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# ANNUAL FINANCIAL REPORT WEAKLEY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2008



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**ANNUAL FINANCIAL REPORT**  
**WEAKLEY COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2008**

*DEPARTMENT OF AUDIT*  
*JUSTIN P. WILSON*  
*Comptroller of the Treasury*

*DIVISION OF COUNTY AUDIT*  
*RICHARD V. NORMENT*  
*Assistant to the Comptroller*

*JAMES R. ARNETTE*  
*Director*

*NORM R. NORMENT, CGFM*  
*Audit Manager*

*JAN PAGE, CPA, CFE*  
*Auditor 4*

*SHAREE BREWER, CPA, CGFM, CFE*  
*ELISHA CROWELL, CFE*  
*State Auditors*

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

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***Audit Highlights***  
Annual Financial Report  
Weakley County, Tennessee  
For the Year Ended June 30, 2008

***Scope***

We have audited the basic financial statements of Weakley County as of and for the year ended June 30, 2008.

***Results***

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

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

***Findings***

The following are summaries of the audit findings:

**OFFICES OF TRUSTEE AND CLERK AND MASTER**

- The Offices of Trustee and Clerk and Master did not review software audit logs until several months into the fiscal year.
- 

**OFFICE OF SHERIFF**

- The office had deficiencies in the administration of drug control funds.
- 

**OTHER FINDING**

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

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## INTRODUCTORY SECTION

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# Weakley County Officials

## June 30, 2008

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### **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  
Mac Buckley  
Bob Bell  
Joe Farmer  
Tommy Jones  
Kevin McAlpin  
Michael Medling  
Dale Overton  
Eric Owen

Julia Rich  
David Rook  
John Salmon  
Sam Sinclair  
Roger Stewart  
Larry Taylor  
Jack Vincent  
James Westbrook, Jr.  
Earl Wright

### **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, Director of Schools  
Kermit Hopper, Highway Supervisor  
Houston Patrick, County Mayor  
Richard Phebus  
Jack Vincent  
James Westbrook, Jr.

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## FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

May 8, 2009

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, 2008, 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 Weakley County Nursing Home, which represent ten percent and 17.3 percent, respectively, of the assets and revenues of the aggregate discretely presented component units or the Weakley County Emergency Communications District, which represent 2.1 percent and 1.2 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 Weakley County Nursing Home, and the 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, 2008, 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 May 8, 2009, on our consideration of Weakley County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

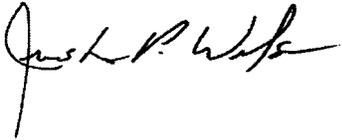
As described in Note V.B., Weakley County has adopted the provisions of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures.

The management's discussion and analysis on pages 21 through 28 and the budgetary comparison, pension, and other postemployment benefits information on pages 99 through 105 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 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 black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and "W".

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

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## 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, 2008. 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 \$102,928,947 and exceeded liabilities by \$58,134,184 (i.e. net assets).
- ◆ Total revenues of the governmental funds were \$16,590,912, an increase of \$1,395,451 from fiscal year 2007.
- ◆ Total expenditures of the governmental funds were \$17,017,213, an increase of \$489,938 over fiscal year 2007. The increase is mainly attributable to 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) the 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, Highway/Public Works, and General Debt Service funds, which are all considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on 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 and Highway/Public Works funds). 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 exceed liabilities by \$27,211,041 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, 2008, Weakley County had outstanding debt totaling \$26,775,339 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	
	2008	2007	2008	2007	2008	2007
<b>Assets:</b>						
Current and Other Assets	\$ 13,696,338	\$ 14,149,546	\$ 11,339,421	\$ 10,088,755	\$ 25,035,759	\$ 24,238,301
Capital Assets	51,694,784	53,946,768	26,198,404	25,874,190	77,893,188	79,820,958
<b>Total Assets</b>	<b>\$ 65,391,122</b>	<b>\$ 68,096,314</b>	<b>\$ 37,537,825</b>	<b>\$ 35,962,945</b>	<b>\$ 102,928,947</b>	<b>\$ 104,059,259</b>
<b>Liabilities:</b>						
Other Liabilities	\$ 5,675,535	\$ 6,002,375	\$ 3,590,302	\$ 3,709,860	\$ 9,265,837	\$ 9,712,235
Long-term Liabilities Outstanding	32,504,546	35,290,123	3,024,380	2,234,475	35,528,926	37,524,598
<b>Total Liabilities</b>	<b>\$ 38,180,081</b>	<b>\$ 41,292,498</b>	<b>\$ 6,614,682</b>	<b>\$ 5,944,335</b>	<b>\$ 44,794,763</b>	<b>\$ 47,236,833</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	\$ 45,900,784	\$ 47,558,768	\$ 0	\$ 0	\$ 45,900,784	\$ 47,558,768
Invested in Capital Assets						
Restricted	7,206,790	7,519,576	0	0	7,206,790	7,519,576
Unrestricted	(25,896,533)	(28,274,528)	4,724,739	4,144,420	(21,171,794)	(24,130,108)
<b>Total Net Assets</b>	<b>\$ 27,211,041</b>	<b>\$ 26,803,816</b>	<b>\$ 30,923,143</b>	<b>\$ 30,018,610</b>	<b>\$ 58,134,184</b>	<b>\$ 56,822,426</b>

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 (\$7,206,790) 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	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,245,255	\$ 2,256,531	\$ 39,602,082	\$ 37,771,181	\$ 41,847,337	\$ 40,027,712
Operating Grants and Contributions	3,793,058	3,615,480	0	0	3,793,058	3,615,480
Capital Grants and Contributions	1,070,076	625,101	0	0	1,070,076	625,101
General Revenues:						
Property Taxes	5,851,442	5,328,040	0	0	5,851,442	5,328,040
Other Taxes	1,747,895	1,744,673	0	0	1,747,895	1,744,673
Grants and Contributions not Restricted to Specific Programs	1,305,682	1,043,022	0	0	1,305,682	1,043,022
Unrestricted Investment Earnings	415,981	602,676	257,992	289,405	673,973	892,081
Other	24,296	27,431	0	1,250	24,296	28,681
<b>Total Revenues</b>	<b>\$ 16,453,685</b>	<b>\$ 15,242,954</b>	<b>\$ 39,860,074</b>	<b>\$ 38,061,836</b>	<b>\$ 56,313,759</b>	<b>\$ 53,304,790</b>
Expenses:						
General Government	\$ 829,687	\$ 1,036,314	\$ 0	\$ 0	\$ 829,687	\$ 1,036,314
Finance	1,072,727	1,026,648	0	0	1,072,727	1,026,648
Administration of Justice	1,158,498	1,148,842	0	0	1,158,498	1,148,842
Public Safety	3,333,896	3,074,981	0	0	3,333,896	3,074,981
Public Health and Welfare	1,069,591	514,691	0	0	1,069,591	514,691
Social, Cultural, and Recreational Services	343,652	321,937	0	0	343,652	321,937
Agriculture and Natural Resources	145,565	138,797	0	0	145,565	138,797
Other Operations	523,046	508,628	0	0	523,046	508,628
Highway/Public Works	6,497,308	6,848,998	0	0	6,497,308	6,848,998
Interest on Long-term Debt	1,346,686	1,574,730	0	0	1,346,686	1,574,730
Other Debt Service	91,095	84,644	0	0	91,095	84,644
Public Utility	0	0	38,590,250	36,595,314	38,590,250	36,595,314
<b>Total Expenses</b>	<b>\$ 16,411,751</b>	<b>\$ 16,279,210</b>	<b>\$ 38,590,250</b>	<b>\$ 36,595,314</b>	<b>\$ 55,002,001</b>	<b>\$ 52,874,524</b>
Transfers	\$ 365,291	\$ 351,999	\$ (365,291)	\$ (351,999)	\$ 0	\$ 0
Change in Net Assets	\$ 407,225	\$ (684,257)	\$ 904,533	\$ 1,114,523	\$ 1,311,758	\$ 430,266
Net Assets, July 1	26,803,816	(18,394,789)	30,018,610	28,904,087	56,822,426	10,509,298
Prior-period Adjustment	0	45,882,862	0	0	0	45,882,862
<b>Net Assets, June 30</b>	<b>\$ 27,211,041</b>	<b>\$ 26,803,816</b>	<b>\$ 30,923,143</b>	<b>\$ 30,018,610</b>	<b>\$ 58,134,184</b>	<b>\$ 56,822,426</b>

## Financial Analysis of Government's Funds

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

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

As of the end of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$7,599,481, a decrease of \$46,982 in comparison with the prior year.

Of this total amount, \$7,364,762 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 (\$54,449), and 2) for a variety of other restricted purposes (\$180,270).

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 \$833,902, while total fund balance was \$1,065,269. 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 11 percent of total General Fund expenditures, while total fund balance represents 14 percent of that same amount.

The General Debt Service Fund has a total fund balance of \$5,509,618. The increase in fund balance of \$61,240 from the prior year is due to a decrease 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	\$ 51,360
Finance	9,704
Administration of Justice	(6,428)
Public Safety	70,610
Public Health and Welfare	9,200
Social, Cultural, and Recreational Services	7,972
Agriculture and Natural Resources	(2,480)
Other Operations	<u>22,492</u>
Total Increase in Budgeted Expenditures	<u>\$ 162,430</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, 2008, totaled \$51,694,784 (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 decrease in Weakley County Government's investment in capital assets for the current fiscal year was \$2,251,984, (net of accumulated depreciation). This decrease was mainly attributable to depreciation expense for the year.

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

- ◆ The Weakley County Sheriff's Department purchased four new patrol vehicles. The Weakley County Highway/Public Works Department purchased a bulldozer and grader.
- ◆ The Board of Education purchased five new school buses, two cargo maintenance vans, and food serving lines for Martin Middle and Sharon School cafeterias.

**Long-term debt.** At the end of the current fiscal year, Weakley County had total bonded debt outstanding of \$18,370,000, notes payable of \$1,360,634, and other loans payable of \$12,976,705. All debt is backed by full faith and credit of the county.

	<u>Governmental Activities</u>
Notes Payable	\$ 1,360,634
Other Loans Payable	12,976,705
Bonded Debt	<u>18,370,000</u>
 Total	 <u>\$ 32,707,339</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 10.5 percent, which is an increase from a rate of 9.1 percent in June.
- ◆ 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 2009 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 Director of Finance, Weakley County Government, 8319 Highway 22, Suite B, Dresden, Tennessee 38225 or via email at [franciscos@k12tn.net](mailto:franciscos@k12tn.net).

