,000. This loan is repayable at a variable interest rate based on the weekly Bank of America Thursday National Non-AMT Index (BOA). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2005, the variable interest rate was 2.24 percent based on the BOA rate and other fees amounted to approximately .35 percent of the outstanding loan principal.

During the 2002-03 year, Weakley County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$10,400,000 available for loan to Weakley County on an as-needed basis for school construction and renovation. As of June 30, 2005, Weakley County had borrowed \$10,339,705. This loan is repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2005, the variable interest rate was approximately 2.03 percent based on the LIBOR rate and other fees amounted to approximately .3 percent of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2005, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2006	\$ 1,400,000	\$ 875,296	\$ 17,513	\$ 0
2007	1,765,000	826,171	17,513	0
2008	1,800,000	781,158	17,513	0

Year Ending June 30 (Cont.)	Bonds		Notes	
	Principal	Interest	Principal	Interest
2009	1,870,000	729,527	15,621	0
2010	1,985,000	671,712	15,493	0
2011-2015	12,015,000	2,064,183	25,520	0
2016	2,500,000	100,000	0	0
Total	\$ 23,335,000	\$ 6,048,047	\$ 109,173	\$ 0

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2006	\$ 710,000	\$ 320,260	\$ 49,611	\$ 1,079,871
2007	739,000	305,192	47,325	1,091,517
2008	770,000	289,501	44,944	1,104,445
2009	804,000	273,146	42,461	1,119,607
2010	837,000	256,060	39,867	1,132,927
2011-2015	4,751,000	997,536	156,379	5,904,915
2016-2020	4,613,000	459,845	73,729	5,146,574
2021-2023	1,971,705	79,741	14,013	2,065,459
Total	\$ 15,195,705	\$ 2,981,281	\$ 468,329	\$ 18,645,315

There is \$5,636,138 available in the General Debt Service Fund to service long-term debt. General bonded debt per capita amounted to \$669, based on the 2000 federal census. Total debt per capita, including bonds, notes, and, other loans amounted to \$1,107, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2005, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2004	\$ 24,670,000	\$ 126,978
Deductions	(1,335,000)	(17,805)
Balance, June 30, 2005	\$ 23,335,000	\$ 109,173
Balance Due Within One Year	\$ 1,400,000	\$ 17,513

	<u>Other Loans</u>	<u>Compensated Absences</u>
Balance, July 1, 2004	\$ 15,331,705	\$ 170,259
Additions	545,000	189,320
Deductions	(681,000)	(188,109)
	<u>\$ 15,195,705</u>	<u>\$ 171,470</u>
Balance Due Within One Year	<u>\$ 710,000</u>	<u>\$ 8,575</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2005	\$ 38,811,348
Less: Balance Due Within One Year	(2,136,088)
Deferred Amount on Refunding	(729,305)
Add: Deferred Revenue - Premium on Debt	<u>20,877</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 35,966,832</u>

Compensated absences payable will be paid from the employing funds, primarily the General Fund and the Highway/Public Works Fund.

Defeasance of Prior Year Debt

In prior years, Weakley County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not considered to be part of the county's long-term debt and, therefore, are not included in the county's financial statements. The 1995 and 1996 School Bonds were called and retired by the trustee on May 1, 2005; therefore, these bonds are no longer considered defeased.

Discretely Presented Weakley County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Weakley County School Department for the year ended June 30, 2005, was as follows:

	Compensated Absences	Capital Leases
Balance, July 1, 2004	\$ 25,819	\$ 75,037
Additions	29,357	121,232
Deductions	(27,375)	(78,815)
Balance, June 30, 2005	<u>\$ 27,801</u>	<u>\$ 117,454</u>
Balance Due Within One Year	<u>\$ 1,390</u>	<u>\$ 77,071</u>

Compensated absences will be paid from the employing funds, primarily the General Purpose School Fund.

I. Short-term Debt

During the year, Weakley County borrowed \$1,750,000 from the General Debt Service Fund to provide temporary operating funds for the General Fund (\$750,000) and the Highway/Public Works Fund (\$1,000,000). These loans were retired prior to June 30, 2005, as required by state statutes, and therefore have not been reflected in the financial statements of this report. Short-term debt activity for the year ended June 30, 2005, was as follows:

	Balance 7-1-04	Issued	Redeemed	Balance 6-30-05
Tax Anticipation Notes	\$ 0	\$ 1,750,000	\$ (1,750,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government (excluding the Weakley County Municipal Electric System)

Workers' Compensation Insurance

Weakley 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, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

General Liability, Property, and Casualty

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.

Employee Health Insurance

Weakley 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, Tennessee Code Annotated, 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.

Weakley County Municipal Electric System

It is the policy of the Weakley County Municipal Electric System to purchase commercial insurance for risk of losses to which it is exposed. These risks include general liability; property and casualty; workers' compensation; employee health and accident; and employee and officer liability and dishonesty. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Discretely Presented Weakley County School Department

General Liability, Property, Casualty, and Workers' Compensation

The School Department joined the Tennessee School Boards Risk Management Trust (TSB-RMT), which is a public entity risk pool established by the Tennessee School Boards Association, an association of member school districts. The School Department pays an annual premium to the TSB-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TSB-RMT provides for it to be self-sustaining through member premiums. The TSB-RMT reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

Employee Health Insurance

The discretely presented Weakley 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 8-27-302, Tennessee Code Annotated, 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. The state statute provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Change

During the year, Weakley County adopted the provisions of Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures. These provisions modified the county's previous custodial risk disclosures for deposits and investments and related collateral. These provisions also added disclosures about other types of risk, including credit risk, interest rate risk, foreign currency risk, and concentrations of credit risk. Governments are also required to provide brief disclosures about their deposit and investment policies that are related to any of the risks required to be disclosed.

C. Subsequent Events

On September 12, 2005, Weakley County issued a capital outlay note in the amount of \$1,000,000 for the construction of roads and bridges, and to purchase highway and street equipment.

On October 7, 2005, Weakley County issued a capital outlay note in the amount of \$300,000 for additions and improvements to the Weakley County Nursing Home.

D. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney and the attorney for the Board of Education 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. Joint Ventures

The Twenty-Seventh Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the 27th Judicial District; Obion and Weakley 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 the judicial district. Weakley County made no contributions to the DTF for the year ended June 30, 2005, and does not have any equity interest in this joint venture.

The Weakley County Joint Economic and Community Development Board is a joint venture between Weakley County and the cities of Martin, Dresden, Greenfield, Gleason, and Sharon. The board comprises the county and city mayors and five additional 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. The county and cities provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Weakley County appropriated \$24,200 to the Weakley County Joint Economic and Community Development Board during the year.

Complete financial statements for the Twenty-Seventh Judicial District Drug Task Force and the Weakley County Joint Economic and Community Development Board can be obtained from their administrative offices at the following addresses:

Drug Task Force Office
27th Judicial District
P. O. Box 746
Union City, TN 38281-0746

Weakley County Joint Economic and
Community Development Board
c/o Weakley County Chamber of Commerce
114 West Maple
Dresden, TN 38225

F. Retirement Commitments

Plan Description

Employees of Weakley County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Weakley County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us. Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

Funding Policy

Weakley County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2005, was 11.08 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Weakley County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2005, Weakley County's annual pension cost of \$931,953 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2003, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Weakley County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2003, was 14 years.

Trend Information

Fiscal Year Ended	Annual Pension Cost(APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-05	\$931,953	100%	\$0
6-30-04	805,042	100	0
6-30-03	762,398	100	0

Required Supplementary Information
Schedule of Funding Progress for Weakley County

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll ((b-a)/c)
	(a)	(b)	(b) - (a)	(a/b)	(c)	
6-30-03	\$15,488	\$15,927	\$439	97.24%	\$7,827	5.61%
6-30-01	13,439	13,941	502	96.40	7,024	7.15
6-30-99	10,993	11,574	581	94.98	6,425	9.04

WEAKLEY COUNTY MUNICIPAL ELECTRIC SYSTEM

Plan Description

Employees of the Weakley County Municipal Electric System are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who became disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Weakley County Municipal Electric System participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us. Copies of the footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

Funding Policy

Weakley County Municipal Electric System requires employees to contribute five percent of earnable compensation. The Weakley County Municipal Electric System is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2005, was 18.89 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Weakley County Municipal Electric System is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2005, Weakley County Municipal Electric System's annual pension cost of \$476,745 to TCRS was equal to Weakley County Municipal Electric System's required and actual contributions. The required contribution was determined as part of the July 1, 2003, actuarial valuation using the frozen initial liability actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), and (c) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Weakley County Municipal Electric System's unfunded actuarial accrued liability is amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2003, was 18 years. An actuarial valuation was performed as of July 31, 2003, which established contribution rates effective July 1, 2004.

Trend Information

Fiscal Year Ended	Annual Pension Cost(APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-05	\$476,745	100%	\$0
6-30-04	423,633	100	0
6-30-03	408,292	100	0

Required Supplementary Information

Schedule of Funding Progress for Weakley County Municipal Electric System

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-03	\$3,176	\$5,280	\$2,104	60.15%	\$2,276	92.44%
6-30-01	2,587	4,829	2,242	53.57	2,131	105.21
6-30-99	1,920	1,920	0	100.00	2,158	0

SCHOOL TEACHERS

Plan Description

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the

SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us. Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/Schools/>.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Weakley County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2005, was 5.5 percent of annual covered payroll. The employer contribution requirement for the Weakley County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2005, 2004, and 2003, were, \$797,163, \$477,220, and \$468,806, respectively, equal to the required contributions for each year.

G. Office of Central Accounting, Budgeting, and Purchasing

Weakley County operates under the County Financial Management System of 1981 (Section 5-21-101 et seq., Tennessee Code Annotated), which provides for the creation of a county financial management committee and a Finance Department. This act provides for the Finance Department to be responsible for purchasing, accounting, budgeting, payroll, cash management, and other financial matters for all funds of the various departments, agencies, and boards of the county. The Financial Management Committee appoints a director of finance. The Finance Department oversees operations of the funds administered by the county mayor, highway supervisor, and director of schools.

H. Purchasing Laws

Purchasing procedures for all departments of Weakley County are governed by provisions of the County Financial Management System Act of 1981, Section 5-21-101, et seq., Tennessee Code Annotated. These statutes provide for the director of finance to serve as the county purchasing agent. The Weakley County Financial Management Committee, with the assistance of the director of finance, established a purchasing system for the county that requires the issuance of requisitions and purchase orders. The Financial Management Committee has also established that competitive bids are required to be solicited through newspaper advertisement on all purchases estimated to exceed \$5,000.

VI. OTHER NOTES – DISCRETELY PRESENTED WEAKLEY COUNTY NURSING HOME

1. Significant Accounting Policies

A. Reporting Entity

The Weakley County Nursing Home is a reporting component of Weakley County, Tennessee, and is, therefore, included in their audit report. The

board of directors of the Weakley County Nursing Home is comprised of county commissioners who are appointed to be on the board. Before the issuance of any debt instruments, the nursing home must obtain the approval of the County Commission. The Weakley County Nursing Home is located in Dresden, Tennessee. The nursing home mainly serves the residents of Weakley County by rendering intermediate and skilled care to patients.

B. Basis of Accounting

The Weakley County Nursing Home is a governmental unit and uses fund accounting. The nursing home is an enterprise fund in that operations are accounted for in a manner similar to a private business, where the intent of the governing body is that the costs of operations (including depreciation) will be recovered through user charges.

The nursing home uses the accrual basis of accounting. The accrual basis of accounting recognizes revenues when earned and expenses as incurred.

The Governmental Accounting Standards Board (GASB) Statement No. 20 requires that governments' proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Weakley County Nursing Home has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

C. Depreciation

Fixed assets are recorded at historical cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives for assets are as follows:

<u>Asset Classification</u>	<u>Estimated Useful Life in Years</u>
Buildings and Improvements	5-40
Equipment	5-15
Vehicles	5
Other Capital Assets	7-10

D. Leases

Weakley County Nursing Home is not obligated on any significant lease agreements.

E. Investments

Investments, which consist of certificates of deposit, are stated at cost.

F. Inventory

Inventories, consisting of supplies held for consumption, are valued at cost, using the First-in, First-out, (FIFO) method. Inventories are adjusted to physical counts at the end of each fiscal year.

G. Net Assets

Equity is classified as net assets and displayed in the following three components:

- a. Invested in Capital Assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- b. Restricted – Consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities.
- c. Unrestricted – All other net assets that do not meet the description of the above categories.

H. Cash and Cash Equivalents

Cash and cash equivalents as used on the Statement of Cash Flows represent cash on hand, cash in bank, and cash in two money market accounts. They do not include certificates of deposit or patient trust funds. For purposes of the Statement of Cash Flows, the nursing home considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

I. Allowance for Doubtful Accounts

An allowance for doubtful accounts has not been reflected as of the balance sheet date. The direct write-off of bad debts is made at the end of each fiscal year. The direct write-off method is not in accordance with generally accepted accounting principles, but the effect on the financial statements is immaterial. For the current year, \$96,882 in bad debts were written off.

J. Budget

The nursing home adopts a budget prior to the beginning of each fiscal year. The budget, as amended, is presented against operations in the statement of budgetary comparison. Any expenditures over budgeted amounts require an amendment to the budget by the board of directors.

2. Compensated Absences

Employees are entitled to paid vacation and sick days depending on length of service and other factors. Only full-time employees are entitled to these benefits. The policy of the nursing home is to pay eligible employees up to 15 days of vacation time upon termination assuming they have 15 days of vacation time accrued. An accrual for vacation pay has been made on the financial statements presented. However, sick pay has not been accrued since it is payable only for those who are currently employed with no benefits due upon termination of any employee.

3. 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. Public fund accounts covered by the pool are considered to be insured for purposes of custodial credit risk exposure.

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.

4. Risk Management

Until February 1, 2001, Weakley County Nursing Home had chosen to cover its employees' health insurance claims below \$20,000 for each employee up to a maximum total annual exposure amount for the nursing home, which is based on a calculation that changes as number of participants and premium amounts change. The nursing home had obtained a stop/loss commercial insurance policy to cover claims beyond this liability. As of February 1, 2001, the nursing home changed to commercial health insurance for its employees through Blue Cross Blue Shield for everything except paid prescription card.

Weakley County Nursing Home felt it was more economically feasible to be covered under Weakley County's insurance policies for workers' compensation, property, casualty, and automobile insurance. Weakley County is covered under the Local Government Property and Casualty Fund (LGPCF). The nursing home pays an annual premium to the LGPCF for coverage under the above areas. The LGPCF has self-insured retention of \$100,000 for each and every loss and/or claim and/or occurrence.

Weakley County Nursing Home continues to carry commercial insurance for all other risks of loss, including general liability and fidelity bonding. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

5. Changes in Capital Assets

Capital assets activity for the year ended June 30, 2005, was as follows:

	Balance 7-1-04	Increase	Decreases	Balance 6-30-05
Land	\$ 2,371	\$ 0	\$ 0	\$ 2,371
Land Improvements	64,212	0	0	64,212
Building & Improvements	1,642,574	19,894	0	1,662,468
Equipment	882,782	46,566	0	929,348
Vehicles	34,059	0	0	34,059
Other Assets	40,815	0	0	40,815
Construction in Progress	14,000	383,171	0	397,171
Total	\$ 2,680,813	\$ 449,631	\$ 0	\$ 3,130,444

6. Pension Information

Certain employees of the Weakley County Nursing Home are members of the Tennessee Consolidated Retirement System (TCRS), an agent multiple-employer public employee retirement system (PERS) that acts as a common investment and administrative agent for political subdivisions in the state. Weakley County Nursing Home's payroll for employees covered by the TCRS for the year ended June 30, 2005, was \$1,899,597. The total payroll for the year was \$2,685,843.

