
ANNUAL FINANCIAL REPORT WEAKLEY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2007



ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2007

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Audit Highlights
Annual Financial Report
Weakley County, Tennessee
For the Year Ended June 30, 2007

Scope

We have audited the basic financial statements of Weakley County as of and for the year ended June 30, 2007.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ The office had deficiencies in computer system backup procedures.

OTHER FINDING

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Trustee and Register.

INTRODUCTORY SECTION

Weakley County Officials
June 30, 2007

Officials

Houston Patrick, 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
Susan Collins, Clerk and Master
Donna Winstead, Register
Michael Wilson, Sheriff
Shawn Francisco, Director of Finance

Board of County Commissioners

Richard Phebus, Chairman	Julia Rich
Mac Buckley, Chairman Pro-Tem	David Rook
James Barner	John Salmon
Joe Farmer	Sam Sinclair
William Jones	Roger Stewart
Don Malone	Larry Taylor
Kevin McAlpin	Jack Vincent
Michael Medling	James Westbrook, Jr.
Eric Owen	Earl Wright

Finance, Ways, and Means Committee

Richard Phebus, Chairman
William Jones
Eric Owen
Roger Stewart
James 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 Committee

Roger Stewart, Chairman
Richard Barber
Kermit Hopper
Houston Patrick
Richard Phebus
Jack Vincent
James Westbrook, Jr.

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

January 28, 2008

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, 2007, 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). Also, we did not audit the financial statements of the discretely presented Weakley County Nursing Home, which represent nine percent and 17.6 percent, respectively, of the assets and revenues of the aggregate discretely presented component units or the Weakley County Emergency Communications District, which represent 1.6 percent and 1.1 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, the discretely presented Weakley County Nursing Home, and the discretely presented Weakley County Emergency Communications District, 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.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, 2007, 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.

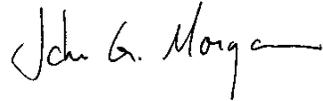
In accordance with Government Auditing Standards, we have also issued our report dated January 28, 2008, on our consideration of Weakley County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and 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.

The management's discussion and analysis on pages 13 through 20 and the budgetary comparison and pension information on pages 85 through 91 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors 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), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Weakley County School Department (a discretely presented component unit), and the miscellaneous

schedules have been subjected to the auditing procedures applied 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 has 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 it.

Very truly yours,

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

John G. Morgan
Comptroller of the Treasury

JGM/sb

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, 2007. 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 \$104,059,259 and exceeded liabilities by \$56,822,426 (i.e. net assets).
- ◆ Total revenues of the governmental funds were \$15,195,461, a decrease of \$27,264 from year 2006. This decrease was mainly attributable to reclassifying Weakley County Municipal Electric System in-lieu-of tax payments from revenue to transfers during the current year.
- ◆ Total expenditures of the governmental funds were \$16,527,275, an increase of \$1,228,788 over year 2006. The increase is due to numerous capital purchases.

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) government-wide financial statements, 2) fund financial statements, and 3) 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, increases or decreases 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 (known as the primary government), and 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.

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 recreational services; agriculture and 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, proprietary, and fiduciary.

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 revenues, 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 nonmajor 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 Exhibits C-1 and C-3 of this report.

Proprietary funds. Weakley County maintains one type of proprietary fund, an enterprise 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 the same type of information as the government-wide financial statements, only in more detail.

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 general and major special revenue 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 nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Weakley County's assets exceeded its liabilities by \$26,803,816 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 the Weakley

County Government. As of June 30, 2007, Weakley County had outstanding debt totaling \$29,017,852 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	
	2007	2006	2007	2006	2007	2006
Assets:						
Current and Other						
Assets	\$ 14,149,546	\$ 13,521,281	\$ 10,088,755	\$ 8,792,898	\$ 24,238,301	\$ 22,314,179
Capital Assets	53,946,768	10,496,899	25,874,190	25,884,335	79,820,958	36,381,234
Total Assets	\$ 68,096,314	\$ 24,018,180	\$ 35,962,945	\$ 34,677,233	\$ 104,059,259	\$ 58,695,413
Liabilities:						
Other Liabilities	\$ 6,002,375	\$ 5,019,232	\$ 3,709,860	\$ 3,454,900	\$ 9,712,235	\$ 8,474,132
Long-term Liabilities						
Outstanding	35,290,123	37,393,737	2,234,475	2,318,246	37,524,598	39,711,983
Total Liabilities	\$ 41,292,498	\$ 42,412,969	\$ 5,944,335	\$ 5,773,146	\$ 47,236,833	\$ 48,186,115
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	\$ 47,558,768	\$ 4,195,899	\$ 0	\$ 0	\$ 47,558,768	\$ 4,195,899
Invested in Capital						
Assets	0	0	25,874,190	25,884,335	25,874,190	25,884,335
Restricted	7,519,576	7,807,855	0	0	7,519,576	7,807,855
Unrestricted	(28,274,528)	(30,398,543)	4,144,420	3,019,752	(24,130,108)	(27,378,791)
Total Net Assets	\$ 26,803,816	\$ (18,394,789)	\$ 30,018,610	\$ 28,904,087	\$ 56,822,426	\$ 10,509,298

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 (\$7,519,576) 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	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,256,531	\$ 2,315,644	\$ 37,771,181	\$ 36,108,934	\$ 40,027,712	\$ 38,424,578
Operating Grants and Contributions	3,615,480	3,760,457	0	0	3,615,480	3,760,457
Capital Grants and Contributions	625,101	405,398	0	0	625,101	405,398
General Revenues:						
Property Taxes	5,328,040	5,242,458	0	0	5,328,040	5,242,458
Other Taxes	1,744,673	1,632,930	0	0	1,744,673	1,632,930
Grants and Contributions not Restricted to Specific Programs	1,043,022	1,266,529	0	0	1,043,022	1,266,529
Unrestricted Investment Earnings	602,676	454,213	289,405	203,691	892,081	657,904
Other	27,431	157,679	1,250	0	28,681	157,679
Total Revenues	\$ 15,242,954	\$ 15,235,308	\$ 38,061,836	\$ 36,312,625	\$ 53,304,790	\$ 51,547,933
Expenses:						
General Government	\$ 1,036,314	\$ 705,691	\$ 0	\$ 0	\$ 1,036,314	\$ 705,691
Finance	1,026,648	980,555	0	0	1,026,648	980,555
Administration of Justice	1,148,842	1,099,717	0	0	1,148,842	1,099,717
Public Safety	3,074,981	3,024,912	0	0	3,074,981	3,024,912
Public Health and Welfare	514,691	764,098	0	0	514,691	764,098
Social, Cultural, and Recreational Services	321,937	361,895	0	0	321,937	361,895
Agriculture and Natural Resources	138,797	130,156	0	0	138,797	130,156
Other Operations	508,628	399,664	0	0	508,628	399,664
Highway/Public Works	6,848,998	4,497,856	0	0	6,848,998	4,497,856
Education	0	0	0	0	0	0
Interest on Long-term Debt	1,574,730	1,524,502	0	0	1,574,730	1,524,502
Other Debt Service	84,644	96,740	0	0	84,644	96,740
Public Utility	0	0	36,595,314	35,205,458	36,595,314	35,205,458
Total Expenses	\$ 16,279,210	\$ 13,585,786	\$ 36,595,314	\$ 35,205,458	\$ 52,874,524	\$ 48,791,244
Transfers	\$ 351,999	\$ 0	\$ (351,999)	\$ 0	\$ 0	\$ 0
Change in Net Assets	\$ (684,257)	\$ 1,649,522	\$ 1,114,523	\$ 1,107,167	\$ 430,266	\$ 2,756,689
Net Assets, July 1	(18,394,789)	(20,044,311)	28,904,087	27,796,920	10,509,298	7,752,609
Prior Period Adjustment	45,882,862	0	0	0	45,882,862	0
Net Assets, June 30	\$ 26,803,816	\$ (18,394,789)	\$ 30,018,610	\$ 28,904,087	\$ 56,822,426	\$ 10,509,298

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.

At the end of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$7,646,463, a decrease of \$379,815 in comparison with the prior year.

Of this total amount, \$7,058,025 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not readily available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$399,861), and 2) for a variety of other restricted purposes (\$188,577).

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 \$683,674, while total fund balance was \$888,789. 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 ten percent of total General Fund expenditures, while total fund balance represents 12 percent of that same amount.

The General Debt Service Fund has a total fund balance of \$5,448,378. The decrease in fund balance of \$294,461 from the prior year is due to an increase in debt payments.

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	\$ 102,762
Finance	1,447
Administration of Justice	(15,296)
Public Safety	(50,570)
Public Health and Welfare	7,500
Social, Cultural, and Recreational Services	4,278
Agriculture and Natural Resources	641
Other Operations	<u>3,617</u>
 Total Increase in Budgeted Expenditures	 <u><u>\$ 54,379</u></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 Assets and Debt Administration

Capital Assets. The county's investment in capital assets for its governmental activities as of June 30, 2007, totaled \$53,946,768 (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 \$43,449,869 (net of accumulated depreciation). This increase was mainly attributable to the addition of infrastructure to the Highway Department that was retroactive from 1980 through July 1, 2002.

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

- ◆ The Board of Education contracted for the purchase and installation of roof replacements for the central office, Martin Primary School, Dresden High School, and Gleason and Greenfield schools; and a cafeteria serving line and dish machine at various Weakley County school cafeterias.
- ◆ The Election Commission building along with the unoccupied old jail buildings was demolished to allow for more economic government structures.
- ◆ The Weakley County Sheriff's Department purchased four new patrol vehicles. The Board of Education purchased five new school buses. The Weakley County Highway/Public Works Department purchased a telescopic boom.

Long-term Debt. At the end of the current fiscal year, Weakley County had total bonded debt outstanding of \$20,170,000, notes payable of \$1,684,147, and other loans payable of \$13,746,705. All debt is backed by full faith and credit of the county.

	<u>Governmental Activities</u>
Notes Payable	\$ 1,684,147
Other Loans Payable	13,746,705
Bonds Payable	<u>20,170,000</u>
Total	<u>\$ 35,600,852</u>

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 6.4 percent, which is a decrease from a rate of 7.3 percent in June. This compares favorably to the state’s average unemployment rate of 4.3 percent and the national average of 4.7 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 2008 fiscal year.

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 the Director of Finance, Weakley County Government, 8319 Highway 22, Suite B, Dresden, Tennessee 38225 or via e-mail at franciscos@k12tn.net.

BASIC FINANCIAL STATEMENTS

Exhibit A

Weakley County, Tennessee
Statement of Net Assets
June 30, 2007

	Primary Government			Component Units		
	Governmental	Business-type	Total	Weakley	Weakley	Weakley
	Activities	Activities		County	County	County
			School	Nursing	Emergency	
			Department	Home	Communications	
					District	
<u>ASSETS</u>						
Cash	\$ 3,517	\$ 4,518,077	\$ 4,521,594	\$ 0	\$ 1,351,998	\$ 76,899
Equity in Pooled Cash and Investments	7,180,681	0	7,180,681	3,448,704	0	0
Inventories	0	414,870	414,870	0	60,331	0
Investments	0	5,249	5,249	0	0	384,323
Accounts Receivable	61,594	2,411,226	2,472,820	276	937,624	13,336
Due from Other Governments	784,615	0	784,615	809,519	0	0
Due from Component Units	646	0	646	0	0	0
Transportation Clearing	0	134	134	0	0	0
Property Taxes Receivable	6,094,672	0	6,094,672	3,597,633	0	0
Allowance for Uncollectible Property Taxes	(175,778)	0	(175,778)	(103,257)	0	0
Prepaid Items	0	1,158,084	1,158,084	0	8,001	0
Notes Receivable	0	1,581,115	1,581,115	0	0	0
Accrued Interest Receivable	0	0	0	0	161	0
Other Restricted Assets	0	0	0	0	28,416	0
Deferred Charges - Debt Issuance Costs	199,599	0	199,599	0	0	0
Capital Assets:						
Assets Not Depreciated:						
Land	1,575,535	510,994	2,086,529	1,935,850	2,371	0
Construction in Progress	0	426,239	426,239	0	0	0
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	6,629,393	0	6,629,393	28,824,111	1,363,063	0
Infrastructure	45,166,935	0	45,166,935	0	0	0
Other Capital Assets	574,905	24,936,957	25,511,862	1,315,078	261,546	247,294
Total Assets	\$ 68,096,314	\$ 35,962,945	\$ 104,059,259	\$ 39,827,914	\$ 4,013,511	\$ 721,852

(Continued)

Exhibit A

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

	Primary Government			Component Units		
	Governmental	Business-type	Total	Weakley	Weakley	Weakley
	Activities	Activities		County	County	County
				School	Nursing	Emergency
				Department	Home	Communications
						District
<u>LIABILITIES</u>						
Accounts Payable	\$ 3,404	\$ 3,064,098	\$ 3,067,502	\$ 46	\$ 229,877	\$ 0
Accrued Payroll	0	521,470	521,470	0	105,275	0
Payroll Deductions Payable	0	0	0	0	22,229	0
Contracts Payable	100,049	0	100,049	0	0	0
Retainage Payable	4,200	0	4,200	0	0	0
Accrued Leave	0	0	0	0	39,899	1,819
Accrued Interest Payable	178,120	0	178,120	1,006	0	0
Other Current Liabilities	0	124,292	124,292	0	25,217	0
Deferred Revenue - Current						
Property Taxes	5,716,602	0	5,716,602	3,376,249	0	0
Current Liabilities Payable from Restricted Assets:						
Customer Deposits Payable	0	814,956	814,956	0	28,417	0
Noncurrent Liabilities:						
Due Within One Year	2,903,463	0	2,903,463	24,423	0	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	32,386,660	1,419,519	33,806,179	59,309	0	0
Total Liabilities	\$ 41,292,498	\$ 5,944,335	\$ 47,236,833	\$ 3,461,033	\$ 450,914	\$ 1,819

(Continued)

Exhibit A

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

	Primary Government			Component Units		
	Governmental	Business-type	Total	Weakley	Weakley	Weakley
	Activities	Activities		School	County	County
				Department	Nursing	Emergency
					Home	Communications
						District
<u>NET ASSETS</u>						
Invested in Capital Assets, Net of						
Related Debt	\$ 47,558,768	\$ 0	\$ 47,558,768	\$ 32,024,484	\$ 0	\$ 0
Invested in Capital Assets	0	25,874,190	25,874,190	0	1,626,980	247,294
Restricted for:						
Capital Projects	520,202	0	520,202	229,891	0	0
Debt Service	5,867,844	0	5,867,844	0	0	0
Highway/Public Works	698,133	0	698,133	0	0	0
School Federal Projects	0	0	0	15,295	0	0
Central Cafeteria	0	0	0	613,825	0	0
Other Purposes	433,397	0	433,397	114,659	0	0
Unrestricted	(28,274,528)	4,144,420	(24,130,108)	3,368,727	1,935,617	472,739
Total Net Assets	\$ 26,803,816	\$ 30,018,610	\$ 56,822,426	\$ 36,366,881	\$ 3,562,597	\$ 720,033

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, 2007

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		Governmental		Total	Weakley County School Department	Weakley County Nursing Home	Weakley County Emergency Communications District
						Activities	Business-type Activities				
Primary Government:											
Governmental Activities:											
General Government	\$ 1,036,314	\$ 160,526	\$ 23,325	\$ 0	\$ (852,463)	\$ 0	\$ (852,463)	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,026,648	710,071	12,474	0	(304,103)	0	(304,103)	0	0	0	0
Administration of Justice	1,148,842	833,278	292,239	0	(23,325)	0	(23,325)	0	0	0	0
Public Safety	3,074,981	534,954	121,362	41,321	(2,377,344)	0	(2,377,344)	0	0	0	0
Public Health and Welfare	514,691	4,727	87,165	33,280	(389,519)	0	(389,519)	0	0	0	0
Social, Cultural, and Recreational Services	321,937	0	20,335	109,336	(192,266)	0	(192,266)	0	0	0	0
Agriculture and Natural Resources	138,797	0	0	0	(138,797)	0	(138,797)	0	0	0	0
Other Operations	508,628	0	0	88,499	(420,129)	0	(420,129)	0	0	0	0
Highways/Public Works	6,848,998	11,042	2,068,653	352,665	(4,416,638)	0	(4,416,638)	0	0	0	0
Education	0	0	0	0	0	0	0	0	0	0	0
Interest on Long-term Debt	1,574,730	1,933	989,927	0	(582,870)	0	(582,870)	0	0	0	0
Other Debt Service	84,644	0	0	0	(84,644)	0	(84,644)	0	0	0	0
Total Governmental Activities	\$ 16,279,210	\$ 2,256,531	\$ 3,615,480	\$ 625,101	\$ (9,782,098)	\$ 0	\$ (9,782,098)	\$ 0	\$ 0	\$ 0	\$ 0
Business-type Activities:											
Public Utility	\$ 36,595,314	\$ 37,771,181	\$ 0	\$ 0	\$ 0	\$ 1,175,867	\$ 1,175,867	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 52,874,524	\$ 40,027,712	\$ 3,615,480	\$ 625,101	\$ (9,782,098)	\$ 1,175,867	\$ (8,606,231)	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:											
Weakley County School Department	\$ 31,991,364	\$ 1,168,229	\$ 3,976,432	\$ 6,493	\$ 0	\$ 0	\$ 0	\$ (26,840,210)	\$ 0	\$ 0	\$ 0
Weakley County Nursing Home	6,498,152	6,854,136	0	0	0	0	0	0	355,984	0	0
Weakley County Emergency Communications District	267,159	158,607	104,765	0	0	0	0	0	0	0	(3,787)
Total Component Units	\$ 38,756,675	\$ 8,180,972	\$ 4,081,197	\$ 6,493	\$ 0	\$ 0	\$ 0	\$ (26,840,210)	\$ 355,984	\$ 0	\$ (3,787)

(Continued)

Exhibit B

Weakley County, Tennessee
Statement of Activities (Cont.)

		Net (Expense) Revenue and Changes in Net Assets								
		Program Revenues			Primary Government			Component Units		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Weakley County School Department	Weakley County Nursing Home	Weakley County Emergency Communications District
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes					\$ 3,383,585	\$ 0	\$ 3,383,585	\$ 3,111,061	\$ 0	\$ 0
Property Taxes Levied for Debt Service					1,944,455	0	1,944,455	0	0	0
Local Option Sales Taxes					247,683	0	247,683	2,981,506	0	0
Other Local Taxes					1,496,990	0	1,496,990	132,870	0	0
Grants and Contributions Not Restricted to Specific Programs					1,043,022	0	1,043,022	20,351,015	0	162,152
Unrestricted Investment Income					602,676	289,405	892,081	0	46,738	15,567
Miscellaneous					27,431	1,250	28,681	36,438	0	420
Total General Revenues					\$ 8,745,842	\$ 290,655	\$ 9,036,497	\$ 26,612,890	\$ 46,738	\$ 178,139
Transfers					\$ 351,999	\$ (351,999)	\$ 0	\$ 0	\$ 0	\$ 0
Change in Net Assets					\$ (684,257)	\$ 1,114,523	\$ 430,266	\$ (227,320)	\$ 402,722	\$ 174,352
Net Assets, July 1, 2006					(18,394,789)	28,904,087	10,509,298	36,594,201	3,153,828	545,681
Prior-Period Adjustments					45,882,862	0	45,882,862	0	6,047	0
Net Assets, June 30, 2007					\$ 26,803,816	\$ 30,018,610	\$ 56,822,426	\$ 36,366,881	\$ 3,562,597	\$ 720,033

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, 2007

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 3,517	\$ 3,517
Equity in Pooled Cash and Investments	661,364	332,233	5,429,522	757,562	7,180,681
Accounts Receivable	38,986	11,402	0	11,206	61,594
Due from Other Governments	289,156	382,600	15,918	96,941	784,615
Due from Other Funds	3,517	0	0	0	3,517
Due from Component Units	646	0	0	0	646
Property Taxes Receivable	2,788,718	759,832	2,443,442	102,680	6,094,672
Allowance for Uncollectible Property Taxes	(82,345)	(22,735)	(67,625)	(3,073)	(175,778)
Total Assets	<u>\$ 3,700,042</u>	<u>\$ 1,463,332</u>	<u>\$ 7,821,257</u>	<u>\$ 968,833</u>	<u>\$ 13,953,464</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 2,998	\$ 277	\$ 0	\$ 129	\$ 3,404
Contracts Payable	0	0	0	100,049	100,049
Retainage Payable	0	0	0	4,200	4,200
Due to Other Funds	0	0	0	3,517	3,517
Deferred Revenue - Current Property Taxes	2,608,918	709,780	2,301,988	95,916	5,716,602
Deferred Revenue - Delinquent Property Taxes	84,979	23,820	64,378	3,218	176,395
Other Deferred Revenues	114,358	181,963	6,513	0	302,834
Total Liabilities	<u>\$ 2,811,253</u>	<u>\$ 915,840</u>	<u>\$ 2,372,879</u>	<u>\$ 207,029</u>	<u>\$ 6,307,001</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>					
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 16,538	\$ 332	\$ 0	\$ 382,991	\$ 399,861
Reserved for Alcohol and Drug Treatment	76,189	0	0	0	76,189
Reserved for Drug Court	33,686	0	0	0	33,686
Reserved for Sexual Offender Registration	3,940	0	0	0	3,940
Reserved for Courtroom Security	857	0	0	0	857
Reserved for Computer System - Register	17,052	0	0	0	17,052
Reserved for Automation Purposes - Circuit Court	1,117	0	0	0	1,117
Reserved for Automation Purposes - General Sessions Court	29,969	0	0	0	29,969
Reserved for Automation Purposes - Juvenile Court	14,873	0	0	0	14,873
Reserved for Automation Purposes - Chancery Court	9,012	0	0	0	9,012
Reserved for Automation Purposes - Sheriff	1,882	0	0	0	1,882
Unreserved, Reported In:					
General Fund	683,674	0	0	0	683,674
Special Revenue Funds	0	547,160	0	244,037	791,197
Debt Service Fund	0	0	5,448,378	0	5,448,378
Capital Projects Funds	0	0	0	134,776	134,776
Total Fund Balances	<u>\$ 888,789</u>	<u>\$ 547,492</u>	<u>\$ 5,448,378</u>	<u>\$ 761,804</u>	<u>\$ 7,646,463</u>
Total Liabilities and Fund Balances	<u>\$ 3,700,042</u>	<u>\$ 1,463,332</u>	<u>\$ 7,821,257</u>	<u>\$ 968,833</u>	<u>\$ 13,953,464</u>