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## **BASIC FINANCIAL STATEMENTS**

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Exhibit A

Weakley County, Tennessee  
Statement of Net Assets  
June 30, 2008

	Primary Government		Total	Component Units				
	Governmental Activities	Business-type Activities		Weakley County School Department	Weakley County Nursing Home	Weakley County Emergency Communications	Weakley County District	
Cash	\$ 2,399	\$ 5,164,219	\$ 5,166,618	\$ 0	\$ 1,317,118	\$ 71,186		
Equity in Pooled Cash and Investments	7,140,038	0	7,140,038	3,030,439	0	0	0	
Inventories	0	424,493	424,493	0	55,092	0	0	
Investments	0	0	0	0	0	550,777	0	
Accounts Receivable	23,327	2,728,564	2,751,891	3,322	1,344,213	12,499	0	
Due from Other Governments	613,843	0	613,843	1,293,053	0	0	0	
Property Taxes Receivable	5,914,851	0	5,914,851	3,388,174	0	0	0	
Allowance for Uncollectible Property Taxes	(177,104)	0	(177,104)	(103,038)	0	0	0	
Prepaid Items	0	679,465	679,465	0	7,790	0	0	
Notes Receivable	0	2,342,680	2,342,680	0	0	0	0	
Accrued Interest Receivable	0	0	0	0	96	0	0	
Other Restricted Assets	0	0	0	0	22,209	0	0	
Deferred Charges - Debt Issuance Costs	178,984	0	178,984	0	0	0	0	
Capital Assets:								
Assets Not Depreciated:								
Land	1,575,535	518,413	2,093,948	1,935,850	2,371	0	0	
Construction in Progress	0	649,678	649,678	0	15,096	0	0	
Assets Net of Accumulated Depreciation:								
Buildings and Improvements	6,212,286	0	6,212,286	27,067,347	1,317,923	0	0	
Infrastructure	43,162,253	0	43,162,253	0	0	0	0	
Other Capital Assets	744,710	25,030,313	25,775,023	1,341,559	233,962	251,626	0	
Total Assets	\$ 65,391,122	\$ 37,537,825	\$ 102,928,947	\$ 37,956,706	\$ 4,315,870	\$ 886,088		

ASSETS

Exhibit A

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

	Primary Government		Total	Component Units			
	Governmental Activities	Business-type Activities		Weakley County School Department	Weakley County Nursing Home	Weakley County Emergency Communications District	
Accounts Payable	\$ 880	\$ 2,989,489	\$ 2,990,369	\$ 9,212	\$ 170,092	\$ 0	0
Accrued Payroll	0	0	0	23,817	138,757	0	0
Payroll Deductions Payable	0	0	0	0	24,883	0	0
Accrued Leave	0	529,978	529,978	0	50,896	1,819	1,819
Accrued Interest Payable	154,160	0	154,160	557	0	0	0
Other Current Liabilities	5,008	70,835	75,843	0	47,426	0	0
Deferred Revenue - Current							
Property Taxes	5,515,487	0	5,515,487	3,153,869	0	0	0
Current Liabilities Payable from Restricted Assets:							
Customer Deposits Payable	0	864,296	864,296	0	0	0	0
Noncurrent Liabilities:							
Due Within One Year	3,020,049	0	3,020,049	29,322	0	0	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)							
Total Liabilities	29,484,497	2,160,084	31,644,581	245,308	0	0	0
	\$ 38,180,081	\$ 6,614,682	\$ 44,794,763	\$ 3,462,085	\$ 432,054	\$ 1,819	1,819

(Continued)

Exhibit A

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

	Primary Government		Component Units			
	Governmental Activities	Business-type Activities	Total	Weakley County School Department	Weakley County Nursing Home	Weakley County Emergency Communications District
Invested in Capital Assets, Net of Related Debt	\$ 45,900,784	\$ 0	\$ 45,900,784	\$ 30,316,965	\$ 0	\$ 0
Invested in Capital Assets Restricted for:	0	26,198,404	26,198,404	0	1,569,352	251,626
Drug Control	109,311	0	109,311	0	0	0
District Attorney General	114,403	0	114,403	0	0	0
Highway/Public Works	433,133	0	433,133	0	0	0
School Federal Projects	0	0	0	11,418	0	0
Central Cafeteria	0	0	0	537,037	0	0
Debt Service	5,874,800	0	5,874,800	0	0	0
Capital Projects	451,005	0	451,005	200,003	0	0
Other Purposes	224,138	0	224,138	91,864	0	0
Unrestricted	(25,896,533)	4,724,739	(21,171,794)	3,337,334	2,314,464	632,643
Total Net Assets	\$ 27,211,041	\$ 30,923,143	\$ 58,134,184	\$ 34,494,621	\$ 3,883,816	\$ 884,269

NET ASSETS

Invested in Capital Assets, Net of Related Debt  
Invested in Capital Assets Restricted for:  
Drug Control  
District Attorney General  
Highway/Public Works  
School Federal Projects  
Central Cafeteria  
Debt Service  
Capital Projects  
Other Purposes  
Unrestricted

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, 2008

		Net (Expense) Revenue and Changes in Net Assets									
		Program Revenues					Component Units				
Functions/Programs	Expenses	Charges for Services		Operating Grants and Contributions		Capital Grants and Contributions	Primary Government Business-type Activities			Weakley County Communications District	
		Services	Contributions	Operating Grants	Contributions		Governmental Activities	School Department	Nursing Home	School Department	Nursing Home
<b>Primary Government:</b>											
Governmental Activities:											
General Government	\$ 829,687	\$ 195,727	\$ 54,878	\$ 0	\$ (579,082)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,072,727	699,667	13,302	0	(359,758)	0	0	0	0	0	0
Administration of Justice	1,158,498	758,979	384,782	0	(14,737)	0	0	0	0	0	0
Public Safety	3,333,896	579,995	84,238	77,436	(2,592,227)	0	0	0	0	0	0
Public Health and Welfare	1,069,591	8,984	105,845	576,309	(378,483)	0	0	0	0	0	0
Social, Cultural, and Recreational Services	343,652	0	126,735	0	(216,917)	0	0	0	0	0	0
Agriculture and Natural Resources	145,565	0	0	0	(145,565)	0	0	0	0	0	0
Other Operations	523,046	0	25,000	0	(498,046)	0	0	0	0	0	0
Highways/Public Works	6,497,308	0	2,012,473	416,331	(4,068,504)	0	0	0	0	0	0
Interest on Long-term Debt	1,346,686	1,933	985,805	0	(358,948)	0	0	0	0	0	0
Other Debt Service	91,095	0	0	0	(91,095)	0	0	0	0	0	0
Total Governmental Activities	\$ 16,411,751	\$ 2,245,255	\$ 3,793,058	\$ 1,070,076	\$ (9,303,362)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Business-type Activities:</b>											
Public Utility	\$ 38,590,250	\$ 39,602,082	\$ 0	\$ 0	\$ 0	\$ 1,011,832	\$ 1,011,832	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 55,002,001	\$ 41,847,337	\$ 3,793,058	\$ 1,070,076	\$ (9,303,362)	\$ 1,011,832	\$ (8,291,530)	\$ 0	\$ 0	\$ 0	\$ 0
<b>Component Units:</b>											
Weakley County School Department											
Weakley County School Department	\$ 36,507,095	\$ 1,162,753	\$ 4,722,145	\$ 0	\$ 0	\$ 0	\$ 0	\$ (30,622,197)	\$ 0	\$ 0	\$ 0
Weakley County Nursing Home	7,040,831	7,323,238	0	0	0	0	0	0	282,407	0	0
Weakley County Emergency Communications District	328,296	445,326	0	0	0	0	0	0	0	0	117,030
Total Component Units	\$ 43,876,222	\$ 8,931,317	\$ 4,722,145	\$ 0	\$ 0	\$ 0	\$ 0	\$ (30,622,197)	\$ 282,407	\$ 0	\$ 117,030

(Continued)

Weakley County, Tennessee  
Statement of Activities (Cont.)

Exhibit B

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government 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				\$ 3,499,545	\$ 0	\$ 3,499,545	\$ 3,455,033	\$ 0	\$ 0	\$ 0
Property Taxes Levied for Debt Service				2,351,897	0	2,351,897	0	0	0	0
Local Option Sales Taxes				235,169	0	235,169	3,042,788	0	0	0
Wheel Tax				899,851	0	899,851	0	0	0	0
Litigation Tax - General				163,185	0	163,185	0	0	0	0
Business Tax				172,652	0	172,652	0	0	0	0
Mineral Severance Tax				100,863	0	100,863	0	0	0	0
Other Local Taxes				176,175	0	176,175	133,108	0	0	0
Grants and Contributions Not Restricted to Specific Programs				1,305,682	0	1,305,682	21,979,805	0	0	15,075
Unrestricted Investment Income				415,981	257,992	673,973	0	38,812	0	17,780
Miscellaneous				24,296	0	24,296	139,203	0	0	14,351
Total General Revenues				\$ 9,345,296	\$ 257,992	\$ 9,603,288	\$ 28,749,937	\$ 38,812	\$ 0	\$ 47,206
Transfers				\$ 365,291	\$ (365,291)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Change in Net Assets				\$ 407,225	\$ 904,533	\$ 1,311,758	\$ (1,872,260)	\$ 321,219	\$ 0	\$ 164,236
Net Assets, July 1, 2007				26,803,816	30,018,610	56,822,426	36,366,881	3,562,597	0	720,033
Net Assets, June 30, 2008				\$ 27,211,041	\$ 30,923,143	\$ 58,134,184	\$ 34,494,621	\$ 3,883,816	\$ 0	\$ 884,269

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, 2008

	Major Funds			Nonmajor	Total
	General	Highway /	General	Other	
		Public	Debt	Governmental	
	General	Works	Service	Funds	Governmental
<b>ASSETS</b>					
Cash	\$ 0	\$ 0	\$ 0	\$ 2,399	\$ 2,399
Equity in Pooled Cash and Investments	820,104	120,483	5,490,354	709,097	7,140,038
Accounts Receivable	6,965	11,048	10	5,304	23,327
Due from Other Governments	260,146	336,913	13,718	3,066	613,843
Property Taxes Receivable	2,620,074	722,231	2,481,869	90,677	5,914,851
Allowance for Uncollectible Property Taxes	(79,649)	(21,809)	(72,802)	(2,844)	(177,104)
<b>Total Assets</b>	<b>\$ 3,627,640</b>	<b>\$ 1,168,866</b>	<b>\$ 7,913,149</b>	<b>\$ 807,699</b>	<b>\$ 13,517,354</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 880	\$ 0	\$ 0	\$ 0	\$ 880
Other Current Liabilities	0	0	0	5,008	5,008
Deferred Revenue - Current Property Taxes	2,438,991	672,826	2,319,566	84,104	5,515,487
Deferred Revenue - Delinquent Property Taxes	89,175	24,261	78,684	3,278	195,398
Other Deferred Revenues	33,325	162,494	5,281	0	201,100
<b>Total Liabilities</b>	<b>\$ 2,562,371</b>	<b>\$ 859,581</b>	<b>\$ 2,403,531</b>	<b>\$ 92,390</b>	<b>\$ 5,917,873</b>
<b>Fund Balances</b>					
Reserved for Encumbrances	\$ 51,097	\$ 3,352	\$ 0	\$ 0	\$ 54,449
Reserved for Alcohol and Drug Treatment	84,273	0	0	0	84,273
Reserved for Drug Court	19,643	0	0	0	19,643
Reserved for Sexual Offender Registration	5,680	0	0	0	5,680
Reserved for Courtroom Security	1,882	0	0	0	1,882
Reserved for Computer System - Register	15,771	0	0	0	15,771
Reserved for Automation Purposes - Circuit Court	969	0	0	0	969
Reserved for Automation Purposes - General Sessions Court	23,412	0	0	0	23,412
Reserved for Automation Purposes - Juvenile Court	16,054	0	0	0	16,054
Reserved for Automation Purposes - Chancery Court	12,031	0	0	0	12,031
Reserved for Automation Purposes - Sheriff	555	0	0	0	555
Unreserved, Reported In:					
General Fund	833,902	0	0	0	833,902
Special Revenue Funds	0	305,933	0	267,582	573,515
Debt Service Funds	0	0	5,509,618	0	5,509,618
Capital Projects Funds	0	0	0	447,727	447,727
<b>Total Fund Balances</b>	<b>\$ 1,065,269</b>	<b>\$ 309,285</b>	<b>\$ 5,509,618</b>	<b>\$ 715,309</b>	<b>\$ 7,599,481</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,627,640</b>	<b>\$ 1,168,866</b>	<b>\$ 7,913,149</b>	<b>\$ 807,699</b>	<b>\$ 13,517,354</b>