The TCRS is a defined benefit retirement plan covering teachers and general employees of the state as well as employees of political subdivisions that have elected coverage. Membership in the system is mandatory for state employees, teachers, and employees of participating political subdivisions. The TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with ten years of service, or at any age with 30 years of experience. A reduced retirement benefit is available to vested members at age 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in performance of duty. Members joining the system on or after July 1, 1979, become vested after ten years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established and amended by state statute.

Weakley County Nursing Home is contributory whereby the employee contributes five percent of his/her earnable compensation and the employer is responsible for the remaining contribution. As of February 1999, the nursing home began paying the employees' five percent for them.

State statute allows a political subdivision to become noncontributory if its governing body passes a resolution to that effect.

The Weakley County Nursing Home made contributions to the TCRS for the year ended June 30, 2005, in the amount of \$210,475. The Weakley County Nursing Home's operations are reported in the audit report of Weakley County, Tennessee. For more details concerning the TCRS, refer to the audit report of Weakley County, Tennessee, for the year ended June 30, 2005.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit G-1

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,177,008	\$ 0	\$ 0	\$ 3,177,008	\$ 3,103,108	\$ 3,117,108	\$ 59,900
Licenses and Permits	3,908	0	0	3,908	6,200	6,200	(2,292)
Fines, Forfeitures, and Penalties	270,312	0	0	270,312	235,150	258,150	12,162
Charges for Current Services	124,261	0	0	124,261	159,000	160,000	(35,739)
Other Local Revenues	26,367	0	0	26,367	18,600	25,100	1,267
Fees Received from County Officials	1,226,825	0	0	1,226,825	1,167,500	1,180,500	46,325
State of Tennessee	797,905	0	0	797,905	780,957	846,131	(48,226)
Federal Government	155,785	0	0	155,785	126,400	406,369	(250,584)
Other Governments and Citizens Groups	91,855	0	0	91,855	117,000	135,000	(43,145)
Total Revenues	\$ 5,874,226	\$ 0	\$ 0	\$ 5,874,226	\$ 5,713,915	\$ 6,134,558	\$ (260,332)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 98,483	\$ 0	\$ 0	\$ 98,483	\$ 122,942	\$ 131,117	\$ 32,634
County Mayor	113,098	0	0	113,098	117,675	117,693	4,595
County Attorney	18,000	0	0	18,000	18,000	18,000	0
Election Commission	189,746	0	0	189,746	219,011	219,011	29,265
Register of Deeds	148,744	0	401	149,145	162,456	162,456	13,311
County Buildings	140,931	(484)	0	140,447	156,157	156,485	16,038
<u>Finance</u>							
Accounting and Budgeting	256,618	(2,286)	450	254,782	263,860	263,860	9,078
Property Assessor's Office	198,423	0	0	198,423	203,381	203,381	4,958
Reappraisal Program	50,577	(18)	0	50,559	53,550	53,550	2,991
County Trustee's Office	156,417	0	0	156,417	157,756	157,956	1,539
County Clerk's Office	250,424	(484)	0	249,940	252,198	255,062	5,122
<u>Administration of Justice</u>							
Circuit Court	198,887	0	0	198,887	200,476	207,996	9,109

(Continued)

Exhibit G-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
General Sessions Court	\$ 180,093	\$ (2,297)	\$ 0	\$ 177,796	\$ 188,431	\$ 196,447	\$ 18,651
Chancery Court	174,789	(327)	0	174,462	187,654	187,654	13,192
Juvenile Court	154,554	0	0	154,554	156,312	170,113	15,559
District Attorney General	24,200	0	0	24,200	24,200	24,200	0
Other Administration of Justice	86,841	(3,323)	0	83,518	83,662	83,662	144
<u>Public Safety</u>							
Sheriff's Department	1,163,882	(8,440)	0	1,155,442	1,175,868	1,232,135	76,693
Traffic Control	214,690	0	0	214,690	53,067	233,206	18,516
Jail	876,592	(2,197)	0	874,395	884,265	884,366	9,971
Correctional Incentive Program Improvements	14,689	0	0	14,689	14,791	14,791	102
Fire Prevention and Control	19,500	0	0	19,500	19,500	19,500	0
Civil Defense	160,060	0	53,314	213,374	131,433	411,402	198,028
Rescue Squad	5,500	0	0	5,500	5,500	5,500	0
Other Public Safety	2,300	0	0	2,300	2,300	2,300	0
<u>Public Health and Welfare</u>							
Local Health Center	122,171	(35)	0	122,136	128,195	139,851	17,715
Ambulance/Emergency Medical Services	235,000	0	0	235,000	235,500	235,500	500
Maternal and Child Health Services	5,719	0	0	5,719	6,000	6,000	281
Alcohol and Drug Programs	0	0	0	0	2,000	2,000	2,000
Crippled Children Services	2,167	0	0	2,167	2,167	2,167	0
Other Local Health Services	20,006	0	0	20,006	21,607	21,607	1,601
General Welfare Assistance	17,280	0	0	17,280	36,000	36,000	18,720
<u>Social, Cultural and Recreational Services</u>							
Adult Activities	115,138	0	254	115,392	99,410	117,078	1,686
Senior Citizens Assistance	22,175	(723)	0	21,452	21,828	21,828	376
Libraries	148,581	(336)	0	148,245	156,663	158,144	9,899

(Continued)

Exhibit G-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture & Natural Resources</u>							
Agriculture Extension Service	\$ 66,677	\$ 0	\$ 0	\$ 66,677	\$ 80,093	\$ 80,093	\$ 13,416
Soil Conservation	29,379	0	0	29,379	29,215	29,543	164
Flood Control	24,226	0	0	24,226	24,226	24,226	0
<u>Other Operations</u>							
Veterans' Services	39,065	0	0	39,065	37,606	39,419	354
Other Charges	4,452	0	0	4,452	4,455	4,455	3
Contributions to Other Agencies	56,836	0	0	56,836	57,836	57,836	1,000
Employee Benefits	6,821	0	0	6,821	10,000	10,000	3,179
Miscellaneous	178,004	0	0	178,004	192,028	192,028	14,024
Total Expenditures	\$ 5,991,735	\$ (20,950)	\$ 54,419	\$ 6,025,204	\$ 5,999,274	\$ 6,589,618	\$ 564,414
Excess (Deficiency) of Revenues Over Expenditures	\$ (117,509)	\$ 20,950	\$ (54,419)	\$ (150,978)	\$ (285,359)	\$ (455,060)	\$ 304,082
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,500	\$ 7,500	\$ (7,500)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,500	\$ 7,500	\$ (7,500)
Net Change in Fund Balance	\$ (117,509)	\$ 20,950	\$ (54,419)	\$ (150,978)	\$ (277,859)	\$ (447,560)	\$ 296,582
Fund Balance, July 1, 2004	661,081	(20,950)	0	640,131	670,397	670,397	(30,266)
Fund Balance, June 30, 2005	\$ 543,572	\$ 0	\$ (54,419)	\$ 489,153	\$ 392,538	\$ 222,837	\$ 266,316

Exhibit G-2

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,701,212	\$ 0	\$ 0	\$ 1,701,212	\$ 1,672,188	\$ 1,672,188	\$ 29,024
Charges for Current Services	306	0	0	306	500	500	(194)
Other Local Revenues	139,145	0	0	139,145	35,100	90,784	48,361
State of Tennessee	3,198,589	0	0	3,198,589	3,399,055	3,387,614	(189,025)
Federal Government	32,835	0	0	32,835	0	0	32,835
Total Revenues	\$ 5,072,087	\$ 0	\$ 0	\$ 5,072,087	\$ 5,106,843	\$ 5,151,086	\$ (78,999)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 103,995	\$ 0	\$ 0	\$ 103,995	\$ 106,675	\$ 106,675	\$ 2,680
Highway and Bridge Maintenance	1,932,924	(180,924)	0	1,752,000	1,957,235	1,957,235	205,235
Operation and Maintenance of Equipment	454,678	(683)	0	453,995	436,841	492,525	38,530
Litter and Trash Collection	39,180	(11)	0	39,169	51,683	40,242	1,073
Other Charges	161,874	0	0	161,874	170,149	170,149	8,275
Employee Benefits	526,458	0	0	526,458	547,645	547,645	21,187
Capital Outlay	2,589,983	(1,420,350)	223,796	1,393,429	2,016,405	2,016,405	622,976
Total Expenditures	\$ 5,809,092	\$ (1,601,968)	\$ 223,796	\$ 4,430,920	\$ 5,286,633	\$ 5,330,876	\$ 899,956
Excess (Deficiency) of Revenues Over Expenditures	\$ (737,005)	\$ 1,601,968	\$ (223,796)	\$ 641,167	\$ (179,790)	\$ (179,790)	\$ 820,957
Net Change in Fund Balance	\$ (737,005)	\$ 1,601,968	\$ (223,796)	\$ 641,167	\$ (179,790)	\$ (179,790)	\$ 820,957
Fund Balance, July 1, 2004	1,116,235	(1,601,968)	0	(485,733)	287,377	287,377	(773,110)
Fund Balance, June 30, 2005	\$ 379,230	\$ 0	\$ (223,796)	\$ 155,434	\$ 107,587	\$ 107,587	\$ 47,847

WEAKLEY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2005

BUDGETARY INFORMATION

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

The budgetary level of control is at the major category level established by the State 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, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the governing body may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with generally accepted accounting principles (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 statement.

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Weakley County’s recycling center operations.

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

District Attorney General Fund – The District Attorney General Fund is used to account for revenues received for the benefit of the Office of District Attorney General.

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

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

General Capital Projects Fund – The General Capital Projects Fund is used to account for debt issued by Weakley County and contributed to the School Department for school building construction and renovations.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for road and bridge construction, the purchase of highway equipment, and for renovations of the county road system.

Exhibit H-1

Weakley County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu - tional Officers - Fees	Total	Highway Capital Projects	
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 1,776	\$ 1,776	\$ 0	1,776
Equity in Pooled Cash and Investments	59,946	63,686	114,279	0	237,911	0	237,911
Accounts Receivable	100	0	0	152	252	0	252
Due from Other Governments	4,101	0	988	0	5,089	0	5,089
Property Taxes Receivable	0	0	0	0	0	94,040	94,040
Allowance for Uncollectible Property Taxes	0	0	0	0	0	(2,275)	(2,275)
Total Assets	\$ 64,147	\$ 63,686	\$ 115,267	\$ 1,928	\$ 245,028	\$ 91,765	\$ 336,793
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 1,928	\$ 1,928	\$ 0	1,928
Deferred Revenue - Current Property Taxes	0	0	0	0	0	91,765	91,765
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 1,928	\$ 1,928	\$ 91,765	\$ 93,693
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 346	\$ 0	\$ 0	\$ 0	\$ 346	\$ 0	346
Unreserved	63,801	63,686	115,267	0	242,754	0	242,754
Total Fund Balances	\$ 64,147	\$ 63,686	\$ 115,267	\$ 0	\$ 243,100	\$ 0	\$ 243,100
Total Liabilities and Fund Balances	\$ 64,147	\$ 63,686	\$ 115,267	\$ 1,928	\$ 245,028	\$ 91,765	\$ 336,793

Exhibit H-2

Weakley County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2005

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Total	General Capital Projects	
<u>Revenues</u>						
Local Taxes	\$ 2	\$ 0	\$ 0	\$ 2	\$ 0	\$ 2
Fines, Forfeitures and Penalties	0	33,303	21,478	54,781	0	54,781
Other Local Revenues	3,462	10,402	0	13,864	0	13,864
State of Tennessee	17,149	0	0	17,149	0	17,149
Total Revenues	<u>\$ 20,613</u>	<u>\$ 43,705</u>	<u>\$ 21,478</u>	<u>\$ 85,796</u>	<u>\$ 0</u>	<u>\$ 85,796</u>
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 29,044	\$ 29,044	\$ 0	\$ 29,044
Public Safety	0	27,503	0	27,503	0	27,503
Public Health and Welfare	25,942	0	0	25,942	0	25,942
Capital Projects	0	0	0	0	545,000	545,000
Total Expenditures	<u>\$ 25,942</u>	<u>\$ 27,503</u>	<u>\$ 29,044</u>	<u>\$ 82,489</u>	<u>\$ 545,000</u>	<u>\$ 627,489</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (5,329)</u>	<u>\$ 16,202</u>	<u>\$ (7,566)</u>	<u>\$ 3,307</u>	<u>\$ (545,000)</u>	<u>\$ (541,693)</u>
<u>Other Financing Sources (Uses)</u>						
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 545,000	\$ 545,000
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 545,000</u>	<u>\$ 545,000</u>
Net Change in Fund Balances	<u>\$ (5,329)</u>	<u>\$ 16,202</u>	<u>\$ (7,566)</u>	<u>\$ 3,307</u>	<u>\$ 0</u>	<u>\$ 3,307</u>
Fund Balance, July 1, 2004	<u>69,476</u>	<u>47,484</u>	<u>122,833</u>	<u>239,793</u>	<u>0</u>	<u>239,793</u>
Fund Balance, June 30, 2005	<u>\$ 64,147</u>	<u>\$ 63,686</u>	<u>\$ 115,267</u>	<u>\$ 243,100</u>	<u>\$ 0</u>	<u>\$ 243,100</u>

Exhibit H-3

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 2	\$ 0	\$ 2	\$ 0	\$ 100	\$ (98)
Other Local Revenues	3,462	0	3,462	1,500	3,000	462
State of Tennessee	17,149	0	17,149	26,230	26,230	(9,081)
Total Revenues	<u>\$ 20,613</u>	<u>\$ 0</u>	<u>\$ 20,613</u>	<u>\$ 27,730</u>	<u>\$ 29,330</u>	<u>\$ (8,717)</u>
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Recycling Center	\$ 25,942	\$ 346	\$ 26,288	\$ 37,380	\$ 37,430	\$ 11,142
Total Expenditures	<u>\$ 25,942</u>	<u>\$ 346</u>	<u>\$ 26,288</u>	<u>\$ 37,380</u>	<u>\$ 37,430</u>	<u>\$ 11,142</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (5,329)</u>	<u>\$ (346)</u>	<u>\$ (5,675)</u>	<u>\$ (9,650)</u>	<u>\$ (8,100)</u>	<u>\$ 2,425</u>
Net Change in Fund Balance	\$ (5,329)	\$ (346)	\$ (5,675)	\$ (9,650)	\$ (8,100)	\$ 2,425
Fund Balance, July 1, 2004	<u>69,476</u>	<u>0</u>	<u>69,476</u>	<u>71,493</u>	<u>71,493</u>	<u>(2,017)</u>
Fund Balance, June 30, 2005	<u>\$ 64,147</u>	<u>\$ (346)</u>	<u>\$ 63,801</u>	<u>\$ 61,843</u>	<u>\$ 63,393</u>	<u>\$ 408</u>

Exhibit H-4

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 33,303	\$ 23,000	\$ 25,000	\$ 8,303
Other Local Revenues	10,402	2,000	12,000	(1,598)
Total Revenues	<u>\$ 43,705</u>	<u>\$ 25,000</u>	<u>\$ 37,000</u>	<u>\$ 6,705</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 27,503	\$ 31,438	\$ 48,538	\$ 21,035
Total Expenditures	<u>\$ 27,503</u>	<u>\$ 31,438</u>	<u>\$ 48,538</u>	<u>\$ 21,035</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 16,202</u>	<u>\$ (6,438)</u>	<u>\$ (11,538)</u>	<u>\$ 27,740</u>
Net Change in Fund Balance	\$ 16,202	\$ (6,438)	\$ (11,538)	\$ 27,740
Fund Balance, July 1, 2004	47,484	46,760	46,760	724
Fund Balance, June 30, 2005	<u>\$ 63,686</u>	<u>\$ 40,322</u>	<u>\$ 35,222</u>	<u>\$ 28,464</u>

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

Exhibit I

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,328,002	\$ 2,713,259	\$ 2,291,056	\$ 36,946
Other Local Revenues	230,590	180,000	180,000	50,590
State of Tennessee	234,387	217,000	217,000	17,387
Other Governments and Citizens Groups	808,199	417,805	840,008	(31,809)
Total Revenues	<u>\$ 3,601,178</u>	<u>\$ 3,528,064</u>	<u>\$ 3,528,064</u>	<u>\$ 73,114</u>
<u>Expenditures</u>				
<u>Principal</u>				
General Government	\$ 296,000	\$ 296,000	\$ 296,000	\$ 0
Education	1,737,805	1,737,805	1,737,805	0
<u>Interest</u>				
General Government	116,461	177,270	165,337	48,876
Education	1,132,705	1,235,362	1,220,250	87,545
<u>Other Debt Service</u>				
General Government	65,530	67,025	78,708	13,178
Education	26,591	15,000	30,362	3,771
Total Expenditures	<u>\$ 3,375,092</u>	<u>\$ 3,528,462</u>	<u>\$ 3,528,462</u>	<u>\$ 153,370</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 226,086</u>	<u>\$ (398)</u>	<u>\$ (398)</u>	<u>\$ 226,484</u>
Net Change in Fund Balance	\$ 226,086	\$ (398)	\$ (398)	\$ 226,484
Fund Balance, July 1, 2004	5,410,052	5,382,008	5,382,008	28,044
Fund Balance, June 30, 2005	<u>\$ 5,636,138</u>	<u>\$ 5,381,610</u>	<u>\$ 5,381,610</u>	<u>\$ 254,528</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county 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.