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, 2007

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)		\$	7,646,463
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,575,535	
Add: buildings and improvements net of accumulated depreciation		6,629,393	
Add: infrastructure net of accumulated depreciation		45,166,935	
Add: other capital assets net of accumulated depreciation		<u>574,905</u>	53,946,768
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			479,229
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(1,684,147)	
Less: other loans payable		(13,746,705)	
Less: bonds payable		(20,170,000)	
Add: deferred amount on refunding		526,695	
Add: deferred charges - debt issuance costs		199,599	
Less: compensated absences payable		(198,955)	
Less: accrued interest on notes and bonds		(178,120)	
Less: other deferred revenue - premium on debt		<u>(17,011)</u>	<u>(35,268,644)</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 26,803,816</u>

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

Exhibit C-3

Weakley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 3,754,496	\$ 1,744,434	\$ 2,058,294	\$ 98,366	\$ 7,655,590
Licenses and Permits	570	2,225	0	0	2,795
Fines, Forfeitures, and Penalties	283,413	0	0	34,132	317,545
Charges for Current Services	111,627	0	0	6,620	118,247
Other Local Revenues	20,636	14,829	602,676	12	638,153
Fees Received from County Officials	1,378,804	0	0	0	1,378,804
State of Tennessee	1,029,463	2,386,392	280,270	20,208	3,716,333
Federal Government	37,871	14,206	0	110,573	162,650
Other Governments and Citizens Groups	204,995	0	989,143	11,206	1,205,344
Total Revenues	\$ 6,821,875	\$ 4,162,086	\$ 3,930,383	\$ 281,117	\$ 15,195,461
<u>Expenditures</u>					
Current:					
General Government	\$ 1,024,665	\$ 0	\$ 0	\$ 0	\$ 1,024,665
Finance	983,003	0	0	1,250	984,253
Administration of Justice	1,053,699	0	0	32,979	1,086,678
Public Safety	2,705,155	0	0	18,794	2,723,949
Public Health and Welfare	424,743	0	0	30,185	454,928
Social, Cultural, and Recreational Services	302,903	0	0	0	302,903
Agriculture and Natural Resources	127,399	0	0	0	127,399
Other Operations	519,493	0	0	822	520,315
Highways	0	4,340,556	0	0	4,340,556
Debt Service:					
Principal on Debt	0	0	2,811,513	0	2,811,513
Interest on Debt	0	0	1,477,770	0	1,477,770
Other Debt Service	0	0	64,028	0	64,028
Capital Projects	0	0	0	608,318	608,318
Total Expenditures	\$ 7,141,060	\$ 4,340,556	\$ 4,353,311	\$ 692,348	\$ 16,527,275
Excess (Deficiency) of Revenues Over Expenditures					
	\$ (319,185)	\$ (178,470)	\$ (422,928)	\$ (411,231)	\$ (1,331,814)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 600,000	\$ 600,000
Transfers In	169,576	47,533	128,467	6,423	351,999
Total Other Financing Sources (Uses)	\$ 169,576	\$ 47,533	\$ 128,467	\$ 606,423	\$ 951,999
Net Change in Fund Balances					
Fund Balance, July 1, 2006	\$ 1,038,398	\$ 678,429	\$ 5,742,839	\$ 566,612	\$ 8,026,278
Fund Balance, June 30, 2007	\$ 888,789	\$ 547,492	\$ 5,448,378	\$ 761,804	\$ 7,646,463

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

Exhibit C-4

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, 2007

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	(379,815)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	1,068,133	
Less: current year depreciation expense		<u>(3,500,437)</u>	(2,432,304)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			
Less: loss on disposal of capital assets			(689)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2006	\$	(433,669)	
Add: deferred delinquent property taxes and other deferred June 30, 2007		<u>479,229</u>	45,560
(4) The issuance of long-term debt (e.g. notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Less: note proceeds	\$	(600,000)	
Add: change in premium on debt issuances		1,933	
Less: change in deferred debt issuance costs		(20,616)	
Add: principal payments on notes		307,513	
Add: principal payments on other loans		739,000	
Add: principal payments on bonds		1,765,000	
Less: change in deferred amount on refunding debt		<u>(96,953)</u>	2,095,877
(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.			
Change in accrued interest payable	\$	(7)	
Change in compensated absences		<u>(12,879)</u>	<u>(12,886)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (684,257)</u>

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

Exhibit D-1

Weakley County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2007

	Business-type Activities
	<u>Major Fund</u>
	<u>Weakley County Municipal Electric System</u>
<u>Operating Revenues</u>	
<u>Sale of Electric Energy</u>	
Residential and rural	\$ 20,644,937
Small commercial	3,445,635
Large commercial	11,683,064
Street and outdoor lighting	958,379
<u>Other Electric Revenues</u>	
Consumer forfeited discounts	248,196
Rent from electric property	339,825
Service charge - meter sets	94,329
Grant received from loan program	300,000
Miscellaneous	56,816
Total Operating Revenues	<u>\$ 37,771,181</u>
<u>Operating Expenses</u>	
Purchased power	\$ 30,323,446
<u>Operation Expense</u>	
<u>Transmission Expense</u>	
Overhead wire expense	128
Station expense	24,794
<u>Distribution Expense</u>	
Supervision and engineering	142,958
Station expense	49,568
Overhead line expense	548,176
Underground line expense	48,976
Street lighting and signal expense	8,228
Removing and resetting meters	298,713
Services on customer's premises	44,507
Miscellaneous distribution expense	1,166
Rents	19,042
<u>Customer Accounts Expense</u>	
Supervision and accounting	15,036
Meter reading	180,016
Records and collections	600,634
<u>Customer Service and Sales Expense</u>	
Supervision	10,076
Customer assistance	33,045
Miscellaneous sales expense	100,860

(Continued)

Exhibit D-1

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

	Business-type Activities
	<u>Major Fund</u>
	<u>Weakley County</u>
	<u>Municipal</u>
	<u>Electric System</u>
<u>Operating Expenses (Cont.)</u>	
<u>Administrative and General Expense</u>	
Salaries	\$ 279,722
Office supplies and expense	93,081
Outside services	23,270
Insurance	41,372
Injuries and damages	185,021
Employee pension and benefits	597,769
Miscellaneous	62,837
<u>Maintenance Expense</u>	
<u>Transmission Maintenance</u>	
Station equipment	1,270
Overhead lines	7,688
<u>Distribution Maintenance</u>	
Station equipment	24,619
Overhead lines	754,947
Underground lines	15,503
Line transformers and devices	43,516
Street lights and signal systems	19,469
Meters	37,261
Security lights	41,242
Miscellaneous	1,823
<u>Administrative and General Maintenance</u>	
Structures and improvements	94,491
Communication equipment	10,790
Depreciation and amortization	1,377,823
Tax equivalent	315,936
Payroll taxes	76,986
Total Operating Expenses	<u>\$ 36,555,805</u>
Operating Income	<u>\$ 1,215,376</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment income	\$ 289,405
Miscellaneous income	1,250
Other interest expense	(39,509)
Total Nonoperating Revenues (Expenses)	<u>\$ 251,146</u>
Income Before Transfers	\$ 1,466,522
Transfers In (Out)	<u>(351,999)</u>
Change in Net Assets	\$ 1,114,523
Net Assets, July 1, 2006	<u>28,904,087</u>
Net Assets, June 30, 2007	<u>\$ 30,018,610</u>

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

Exhibit D-2

Weakley County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2007

	Business-type Activities
	<u>Major Fund</u>
	Weakley County Municipal Electric System
<u>Cash Flows from Operating Activities</u>	
Cash received from customers	\$ 37,576,976
Cash payments to suppliers for goods and services	(32,460,525)
Cash payments to employees for services	(2,521,595)
Grant proceeds received from loan program	300,000
Cash payments to loan recipient	(360,000)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,534,856</u>
<u>Cash Flows from Non-capital Financing Activities</u>	
Interest paid	\$ (39,309)
Transfers to other funds	(351,999)
Payments on conservation loans payable	12,151
Miscellaneous non-operating income	1,250
Net Cash Provided By (Used In) Non-capital Financing Activities	<u>\$ (377,907)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Additions to plant	\$ (1,370,622)
Removal cost	(203,149)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (1,573,771)</u>
<u>Cash Flows from Investing Activities</u>	
Investment income	\$ 289,405
Purchase of investments	(268)
Decrease in conservation loans receivable	(13,684)
Decrease in prepaid purchased power	130,500
Net Cash Provided By (Used In) Investing Activities	<u>\$ 405,953</u>
Net Increase in Cash	\$ 989,131
Cash, July 1, 2006	<u>3,528,946</u>
Cash, June 30, 2007	<u>\$ 4,518,077</u>
<u>Reconciliation of Operating Income to</u>	
<u>Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income	\$ 1,215,376
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	1,460,629
Electric Plant Acquisition Adjustment	38,728
Change In:	
Inventories	113,553
Salvage value of inventories	84,558
Accounts receivable	171,415
Transportation clearing	(134)
Accounts payable	195,030
Accrued payroll	24,271
Other current liabilities	35,659
Customer deposits payable	(65,620)
Prepaid items (excluding TVA power)	(348,108)
Note receivable	(360,000)
Deferred interest income	(30,501)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,534,856</u>

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

Exhibit E

Weakley County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 161,091
Cash	1,221,085
Accounts Receivable	28
Due from Other Governments	<u>412,239</u>
Total Assets	<u>\$ 1,794,443</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 402,783
Due to Litigants, Heirs, and Others	1,212,330
Due to Joint Ventures	<u>179,330</u>
Total Liabilities	<u>\$ 1,794,443</u>

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

WEAKLEY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

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 Weakley County Commission appoints its governing body. Before the issuance of any debt instruments, the nursing home must obtain the County Commission's approval.

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 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. 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:

Administrative Offices:

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. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the statement of activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. 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. No new debt issues were contributed by the county to the School Department during the year ended June 30, 2007.

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 and the major enterprise fund 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, except for agency funds which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of 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 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 grants 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.

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

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

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

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

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.

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.

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

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, enterprise fund) 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, enterprise fund) 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 1.58 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.

Retainage payable in the primary government's nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the nonmajor governmental funds.

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and the business-type columns 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, enterprise fund) 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

4. Compensated Absences

It is the policy of Weakley County (with the exception of the Weakley County Municipal Electric System, enterprise fund) 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.

5. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over

the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

6. Net Assets and Fund Equity

In the government-wide financial statements 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, 2007, Weakley County had \$29,017,852 in outstanding debt for capital purposes for the discretely presented Weakley County School Department. This debt is a liability of Weakley County, but the capital assets acquired are reported in the financial statements of the Weakley County 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 \$94,770 designated for the operations of the student farm at June 30, 2007.

7. Prior-period Adjustment

Capital assets were restated (\$45,882,862) from the prior year to recognize infrastructure assets acquired between July 1, 1980, and June 30, 2002.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds to the government-wide statement of net assets.

Discretely Presented Weakley County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds to the government-wide statement of net assets.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Primary Government

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

Discretely Presented Weakley County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the District Attorney General Fund (special revenue fund) and the Constitutional Officers - Fees Fund (special revenue fund) which are not budgeted, and the Community Development/Industrial Park Fund (capital projects fund), which adopts project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

B. Fund Deficit

The Community Development/Industrial Park Fund had a fund deficit of \$339,080 at June 30, 2007. This fund deficit resulted from the unperformed portions of construction contracts being reserved as encumbrances. Funding for these future expenditures is expected to be received from Community Development Block Grant proceeds and contributions by industrial tenants.

C. Local Option Sales Tax Commitments – Debt Service

In May 1998, the citizens of Weakley County voted by public referendum to increase the local option sales tax by one-half percent. 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 \$390,308 in sales tax collections to the General Debt Service Fund for the year ended June 30, 2007.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Weakley County (excluding the Weakley County Municipal Electric System, enterprise fund) 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 reflected on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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, 2007, Weakley County had the following investments carried at cost. All investments (excluding the Weakley County Municipal Electric System, enterprise fund) are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Weakley County (excluding the Weakley County Municipal Electric System, enterprise fund) and the discretely

presented Weakley County School Department since both pool their deposits and investments through the county trustee.

POOLED INVESTMENTS

<u>Investment</u>	<u>Maturity</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	<u>\$ 64,476</u>
Total		<u><u>\$ 64,476</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, 2007, Weakley County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2007, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-06	Prior Period Adjustment	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:					
Land	\$ 1,575,535	\$ 0	\$ 0	\$ 0	\$ 1,575,535
Total Capital Assets Not Depreciated	<u>\$ 1,575,535</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,575,535</u>
Capital Assets Depreciated:					
Buildings and Improvements	\$ 12,371,669	\$ 0	\$ 0	\$ (375,000)	\$ 11,996,669
Infrastructure	1,237,375	67,147,218	962,070	0	69,346,663
Other Capital Assets	3,311,560	0	106,063	(19,949)	3,397,674
Total Capital Assets Depreciated	<u>\$ 16,920,604</u>	<u>\$ 67,147,218</u>	<u>\$ 1,068,133</u>	<u>\$ (394,949)</u>	<u>\$ 84,741,006</u>

Governmental Activities: (Cont.)

	Balance 7-1-06	Prior Period Adjustment	Increases	Decreases	Balance 6-30-07
Less Accumulated Depreciation For:					
Buildings and Improvements	\$ 5,325,170	\$ 0	\$ 417,106	\$ (375,000)	\$ 5,367,276
Infrastructure	72,721	21,259,797	2,847,210	0	24,179,728
Other Capital Assets	2,601,349	4,559	236,121	(19,260)	2,822,769
Total Accumulated Depreciation	\$ 7,999,240	\$ 21,264,356	\$ 3,500,437	\$ (394,260)	\$ 32,369,773
Total Capital Assets Depreciated, Net	\$ 8,921,364	\$ 45,882,862	\$ (2,432,304)	\$ (689)	\$ 52,371,233
Governmental Activities Capital Assets, Net	\$ 10,496,899	\$ 45,882,862	\$ (2,432,304)	\$ (689)	\$ 53,946,768

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

Governmental Activities:

General Government	\$ 45,194
Finance	14,183
Administration of Justice	22,114
Public Safety	379,934
Public Health and Welfare	23,885
Social, Cultural, and Recreational Services	13,092
Agriculture and Natural Resources	2,298
Other Operations	766
Highways/Public Works	2,998,971
Total Depreciation Expense - Governmental Activities	<u>\$ 3,500,437</u>

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

	Balance 7-1-06	Increases	Balance 6-30-07
Capital Assets Not Depreciated:			
Land	\$ 1,935,850	\$ 0	\$ 1,935,850
Total Capital Assets Not Depreciated	\$ 1,935,850	\$ 0	\$ 1,935,850

Governmental Activities: (Cont.)

	Balance 7-1-06	Increases	Balance 6-30-07
Capital Assets			
Depreciated:			
Buildings and			
Improvements	\$ 61,353,539	\$ 0	\$ 61,353,539
Other Capital Assets	3,136,777	836,914	3,973,691
	<hr/>		
Total Capital Assets			
Depreciated	\$ 64,490,316	\$ 836,914	\$ 65,327,230
	<hr/>		
Less Accumulated			
Depreciated For:			
Buildings and			
Improvements	\$ 30,772,670	\$ 1,756,758	\$ 32,529,428
Other Capital Assets	2,281,640	376,973	2,658,613
	<hr/>		
Total Accumulated			
Depreciation	\$ 33,054,310	\$ 2,133,731	\$ 35,188,041
	<hr/>		
Total Capital Assets			
Depreciated, Net	\$ 31,436,006	\$ (1,296,817)	\$ 30,139,189
	<hr/>		
Governmental Activities			
Capital Assets, Net	\$ 33,371,856	\$ (1,296,817)	\$ 32,075,039
	<hr/> <hr/>		

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

Governmental Activities:

Instruction	\$ 1,416,037
Support Services	577,388
Operation of Non-Instructional Services	<u>140,306</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 2,133,731</u>

C. Construction Commitments

At June 30, 2007, the Community Development/Industrial Park Fund had uncompleted construction contracts of approximately \$339,080 for a sewer-line extension project (\$21,900) and railroad spur maintenance (\$317,180). Funding for these future expenditures will be received from federal grants and industrial tenants' contributions.

At June 30, 2007, the Highway Capital Projects Fund had uncompleted construction contracts of approximately \$43,128 for the construction of a bridge. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2007, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 3,517

This balance 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:

Receivable Fund	Payable Fund	Amount
Primary Government: General	Component unit: Weakley County Nursing Home	\$ 646

The due from component unit balance in the General Fund was in transit from the Weakley County Nursing Home at June 30, 2007.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2007, consisted of the following amounts:

Primary Government

	Transfers In			
	General Fund	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor Governmental Fund
Transfers Out	\$ 169,576	\$ 47,533	\$ 128,467	\$ 6,423

Discretely Presented Weakley County School Department

Transfers Out	Transfers In General Purpose School Fund
Nonmajor governmental fund	\$ 4,800
Total	\$ 4,800

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county (excluding the Weakley County Municipal Electric System, enterprise fund) 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, 2007, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds -			
School Refunding	2 to 4.8 %	\$ 24,135,000	\$ 20,170,000
Capital Outlay Notes	0 to 4.4	2,214,349	1,684,147
Other Loans	variable	17,739,705	13,746,705

In 1997-98, 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, 2007, the variable interest rate was 3.89 percent based on the BOA rate and other fees amounted to approximately .25 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal.

During 2002-03, Weakley County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned Weakley County \$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, 2007, the variable interest rate was 3.87 percent based on the LIBOR rate and other fees amounted to approximately .30 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2007, including interest payments and other loan fees, are presented in the following table:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2008	\$ 1,800,000	\$ 781,158	\$ 323,513	\$ 59,298
2009	1,870,000	729,527	335,621	46,643
2010	1,985,000	671,712	348,493	33,438
2011	2,095,000	600,539	306,205	20,806
2012	2,240,000	510,138	365,205	7,455
2013-2016	10,180,000	1,053,506	5,110	0
Total	\$ 20,170,000	\$ 4,346,580	\$ 1,684,147	\$ 167,640

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2008	\$ 770,000	\$ 532,992	\$ 49,751	\$ 1,352,743
2009	804,000	503,124	46,997	1,354,121
2010	837,000	471,936	44,124	1,353,060
2011	873,000	439,468	41,135	1,353,603
2012	910,000	405,602	38,019	1,353,621
2013-2017	5,165,000	1,467,587	138,613	6,771,200
2018-2022	3,748,000	522,586	51,014	4,321,600
2023	639,705	24,757	2,431	666,893
Total	\$ 13,746,705	\$ 4,368,052	\$ 412,084	\$ 18,526,841

There is \$5,448,378 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$578, based on the 2000 federal census. Debt per capita, including bonds, notes, and, other loans totaled \$1,020, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the primary government (excluding the Weakley County Municipal Electric System, enterprise fund) for the year ended June 30, 2007, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2006	\$ 21,935,000	\$ 1,391,660
Additions	0	600,000
Deductions	(1,765,000)	(307,513)
Balance, June 30, 2007	\$ 20,170,000	\$ 1,684,147
Balance Due Within One Year	\$ 1,800,000	\$ 323,513

	Other Loans	Compensated Absences
Balance, July 1, 2006	\$ 14,485,705	\$ 186,076
Additions	0	214,609
Deductions	(739,000)	(201,730)
Balance, June 30, 2007	\$ 13,746,705	\$ 198,955
Balance Due Within One Year	\$ 770,000	\$ 9,950

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 35,799,807
Less: Balance Due Within One Year	(2,903,463)
Deferred Amount on Refunding	(526,695)
Add: Deferred Revenue - Premium on Debt	<u>17,011</u>
 Noncurrent Liabilities - Due in More Than One Year - Exhibit A	 <u><u>\$ 32,386,660</u></u>

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

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, 2007, was as follows:

	Notes	Capital Leases	Compensated Absences
Balance, July 1, 2006	\$ 0	\$ 40,383	\$ 32,530
Additions	74,525	0	36,018
Deductions	<u>(23,970)</u>	<u>(40,383)</u>	<u>(35,371)</u>
Balance, June 30, 2007	<u>\$ 50,555</u>	<u>\$ 0</u>	<u>\$ 33,177</u>
Balance Due Within One Year	<u>\$ 22,764</u>	<u>\$ 0</u>	<u>\$ 1,659</u>

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

F. Short-term Debt

During the year, Weakley County borrowed \$1,000,000 from the General Debt Service Fund to provide temporary operating funds for the General Fund. This loan was retired prior to June 30, 2007, as required by state statutes, and therefore has not been reflected in the financial statements of this report. Short-term debt activity for the year ended June 30, 2007, was as follows:

	Balance 7-1-06	Issued	Redeemed	Balance 6-30-07
Tax Anticipation Note	\$ 0	\$ 1,000,000	\$ (1,000,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government (excluding the Weakley County Municipal Electric System, enterprise fund)

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.