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, 2008

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)		\$ 7,599,481
(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	6,212,286	
Add: infrastructure net of accumulated depreciation	43,162,253	
Add: other capital assets net of accumulated depreciation	<u>744,710</u>	51,694,784
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		396,498
(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	\$ (1,360,634)	
Less: other loans payable	(12,976,705)	
Less: bonds payable	(18,370,000)	
Add: deferred amount on refunding	435,377	
Add: deferred charges - debt issuance costs	178,984	
Less: compensated absences payable	(208,564)	
Less: other postemployment benefits	(8,942)	
Less: accrued interest on notes and bonds	(154,160)	
Less: other deferred revenue - premium on debt	<u>(15,078)</u>	<u>(32,479,722)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 27,211,041</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, 2008

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 3,869,509	\$ 1,730,365	\$ 2,437,154	\$ 98,576	\$ 8,135,604
Licenses and Permits	39,127	0	0	0	39,127
Fines, Forfeitures, and Penalties	263,044	0	0	59,601	322,645
Charges for Current Services	153,364	0	0	8,954	162,318
Other Local Revenues	43,890	43,340	415,981	0	503,211
Fees Received from County Officials	1,327,888	0	0	0	1,327,888
State of Tennessee	1,400,002	2,448,273	317,742	25,994	4,192,011
Federal Government	117,856	0	0	502,997	620,853
Other Governments and Citizens Groups	227,354	0	986,589	73,312	1,287,255
Total Revenues	<u>\$ 7,442,034</u>	<u>\$ 4,221,978</u>	<u>\$ 4,157,466</u>	<u>\$ 769,434</u>	<u>\$ 16,590,912</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 803,987	\$ 0	\$ 0	\$ 0	\$ 803,987
Finance	1,033,187	0	0	0	1,033,187
Administration of Justice	1,095,833	0	0	15,155	1,110,988
Public Safety	3,016,358	0	0	13,884	3,030,242
Public Health and Welfare	424,748	0	0	42,000	466,748
Social, Cultural, and Recreational Services	325,782	0	0	0	325,782
Agriculture and Natural Resources	133,686	0	0	0	133,686
Other Operations	612,712	0	0	748	613,460
Highways	0	4,505,541	0	173,962	4,679,503
Debt Service:					
Principal on Debt	0	0	2,893,513	0	2,893,513
Interest on Debt	0	0	1,279,328	0	1,279,328
Other Debt Service	0	0	70,480	0	70,480
Capital Projects	0	0	0	576,309	576,309
Total Expenditures	<u>\$ 7,446,293</u>	<u>\$ 4,505,541</u>	<u>\$ 4,243,321</u>	<u>\$ 822,058</u>	<u>\$ 17,017,213</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (4,259)</u>	<u>\$ (283,563)</u>	<u>\$ (85,855)</u>	<u>\$ (52,624)</u>	<u>\$ (426,301)</u>
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 14,028	\$ 0	\$ 0	\$ 0	\$ 14,028
Transfers In	166,711	45,356	147,095	6,129	365,291
Total Other Financing Sources (Uses)	<u>\$ 180,739</u>	<u>\$ 45,356</u>	<u>\$ 147,095</u>	<u>\$ 6,129</u>	<u>\$ 379,319</u>
Net Change in Fund Balances	\$ 176,480	\$ (238,207)	\$ 61,240	\$ (46,495)	\$ (46,982)
Fund Balance, July 1, 2007	888,789	547,492	5,448,378	761,804	7,646,463
Fund Balance, June 30, 2008	<u>\$ 1,065,269</u>	<u>\$ 309,285</u>	<u>\$ 5,509,618</u>	<u>\$ 715,309</u>	<u>\$ 7,599,481</u>

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, 2008

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)	\$	(46,982)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$	1,345,210
Less: current year depreciation expense		<u>(3,539,185)</u>
		(2,193,975)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: net book value of assets disposed		(58,009)
(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, 2007	\$	(479,229)
Add: deferred delinquent property taxes and other deferred June 30, 2008		<u>396,498</u>
		(82,731)
(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.		
Add: change in premium on debt issuances	\$	1,933
Less: change in deferred debt issuance costs		(20,615)
Add: principal payments on notes		323,513
Add: principal payments on other loans		770,000
Add: principal payments on bonds		1,800,000
Less: change in deferred amount on refunding debt		<u>(91,318)</u>
		2,783,513
(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	\$	23,960
Change in compensated absences payable		(9,609)
Change in other postemployment benefits		<u>(8,942)</u>
		5,409
Change in net assets of governmental activities (Exhibit B)	\$	<u>407,225</u>

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

Exhibit D-1

Weakley County, Tennessee  
Statement of Net Assets  
Proprietary Fund  
June 30, 2008

Business-type  
Activities  
Major Fund  
Weakley County  
Municipal  
Electric System

ASSETS

Current Assets:	
Cash	\$ 5,164,219
Inventories	424,493
Accounts Receivable	2,728,564
Prepaid Items	679,465
Notes Receivable	2,342,680
Total Current Assets	<u>\$ 11,339,421</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 518,413
Construction in Progress	649,678
Assets Net of Accumulated Depreciation:	
Other Capital Assets	25,030,313
Total Noncurrent Assets	<u>\$ 26,198,404</u>
Total Assets	<u>\$ 37,537,825</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 2,989,489
Accrued Leave	529,978
Other Current Liabilities	70,835
Current Liabilities Payable from	
Restricted Assets:	
Customer Deposits Payable	864,296
Total Current Liabilities	<u>\$ 4,454,598</u>
Noncurrent Liabilities:	
Due in More Than One Year	\$ 2,160,084
Total Noncurrent Liabilities	<u>\$ 2,160,084</u>
Total Liabilities	<u>\$ 6,614,682</u>

NET ASSETS

Invested in Capital Assets	\$ 26,198,404
Unrestricted	<u>4,724,739</u>
Total Net Assets	<u>\$ 30,923,143</u>

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

Exhibit D-2

Weakley County, Tennessee  
Statement of Revenues, Expenses, and Changes in Net Assets  
Proprietary Fund  
For the Year Ended June 30, 2008

	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	\$ 22,255,944
Small commercial	3,695,732
Large commercial	11,885,132
Street and outdoor lighting	996,530
<u>Other Electric Revenues</u>	
Consumer forfeited discounts	269,815
Rent from electric property	349,826
Service charge - meter sets	97,626
Miscellaneous	51,477
Total Operating Revenues	<u>\$ 39,602,082</u>
<u>Operating Expenses</u>	
Purchased power	\$ 32,086,457
<u>Operation Expense</u>	
<u>Transmission Expense</u>	
Overhead wire expense	4,134
Station expense	25,458
<u>Distribution Expense</u>	
Supervision and engineering	125,834
Station expense	24,393
Overhead line expense	483,743
Underground line expense	55,556
Street lighting and signal systems	12,969
Removing and resetting meters	298,298
Services on customers' premises	44,322
Miscellaneous distribution expense	18,587
Rents	19,634
<u>Customer Accounts Expense</u>	
Supervision and accounting	15,526
Meter reading	215,891
Records and collection	658,719
<u>Customer Service and Sales Expense</u>	
Supervision	10,371
Customer assistance	32,803
Miscellaneous sales expense	109,085
<u>Administrative and General Expense</u>	
Salaries	280,192
Office supplies and expense	106,292

(Continued)

Exhibit D-2

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 Municipal Electric System</u>
<u>Operating Expenses (Cont.)</u>	
<u>Administrative and General Expense (Cont.)</u>	
Outside services	\$ 12,591
Insurance	41,868
Injuries and damages	176,509
Employee pension and benefits	594,470
Dues	35,634
Miscellaneous	24,989
<u>Maintenance Expense</u>	
<u>Transmission Maintenance</u>	
Station equipment	2,138
Overhead lines	31,892
<u>Distribution Maintenance</u>	
Station equipment	47,073
Overhead lines	904,385
Underground lines	11,815
Line transformers and devices	28,361
Street lights and signal systems	21,144
Meters	41,911
Security lights	41,237
Miscellaneous	1,071
<u>Administrative and General Maintenance</u>	
Structures and improvements	82,059
Communications equipment	13,689
Depreciation and amortization	1,419,861
Tax equivalent	323,313
Payroll taxes	75,871
Total Operating Expenses	<u>\$ 38,560,145</u>
Operating Income	<u>\$ 1,041,937</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment income	\$ 257,992
Other interest expense	(30,105)
Total Nonoperating Revenues (Expenses)	<u>\$ 227,887</u>
Income Before Transfers	\$ 1,269,824
Transfers In (Out)	<u>(365,291)</u>
Change in Net Assets	\$ 904,533
Net Assets, July 1, 2007	<u>30,018,610</u>
Net Assets, June 30, 2008	<u>\$ 30,923,143</u>

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

Exhibit D-3

Weakley County, Tennessee  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2008

	Business-type Activities
	<u>Major Fund</u>
	Weakley County Municipal Electric System
<u>Cash Flows from Operating Activities</u>	
Cash received from customers	\$ 39,334,084
Cash payments to suppliers for goods and services	(33,939,179)
Cash payments to employees for services	(2,791,094)
Net cash advanced on conservation loans receivable	(21,565)
Net cash proceeds from conservation loans payable	30,969
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,613,215</u>
<u>Cash Flows from Non-capital Financing Activities</u>	
Interest paid	\$ (30,008)
Transfers to other funds	(365,291)
Net Cash Provided By (Used In) Non-capital Financing Activities	<u>\$ (395,299)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Additions to plant	\$ (1,680,207)
Removal cost	(149,559)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (1,829,766)</u>
<u>Cash Flows from Investing Activities</u>	
Investment income	\$ 257,992
Net Cash Provided By (Used In) Investing Activities	<u>\$ 257,992</u>
Net Increase in Cash	\$ 646,142
Cash, July 1, 2007	<u>4,518,077</u>
Cash, June 30, 2008	<u>\$ 5,164,219</u>
<u>Reconciliation of Operating Income to</u>	
<u>Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income	\$ 1,041,937
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Depreciation and amortization	1,438,660
Amortization of prepaid purchased power	130,500
Change In:	
Accounts receivable	(316,609)
Rents receivable	(729)
Material and supplies	62,517
Transportation clearing	134
Prepayments	348,119
Conservation loans receivable	(21,565)
Accounts payable	(74,609)
Customer deposits	49,340
Accrued salaries and leave	8,508
Other current and accrued liabilities	(53,457)
Conservation loans payable	30,969
Deferred credits	(30,500)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,613,215</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, 2008

	<u>Agency Funds</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 376,617
Cash	1,114,761
Due from Other Governments	471,030
Total Assets	<u>\$ 1,962,408</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 465,730
Due to Litigants, Heirs, and Others	1,103,472
Due to Joint Ventures	393,206
Total Liabilities	<u>\$ 1,962,408</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, 2008**

**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, 2008.

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. 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 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 1.7 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.