Watershed District Fund – The Watershed District Fund is used to account for acreage assessments collected on drainage district properties located in the county. These funds are held in trust for the benefit of the Watershed District.

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for transactions of the Judicial District Drug Task Force, a joint venture of the various law enforcement agencies of the Twenty-Seventh Judicial District.

Exhibit J-1

Weakley County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2005

	Agency Funds					Total
	Cities - Sales Tax	Watershed District	Constitu- tional Officers - Agency	Judicial District Drug		
<u>ASSETS</u>						
Equity in Pooled Cash and Investments	\$ 0	\$ 8,444	\$ 0	\$ 44,248	\$ 52,692	
Cash	0	0	1,231,561	6,394	1,237,955	
Due from Other Governments	433,176	0	0	10,650	443,826	
Total Assets	<u>\$ 433,176</u>	<u>\$ 8,444</u>	<u>\$ 1,231,561</u>	<u>\$ 61,292</u>	<u>\$ 1,734,473</u>	
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 433,176	\$ 8,444	\$ 0	\$ 0	\$ 441,620	
Due to Litigants, Heirs, and Others	0	0	1,231,561	0	1,231,561	
Due to Joint Ventures	0	0	0	61,292	61,292	
Total Liabilities	<u>\$ 433,176</u>	<u>\$ 8,444</u>	<u>\$ 1,231,561</u>	<u>\$ 61,292</u>	<u>\$ 1,734,473</u>	

Exhibit J-2

Weakley County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2005

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,508,509	\$ 2,508,509	\$ 0
Due from Other Governments	405,756	433,176	405,756	433,176
Total Assets	\$ 405,756	\$ 2,941,685	\$ 2,914,265	\$ 433,176
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 405,756	\$ 2,941,685	\$ 2,914,265	\$ 433,176
Total Liabilities	\$ 405,756	\$ 2,941,685	\$ 2,914,265	\$ 433,176
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 9,017	\$ 668	\$ 1,241	\$ 8,444
Total Assets	\$ 9,017	\$ 668	\$ 1,241	\$ 8,444
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 9,017	\$ 668	\$ 1,241	\$ 8,444
Total Liabilities	\$ 9,017	\$ 668	\$ 1,241	\$ 8,444
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,347,565	\$ 6,270,447	\$ 6,386,451	\$ 1,231,561
Total Assets	\$ 1,347,565	\$ 6,270,447	\$ 6,386,451	\$ 1,231,561
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,347,565	\$ 6,270,447	\$ 6,386,451	\$ 1,231,561
Total Liabilities	\$ 1,347,565	\$ 6,270,447	\$ 6,386,451	\$ 1,231,561

(Continued)

Exhibit J-2

Weakley County, Tennessee

Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 19,120	\$ 154,122	\$ 128,994	\$ 44,248
Cash	5,867	527	0	6,394
Accounts Receivable	821	0	821	0
Due From Other Governments	10,330	10,650	10,330	10,650
Total Assets	<u>\$ 36,138</u>	<u>\$ 165,299</u>	<u>\$ 140,145</u>	<u>\$ 61,292</u>
<u>Liabilities</u>				
Due to Joint Ventures	<u>\$ 36,138</u>	<u>\$ 165,299</u>	<u>\$ 140,145</u>	<u>\$ 61,292</u>
Total Liabilities	<u>\$ 36,138</u>	<u>\$ 165,299</u>	<u>\$ 140,145</u>	<u>\$ 61,292</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 28,137	\$ 2,663,299	\$ 2,638,744	\$ 52,692
Cash	1,353,432	6,270,974	6,386,451	1,237,955
Accounts Receivable	821	0	821	0
Due from Other Governments	416,086	443,826	416,086	443,826
Total Assets	<u>\$ 1,798,476</u>	<u>\$ 9,378,099</u>	<u>\$ 9,442,102</u>	<u>\$ 1,734,473</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 414,773	\$ 2,942,353	\$ 2,915,506	\$ 441,620
Due to Litigants, Heirs, and Others	1,347,565	6,270,447	6,386,451	1,231,561
Due to Joint Ventures	36,138	165,299	140,145	61,292
Total Liabilities	<u>\$ 1,798,476</u>	<u>\$ 9,378,099</u>	<u>\$ 9,442,102</u>	<u>\$ 1,734,473</u>

Weakley County School Department

This section presents combining and individual fund financial statements for the Weakley County School Department, a discretely presented component unit. The School Department used a General Fund, two Special Revenue Funds, and a Capital Projects Fund.

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.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

Exhibit K-1

Weakley County, Tennessee
Statement of Activities
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets Total Governmental Activities
Component Unit:					
Governmental Activities:					
Instruction	\$ 21,057,755	\$ 61,397	\$ 2,628,282	\$ 545,000	\$ (17,823,076)
Support Services	6,159,590	123,129	404,980	0	(5,631,481)
Operation of Noninstructional Services	2,273,928	1,032,713	1,112,276	0	(128,939)
Interest on Long-term Debt	4,368	0	0	0	(4,368)
Other Debt Service	417,805	0	0	0	(417,805)
Total Governmental Activities	\$ 29,913,446	\$ 1,217,239	\$ 4,145,538	\$ 545,000	\$ (24,005,669)
General Revenues:					
Taxes:					
Property taxes levied for general purposes					\$ 2,994,267
Local option sales tax					2,753,492
Other local taxes					135,846
Grants & Contributions not restricted for specific programs					17,782,665
Miscellaneous					18,733
Total General Revenues					\$ 23,685,003
Change in net assets					\$ (320,666)
Net assets, July 1, 2004					38,140,471
Net assets, June 30, 2005					<u>\$ 37,819,805</u>

Exhibit K-2

Weakley County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Weakley County School Department
June 30, 2005

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>Central Cafeteria</u>	<u>Other Govern-mental Funds</u>	
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 1,000,516	\$ 624,723	\$ 415,971	\$ 2,041,210
Accounts Receivable	9,179	346	0	9,525
Due from Other Governments	913,241	6,863	7,085	927,189
Property Taxes Receivable	3,192,986	0	0	3,192,986
Allowance for Uncollectible Property Taxes	(144,696)	0	0	(144,696)
Total Assets	\$ 4,971,226	\$ 631,932	\$ 423,056	\$ 6,026,214
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 113	\$ 36,840	\$ 0	\$ 36,953
Deferred Revenue - Current Property Taxes	2,936,492	0	0	2,936,492
Deferred Revenue - Delinquent Property Taxes	94,448	0	0	94,448
Other Deferred Revenues	245,082	0	0	245,082
Total Liabilities	\$ 3,276,135	\$ 36,840	\$ 0	\$ 3,312,975
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 6,000	\$ 35,401	\$ 0	\$ 41,401
Other Local Education Reserves	66,198	0	0	66,198
Reserved for Driver Education	27,821	0	0	27,821
Reserved for Career Ladder - Extended Contract	31,547	0	0	31,547
Reserved for Career Ladder Program	54,478	0	0	54,478
Reserved for Education Edge	6,123	0	0	6,123
Reserved for Title I Grants to Local Education Agencies	0	0	9,165	9,165
Reserved for Innovative Education Program Strategies	0	0	115	115
Reserved for Special Education - Grants to States	0	0	189,830	189,830
Other Federal Reserves	0	0	34,841	34,841
Unreserved, Reported In:				
General Fund	1,502,924	0	0	1,502,924
Special Revenue Funds	0	559,691	0	559,691
Capital Projects Fund	0	0	189,105	189,105
Total Fund Balances	\$ 1,695,091	\$ 595,092	\$ 423,056	\$ 2,713,239
Total Liabilities and Fund Balances	\$ 4,971,226	\$ 631,932	\$ 423,056	\$ 6,026,214

Exhibit K-3

Weakley County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Weakley County School Department
June 30, 2005

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

Total fund balances - balance sheet - governmental funds (Exhibit K-2)		\$ 2,713,239
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	\$ 1,935,850	
Buildings and Improvements	61,330,834	
Other Capital Assets	2,928,760	
Depreciation	<u>(31,279,771)</u>	34,915,673
(2) Long-term liabilities are not due in the current period and therefore are not reported in the funds.		
Compensated Absences Payable	\$ (27,801)	
Capital Leases Payable	(117,454)	
Accrued Interest on Capital Leases	<u>(3,382)</u>	(148,637)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Deferred Revenues - Delinquent Property Taxes	\$ 94,448	
Other Deferred Revenues	<u>245,082</u>	<u>339,530</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 37,819,805</u>

Exhibit K-4

Weakley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2005

	Major Funds		Nonmajor	Total
	General Purpose School	Central Cafeteria	Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 6,141,021	\$ 0	\$ 0	\$ 6,141,021
Licenses and Permits	2,603	0	0	2,603
Charges for Current Services	234,362	921,480	0	1,155,842
Other Local Revenues	87,214	10,256	9,444	106,914
State of Tennessee	17,689,572	28,445	0	17,718,017
Federal Government	798,497	966,546	2,133,183	3,898,226
Other Governments and Citizens Groups	8,722	0	545,000	553,722
Total Revenues	<u>\$ 24,961,991</u>	<u>\$ 1,926,727</u>	<u>\$ 2,687,627</u>	<u>\$ 29,576,345</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 16,388,184	\$ 0	\$ 1,691,944	\$ 18,080,128
Support Services	7,572,677	0	506,245	8,078,922
Operation of Non-Instructional Services	106,951	1,917,505	0	2,024,456
Capital Outlay	230,960	0	0	230,960
Debt Service:				
Principal	0	0	78,815	78,815
Interest	0	0	3,943	3,943
Other Debt Service	417,805	0	0	417,805
Capital Projects	0	0	1,662,653	1,662,653
Total Expenditures	<u>\$ 24,716,577</u>	<u>\$ 1,917,505</u>	<u>\$ 3,943,600</u>	<u>\$ 30,577,682</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 245,414</u>	<u>\$ 9,222</u>	<u>\$ (1,255,973)</u>	<u>\$ (1,001,337)</u>
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 0	\$ 0	\$ 121,232	\$ 121,232
Transfers In	5,068	0	0	5,068
Transfers Out	0	0	(5,068)	(5,068)
Total Other Financing Sources (Uses)	<u>\$ 5,068</u>	<u>\$ 0</u>	<u>\$ 116,164</u>	<u>\$ 121,232</u>
Net Change in Fund Balances	\$ 250,482	\$ 9,222	\$ (1,139,809)	\$ (880,105)
Fund Balance, July 1, 2004	1,444,609	585,870	1,562,865	3,593,344
Fund Balance, June 30, 2005	<u>\$ 1,695,091</u>	<u>\$ 595,092</u>	<u>\$ 423,056</u>	<u>\$ 2,713,239</u>

Exhibit K-5

Weakley County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2005

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

Net change in fund balances - total governmental funds (Exhibit K-4)		\$ (880,105)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Assets Purchased and Capitalized	\$ 2,248,980	
Depreciation Expense	<u>(1,540,989)</u>	707,991
(2) The net effect of the disposal of capital assets was to decrease net assets.		(14,000)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred Revenues - Delinquent Property Taxes	\$ (43,306)	
Other Deferred Revenues	<u>(46,422)</u>	(89,728)
(4) The issuance of long-term capitalized leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however has any effect on net assets.		
Capital Leases Issued	\$ (121,232)	
Principal on Capital Leases	<u>78,815</u>	(42,417)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Net Change in Compensated Absences	\$ (1,982)	
Net Change in Accrued Interest on Capital Leases	<u>(425)</u>	(2,407)
Change in net assets of governmental activities (Exhibit B)		<u>\$ (320,666)</u>

Exhibit K-6

Weakley County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Weakley County School Department
June 30, 2005

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Education Capital Projects	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 226,866	\$ 189,105	\$ 415,971
Due from Other Governments	7,085	0	7,085
Total Assets	<u>\$ 233,951</u>	<u>\$ 189,105</u>	<u>\$ 423,056</u>
<u>FUND BALANCES</u>			
Reserved for Title I Grants to Local Education Agencies	\$ 9,165	\$ 0	\$ 9,165
Reserved for Innovative Education Program Strategies	115	0	115
Reserved for Special Education - Grants to States	189,830	0	189,830
Other Federal Reserves	34,841	0	34,841
Unreserved	0	189,105	189,105
Total Fund Balances	<u>\$ 233,951</u>	<u>\$ 189,105</u>	<u>\$ 423,056</u>

Exhibit K-7

Weakley County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2005

	Special Revenue Fund School Federal Projects	Capital Projects Fund Education Capital Projects	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Other Local Revenues	\$ 0	\$ 9,444	\$ 9,444
Federal Government	2,133,183	0	2,133,183
Other Governments and Citizens Groups	0	545,000	545,000
Total Revenues	<u>\$ 2,133,183</u>	<u>\$ 554,444</u>	<u>\$ 2,687,627</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,691,944	\$ 0	\$ 1,691,944
Support Services	506,245	0	506,245
Debt Service:			
Principal	78,815	0	78,815
Interest	3,943	0	3,943
Capital Projects	0	1,662,653	1,662,653
Total Expenditures	<u>\$ 2,280,947</u>	<u>\$ 1,662,653</u>	<u>\$ 3,943,600</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (147,764)</u>	<u>\$ (1,108,209)</u>	<u>\$ (1,255,973)</u>
<u>Other Financing Sources (Uses)</u>			
Capital Leases Issued	\$ 121,232	\$ 0	\$ 121,232
Transfers Out	(5,068)	0	(5,068)
Total Other Financing Sources (Uses)	<u>\$ 116,164</u>	<u>\$ 0</u>	<u>\$ 116,164</u>
Net Change in Fund Balances	\$ (31,600)	\$ (1,108,209)	\$ (1,139,809)
Fund Balance, July 1, 2004	<u>265,551</u>	<u>1,297,314</u>	<u>1,562,865</u>
Fund Balance, June 30, 2005	<u>\$ 233,951</u>	<u>\$ 189,105</u>	<u>\$ 423,056</u>