Discretely Presented Weakley County School Department

General Liability, Property, and Casualty

For the last two years, the School Department has purchased commercial insurance for risk of losses to which it is exposed. These risks include general and public official's liability, property, and casualty losses. Settled claims have not exceeded this commercial coverage in either of the last two years.

Workers' Compensation Insurance

The School Department joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Government Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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. Subsequent Events

On August 23, 2007, the County Commission authorized the issuance of \$800,000 capital outlay notes for the construction of a county building.

On August 29, 2007, the county's General Debt Service Fund issued a \$1,000,000 tax anticipation note to the General Fund for temporary operating funds.

On September 12, 2007, the county's General Debt Service Fund issued a \$600,000 tax anticipation note to the Highway/Public Works Fund for temporary operating funds.

C. Contingent Liabilities

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

D. Change in Administration

On August 31, 2006, Ron Gifford left the Office of County Mayor and was succeeded by Houston Patrick.

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 Twenty-Seventh 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, 2007, and does not have any equity interest in this joint venture.

The Everett-Stewart Regional Airport is a joint venture between Weakley County and Obion County and was established December 1, 2006. The agreement between Obion and Weakley counties states that the land and other capital assets, including improvements, will continue to be owned by Obion County; however, the funding of airport operations will be jointly funded and managed by both counties. Weakley County appropriated \$35,000 to the Everett-Stewart Regional Airport during the year.

The Weakley County Economic 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, 14 additional members, and four ex-officio non-voting 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 \$187,400 to the Weakley County Economic Development Board during the year representing 48.4 percent of the total funding.

Complete financial statements for the DTF, the Everett-Stewart Regional Airport, and the Weakley County Economic Development Board can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Twenty-Seventh Judicial District
P.O. Box 746
Union City, TN 38281-0746

Everett-Stewart Regional Airport
1489 Airport Circle
Union City, TN 38261

Weakley County Economic Development Board
C/o Ronnie Price, President/CEO
P.O. Box 106
Martin, TN 38237

F. Retirement Commitments

Employees

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 <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, 2007, was 11.73 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, 2007, Weakley County’s annual pension cost of \$1,096,195 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2005, 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, 2005, was 12 years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$1,096,195	100%	\$0
6-30-06	881,634	100	0
6-30-05	931,953	100	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 <http://www.treasury.state.tn.us>.

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, 2007, was 6.13 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, 2007, 2006, and 2005, were \$912,215, \$795,517, and \$797,163, respectively, equal to the required contributions for each year.

G. Office of Central Accounting, Budgeting, and Purchasing

Weakley County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a Finance Department operated under the direction of the director of finance.

H. Purchasing Law

The County Financial Management System Act of 1981 provides for the director of finance or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Weakley County. All purchase orders are issued by the Finance Department. Purchases exceeding \$5,000 (\$10,000 effective June 28, 2007) for the Office of County Mayor and the discretely presented School Department, and \$10,000 for the Office of Highway Superintendent are required to be competitively bid.

VI. OTHER NOTES – WEAKLEY COUNTY MUNICIPAL ELECTRIC SYSTEM (ENTERPRISE FUND)

A. Significant Accounting Policies

1. Reporting Entity

The Weakley County Municipal Electric System is a proprietary fund of Weakley County, and is therefore, included in their audit. Tennessee Code Annotated, Section 7-52-117(c) states “Subject to the provisions of Section 7-52-132, the superintendent with the approval of the supervisory body, may acquire and dispose of all property, real and personal, necessary to effectuate the purpose of this part. The title of such property shall be taken in the name of the municipality” (county). Therefore, Weakley County Municipal Electric System does not possess sufficient corporate powers that distinguish it as a legally separate entity and is considered a proprietary fund of Weakley County, Tennessee.

2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The electric system’s financial statements are presented on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental Accounting Standards Board (GASB) Statement No. 20 gives governments the option of applying all Financial Accounting Standards Board (FASB) statements and interpretations issued after

November 30, 1989, to its proprietary funds, unless they conflict with or contradict GASB pronouncements. Weakley County has elected not to implement FASB statements and interpretations issued thereafter, unless they are adopted by GASB.

The books of account are kept in accordance with the provisions of the power contract between the Weakley County Municipal Electric System and the Tennessee Valley Authority (TVA) and meet the requirements of the Federal Power System chart of accounts.

The electric system recognizes income based on cycle billings. This results in recognizing as income the energy usage through each respective cycle each month, which may not coincide with the last day of the fiscal year. Non-recognition of unbilled income from energy sales as a result of cycle billing is a common industry practice.

The cost of purchased power is accrued based on the final meter reading of the fiscal year. This may result in unrecognized expense for the period between the final billing and the end of the fiscal year. This practice is consistent with TVA guidelines and does not differ significantly from generally accepted accounting principles.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the electric system are charges to customers for sales and service. Operating expenses for the enterprise fund include the cost of purchased power, operation expenses, maintenance expenses, amortization of plant acquisition adjustment, property tax equivalent, payroll taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

3. Assets, Liabilities, and Net Assets

a. Deposits

Cash and cash equivalents as used on the statements of cash flows include cash on hand and demand deposits at financial institutions.

b. Investments

All investments are with the State Treasurer's Investment Pool (\$5,249).

c. **Accounts Receivable**

Trade receivables 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, 2007, was \$22,006.

d. **Inventories**

The electric system uses a perpetual inventory system and has actual physical counts every six months. Inventories are stated at cost, using an average costing method.

e. **Capital Assets**

Capital assets include land, plant and equipment, work in progress, and an electric plant acquisition adjustment. Such assets are stated substantially at original cost. The electric system capitalizes interest costs as part of the cost of construction when the construction period covers more than 12 months. For the year under examination, there was no interest costs capitalized. The electric system 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, 2007, consisted of \$1,339,095 charged to depreciation expense and \$121,534 cleared through other accounts, for a total accrual of \$1,460,629. 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, 2007, was \$38,728 per year.

f. **Leases**

The 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, 2007, was \$19,042.

g. Compensated Absences

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.

h. Net Assets

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

- Invested in Capital Assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any payables that are attributable to the acquisition, construction, or improvement of those assets.
- Unrestricted – All other net assets that do not meet the description of the above categories.

B. Detailed Notes on All Accounts

1. Deposits and Investments

Custodial Credit Risk. The electric system's policies limit investments to those instruments allowed by applicable state laws as described above in Note VI.(3)(a). State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance of the Tennessee Bank Collateral Pool, by collateral held by the system's agent in the system's name, or by the Federal Reserve Banks acting as third party agents. State statutes also authorize the electric system to invest in bonds, notes, or treasury bills of the United States or any of its agencies; certificates of deposit at Tennessee state chartered banks, savings and loan associations, and federally chartered banks and savings and loan associations; repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities; the state pooled investment fund; and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2007, all bank deposits were fully collateralized or insured.

2. Prepayments

The Weakley County Municipal Electric System also elected to participate in a Discounted Energy Units (DEU) Program offered by TVA. This program allowed the electric system 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 electric system'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, 2007, was \$728,625.

3. Interfund Activity

A transfer is made each year from the Weakley County Municipal Electric System to the primary government of Weakley County for an in-lieu-of tax payment. The transfer amount for the year ended June 30, 2007, was \$351,999. An additional \$205,547 in-lieu-of tax payment was made to the General Purpose School Fund.

4. Capital Assets

Capital assets activity during the year was as follows:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Transmission plant land	\$ 95,738	\$ 0	\$ 0	\$ 95,738
Distribution plant land	111,975	0	0	111,975
General plant land	106,718	196,563	0	303,281
Construction in Progress	1,483,331	(1,057,092)	0	426,239
Total Capital Assets Not Depreciated	\$ 1,797,762	\$ (860,529)	\$ 0	\$ 937,233
Capital Assets Depreciated:				
Transmission plant	\$ 4,747,382	\$ 90,192	\$ (4,099)	\$ 4,833,475
Distribution plant	37,668,647	2,085,890	(815,203)	38,939,334
General plant	4,085,524	55,069	0	4,140,593
Electric plant acquisition adjustment	441,966	0	(38,728)	403,238
Total Capital Assets Depreciated	\$ 46,943,519	\$ 2,231,151	\$ (858,030)	\$ 48,316,640

(Cont.)	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Less Accumulated Depreciation For:				
Transmission plant	\$ 2,987,936	\$ 48,581	\$ (6,184)	\$ 3,030,333
Distribution plant	16,665,510	1,239,434	(931,708)	16,973,236
General plant	3,203,500	172,614	0	3,376,114
Total Accumulated Depreciation	<u>\$ 22,856,946</u>	<u>\$ 1,460,629</u>	<u>\$ (937,892)</u>	<u>\$ 23,379,683</u>
Total Capital Assets Depreciated, Net	<u>\$ 24,086,573</u>	<u>\$ 770,522</u>	<u>\$ 79,862</u>	<u>\$ 24,936,957</u>
Total Capital Assets, Net	<u><u>\$ 25,884,335</u></u>	<u><u>\$ (90,007)</u></u>	<u><u>\$ 79,862</u></u>	<u><u>\$ 25,874,190</u></u>

C. Other Information

1. Pension Plan

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 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 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 [http:// www.treasury.state.tn.us](http://www.treasury.state.tn.us).

Funding Policy

The 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, 2007, was 19.98 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the 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, 2007, the Weakley County Municipal Electric System’s annual pension cost of \$527,358 to TCRS was equal to their required and actual contributions. The required contribution was determined as part of the July 1, 2005, 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), 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 equities over a five-year period. The Weakley County Municipal Electric System’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 16 years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$ 527,358	100%	\$ 0
6-30-06	518,736	100	0
6-30-05	476,745	100	0

2. Risk Management

It is the policy of the electric system to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, casualty, worker's 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.

VII. OTHER NOTES – DISCRETELY PRESENTED WEAKLEY COUNTY NURSING HOME

A. Significant Accounting Policies

1. 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 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, and mainly serves the residents of Weakley County by rendering intermediate and skilled care to patients.

2. 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. The Weakley County Nursing Home has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

3. Depreciation

Capital 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

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets' lives are not capitalized. Typically, purchases of less than \$250 are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

4. Leases

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

5. 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.

6. Net Assets

Equity is classified as net assets and displayed in two 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. Unrestricted – All other net assets that do not meet the description of the above categories.

7. 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.

8. 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, \$209,183 in bad debts was written off. Also, for the current year, \$207,459 of bad debts written off last year was recovered from Medicare.

9. 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.

B. 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.

C. Deposits and Investments

Investments during the year were made up entirely of certificates of deposit with a maturity of greater than three months.

Custodial Credit Risk. The nursing home's policies limit deposits and investments to those instruments allowed by applicable state laws. State statute requires that all deposits with financial institutions must be

collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the nursing home's agent in the nursing home's name, or by the Federal Reserve Banks acting as third party agents. State statute also authorizes the nursing home to invest in bonds, notes, or treasury bills of the United States or any of its agencies; certificates of deposit at Tennessee state chartered banks, savings and loan associations, and federally chartered banks and savings and loan associations; repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities; the state pooled investment fund; and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2007, all bank deposits were fully collateralized or insured.

D. Risk Management

Until February 1, 2001, the 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 a paid prescription card.

The 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.

The 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.

E. Changes in Capital Assets

Capital assets activity for the year ended June 30, 2007, was as follows:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 2,371	\$ 0	\$ 0	\$ 2,371
Construction in Progress	0	0	0	0
Total Capital Assets Not Depreciated	\$ 2,371	\$ 0	\$ 0	\$ 2,371
Capital Assets Depreciated:				
Land Improvements	\$ 64,212	\$ 0	\$ 0	\$ 64,212
Building and Improvements	2,617,137	140,069	0	2,757,206
Equipment	961,327	83,674	0	1,045,001
Vehicles	34,059	0	0	34,059
Other Assets	40,815	0	0	40,815
Total Capital Assets Depreciated	\$ 3,717,550	\$ 223,743	\$ 0	\$ 3,941,293
Less Accumulated Depreciated For:				
Land Improvements	\$ 26,200	\$ 2,566	\$ (510)	\$ 28,256
Building and Improvements	1,329,230	64,913	0	1,394,143
Equipment	770,832	54,116	(5,537)	819,411
Vehicles	34,059	0	0	34,059
Other Assets	40,815	0	0	40,815
Total Accumulated Depreciation	\$ 2,201,136	\$ 121,595	\$ (6,047)	\$ 2,316,684
Total Capital Assets Depreciated, Net	\$ 1,516,414	\$ 102,148	\$ 6,047	\$ 1,624,609
Business-type Capital Assets, Net	\$ 1,518,785	\$ 102,148	\$ 6,047	\$ 1,626,980

F. Pension Information

Plan Description

Employees of the Weakley County Nursing Home participate in the pension plan established by Weakley County. Employees of Weakley County, including the Weakley County Nursing Home, 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 <http://www.treasury.state.tn.us>. Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

Since the Weakley County Nursing Home participates in Weakley County's plan, retirement information for the Weakley County Nursing Home is not available separately from the retirement information provided for the county. Complete disclosure for the county's participation in the TCRS is described in footnote V.F.

G. Commitment to Weakley County

During the prior year, the nursing home received \$300,000 from Weakley County to help finance the construction of the new therapy wing. As there is not a written agreement between the county and the nursing home for the repayment of these funds, the financial statements of the nursing home do not reflect a long-term debt liability. However, it is the intent of the nursing home to repay the county based on the following schedule with a 4.4 percent interest rate and a maturity date of October 1, 2010.

Year Ending June 30	Principal	Interest	Total
2008	\$ 57,000	\$ 7,326	\$ 64,326
2009	60,000	4,752	64,752
2010	63,000	2,046	65,046
2011	15,000	330	15,330
Total	<u>\$ 195,000</u>	<u>\$ 14,454</u>	<u>\$ 209,454</u>

H. Prior-period Adjustment

An adjustment of \$6,047 was made to adjust prior accumulated depreciation balances to actual figures submitted on the nursing home's cost reports. The firm that prepared the cost reports had to use different depreciable lives for eight assets than what had originally been set up. Although the amount was immaterial, the adjustment was made to agree with the cost reports that had been prepared for the nursing home.

VIII. OTHER NOTES - DISCRETELY PRESENTED WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Significant Accounting Policies

1. Reporting Entity

The Weakley County Emergency Communications District was approved by a referendum on August 4, 1994. The County Commissioners passed a resolution on August 22, 1994, to establish the Emergency Communications District in accordance with Tennessee Code Annotated, Section 7-86-101. The district accounts for its financial position and results of operations in accordance with generally accepted accounting principles applicable to governmental units. Currently only the proprietary fund type is used that accounts for activities conducted on a fee-for-service basis in a manner similar to commercial enterprises providing services to the public (enterprise fund).

The district's financial statements include all accounts of the district's operations. The criteria for including organization's with the district's reporting entity, as set forth in GASB No. 14, The Financial Reporting Entity, is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Based upon these criteria, there were no component units that required presentation.

The district is, however, considered a discretely presented component unit of Weakley County, Tennessee, because of the following factors. The Weakley County Commission appoints the Board and has a right to remove them. The county also provides office space for the district's business use, and the district is accountable to the county for fiscal matters.

2. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The Weakley County Emergency Communications District accounts for its financial position and results of operations in accordance with generally accepted accounting principles as defined in the statements of the Governmental Accounting Standards Board (GASB). Generally accepted accounting principles for proprietary fund types are those applicable to similar businesses in the private sector, and the measurement focus is on the determination of net income, financial position, and cash flows. Proprietary fund types are accounted for on the accrual basis, whereby income is recognized as it is earned, and expenses are recognized as they are incurred, whether or not cash is received or paid out at that time. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 20 gives governments the option of applying all Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its proprietary funds, unless they conflict with or contradict GASB pronouncements. The Office of the Comptroller of the Treasury requires Tennessee emergency communications districts not to implement FASB statements and interpretations issued thereafter, unless they are adopted by GASB.

3. **Assets, Liabilities, and Net Assets**

a. **Deposits and Investments**

The district's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of inception.

State statutes authorize the district to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations by the U.S. government or its agencies, repurchase agreements, as approved by the state director of Local Finance, and the state's local government investment pool.

b. Accounts Receivable

Accounts receivable represent amounts due from various phone companies.

c. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from five to 40 years. Interest costs incurred on financing during the construction or installation period of capital assets are capitalized as part of the cost of the assets. For the year under review, there were no interest costs capitalized.

d. Compensated Absences

The district has adopted Weakley County's Personnel Policies which allows full-time employees one sick day per month with a maximum carry over of 90 days to the subsequent year and one vacation day per month with a maximum carry over of 15 days. These benefits normally are accrued in proprietary funds (using the accrual basis of accounting). Employees are not paid for unused sick days but may be paid for a maximum of 15 unused vacation days. This liability is reflected in the current year's financial statements.

e. Net Assets

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

- Invested in capital assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any payables that are attributable to the acquisition, construction, or improvement of those assets.
- Unrestricted – All other net assets that do not meet the description of the above category.

B. Detailed Notes on Accounts

1. Deposits and Investments

Custodial Credit Risk. The district's policies limit investments to those instruments allowed by applicable state laws as described in Note VIII.3.A. State statute requires that all deposits with financial

institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district's agent in the district's name, or by the Federal Reserve Banks acting as third party agents. As of June 30, 2007, all bank deposits were fully collateralized or insured.

2. Capital Assets

Capital assets activity during the year was as follows:

	Balance 7-1-06	Increases	Balance 6-30-07
Capital Assets			
Depreciated:			
Furniture and fixtures	\$ 357,637	\$ 143,263	\$ 500,900
Machinery and equipment	6,730	6,890	13,620
Vehicles	22,076	0	22,076
Total Capital Assets			
Depreciated	\$ 386,443	\$ 150,153	\$ 536,596
Less Accumulated			
Depreciation For:			
Furniture and fixtures	\$ 222,685	\$ 39,996	\$ 262,681
Machinery and equipment	3,022	1,523	4,545
Vehicles	22,076	0	22,076
Total Accumulated			
Depreciation	\$ 247,783	\$ 41,519	\$ 289,302
Total Capital Assets, Net	\$ 138,660	\$ 108,634	\$ 247,294

C. Other Information

1. Risk Management

The district's primary risk of loss is from suits filed for improper response or handling of emergency 911 calls. The district's significant losses are covered by commercial liability insurance. There were no claims or settlements made during this fiscal year and no losses were sustained. Board members with financial responsibility are bonded.

2. Employees' Retirement Plan

Plan Description

Employees of the Weakley County Emergency Communications District 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 the Weakley County Emergency Communications District participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

The Weakley County Emergency Communications District has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2007, was

25.41 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the Weakley County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2007, the Weakley County Emergency Communications District's annual pension cost of \$8,921 to TCRS was equal to the district'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. The Weakley County Emergency Communications District's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was ten years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$ 8,921	100 %	\$ 0
6-30-06	4,215	100	0
6-30-05	3,625	100	0

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,754,496	\$ 0	\$ 0	\$ 3,754,496	\$ 3,627,719	\$ 3,679,997	\$ 74,499
Licenses and Permits	570	0	0	570	3,800	3,800	(3,230)
Fines, Forfeitures, and Penalties	283,413	0	0	283,413	318,050	319,350	(35,937)
Charges for Current Services	111,627	0	0	111,627	131,219	131,369	(19,742)
Other Local Revenues	20,636	0	0	20,636	31,068	37,168	(16,532)
Fees Received from County Officials	1,378,804	0	0	1,378,804	1,306,500	1,330,500	48,304
State of Tennessee	1,029,463	0	0	1,029,463	1,081,841	1,143,218	(113,755)
Federal Government	37,871	0	0	37,871	106,591	109,542	(71,671)
Other Governments and Citizens Groups	204,995	0	0	204,995	192,777	201,886	3,109
Total Revenues	\$ 6,821,875	\$ 0	\$ 0	\$ 6,821,875	\$ 6,799,565	\$ 6,956,830	\$ (134,955)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 66,546	\$ 0	\$ 0	\$ 66,546	\$ 88,165	\$ 82,365	\$ 15,819
County Mayor/Executive	127,604	0	0	127,604	127,689	131,916	4,312
County Attorney	24,787	0	0	24,787	18,000	24,788	1
Election Commission	396,639	(184,413)	174	212,400	238,032	244,938	32,538
Register of Deeds	153,111	(200)	0	152,911	157,777	156,279	3,368
County Buildings	255,978	0	0	255,978	171,338	263,477	7,499
<u>Finance</u>							
Accounting and Budgeting	274,381	(1,069)	3,129	276,441	283,279	284,569	8,128
Property Assessor's Office	212,922	0	0	212,922	217,885	217,955	5,033
Reappraisal Program	51,314	0	112	51,426	56,100	56,100	4,674
County Trustee's Office	169,790	0	0	169,790	173,027	173,027	3,237
County Clerk's Office	274,596	(1,093)	531	274,034	280,844	280,931	6,897
<u>Administration of Justice</u>							
Circuit Court	194,805	0	0	194,805	201,044	200,338	5,533

(Continued)