### **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 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, 2008, Weakley County had \$26,775,339 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 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 \$68,060 designated for the operations of the student farm at June 30, 2008.

**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**

**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.

#### **IV. DETAILED NOTES ON ALL FUNDS**

##### **A. Deposits and Investments**

Weakley County (excluding the Weakly 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, 2008, 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	\$ 67,164

**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, 2008, 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, 2008, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Land	\$ 1,575,535	\$ 0	\$ 0	\$ 1,575,535
Total Capital Assets Not Depreciated	<u>\$ 1,575,535</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,575,535</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,996,669	\$ 0	\$ 0	\$ 11,996,669
Infrastructure	69,346,663	881,697	0	70,228,360
Other Capital Assets	3,397,674	463,513	(284,136)	3,577,051
Total Capital Assets Depreciated	<u>\$ 84,741,006</u>	<u>\$ 1,345,210</u>	<u>\$ (284,136)</u>	<u>\$ 85,802,080</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,367,276	\$ 417,107	\$ 0	\$ 5,784,383
Infrastructure	24,179,728	2,886,379	0	27,066,107
Other Capital Assets	2,822,769	235,699	(226,127)	2,832,341
Total Accumulated Depreciation	<u>\$ 32,369,773</u>	<u>\$ 3,539,185</u>	<u>\$ (226,127)</u>	<u>\$ 35,682,831</u>
Total Capital Assets Depreciated, Net	<u>\$ 52,371,233</u>	<u>\$ (2,193,975)</u>	<u>\$ (58,009)</u>	<u>\$ 50,119,249</u>
Governmental Activities Capital Assets, Net	<u>\$ 53,946,768</u>	<u>\$ (2,193,975)</u>	<u>\$ (58,009)</u>	<u>\$ 51,694,784</u>

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	21,448
Public Safety	378,022
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	<u>3,040,297</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 3,539,185</u></u>

**Discretely Presented Weakley County School Department**

**Governmental Activities:**

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Land	\$ 1,935,850	\$ 0	\$ 0	\$ 1,935,850
Total Capital Assets Not Depreciated	<u>\$ 1,935,850</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,935,850</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 61,353,539	\$ 0	\$ 0	\$ 61,353,539
Other Capital Assets	3,973,691	494,734	(187,510)	4,280,915
Total Capital Assets Depreciated	<u>\$ 65,327,230</u>	<u>\$ 494,734</u>	<u>\$ (187,510)</u>	<u>\$ 65,634,454</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 32,529,428	\$ 1,756,764	\$ 0	\$ 34,286,192
Other Capital Assets	2,658,613	468,253	(187,510)	2,939,356
Total Accumulated Depreciation	<u>\$ 35,188,041</u>	<u>\$ 2,225,017</u>	<u>\$ (187,510)</u>	<u>\$ 37,225,548</u>

**Governmental Activities (Cont.):**

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Total Capital Assets				
Depreciated, Net	\$ 30,139,189	\$ (1,730,283)	\$ 0	\$ 28,408,906
Governmental Activities				
Capital Assets, Net	\$ 32,075,039	\$ (1,730,283)	\$ 0	\$ 30,344,756

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

**Governmental Activities:**

Instruction	\$ 1,416,044
Support Services	657,681
Operation of Non-Instructional Services	<u>151,292</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,225,017</u>

**C. Construction Commitments**

At June 30, 2008, the discretely presented Weakley County School Department had uncompleted construction contracts of approximately \$144,043 in the General Purpose School Fund related to an asbestos removal and repair project at Westview High School in Martin. Funding has been received for these future expenditures.

**D. Interfund Transfers**

Interfund transfers for the year ended June 30, 2008, consisted of the following amounts:

**Primary Government**

	Transfers In			
	General Fund	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor Governmental Fund
Transfers Out				
Public Utility	\$ 166,711	\$ 45,356	\$ 147,095	\$ 6,129

**Discretely Presented Weakley County School Department**

	<u>Transfers In</u>
Transfers Out	General Purpose School Fund
Nonmajor governmental fund	\$ 4,335

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, 2008, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2008, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-08
General Obligation Bonds-			
School Refunding	2 to 4.8 %	\$ 24,135,000	\$ 18,370,000
Capital Outlay Notes	0 to 4.4	2,214,349	1,360,634
Other Loans	variable	17,739,705	12,976,705

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, 2008, the variable interest rate was 1.29 percent based on the BOA rate and other fees totaled 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, 2008, the variable interest rate was 1.54 percent based on the LIBOR rate and other fees totaled approximately .3 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, 2008, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2014-2016	7,770,000	634,308	8,404,308
Total	\$ 18,370,000	\$ 3,565,422	\$ 21,935,422

Year Ending June 30	Notes		
	Principal	Interest	Total
2009	\$ 335,621	\$ 46,643	\$ 382,264
2010	348,493	33,438	381,931
2011	306,205	20,806	327,011
2012	365,205	7,455	372,660
2013	5,110	0	5,110
<b>Total</b>	<b>\$ 1,360,634</b>	<b>\$ 108,342</b>	<b>\$ 1,468,976</b>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2009	\$ 804,000	\$ 188,271	\$ 46,997	\$ 1,039,268
2010	837,000	176,800	44,124	1,057,924
2011	873,000	164,867	41,135	1,079,002
2012	910,000	152,431	38,019	1,100,450
2013	948,000	139,477	34,773	1,122,250
2014-2018	5,386,000	483,393	120,224	5,989,617
2019-2023	3,218,705	150,188	37,059	3,405,952
<b>Total</b>	<b>\$ 12,976,705</b>	<b>\$ 1,455,427</b>	<b>\$ 362,331</b>	<b>\$ 14,794,463</b>

There is \$5,509,618 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$526, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans totaled \$937, 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, 2008, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2007	\$ 20,170,000	\$ 1,684,147
Deductions	(1,800,000)	(323,513)
Balance, June 30, 2008	<u>\$ 18,370,000</u>	<u>\$ 1,360,634</u>
Balance Due Within One Year	<u>\$ 1,870,000</u>	<u>\$ 335,621</u>

	<u>Other Loans</u>	<u>Compensated Absences</u>
Balance, July 1, 2007	\$ 13,746,705	\$ 198,955
Additions	0	218,394
Deductions	(770,000)	(208,785)
Balance, June 30, 2008	<u>\$ 12,976,705</u>	<u>\$ 208,564</u>
Balance Due Within One Year	<u>\$ 804,000</u>	<u>\$ 10,428</u>

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2007	\$ 0
Additions	27,884
Deductions	(18,942)
Balance, June 30, 2008	<u>\$ 8,942</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 32,924,845
Less: Balance Due Within One Year	(3,020,049)
Deferred Amount on Refunding	(435,377)
Add: Deferred Revenue - Premium on Debt	<u>15,078</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 29,484,497</u>

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

**Discretely Presented Weakley County School Department**

Notes

Weakley County issued capital outlay notes for the School Department to purchase a school bus for handicapped students.

Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Capital outlay notes outstanding were issued for original terms of up to three years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2008, will be retired from the School Federal Projects Fund.

Capital outlay notes outstanding as of June 30, 2008, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-08
Capital Outlay Notes	4.875	74,725	27,791

The annual requirements to amortize all notes outstanding as of June 30, 2008, including interest payments, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
2009	\$ 27,791	\$ 1,378	\$ 29,169

**Changes in Long-term Liabilities**

Long-term liability activity for the discretely presented Weakley County School Department for the year ended June 30, 2008, was as follows:

	Notes	Compensated Absences
Balance, July 1, 2007	\$ 50,555	\$ 33,177
Additions	0	39,438
Deductions	(22,764)	(42,021)
Balance, June 30, 2008	<u>\$ 27,791</u>	<u>\$ 30,594</u>
Balance Due Within One Year	<u>\$ 27,791</u>	<u>\$ 1,531</u>

	Other Postemployment Benefits
Balance, July 1, 2007	\$ 0
Additions	364,332
Deductions	(148,087)
Balance, June 30, 2008	<u>\$ 216,245</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 274,630
Less: Balance Due Within One Year	<u>(29,322)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 245,308</u>

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

**F. Pledges of Local Option Sales Taxes**

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 \$390,750 in sales tax collections to the General Debt Service Fund for the year ended June 30, 2008.

**G. On-Behalf Payments - Discretely Presented Weakley County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Weakley County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2008, were \$113,180 and \$31,288, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. Short-term Debt**

During the year, Weakley County borrowed \$1,600,000 from the General Debt Service Fund to provide temporary operating funds for the General (\$1,000,000) and Highway/Public Works (\$600,000) funds. These loans were retired prior to June 30, 2008, as required by state statutes, and therefore have not been reflected in the financial statements of this report. Short-term debt activity for the year ended June 30, 2008, was as follows:

	Balance 7-01-07	Issued	Redeemed	Balance 6-30-08
Tax Anticipation Notes	\$ 0	\$ 1,600,000	\$ (1,600,000)	\$ 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 (TCA), by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

**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, TCA, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

## Discretely Presented Weakley County School Department

### General Liability, Property, and Casualty

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

## **B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures became effective for the year ended June 30, 2008.

GASB Statement No. 45 establishes reporting requirements for Other Postemployment Benefits (OPEB). OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the county's financial statements. In previous years, Weakley County and the School Department had only recognized the current year cost (expense) of these benefits. GASB Statement No. 45 was implemented prospectively with a zero net OPEB obligation at transition.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions are sales or collateralized borrowings and provides guidance on how to account for sales or pledges of receivables or future revenues. This statement provides additional guidance for sales of receivables and future revenues within the same reporting entity. This statement also requires governments to disclose in the notes to the financial statements the nature of any receivables or future revenues that have been pledged or sold. Tennessee state statutes do not currently allow counties to sell or pledge receivables or sell future revenue streams. Therefore, those provisions of GASB Statement No. 48 that pertain to the sale or pledge of receivables or sale of future revenue will not apply to Weakley County. GASB Statement No. 48 had no effect on the financial statements of Weakley County for the year ended June 30, 2008, since the county has not pledged any of its future revenues. However, it is reasonably expected that Weakley County may pledge a future revenue stream toward the payment of debt in subsequent years.

GASB Statement No. 50 amends previous guidance concerning pension information. This statement closely aligns the financial reporting requirements for pensions with those for OPEB and enhances the information disclosed in the notes to the financial statements or presented as required supplementary information for pension plans. This statement requires Weakley County to provide additional and more detailed pension plan note disclosures than in previous years.

**C. Contingent Liabilities**

The attorneys representing Weakley County and the Weakley County Board of Education have advised that the county and the board are defendants in litigation with individuals seeking compensatory and punitive damages resulting from mold infestation at two Weakley County schools. One of the lawsuits also seeks an injunction ordering repairs and remediation at the schools. The Weakley County Board of Education has already paid significant sums for remediation of the mold problem. The attorneys have advised that the defendants have filed an answer denying all claims and are vigorously defending the lawsuit. However, the county has no insurance coverage for mold related claims and will be liable for payment of any damages awarded. The financial exposure to the county cannot be reasonably estimated in the event of an adverse judgment.