Exhibit K-8

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Weakley County School Department
General Purpose School Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,141,021	\$ 0	\$ 0	\$ 6,141,021	\$ 6,081,214	\$ 6,087,214	\$ 53,807
Licenses and Permits	2,603	0	0	2,603	2,000	2,000	603
Charges for Current Services	234,362	0	0	234,362	222,854	232,854	1,508
Other Local Revenues	87,214	0	0	87,214	105,732	120,102	(32,888)
State of Tennessee	17,689,572	0	0	17,689,572	17,469,149	17,754,798	(65,226)
Federal Government	798,497	0	0	798,497	764,705	770,661	27,836
Other Governments and Citizens Groups	8,722	0	0	8,722	0	10,000	(1,278)
Total Revenues	\$ 24,961,991	\$ 0	\$ 0	\$ 24,961,991	\$ 24,645,654	\$ 24,977,629	\$ (15,638)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 13,406,604	\$ (56,715)	\$ 3,080	\$ 13,352,969	\$ 13,323,268	\$ 13,531,728	\$ 178,759
Special Education Program	1,580,327	(3,869)	0	1,576,458	1,574,438	1,588,914	12,456
Vocational Education Program	1,118,386	0	0	1,118,386	1,126,212	1,157,220	38,834
Student Body Education Program	9,928	0	0	9,928	10,815	10,815	887
Adult Education Program	254,367	0	0	254,367	260,657	265,720	11,353
Other	18,572	(18,572)	0	0	12	12	12
<u>Support Services</u>							
Attendance	95,416	0	0	95,416	96,659	96,659	1,243
Health Services	78,323	0	0	78,323	67,097	80,847	2,524
Other Student Support	604,753	(6,650)	0	598,103	578,943	612,518	14,415
Regular Instruction Program	1,007,947	0	0	1,007,947	1,062,880	1,043,147	35,200
Alternative Instruction Program	44,047	0	0	44,047	44,456	45,706	1,659
Special Education Program	257,804	(3,948)	0	253,856	261,525	259,024	5,168
Vocational Education Program	87,585	0	0	87,585	96,153	101,998	14,413
Other Programs	112,613	0	0	112,613	113,654	113,654	1,041

(Continued)

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Board of Education	\$ 378,422	\$ 0	\$ 0	\$ 378,422	\$ 387,008	\$ 384,308	\$ 5,886
Director of Schools	217,461	0	0	217,461	224,479	224,479	7,018
Office of the Principal	1,169,754	0	0	1,169,754	1,182,488	1,180,060	10,306
Operation of Plant	2,127,197	(6,650)	434	2,120,981	2,080,001	2,135,057	14,076
Maintenance of Plant	384,520	(2,400)	2,486	384,606	466,357	456,632	72,026
Transportation	1,004,677	0	0	1,004,677	1,000,071	1,059,071	54,394
Central and Other	2,158	0	0	2,158	3,002	3,002	844
<u>Operation of Non-Instructional Services</u>							
Community Services	106,951	0	0	106,951	108,700	117,287	10,336
<u>Capital Outlay</u>							
Regular Capital Outlay	230,960	(76,815)	0	154,145	200,002	180,002	25,857
<u>Other Debt Service</u>							
Education	417,805	0	0	417,805	417,805	417,805	0
Total Expenditures	\$ 24,716,577	\$ (175,619)	\$ 6,000	\$ 24,546,958	\$ 24,686,682	\$ 25,065,665	\$ 518,707
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 245,414	\$ 175,619	\$ (6,000)	\$ 415,033	\$ (41,028)	\$ (88,036)	\$ 503,069
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 5,068	\$ 0	\$ 0	\$ 5,068	\$ 5,068	\$ 12,068	\$ (7,000)
Total Other Financing Sources (Uses)	\$ 5,068	\$ 0	\$ 0	\$ 5,068	\$ 5,068	\$ 12,068	\$ (7,000)

(Continued)

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 250,482	\$ 175,619	\$ (6,000)	\$ 420,101	\$ (35,960)	\$ (75,968)	\$ 496,069
Fund Balance, July 1, 2004	1,444,609	(175,619)	0	1,268,990	1,012,672	1,012,672	256,318
Fund Balance, June 30, 2005	\$ 1,695,091	\$ 0	\$ (6,000)	\$ 1,689,091	\$ 976,712	\$ 936,704	\$ 752,387

Exhibit K-9

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Weakley County School Department
School Federal Projects Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 2,133,183	\$ 0	\$ 2,133,183	\$ 2,376,138	\$ 2,421,289	\$ (288,106)
Total Revenues	\$ 2,133,183	\$ 0	\$ 2,133,183	\$ 2,376,138	\$ 2,421,289	\$ (288,106)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 910,111	\$ 0	\$ 910,111	\$ 912,149	\$ 1,033,165	\$ 123,054
Special Education Program	686,143	(1,183)	684,960	673,657	787,935	102,975
Vocational Education Program	95,690	0	95,690	87,290	95,690	0
<u>Support Services</u>						
Health Services	53,921	0	53,921	49,935	55,396	1,475
Other Student Support	45,986	0	45,986	52,891	55,762	9,776
Regular Instruction Program	179,242	0	179,242	365,974	378,039	198,797
Special Education Program	16,714	0	16,714	16,299	16,716	2
Transportation	210,382	0	210,382	173,225	295,776	85,394
<u>Principal</u>						
Education	78,815	0	78,815	0	78,815	0
<u>Interest</u>						
Education	3,943	0	3,943	0	3,943	0
Total Expenditures	\$ 2,280,947	\$ (1,183)	\$ 2,279,764	\$ 2,331,420	\$ 2,801,237	\$ 521,473
Excess (Deficiency) of Revenues Over Expenditures	\$ (147,764)	\$ 1,183	\$ (146,581)	\$ 44,718	\$ (379,948)	\$ 233,367
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 121,232	\$ 0	\$ 121,232	\$ 0	\$ 121,232	\$ 0
Transfers Out	(5,068)	0	(5,068)	(5,068)	(5,068)	0
Total Other Financing Sources (Uses)	\$ 116,164	\$ 0	\$ 116,164	\$ (5,068)	\$ 116,164	\$ 0

(Continued)

Exhibit K-9

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Weakley County School Department
School Federal Projects Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ (31,600)	\$ 1,183	\$ (30,417)	\$ 39,650	\$ (263,784)	\$ 233,367
Fund Balance, July 1, 2004	265,551	(1,183)	264,368	0	302,734	(38,366)
Fund Balance, June 30, 2005	\$ 233,951	\$ 0	\$ 233,951	\$ 39,650	\$ 38,950	\$ 195,001

Exhibit K-10

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Weakley County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 921,480	\$ 0	\$ 0	\$ 921,480	\$ 908,000	\$ 908,000	\$ 13,480
Other Local Revenues	10,256	0	0	10,256	16,500	16,500	(6,244)
State of Tennessee	28,445	0	0	28,445	29,000	29,000	(555)
Federal Government	966,546	0	0	966,546	868,000	958,000	8,546
Total Revenues	\$ 1,926,727	\$ 0	\$ 0	\$ 1,926,727	\$ 1,821,500	\$ 1,911,500	\$ 15,227
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 1,917,505	\$ (15,765)	\$ 35,401	\$ 1,937,141	\$ 1,900,438	\$ 2,007,453	\$ 70,312
Total Expenditures	\$ 1,917,505	\$ (15,765)	\$ 35,401	\$ 1,937,141	\$ 1,900,438	\$ 2,007,453	\$ 70,312
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,222	\$ 15,765	\$ (35,401)	\$ (10,414)	\$ (78,938)	\$ (95,953)	\$ 85,539
Net Change in Fund Balance	\$ 9,222	\$ 15,765	\$ (35,401)	\$ (10,414)	\$ (78,938)	\$ (95,953)	\$ 85,539
Fund Balance, July 1, 2004	585,870	(15,765)	0	570,105	568,308	568,308	1,797
Fund Balance, June 30, 2005	\$ 595,092	\$ 0	\$ (35,401)	\$ 559,691	\$ 489,370	\$ 472,355	\$ 87,336

MISCELLANEOUS SCHEDULES

Exhibit L-1

Weakley County, Tennessee
Schedule of Changes in Long-Term Notes, Other Loans,
Capital Leases, and Bonds
Primary Government and Discretely Presented
Weakley County School Department
For the Year Ended June 30, 2005

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-04	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-05
<u>PRIMARY GOVERNMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Asbestos Removal - School Buildings	\$ 35,109	0	% 5-30-1990	11-30-08	\$ 8,108	\$ 0	\$ 2,000	\$ 6,108
Asbestos Removal - School Buildings	95,543	0	11-30-1992	5-30-10	31,828	0	5,308	26,520
Asbestos Removal - School Buildings	22,792	0	5-30-1993	5-12-05	292	0	292	0
Asbestos Removal - School Buildings	183,697	0	11-30-1993	11-30-12	86,750	0	10,205	76,545
Total Notes Payable					<u>\$ 126,978</u>	<u>\$ 0</u>	<u>\$ 17,805</u>	<u>\$ 109,173</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Detention Center and Law Enforcement Complex	7,400,000	Variable	12-31-1997	5-25-18	\$ 5,909,000	\$ 0	\$ 296,000	\$ 5,613,000
School Construction and Renovation	(1)	Variable	2-25-03	5-25-23	9,422,705	545,000	385,000	9,582,705
Total Other Loans Payable					<u>\$ 15,331,705</u>	<u>\$ 545,000</u>	<u>\$ 681,000</u>	<u>\$ 15,195,705</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School - Series 1995	9,950,000	4.6 to 5.7	7-1-1995	5-1-05	\$ 500,000	\$ 0	\$ 500,000	\$ 0
School - Series 1996	16,950,000	4.7 to 6.5	1-1-1996	5-1-05	625,000	0	625,000	0
School Refunding - Series 1998	7,010,000	4.4 to 4.8	6-1-1998	4-1-15	6,585,000	0	45,000	6,540,000
School Refunding - Series 2003	17,125,000	2 to 4	12-1-03	5-1-16	16,960,000	0	165,000	16,795,000
Total Bonds Payable					<u>\$ 24,670,000</u>	<u>\$ 0</u>	<u>\$ 1,335,000</u>	<u>\$ 23,335,000</u>
<u>WEAKLEY COUNTY SCHOOL DEPARTMENT</u>								
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through School Federal Projects Fund</u>								
Handicapped School Buses	75,037	5.25	10-1-03	10-16-05	\$ 75,037	\$ 0	\$ 36,558	\$ 38,479
Handicapped School Buses	121,232	4.64	12-17-04	12-17-06	0	121,232	42,257	78,975
Total Capital Leases Payable					<u>\$ 75,037</u>	<u>\$ 121,232</u>	<u>\$ 78,815</u>	<u>\$ 117,454</u>

(1) Amount available under a loan agreement with the Montgomery County Public Building Authority is \$10,400,000 of which \$10,339,705 had been received at June 30, 2005.

Exhibit L-2

Weakley County, Tennessee
Schedule of Bond and Interest Requirements By Year

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2006	\$ 1,400,000	\$ 875,296	\$ 2,275,296
2007	1,765,000	826,171	2,591,171
2008	1,800,000	781,158	2,581,158
2009	1,870,000	729,527	2,599,527
2010	1,985,000	671,712	2,656,712
2011	2,095,000	600,539	2,695,539
2012	2,240,000	510,138	2,750,138
2013	2,410,000	419,198	2,829,198
2014	2,565,000	319,348	2,884,348
2015	2,705,000	214,960	2,919,960
2016	2,500,000	100,000	2,600,000
Total	<u>\$ 23,335,000</u>	<u>\$ 6,048,047</u>	<u>\$ 29,383,047</u>

Exhibit L-3

Weakley County, Tennessee
Schedule of Transfers - All Funds and Discretely Presented
Weakley County School Department
For the Year Ended June 30, 2005

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 5,068</u>
Total Transfers			<u><u>\$ 5,068</u></u>

Exhibit L-4

Weakley County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
For the Year Ended June 30, 2005

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 60,023	\$ 50,000	RLI Insurance Company
Highway Supervisor	Section 8-24-102, <u>TCA</u>	57,165	100,000	"
Director of Schools	State Board of Education and Weakley County Board of Education	92,944 (1)	50,000	"
Trustee	Section 8-24-102, <u>TCA</u>	51,969	819,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	51,969	10,000	Nationwide Mutual Insurance Company
Director of Finance	Weakley County Commission	58,375 (2)	50,000	RLI Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	51,969	50,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	51,969	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> and Chancery Court Judge	52,499 (3)	85,000	"
Register	Section 8-24-102, <u>TCA</u>	51,969	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	57,684 (4)	25,000	"
Employee Blanket Bonds:				
County Mayor and Highway Supervisor:				
All Employees—			25,000	"
Director of Schools:				
All Employees—			150,000	Tennessee School Boards Risk Management Trust

(1) Includes chief executive officer training supplement of \$1,000.

(2) Includes \$2,250 for serving as recording secretary for the Health, Education, and Welfare Committee.

(3) Includes special commissioner fees of \$530.

(4) Includes law enforcement training supplement of \$519.

Exhibit L-5

Weakley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2005

	Special Revenue Funds					Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 1,858,661	\$ 0	\$ 0	\$ 0	\$ 1,017,006	\$ 1,928,789	\$ 4,804,456
Trustee's Collections - Prior Year	82,785	0	0	0	45,298	87,472	215,555
Trustee's Collections - Bankruptcy	1,607	1	0	0	921	1,766	4,295
Circuit/Clerk & Master Collections - Prior Years	57,082	0	0	0	31,234	60,313	148,629
Interest and Penalty	16,092	1	0	0	8,763	16,854	41,710
Payments in Lieu of Taxes - T.V.A.	919	0	0	0	0	0	919
Payments in Lieu of Taxes - Local Utilities	129,374	0	0	0	70,789	134,255	334,418
Payments in Lieu of Taxes - Other	441,470	0	0	0	0	0	441,470
<u>County Local Option Taxes</u>							
Local Option Sales Tax	170,085	0	0	0	0	37,797	207,882
Hotel/Motel Tax	41,162	0	0	0	0	0	41,162
Wheel Tax	0	0	0	0	389,819	0	389,819
Litigation Tax - General	157,232	0	0	0	0	0	157,232
Litigation Tax - Special Purpose	6,013	0	0	0	0	0	6,013
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	44,723	44,723
Business Tax	149,344	0	0	0	0	0	149,344
Mineral Severance Tax	0	0	0	0	128,928	0	128,928
<u>Statutory Local Taxes</u>							
Bank Excise Tax	15,450	0	0	0	8,454	16,033	39,937
Wholesale Beer Tax	46,956	0	0	0	0	0	46,956
Interstate Telecommunications Tax	2,776	0	0	0	0	0	2,776
Total Local Taxes	\$ 3,177,008	\$ 2	\$ 0	\$ 0	\$ 1,701,212	\$ 2,328,002	\$ 7,206,224
<u>Licenses and Permits</u>							
<u>Permits</u>							
Beer Permits	\$ 808	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 808
Building Permits	3,100	0	0	0	0	0	3,100
Total Licenses and Permits	\$ 3,908	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,908
<u>Fines, Forfeitures and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 4,280	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,280

(Continued)

Exhibit L-5

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

	Special Revenue Funds					Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures and Penalties (Cont.)</u>							
<u>Circuit Court (Cont.)</u>							
Officers Costs	\$ 4,414	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,414
Drug Control Fines	0	0	4,867	0	0	0	4,867
Drug Court Fees	664	0	0	0	0	0	664
Jail Fees	3,595	0	0	0	0	0	3,595
District Attorney General Fees	0	0	0	605	0	0	605
DUI Treatment Fines	190	0	0	0	0	0	190
Data Entry Fee - Circuit Court	217	0	0	0	0	0	217
<u>General Sessions Court</u>							
Fines	45,836	0	0	0	0	0	45,836
Officers Costs	43,403	0	0	0	0	0	43,403
Drug Control Fines	0	0	7,366	0	0	0	7,366
Drug Court Fees	15,978	0	0	0	0	0	15,978
Jail Fees	100,081	0	0	0	0	0	100,081
District Attorney General Fees	0	0	0	8,597	0	0	8,597
DUI Treatment Fines	13,362	0	0	0	0	0	13,362
Data Entry Fee - General Sessions Court	8,228	0	0	0	0	0	8,228
<u>Juvenile Court</u>							
Fines	736	0	0	0	0	0	736
Officers Costs	7,438	0	0	0	0	0	7,438
Data Entry Fee - Juvenile Court	5,363	0	0	0	0	0	5,363
<u>Chancery Court</u>							
Officers Costs	12,083	0	0	0	0	0	12,083
Data Entry Fee - Chancery Court	4,444	0	0	0	0	0	4,444
<u>Courts in Other District Counties</u>							
District Attorney General Fees	0	0	0	12,276	0	0	12,276
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	21,070	0	0	0	21,070
Total Fines, Forfeitures and Penalties	\$ 270,312	\$ 0	\$ 33,303	\$ 21,478	\$ 0	\$ 0	325,093
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Other General Service Charges	\$ 1,865	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,865