Exhibit F-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 7/1/2006	Add: Encumbrances 6/30/2007	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	\$ 216,092	\$ 0	\$ 0	\$ 216,092	\$ 227,328	\$ 221,770	\$ 5,678
Chancery Court	185,676	0	387	186,063	199,005	194,723	8,660
Juvenile Court	153,643	0	0	153,643	165,425	160,675	7,032
District Attorney General	27,811	0	0	27,811	27,811	27,811	0
Other Administration of Justice	195,150	(168)	4,095	199,077	200,000	200,000	923
Probation Services	80,522	0	2,720	83,242	83,662	83,662	420
<u>Public Safety</u>							
Sheriff's Department	1,326,917	(1,713)	1,858	1,327,062	1,417,447	1,355,196	28,134
Traffic Control	317,669	0	0	317,669	325,110	323,164	5,495
Jail	959,749	(123)	1,054	960,680	966,671	971,333	10,653
Correctional Incentive Program Improvements	19,325	0	0	19,325	14,000	20,000	675
Fire Prevention and Control	20,000	0	0	20,000	22,000	22,000	2,000
Civil Defense	51,194	(464)	0	50,730	116,119	119,070	68,340
Rescue Squad	5,500	0	0	5,500	5,500	5,500	0
Other Public Safety	4,801	0	0	4,801	6,683	6,697	1,896
<u>Public Health and Welfare</u>							
Local Health Center	137,003	0	0	137,003	138,351	138,351	1,348
Ambulance/Emergency Medical Services	235,000	0	0	235,000	235,000	235,000	0
Maternal and Child Health Services	2,500	0	0	2,500	6,300	6,300	3,800
Alcohol and Drug Programs	0	0	0	0	3,656	3,656	3,656
Crippled Children Services	2,167	0	0	2,167	2,167	2,167	0
Other Local Health Services	25,348	0	0	25,348	27,000	27,000	1,652
General Welfare Assistance	22,725	0	0	22,725	16,000	23,500	775
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	114,941	(123)	0	114,818	150,494	151,647	36,829
Senior Citizens Assistance	22,272	0	73	22,345	26,944	26,944	4,599

(Continued)

Exhibit F-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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Libraries	\$ 165,690	\$ 0	\$ 2,405	\$ 168,095	\$ 170,238	\$ 173,363	\$ 5,268
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	71,537	0	0	71,537	79,025	79,025	7,488
Soil Conservation	32,136	0	0	32,136	31,758	32,399	263
Flood Control	23,726	0	0	23,726	24,226	24,226	500
<u>Other Operations</u>							
Veterans' Services	39,938	0	0	39,938	46,673	41,412	1,474
Other Charges	4,784	0	0	4,784	4,784	4,784	0
Contributions to Other Agencies	257,036	0	0	257,036	257,536	257,536	500
Employee Benefits	14,192	0	0	14,192	10,000	15,000	808
Miscellaneous	203,543	0	0	203,543	218,697	222,575	19,032
Total Expenditures	\$ 7,141,060	\$ (189,366)	\$ 16,538	\$ 6,968,232	\$ 7,238,790	\$ 7,293,169	\$ 324,937
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (319,185)	\$ 189,366	\$ (16,538)	\$ (146,357)	\$ (439,225)	\$ (336,339)	\$ 189,982
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 169,576	\$ 0	\$ 0	\$ 169,576	\$ 175,057	\$ 187,576	\$ (18,000)
Total Other Financing Sources (Uses)	\$ 169,576	\$ 0	\$ 0	\$ 169,576	\$ 175,057	\$ 187,576	\$ (18,000)
Net Change in Fund Balance							
Fund Balance, July 1, 2006	\$ (149,609)	\$ 189,366	\$ (16,538)	\$ 23,219	\$ (264,168)	\$ (148,763)	\$ 171,982
	1,038,398	(189,366)	0	849,032	692,092	692,092	156,940
Fund Balance, June 30, 2007							
	\$ 888,789	\$ 0	\$ (16,538)	\$ 872,251	\$ 427,924	\$ 543,329	\$ 328,922

Exhibit F-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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,744,434	\$ 0	\$ 0	\$ 1,744,434	\$ 1,715,775	\$ 1,715,775	\$ 28,659
Licenses and Permits	2,225	0	0	2,225	0	0	2,225
Charges for Current Services	0	0	0	0	200	200	(200)
Other Local Revenues	14,829	0	0	14,829	25,100	25,100	(10,271)
State of Tennessee	2,386,392	0	0	2,386,392	2,546,958	2,546,958	(160,566)
Federal Government	14,206	0	0	14,206	0	14,206	0
Total Revenues	\$ 4,162,086	\$ 0	\$ 0	\$ 4,162,086	\$ 4,288,033	\$ 4,302,239	\$ (140,153)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 113,519	\$ (251)	\$ 0	\$ 113,268	\$ 115,910	\$ 115,910	\$ 2,642
Highway and Bridge Maintenance	2,252,258	(1,396)	17	2,250,879	2,293,031	2,293,031	42,152
Operation and Maintenance of Equipment	552,027	0	243	552,270	570,937	581,593	29,323
Litter and Trash Collection	37,058	0	72	37,130	37,252	37,252	122
Other Charges	123,802	(310)	0	123,492	126,943	126,943	3,451
Employee Benefits	545,150	0	0	545,150	557,335	560,885	15,735
Capital Outlay	716,742	0	0	716,742	928,147	928,147	211,405
Total Expenditures	\$ 4,340,556	\$ (1,957)	\$ 332	\$ 4,338,931	\$ 4,629,555	\$ 4,643,761	\$ 304,830
Excess (Deficiency) of Revenues Over Expenditures	\$ (178,470)	\$ 1,957	\$ (332)	\$ (176,845)	\$ (341,522)	\$ (341,522)	\$ 164,677
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 47,533	\$ 0	\$ 0	\$ 47,533	\$ 46,547	\$ 46,547	\$ 986
Total Other Financing Sources (Uses)	\$ 47,533	\$ 0	\$ 0	\$ 47,533	\$ 46,547	\$ 46,547	\$ 986
Net Change in Fund Balance	\$ (130,937)	\$ 1,957	\$ (332)	\$ (129,312)	\$ (294,975)	\$ (294,975)	\$ 165,663
Fund Balance, July 1, 2006	678,429	(1,957)	0	676,472	438,024	438,024	238,448
Fund Balance, June 30, 2007	\$ 547,492	\$ 0	\$ (332)	\$ 547,160	\$ 143,049	\$ 143,049	\$ 404,111

Exhibit F-3

Weakley County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2007

(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)
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County Employees (Except for Weakley County Municipal Electric System Employees)

6-30-05	\$ 17,741	\$ 18,141	400	97.79 %	\$ 8,313	4.82 %
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

Weakley County Municipal Electric System Employees

6-30-05	4,085	6,066	1,981	67.33	2,480	79.89
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

WEAKLEY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2007

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 Weakley 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/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the Weakley County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with 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 schedule.

**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.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for grant proceeds received for sewer line extension and a railroad spur industrial improvement project.

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 G-1

Weakley County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007

	Special Revenue Funds					Capital Projects Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees	Total	Community Development/ Industrial Park	Highway Capital Projects	Total	
<u>ASSETS</u>									
Cash	\$ 0	\$ 0	\$ 0	\$ 3,517	\$ 3,517	\$ 0	\$ 0	\$ 0	\$ 3,517
Equity in Pooled Cash and Investments	49,000	88,905	103,146	0	241,051	0	516,511	516,511	757,562
Accounts Receivable	0	0	0	0	0	11,206	0	11,206	11,206
Due from Other Governments	2,668	0	1,101	0	3,769	93,172	0	93,172	96,941
Property Taxes Receivable	0	0	0	0	0	0	102,680	102,680	102,680
Allowance for Uncollectible Property Taxes	0	0	0	0	0	0	(3,073)	(3,073)	(3,073)
Total Assets	\$ 51,668	\$ 88,905	\$ 104,247	\$ 3,517	\$ 248,337	\$ 104,378	\$ 616,118	\$ 720,496	\$ 968,833
<u>LIABILITIES AND FUND BALANCES</u>									
<u>Liabilities</u>									
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 129	\$ 0	\$ 129	\$ 129
Contracts Payable	0	0	0	0	0	100,049	0	100,049	100,049
Retainage Payable	0	0	0	0	0	4,200	0	4,200	4,200
Due to Other Funds	0	0	0	3,517	3,517	0	0	0	3,517
Deferred Revenue - Current Property Taxes	0	0	0	0	0	0	95,916	95,916	95,916
Deferred Revenue - Delinquent Property Taxes	0	0	0	0	0	0	3,218	3,218	3,218
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 3,517	\$ 3,517	\$ 104,378	\$ 99,134	\$ 203,512	\$ 207,029
<u>Fund Balances</u>									
Reserved for Encumbrances	\$ 742	\$ 41	\$ 0	\$ 0	\$ 783	\$ 339,080	\$ 43,128	\$ 382,208	\$ 382,991
Unreserved (Deficit)	50,926	88,864	104,247	0	244,037	(339,080)	473,856	134,776	378,813
Total Fund Balances	\$ 51,668	\$ 88,905	\$ 104,247	\$ 0	\$ 244,820	\$ 0	\$ 516,984	\$ 516,984	\$ 761,804
Total Liabilities and Fund Balances	\$ 51,668	\$ 88,905	\$ 104,247	\$ 3,517	\$ 248,337	\$ 104,378	\$ 616,118	\$ 720,496	\$ 968,833

Exhibit G-2

Weakley County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2007

	Special Revenue Funds					Capital Projects Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees	Total	Community Development/ Industrial Park	Highway Capital Projects	Total	
<u>Revenues</u>									
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 98,366	\$ 98,366	\$ 98,366
Fines, Forfeitures, and Penalties	0	11,080	23,052	0	34,132	0	0	0	34,132
Charges for Current Services	4,727	0	0	1,893	6,620	0	0	0	6,620
Other Local Revenues	0	0	12	0	12	0	0	0	12
State of Tennessee	20,208	0	0	0	20,208	0	0	0	20,208
Federal Government	0	0	0	0	0	110,573	0	110,573	110,573
Other Governments and Citizens Groups	0	0	0	0	0	11,206	0	11,206	11,206
Total Revenues	\$ 24,935	\$ 11,080	\$ 23,064	\$ 1,893	\$ 60,972	\$ 121,779	\$ 98,366	\$ 220,145	\$ 281,117
<u>Expenditures</u>									
Current:									
Finance	\$ 0	\$ 0	\$ 0	\$ 1,250	\$ 1,250	\$ 0	\$ 0	\$ 0	\$ 1,250
Administration of Justice	0	0	32,336	643	32,979	0	0	0	32,979
Public Safety	0	18,794	0	0	18,794	0	0	0	18,794
Public Health and Welfare	30,185	0	0	0	30,185	0	0	0	30,185
Other Operations	822	0	0	0	822	0	0	0	822
Capital Projects	0	0	0	0	0	121,779	486,539	608,318	608,318
Total Expenditures	\$ 31,007	\$ 18,794	\$ 32,336	\$ 1,893	\$ 84,030	\$ 121,779	\$ 486,539	\$ 608,318	\$ 692,348
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,072)	\$ (7,714)	\$ (9,272)	\$ 0	\$ (23,058)	\$ 0	\$ (388,173)	\$ (388,173)	\$ (411,231)
<u>Other Financing Sources (Uses)</u>									
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 600,000	\$ 600,000	\$ 600,000
Transfers In	0	0	0	0	0	0	6,423	6,423	6,423
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 606,423	\$ 606,423	\$ 606,423
Net Change in Fund Balances	\$ (6,072)	\$ (7,714)	\$ (9,272)	\$ 0	\$ (23,058)	\$ 0	\$ 218,250	\$ 218,250	\$ 195,192
Fund Balance, July 1, 2006	57,740	96,619	113,519	0	267,878	0	298,734	298,734	566,612
Fund Balance, June 30, 2007	\$ 51,668	\$ 88,905	\$ 104,247	\$ 0	\$ 244,820	\$ 0	\$ 516,984	\$ 516,984	\$ 761,804

Exhibit G-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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 4,727	\$ 0	\$ 0	\$ 4,727	\$ 0	\$ 4,700	\$ 27
Other Local Revenues	0	0	0	0	3,700	0	0
State of Tennessee	20,208	0	0	20,208	20,902	20,902	(694)
Total Revenues	<u>\$ 24,935</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,935</u>	<u>\$ 24,602</u>	<u>\$ 25,602</u>	<u>\$ (667)</u>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Recycling Center	\$ 30,185	\$ (409)	\$ 742	\$ 30,518	\$ 30,297	\$ 30,997	\$ 479
<u>Other Operations</u>							
Employee Benefits	822	0	0	822	1,297	897	75
Total Expenditures	<u>\$ 31,007</u>	<u>\$ (409)</u>	<u>\$ 742</u>	<u>\$ 31,340</u>	<u>\$ 31,594</u>	<u>\$ 31,894</u>	<u>\$ 554</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (6,072)</u>	<u>\$ 409</u>	<u>\$ (742)</u>	<u>\$ (6,405)</u>	<u>\$ (6,992)</u>	<u>\$ (6,292)</u>	<u>\$ (113)</u>
Net Change in Fund Balance	\$ (6,072)	\$ 409	\$ (742)	\$ (6,405)	\$ (6,992)	\$ (6,292)	\$ (113)
Fund Balance, July 1, 2006	57,740	(409)	0	57,331	60,393	60,393	(3,062)
Fund Balance, June 30, 2007	<u>\$ 51,668</u>	<u>\$ 0</u>	<u>\$ (742)</u>	<u>\$ 50,926</u>	<u>\$ 53,401</u>	<u>\$ 54,101</u>	<u>\$ (3,175)</u>

Exhibit G-4

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 11,080	\$ 0	\$ 0	\$ 11,080	\$ 30,200	\$ 30,200	\$ (19,120)
Other Local Revenues	0	0	0	0	1,000	1,000	(1,000)
Total Revenues	\$ 11,080	\$ 0	\$ 0	\$ 11,080	\$ 31,200	\$ 31,200	\$ (20,120)
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 18,794	\$ (7,245)	\$ 41	\$ 11,590	\$ 26,880	\$ 26,880	\$ 15,290
Total Expenditures	\$ 18,794	\$ (7,245)	\$ 41	\$ 11,590	\$ 26,880	\$ 26,880	\$ 15,290
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,714)	\$ 7,245	\$ (41)	\$ (510)	\$ 4,320	\$ 4,320	\$ (4,830)
Net Change in Fund Balance	\$ (7,714)	\$ 7,245	\$ (41)	\$ (510)	\$ 4,320	\$ 4,320	\$ (4,830)
Fund Balance, July 1, 2006	96,619	(7,245)	0	89,374	84,515	84,515	4,859
Fund Balance, June 30, 2007	\$ 88,905	\$ 0	\$ (41)	\$ 88,864	\$ 88,835	\$ 88,835	\$ 29

Exhibit G-5

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway Capital Projects Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 98,366	\$ 0	\$ 0	\$ 98,366	\$ 91,250	\$ 91,250	\$ 7,116
Total Revenues	\$ 98,366	\$ 0	\$ 0	\$ 98,366	\$ 91,250	\$ 91,250	\$ 7,116
<u>Expenditures</u>							
<u>Capital Projects</u>							
Highway and Street Capital Projects	\$ 486,539	\$ (286,706)	\$ 43,128	\$ 242,961	\$ 9,515	\$ 609,515	\$ 366,554
Total Expenditures	\$ 486,539	\$ (286,706)	\$ 43,128	\$ 242,961	\$ 9,515	\$ 609,515	\$ 366,554
Excess (Deficiency) of Revenues Over Expenditures	\$ (388,173)	\$ 286,706	\$ (43,128)	\$ (144,595)	\$ 81,735	\$ (518,265)	\$ 373,670
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 600,000	\$ 0	\$ 0	\$ 600,000	\$ 0	\$ 600,000	\$ 0
Transfers In	6,423	0	0	6,423	6,290	6,290	133
Total Other Financing Sources (Uses)	\$ 606,423	\$ 0	\$ 0	\$ 606,423	\$ 6,290	\$ 606,290	\$ 133
Net Change in Fund Balance	\$ 218,250	\$ 286,706	\$ (43,128)	\$ 461,828	\$ 88,025	\$ 88,025	\$ 373,803
Fund Balance, July 1, 2006	298,734	(286,706)	0	12,028	11,443	11,443	585
Fund Balance, June 30, 2007	\$ 516,984	\$ 0	\$ (43,128)	\$ 473,856	\$ 99,468	\$ 99,468	\$ 374,388

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 H

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,058,294	\$ 2,476,500	\$ 2,084,792	\$ (26,498)
Other Local Revenues	602,676	450,000	513,000	89,676
State of Tennessee	280,270	244,000	244,000	36,270
Other Governments and Citizens Groups	989,143	549,504	989,812	(669)
Total Revenues	<u>\$ 3,930,383</u>	<u>\$ 3,720,004</u>	<u>\$ 3,831,604</u>	<u>\$ 98,779</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 433,000	\$ 328,000	\$ 433,000	\$ 0
Highways and Streets	185,000	185,000	185,000	0
Education	2,193,513	1,863,513	2,193,513	0
<u>Interest on Debt</u>				
General Government	225,701	212,040	226,470	769
Highways and Streets	46,502	35,302	46,502	0
Education	1,205,567	1,133,108	1,205,570	3
<u>Other Debt Service</u>				
General Government	54,556	62,000	62,000	7,444
Education	9,472	15,000	9,500	28
<u>Capital Projects</u>				
Public Health and Welfare Projects	0	66,990	0	0
Total Expenditures	<u>\$ 4,353,311</u>	<u>\$ 3,900,953</u>	<u>\$ 4,361,555</u>	<u>\$ 8,244</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (422,928)</u>	<u>\$ (180,949)</u>	<u>\$ (529,951)</u>	<u>\$ 107,023</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 128,467	\$ 125,801	\$ 128,467	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 128,467</u>	<u>\$ 125,801</u>	<u>\$ 128,467</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (294,461)	\$ (55,148)	\$ (401,484)	\$ 107,023
Fund Balance, July 1, 2006	<u>5,742,839</u>	<u>5,742,753</u>	<u>5,742,753</u>	<u>86</u>
Fund Balance, June 30, 2007	<u>\$ 5,448,378</u>	<u>\$ 5,687,605</u>	<u>\$ 5,341,269</u>	<u>\$ 107,109</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.

Community Development - Agency Fund – The Community Development - Agency Fund was used to account for amounts placed on deposit with the county trustee by the Industrial Development Board of Weakley County. These funds were returned to the industrial development board during the year.

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 I-1

Weakley County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	Agency Funds				
	Cities - Sales Tax	Watershed District	Constitu- tional Officers - Agency	Judicial District Drug	Total
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 0	\$ 8,343	\$ 0	\$ 152,748	\$ 161,091
Cash	0	0	1,212,302	8,783	1,221,085
Accounts Receivable	0	0	28	0	28
Due from Other Governments	394,440	0	0	17,799	412,239
Total Assets	<u>\$ 394,440</u>	<u>\$ 8,343</u>	<u>\$ 1,212,330</u>	<u>\$ 179,330</u>	<u>\$ 1,794,443</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 394,440	\$ 8,343	\$ 0	\$ 0	\$ 402,783
Due to Litigants, Heirs, and Others	0	0	1,212,330	0	1,212,330
Due to Joint Ventures	0	0	0	179,330	179,330
Total Liabilities	<u>\$ 394,440</u>	<u>\$ 8,343</u>	<u>\$ 1,212,330</u>	<u>\$ 179,330</u>	<u>\$ 1,794,443</u>

Exhibit I-2

Weakley County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,776,265	\$ 2,776,265	\$ 0
Due from Other Governments	438,646	394,440	438,646	394,440
Total Assets	\$ 438,646	\$ 3,170,705	\$ 3,214,911	\$ 394,440
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 438,646	\$ 3,170,705	\$ 3,214,911	\$ 394,440
Total Liabilities	\$ 438,646	\$ 3,170,705	\$ 3,214,911	\$ 394,440
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 7,768	\$ 581	\$ 6	\$ 8,343
Total Assets	\$ 7,768	\$ 581	\$ 6	\$ 8,343
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 7,768	\$ 581	\$ 6	\$ 8,343
Total Liabilities	\$ 7,768	\$ 581	\$ 6	\$ 8,343
<u>Community Development - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 100,000	\$ 1,669	\$ 101,669	\$ 0
Total Assets	\$ 100,000	\$ 1,669	\$ 101,669	\$ 0
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 100,000	\$ 1,669	\$ 101,669	\$ 0
Total Liabilities	\$ 100,000	\$ 1,669	\$ 101,669	\$ 0
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,081,382	\$ 6,669,248	\$ 6,538,328	\$ 1,212,302
Accounts Receivable	0	28	0	28
Total Assets	\$ 1,081,382	\$ 6,669,276	\$ 6,538,328	\$ 1,212,330
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,081,382	\$ 6,669,276	\$ 6,538,328	\$ 1,212,330
Total Liabilities	\$ 1,081,382	\$ 6,669,276	\$ 6,538,328	\$ 1,212,330

(Continued)

Exhibit I-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	\$ 138,368	\$ 111,217	\$ 96,837	\$ 152,748
Cash	4,194	4,589	0	8,783
Due from Other Governments	7,937	17,799	7,937	17,799
Total Assets	<u>\$ 150,499</u>	<u>\$ 133,605</u>	<u>\$ 104,774</u>	<u>\$ 179,330</u>
<u>Liabilities</u>				
Due to Joint Ventures	\$ 150,499	\$ 133,605	\$ 104,774	\$ 179,330
Total Liabilities	<u>\$ 150,499</u>	<u>\$ 133,605</u>	<u>\$ 104,774</u>	<u>\$ 179,330</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 246,136	\$ 2,889,732	\$ 2,974,777	\$ 161,091
Cash	1,085,576	6,673,837	6,538,328	1,221,085
Accounts Receivable	0	28	0	28
Due from Other Governments	446,583	412,239	446,583	412,239
Total Assets	<u>\$ 1,778,295</u>	<u>\$ 9,975,836</u>	<u>\$ 9,959,688</u>	<u>\$ 1,794,443</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 446,414	\$ 3,171,286	\$ 3,214,917	\$ 402,783
Due to Litigants, Heirs, and Others	1,181,382	6,670,945	6,639,997	1,212,330
Due to Joint Ventures	150,499	133,605	104,774	179,330
Total Liabilities	<u>\$ 1,778,295</u>	<u>\$ 9,975,836</u>	<u>\$ 9,959,688</u>	<u>\$ 1,794,443</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 J-1