The attorney representing the Weakley County Board of Education has also advised that the board is a defendant in litigation for the appeal of a special education due process proceeding filed by a parent on behalf of a student. The case alleges that the student was not given proper consideration and/or evaluation for special education services. An administrative law judge ruled in favor of the parent and issued an order for payment of educational services provided at a private placement. This ruling is currently under appeal. The financial exposure to the county cannot be reasonably estimated in the event of an adverse judgment.

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

**D. Subsequent Events**

On July 24, 2008, Weakley County received \$5,870,000 from a loan agreement with the Montgomery County Public Building Authority. These monies were used to refund the School Refunding – Series 1998 bonds.

On September 15, 2008, the County Commission authorized the Weakley County Municipal Electric System, a proprietary fund of Weakley County, to borrow up to \$4 million for the construction and equipping of a new building. As of May 8, 2009, the electric system had issued \$2.5 million in capital outlay notes for this purpose.

Donald Doster, Trustee, left office on October 31, 2008, and was succeeded by Marci Floyd.

On February 26, 2009, Weakley County issued capital outlay notes totaling \$800,000 for construction of a new county building.

**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, 2008, and does not have any equity interest in this joint venture.

The Everett-Stewart Regional Airport is a joint venture between Weakley and Obion counties 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 \$100,000 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.tn.gov/treasury/tcrs>.

### **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, 2008, was 12.09 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, 2008, Weakley County's annual pension cost of \$1,215,233 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 postretirement 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, 2007, which established contribution rates effective July 1, 2008.

### Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	\$1,215,233	100%	\$0
6-30-07	1,096,195	100	0
6-30-06	988,634	100	0

### Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 93.76 percent funded. The actuarial accrued liability for benefits was \$22.4 million, and the actuarial value of assets was \$21 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$10.48 million, and the ratio of the UAAL to the covered payroll was 13.35 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

### 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 SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs>.

### **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, 2008, was 6.24 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, 2008, 2007, and 2006, were \$1,105,869, \$912,215, and \$795,517, respectively, equal to the required contributions for each year.

## **G. Other Postemployment Benefits (OPEB)**

### **Plan Description**

Weakley County and the Weakley County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-207, Tennessee Code Annotated (TCA), for local governments and Section 8-27-302, TCA, for teachers and support personnel. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state administered Medicare Supplement Plan that does

not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plans are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants, however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2008, Weakley County and the discretely presented Weakley County School Department contributed \$18,942 and \$148,087, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 27,884	\$ 364,332
Interest on the NPO	0	0
Adjustment to the ARC	0	0
Annual OPEB cost	\$ 27,884	\$ 364,332
Less: Amount of contribution	(18,942)	(148,087)
Increase/decrease in NPO	\$ 8,942	\$ 216,245
Net OPEB obligation, 7-1-07	0	0
Net OPEB obligation, 6-30-08	\$ 8,942	\$ 216,245

Year Ended *	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Government Group	\$ 27,884	41%	\$ 8,942
6-30-08	Local Education Group	364,332	68	216,245

\* Data not available for two preceding years.

## Funding Status and Funding Progress

The funded status of the plans as of June 30, 2008, were as follows:

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	6-30-07	6-30-07
Actuarial accrued liability (AAL)	\$ 186,474	\$ 3,547,708
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 186,474	\$ 3,547,708
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 4,749,917	\$ 18,048,743
UAAL as a % of covered payroll	4%	20%

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

### Actuarial Methods and Assumptions

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

In the June 30, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level of percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

**H. 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.

**I. Purchasing Law**

The County Financial Management System 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 \$10,000 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 nonoperating 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 nonoperating revenues and expenses. In accordance with GASB Statement No. 9, grant proceeds from the Rural Economic Development Loan and Grant Program have been classified as operating revenues rather than nonoperating revenues, as reported in the Annual Report to the Tennessee Valley Authority.

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

#### **a. Deposits and Investments**

Cash and cash equivalents as used on the statement of cash flows include cash on hand, demand deposits at financial institutions, and funds held in the State of Tennessee Local Government Investment Pool. The funds held in the State of Tennessee Local Government Investment Pool mature every 30 days.

**b. 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, 2008, was \$25,296.

**c. 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.

**d. Capital Assets**

Capital assets include property, 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. No interest costs were capitalized for the year under examination. 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 expense for the year ended June 30, 2008, was \$1,381,131 and \$18,799 cleared through other accounts, for a total accrual of \$1,399,930. 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, 2008, was \$38,728 per year.

**e. 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, 2008, was \$19,634.

**f. 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.

**g. 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 statutes require 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, 2008, all bank deposits were fully collateralized or insured.

**2. Prepayments**

The Weakley County Municipal Electric System 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, 2008, was \$598,125.

**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, 2008, was \$365,291. An additional \$215,745 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 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Transmission plant land	\$ 95,738	\$ 4,569	\$ 0	\$ 100,307
Distribution plant land	111,975	0	0	111,975
General plant land	303,281	2,850	0	306,131
Construction in Progress	426,239	223,439	0	649,678
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 937,233</b>	<b>\$ 230,858</b>	<b>\$ 0</b>	<b>\$ 1,168,091</b>
Capital Assets Depreciated:				
Transmission plant	\$ 4,833,475	\$ 1,104	\$ 0	\$ 4,834,579
Distribution plant	38,939,334	1,127,831	(380,548)	39,686,617
General plant	4,140,593	320,411	(137,120)	4,323,884
Electric plant acquisition adjustment	403,238	0	(38,728)	364,510
<b>Total Capital Assets Depreciated</b>	<b>\$ 48,316,640</b>	<b>\$ 1,449,346</b>	<b>\$ (556,396)</b>	<b>\$ 49,209,590</b>

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Less Accumulated				
Depreciation For:				
Transmission plant	\$ 3,030,333	\$ 47,299	\$ 0	\$ 3,077,632
Distribution plant	16,973,236	1,280,324	(490,031)	17,763,529
General plant	3,376,114	72,307	(110,305)	3,338,116
Total Accumulated				
Depreciation	\$ 23,379,683	\$ 1,399,930	\$ (600,336)	\$ 24,179,277
Total Capital Assets				
Depreciated, Net	\$ 24,936,957	\$ 49,416	\$ 43,940	\$ 25,030,313
Total Capital Assets, Net	\$ 25,874,190	\$ 280,274	\$ 43,940	\$ 26,198,404

**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, 10<sup>th</sup> Floor,

Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs>.

**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, 2008, 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, 2008, the Weakley County Municipal Electric System’s annual pension cost of \$525,393 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, 2007, which established contribution rates effective July 1, 2008.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	\$ 525,393	100%	\$ 0
6-30-07	527,358	100	0
6-30-06	518,736	100	0

## **Funded Status and Funding Progress**

As of July 1, 2007, the most recent actuarial valuation date, the plan was 64.01 percent funded. The actuarial accrued liability for benefits was \$8.3 million, and the actuarial value of assets was \$5.31 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.99 million. The covered payroll (annual payroll of active employees covered by the plan) was \$2.61 million, and the ratio of the UAAL to the covered payroll was 114.37 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

### **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>Assets</u>	<u>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. **Inventories**

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 the following 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, \$224,916 in bad debts was written off. Also, for the current year, \$150,925 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**

The nursing home has implemented GASB Statement No. 40, "Deposits and Investment Risk Disclosures" for financial reporting of deposit and investment risks. 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, 2008, 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, 2008, was as follows:

	Balance 7-1-07	Increases	Balance 6-30-08
Capital Assets Not Depreciated:			
Land	\$ 2,371	\$ 0	\$ 2,371
Construction in Progress	0	15,096	15,096
Total Capital Assets Not Depreciated	<u>\$ 2,371</u>	<u>\$ 15,096</u>	<u>\$ 17,467</u>
Capital Assets Depreciated:			
Land Improvements	\$ 64,212	\$ 0	\$ 64,212
Building and Improvements	2,757,206	27,681	2,784,887
Equipment	1,045,001	35,661	1,080,662
Vehicles	34,059	0	34,059
Other Assets	40,815	0	40,815
Total Capital Assets Depreciated	<u>\$ 3,941,293</u>	<u>\$ 63,342</u>	<u>\$ 4,004,635</u>

	Balance 7-1-07	Increases	Balance 6-30-08
Less Accumulated			
Depreciated For:			
Land Improvements	\$ 28,256	\$ 2,566	\$ 30,822
Building and Improvements	1,394,143	72,821	1,466,964
Equipment	819,411	60,679	880,090
Vehicles	34,059	0	34,059
Other Assets	40,815	0	40,815
Total Accumulated			
Depreciation	<u>\$ 2,316,684</u>	<u>\$ 136,066</u>	<u>\$ 2,452,750</u>
 Total Capital Assets			
Depreciated, Net	<u>\$ 1,624,609</u>	<u>\$ (72,724)</u>	<u>\$ 1,551,885</u>
 Business-type			
Capital Assets, Net	<u>\$ 1,626,980</u>	<u>\$ (57,628)</u>	<u>\$ 1,569,352</u>

**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.tn.gov/treasury/tcrs>.

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 year ended June 30, 2006, the nursing home received \$300,000 from Weakley County to help finance the construction of the new therapy wing. Because 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
2009	\$ 60,000	\$ 4,752	\$ 64,752
2010	63,000	2,046	65,046
2011	15,000	330	15,330
Total	<u>\$ 138,000</u>	<u>\$ 7,128</u>	<u>\$ 145,128</u>

**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, to establish the Emergency Communications District in accordance with Tennessee Code Annotated, Section 7-86-101 on August 22, 1994. 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, 2008, all bank deposits were fully collateralized or insured.

**2. Capital Assets**

Capital assets activity during the year was as follows:

	Balance 7-1-07	Increases	Balance 6-30-08
Capital Assets			
Depreciated:			
Furniture and Fixtures	\$ 500,900	\$ 0	\$ 500,900
Machinery and Equipment	13,620	36,978	50,598
Vehicles	22,076	23,000	45,076
Total Capital Assets			
Depreciated	\$ 536,596	\$ 59,978	\$ 596,574
Less Accumulated			
Depreciation For:			
Furniture and Fixtures	\$ 262,681	\$ 45,943	\$ 308,624
Machinery and Equipment	4,545	5,103	9,648
Vehicles	22,076	4,600	26,676
Total Accumulated			
Depreciation	\$ 289,302	\$ 55,646	\$ 344,948
Total Capital Assets, Net	\$ 247,294	\$ 4,332	\$ 251,626

**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.tn.gov/treasury/tcrs>.

### **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, 2008, 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, 2008, the Weakley County Emergency Communications District's annual pension cost of \$10,619 to TCRS was equal to the district'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. 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, 2007, which established contribution rates effective July 1, 2006.