(Continued)

Exhibit L-5

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

	Special Revenue Funds					Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General Debt Service	
<u>Charges for Current Services (Cont.)</u>							
<u>General Service Charges (Cont.)</u>							
Service Charges	\$ 33,253	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	33,253
<u>Fees</u>							
Telephone Commissions	18,619	0	0	0	0	0	18,619
Vending Machine Collections	766	0	0	0	306	0	1,072
Data Processing Fee - Register	12,720	0	0	0	0	0	12,720
Data Processing Fee - Sheriff	4,749	0	0	0	0	0	4,749
Sexual Offender Registration Fee	780	0	0	0	0	0	780
<u>Other Charges for Services</u>							
Other Charges for Services	51,509	0	0	0	0	0	51,509
Total Charges for Current Services	\$ 124,261	\$ 0	\$ 0	\$ 0	\$ 306	\$ 0	124,567
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	230,590	\$ 230,590
Miscellaneous Refunds	19,360	3,462	0	0	118,206	0	141,028
<u>Nonrecurring Items</u>							
Sale of Property	7,007	0	10,402	0	20,939	0	38,348
Total Other Local Revenues	\$ 26,367	\$ 3,462	\$ 10,402	\$ 0	\$ 139,145	\$ 230,590	\$ 409,966
<u>Fees Received from County Officials</u>							
<u>Fees In Lieu of Salary</u>							
County Clerk	\$ 343,238	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	343,238
Circuit Court Clerk	51,530	0	0	0	0	0	51,530
General Sessions Court Clerk	186,664	0	0	0	0	0	186,664
Clerk and Master	158,433	0	0	0	0	0	158,433
Register	155,483	0	0	0	0	0	155,483
Sheriff	12,974	0	0	0	0	0	12,974
Trustee	318,503	0	0	0	0	0	318,503
Total Fees Received from County Officials	\$ 1,226,825	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,226,825

(Continued)

Exhibit L-5

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

	Special Revenue Funds					Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General Debt Service	
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 104,340	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	104,340
Aging Programs	110,339	0	0	0	0	0	110,339
Solid Waste Grants	0	17,149	0	0	0	0	17,149
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	8,818	0	0	0	0	0	8,818
<u>Health and Welfare Grants</u>							
Health Department Programs	60,222	0	0	0	0	0	60,222
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	1,045,124	0	1,045,124
State Aid Program	0	0	0	0	177,706	0	177,706
Litter Program	0	0	0	0	44,508	0	44,508
<u>Other State Revenues</u>							
Income Tax	28,495	0	0	0	0	0	28,495
Beer Tax	16,778	0	0	0	0	0	16,778
Alcoholic Beverage Tax	44,733	0	0	0	0	0	44,733
Mixed Drink Tax	599	0	0	0	0	0	599
State Revenue Sharing - T.V.A.	0	0	0	0	0	234,387	234,387
Emergency Hospital - Prisoners	14,464	0	0	0	0	0	14,464
Prisoner Transportation	1,255	0	0	0	0	0	1,255
Contracted Prisoner Boarding	378,240	0	0	0	0	0	378,240
Gasoline and Motor Fuel Tax	0	0	0	0	1,903,176	0	1,903,176
Petroleum Special Tax	0	0	0	0	28,071	0	28,071
Reappraisal Program Reimbursement	12,042	0	0	0	0	0	12,042
Registrar's Salary Supplement	16,380	0	0	0	0	0	16,380
Other State Revenues	1,200	0	0	0	4	0	1,204
Total State of Tennessee	\$ 797,905	\$ 17,149	\$ 0	\$ 0	\$ 3,198,589	\$ 234,387	\$ 4,248,030
<u>Federal Government</u>							
<u>Federal Through State</u>							
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,835	\$ 0	\$ 32,835
Homeland Security Grants	154,585	0	0	0	0	0	154,585

(Continued)

Exhibit L-5

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

	Special Revenue Funds					Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General Debt Service	
<u>Federal Government (Cont.)</u>							
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	\$ 1,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,200
Total Federal Government	\$ 155,785	\$ 0	\$ 0	\$ 0	\$ 32,835	\$ 0	188,620
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 9,855	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,855
Contributions	15,000	0	0	0	0	808,199	823,199
Contracted Services	49,000	0	0	0	0	0	49,000
<u>Other</u>							
Other	18,000	0	0	0	0	0	18,000
Total Other Governments and Citizens Groups	\$ 91,855	\$ 0	\$ 0	\$ 0	\$ 0	\$ 808,199	\$ 900,054
Total	\$ 5,874,226	\$ 20,613	\$ 43,705	\$ 21,478	\$ 5,072,087	\$ 3,601,178	\$ 14,633,287

Exhibit L-6

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2005

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 2,805,526	\$ 0	\$ 0	\$ 0	\$ 2,805,526
Trustee's Collections - Prior Year	121,835	0	0	0	121,835
Trustee's Collections - Bankruptcy	2,500	0	0	0	2,500
Circuit/Clerk & Master Collections - Prior Years	84,008	0	0	0	84,008
Interest and Penalty	23,704	0	0	0	23,704
Payments in Lieu of Taxes - Local Utilities	195,281	0	0	0	195,281
<u>County Local Option Taxes</u>					
Local Option Sales Tax	2,749,080	0	0	0	2,749,080
Wheel Tax	129,940	0	0	0	129,940
<u>Statutory Local Taxes</u>					
Bank Excise Tax	23,320	0	0	0	23,320
Interstate Telecommunications Tax	5,827	0	0	0	5,827
Total Local Taxes	\$ 6,141,021	\$ 0	\$ 0	\$ 0	\$ 6,141,021
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,603	\$ 0	\$ 0	\$ 0	\$ 2,603
Total Licenses and Permits	\$ 2,603	\$ 0	\$ 0	\$ 0	\$ 2,603
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Other	\$ 111,233	\$ 0	\$ 0	\$ 0	\$ 111,233
Lunch Payments - Children	0	0	819,679	0	819,679
Lunch Payments - Adults	0	0	60,346	0	60,346
Income from Breakfast	0	0	41,455	0	41,455
Receipts from Individual Schools	123,129	0	0	0	123,129
Total Charges for Current Services	\$ 234,362	\$ 0	\$ 921,480	\$ 0	\$ 1,155,842
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 9,056	\$ 0	\$ 9,056
Sale of Materials and Supplies	58,252	0	0	0	58,252
Miscellaneous Refunds	5,870	0	0	9,444	15,314
<u>Nonrecurring Items</u>					
Sale of Equipment	4,945	0	1,200	0	6,145
Damages Recovered from Individuals	3,145	0	0	0	3,145
Contributions & Gifts	15,002	0	0	0	15,002
Total Other Local Revenues	\$ 87,214	\$ 0	\$ 10,256	\$ 9,444	\$ 106,914
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 16,550,714	\$ 0	\$ 0	\$ 0	\$ 16,550,714
Early Childhood Education	63,672	0	0	0	63,672
School Food Service	0	0	28,445	0	28,445
Driver Education	13,740	0	0	0	13,740
Other State Education Funds	247,074	0	0	0	247,074
Career Ladder Program	376,304	0	0	0	376,304
Career Ladder - Extended Contract	203,082	0	0	0	203,082

(Continued)

Exhibit L-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Mixed Drink Tax	\$ 599	\$ 0	\$ 0	\$ 0	\$ 599
State Revenue Sharing - T.V.A.	234,387	0	0	0	234,387
Total State of Tennessee	\$ 17,689,572	\$ 0	\$ 28,445	\$ 0	\$ 17,718,017
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 765,074	\$ 0	\$ 765,074
Breakfast	0	0	201,472	0	201,472
Adult Education State Grant Program	166,377	0	0	0	166,377
Vocational Education - Basic Grants to States	0	101,358	0	0	101,358
Community Based Organizations	24,861	0	0	0	24,861
Title I Grants to Local Education Agencies	0	797,627	0	0	797,627
Innovative Education Program Strategies	0	22,185	0	0	22,185
Special Education - Grants to States	11,975	897,076	0	0	909,051
Special Education Preschool Grants	0	28,101	0	0	28,101
Eisenhower Professional Development State Grants	0	257,916	0	0	257,916
Job Training Partnership Act	87,626	0	0	0	87,626
Other Federal through State	507,658	28,920	0	0	536,578
Total Federal Government	\$ 798,497	\$ 2,133,183	\$ 966,546	\$ 0	\$ 3,898,226
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 545,000	\$ 545,000
<u>Citizens Groups</u>					
Donations	8,722	0	0	0	8,722
Total Other Governments and Citizens Groups	\$ 8,722	\$ 0	\$ 0	\$ 545,000	\$ 553,722
Total	\$ 24,961,991	\$ 2,133,183	\$ 1,926,727	\$ 554,444	\$ 29,576,345

Exhibit L-7

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2005

General Fund

General Government

County Commission

Secretary to Board	\$	5,550	
Board and Committee Members Fees		9,900	
Other Per Diem & Fees		28,050	
Social Security		3,135	
State Retirement		615	
Employer Medicare		733	
Audit Services		7,955	
Travel		4,289	
Contracts for Development Costs		1,278	
Other Contracted Services		1,750	
Judgments		35,208	
Other Charges		20	
Total County Commission			\$ 98,483

County Mayor

County Official/Administrative Officer	\$	60,023	
Secretary(s)		23,326	
Clerical Personnel		1,200	
Social Security		5,138	
State Retirement		9,368	
Medical Insurance		3,344	
Employer Medicare		1,202	
Communication		2,400	
Dues and Memberships		2,049	
Legal Notices, Recording and Court Costs		33	
Postal Charges		430	
Travel		4,153	
Office Supplies		277	
In Service/Staff Development		155	
Total County Mayor			113,098

County Attorney

Legal Services	\$	18,000	
Total County Attorney			18,000

Election Commission

County Official/Administrative Officer	\$	41,575	
Deputy(ies)		38,638	
Temporary Personnel		6,545	
Election Commission		8,325	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Election Workers	\$	19,745	
Social Security		5,454	
State Retirement		7,997	
Medical Insurance		15,715	
Employer Medicare		1,276	
Audit Services		1,947	
Communication		1,923	
Data Processing Services		3,500	
Dues and Memberships		300	
Legal Notices, Recording and Court Costs		4,168	
Maintenance & Repair Services- Buildings		396	
Maintenance & Repair Services- Office Equipment		6,865	
Postal Charges		2,841	
Printing, Stationery and Forms		9,394	
Rentals		2,028	
Travel		1,346	
Office Supplies		3,997	
Building and Contents Insurance		1,231	
In Service/Staff Development		250	
Data Processing Equipment		4,290	
Total Election Commission			\$ 189,746

Register of Deeds

County Official/Administrative Officer	\$	51,969	
Deputy(ies)		44,159	
Social Security		5,638	
State Retirement		10,651	
Medical Insurance		6,932	
Employer Medicare		1,318	
Communication		2,011	
Dues and Memberships		508	
Legal Notices, Recording and Court Costs		12,245	
Postal Charges		361	
Rentals		2,220	
Travel		1,839	
Other Contracted Services		7,000	
Data Processing Supplies		1,269	
Office Supplies		624	
Total Register of Deeds			148,744

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Custodial Personnel	\$	42,596	
Social Security		2,513	
State Retirement		4,069	
Medical Insurance		3,331	
Employer Medicare		588	
Licenses		100	
Maintenance & Repair Services- Buildings		9,407	
Maintenance & Repair Services- Equipment		2,458	
Pest Control		456	
Other Contracted Services		5,810	
Custodial Supplies		5,262	
Electricity		29,361	
Equipment and Machinery Parts		47	
Natural Gas		10,241	
Water and Sewer		5,276	
Other Supplies and Materials		172	
Building and Contents Insurance		17,753	
Other Charges		1,491	
Total County Buildings			\$ 140,931

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	56,125
Accountants/Bookkeepers		109,030
Custodial Personnel		2,500
Social Security		9,272
State Retirement		17,357
Medical Insurance		17,700
Employer Medicare		2,168
Communication		3,614
Data Processing Services		6,269
Dues and Memberships		655
Legal Notices, Recording and Court Costs		1,166
Maintenance & Repair Services- Office Equipment		878
Pest Control		240
Postal Charges		2,473
Printing, Stationery and Forms		6,920
Rentals		4,100
Travel		2,328
Custodial Supplies		768

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Electricity	\$	2,184	
Natural Gas		638	
Office Supplies		4,625	
Water and Sewer		318	
Other Supplies and Materials		3,212	
Premiums on Corporate Surety Bonds		75	
In Service/Staff Development		1,563	
Data Processing Equipment		440	
Total Accounting and Budgeting			\$ 256,618

Property Assessor's Office

County Official/Administrative Officer	\$	51,969	
Deputy(ies)		88,625	
Educational Incentive - Other County Employees		6,500	
Board and Committee Members Fees		725	
Social Security		8,420	
State Retirement		16,298	
Medical Insurance		13,868	
Employer Medicare		1,969	
Communication		2,130	
Dues and Memberships		1,336	
Legal Notices, Recording and Court Costs		157	
Maintenance & Repair Services- Vehicles		307	
Postal Charges		729	
Printing, Stationery and Forms		103	
Rentals		2,195	
Travel		1,140	
Gasoline		893	
Office Supplies		462	
Premiums on Corporate Surety Bonds		178	
Vehicle and Equipment Insurance		419	
Total Property Assessor's Office			198,423

Reappraisal Program

Data Processing Services	\$	3,800	
Postal Charges		1,121	
Travel		87	
Other Contracted Services		44,969	
Office Supplies		600	
Total Reappraisal Program			50,577

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	51,969	
Deputy(ies)		44,159	
Temporary Personnel		952	
Social Security		5,318	
State Retirement		10,465	
Medical Insurance		15,011	
Employer Medicare		1,244	
Communication		2,286	
Data Processing Services		10,189	
Dues and Memberships		608	
Legal Notices, Recording and Court Costs		969	
Maintenance Agreements		3,469	
Postal Charges		4,800	
Rentals		840	
Travel		676	
Office Supplies		1,731	
Data Processing Equipment		1,731	
Total County Trustee's Office			\$ 156,417

County Clerk's Office

County Official/Administrative Officer	\$	51,969	
Deputy(ies)		109,017	
Clerical Personnel		1,200	
Social Security		9,338	
State Retirement		16,469	
Medical Insurance		15,708	
Employer Medicare		2,184	
Communication		2,171	
Dues and Memberships		498	
Legal Notices, Recording and Court Costs		356	
Maintenance Agreements		5,912	
Maintenance & Repair Services- Office Equipment		131	
Postal Charges		7,450	
Printing, Stationery and Forms		2,415	
Rentals		2,197	
Travel		947	
Office Supplies		3,675	
Office Equipment		18,787	
Total County Clerk's Office			250,424

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	51,969	
Deputy(ies)		86,652	
Temporary Personnel		2,616	
Board and Committee Members Fees		750	
Jury and Witness Fees		3,497	
Social Security		8,126	
State Retirement		15,359	
Medical Insurance		16,532	
Employer Medicare		1,900	
Communication		2,649	
Dues and Memberships		95	
Legal Notices, Recording and Court Costs		90	
Maintenance & Repair Services- Office Equipment		411	
Printing, Stationery and Forms		1,314	
Rentals		4,397	
Travel		283	
Office Supplies		1,394	
Other Supplies and Materials		853	
Total Circuit Court			\$ 198,887