Weakley County, Tennessee
Statement of Activities
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2007

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
Governmental Activities:					
Instruction	\$ 20,062,469	\$ 38,438	\$ 2,034,598	\$ 6,493	\$ (17,982,940)
Support Services	8,806,523	115,999	442,818	0	(8,247,706)
Operation of Non-Instructional Services	2,637,949	1,013,792	1,499,016	0	(125,141)
Interest on Long-term Debt	1,909	0	0	0	(1,909)
Other Debt Service	482,514	0	0	0	(482,514)
Total Governmental Activities	\$ 31,991,364	\$ 1,168,229	\$ 3,976,432	\$ 6,493	\$ (26,840,210)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,111,061
Local Option Sales Taxes					2,981,506
Other Local Taxes					132,870
Grants and Contributions Not Restricted to Specific Programs					20,351,015
Miscellaneous					36,438
Total General Revenues					\$ 26,612,890
Change in Net Assets					\$ (227,320)
Net Assets, July 1, 2006					36,594,201
Net Assets, June 30, 2007					<u>\$ 36,366,881</u>

Exhibit J-2

Weakley County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Weakley County School Department
June 30, 2007

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 2,597,295	\$ 851,409	\$ 3,448,704
Accounts Receivable	159	117	276
Due from Other Governments	800,982	8,537	809,519
Property Taxes Receivable	3,597,633	0	3,597,633
Allowance for Uncollectible Property Taxes	(103,257)	0	(103,257)
Total Assets	<u>\$ 6,892,812</u>	<u>\$ 860,063</u>	<u>\$ 7,752,875</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 0	\$ 46	\$ 46
Deferred Revenue - Current Property Taxes	3,376,249	0	3,376,249
Deferred Revenue - Delinquent Property Taxes	103,005	0	103,005
Other Deferred Revenues	218,133	0	218,133
Total Liabilities	<u>\$ 3,697,387</u>	<u>\$ 46</u>	<u>\$ 3,697,433</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 239,951	\$ 0	\$ 239,951
Other Local Education Reserves	41,220	0	41,220
Reserved for Driver Education	23,658	0	23,658
Reserved for Career Ladder - Extended Contract	18,196	0	18,196
Reserved for Career Ladder Program	22,159	0	22,159
Reserved for Education Edge	9,426	0	9,426
Reserved for Title I Grants to Local Education Agencies	0	7,015	7,015
Reserved for Innovative Education Program Strategies	0	23	23
Reserved for Special Education - Grants to States	0	6,851	6,851
Other Federal Reserves	0	2,412	2,412
Unreserved, Reported In:			
General Fund	2,840,815	0	2,840,815
Special Revenue Funds	0	613,825	613,825
Capital Projects Fund	0	229,891	229,891
Total Fund Balances	<u>\$ 3,195,425</u>	<u>\$ 860,017</u>	<u>\$ 4,055,442</u>
Total Liabilities and Fund Balances	<u>\$ 6,892,812</u>	<u>\$ 860,063</u>	<u>\$ 7,752,875</u>

Exhibit J-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, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	4,055,442
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,935,850	
Add: buildings and improvements net of accumulated depreciation		28,824,111	
Add: other capital assets net of accumulated depreciation		<u>1,315,078</u>	32,075,039
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			321,138
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: note payable	\$	(50,555)	
Less: accrued interest on note		(1,006)	
Less: compensated absences payable		<u>(33,177)</u>	<u>(84,738)</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 36,366,881</u>

Exhibit J-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, 2007

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 6,495,099	\$ 0	\$ 6,495,099
Licenses and Permits	1,948	0	1,948
Charges for Current Services	229,918	899,873	1,129,791
Other Local Revenues	95,465	26,636	122,101
State of Tennessee	20,181,089	28,071	20,209,160
Federal Government	379,700	3,350,415	3,730,115
Other Governments and Citizens Groups	16,456	0	16,456
Total Revenues	<u>\$ 27,399,675</u>	<u>\$ 4,304,995</u>	<u>\$ 31,704,670</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 16,636,107	\$ 1,827,029	\$ 18,463,136
Support Services	8,104,592	491,234	8,595,826
Operation of Non-Instructional Services	368,951	2,092,111	2,461,062
Capital Outlay	664,715	0	664,715
Debt Service:			
Principal on Debt	0	64,353	64,353
Interest on Debt	0	1,904	1,904
Other Debt Service	482,514	0	482,514
Capital Projects	0	5,868	5,868
Total Expenditures	<u>\$ 26,256,879</u>	<u>\$ 4,482,499</u>	<u>\$ 30,739,378</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,142,796</u>	<u>\$ (177,504)</u>	<u>\$ 965,292</u>
<u>Other Financing Sources (Uses)</u>			
Notes Issued	\$ 0	\$ 74,525	\$ 74,525
Insurance Recovery	76,474	0	76,474
Transfers In	4,800	0	4,800
Transfers Out	0	(4,800)	(4,800)
Total Other Financing Sources (Uses)	<u>\$ 81,274</u>	<u>\$ 69,725</u>	<u>\$ 150,999</u>
Net Change in Fund Balances	<u>\$ 1,224,070</u>	<u>\$ (107,779)</u>	<u>\$ 1,116,291</u>
Fund Balance, July 1, 2006	<u>1,971,355</u>	<u>967,796</u>	<u>2,939,151</u>
Fund Balance, June 30, 2007	<u><u>\$ 3,195,425</u></u>	<u><u>\$ 860,017</u></u>	<u><u>\$ 4,055,442</u></u>

Exhibit J-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, 2007

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 1,116,291
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 836,914	
Less: current year depreciation expense	<u>(2,133,731)</u>	(1,296,817)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2006	\$ (357,108)	
Add: deferred delinquent property taxes and other deferred June 30, 2007	<u>321,138</u>	(35,970)
(3) The issuance of long-term debt (e.g. notes, capital 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.		
Less: note proceeds	\$ (74,525)	
Add: principal payments on notes	23,970	
Add: principal payments on capital leases	<u>40,383</u>	(10,172)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest payable	\$ (5)	
Change in compensated absences	<u>(647)</u>	(652)
Change in net assets of governmental activities (Exhibit B)		<u>\$ (227,320)</u>

Exhibit J-6

Weakley County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Weakley County School Department
June 30, 2007

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Total</u>	<u>Education Capital Projects</u>	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 16,004	\$ 605,514	\$ 621,518	\$ 229,891	\$ 851,409
Accounts Receivable	0	117	117	0	117
Due from Other Governments	343	8,194	8,537	0	8,537
Total Assets	\$ 16,347	\$ 613,825	\$ 630,172	\$ 229,891	\$ 860,063
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 46	\$ 0	\$ 46	\$ 0	\$ 46
Total Liabilities	\$ 46	\$ 0	\$ 46	\$ 0	\$ 46
<u>Fund Balances</u>					
Reserved for Title I Grants to Local Education Agencies	\$ 7,015	\$ 0	\$ 7,015	\$ 0	\$ 7,015
Reserved for Innovative Education Program Strategies	23	0	23	0	23
Reserved for Special Education - Grants to States	6,851	0	6,851	0	6,851
Other Federal Reserves	2,412	0	2,412	0	2,412
Unreserved	0	613,825	613,825	229,891	843,716
Total Fund Balances	\$ 16,301	\$ 613,825	\$ 630,126	\$ 229,891	\$ 860,017
Total Liabilities and Fund Balances	\$ 16,347	\$ 613,825	\$ 630,172	\$ 229,891	\$ 860,063

Exhibit J-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, 2007

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 899,873	\$ 899,873	\$ 0	\$ 899,873
Other Local Revenues	0	26,636	26,636	0	26,636
State of Tennessee	0	28,071	28,071	0	28,071
Federal Government	2,240,198	1,110,217	3,350,415	0	3,350,415
Total Revenues	\$ 2,240,198	\$ 2,064,797	\$ 4,304,995	\$ 0	\$ 4,304,995
<u>Expenditures</u>					
Current:					
Instruction	\$ 1,827,029	\$ 0	\$ 1,827,029	\$ 0	\$ 1,827,029
Support Services	491,234	0	491,234	0	491,234
Operation of Non-Instructional Services	0	2,092,111	2,092,111	0	2,092,111
Debt Service:					
Principal on Debt	64,353	0	64,353	0	64,353
Interest on Debt	1,904	0	1,904	0	1,904
Capital Projects	0	0	0	5,868	5,868
Total Expenditures	\$ 2,384,520	\$ 2,092,111	\$ 4,476,631	\$ 5,868	\$ 4,482,499
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (144,322)	\$ (27,314)	\$ (171,636)	\$ (5,868)	\$ (177,504)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 74,525	\$ 0	\$ 74,525	\$ 0	\$ 74,525
Transfers Out	(4,800)	0	(4,800)	0	(4,800)
Total Other Financing Sources (Uses)	\$ 69,725	\$ 0	\$ 69,725	\$ 0	\$ 69,725
Net Change in Fund Balances					
Fund Balance, July 1, 2006	\$ 90,898	\$ 641,139	\$ 732,037	\$ 235,759	\$ 967,796
Fund Balance, June 30, 2007	\$ 16,301	\$ 613,825	\$ 630,126	\$ 229,891	\$ 860,017

Exhibit J-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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,495,099	\$ 0	\$ 0	\$ 6,495,099	\$ 6,271,781	\$ 6,420,047	\$ 75,052
Licenses and Permits	1,948	0	0	1,948	2,400	2,400	(452)
Charges for Current Services	229,918	0	0	229,918	228,997	243,997	(14,079)
Other Local Revenues	95,465	0	0	95,465	72,303	209,141	(113,676)
State of Tennessee	20,181,089	0	0	20,181,089	19,846,908	20,118,006	63,083
Federal Government	379,700	0	0	379,700	362,594	412,033	(32,333)
Other Governments and Citizens Groups	16,456	0	0	16,456	10,000	16,582	(126)
Total Revenues	\$ 27,399,675	\$ 0	\$ 0	\$ 27,399,675	\$ 26,794,983	\$ 27,422,206	\$ (22,531)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 13,589,798	\$ 0	\$ 61,702	\$ 13,651,500	\$ 13,904,968	\$ 14,107,528	\$ 456,028
Special Education Program	1,691,251	0	26,268	1,717,519	1,669,141	1,730,999	13,480
Vocational Education Program	1,092,299	0	690	1,092,989	1,169,582	1,189,642	96,653
Student Body Education Program	18,245	0	0	18,245	11,140	18,569	324
Adult Education Program	244,514	(16,107)	80	228,487	218,862	256,620	28,133
<u>Support Services</u>							
Attendance	90,958	0	0	90,958	104,957	105,057	14,099
Health Services	80,346	0	0	80,346	77,544	85,103	4,757
Other Student Support	592,411	0	0	592,411	624,577	676,030	83,619
Regular Instruction Program	1,104,683	0	0	1,104,683	1,147,635	1,134,004	29,321
Alternative Instruction Program	82,674	0	0	82,674	73,505	84,005	1,331
Special Education Program	238,908	0	9,168	248,076	291,084	251,234	3,158
Vocational Education Program	87,347	0	0	87,347	80,017	98,703	11,356
Other Programs	103,372	0	0	103,372	113,654	113,654	10,282
Board of Education	427,146	0	0	427,146	485,266	470,373	43,227

(Continued)

Exhibit J-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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Director of Schools	\$ 236,673	\$ (61)	\$ 0	\$ 236,612	\$ 240,352	\$ 245,219	\$ 8,607
Office of the Principal	1,212,844	0	0	1,212,844	1,249,878	1,249,878	37,034
Operation of Plant	2,159,418	0	0	2,159,418	2,365,627	2,352,948	193,530
Maintenance of Plant	479,204	(390)	793	479,607	520,421	548,117	68,510
Transportation	1,199,317	0	0	1,199,317	1,285,018	1,360,610	161,293
Central and Other	9,291	0	0	9,291	4,002	9,312	21
<u>Operation of Non-Instructional Services</u>							
Community Services	122,596	(1,400)	300	121,496	115,243	125,243	3,747
Early Childhood Education	246,355	0	3,096	249,451	236,704	250,292	841
<u>Capital Outlay</u>							
Regular Capital Outlay	664,715	(218,645)	137,854	583,924	450,003	595,937	12,013
<u>Other Debt Service</u>							
Education	482,514	0	0	482,514	482,514	482,514	0
Total Expenditures	\$ 26,256,879	\$ (236,603)	\$ 239,951	\$ 26,260,227	\$ 26,921,694	\$ 27,541,591	\$ 1,281,364
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,142,796	\$ 236,603	\$ (239,951)	\$ 1,139,448	\$ (126,711)	\$ (119,385)	\$ 1,258,833
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 76,474	\$ 0	\$ 0	\$ 76,474	\$ 0	\$ 73,985	\$ 2,489
Transfers In	4,800	0	0	4,800	11,800	11,800	(7,000)
Total Other Financing Sources (Uses)	\$ 81,274	\$ 0	\$ 0	\$ 81,274	\$ 11,800	\$ 85,785	\$ (4,511)
Net Change in Fund Balance							
Fund Balance, July 1, 2006	\$ 1,224,070	\$ 236,603	\$ (239,951)	\$ 1,220,722	\$ (114,911)	\$ (33,600)	\$ 1,254,322
	1,971,355	(236,603)	0	1,734,752	1,429,418	1,429,418	305,334
Fund Balance, June 30, 2007							
	\$ 3,195,425	\$ 0	\$ (239,951)	\$ 2,955,474	\$ 1,314,507	\$ 1,395,818	\$ 1,559,656

Exhibit J-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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 2,240,198	\$ 0	\$ 2,240,198	\$ 2,228,039	\$ 2,581,046	\$ (340,848)
Total Revenues	\$ 2,240,198	\$ 0	\$ 2,240,198	\$ 2,228,039	\$ 2,581,046	\$ (340,848)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,010,255	\$ (16,294)	\$ 993,961	\$ 1,026,887	\$ 1,135,226	\$ 141,265
Special Education Program	727,036	0	727,036	707,094	801,653	74,617
Vocational Education Program	89,738	0	89,738	91,079	91,190	1,452
<u>Support Services</u>						
Health Services	57,315	0	57,315	58,769	57,794	479
Other Student Support	115,659	0	115,659	69,829	263,549	147,890
Regular Instruction Program	103,214	0	103,214	110,068	110,068	6,854
Special Education Program	39,370	0	39,370	38,281	41,051	1,681
Transportation	175,676	0	175,676	136,069	189,719	14,043
<u>Principal on Debt</u>						
Education	64,353	0	64,353	0	64,353	0
<u>Interest on Debt</u>						
Education	1,904	0	1,904	0	1,904	0
Total Expenditures	\$ 2,384,520	\$ (16,294)	\$ 2,368,226	\$ 2,238,076	\$ 2,756,507	\$ 388,281
Excess (Deficiency) of Revenues Over Expenditures	\$ (144,322)	\$ 16,294	\$ (128,028)	\$ (10,037)	\$ (175,461)	\$ 47,433
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 74,525	\$ 0	\$ 74,525	\$ 0	\$ 74,525	\$ 0
Transfers In	0	0	0	125,210	0	0

(Continued)

Exhibit J-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 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>						
Transfers Out	\$ (4,800)	\$ 0	\$ (4,800)	\$ (130,010)	\$ (4,800)	\$ 0
Total Other Financing Sources (Uses)	\$ 69,725	\$ 0	\$ 69,725	\$ (4,800)	\$ 69,725	\$ 0
Net Change in Fund Balance	\$ (74,597)	\$ 16,294	\$ (58,303)	\$ (14,837)	\$ (105,736)	\$ 47,433
Fund Balance, July 1, 2006	90,898	(16,294)	74,604	27,672	118,517	(43,913)
Fund Balance, June 30, 2007	\$ 16,301	\$ 0	\$ 16,301	\$ 12,835	\$ 12,781	\$ 3,520

Exhibit J-10

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Weakley County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 899,873	\$ 931,000	\$ 956,000	\$ (56,127)
Other Local Revenues	26,636	26,500	26,500	136
State of Tennessee	28,071	29,000	29,000	(929)
Federal Government	1,110,217	1,086,000	1,110,300	(83)
Total Revenues	<u>\$ 2,064,797</u>	<u>\$ 2,072,500</u>	<u>\$ 2,121,800</u>	<u>\$ (57,003)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,092,111	\$ 2,104,574	\$ 2,108,799	\$ 16,688
Total Expenditures	<u>\$ 2,092,111</u>	<u>\$ 2,104,574</u>	<u>\$ 2,108,799</u>	<u>\$ 16,688</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (27,314)</u>	<u>\$ (32,074)</u>	<u>\$ 13,001</u>	<u>\$ (40,315)</u>
Net Change in Fund Balance	\$ (27,314)	\$ (32,074)	\$ 13,001	\$ (40,315)
Fund Balance, July 1, 2006	<u>641,139</u>	<u>627,538</u>	<u>627,538</u>	<u>13,601</u>
Fund Balance, June 30, 2007	<u>\$ 613,825</u>	<u>\$ 595,464</u>	<u>\$ 640,539</u>	<u>\$ (26,714)</u>

MISCELLANEOUS SCHEDULES

Exhibit K-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, 2007

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
PRIMARY GOVERNMENT								
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Asbestos Removal - School Buildings	\$ 35,109	0 %	5-30-1990	11-30-08	\$ 4,108	\$ 0	\$ 2,000	\$ 2,108
Asbestos Removal - School Buildings	95,543	0	11-30-1992	5-30-10	21,212	0	5,308	15,904
Asbestos Removal - School Buildings	183,697	0	11-30-1993	11-30-12	66,340	0	10,205	56,135
Nursing Home Projects	300,000	4.4	10-7-05	10-1-10	300,000	0	105,000	195,000
Highway Capital Projects	1,000,000	3.89	9-12-05	9-1-10	1,000,000	0	185,000	815,000
Highway Capital Projects	600,000	4.2	12-21-06	12-1-11	0	600,000	0	600,000
Total Notes Payable					<u>\$ 1,391,660</u>	<u>\$ 600,000</u>	<u>\$ 307,513</u>	<u>\$ 1,684,147</u>
OTHER LOANS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Detention Center and Law Enforcement Complex	7,400,000	Variable	12-31-1997	5-25-18	\$ 5,301,000	\$ 0	\$ 328,000	\$ 4,973,000
School Construction and Renovation	10,339,705	Variable	2-25-03	5-25-23	9,184,705	0	411,000	8,773,705
Total Other Loans Payable					<u>\$ 14,485,705</u>	<u>\$ 0</u>	<u>\$ 739,000</u>	<u>\$ 13,746,705</u>
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
School Refunding - Series 1998	7,010,000	4.4 to 4.8	6-1-1998	4-1-15	\$ 6,495,000	\$ 0	\$ 330,000	\$ 6,165,000
School Refunding - Series 2003	17,125,000	2 to 4	12-1-03	5-1-16	15,440,000	0	1,435,000	14,005,000
Total Bonds Payable					<u>\$ 21,935,000</u>	<u>\$ 0</u>	<u>\$ 1,765,000</u>	<u>\$ 20,170,000</u>
DISCRETELY PRESENTED WEAKLEY COUNTY SCHOOL DEPARTMENT								
NOTES PAYABLE								
<u>Payable through School Federal Projects Fund</u>								
Handicapped School Bus	74,525	4.875	1-29-07	2-1-09	\$ 0	\$ 74,525	\$ 23,970	\$ 50,555
Total Notes Payable					<u>\$ 0</u>	<u>\$ 74,525</u>	<u>\$ 23,970</u>	<u>\$ 50,555</u>
CAPITAL LEASES PAYABLE								
<u>Payable through School Federal Projects Fund</u>								
Handicapped School Buses	121,232	4.64	12-17-04	12-17-06	\$ 40,383	\$ 0	\$ 40,383	\$ 0
Total Capital Leases Payable					<u>\$ 40,383</u>	<u>\$ 0</u>	<u>\$ 40,383</u>	<u>\$ 0</u>

Exhibit K-2

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

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
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>\$ 20,170,000</u>	<u>\$ 4,346,580</u>	<u>\$ 24,516,580</u>

Exhibit K-3

Weakley County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Weakley County School Department

For the Year Ended June 30, 2007

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Primary Government</u>			
Municipal Electric System	General	Payments in-lieu-of taxes	\$ 169,576
"	Highway/Public Works	"	47,533
"	General Debt Service	"	128,467
"	Highway Capital Projects	"	<u>6,423</u>
Total Transfers Primary Government			<u>\$ 351,999</u>
<u>Discretely Presented Weakley County</u>			
<u>School Department</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 4,800</u>
Total Transfers Discretely Presented Weakley County			
School Department			<u>\$ 4,800</u>

Exhibit K-4

Weakley County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Weakley County School Department
For the Year Ended June 30, 2007

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Ron Gifford (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	\$ 10,793	\$ 50,000	RLI Insurance Company
Houston Patrick (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	53,966	50,000	Auto Owners Insurance Company
Highway Supervisor	Section 8-24-102, <u>TCA</u>	61,676	100,000	"
Director of Schools	State Board of Education and Weakley County Board of Education	99,179 (1)	50,000	"
Trustee	Section 8-24-102, <u>TCA</u>	56,069	959,500	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	56,069	10,000	Nationwide Mutual Insurance Company
Director of Finance	Weakley County Commission	64,454 (2)	50,000	Auto Owners Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	56,069	50,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	56,069	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u>	56,069	85,000	RLI Insurance Company
Register	Section 8-24-102, <u>TCA</u>	56,069	25,000	Auto Owners Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u>	62,276 (3)	25,000	"
Employee Blanket Bonds:				
County Mayor and Highway Supervisor:				
All Employees			25,000	RLI Insurance Company
Director of Schools:				
All Employees			150,000	Southern States Insurance Group, Inc.