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	\$ 10,619	100 %	\$ 0
6-30-07	8,921	100	0
6-30-06	4,215	100	0

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,869,509	\$ 0	\$ 0	\$ 3,869,509	\$ 4,013,550	\$ 3,883,069	\$ (13,560)
Licenses and Permits	39,127	0	0	39,127	2,900	35,129	3,998
Fines, Forfeitures, and Penalties	263,044	0	0	263,044	306,710	318,500	(55,456)
Charges for Current Services	153,364	0	0	153,364	111,319	111,319	42,045
Other Local Revenues	43,890	0	0	43,890	18,460	54,460	(10,570)
Fees Received from County Officials	1,327,888	0	0	1,327,888	1,402,500	1,402,500	(74,612)
State of Tennessee	1,400,002	0	0	1,400,002	1,309,066	1,409,315	(9,313)
Federal Government	117,856	0	0	117,856	80,364	144,665	(26,809)
Other Governments and Citizens Groups	227,354	0	0	227,354	213,886	240,136	(12,782)
<b>Total Revenues</b>	<b>\$ 7,442,034</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,442,034</b>	<b>\$ 7,458,755</b>	<b>\$ 7,599,093</b>	<b>\$ (157,059)</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 71,198	\$ 0	\$ 240	\$ 71,438	\$ 92,665	\$ 81,275	\$ 9,837
County Mayor/Executive	130,877	0	0	130,877	129,474	131,429	552
County Attorney	8,858	0	0	8,858	18,000	9,500	642
Election Commission	222,345	(174)	5,069	227,240	217,145	239,993	12,753
Register of Deeds	156,300	0	0	156,300	160,739	158,797	2,497
County Buildings	214,409	0	0	214,409	177,244	225,633	11,224
<u>Finance</u>							
Accounting and Budgeting	297,630	(3,129)	4,668	299,169	296,476	301,626	2,457
Property Assessor's Office	224,348	0	72	224,420	227,392	228,230	3,810
Reappraisal Program	50,712	(112)	0	50,600	63,700	65,404	14,804
County Trustee's Office	176,971	0	0	176,971	180,833	180,068	3,097
County Clerk's Office	283,526	(531)	0	282,995	288,707	291,484	8,489

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Expenditures (Cont.)</b>							
<b>Administration of Justice</b>							
Circuit Court	\$ 208,414	\$ 0	21	208,435	\$ 210,361	\$ 210,287	\$ 1,852
General Sessions Court	237,256	0	222	237,478	236,040	238,456	978
Chancery Court	194,733	(387)	0	194,346	201,242	201,854	7,508
Juvenile Court	152,110	0	0	152,110	173,248	163,866	11,756
District Attorney General	28,690	0	0	28,690	28,690	28,690	0
Other Administration of Justice	192,459	(4,095)	771	189,135	200,000	200,000	10,865
Probation Services	82,171	(2,720)	2,204	81,655	83,662	83,662	2,007
<b>Public Safety</b>							
Sheriff's Department	1,530,253	(1,858)	30,068	1,558,463	1,538,073	1,588,470	30,007
Traffic Control	339,892	0	0	339,892	348,156	339,905	13
Jail	1,002,519	(1,054)	4,689	1,006,154	1,021,355	1,010,476	4,322
Correctional Incentive Program Improvements	2,000	0	0	2,000	2,000	2,000	0
Fire Prevention and Control	20,000	0	0	20,000	22,000	22,000	2,000
Civil Defense	108,306	0	0	108,306	96,143	135,444	27,138
Rescue Squad	5,500	0	0	5,500	5,500	5,500	0
County Coroner/Medical Examiner	3,075	0	0	3,075	5,000	6,000	2,925
Other Public Safety	4,813	0	0	4,813	6,770	5,812	999
<b>Public Health and Welfare</b>							
Local Health Center	143,588	0	2,449	146,037	151,894	161,094	15,057
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	3,000	3,000	500
Alcohol and Drug Programs	0	0	0	0	500	500	500
Crippled Children Services	2,167	0	0	2,167	2,167	2,167	0
Other Local Health Services	25,543	0	0	25,543	27,000	27,000	1,457

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
General Welfare Assistance	\$ 15,950	\$ 0	\$ 0	\$ 15,950	\$ 22,000	\$ 22,000	\$ 6,050
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	121,889	0	222	122,111	115,875	123,136	1,025
Senior Citizens Assistance	33,322	(73)	402	33,651	33,029	34,829	1,178
Libraries	170,571	(2,405)	0	168,166	175,343	174,254	6,088
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	73,129	0	0	73,129	79,025	76,968	3,839
Soil Conservation	36,831	0	0	36,831	37,354	36,931	100
Flood Control	23,726	0	0	23,726	23,726	23,726	0
<u>Other Operations</u>							
Veterans' Services	40,715	0	0	40,715	40,653	40,765	50
Other Charges	4,784	0	0	4,784	4,784	4,784	0
Contributions to Other Agencies	322,636	0	0	322,636	298,136	323,136	500
Employee Benefits	9,357	0	0	9,357	20,000	12,000	2,643
Miscellaneous	235,220	0	0	235,220	232,274	237,654	2,434
<b>Total Expenditures</b>	<b>\$ 7,446,293</b>	<b>\$ (16,538)</b>	<b>\$ 51,097</b>	<b>\$ 7,480,852</b>	<b>\$ 7,532,375</b>	<b>\$ 7,694,805</b>	<b>\$ 213,953</b>
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (4,259)	\$ 16,538	\$ (51,097)	\$ (38,818)	\$ (73,620)	\$ (95,712)	\$ 56,894
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 14,028	\$ 0	\$ 0	\$ 14,028	\$ 0	\$ 14,031	\$ (3)
Transfers In	166,711	0	0	166,711	10,000	178,131	(11,420)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 180,739</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 180,739</b>	<b>\$ 10,000</b>	<b>\$ 192,162</b>	<b>\$ (11,423)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 176,480</b>	<b>\$ 16,538</b>	<b>\$ (51,097)</b>	<b>\$ 141,921</b>	<b>\$ (63,620)</b>	<b>\$ 96,450</b>	<b>\$ 45,471</b>
<b>Fund Balance, July 1, 2007</b>	<b>888,789</b>	<b>(16,538)</b>	<b>0</b>	<b>872,251</b>	<b>606,584</b>	<b>606,584</b>	<b>265,667</b>
<b>Fund Balance, June 30, 2008</b>	<b>\$ 1,065,269</b>	<b>\$ 0</b>	<b>\$ (51,097)</b>	<b>\$ 1,014,172</b>	<b>\$ 542,964</b>	<b>\$ 703,034</b>	<b>\$ 311,138</b>

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 1,730,365	\$ 0	\$ 0	\$ 1,730,365	\$ 1,812,662	\$ 1,769,700	\$ (39,335)
Charges for Current Services	0	0	0	0	200	200	(200)
Other Local Revenues	43,340	0	0	43,340	40,100	44,934	(1,594)
State of Tennessee	2,448,273	0	0	2,448,273	2,609,696	2,627,341	(179,068)
<b>Total Revenues</b>	<b>\$ 4,221,978</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,221,978</b>	<b>\$ 4,462,658</b>	<b>\$ 4,442,175</b>	<b>\$ (20,197)</b>
<b>Expenditures</b>							
<b>Highways</b>							
Administration	\$ 116,483	\$ 0	\$ 0	\$ 116,483	\$ 119,862	\$ 118,862	\$ 2,379
Highway and Bridge Maintenance	2,086,938	(17)	3,278	2,090,199	2,301,792	2,185,381	95,182
Operation and Maintenance of Equipment	626,680	(243)	32	626,469	589,048	659,744	33,275
Litter and Trash Collection	35,551	(72)	42	35,521	36,630	36,630	1,109
Other Charges	120,819	0	0	120,819	131,108	125,979	5,160
Employee Benefits	570,920	0	0	570,920	598,098	571,490	570
Capital Outlay	948,150	0	0	948,150	1,086,145	1,126,364	178,214
<b>Total Expenditures</b>	<b>\$ 4,505,541</b>	<b>(332)</b>	<b>3,352</b>	<b>\$ 4,508,561</b>	<b>\$ 4,862,683</b>	<b>\$ 4,824,450</b>	<b>\$ 315,889</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (283,563)</b>	<b>\$ 332</b>	<b>(3,352)</b>	<b>\$ (286,583)</b>	<b>\$ (400,025)</b>	<b>\$ (382,275)</b>	<b>\$ 95,692</b>
<b>Other Financing Sources (Uses)</b>							
Transfers In	\$ 45,356	\$ 0	\$ 0	\$ 45,356	\$ 2,300	\$ 48,462	\$ (3,106)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 45,356</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 45,356</b>	<b>\$ 2,300</b>	<b>\$ 48,462</b>	<b>\$ (3,106)</b>
<b>Net Change in Fund Balance Fund Balance, July 1, 2007</b>	<b>\$ (238,207)</b>	<b>\$ 332</b>	<b>(3,352)</b>	<b>\$ (241,227)</b>	<b>\$ (397,725)</b>	<b>\$ (333,813)</b>	<b>\$ 92,586</b>
<b>Fund Balance, July 1, 2007</b>	<b>547,492</b>	<b>(332)</b>	<b>0</b>	<b>547,160</b>	<b>536,779</b>	<b>536,779</b>	<b>10,381</b>
<b>Fund Balance, June 30, 2008</b>	<b>\$ 309,285</b>	<b>\$ 0</b>	<b>(3,352)</b>	<b>\$ 305,933</b>	<b>\$ 139,054</b>	<b>\$ 202,966</b>	<b>\$ 102,967</b>

Exhibit F-3

Weakley County, Tennessee  
Schedule of Funding Progress – Pension Plan  
June 30, 2008

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-07	\$ 21,005	\$ 22,404	\$ 1,399	93.76 %	\$ 10,481	13.35 %

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the year; therefore, only the most current year is presented.

Exhibit F-4

Weakley County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Weakley County School Department  
June 30, 2008

(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)
<u>Primary Government:</u>							
Local Government Group Plan	6-30-07	\$ 0	186	186	0%	\$ 4,750	4%
Weakley County Electric System Plan	6-30-07	5,311	8,297	2,986	64.01	2,611	114.37
<u>Discretely Presented Weakley County School Department</u>							
Local Education Group Plan	6-30-07	0	3,548	3,548	0	18,049	20

\*Data not available for two preceding years.

**WEAKLEY COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2008**

**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.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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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

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

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Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for grant proceeds received for a 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, highway equipment purchases, and county road system renovations.