General Sessions Court

Judge(s)	\$	79,358	
Deputy(ies)		42,716	
Social Security		6,502	
State Retirement		13,526	
Medical Insurance		19,162	
Employer Medicare		1,521	
Communication		1,395	
Dues and Memberships		383	
Postal Charges		2,500	
Printing, Stationery and Forms		862	
Travel		1,536	
Other Contracted Services		4,000	
Library Books/Media		1,365	
Office Supplies		2,949	
Data Processing Equipment		2,318	
Total General Sessions Court			180,093

Chancery Court

County Official/Administrative Officer	\$	51,969	
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(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Deputy(ies)	\$	65,742	
Temporary Personnel		4,751	
Social Security		7,202	
State Retirement		11,947	
Medical Insurance		8,047	
Employer Medicare		1,684	
Communication		1,807	
Dues and Memberships		478	
Legal Notices, Recording and Court Costs		1,296	
Maintenance Agreements		6,470	
Postal Charges		1,630	
Printing, Stationery and Forms		3,020	
Rentals		2,366	
Office Supplies		2,062	
Data Processing Equipment		386	
Office Equipment		3,932	
Total Chancery Court			\$ 174,789

Juvenile Court

Judge(s)	\$	27,159	
Youth Service Officer(s)		35,693	
Social Workers		34,948	
Secretary(s)		22,726	
Social Security		7,139	
State Retirement		12,282	
Medical Insurance		6,537	
Employer Medicare		1,670	
Contracts with Other Public Agencies		5,033	
Dues and Memberships		70	
Travel		1,258	
Office Supplies		39	
Total Juvenile Court			154,554

District Attorney General

Secretary(s)	\$	20,382	
Social Security		1,264	
State Retirement		2,258	
Employer Medicare		296	
Total District Attorney General			24,200

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice

Social Workers	\$	48,250	
Social Security		2,902	
State Retirement		5,321	
Medical Insurance		3,344	
Employer Medicare		679	
Communication		4,275	
Contracts with Other Public Agencies		2,201	
Dues and Memberships		25	
Maintenance & Repair Services- Office Equipment		585	
Maintenance & Repair Services- Vehicles		770	
Postal Charges		500	
Printing, Stationery and Forms		43	
Rentals		2,397	
Travel		5,487	
Gasoline		927	
Instructional Supplies and Materials		196	
Office Supplies		2,016	
Vehicle and Equipment Insurance		427	
Workers' Compensation Insurance		264	
In Service/Staff Development		532	
Data Processing Equipment		5,700	
Total Other Administration of Justice			\$ 86,841

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	57,165
Deputy(ies)		577,845
Accountants/Bookkeepers		39,235
Salary Supplements		8,818
Maintenance Personnel		23,998
Overtime Pay		5,361
Social Security		40,328
State Retirement		73,313
Medical Insurance		82,171
Employer Medicare		9,431
Communication		18,876
Dues and Memberships		1,600
Evaluation and Testing		1,125
Maintenance Agreements		3,350
Maintenance & Repair Services- Equipment		1,781

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance & Repair Services- Vehicles	\$	14,087	
Postal Charges		6,389	
Printing, Stationery and Forms		1,219	
Rentals		2,003	
Travel		7,066	
Other Contracted Services		8,580	
Gasoline		40,860	
Law Enforcement Supplies		4,259	
Office Supplies		1,782	
Uniforms		14,549	
Other Supplies and Materials		3,511	
Vehicle and Equipment Insurance		18,198	
In Service/Staff Development		5,300	
Other Charges		1,724	
Data Processing Equipment		5,999	
Law Enforcement Equipment		12,480	
Motor Vehicles		71,479	
Total Sheriff's Department			\$ 1,163,882

Traffic Control

Dispatchers/Radio Operators	\$	167,666	
Social Security		9,794	
State Retirement		15,448	
Medical Insurance		19,492	
Employer Medicare		2,290	
Total Traffic Control			214,690

Jail

Supervisor/Director	\$	36,085	
Accountants/Bookkeepers		22,176	
Guards		386,725	
Cafeteria Personnel		6,174	
Overtime Pay		2,385	
Social Security		25,566	
State Retirement		42,244	
Medical Insurance		63,056	
Employer Medicare		5,979	
Communication		1,600	
Maintenance Agreements		5,880	
Maintenance & Repair Services- Buildings		7,458	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance & Repair Services- Equipment	\$	3,402	
Medical and Dental Services		67,238	
Pest Control		770	
Printing, Stationery and Forms		1,177	
Rentals		582	
Other Contracted Services		1,210	
Custodial Supplies		9,869	
Drugs and Medical Supplies		14,526	
Electricity		36,467	
Food Preparation Supplies		223	
Food Supplies		64,834	
Natural Gas		32,240	
Office Supplies		1,728	
Water and Sewer		9,953	
Other Supplies and Materials		6,352	
Building and Contents Insurance		20,693	
Total Jail			\$ 876,592

Correctional Incentive Program Improvements

Contributions	\$	1,916	
Other Contracted Services		12,773	
Total Correctional Incentive Program Improvements			14,689

Fire Prevention and Control

Contributions	\$	19,500	
Total Fire Prevention and Control			19,500

Civil Defense

Supervisor/Director	\$	11,815	
Deputy(ies)		6,410	
Social Security		1,130	
Employer Medicare		264	
Communication		1,476	
Travel		971	
Office Supplies		446	
Other Supplies and Materials		178	
Communication Equipment		108,302	
Other Equipment		29,068	
Total Civil Defense			160,060

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad

Other Contracted Services	\$ 5,500	
Total Rescue Squad		\$ 5,500

Other Public Safety

Other Contracted Services	\$ 2,300	
Total Other Public Safety		2,300

Public Health and Welfare

Local Health Center

Other Salaries & Wages	\$ 35,383	
Social Security	1,764	
State Retirement	3,921	
Medical Insurance	9,906	
Employer Medicare	412	
Communication	4,642	
Contracts with Government Agencies	28,200	
Dues and Memberships	100	
Janitorial Services	12,000	
Maintenance & Repair Services- Buildings	2,990	
Maintenance & Repair Services- Equipment	349	
Maintenance & Repair Services- Office Equipment	140	
Pest Control	264	
Postal Charges	3,087	
Disposal Fees	400	
Custodial Supplies	649	
Drugs and Medical Supplies	600	
Electricity	5,912	
Natural Gas	1,486	
Office Supplies	1,379	
Water and Sewer	1,481	
Other Supplies and Materials	250	
Building and Contents Insurance	3,556	
Other Equipment	3,300	
Total Local Health Center		122,171

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$ 235,000	
Total Ambulance/Emergency Medical Services		235,000

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Maternal and Child Health Services

Contracts with Government Agencies	\$	3,000	
Contracts with Other Public Agencies		2,500	
Other Contracted Services		219	
Total Maternal and Child Health Services			\$ 5,719

Crippled Children Services

Contributions	\$	2,167	
Total Crippled Children Services			2,167

Other Local Health Services

Contracts with Other Public Agencies	\$	9,000	
Other Contracted Services		11,006	
Total Other Local Health Services			20,006

General Welfare Assistance

Contracts with Other Public Agencies	\$	16,780	
Other Contracted Services		500	
Total General Welfare Assistance			17,280

Social, Cultural and Recreational Services

Adult Activities

Supervisor/Director	\$	19,687	
Social Workers		20,261	
Other Salaries & Wages		44,104	
Social Security		4,850	
State Retirement		7,580	
Medical Insurance		6,562	
Employer Medicare		1,134	
Communication		1,435	
Janitorial Services		578	
Postal Charges		400	
Rentals		2,825	
Travel		3,036	
Other Supplies and Materials		1,555	
Other Equipment		1,131	
Total Adult Activities			115,138

Senior Citizens Assistance

Supervisor/Director	\$	12,709	
Social Security		698	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Social, Cultural and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

State Retirement	\$	1,408	
Medical Insurance		3,344	
Employer Medicare		163	
Communication		1,426	
Postal Charges		100	
Travel		541	
Other Supplies and Materials		1,786	
Total Senior Citizens Assistance			\$ 22,175

Libraries

Supervisor/Director	\$	27,736	
Clerical Personnel		39,956	
Temporary Personnel		2,931	
Social Security		3,954	
State Retirement		7,500	
Medical Insurance		9,893	
Employer Medicare		925	
Communication		3,496	
Contributions		15,374	
Janitorial Services		2,895	
Licenses		450	
Maintenance & Repair Services- Buildings		2,374	
Maintenance & Repair Services- Equipment		570	
Pest Control		128	
Travel		1,656	
Other Contracted Services		17,651	
Utilities		5,634	
Building and Contents Insurance		3,662	
Data Processing Equipment		1,796	
Total Libraries			148,581

Agriculture & Natural Resources

Agriculture Extension Service

Salary Supplements	\$	48,753	
Other Fringe Benefits		10,887	
Communication		4,227	
Travel		420	
Data Processing Equipment		2,390	
Total Agriculture Extension Service			66,677

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Agriculture & Natural Resources (Cont.)

Soil Conservation

Secretary(s)	\$	22,076	
Social Security		1,237	
State Retirement		2,446	
Medical Insurance		3,331	
Employer Medicare		289	
Total Soil Conservation			\$ 29,379

Flood Control

Contracts with Other Public Agencies	\$	500	
Other Contracted Services		23,726	
Total Flood Control			24,226

Other Operations

Veterans' Services

Assistant(s)	\$	7,867	
Supervisor/Director		23,281	
Social Security		1,931	
State Retirement		2,580	
Employer Medicare		452	
Communication		1,444	
Dues and Memberships		90	
Postal Charges		200	
Travel		850	
Office Supplies		370	
Total Veterans' Services			39,065

Other Charges

Dues and Memberships	\$	4,452	
Total Other Charges			4,452

Contributions to Other Agencies

Contributions	\$	56,836	
Total Contributions to Other Agencies			56,836

Employee Benefits

Unemployment Compensation	\$	6,821	
Total Employee Benefits			6,821

Miscellaneous

Liability Insurance	\$	36,101	
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(Continued)

Exhibit L-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Premiums on Corporate Surety Bonds	\$	743	
Trustee's Commission		56,807	
Workers' Compensation Insurance		83,762	
Other Charges		591	
Total Miscellaneous			<u>\$ 178,004</u>

Total General Fund \$ 5,991,735

Solid Waste/Sanitation Fund

Public Health and Welfare

Recycling Center

Temporary Personnel	\$	5,616	
Social Security		348	
State Retirement		260	
Employer Medicare		81	
Legal Notices, Recording and Court Costs		17	
Postal Charges		8	
Other Contracted Services		18,777	
Electricity		686	
Water and Sewer		149	
Total Recycling Center			<u>\$ 25,942</u>

Total Solid Waste/Sanitation Fund 25,942

Drug Control Fund

Public Safety

Drug Enforcement

Other Salaries & Wages	\$	5,562	
Social Security		271	
State Retirement		616	
Employer Medicare		63	
Tow-in Services		340	
Travel		457	
Trustee's Commission		126	
In Service/Staff Development		750	
Other Charges		1,938	
Other Capital Outlay		17,380	
Total Drug Enforcement			<u>\$ 27,503</u>

Total Drug Control Fund 27,503

(Continued)

Exhibit L-7

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

District Attorney General Fund

Administration of Justice

District Attorney General

Salary Supplements	\$	20,014	
Communication		1,189	
Dues and Memberships		210	
Printing, Stationery and Forms		5,211	
Travel		468	
Road Signs		330	
Trustee's Commission		215	
In Service/Staff Development		1,300	
Data Processing Equipment		107	
Total District Attorney General			\$ 29,044

Total District Attorney General Fund \$ 29,044

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	57,165	
Secretary to Board		1,500	
Secretary(s)		24,010	
Board and Committee Members Fees		9,400	
Dues and Memberships		2,479	
Legal Services		1,135	
Legal Notices, Recording and Court Costs		328	
Maintenance & Repair Services- Office Equipment		60	
Medical and Dental Services		1,465	
Postal Charges		862	
Printing, Stationery and Forms		360	
Rentals		1,214	
Travel		1,200	
Drugs and Medical Supplies		38	
Office Supplies		615	
Other Supplies and Materials		234	
Other Charges		1,496	
Office Equipment		434	
Total Administration			\$ 103,995

Highway and Bridge Maintenance

Foremen	\$	32,638
Equipment Operators		362,266
Truck Drivers		255,708

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Laborers	\$	272,174	
Rentals		816	
Other Contracted Services		154,746	
Asphalt - Cold Mix		6,312	
Asphalt - Hot Mix		290,594	
Asphalt - Liquid		163,166	
Crushed Stone		189,840	
General Construction Materials		85,143	
Other Road Supplies		13,992	
Pipe		89,835	
Road Signs		10,334	
Small Tools		422	
Wood Products		1,246	
Other Supplies and Materials		3,692	
Total Highway and Bridge Maintenance			\$ 1,932,924

Operation and Maintenance of Equipment

Foremen	\$	30,972	
Mechanic(s)		81,169	
Laundry Service		13,985	
Maintenance & Repair Services- Equipment		28,609	
Maintenance & Repair Services- Vehicles		2,805	
Tow-in Services		765	
Diesel Fuel		151,106	
Equipment and Machinery Parts		56,653	
Garage Supplies		5,910	
Gasoline		17,549	
Lubricants		25,234	
Small Tools		418	
Tires and Tubes		38,332	
Other Supplies and Materials		1,171	
Total Operation and Maintenance of Equipment			454,678

Litter and Trash Collection

Foremen	\$	10,491	
Truck Drivers		10,490	
Secretary(s)		5,119	
Social Security		1,333	
State Retirement		2,144	
Employer Medicare		320	

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection (Cont.)