(1) Includes chief executive officer training supplement of \$1,000 and \$257 state one time bonus.

(2) Includes \$3,900 for serving as recording secretary for the Health, Education, and Welfare Committee.

(3) Includes law enforcement training supplement of \$600.

Exhibit K-5

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2007

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,418,613	\$ 0	\$ 0	\$ 0	\$ 0	\$ 677,942
Trustee's Collections - Prior Year	87,492	0	0	0	0	24,559
Trustee's Collections - Bankruptcy	2,029	0	0	0	0	602
Circuit/Clerk & Master Collections - Prior Years	47,758	0	0	0	0	13,387
Interest and Penalty	17,974	0	0	0	0	5,385
Payments in-Lieu-of Taxes - T.V.A.	919	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	526,500	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	196,111	0	0	0	0	0
Hotel/Motel Tax	42,204	0	0	0	0	0
Wheel Tax	0	0	0	0	0	890,602
Litigation Tax - General	158,888	0	0	0	0	0
Litigation Tax - Special Purpose	5,726	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	178,138	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	125,449
<u>Statutory Local Taxes</u>						
Bank Excise Tax	23,220	0	0	0	0	6,508
Wholesale Beer Tax	46,172	0	0	0	0	0
Interstate Telecommunications Tax	2,752	0	0	0	0	0
Total Local Taxes	\$ 3,754,496	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,744,434
<u>Licenses and Permits</u>						
<u>Permits</u>						
Beer Permits	\$ 570	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	0	0	0	0	0	2,225
Total Licenses and Permits	\$ 570	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,225
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 3,538	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	2,421	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Circuit Court (Cont.)</u>						
Drug Control Fines	\$ 0	\$ 0	\$ 3,234	\$ 0	\$ 0	0
Drug Court Fees	1,060	0	0	0	0	0
Jail Fees	4,020	0	0	0	0	0
District Attorney General Fees	0	0	0	1,045	0	0
DUI Treatment Fines	285	0	0	0	0	0
Data Entry Fee - Circuit Court	238	0	0	0	0	0
Courtroom Security Fee	42	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	40,314	0	0	0	0	0
Officers Costs	44,459	0	0	0	0	0
Drug Control Fines	0	0	4,091	0	0	0
Drug Court Fees	12,381	0	0	0	0	0
Jail Fees	110,574	0	0	0	0	0
District Attorney General Fees	0	0	0	9,445	0	0
DUI Treatment Fines	12,015	0	0	0	0	0
Data Entry Fee - General Sessions Court	8,771	0	0	0	0	0
Courtroom Security Fee	758	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	559	0	0	0	0	0
Officers Costs	12,910	0	0	0	0	0
Data Entry Fee - Juvenile Court	8,066	0	0	0	0	0
Courtroom Security Fee	51	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	16,794	0	0	0	0	0
Data Entry Fee - Chancery Court	4,151	0	0	0	0	0
Courtroom Security Fee	6	0	0	0	0	0
<u>Courts in Other District Counties</u>						
District Attorney General Fees	0	0	0	12,562	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	3,755	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 283,413	\$ 0	\$ 11,080	\$ 23,052	\$ 0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 4,727	\$ 0	\$ 0	\$ 0	\$ 0
Other General Service Charges	1,830	0	0	0	0	0
Service Charges	32,139	0	0	0	0	0
<u>Fees</u>						
Telephone Commissions	18,552	0	0	0	0	0
Vending Machine Collections	590	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	1,893	0
Data Processing Fee - Register	12,740	0	0	0	0	0
Data Processing Fee - Sheriff	4,399	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,625	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	39,752	0	0	0	0	0
Total Charges for Current Services	\$ 111,627	\$ 4,727	\$ 0	\$ 0	\$ 1,893	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Gasoline	0	0	0	0	0	5,581
Sale of Recycled Materials	0	0	0	0	0	3,236
Miscellaneous Refunds	1,841	0	0	12	0	6,012
<u>Nonrecurring Items</u>						
Sale of Property	11,250	0	0	0	0	0
Contributions and Gifts	7,545	0	0	0	0	0
Total Other Local Revenues	\$ 20,636	\$ 0	\$ 0	\$ 12	\$ 0	\$ 14,829
<u>Fees Received from County Officials</u>						
<u>Fees-In-Lieu of Salary</u>						
County Clerk	\$ 347,422	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	67,832	0	0	0	0	0
General Sessions Court Clerk	267,528	0	0	0	0	0
Clerk and Master	180,961	0	0	0	0	0
Register	147,216	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works
<u>Fees Received from County Officials (Cont.)</u>						
<u>Fees-In-Lieu of Salary (Cont.)</u>						
Sheriff	\$ 13,765	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee	354,080	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,378,804	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 292,239	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	109,336	0	0	0	0	0
State Reappraisal Grant	12,474	0	0	0	0	0
Solid Waste Grants	0	20,208	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	10,200	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	66,957	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	152,523
State Aid Program	0	0	0	0	0	200,142
Litter Program	0	0	0	0	0	36,367
<u>Other State Revenues</u>						
Income Tax	60,671	0	0	0	0	0
Beer Tax	18,753	0	0	0	0	0
Alcoholic Beverage Tax	54,399	0	0	0	0	0
Mixed Drink Tax	906	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0
Emergency Hospital - Prisoners	25,739	0	0	0	0	0
Prisoner Transportation	463	0	0	0	0	0
Contracted Prisoner Boarding	331,940	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,930,411
Petroleum Special Tax	0	0	0	0	0	28,071
T.B.I. - Equipment Reimbursement	3,450	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0	0
Other State Grants	17,240	0	0	0	0	38,878

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Other State Revenues	\$ 8,316	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total State of Tennessee	\$ 1,029,463	\$ 20,208	\$ 0	\$ 0	\$ 0	\$ 2,386,392
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	0	0	0	0	0	14,206
Homeland Security Grants	37,871	0	0	0	0	0
Total Federal Government	\$ 37,871	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,206
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 24,663	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	15,000	0	0	0	0	0
Contracted Services	85,332	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	0
<u>Other</u>						
Other	80,000	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 204,995	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 6,821,875	\$ 24,935	\$ 11,080	\$ 23,064	\$ 1,893	\$ 4,162,086

(Continued)

Exhibit K-5

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

	Debt Service Fund		Capital Projects Funds		
			Community		
	General Debt Service	Development/Industrial Park	Highway Capital Projects		Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,832,286	\$ 0	\$ 91,620	\$	5,020,461
Trustee's Collections - Prior Year	66,324	0	3,310		181,685
Trustee's Collections - Bankruptcy	1,572	0	72		4,275
Circuit/Clerk & Master Collections - Prior Years	36,180	0	1,809		99,134
Interest and Penalty	13,634	0	675		37,668
Payments in-Lieu-of Taxes - T.V.A.	0	0	0		919
Payments in-Lieu-of Taxes - Other	0	0	0		526,500
<u>County Local Option Taxes</u>					
Local Option Sales Tax	43,580	0	0		239,691
Hotel/Motel Tax	0	0	0		42,204
Wheel Tax	0	0	0		890,602
Litigation Tax - General	0	0	0		158,888
Litigation Tax - Special Purpose	0	0	0		5,726
Litigation Tax - Jail, Workhouse, or Courthouse	47,127	0	0		47,127
Business Tax	0	0	0		178,138
Mineral Severance Tax	0	0	0		125,449
<u>Statutory Local Taxes</u>					
Bank Excise Tax	17,591	0	880		48,199
Wholesale Beer Tax	0	0	0		46,172
Interstate Telecommunications Tax	0	0	0		2,752
Total Local Taxes	\$ 2,058,294	\$ 0	\$ 98,366	\$	7,655,590
<u>Licenses and Permits</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$	570
Building Permits	0	0	0		2,225
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$	2,795
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$	3,538
Officers Costs	0	0	0		2,421

(Continued)

Exhibit K-5

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

	Debt Service			Total
	Fund	Capital Projects Funds		
	General	Community	Highway	
	Debt	Development/	Capital	
	Service	Park	Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Circuit Court (Cont.)</u>				
Drug Control Fines	\$ 0	\$ 0	\$ 0	\$ 3,234
Drug Court Fees	0	0	0	1,060
Jail Fees	0	0	0	4,020
District Attorney General Fees	0	0	0	1,045
DUI Treatment Fines	0	0	0	285
Data Entry Fee - Circuit Court	0	0	0	238
Courtroom Security Fee	0	0	0	42
<u>General Sessions Court</u>				
Fines	0	0	0	40,314
Officers Costs	0	0	0	44,459
Drug Control Fines	0	0	0	4,091
Drug Court Fees	0	0	0	12,381
Jail Fees	0	0	0	110,574
District Attorney General Fees	0	0	0	9,445
DUI Treatment Fines	0	0	0	12,015
Data Entry Fee - General Sessions Court	0	0	0	8,771
Courtroom Security Fee	0	0	0	758
<u>Juvenile Court</u>				
Fines	0	0	0	559
Officers Costs	0	0	0	12,910
Data Entry Fee - Juvenile Court	0	0	0	8,066
Courtroom Security Fee	0	0	0	51
<u>Chancery Court</u>				
Officers Costs	0	0	0	16,794
Data Entry Fee - Chancery Court	0	0	0	4,151
Courtroom Security Fee	0	0	0	6
<u>Courts in Other District Counties</u>				
District Attorney General Fees	0	0	0	12,562
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	3,755
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 317,545

(Continued)

Exhibit K-5

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

	Debt Service Fund	Capital Projects Funds Community		Total
	General Debt Service	Development/ Industrial Park	Highway Capital Projects	
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 4,727
Other General Service Charges	0	0	0	1,830
Service Charges	0	0	0	32,139
<u>Fees</u>				
Telephone Commissions	0	0	0	18,552
Vending Machine Collections	0	0	0	590
Constitutional Officers' Fees and Commissions	0	0	0	1,893
Data Processing Fee - Register	0	0	0	12,740
Data Processing Fee - Sheriff	0	0	0	4,399
Sexual Offender Registration Fees - Sheriff	0	0	0	1,625
<u>Other Charges for Services</u>				
Other Charges for Services	0	0	0	39,752
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 118,247
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 602,676	\$ 0	\$ 0	\$ 602,676
Sale of Gasoline	0	0	0	5,581
Sale of Recycled Materials	0	0	0	3,236
Miscellaneous Refunds	0	0	0	7,865
<u>Nonrecurring Items</u>				
Sale of Property	0	0	0	11,250
Contributions and Gifts	0	0	0	7,545
Total Other Local Revenues	\$ 602,676	\$ 0	\$ 0	\$ 638,153
<u>Fees Received from County Officials</u>				
<u>Fees-In-Lieu of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 347,422
Circuit Court Clerk	0	0	0	67,832
General Sessions Court Clerk	0	0	0	267,528
Clerk and Master	0	0	0	180,961
Register	0	0	0	147,216

(Continued)

Exhibit K-5

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

	Debt Service Fund		Capital Projects Funds		
			Community		
	General Debt Service	Development/Industrial Park	Highway Capital Projects		Total
<u>Fees Received from County Officials (Cont.)</u>					
<u>Fees-In-Lieu of Salary (Cont.)</u>					
Sheriff	\$ 0	\$ 0	\$ 0	\$ 0	13,765
Trustee	0	0	0	0	354,080
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	1,378,804
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	292,239
Aging Programs	0	0	0	0	109,336
State Reappraisal Grant	0	0	0	0	12,474
Solid Waste Grants	0	0	0	0	20,208
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	10,200
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	66,957
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	152,523
State Aid Program	0	0	0	0	200,142
Litter Program	0	0	0	0	36,367
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	60,671
Beer Tax	0	0	0	0	18,753
Alcoholic Beverage Tax	0	0	0	0	54,399
Mixed Drink Tax	0	0	0	0	906
State Revenue Sharing - T.V.A.	280,270	0	0	0	280,270
Emergency Hospital - Prisoners	0	0	0	0	25,739
Prisoner Transportation	0	0	0	0	463
Contracted Prisoner Boarding	0	0	0	0	331,940
Gasoline and Motor Fuel Tax	0	0	0	0	1,930,411
Petroleum Special Tax	0	0	0	0	28,071
T.B.I. - Equipment Reimbursement	0	0	0	0	3,450
Registrar's Salary Supplement	0	0	0	0	16,380
Other State Grants	0	0	0	0	56,118

(Continued)

Exhibit K-5

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

	Debt Service Fund	Capital Projects Funds Community		
	General Debt Service	Development/ Industrial Park	Highway Capital Projects	Total
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues (Cont.)</u>				
Other State Revenues	\$ 0	\$ 0	\$ 0	\$ 8,316
Total State of Tennessee	<u>\$ 280,270</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,716,333</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$ 0	\$ 110,573	\$ 0	\$ 110,573
Disaster Relief	0	0	0	14,206
Homeland Security Grants	0	0	0	37,871
Total Federal Government	<u>\$ 0</u>	<u>\$ 110,573</u>	<u>\$ 0</u>	<u>\$ 162,650</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 24,663
Contributions	872,821	0	0	887,821
Contracted Services	0	0	0	85,332
<u>Citizens Groups</u>				
Donations	0	11,206	0	11,206
<u>Other</u>				
Other	116,322	0	0	196,322
Total Other Governments and Citizens Groups	<u>\$ 989,143</u>	<u>\$ 11,206</u>	<u>\$ 0</u>	<u>\$ 1,205,344</u>
Total	<u>\$ 3,930,383</u>	<u>\$ 121,779</u>	<u>\$ 98,366</u>	<u>\$ 15,195,461</u>

Exhibit K-6

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2007

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 2,931,660	\$ 0	\$ 0	\$ 2,931,660
Trustee's Collections - Prior Year	106,091	0	0	106,091
Trustee's Collections - Bankruptcy	2,496	0	0	2,496
Circuit/Clerk and Master Collections - Prior Years	57,889	0	0	57,889
Interest and Penalty	21,789	0	0	21,789
Payments in-Lieu-of Taxes - Local Utilities	205,547	0	0	205,547
<u>County Local Option Taxes</u>				
Local Option Sales Tax	3,008,476	0	0	3,008,476
Wheel Tax	127,229	0	0	127,229
<u>Statutory Local Taxes</u>				
Bank Excise Tax	28,145	0	0	28,145
Interstate Telecommunications Tax	5,777	0	0	5,777
Total Local Taxes	\$ 6,495,099	\$ 0	\$ 0	\$ 6,495,099
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,948	\$ 0	\$ 0	\$ 1,948
Total Licenses and Permits	\$ 1,948	\$ 0	\$ 0	\$ 1,948
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 113,919	\$ 0	\$ 0	\$ 113,919
Lunch Payments - Children	0	0	781,853	781,853
Lunch Payments - Adults	0	0	44,068	44,068
Income from Breakfast	0	0	73,952	73,952
Receipts from Individual Schools	115,999	0	0	115,999
Total Charges for Current Services	\$ 229,918	\$ 0	\$ 899,873	\$ 1,129,791
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 26,636	\$ 26,636
Sale of Materials and Supplies	37,190	0	0	37,190
Refund of Telecommunication and Internet Fees (E-Rate)	31,414	0	0	31,414
Miscellaneous Refunds	4,759	0	0	4,759
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	1,248	0	0	1,248
Contributions and Gifts	20,854	0	0	20,854
Total Other Local Revenues	\$ 95,465	\$ 0	\$ 26,636	\$ 122,101
<u>State of Tennessee</u>				
<u>State Education Funds</u>				
Basic Education Program	\$ 18,737,700	\$ 0	\$ 0	\$ 18,737,700
Early Childhood Education	238,748	0	0	238,748
School Food Service	0	0	28,071	28,071
Driver Education	12,854	0	0	12,854
Other State Education Funds	223,268	0	0	223,268
Career Ladder Program	312,219	0	0	312,219
Career Ladder - Extended Contract	202,914	0	0	202,914

(Continued)

Exhibit K-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	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Other Vocational	\$ 71,764	\$ 0	\$ 0	\$ 71,764
<u>Other State Revenues</u>				
Mixed Drink Tax	21,345	0	0	21,345
State Revenue Sharing - T.V.A.	280,270	0	0	280,270
Other State Revenues	80,007	0	0	80,007
Total State of Tennessee	\$ 20,181,089	\$ 0	\$ 28,071	\$ 20,209,160
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 861,115	\$ 861,115
Breakfast	0	0	249,102	249,102
Adult Education State Grant Program	132,030	0	0	132,030
Vocational Education - Basic Grants to States	0	95,990	0	95,990
Title I Grants to Local Education Agencies	0	973,857	0	973,857
Innovative Education Program Strategies	0	8,692	0	8,692
Special Education - Grants to States	17,262	896,906	0	914,168
Special Education Preschool Grants	4,746	27,170	0	31,916
Safe and Drug-Free Schools - State Grants	0	25,585	0	25,585
Eisenhower Professional Development State Grants	0	211,998	0	211,998
Other Federal through State	225,662	0	0	225,662
Total Federal Government	\$ 379,700	\$ 2,240,198	\$ 1,110,217	\$ 3,730,115
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 6,493	\$ 0	\$ 0	\$ 6,493
<u>Citizens Groups</u>				
Donations	9,963	0	0	9,963
Total Other Governments and Citizens Groups	\$ 16,456	\$ 0	\$ 0	\$ 16,456
Total	\$ 27,399,675	\$ 2,240,198	\$ 2,064,797	\$ 31,704,670

Exhibit K-7

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2007

General Fund

General Government

County Commission

Secretary to Board	\$	7,200	
Board and Committee Members Fees		9,322	
Other Per Diem & Fees		28,200	
Social Security		3,269	
State Retirement		845	
Employer Medicare		765	
Audit Services		7,915	
Travel		8,154	
Contracts for Development Costs		338	
Other Contracted Services		418	
Other Charges		120	
Total County Commission			\$ 66,546

County Mayor/Executive

County Official/Administrative Officer	\$	64,759	
Secretary(ies)		25,052	
Clerical Personnel		150	
Social Security		5,475	
State Retirement		10,552	
Medical Insurance		3,721	
Employer Medicare		1,281	
Communication		2,682	
Dues and Memberships		1,849	
Legal Notices, Recording, and Court Costs		200	
Postal Charges		414	
Printing, Stationery, and Forms		174	
Travel		2,739	
Office Supplies		7,904	
Premiums on Corporate Surety Bonds		112	
In Service/Staff Development		300	
Other Charges		240	
Total County Mayor/Executive			127,604

County Attorney

Legal Services	\$	24,787	
Total County Attorney			24,787

Election Commission

County Official/Administrative Officer	\$	50,462
Deputy(ies)		27,046

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Temporary Personnel	\$	15,685	
Other Salaries & Wages		440	
Election Commission		8,850	
Election Workers		26,392	
Social Security		6,518	
State Retirement		8,679	
Medical Insurance		15,328	
Employer Medicare		1,524	
Communication		2,668	
Data Processing Services		2,600	
Dues and Memberships		300	
Legal Notices, Recording, and Court Costs		7,720	
Maintenance & Repair Services - Office Equipment		4,362	
Postal Charges		3,499	
Printing, Stationery, and Forms		16,728	
Rentals		2,412	
Travel		1,908	
Office Supplies		3,702	
Other Supplies and Materials		2,117	
Building and Contents Insurance		1,231	
In Service/Staff Development		300	
Data Processing Equipment		2,711	
Voting Machines		183,457	
Total Election Commission			\$ 396,639

Register of Deeds

County Official/Administrative Officer	\$	56,069
Deputy(ies)		45,608
Social Security		5,995
State Retirement		11,570
Medical Insurance		7,043
Employer Medicare		1,402
Communication		2,567
Dues and Memberships		1,450
Legal Notices, Recording, and Court Costs		11,527
Postal Charges		445
Printing, Stationery, and Forms		95
Rentals		1,943
Travel		1,963
Other Contracted Services		3,443

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Data Processing Supplies	\$	935	
Office Supplies		981	
Premiums on Corporate Surety Bonds		75	
Total Register of Deeds			\$ 153,111

County Buildings

Custodial Personnel	\$	45,228	
Social Security		2,665	
State Retirement		4,596	
Medical Insurance		3,757	
Employer Medicare		623	
Maintenance & Repair Services - Buildings		9,465	
Maintenance & Repair Services - Equipment		4,647	
Pest Control		461	
Other Contracted Services		5,498	
Custodial Supplies		7,365	
Electricity		42,348	
Natural Gas		14,674	
Water and Sewer		5,060	
Other Supplies and Materials		1,279	
Building and Contents Insurance		26,312	
Other Charges		1,500	
Site Development		80,500	
Total County Buildings			255,978

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	60,554	
Accountants/Bookkeepers		122,281	
Custodial Personnel		2,575	
Social Security		10,490	
State Retirement		21,504	
Medical Insurance		14,747	
Employer Medicare		2,453	
Communication		3,508	
Data Processing Services		6,209	
Dues and Memberships		620	
Legal Notices, Recording, and Court Costs		690	
Maintenance & Repair Services - Office Equipment		155	
Pest Control		240	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Postal Charges	\$	2,500	
Printing, Stationery, and Forms		5,495	
Rentals		4,077	
Travel		3,801	
Custodial Supplies		800	
Electricity		2,535	
Natural Gas		719	
Office Supplies		3,371	
Water and Sewer		404	
Other Supplies and Materials		2,064	
Premiums on Corporate Surety Bonds		89	
In Service/Staff Development		2,500	
Total Accounting and Budgeting			\$ 274,381