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Exhibit G-1

Weakley County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2008

	Special Revenue Funds					Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway Capital Projects				
\$	0	0	0	2,399	0	2,399	0	2,399	
Equity in Pooled Cash and Investments	38,990	109,311	113,520	0	447,276	261,821	0	709,097	
Accounts Receivable	2,695	0	0	2,609	0	5,304	0	5,304	
Due from Other Governments	2,183	0	883	0	0	3,066	0	3,066	
Property Taxes Receivable	0	0	0	0	0	0	90,677	90,677	
Allowance for Uncollectible Property Taxes	0	0	0	0	(2,844)	0	(2,844)	(2,844)	
Total Assets	43,868	109,311	114,403	5,008	535,109	272,590	535,109	807,699	

ASSETS

Cash  
 Equity in Pooled Cash and Investments  
 Accounts Receivable  
 Due from Other Governments  
 Property Taxes Receivable  
 Allowance for Uncollectible Property Taxes

Total Assets

LIABILITIES AND FUND BALANCES

	Special Revenue Funds					Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway Capital Projects				
\$	0	0	0	5,008	0	5,008	0	5,008	
Other Current Liabilities	0	0	0	0	84,104	0	84,104	84,104	
Deferred Revenue - Current Property Taxes	0	0	0	0	3,278	0	3,278	3,278	
Deferred Revenue - Delinquent Property Taxes	0	0	0	5,008	87,382	5,008	87,382	92,390	
Total Liabilities	0	0	0	5,008	94,764	5,008	94,764	104,780	
Fund Balances	43,868	109,311	114,403	0	447,277	267,582	447,277	715,309	
Unreserved	43,868	109,311	114,403	0	447,277	267,582	447,277	715,309	
Total Fund Balances	43,868	109,311	114,403	5,008	535,109	272,590	535,109	807,699	
Total Liabilities and Fund Balances	43,868	109,311	114,403	5,008	535,109	272,590	535,109	807,699	

Liabilities

Other Current Liabilities  
 Deferred Revenue - Current Property Taxes  
 Deferred Revenue - Delinquent Property Taxes  
 Total Liabilities

Fund Balances

Unreserved  
 Total Fund Balances  
 Total Liabilities and Fund Balances

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, 2008

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Total	Community Development/ Industrial Park	Highway Capital Projects	
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 98,576	\$ 98,576
Fines, Forfeitures, and Penalties	0	34,290	25,311	59,601	0	0	59,601
Charges for Current Services	8,954	0	0	8,954	0	0	8,954
State of Tennessee	25,994	0	0	25,994	0	0	25,994
Federal Government	0	0	0	0	502,997	0	502,997
Other Governments and Citizens Groups	0	0	0	0	73,312	0	73,312
Total Revenues	\$ 34,948	\$ 34,290	\$ 25,311	\$ 94,549	\$ 576,309	\$ 98,576	\$ 674,885
<u>Expenditures</u>							
Current:							
Administration of Justice	\$ 0	\$ 0	\$ 15,155	\$ 15,155	\$ 0	\$ 0	\$ 15,155
Public Safety	0	13,884	0	13,884	0	0	13,884
Public Health and Welfare	42,000	0	0	42,000	0	0	42,000
Other Operations	748	0	0	748	0	0	748
Highways	0	0	0	0	0	173,962	173,962
Capital Projects	0	0	0	0	576,309	0	576,309
Total Expenditures	\$ 42,748	\$ 13,884	\$ 15,155	\$ 71,787	\$ 576,309	\$ 173,962	\$ 822,058
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,800)	\$ 20,406	\$ 10,156	\$ 22,762	\$ 0	\$ (75,386)	\$ (52,624)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,129	\$ 6,129
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,129	\$ 6,129
Net Change in Fund Balances	\$ (7,800)	\$ 20,406	\$ 10,156	\$ 22,762	\$ 0	\$ (69,257)	\$ (46,495)
Fund Balance, July 1, 2007	51,668	88,905	104,247	244,820	0	516,984	761,804
Fund Balance, June 30, 2008	\$ 43,868	\$ 109,311	\$ 114,403	\$ 267,582	\$ 0	\$ 447,727	\$ 715,309

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 8,954 \$	0 \$	8,954 \$	0 \$	6,400 \$	2,554
Other Local Revenues	0	0	0	4,800	0	0
State of Tennessee	25,994	0	25,994	29,602	29,602	(3,608)
Total Revenues	\$ 34,948 \$	0 \$	34,948 \$	34,402 \$	36,002 \$	(1,054)
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Recycling Center	\$ 42,000 \$	(742) \$	41,258 \$	40,225 \$	42,125 \$	867
Other Operations	748	0	748	1,124	824	76
Employee Benefits	42,748 \$	(742) \$	42,006 \$	41,349 \$	42,949 \$	943
Total Expenditures	\$ (7,800) \$	742 \$	(7,058) \$	(6,947) \$	(6,947) \$	(111)
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,800) \$	742 \$	(7,058) \$	(6,947) \$	(6,947) \$	(111)
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ 51,668	(742)	50,926	51,839	51,839	(913)
Fund Balance, June 30, 2008	\$ 43,868 \$	0 \$	43,868 \$	44,892 \$	44,892 \$	(1,024)

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 34,290	\$ 0	\$ 34,290	\$ 30,300	\$ 31,000	\$ 3,290
Other Local Revenues	0	0	0	1,000	500	(500)
Total Revenues	\$ 34,290	\$ 0	\$ 34,290	\$ 31,300	\$ 31,500	\$ 2,790
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 13,884	(41)	\$ 13,843	\$ 28,780	\$ 81,780	\$ 67,937
Total Expenditures	\$ 13,884	(41)	\$ 13,843	\$ 28,780	\$ 81,780	\$ 67,937
Excess (Deficiency) of Revenues Over Expenditures	\$ 20,406	41	\$ 20,447	\$ 2,520	\$ (50,280)	\$ 70,727
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ 20,406	41	\$ 20,447	\$ 2,520	\$ (50,280)	\$ 70,727
	88,905	(41)	88,864	95,734	95,734	(6,870)
Fund Balance, June 30, 2008	\$ 109,311	\$ 0	\$ 109,311	\$ 98,254	\$ 45,454	\$ 63,857

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 98,576 \$	0 \$	98,576 \$	105,449 \$	99,320 \$	(744)
Total Revenues	\$ 98,576 \$	0 \$	98,576 \$	105,449 \$	99,320 \$	(744)
<u>Expenditures</u>						
<u>Highways</u>						
Other Charges	\$ 2,018 \$	0 \$	2,018 \$	2,000 \$	2,018 \$	0
Capital Outlay	171,944	(43,128)	128,816	536,566	536,548	407,732
Total Expenditures	\$ 173,962 \$	(43,128) \$	130,834 \$	538,566 \$	538,566 \$	407,732
Excess (Deficiency) of Revenues Over Expenditures	\$ (75,386) \$	43,128 \$	(32,258) \$	(433,117) \$	(439,246) \$	406,988
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 6,129 \$	0 \$	6,129 \$	0 \$	6,549 \$	(420)
Total Other Financing Sources (Uses)	\$ 6,129 \$	0 \$	6,129 \$	0 \$	6,549 \$	(420)
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ (69,257) \$	43,128 \$	(26,129) \$	(433,117) \$	(432,697) \$	406,568
	516,984	(43,128)	473,856	760,735	760,735	(286,879)
Fund Balance, June 30, 2008	\$ 447,727 \$	0 \$	447,727 \$	327,618 \$	328,038 \$	119,689

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# **Major Governmental Fund**

## **General Debt Service Fund**

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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.

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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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,437,154	\$ 2,989,774	\$ 2,464,550	\$ (27,396)
Other Local Revenues	415,981	558,000	558,000	(142,019)
State of Tennessee	317,742	297,086	297,086	20,656
Other Governments and Citizens Groups	986,589	598,504	989,254	(2,665)
Total Revenues	<u>\$ 4,157,466</u>	<u>\$ 4,443,364</u>	<u>\$ 4,308,890</u>	<u>\$ (151,424)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 402,000	\$ 345,000	\$ 402,000	\$ 0
Highways and Streets	249,000	249,000	249,000	0
Education	2,242,513	2,242,513	2,242,513	0
<u>Interest on Debt</u>				
General Government	170,154	298,380	170,154	0
Highways and Streets	51,959	51,973	51,973	14
Education	1,057,215	1,074,449	1,057,218	3
<u>Other Debt Service</u>				
General Government	61,106	62,000	61,200	94
Education	9,374	9,500	9,500	126
<u>Capital Projects</u>				
Public Health and Welfare Projects	0	64,326	0	0
Total Expenditures	<u>\$ 4,243,321</u>	<u>\$ 4,397,141</u>	<u>\$ 4,243,558</u>	<u>\$ 237</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (85,855)</u>	<u>\$ 46,223</u>	<u>\$ 65,332</u>	<u>\$ (151,187)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 147,095	\$ 0	\$ 147,096	\$ (1)
Total Other Financing Sources (Uses)	<u>\$ 147,095</u>	<u>\$ 0</u>	<u>\$ 147,096</u>	<u>\$ (1)</u>
Net Change in Fund Balance	\$ 61,240	\$ 46,223	\$ 212,428	\$ (151,188)
Fund Balance, July 1, 2007	<u>5,448,378</u>	<u>5,611,080</u>	<u>5,611,080</u>	<u>(162,702)</u>
Fund Balance, June 30, 2008	<u>\$ 5,509,618</u>	<u>\$ 5,657,303</u>	<u>\$ 5,823,508</u>	<u>\$ (313,890)</u>

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# Fiduciary Funds

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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.

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

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

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

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

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Exhibit I-1

Weakley County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
For the Year Ended June 30, 2008

	Agency Funds					Total
	Cities - Sales Tax	Watershed District	Constitu- tional Officers - Agency	Judicial District Drug		
Equity in Pooled Cash and Investments	\$ 0	\$ 8,917	\$ 0	\$ 367,700	\$ 376,617	
Cash	0	0	1,103,472	11,289	1,114,761	
Due from Other Governments	456,813	0	0	14,217	471,030	
Total Assets	\$ 456,813	\$ 8,917	\$ 1,103,472	\$ 393,206	\$ 1,962,408	
Due to Other Taxing Units	\$ 456,813	\$ 8,917	\$ 0	\$ 0	\$ 465,730	
Due to Litigants, Heirs, and Others	0	0	1,103,472	0	1,103,472	
Due to Joint Ventures	0	0	0	393,206	393,206	
Total Liabilities	\$ 456,813	\$ 8,917	\$ 1,103,472	\$ 393,206	\$ 1,962,408	

ASSETS

LIABILITIES

Exhibit I-2

Weakley County, Tennessee  
Combining Statement of Changes in Assets and Liabilities - All Agency Funds  
For the Year Ended June 30, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,355,279	\$ 2,355,279	\$ 0
Due from Other Governments	394,440	456,813	394,440	456,813
Total Assets	\$ 394,440	\$ 2,812,092	\$ 2,749,719	\$ 456,813
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 394,440	\$ 2,812,092	\$ 2,749,719	\$ 456,813
Total Liabilities	\$ 394,440	\$ 2,812,092	\$ 2,749,719	\$ 456,813
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 8,343	\$ 582	\$ 8	\$ 8,917
Total Assets	\$ 8,343	\$ 582	\$ 8	\$ 8,917
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 8,343	\$ 582	\$ 8	\$ 8,917
Total Liabilities	\$ 8,343	\$ 582	\$ 8	\$ 8,917
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,212,302	\$ 6,562,131	\$ 6,670,961	\$ 1,103,472
Accounts Receivable	28	0	28	0
Total Assets	\$ 1,212,330	\$ 6,562,131	\$ 6,670,989	\$ 1,103,472
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,212,330	\$ 6,562,131	\$ 6,670,989	\$ 1,103,472
Total Liabilities	\$ 1,212,330	\$ 6,562,131	\$ 6,670,989	\$ 1,103,472
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 152,748	\$ 325,077	\$ 110,125	\$ 367,700
Cash	8,783	11,289	8,783	11,289
Due from Other Governments	17,799	14,217	17,799	14,217
Total Assets	\$ 179,330	\$ 350,583	\$ 136,707	\$ 393,206
<u>Liabilities</u>				
Due to Joint Ventures	\$ 179,330	\$ 350,583	\$ 136,707	\$ 393,206
Total Liabilities	\$ 179,330	\$ 350,583	\$ 136,707	\$ 393,206

(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>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 161,091	\$ 2,680,938	\$ 2,465,412	\$ 376,617
Cash	1,221,085	6,573,420	6,679,744	1,114,761
Accounts Receivable	28	0	28	0
Due from Other Governments	412,239	471,030	412,239	471,030
Total Assets	<u>\$ 1,794,443</u>	<u>\$ 9,725,388</u>	<u>\$ 9,557,423</u>	<u>\$ 1,962,408</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 402,783	\$ 2,812,674	\$ 2,749,727	\$ 465,730
Due to Litigants, Heirs, and Others	1,212,330	6,562,131	6,670,989	1,103,472
Due to Joint Ventures	179,330	350,583	136,707	393,206
Total Liabilities	<u>\$ 1,794,443</u>	<u>\$ 9,725,388</u>	<u>\$ 9,557,423</u>	<u>\$ 1,962,408</u>

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# Weakley County School Department

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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.