Advertising	\$	4,697	
Other Supplies and Materials		60	
Litter Enforcement Awards		4,526	
Total Litter and Trash Collection			\$ 39,180

Other Charges

Communication	\$	2,477	
Licenses		58	
Maintenance & Repair Services- Buildings		3,001	
Maintenance & Repair Services- Office Equipment		1,039	
Electricity		11,465	
Natural Gas		5,153	
Water and Sewer		857	
Building and Contents Insurance		4,008	
Liability Insurance		11,827	
Trustee's Commission		46,951	
Vehicle and Equipment Insurance		50,214	
Liability Claims		1,299	
Building Improvements		19,950	
Heating and Air Conditioning Equipment		3,575	
Total Other Charges			161,874

Employee Benefits

Social Security	\$	63,442	
State Retirement		118,621	
Medical Insurance		168,659	
Unemployment Compensation		3,984	
Employer Medicare		14,829	
Workers' Compensation Insurance		156,923	
Total Employee Benefits			526,458

Capital Outlay

Bridge Construction	\$	1,363,690	
Highway Construction		617,001	
Highway Equipment		210,000	
State Aid Projects		244,510	
Other Capital Outlay		154,782	
Total Capital Outlay			2,589,983

Total Highway/Public Works Fund \$ 5,809,092

(Continued)

Exhibit L-7

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

<u>General Debt Service Fund</u>		
<u>Principal</u>		
<u>General Government</u>		
Principal on Other Loans Payable	\$ 296,000	
Total General Government		\$ 296,000
 <u>Education</u>		
Principal on Bonds	\$ 1,335,000	
Principal on Notes	17,805	
Principal on Other Loans Payable	<u>385,000</u>	
Total Education		1,737,805
 <u>Interest</u>		
<u>General Government</u>		
Interest on Other Loans Payable	\$ <u>116,461</u>	
Total General Government		116,461
 <u>Education</u>		
Interest on Bonds	\$ 935,085	
Interest on Other Loans Payable	<u>197,620</u>	
Total Education		1,132,705
 <u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 47,690	
Other Debt Service	<u>17,840</u>	
Total General Government		65,530
 <u>Education</u>		
Other Debt Service	\$ <u>26,591</u>	
Total Education		<u>26,591</u>
Total General Debt Service Fund		\$ 3,375,092
 <u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Contributions	\$ <u>545,000</u>	
Total Education Capital Projects		<u>\$ 545,000</u>
Total General Capital Projects Fund		<u>545,000</u>
Total Governmental Funds - Primary Government		<u>\$ 15,803,408</u>

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2005

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 9,183,724	
Career Ladder Program	209,556	
Career Ladder Extended Contracts	194,100	
Educational Assistants	341,608	
Other Salaries & Wages	165,924	
Certified Substitute Teachers	118,924	
Social Security	593,633	
State Retirement	563,740	
Medical Insurance	820,646	
Employer Medicare	138,833	
Other Fringe Benefits	14,300	
Communication	1,639	
Maintenance & Repair Services- Equipment	1,596	
Postal Charges	111	
Printing, Stationery and Forms	701	
Rentals	158	
Travel	1,950	
Other Contracted Services	26,600	
Instructional Supplies and Materials	206,675	
Textbooks	282,350	
Other Supplies and Materials	112,476	
In Service/Staff Development	34,059	
Regular Instruction Equipment	231,248	
Other Equipment	162,053	
Total Regular Instruction Program		\$ 13,406,604

Special Education Program

Teachers	\$ 1,174,260
Career Ladder Program	24,983
Homebound Teachers	41,245
Educational Assistants	9,498
Certified Substitute Teachers	13,810
Social Security	73,124
State Retirement	67,119
Medical Insurance	93,174
Employer Medicare	17,102
Contracts with Private Agencies	2,480
Other Contracted Services	33,210
Instructional Supplies and Materials	26,086

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Supplies and Materials	\$	1,896	
Furniture and Fixtures		2,340	
Total Special Education Program			\$ 1,580,327

Vocational Education Program

Teachers	\$	797,308	
Career Ladder Program		23,000	
Career Ladder Extended Contracts		600	
Other Salaries & Wages		16,942	
Certified Substitute Teachers		16,786	
Social Security		49,702	
State Retirement		45,428	
Medical Insurance		64,318	
Employer Medicare		11,624	
Communication		642	
Maintenance & Repair Services- Equipment		619	
Other Contracted Services		1,400	
Animal Food and Supplies		23,737	
Drugs and Medical Supplies		1,235	
Equipment and Machinery Parts		676	
Gasoline		1,000	
Instructional Supplies and Materials		33,078	
Office Supplies		50	
Other Supplies and Materials		3,686	
Vehicle and Equipment Insurance		400	
Motor Vehicles		22,080	
Vocational Instruction Equipment		2,275	
Other Capital Outlay		1,800	
Total Vocational Education Program			1,118,386

Student Body Education Program

Clerical Personnel	\$	4,649	
Social Security		215	
State Retirement		515	
Employer Medicare		50	
Maintenance & Repair Services- Equipment		1,069	
Other Contracted Services		180	
Gasoline		1,250	
Vehicle and Equipment Insurance		2,000	
Total Student Body Education Program			9,928

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program

Supervisor/Director	\$	41,928	
Teachers		99,529	
Guidance Personnel		15,603	
Educational Assistants		34,869	
Social Security		11,210	
State Retirement		14,876	
Medical Insurance		14,635	
Employer Medicare		2,622	
Communication		1,100	
Travel		7,886	
Instructional Supplies and Materials		4,914	
Office Supplies		550	
Other Charges		4,645	
Total Adult Education Program			\$ 254,367

Other

Other Supplies and Materials	\$	2,326	
Other Capital Outlay		16,246	
Total Other			18,572

Support Services

Attendance

Supervisor/Director	\$	62,140	
Career Ladder Program		3,000	
Social Security		3,865	
State Retirement		3,583	
Medical Insurance		2,952	
Employer Medicare		904	
Maintenance Agreements		14,143	
Travel		525	
Other Supplies and Materials		4,304	
Total Attendance			95,416

Health Services

Medical Personnel	\$	53,515	
Social Security		3,020	
State Retirement		5,044	
Medical Insurance		5,790	
Employer Medicare		706	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Communication	\$	867	
Travel		3,824	
Other Supplies and Materials		5,557	
Total Health Services			\$ 78,323

Other Student Support

Career Ladder Program	\$	10,475	
Guidance Personnel		456,718	
Other Salaries & Wages		488	
Social Security		28,273	
State Retirement		26,444	
Medical Insurance		18,935	
Employer Medicare		6,612	
Evaluation and Testing		21,589	
Travel		3,434	
Other Contracted Services		20,000	
Other Supplies and Materials		592	
Other Charges		897	
Other Equipment		10,296	
Total Other Student Support			604,753

Regular Instruction Program

Supervisor/Director	\$	227,718	
Career Ladder Program		22,330	
Librarians		362,268	
Instructional Computer Personnel		50,728	
Other Salaries & Wages		62,102	
Social Security		43,268	
State Retirement		41,134	
Medical Insurance		31,892	
Employer Medicare		10,119	
Travel		12,128	
Library Books/Media		85,370	
Other Supplies and Materials		29,138	
In Service/Staff Development		17,144	
Furniture and Fixtures		12,608	
Total Regular Instruction Program			1,007,947

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program

Supervisor/Director	\$	17,472	
Career Ladder Program		1,000	
Educational Assistants		10,777	
Social Security		1,569	
State Retirement		2,175	
Medical Insurance		9,188	
Employer Medicare		367	
Other Supplies and Materials		1,499	
Total Alternative Instruction Program			\$ 44,047

Special Education Program

Supervisor/Director	\$	62,140	
Career Ladder Program		2,873	
Psychological Personnel		113,346	
Clerical Personnel		21,461	
Social Security		12,368	
State Retirement		12,188	
Employer Medicare		2,893	
Communication		975	
Maintenance Agreements		3,250	
Maintenance & Repair Services- Equipment		765	
Postal Charges		796	
Travel		5,854	
Drugs and Medical Supplies		391	
Office Supplies		8,388	
Other Supplies and Materials		4,126	
In Service/Staff Development		2,336	
Building Improvements		1,494	
Office Equipment		2,160	
Total Special Education Program			257,804

Vocational Education Program

Clerical Personnel	\$	21,431	
Other Salaries & Wages		1,580	
Certified Substitute Teachers		349	
Social Security		1,047	
State Retirement		2,523	
Medical Insurance		5,790	
Employer Medicare		245	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Communication	\$	462	
Maintenance & Repair Services- Equipment		6,048	
Travel		35,973	
Office Supplies		398	
Other Supplies and Materials		7,240	
In Service/Staff Development		4,499	
Total Vocational Education Program			\$ 87,585

Other Programs

Other Salaries & Wages	\$	99,614	
Social Security		6,069	
State Retirement		5,510	
Employer Medicare		1,420	
Total Other Programs			112,613

Board of Education

Secretary to Board	\$	3,000	
Board and Committee Members Fees		17,100	
Social Security		1,241	
State Retirement		332	
Unemployment Compensation		17,089	
Employer Medicare		290	
Audit Services		8,495	
Dues and Memberships		19,529	
Legal Services		624	
Legal Notices, Recording and Court Costs		882	
Medical and Dental Services		72	
Travel		7,130	
Other Contracted Services		73	
Excess Risk Insurance		16,379	
Liability Insurance		32,761	
Premiums on Corporate Surety Bonds		2,670	
Trustee's Commission		149,742	
Workers' Compensation Insurance		95,871	
Other Charges		5,142	
Total Board of Education			378,422

Director of Schools

County Official/Administrative Officer	\$	91,944	
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(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Career Ladder Program	\$	1,000	
Accountants/Bookkeepers		23,076	
Secretary(s)		37,471	
Social Security		8,938	
State Retirement		11,821	
Medical Insurance		8,969	
Employer Medicare		2,119	
Communication		5,844	
Maintenance & Repair Services- Equipment		198	
Postal Charges		3,000	
Printing, Stationery and Forms		4,490	
Rentals		4,206	
Travel		1,438	
Office Supplies		6,046	
Other Supplies and Materials		6,901	
Total Director of Schools			\$ 217,461

Office of the Principal

Principals	\$	608,758	
Career Ladder Program		17,000	
Secretary(s)		274,974	
Social Security		51,646	
State Retirement		64,884	
Medical Insurance		89,238	
Employer Medicare		12,079	
Communication		30,043	
Travel		4,500	
Office Supplies		16,632	
Total Office of the Principal			1,169,754

Operation of Plant

Custodial Personnel	\$	76,014	
Social Security		4,116	
State Retirement		6,659	
Medical Insurance		12,521	
Employer Medicare		962	
Maintenance & Repair Services- Equipment		2,168	
Rentals		5,600	
Disposal Fees		34,294	

(Continued)

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

General Purpose School Fund (Cont.)
Support Services (Cont.)

Operation of Plant (Cont.)

Permits	\$	700	
Other Contracted Services		749,100	
Custodial Supplies		2,629	
Electricity		727,994	
Natural Gas		256,324	
Water and Sewer		79,891	
Other Supplies and Materials		1,806	
Boiler Insurance		8,064	
Building and Contents Insurance		151,705	
Plant Operation Equipment		6,650	
Total Operation of Plant			\$ 2,127,197

Maintenance of Plant

Supervisor/Director	\$	41,450	
Secretary(s)		24,901	
Maintenance Personnel		122,977	
Social Security		10,706	
State Retirement		19,709	
Medical Insurance		24,088	
Employer Medicare		2,504	
Communication		3,003	
Laundry Service		4,000	
Maintenance & Repair Services- Buildings		7,833	
Maintenance & Repair Services- Equipment		12,758	
Pest Control		6,912	
Printing, Stationery and Forms		207	
Travel		739	
Other Contracted Services		16,569	
Equipment and Machinery Parts		67,372	
General Construction Materials		7,850	
Office Supplies		473	
Other Supplies and Materials		10,469	
Total Maintenance of Plant			384,520

Transportation

Supervisor/Director	\$	36,635
Mechanic(s)		48,794
Bus Drivers		316,404
Social Security		24,542

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

State Retirement	\$	38,315	
Medical Insurance		4,866	
Employer Medicare		5,740	
Communication		2,626	
Maintenance & Repair Services- Equipment		3,093	
Maintenance & Repair Services- Vehicles		4,176	
Medical and Dental Services		3,972	
Printing, Stationery and Forms		248	
Tow-in Services		800	
Gasoline		146,435	
Office Supplies		146	
Tires and Tubes		26,113	
Vehicle Parts		58,661	
Other Supplies and Materials		8,937	
Vehicle and Equipment Insurance		42,962	
Transportation Equipment		231,212	
Total Transportation			\$ 1,004,677

Central and Other

Travel	\$	412	
Other Contracted Services		596	
Other Supplies and Materials		1,150	
Total Central and Other			2,158

Operation of Non-Instructional Services

Community Services

Other Salaries & Wages	\$	59,413	
Social Security		3,319	
State Retirement		2,414	
Medical Insurance		5,431	
Employer Medicare		776	
Other Supplies and Materials		35,598	
Total Community Services			106,951

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	154,145	
Other Capital Outlay		76,815	
Total Regular Capital Outlay			230,960

(Continued)

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Contributions	\$ 417,805	
Total Education	<u>417,805</u>	\$ 417,805

Total General Purpose School Fund \$ 24,716,577

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 400,205	
Educational Assistants	134,463	
Other Salaries & Wages	4,059	
Certified Substitute Teachers	20,251	
Social Security	32,574	
State Retirement	31,393	
Medical Insurance	43,298	
Employer Medicare	7,618	
Other Contracted Services	10,330	
Instructional Supplies and Materials	<u>225,920</u>	
Total Regular Instruction Program		\$ 910,111

Special Education Program

Teachers	\$ 53,655	
Educational Assistants	372,099	
Social Security	23,564	
State Retirement	40,078	
Medical Insurance	67,530	
Employer Medicare	5,511	
Contracts with Private Agencies	15,688	
Instructional Supplies and Materials	20,695	
Special Education Equipment	<u>87,323</u>	
Total Special Education Program		686,143

Vocational Education Program

Teachers	\$ 20,086	
Educational Assistants	19,674	
Other Salaries & Wages	129	
Social Security	2,306	
State Retirement	1,119	
Employer Medicare	540	

(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Travel	\$	5,941	
Instructional Supplies and Materials		26,511	
Other Supplies and Materials		5,190	
In Service/Staff Development		90	
Vocational Instruction Equipment		14,104	
Total Vocational Education Program			\$ 95,690

Support Services

Health Services

Medical Personnel	\$	41,421	
Social Security		2,283	
State Retirement		4,167	
Medical Insurance		5,393	
Employer Medicare		534	
Drugs and Medical Supplies		123	
Total Health Services			53,921

Other Student Support

Guidance Personnel	\$	13,418	
Clerical Personnel		4,649	
Other Salaries & Wages		3,625	
Social Security		1,261	
State Retirement		2,151	
Employer Medicare		295	
Evaluation and Testing		7,902	
Travel		336	
Other Supplies and Materials		1,724	
In Service/Staff Development		1,590	
Other Charges		9,035	
Total Other Student Support			45,986

Regular Instruction Program

Supervisor/Director	\$	52,365	
Secretary(s)		20,270	
Social Security		4,046	
State Retirement		5,126	
Medical Insurance		8,514	
Employer Medicare		946	
Rentals		341	

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Travel	\$	9,378	
Other Supplies and Materials		150	
In Service/Staff Development		78,106	
Total Regular Instruction Program			\$ 179,242

Special Education Program

Clerical Personnel	\$	13,876	
Social Security		826	
State Retirement		1,538	
Employer Medicare		193	
Travel		281	
Total Special Education Program			16,714

Transportation

Bus Drivers	\$	74,971	
Social Security		4,648	
State Retirement		8,220	
Employer Medicare		1,087	
Transportation Equipment		121,456	
Total Transportation			210,382

Principal

Education

Principal on Capital Leases	\$	78,815	
Total Education			78,815

Interest

Education

Interest on Capital Leases	\$	3,943	
Total Education			3,943

Total School Federal Projects Fund \$ 2,280,947

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	53,305	
Accountants/Bookkeepers		21,461	
Cafeteria Personnel		600,490	

(Continued)

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Maintenance Personnel	\$	22,868	
Social Security		37,574	
State Retirement		58,559	
Medical Insurance		132,286	
Employer Medicare		8,788	
Audit Services		2,500	
Communication		5,665	
Freight Expenses		8,304	
Legal Notices, Recording and Court Costs		265	
Maintenance Agreements		13,510	
Maintenance & Repair Services- Equipment		253	
Postal Charges		237	
Printing, Stationery and Forms		1,204	
Travel		2,347	
Other Contracted Services		6,749	
Custodial Supplies		1,700	
Equipment and Machinery Parts		8,859	
Food Supplies		771,755	
Office Supplies		4,883	
Other Supplies and Materials		76,700	
Trustee's Commission		102	
In Service/Staff Development		2,866	
Food Service Equipment		74,275	
Total Food Service			\$ 1,917,505

Total Central Cafeteria Fund \$ 1,917,505

Education Capital Projects Fund

Capital Projects

Education Capital Projects

County Official/Administrative Officer	\$	4,360	
Supervisor/Director		45,880	
Laborers		257,227	
Social Security		19,047	
Employer Medicare		4,479	
Building Improvements		1,331,660	
Total Education Capital Projects			\$ 1,662,653

Total Education Capital Projects Fund 1,662,653

Total Governmental Funds - Weakley County School Department \$ 30,577,682

Exhibit L-9

Weakley County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2005

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,508,509
Total Cash Receipts	<u>\$ 2,508,509</u>
<u>Cash Disbursements</u>	
Remittance of Revenue Collected	\$ 2,088,112
Trustee's Commission	25,085
Contributions	<u>395,312</u>
Total Cash Disbursements	<u>\$ 2,508,509</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2004	<u>0</u>
Cash Balance, June 30, 2005	<u><u>\$ 0</u></u>

STATISTICAL SECTION

Table 1

Weakley County, Tennessee
Uncollected Taxes Filed in Chancery Court
June 30, 2005

Year	Amount
1996	\$ 7
1997	206
1998	1,977
1999	2,333
2000	7,881
2001	7,279
2002	30,353
2003	112,883
2004	<u>39,541</u> (1)
Total	<u><u>\$ 202,460</u></u>

(1) Personal property taxes only.