Property Assessor's Office

County Official/Administrative Officer	\$	56,069	
Deputy(ies)		94,246	
Educational Incentive - Other County Employees		6,500	
Board and Committee Members Fees		975	
Social Security		8,904	
State Retirement		18,394	
Medical Insurance		14,456	
Employer Medicare		2,082	
Communication		2,421	
Dues and Memberships		1,351	
Legal Notices, Recording, and Court Costs		88	
Maintenance & Repair Services - Vehicles		173	
Postal Charges		762	
Printing, Stationery, and Forms		20	
Rentals		2,394	
Travel		1,500	
Gasoline		1,081	
Office Supplies		1,087	
Vehicle and Equipment Insurance		419	
Total Property Assessor's Office			212,922

Reappraisal Program

Data Processing Services	\$	4,106
Postal Charges		1,566
Travel		874

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Other Contracted Services	\$	44,118	
Office Supplies		50	
In Service/Staff Development		600	
Total Reappraisal Program			\$ 51,314

County Trustee's Office

County Official/Administrative Officer	\$	56,069	
Deputy(ies)		47,056	
Temporary Personnel		1,264	
Social Security		5,722	
State Retirement		12,097	
Medical Insurance		16,125	
Employer Medicare		1,338	
Communication		2,410	
Data Processing Services		10,541	
Dues and Memberships		650	
Legal Notices, Recording, and Court Costs		900	
Maintenance Agreements		3,914	
Postal Charges		4,974	
Rentals		746	
Travel		257	
Office Supplies		1,759	
Premiums on Corporate Surety Bonds		1,447	
In Service/Staff Development		600	
Data Processing Equipment		1,921	
Total County Trustee's Office			169,790

County Clerk's Office

County Official/Administrative Officer	\$	56,069
Deputy(ies)		116,882
Clerical Personnel		1,050
Temporary Personnel		6,500
Social Security		10,387
State Retirement		20,410
Medical Insurance		18,061
Employer Medicare		2,429
Communication		2,364
Dues and Memberships		585
Legal Notices, Recording, and Court Costs		165
Maintenance Agreements		9,378

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Maintenance & Repair Services - Office Equipment	\$	1,262	
Postal Charges		12,437	
Printing, Stationery, and Forms		2,913	
Rentals		2,713	
Travel		661	
Office Supplies		5,018	
Premiums on Corporate Surety Bonds		112	
Data Processing Equipment		5,200	
Total County Clerk's Office			\$ 274,596

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	56,069	
Deputy(ies)		84,139	
Board and Committee Members Fees		350	
Jury and Witness Fees		3,909	
Social Security		8,220	
State Retirement		15,267	
Medical Insurance		12,615	
Employer Medicare		1,922	
Communication		2,622	
Dues and Memberships		95	
Legal Notices, Recording, and Court Costs		78	
Printing, Stationery, and Forms		1,141	
Rentals		4,019	
Travel		549	
Office Supplies		1,953	
Other Supplies and Materials		1,745	
Premiums on Corporate Surety Bonds		112	
Total Circuit Court			194,805

General Sessions Court

Judge(s)	\$	94,271
Deputy(ies)		57,157
Social Security		8,537
State Retirement		16,550
Medical Insurance		15,878
Employer Medicare		1,996
Communication		1,211
Dues and Memberships		670

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Postal Charges	\$	3,000	
Printing, Stationery, and Forms		784	
Travel		1,303	
Other Contracted Services		5,025	
Library Books/Media		1,486	
Office Supplies		2,873	
Data Processing Equipment		5,351	
Total General Sessions Court			\$ 216,092

Chancery Court

County Official/Administrative Officer	\$	56,069	
Deputy(ies)		69,204	
Temporary Personnel		1,340	
Social Security		7,419	
State Retirement		13,449	
Medical Insurance		10,236	
Employer Medicare		1,735	
Communication		1,656	
Dues and Memberships		425	
Legal Notices, Recording, and Court Costs		896	
Maintenance Agreements		6,423	
Maintenance & Repair Services - Office Equipment		147	
Postal Charges		1,583	
Printing, Stationery, and Forms		3,673	
Rentals		2,028	
Travel		171	
Other Contracted Services		4,950	
Office Supplies		4,272	
Total Chancery Court			185,676

Juvenile Court

Judge(s)	\$	29,020	
Youth Service Officer(s)		38,652	
Social Workers		26,182	
Secretary(ies)		21,214	
Social Security		6,489	
State Retirement		11,882	
Medical Insurance		12,818	
Employer Medicare		1,517	
Contracts with Other Public Agencies		4,318	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Postal Charges	\$	200	
Printing, Stationery, and Forms		43	
Travel		1,294	
Office Supplies		14	
Total Juvenile Court			\$ 153,643

District Attorney General

Secretary(ies)	\$	23,296	
Social Security		1,444	
State Retirement		2,733	
Employer Medicare		338	
Total District Attorney General			27,811

Other Administration of Justice

Social Workers	\$	76,592	
Other Salaries & Wages		1,350	
Social Security		4,628	
State Retirement		7,398	
Medical Insurance		7,791	
Employer Medicare		1,082	
Communication		2,491	
Contracts with Other Public Agencies		60,160	
Rentals		9,600	
Travel		5,639	
Instructional Supplies and Materials		68	
Office Supplies		2,026	
Utilities		2,578	
Other Supplies and Materials		13,747	
Total Other Administration of Justice			195,150

Probation Services

Social Workers	\$	47,090	
Social Security		2,888	
State Retirement		3,909	
Medical Insurance		913	
Employer Medicare		675	
Communication		4,096	
Contracts with Other Public Agencies		2,860	
Dues and Memberships		150	
Maintenance & Repair Services - Office Equipment		734	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Maintenance & Repair Services - Vehicles	\$	1,000	
Postal Charges		200	
Printing, Stationery, and Forms		199	
Rentals		2,456	
Travel		5,911	
Gasoline		1,298	
Instructional Supplies and Materials		200	
Office Supplies		4,515	
Vehicle and Equipment Insurance		427	
Workers' Compensation Insurance		264	
In Service/Staff Development		737	
Total Probation Services			\$ 80,522

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	61,676
Deputy(ies)		672,966
Accountants/Bookkeepers		50,308
Salary Supplements		10,200
Maintenance Personnel		25,544
Overtime Pay		77
Social Security		46,640
State Retirement		93,186
Medical Insurance		99,130
Employer Medicare		10,908
Communication		21,756
Dues and Memberships		1,600
Evaluation and Testing		300
Maintenance Agreements		3,350
Maintenance & Repair Services - Equipment		2,501
Maintenance & Repair Services - Vehicles		19,009
Postal Charges		5,227
Printing, Stationery, and Forms		1,108
Rentals		3,324
Travel		6,804
Other Contracted Services		741
Gasoline		64,472
Law Enforcement Supplies		6,384
Office Supplies		2,176
Uniforms		12,550

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Other Supplies and Materials	\$	4,859	
Premiums on Corporate Surety Bonds		100	
Vehicle and Equipment Insurance		9,782	
In Service/Staff Development		4,727	
Other Charges		1,521	
Data Processing Equipment		3,382	
Law Enforcement Equipment		13,598	
Motor Vehicles		67,011	
Total Sheriff's Department			\$ 1,326,917

Traffic Control

Dispatchers/Radio Operators	\$	246,861	
Social Security		14,376	
State Retirement		25,202	
Medical Insurance		27,868	
Employer Medicare		3,362	
Total Traffic Control			317,669

Jail

Supervisor/Director	\$	38,347	
Accountants/Bookkeepers		27,287	
Guards		403,430	
Overtime Pay		9,300	
Social Security		26,272	
State Retirement		52,203	
Medical Insurance		78,114	
Employer Medicare		6,144	
Communication		1,600	
Maintenance & Repair Services - Buildings		12,041	
Maintenance & Repair Services - Equipment		4,450	
Medical and Dental Services		64,425	
Pest Control		840	
Printing, Stationery, and Forms		1,104	
Rentals		687	
Other Contracted Services		2,940	
Custodial Supplies		10,985	
Drugs and Medical Supplies		18,540	
Electricity		44,349	
Food Preparation Supplies		1,500	
Food Supplies		67,520	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Natural Gas	\$	40,243	
Office Supplies		2,094	
Water and Sewer		17,268	
Other Supplies and Materials		7,373	
Building and Contents Insurance		20,693	
Total Jail			\$ 959,749

Correctional Incentive Program Improvements

Contributions	\$	2,000	
Other Contracted Services		17,325	
Total Correctional Incentive Program Improvements			19,325

Fire Prevention and Control

Contributions	\$	20,000	
Total Fire Prevention and Control			20,000

Civil Defense

Supervisor/Director	\$	12,706	
Deputy(ies)		6,800	
Social Security		1,209	
Employer Medicare		283	
Communication		1,408	
Dues and Memberships		85	
Maintenance & Repair Services - Equipment		511	
Postal Charges		14	
Travel		258	
Other Contracted Services		1	
Gasoline		3,449	
Other Supplies and Materials		12,310	
Vehicle and Equipment Insurance		430	
Communication Equipment		6,266	
Motor Vehicles		464	
Transportation Equipment		5,000	
Total Civil Defense			51,194

Rescue Squad

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

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

Supervisor/Director	\$	2,060	
Social Security		128	
State Retirement		242	
Employer Medicare		30	
Other Contracted Services		2,145	
Office Supplies		196	
Total Other Public Safety			\$ 4,801

Public Health and Welfare

Local Health Center

Other Salaries & Wages	\$	46,662	
Social Security		2,391	
State Retirement		4,304	
Medical Insurance		10,694	
Employer Medicare		559	
Communication		4,482	
Contracts with Government Agencies		29,500	
Dues and Memberships		160	
Janitorial Services		10,195	
Maintenance & Repair Services - Buildings		3,339	
Maintenance & Repair Services - Equipment		1,723	
Pest Control		264	
Postal Charges		3,121	
Rentals		50	
Travel		995	
Disposal Fees		229	
Custodial Supplies		996	
Drugs and Medical Supplies		129	
Electricity		8,879	
Natural Gas		1,651	
Office Supplies		792	
Water and Sewer		2,013	
Other Supplies and Materials		319	
Building and Contents Insurance		3,556	
Total Local Health Center			137,003

Ambulance/Emergency Medical Services

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

(Continued)

Exhibit K-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 Other Public Agencies	\$ 2,500	
Total Maternal and Child Health Services		\$ 2,500

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	16,348	
Total Other Local Health Services		25,348

General Welfare Assistance

Contracts with Other Public Agencies	\$ 22,475	
Other Contracted Services	250	
Total General Welfare Assistance		22,725

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$ 20,763	
Social Workers	21,083	
Other Salaries & Wages	22,836	
Social Security	3,521	
State Retirement	4,909	
Medical Insurance	10,982	
Employer Medicare	823	
Communication	1,778	
Contributions	7,641	
Licenses	850	
Postal Charges	351	
Rentals	6,575	
Travel	4,972	
Other Contracted Services	1,685	
Custodial Supplies	1,256	
Drugs and Medical Supplies	28	
Food Supplies	2,541	
Other Supplies and Materials	2,347	
Total Adult Activities		114,941

(Continued)

Exhibit K-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

Supervisor/Director	\$	15,632	
Social Security		961	
State Retirement		936	
Medical Insurance		581	
Employer Medicare		225	
Communication		1,082	
Postal Charges		76	
Rentals		341	
Travel		458	
Other Contracted Services		600	
Custodial Supplies		244	
Food Supplies		590	
Utilities		34	
Other Supplies and Materials		512	
Total Senior Citizens Assistance			\$ 22,272

Libraries

Supervisor/Director	\$	29,425	
Clerical Personnel		42,513	
Temporary Personnel		3,458	
Social Security		4,213	
State Retirement		8,438	
Medical Insurance		10,840	
Employer Medicare		985	
Communication		1,696	
Contributions		15,374	
Janitorial Services		3,675	
Licenses		567	
Maintenance & Repair Services - Buildings		6,028	
Maintenance & Repair Services - Equipment		949	
Pest Control		283	
Travel		1,732	
Other Contracted Services		21,358	
Utilities		6,628	
Building and Contents Insurance		3,662	
Data Processing Equipment		3,866	
Total Libraries			165,690

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture & Natural Resources

Agriculture Extension Service

Salary Supplements	\$	52,897	
Other Fringe Benefits		12,219	
Communication		4,796	
Travel		147	
Data Processing Equipment		1,478	
Total Agriculture Extension Service			\$ 71,537

Soil Conservation

Secretary(ies)	\$	23,471	
Social Security		1,242	
State Retirement		2,753	
Medical Insurance		4,380	
Employer Medicare		290	
Total Soil Conservation			32,136

Flood Control

Other Contracted Services	\$	23,726	
Total Flood Control			23,726

Other Operations

Veterans' Services

Assistant(s)	\$	7,311	
Supervisor/Director		22,422	
Social Security		1,693	
State Retirement		1,210	
Medical Insurance		3,561	
Employer Medicare		396	
Communication		1,490	
Dues and Memberships		90	
Postal Charges		500	
Travel		688	
Office Supplies		577	
Total Veterans' Services			39,938

Other Charges

Dues and Memberships	\$	4,784	
Total Other Charges			4,784

Contributions to Other Agencies

Contributions	\$	257,036	
Total Contributions to Other Agencies			257,036

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

Unemployment Compensation	\$ 14,192	
Total Employee Benefits		\$ 14,192

Miscellaneous

Liability Insurance	\$ 41,027	
Premiums on Corporate Surety Bonds	743	
Trustee's Commission	73,685	
Workers' Compensation Insurance	87,512	
Other Charges	576	
Total Miscellaneous		<u>203,543</u>

Total General Fund \$ 7,141,060

Solid Waste/Sanitation Fund

Public Health and Welfare

Recycling Center

Temporary Personnel	\$ 5,808	
Legal Notices, Recording, and Court Costs	18	
Postal Charges	100	
Travel	46	
Other Contracted Services	21,961	
Electricity	780	
Water and Sewer	163	
Other Supplies and Materials	1,309	
Total Recycling Center		\$ 30,185

Other Operations

Employee Benefits

Social Security	\$ 360	
State Retirement	378	
Employer Medicare	84	
Total Employee Benefits		<u>822</u>

Total Solid Waste/Sanitation Fund 31,007

Drug Control Fund

Public Safety

Drug Enforcement

Contributions	\$ 1,000
Confidential Drug Enforcement Payments	2,000

(Continued)

Exhibit K-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Rentals	\$	118	
Tow-in Services		360	
Travel		153	
Other Supplies and Materials		6,674	
Trustee's Commission		72	
Other Charges		1,517	
Other Capital Outlay		6,900	
Total Drug Enforcement			\$ 18,794

Total Drug Control Fund \$ 18,794

District Attorney General Fund

Administration of Justice

District Attorney General

Salary Supplements	\$	27,519	
Other Fringe Benefits		524	
Communication		1,500	
Dues and Memberships		945	
Custodial Supplies		54	
Library Books/Media		468	
Trustee's Commission		231	
In Service/Staff Development		1,095	
Total District Attorney General			\$ 32,336

Total District Attorney General Fund 32,336

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	1,250	
Total County Clerk's Office			\$ 1,250

Administration of Justice

General Sessions Court Clerk

Constitutional Officers' Operating Expenses	\$	643	
Total General Sessions Court Clerk			643

Total Constitutional Officers - Fees Fund 1,893

(Continued)

Exhibit K-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	61,676	
Secretary to Board		1,500	
Secretary(ies)		25,411	
Board and Committee Members Fees		10,600	
Dues and Memberships		3,109	
Legal Services		921	
Legal Notices, Recording, and Court Costs		42	
Medical and Dental Services		1,546	
Postal Charges		1,064	
Printing, Stationery, and Forms		636	
Rentals		1,918	
Travel		1,746	
Drugs and Medical Supplies		34	
Office Supplies		647	
Other Supplies and Materials		140	
Premiums on Corporate Surety Bonds		298	
Other Charges		2,231	
Total Administration			\$ 113,519

Highway and Bridge Maintenance

Foremen	\$	34,698	
Equipment Operators		409,406	
Truck Drivers		330,024	
Laborers		233,355	
Rentals		2,140	
Other Contracted Services		187,968	
Asphalt - Cold Mix		13,394	
Asphalt - Hot Mix		160,000	
Asphalt - Liquid		333,000	
Crushed Stone		233,255	
General Construction Materials		103,154	
Other Road Supplies		38,878	
Pipe		156,940	
Road Signs		10,078	
Small Tools		488	
Wood Products		1,870	
Other Supplies and Materials		3,610	
Total Highway and Bridge Maintenance			2,252,258

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Foremen	\$	32,798	
Mechanic(s)		81,666	
Laundry Service		12,950	
Maintenance & Repair Services - Equipment		37,131	
Maintenance & Repair Services - Vehicles		2,569	
Tow-in Services		466	
Diesel Fuel		194,795	
Equipment and Machinery Parts		82,494	
Garage Supplies		5,444	
Gasoline		25,191	
Lubricants		27,167	
Small Tools		432	
Tires and Tubes		47,917	
Other Supplies and Materials		1,007	
Total Operation and Maintenance of Equipment			\$ 552,027

Litter and Trash Collection

Foremen	\$	9,856	
Truck Drivers		8,061	
Secretary(ies)		5,119	
Social Security		1,329	
State Retirement		2,702	
Employer Medicare		311	
Advertising		4,804	
Litter Enforcement Awards		4,876	
Total Litter and Trash Collection			37,058

Other Charges

Communication	\$	6,191	
Maintenance & Repair Services - Buildings		2,047	
Maintenance & Repair Services - Office Equipment		2,597	
Electricity		15,160	
Natural Gas		7,344	
Water and Sewer		845	
Building and Contents Insurance		19,933	
Liability Insurance		10,849	
Trustee's Commission		44,737	
Vehicle and Equipment Insurance		13,561	
Liability Claims		538	
Total Other Charges			123,802

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Social Security	\$	69,084	
State Retirement		136,315	
Medical Insurance		171,202	
Unemployment Compensation		1,432	
Employer Medicare		16,157	
Workers' Compensation Insurance		150,960	
Total Employee Benefits			\$ 545,150

Capital Outlay

Bridge Construction	\$	167,253	
Highway Equipment		29,950	
State Aid Projects		265,797	
Other Capital Outlay		253,742	
Total Capital Outlay			716,742

Total Highway/Public Works Fund \$ 4,340,556

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	105,000	
Principal on Other Loans		328,000	
Total General Government			\$ 433,000

Highways and Streets

Principal on Notes	\$	185,000	
Total Highways and Streets			185,000

Education

Principal on Bonds	\$	1,765,000	
Principal on Notes		17,513	
Principal on Other Loans		411,000	
Total Education			2,193,513

Interest on Debt

General Government

Interest on Notes	\$	11,322	
Interest on Other Loans		214,379	
Total General Government			225,701

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Highways and Streets

Interest on Notes	\$ 46,502	
Total Highways and Streets		\$ 46,502

Education

Interest on Bonds	\$ 826,171	
Interest on Other Loans	379,396	
Total Education		1,205,567

Other Debt Service

General Government

Trustee's Commission	\$ 49,182	
Other Debt Service	5,374	
Total General Government		54,556

Education

Other Debt Service	\$ 9,472	
Total Education		9,472

Total General Debt Service Fund		\$ 4,353,311
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Community Development/Industrial Park Fund

Capital Projects

Public Health and Welfare Projects

Contracts with Other Public Agencies	\$ 4,000	
Engineering Services	29,280	
Total Public Health and Welfare Projects		\$ 33,280

Other General Government Projects

Contracts with Other Public Agencies	\$ 4,050	
Engineering Services	42,320	
Legal Notices, Recording, and Court Costs	129	
Other Construction	42,000	
Total Other General Government Projects		88,499

Total Community Development/Industrial Park Fund		121,779
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Highway Capital Projects Fund

Capital Projects

Highway & Street Capital Projects

Trustee's Commission	\$ 2,013	
Bridge Construction	484,526	
Total Highway & Street Capital Projects		\$ 486,539

Total Highway Capital Projects Fund		486,539
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Total Governmental Funds - Primary Government		<u>\$ 16,527,275</u>
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Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2007

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 9,451,528	
Career Ladder Program	181,615	
Career Ladder Extended Contracts	175,000	
Educational Assistants	364,097	
Other Salaries & Wages	93,318	
Certified Substitute Teachers	39,812	
Non-certified Substitute Teachers	80,668	
Social Security	599,563	
State Retirement	637,728	
Medical Insurance	931,582	
Employer Medicare	140,220	
Other Fringe Benefits	27,910	
Communication	513	
Contracts with Other School Systems	5,680	
Maintenance & Repair Services - Equipment	3,046	
Other Contracted Services	7,100	
Instructional Supplies and Materials	207,508	
Textbooks	226,225	
Other Supplies and Materials	106,886	
In Service/Staff Development	16,197	
Other Charges	2,030	
Regular Instruction Equipment	291,572	
Total Regular Instruction Program		\$ 13,589,798

Special Education Program

Teachers	\$ 1,142,077	
Career Ladder Program	20,995	
Educational Assistants	31,544	
Speech Pathologist	97,424	
Certified Substitute Teachers	2,325	
Non-certified Substitute Teachers	10,750	
Social Security	75,744	
State Retirement	79,461	
Medical Insurance	93,305	
Employer Medicare	17,714	
Contracts with Private Agencies	16,570	
Other Contracted Services	36,128	
Instructional Supplies and Materials	63,818	
Other Supplies and Materials	3,396	
Total Special Education Program		1,691,251

(Continued)

Exhibit K-8

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.)