Table 2

Weakley County, Tennessee
Tax Rates and Assessments
Last Ten Years

Fund	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General	\$ 0.55	\$ 0.44	\$ 0.56	\$ 0.54	\$ 0.73	\$ 0.56	\$ 0.56	\$ 0.48	\$ 0.53	0.53
Solid Waste/Sanitation	0.00	0.01	0.01	0.00	0.01	0.01	0.00	0.00	0.00	0.00
Highway/Public Works	0.41	0.33	0.33	0.33	0.33	0.33	0.33	0.29	0.29	0.29
General Debt Service	0.55	0.44	0.52	0.69	0.49	0.66	0.67	0.55	0.56	0.55
General Purpose School	1.20	1.03	1.02	0.88	0.88	0.88	0.88	0.79	0.78	0.80
Total Tax Rates	\$ 2.71	\$ 2.25	\$ 2.44	\$ 2.44	\$ 2.44	\$ 2.44	\$ 2.44	\$ 2.11	\$ 2.16	2.17
<u>Assessed Valuation</u>										
Real and Personal	\$ 216,723,416	\$ 263,018,573	\$ 274,025,423	\$ 283,826,380	\$ 291,376,016	\$ 298,399,412	\$ 299,069,099	\$ 351,949,533	\$ 367,190,198	\$ 357,035,971
Public Utilities	14,383,580	16,266,913	15,154,602	14,694,996	14,919,962	15,087,891	14,162,752	16,567,723	15,678,766	16,948,903
Total Assessed Valuation	\$ 231,106,996	\$ 279,285,486	\$ 289,180,025	\$ 298,521,376	\$ 306,295,978	\$ 313,487,303	\$ 313,231,851	\$ 368,517,256	\$ 382,868,964	\$ 373,984,874

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

November 4, 2005

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of and for the year ended June 30, 2005, which collectively comprise Weakley County's basic financial statements and have issued our report thereon dated November 4, 2005. Our report was qualified due to not including the financial statements of the Weakley County Emergency Communications District which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Weakley County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the

internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Weakley County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 05.03.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

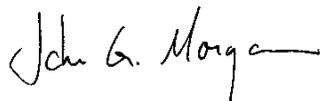
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Weakley County's statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 05.01 and 05.02.

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

This report is intended solely for the information and use of the Board of County Commissioners, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



John G. Morgan
Comptroller of the Treasury

JGM/rd



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

November 4, 2005

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Weakley County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. Weakley County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Weakley County's management. Our responsibility is to express an opinion on Weakley County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the auditing 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 Weakley County's compliance with those requirements and

performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Weakley County's compliance with those requirements.

In our opinion, Weakley County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Weakley County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Weakley County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of and for the year ended June 30, 2005, and have issued our report thereon dated November 4, 2005. Our report was qualified due to not including the financial statements of the Weakley County Emergency Communications District which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Grants 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan" with a long horizontal flourish extending to the right.

John G. Morgan
Comptroller of the Treasury

JGM/rd

OTHER AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
For the Weakley County Municipal Electric System

Board of Directors
Weakley County Municipal Electric System
Martin, Tennessee 38237

We have audited the financial statements of the Weakley County Municipal Electric System, an enterprise fund of Weakley County, Tennessee, as of and for the year ended June 30, 2005, as listed in the table of contents and have issued our report thereon. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Weakley County Municipal Electric System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Weakley County Municipal Electric System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the board of directors, management, regulatory agencies and the State of Tennessee Comptroller's Office and is not intended to be and should not be used by anyone other than these specified parties.

OTHER AUDITOR'S 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
For the Weakley County Nursing Home

Board of Directors
Weakley County Nursing Home
Dresden, Tennessee 38225

We have audited the financial statements of the Weakley County Nursing Home, a component unit of Weakley County, Tennessee, as of and for the year ended June 30, 2005, and have issued our report thereon. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Weakley County Nursing Home's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Weakley County Nursing Home's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Finding 96-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions reported above, we consider Finding 96-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Weakley County Nursing Home's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements,

noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported herein under Government Auditing Standards. We noted certain immaterial instances of noncompliance that we have reported to management of the Weakley County Nursing Home in a separate letter.

This report is intended solely for the information and use of management and the State of Tennessee Comptroller of the Treasury, Division of County Audit, and is not intended to be and should not be used by anyone other than these specified parties.

WEAKLEY COUNTY NURSING HOME
FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2005

96-1 FINDING

Due to the size of the staff, the nursing home could not fully segregate the record-keeping, custodial, and authorization functions of its internal accounting controls.

RECOMMENDATION

Internal control procedures over every transaction cycle need to be monitored to ensure that each is properly segregated as much as possible between employees.

MANAGEMENT'S RESPONSE

Management is aware that due to the staff size it is difficult to fully segregate record-keeping, custodial, and authorization functions of its internal accounting controls. Management will continue to monitor for any problems that could arise from this.

Weakley County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2005

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:			
Food Donation (Noncash Assistance)	10.550	N/A	\$ 107,029
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	201,472
National School Lunch Program	10.555	N/A	765,074
Total U. S. Department of Agriculture			<u>\$ 1,073,575</u>
U.S. Department of Interior:			
Direct Programs:			
Payments in Lieu of Taxes	15.226	N/A	<u>\$ 113</u>
U. S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	Z-05-020441-00	<u>\$ 9,000</u>
U. S. Department of Labor:			
Passed-through Southwest Human Resources Agency:			
WIA Youth Activities	17.259	04-11-001-183-99-00	\$ 9,000 (3)
WIA Youth Activities	17.259	04-11-183-002-20-82	5,429 (3)
WIA Youth Activities	17.259	05-11-001-183-99-00	25,000 (3)
WIA Youth Activities	17.259	05-11-183-002-20-82	48,197 (3)
Total U. S. Department of Labor			<u>\$ 87,626</u>
U. S. Institute of Museum and Library Services:			
Passed-through State Department of State			
State Library Program	45.310	Z-05-024672-00	<u>\$ 1,200</u>
U. S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	N/A	\$ 2,597 (4)
Adult Education - State Grant Program	84.002	N/A	163,780 (4)
Passed-through the State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	811,863
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,041,822
Special Education - Preschool Grants	84.173	N/A	28,191
Vocational Education - Basic Grants to States	84.048	N/A	101,358 (5)
Vocational Education - Basic Grants to States	84.048	N/A	3,927 (5)
Vocational Education - Basic Grants to States	84.048	N/A	3,422 (5)
Safe and Drug-Free Schools and Communities - National Programs	84.184	(2)	24,417 (6)
Safe and Drug-Free Schools and Communities - National Programs	84.184	Z-05-021796-00	24,861 (6)
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	28,879
State Grants for Innovative Programs	84.298	N/A	15,360

(Continued)

Weakley County, Tennessee

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	
U. S. Department of Education (Cont.):				
Passed-through the State Department of Education (Cont.):				
Education Technology State Grants	84.318	(2)	\$ 72,220	(7)
Education Technology State Grants	84.318	GG-05-11203-00	44,157	(7)
Education Technology State Grants	84.318	Z-03-015010-00	2,878	(7)
Education Technology State Grants	84.318	Z-04-020860-00	255,260	(7)
Reading First State Grants	84.357	GG-05-11255-00	205,363	
Improving Teacher Quality State Grants	84.367	N/A	198,297	
Total U. S. Department of Education			<u>\$ 3,028,652</u>	
U. S. Department of Health and Human Services:				
Passed-through Northwest Tennessee Development District:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 110,339	
Passed-through State Department of Labor and Workforce Development:				
Temporary Assistance for Needy Families	93.558	Z-05-022366-00	23,203	
Passed-through State Administrative Office of the Courts:				
Grants to States for Access and Visitation Programs	93.597	(2)	11,716	
Total U.S. Department of Health and Human Services			<u>\$ 145,258</u>	
U. S. Department of Homeland Security:				
Passed-through State Department of Military:				
State Domestic Preparedness Equipment Support Program	97.004	Z-04-020158-00	\$ 103,913	(8)
State Domestic Preparedness Equipment Support Program	97.004	Z-04-020266-00	8,141	(8)
State Domestic Preparedness Equipment Support Program	97.004	Z-04-022506-00	33,403	(8)
Public Assistance Grants	97.036	Z-03-017997-00	32,835	
Emergency Management Performance Grants	97.042	Z-05-025420-00	9,128	
Total U. S. Department of Homeland Security			<u>\$ 187,420</u>	
Total Expenditures of Federal Awards			<u>\$ 4,532,844</u>	
State Grants:				
Juvenile Justice and Delinquency Prevention - State Department of Children's Services	N/A	GG-05-11225-00	\$ 83,624	
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	12,042	
Solid Waste Program - State Department of Environment and Conservation	N/A	Z-03-011330-02	17,149	
Preventive Health and Human Services - State Department of Health	N/A	Z-04-015400-00	8,108	
Preventive Health and Human Services - State Department of Health	N/A	Z-05-020532-01	52,114	
Litter Grant - State Department of Transportation	N/A	GG-04-10863-00	4,756	
Litter Grant - State Department of Transportation	N/A	Z-05-021561-00	39,752	
Early Childhood - State Department of Education	N/A	Z-05-022180-00	63,672	
Incentive Award Program - State Department of Education	N/A	Z-04-025673-01	3,563	
Total State Grants			<u>\$ 284,780</u>	

(Continued)

Weakley County, Tennessee

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

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 WIA Youth Activities (CFDA No. 17.259) from the U.S. Department of Labor \$87,626.
- (4) Total Adult Education - State Grant Program (CFDA No. 84.002) from the U.S. Department of Education \$166,377.
- (5) Total Vocational Education - Basic Grants to State (CFDA No. 84.048) for the U. S. Department of Education \$108,707.
- (6) Total Safe and Drug-Free Schools and Communities - National Programs (CFDA 84.184) for the U. S. Department of Education \$49,278.
- (7) Total Education Technology State Grants (CFDA No. 84.318) from the U.S. Department of Education \$374,515.
- (8) Total State Domestic Preparedness Equipment Support Program (CFDA No. 97.004) from the U.S. Department of Homeland Security \$145,457.

Weakley County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2005

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below is the finding from the Annual Financial Report for Weakley County, Tennessee, for the year ended June 30, 2004, which has not been corrected.

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
04.01	184	Duties were not segregated adequately in the Offices of Trustee, Register, and Sheriff

WEAKLEY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is unqualified..
2. The audit of the financial statements of Weakley County disclosed a reportable condition in internal control. This reportable condition was not considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Weakley County.
4. The audit disclosed no reportable conditions in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510 (a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the Special Education Cluster: Special Education - Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A threshold of \$300,000 was used to distinguish between Type A and Type B federal programs.
9. Weakley County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written response of the highway supervisor is paraphrased in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICE OF HIGHWAY SUPERVISOR

FINDING 05.01 A COUNTY ROAD LIST WAS NOT SUBMITTED TO THE COUNTY COMMISSION FOR APPROVAL
(Noncompliance Under Government Auditing Standards)

A list of all county roads was not submitted to the County Commission for approval. Section 54-10-103, Tennessee Code Annotated, requires the highway supervisor to submit a list of county roads to the County Commission for approval at the January session each year. This list must include the classification, width, distance of each county road maintained, and a summary of changes from the prior year that provides the road name, date the change was approved by the County Commission, and the reason for the change. Highway Department officials need a current, approved list of county roads to determine which roads the department is authorized to work.

RECOMMENDATION

The highway supervisor should submit to the County Commission a list of county roads that includes the classification, width, and distance of each road, and a summary of changes as required by state statute.

MANAGEMENT'S RESPONSE – HIGHWAY SUPERVISOR

I concur. This was an oversight in the office, and precautions have been taken to prevent this from happening in the future.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 05.02 FINANCIAL ACTIVITY OF THE WEAKLEY COUNTY SENIOR-CITIZENS PROGRAM WAS NOT SUBJECT TO THE BUDGETARY CONTROL OF THE COUNTY COMMISSION, AND A CHECK WAS IMPROPERLY SIGNED
(Noncompliance Under Government Auditing Standards)

The Weakley County Senior-Citizens Program operated as a department within the county's General Fund, and a portion of the program's expenditures was paid through the county's General Fund (\$22,175), which is included in the financial statements of this report. However, the program maintained seven checking accounts (two at the Sharon

Senior-Citizens Center and five at the Dresden Senior-Citizens Center) to deposit various revenues and pay certain operating expenses. These accounts were not audited or channeled through the county's budgetary process and are not included in the financial statements of this report. It should be noted that we do not consider the exclusion of these amounts to be material to the financial statements of this report.

The county mayor informed us of concerns he had about a possible forgery of a signature on a \$200 check issued by the Sharon Senior-Citizens Center transferring funds from one bank account to the other bank account. Checks issued on these two accounts require the signature of both Mary Chandler, Director of the Sharon Senior-Citizens Center, and Shirley Chappell, Assistant Director. Our examination revealed that Ms. Chandler signed Ms. Chappell's name to the check because Ms. Chappell was unavailable at the time the check was written and that the funds purportedly needed to be moved from one account to the other account as soon as possible. We did not detect any other irregularities.

We reviewed the available documentation for all seven bank accounts for the year ended June 30, 2005 and noted the following deficiencies:

- A. There was inadequate documentation to support most disbursements from these checking accounts.
- B. Five of the seven bank accounts had not been reconciled with the deposit and check register monthly.
- C. During the year ended June 30, 2005, in excess of \$90,000 was deposited to and disbursed from the seven senior-citizens bank accounts. Records were not available to document the source of all funds deposited to these accounts; however, we were able to determine that \$58,777 was received from Northwest Tennessee Development District and \$28,439 from United Way of West Tennessee.
- D. We determined that some payments by the City of Sharon (\$275) to the Sharon Senior-Citizens Center were converted to cash. Personnel at the senior-citizens center stated that these funds were disbursed for operating expenses; however, documentation did not exist to support these disbursements.
- E. During this period, \$11,223 was disbursed for travel expenses of the Respite Program, one of the Dresden Senior-Citizens Center accounts without any supporting documentation. Section 8-26-109, Tennessee Code Annotated, requires county personnel to prepare accurate, itemized statements of such expenses, showing the date and amount of each separate item, and the purpose for which it was expended. It should be noted that the General Fund of Weakley County also paid some travel expenses for senior-citizen employees.

Because of these deficiencies, we are unable to determine the propriety of many of the transactions channeled through these bank accounts. On August 15, 2005, all seven bank accounts were closed, and the account balances were transferred to the Weakley County General Fund to be accounted for through the budgetary process.

RECOMMENDATION

Officials should ensure that all disbursements for the senior-citizens programs are supported by adequate documentation through the county's budgetary process.

FINDING 05.03 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE
OFFICES OF TRUSTEE, REGISTER, AND SHERIFF**
(Internal Control – Reportable Condition Under Government Auditing
Standards)

Duties were not segregated adequately among the officials and employees in the Offices of Trustee, Register, and Sheriff. Officials and employees responsible for maintaining the accounting records were also involved in receipting funds, preparing bank deposits, depositing funds, posting the cash journal, disbursing funds, and/or reconciling bank statements. We realize that due to limited resources and personnel, management may not be able to properly segregate duties among employees. However, our professional standards require that we bring this matter to the reader's attention in this report.

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

There were no findings and questioned costs for federal awards.

**WEAKLEY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2005**

There were no audit findings relative to federal awards presented in the prior audit's Schedule of Findings and Questioned Costs or the current year's Schedule of Findings and Questioned Costs.