Vocational Education Program

Teachers	\$	801,497	
Career Ladder Program		18,000	
Other Salaries & Wages		21,964	
Certified Substitute Teachers		5,250	
Non-certified Substitute Teachers		12,275	
Social Security		49,942	
State Retirement		52,344	
Medical Insurance		65,711	
Employer Medicare		11,680	
Communication		671	
Maintenance & Repair Services - Equipment		63	
Rentals		1,123	
Other Contracted Services		482	
Animal Food and Supplies		16,676	
Drugs and Medical Supplies		878	
Equipment and Machinery Parts		563	
Instructional Supplies and Materials		27,194	
Other Supplies and Materials		1,333	
Vehicle and Equipment Insurance		400	
Other Capital Outlay		4,253	
Total Vocational Education Program			\$ 1,092,299

Student Body Education Program

Clerical Personnel	\$	6,165	
Certified Substitute Teachers		1,250	
Non-certified Substitute Teachers		75	
Social Security		370	
State Retirement		723	
Employer Medicare		86	
Maintenance & Repair Services - Equipment		155	
Gasoline		1,800	
Textbooks		5,621	
Vehicle and Equipment Insurance		2,000	
Total Student Body Education Program			18,245

Adult Education Program

Supervisor/Director	\$	41,912
Teachers		73,238
Guidance Personnel		10,240

(Continued)

Exhibit K-8

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 (Cont.)

Educational Assistants	\$	34,344	
Social Security		9,318	
State Retirement		14,195	
Medical Insurance		12,272	
Employer Medicare		2,179	
Communication		1,242	
Rentals		2,394	
Travel		6,015	
Instructional Supplies and Materials		34,171	
Office Supplies		720	
Other Charges		2,274	
Total Adult Education Program			\$ 244,514

Support Services

Attendance

Supervisor/Director	\$	64,415	
Career Ladder Program		3,000	
Social Security		3,978	
State Retirement		4,133	
Medical Insurance		3,250	
Employer Medicare		930	
Maintenance Agreements		7,265	
Travel		1,079	
Other Supplies and Materials		2,908	
Total Attendance			90,958

Health Services

Medical Personnel	\$	63,483	
Social Security		3,818	
State Retirement		5,692	
Employer Medicare		893	
Communication		587	
Travel		3,958	
Other Supplies and Materials		1,915	
Total Health Services			80,346

Other Student Support

Career Ladder Program	\$	6,000	
Guidance Personnel		454,177	

(Continued)

Exhibit K-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.)

Other Student Support (Cont.)

Other Salaries & Wages	\$	515	
Non-certified Substitute Teachers		275	
Social Security		27,205	
State Retirement		29,102	
Medical Insurance		30,238	
Employer Medicare		6,363	
Evaluation and Testing		26,116	
Travel		46	
Other Contracted Services		10,000	
Other Supplies and Materials		1,800	
Other Charges		74	
Other Equipment		500	
Total Other Student Support			\$ 592,411

Regular Instruction Program

Supervisor/Director	\$	256,118	
Career Ladder Program		20,960	
Librarians		366,527	
Instructional Computer Personnel		50,751	
Other Salaries & Wages		97,813	
Social Security		46,701	
State Retirement		53,410	
Medical Insurance		48,284	
Employer Medicare		10,922	
Travel		19,831	
Library Books/Media		89,255	
Other Supplies and Materials		24,727	
In Service/Staff Development		19,384	
Total Regular Instruction Program			1,104,683

Alternative Instruction Program

Supervisor/Director	\$	18,725	
Career Ladder Program		1,000	
Educational Assistants		10,989	
Non-certified Substitute Teachers		550	
Social Security		1,679	
State Retirement		2,468	
Medical Insurance		9,908	
Employer Medicare		393	

(Continued)

Exhibit K-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.)

Alternative Instruction Program (Cont.)

Communication	\$	601	
Contracts with Other Public Agencies		35,000	
Travel		346	
Other Supplies and Materials		1,015	
Total Alternative Instruction Program			\$ 82,674

Special Education Program

Supervisor/Director	\$	64,415	
Career Ladder Program		2,600	
Psychological Personnel		95,379	
Clerical Personnel		22,706	
Social Security		11,112	
State Retirement		11,792	
Medical Insurance		6,902	
Employer Medicare		2,599	
Communication		803	
Maintenance & Repair Services - Equipment		953	
Postal Charges		785	
Travel		6,486	
Drugs and Medical Supplies		322	
Office Supplies		5,174	
Other Supplies and Materials		1,270	
In Service/Staff Development		3,573	
Building Improvements		2,037	
Total Special Education Program			238,908

Vocational Education Program

Clerical Personnel	\$	22,818	
Other Salaries & Wages		1,817	
Non-certified Substitute Teachers		300	
Social Security		1,112	
State Retirement		2,881	
Medical Insurance		6,376	
Employer Medicare		260	
Communication		500	
Maintenance & Repair Services - Equipment		1,427	
Postal Charges		53	
Travel		40,434	
Office Supplies		85	

(Continued)

Exhibit K-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.)

Vocational Education Program (Cont.)

Other Supplies and Materials	\$ 7,034	
In Service/Staff Development	2,250	
Total Vocational Education Program	\$ 87,347	\$ 87,347

Other Programs

Other Salaries & Wages	\$ 87,283	
Certified Substitute Teachers	3,900	
Social Security	5,407	
State Retirement	5,518	
Employer Medicare	1,264	
Total Other Programs	103,372	103,372

Board of Education

Secretary to Board	\$ 3,000	
Board and Committee Members Fees	17,100	
Social Security	1,235	
State Retirement	352	
Unemployment Compensation	8,967	
Employer Medicare	289	
Audit Services	10,000	
Dues and Memberships	20,223	
Legal Services	6,381	
Legal Notices, Recording, and Court Costs	1,261	
Travel	6,871	
Excess Risk Insurance	17,930	
Liability Insurance	17,811	
Premiums on Corporate Surety Bonds	2,892	
Trustee's Commission	155,790	
Workers' Compensation Insurance	151,365	
Other Self-Insured Claims	735	
Other Charges	4,944	
Total Board of Education	427,146	427,146

Director of Schools

County Official/Administrative Officer	\$ 97,922
Career Ladder Program	1,000
Accountants/Bookkeepers	24,770
Secretary(ies)	40,762
Social Security	9,596

(Continued)

Exhibit K-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.)

Director of Schools (Cont.)

State Retirement	\$	13,751	
Medical Insurance		11,016	
Employer Medicare		2,263	
Communication		5,706	
Maintenance & Repair Services - Equipment		328	
Postal Charges		4,051	
Printing, Stationery, and Forms		5,671	
Rentals		5,928	
Travel		1,839	
Office Supplies		4,543	
Other Supplies and Materials		7,527	
Total Director of Schools			\$ 236,673

Office of the Principal

Principals	\$	632,504	
Career Ladder Program		14,000	
Secretary(ies)		290,054	
Social Security		54,049	
State Retirement		72,585	
Medical Insurance		86,114	
Employer Medicare		12,641	
Communication		30,179	
Travel		5,400	
Office Supplies		15,318	
Total Office of the Principal			1,212,844

Operation of Plant

Custodial Personnel	\$	84,267	
Social Security		4,170	
State Retirement		7,943	
Medical Insurance		19,708	
Employer Medicare		975	
Maintenance & Repair Services - Equipment		781	
Rentals		4,500	
Disposal Fees		36,935	
Permits		600	
Other Contracted Services		770,326	
Custodial Supplies		4,900	
Electricity		706,418	

(Continued)

Exhibit K-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.)

Operation of Plant (Cont.)

Natural Gas	\$	294,940	
Water and Sewer		96,052	
Other Supplies and Materials		6,882	
Building and Contents Insurance		90,213	
Furniture and Fixtures		28,158	
Plant Operation Equipment		1,650	
Total Operation of Plant			\$ 2,159,418

Maintenance of Plant

Supervisor/Director	\$	44,059	
Secretary(ies)		25,910	
Maintenance Personnel		150,948	
Social Security		12,274	
State Retirement		22,611	
Medical Insurance		32,641	
Employer Medicare		2,870	
Communication		3,121	
Laundry Service		5,351	
Maintenance & Repair Services - Buildings		7,487	
Maintenance & Repair Services - Equipment		18,403	
Pest Control		10,152	
Printing, Stationery, and Forms		136	
Travel		1,499	
Other Contracted Services		40,615	
Custodial Supplies		93	
Equipment and Machinery Parts		73,439	
General Construction Materials		7,829	
Office Supplies		210	
Small Tools		1,067	
Other Supplies and Materials		16,229	
Maintenance Equipment		2,260	
Total Maintenance of Plant			479,204

Transportation

Supervisor/Director	\$	39,450	
Mechanic(s)		58,164	
Bus Drivers		328,324	
Social Security		25,370	
State Retirement		43,401	

(Continued)

Exhibit K-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.)

Transportation (Cont.)

Medical Insurance	\$	17,068	
Employer Medicare		5,933	
Communication		2,982	
Maintenance & Repair Services - Equipment		1,069	
Maintenance & Repair Services - Vehicles		28,497	
Medical and Dental Services		3,955	
Printing, Stationery, and Forms		360	
Tow-in Services		3,650	
Travel		1,046	
Other Contracted Services		426	
Garage Supplies		239	
Gasoline		206,250	
Office Supplies		450	
Tires and Tubes		42,566	
Vehicle Parts		95,500	
Other Supplies and Materials		16,378	
Vehicle and Equipment Insurance		52,151	
Motor Vehicles		23,061	
Transportation Equipment		195,882	
Other Equipment		7,145	
Total Transportation			\$ 1,199,317

Central and Other

Travel	\$	1,010	
Other Contracted Services		3,383	
Other Supplies and Materials		4,698	
In Service/Staff Development		200	
Total Central and Other			9,291

Operation of Non-Instructional Services

Community Services

Other Salaries & Wages	\$	67,046	
Social Security		3,833	
State Retirement		3,562	
Medical Insurance		9,443	
Employer Medicare		896	
Other Supplies and Materials		37,816	
Total Community Services			122,596

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Teachers	\$	109,464	
Educational Assistants		34,526	
Certified Substitute Teachers		150	
Non-certified Substitute Teachers		3,500	
Social Security		7,931	
State Retirement		8,366	
Medical Insurance		19,143	
Employer Medicare		1,855	
Communication		1,683	
Postal Charges		50	
Other Contracted Services		623	
Other Supplies and Materials		47,405	
In Service/Staff Development		954	
Other Equipment		<u>10,705</u>	
Total Early Childhood Education			\$ 246,355

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	<u>664,715</u>	
Total Regular Capital Outlay			664,715

Other Debt Service

Education

Contributions	\$	<u>482,514</u>	
Total Education			<u>482,514</u>

Total General Purpose School Fund \$ 26,256,879

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	445,728
Educational Assistants		224,751
Other Salaries & Wages		6,475
Certified Substitute Teachers		2,850
Non-certified Substitute Teachers		14,350
Social Security		39,811
State Retirement		52,119
Medical Insurance		72,096

(Continued)

Exhibit K-8

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.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	9,311	
Other Contracted Services		44,992	
Instructional Supplies and Materials		81,478	
In Service/Staff Development		16,294	
Total Regular Instruction Program			\$ 1,010,255

Special Education Program

Teachers	\$	75,585	
Homebound Teachers		21,455	
Educational Assistants		406,404	
Social Security		28,108	
State Retirement		46,478	
Medical Insurance		74,472	
Employer Medicare		6,574	
Contracts with Private Agencies		6,127	
Instructional Supplies and Materials		61,833	
Total Special Education Program			727,036

Vocational Education Program

Teachers	\$	22,795	
Educational Assistants		20,960	
Other Salaries & Wages		636	
Social Security		2,559	
State Retirement		1,444	
Employer Medicare		598	
Travel		7,219	
Other Contracted Services		1,000	
Instructional Supplies and Materials		30,189	
Other Supplies and Materials		1,753	
In Service/Staff Development		585	
Total Vocational Education Program			89,738

Support Services

Health Services

Medical Personnel	\$	44,072	
Social Security		2,400	
State Retirement		3,619	
Medical Insurance		5,922	
Employer Medicare		561	

(Continued)

Exhibit K-8

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.)

Health Services (Cont.)

Drugs and Medical Supplies	\$ 741	
Total Health Services		\$ 57,315

Other Student Support

Guidance Personnel	\$ 11,469	
Clerical Personnel	4,268	
Other Salaries & Wages	14,355	
Social Security	1,756	
State Retirement	2,823	
Employer Medicare	411	
Evaluation and Testing	1,936	
Travel	4,714	
Other Supplies and Materials	3,907	
In Service/Staff Development	34,870	
Other Charges	32,293	
Other Equipment	2,857	
Total Other Student Support		115,659

Regular Instruction Program

Supervisor/Director	\$ 54,288	
Secretary(ies)	22,898	
Social Security	4,307	
State Retirement	6,014	
Medical Insurance	9,069	
Employer Medicare	1,007	
Operating Lease Payments	897	
Travel	1,826	
Other Supplies and Materials	2,583	
In Service/Staff Development	325	
Total Regular Instruction Program		103,214

Special Education Program

Psychological Personnel	\$ 18,040	
Clerical Personnel	14,800	
Social Security	1,905	
State Retirement	1,736	
Medical Insurance	2,230	
Employer Medicare	446	
Travel	213	
Total Special Education Program		39,370

(Continued)

Exhibit K-8

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.)

Transportation

Bus Drivers	\$	77,584	
Social Security		4,809	
State Retirement		7,633	
Employer Medicare		1,125	
Gasoline		10,000	
Transportation Equipment		74,525	
Total Transportation			\$ 175,676

Principal on Debt

Education

Principal on Notes	\$	23,970	
Principal on Capital Leases		40,383	
Total Education			64,353

Interest on Debt

Education

Interest on Notes	\$	30	
Interest on Capital Leases		1,874	
Total Education			1,904

Total School Federal Projects Fund \$ 2,384,520

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	55,360
Accountants/Bookkeepers		22,707
Cafeteria Personnel		628,495
Maintenance Personnel		25,194
Social Security		39,985
State Retirement		63,585
Medical Insurance		124,809
Employer Medicare		9,351
Audit Services		2,500
Communication		5,764
Freight Expenses		9,815
Legal Notices, Recording, and Court Costs		217
Maintenance Agreements		5,660
Pest Control		1,968

(Continued)

Exhibit K-8

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.)

Postal Charges	\$	279	
Printing, Stationery, and Forms		960	
Travel		1,734	
Other Contracted Services		10,670	
Custodial Supplies		529	
Equipment and Machinery Parts		14,972	
Food Supplies		880,769	
Office Supplies		9,262	
Other Supplies and Materials		89,205	
Trustee's Commission		266	
In Service/Staff Development		3,976	
Food Service Equipment		84,079	
Total Food Service			\$ 2,092,111

Total Central Cafeteria Fund \$ 2,092,111

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Unemployment Compensation	\$	5,868	
Total Education Capital Projects			\$ 5,868

Total Education Capital Projects Fund 5,868

Total Governmental Funds - Weakley County School Department \$ 30,739,378

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2007

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,776,265
Total Cash Receipts	<u>\$ 2,776,265</u>
<u>Cash Disbursements</u>	
Remittance of Revenue Collected	\$ 2,361,008
Trustee's Commission	27,763
Contributions	<u>387,494</u>
Total Cash Disbursements	<u>\$ 2,776,265</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2006	<u>0</u>
Cash Balance, June 30, 2007	<u><u>\$ 0</u></u>

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

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

January 28, 2008

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, 2007, which collectively comprise Weakley County's basic financial statements and have issued our report thereon dated January 28, 2008. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Weakley County Municipal Electric System (a major fund and the entire business-type activities) and the Weakley County Nursing Home and the Weakley County Emergency Communications District (discretely presented component units) as described in our report on Weakley County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Weakley County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Weakley County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Weakley County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 07.01 and 07.02.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Weakley County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

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

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

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

This report is intended solely for the information and use of management, the county mayor, director of schools, highway supervisor, County Commission, Board of Education, Financial Management Committee, others within Weakley County, federal awarding agencies and pass-through entities and is not intended to be and should not 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". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/sb



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

January 28, 2008

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, 2007. 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 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 of 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, 2007.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Weakley County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County as of and for the year ended June 30, 2007, and have issued our report thereon dated January 28, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Weakley County's basic financial statements. The accompanying

Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information 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.

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

This report is intended solely for the information and use of management, the county mayor, director of schools, highway supervisor, County Commissioners, Board of Education, Financial Management Committee, others within Weakley County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

John G. Morgan
Comptroller of the Treasury

JGM/sb

Weakley County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2007

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	\$ 95,343
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	249,102
National School Lunch Program	10.555	N/A	861,115
Total U.S. Department of Agriculture			<u>\$ 1,205,560</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(3)	\$ 110,573
Total U.S. Department of Housing and Urban Development			<u>\$ 110,573</u>
U.S. Department of the Interior:			
Direct Programs:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 114
Total U.S. Department of the Interior			<u>\$ 114</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-07-036594	\$ 9,000
Total U.S. Department of Justice			<u>\$ 9,000</u>
U.S. Department of Labor:			
Passed-through Southwest Human Resources Agency:			
WIA Adult Program	17.258	07-11-001-183-99-00	\$ 25,000
WIA Youth Activities	17.259	(4)	46,764
Total U.S. Department of Labor			<u>\$ 71,764</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation: Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	Z-07-036028-00	\$ 4,960
Total U.S. Department of Transportation			<u>\$ 4,960</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives: Grants to States	45.310	(5)	\$ 5,335
Total U.S. Institute of Museum and Library Services			<u>\$ 5,335</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-07-033752-00	\$ 165,256

(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 State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 967,425
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,055,730
Special Education - Preschool Grants	84.173	N/A	31,931
Vocational Education - Basic Grants to States	84.048	N/A	94,537
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	85,457
State Grants for Innovative Programs	84.298	N/A	11,692
Reading First State Grants	84.357	GG-05-11255-00	211,212
Improving Teacher Quality State Grants	84.367	N/A	224,386
Hurricane Education Recovery	84.938	N/A	4,455
Total U.S. Department of Education			<u>\$ 2,686,825</u>
U.S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State's Office:			
Help America Vote Act Requirements Payments	90.401	Z-07-037446-00	\$ 6,945
Total U.S. Elections Assistance Commission			<u>\$ 6,945</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)	\$ 109,336
Passed-through State Department of Labor and Workforce Development:			
Temporary Assistance for Needy Families	93.558	Z-07-034272-00	23,222
Passed-through Methodist LeBonheur Healthcare Community Outreach:			
Rural Health Care Services Outreach and Rural Health Network Development Program	93.912	(2)	9,963
Total U.S. Department of Health and Human Services			<u>\$ 142,521</u>
U.S. Corporation for National and Community Service:			
Passed-through State Department of Education:			
Learn and Serve America-School and Community Based Programs	94.004	(2)	\$ 9,955
Total U.S. Corporation for National and Community Service			<u>\$ 9,955</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
State Domestic Preparedness Equipment Support Program	97.004	Z-04-022506-01	\$ 19,890
Emergency Management Performance Grants	97.042	(6)	15,609
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1464-DR-TN	14,206
Homeland Security Grant Program	97.067	Z-05-025221-00	2,372
Total U.S. Department of Homeland Security			<u>\$ 52,077</u>
Total Expenditures of Federal Awards			<u>\$ 4,305,629</u>

(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	Contract Number	Expenditures
State Grants:			
Juvenile Justice and Delinquency Prevention - State Department of Children's Services	N/A	GG-07-12641-00	\$ 83,318
Meth Outpatient Treatment Pilot Program - State Department of Finance and Administration - Office of Criminal Justice	N/A	GG-07-12717-00	199,921
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	12,474
Preventive Health and Human Services - State Department of Health	N/A	Z-07-031566-01	66,957
Solid Waste Program - State Department of Environment and Conservation	N/A	Z-03-011330-03	20,208
Litter Grant - State Department of Transportation	N/A	Z-07-033860-00	36,367
Optional Safety Grant - State Department of Transportation	N/A	CPD050120	<u>38,878</u>
Total State Grants			<u>\$ 458,123</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) GG-07-20258-00: \$33,280; GG-07-20700-00: \$77,293.
- (4) 06-11-183-002-20-82: \$15,627; 07-11-183-002-20-82: \$31,137.
- (5) Z-06-033593: \$2,000; Z-07-20171-00: \$929; Z-07-20513-00: \$2,406.
- (6) Z-06-032889-00: \$5,037; Z-07-20610-00: \$10,572.

Weakley County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2007

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, 2006, which has not been corrected.

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.03	187	The Office of Circuit and General Sessions Courts Clerks had deficiencies in computer system backup procedures

WEAKLEY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Weakley County is unqualified.
2. The audit of the financial statements of Weakley County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Weakley County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Weakley County did qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the circuit and general sessions courts clerk and the register are 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 CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 07.01 **THE OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The following weaknesses in computer system backup procedures were identified:

- A. System backups were not stored off-site. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.
- B. A backup log was not maintained. If system backups are not labeled and inventoried systematically, discrepancies may occur and affect the integrity of system backups in the event of a hardware or software failure.

RECOMMENDATION

Weekly backups should be rotated off-site. Year-end backups should be stored off-site and retained indefinitely. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe-deposit box at a local bank. Furthermore, a current log of all backups that includes label descriptions, date of creation, contents, and storage location should be maintained.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

On November 14, 2007, a log of all backups was implemented, and an agreement with Bancorp South allowed storage of both server tapes to be located at the bank. These two backup tapes will be exchanged at least twice a week with the log reflecting the dates and times that they are carried off-site. The previous arrangement with the Administrative Office of the Courts will be continued with backups being sent to Nashville for their off-site procedures.

OTHER FINDING AND RECOMMENDATION

FINDING 07.02 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF TRUSTEE AND REGISTER**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of Trustee and Register. 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.

MANAGEMENT'S RESPONSE – REGISTER

Management is aware of this and due to the size of our staff in the Register's Office, it is difficult to fully segregate record-keeping and receipting. Management will continue to monitor for any problems that could arise from a lack of segregation of duties.

**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, 2007**

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