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

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

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

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

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Exhibit J-1

Weakley County, Tennessee  
 Statement of Activities  
 Discretely Presented Weakley County School Department  
 For the Year Ended June 30, 2008

Functions/Programs	Program Revenues		Expenses	Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions		Total Governmental Activities	
Governmental Activities:					
Instruction	\$ 22,154,391	\$ 2,442,025	\$ 38,900	\$ 2,442,025	\$ (19,673,466)
Support Services	10,693,560	330,206	106,162	330,206	(10,257,192)
Operation of Non-Instructional Services	3,125,581	1,949,914	1,017,691	1,949,914	(157,976)
Interest on Long-term Debt	2,050	0	0	0	(2,050)
Other Debt Service	531,513	0	0	0	(531,513)
<b>Total Governmental Activities</b>	<b>\$ 36,507,095</b>	<b>\$ 4,722,145</b>	<b>\$ 1,162,753</b>	<b>\$ 4,722,145</b>	<b>\$ (30,622,197)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,455,033
Local Option Sales Taxes					3,042,788
Other Local Taxes					133,108
Grants and Contributions Not Restricted to Specific Programs					21,979,805
Miscellaneous					139,203
<b>Total General Revenues</b>					<b>\$ 28,749,937</b>
Change in Net Assets					\$ (1,872,260)
Net Assets, July 1, 2007					36,366,881
<b>Net Assets, June 30, 2008</b>					<b>\$ 34,494,621</b>

Exhibit J-2

Weakley County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Weakley County School Department  
June 30, 2008

	Major Fund General Purpose School	Nonmajor Funds Other Govern- mental Funds	Total Govern- mental Funds
<b><u>ASSETS</u></b>			
Equity in Pooled Cash and Investments	\$ 2,403,031	\$ 627,408	\$ 3,030,439
Accounts Receivable	3,205	117	3,322
Due from Other Governments	1,144,614	148,439	1,293,053
Property Taxes Receivable	3,388,174	0	3,388,174
Allowance for Uncollectible Property Taxes	(103,038)	0	(103,038)
<b>Total Assets</b>	<b>\$ 6,835,986</b>	<b>\$ 775,964</b>	<b>\$ 7,611,950</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 6,080	\$ 3,132	\$ 9,212
Accrued Payroll	0	23,817	23,817
Deferred Revenue - Current Property Taxes	3,153,869	0	3,153,869
Deferred Revenue - Delinquent Property Taxes	115,402	0	115,402
Other Deferred Revenues	259,058	0	259,058
<b>Total Liabilities</b>	<b>\$ 3,534,409</b>	<b>\$ 26,949</b>	<b>\$ 3,561,358</b>
<b><u>Fund Balances</u></b>			
Reserved for Encumbrances	\$ 191,665	\$ 1,622	\$ 193,287
Other Local Education Reserves	33,179	0	33,179
Reserved for Driver Education	25,790	0	25,790
Reserved for Career Ladder - Extended Contract	14,995	0	14,995
Reserved for Career Ladder Program	9,117	0	9,117
Reserved for Education Edge	8,783	0	8,783
Reserved for Title I Grants to Local Education Agencies	0	849	849
Reserved for Innovative Education Program Strategies	0	73	73
Reserved for Special Education - Grants to States	0	9,409	9,409
Other Federal Reserves	0	22	22
Unreserved, Reported In:			
General Fund	3,018,048	0	3,018,048
Special Revenue Funds	0	537,037	537,037
Capital Projects Funds	0	200,003	200,003
<b>Total Fund Balances</b>	<b>\$ 3,301,577</b>	<b>\$ 749,015</b>	<b>\$ 4,050,592</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,835,986</b>	<b>\$ 775,964</b>	<b>\$ 7,611,950</b>

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, 2008

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)		\$ 4,050,592
(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	27,067,347	
Add: other capital assets net of accumulated depreciation	<u>1,341,559</u>	30,344,756
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		374,460
(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	\$ (27,791)	
Less: accrued interest on note	(557)	
Less: compensated absences payable	(30,594)	
Less: other postemployment benefits	<u>(216,245)</u>	<u>(275,187)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 34,494,621</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, 2008

	Major Fund General Purpose School	Nonmajor Funds Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 6,803,713	\$ 0	\$ 6,803,713
Licenses and Permits	1,976	0	1,976
Charges for Current Services	219,896	903,957	1,123,853
Other Local Revenues	213,652	22,180	235,832
State of Tennessee	22,247,503	27,181	22,274,684
Federal Government	621,769	3,378,724	4,000,493
Other Governments and Citizens Groups	8,267	0	8,267
<b>Total Revenues</b>	<b>\$ 30,116,776</b>	<b>\$ 4,332,042</b>	<b>\$ 34,448,818</b>
<u>Expenditures</u>			
Current:			
Instruction	\$ 18,637,372	\$ 1,690,594	\$ 20,327,966
Support Services	9,737,666	439,302	10,176,968
Operation of Non-Instructional Services	677,355	2,253,662	2,931,017
Capital Outlay	454,406	0	454,406
Debt Service:			
Principal on Debt	0	22,764	22,764
Interest on Debt	0	2,499	2,499
Other Debt Service	531,513	0	531,513
Capital Projects	0	29,888	29,888
<b>Total Expenditures</b>	<b>\$ 30,038,312</b>	<b>\$ 4,438,709</b>	<b>\$ 34,477,021</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 78,464</b>	<b>\$ (106,667)</b>	<b>\$ (28,203)</b>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 23,353	\$ 0	\$ 23,353
Transfers In	4,335	0	4,335
Transfers Out	0	(4,335)	(4,335)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 27,688</b>	<b>\$ (4,335)</b>	<b>\$ 23,353</b>
<b>Net Change in Fund Balances</b>	<b>\$ 106,152</b>	<b>\$ (111,002)</b>	<b>\$ (4,850)</b>
<b>Fund Balance, July 1, 2007</b>	<b>3,195,425</b>	<b>860,017</b>	<b>4,055,442</b>
<b>Fund Balance, June 30, 2008</b>	<b>\$ 3,301,577</b>	<b>\$ 749,015</b>	<b>\$ 4,050,592</b>

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, 2008

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)		\$	(4,850)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	494,734	
Less: current year depreciation expense		<u>(2,225,017)</u>	(1,730,283)
(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, 2007	\$	(321,138)	
Add: deferred delinquent property taxes and other deferred June 30, 2008		<u>374,460</u>	53,322
(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.			
Add: principal payments on notes			22,764
(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	\$	449	
Change in compensated absences payable		2,583	
Change in other postemployment benefits		<u>(216,245)</u>	<u>(213,213)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (1,872,260)</u>

Weakley County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Weakley County School Department  
June 30, 2008

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects		Central Cafeteria	Education Capital Projects		
			Total			
Equity in Pooled Cash and Investments	\$ 338	\$ 427,067	\$ 427,405	\$ 200,003	\$	627,408
Accounts Receivable	0	117	117	0	0	117
Due from Other Governments	38,586	109,853	148,439	0	0	148,439
<b>Total Assets</b>	<b>\$ 38,924</b>	<b>\$ 537,037</b>	<b>\$ 575,961</b>	<b>\$ 200,003</b>	<b>\$</b>	<b>775,964</b>

ASSETS

Equity in Pooled Cash and Investments  
Accounts Receivable  
Due from Other Governments  
Total Assets

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>						
Accounts Payable	\$ 3,132	\$ 0	\$ 3,132	\$ 0	\$	3,132
Accrued Payroll	23,817	0	23,817	0	0	23,817
<b>Total Liabilities</b>	<b>\$ 26,949</b>	<b>\$ 0</b>	<b>\$ 26,949</b>	<b>\$ 0</b>	<b>\$</b>	<b>26,949</b>
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 1,622	\$ 0	\$ 1,622	\$ 0	\$	1,622
Reserved for Title I Grants to Local Education Agencies	849	0	849	0	0	849
Reserved for Innovative Education Program Strategies	73	0	73	0	0	73
Reserved for Special Education - Grants to States	9,409	0	9,409	0	0	9,409
Other Federal Reserves	22	0	22	0	0	22
Unreserved	0	537,037	537,037	200,003	0	737,040
<b>Total Fund Balances</b>	<b>\$ 11,975</b>	<b>\$ 537,037</b>	<b>\$ 549,012</b>	<b>\$ 200,003</b>	<b>\$</b>	<b>749,015</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 38,924</b>	<b>\$ 537,037</b>	<b>\$ 575,961</b>	<b>\$ 200,003</b>	<b>\$</b>	<b>775,964</b>

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, 2008

	Special Revenue Funds			Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria			Education Capital Projects		
<u>Revenues</u>							
Charges for Current Services	\$ 0	\$ 903,957	\$ 0	\$ 903,957	\$ 0	\$ 0	\$ 903,957
Other Local Revenues	0	22,180	0	22,180	0	0	22,180
State of Tennessee	0	27,181	0	27,181	0	0	27,181
Federal Government	2,155,168	1,223,556	0	3,378,724	0	0	3,378,724
Total Revenues	\$ 2,155,168	\$ 2,176,874	\$ 0	\$ 4,332,042	\$ 0	\$ 0	\$ 4,332,042
<u>Expenditures</u>							
Current:							
Instruction	\$ 1,690,594	\$ 0	\$ 0	\$ 1,690,594	\$ 0	\$ 0	\$ 1,690,594
Support Services	439,302	0	0	439,302	0	0	439,302
Operation of Non-Instructional Services	0	2,253,662	0	2,253,662	0	0	2,253,662
Debt Service:							
Principal on Debt	22,764	0	0	22,764	0	0	22,764
Interest on Debt	2,499	0	0	2,499	0	0	2,499
Capital Projects	0	0	0	0	29,888	0	29,888
Total Expenditures	\$ 2,155,159	\$ 2,253,662	\$ 0	\$ 4,408,821	\$ 29,888	\$ 0	\$ 4,438,709
Excess (Deficiency) of Revenues Over Expenditures	\$ 9	\$ (76,788)	\$ (76,779)	\$ (76,779)	\$ (29,888)	\$ (106,667)	
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (4,335)	\$ 0	\$ (4,335)	\$ (4,335)	\$ 0	\$ (4,335)	
Total Other Financing Sources (Uses)	\$ (4,335)	\$ 0	\$ (4,335)	\$ (4,335)	\$ 0	\$ (4,335)	
Net Change in Fund Balances	\$ (4,326)	\$ (76,788)	\$ (81,114)	\$ (81,114)	\$ (29,888)	\$ (111,002)	
Fund Balance, July 1, 2007	16,301	613,825	630,126	630,126	229,891	860,017	
Fund Balance, June 30, 2008	\$ 11,975	\$ 537,037	\$ 549,012	\$ 549,012	\$ 200,003	\$ 749,015	

Exhibit J-8

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Weakley County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 6,803,713	\$ 0	\$ 0	\$ 6,803,713	\$ 6,922,632	\$ 6,922,632	\$ (118,919)
Licenses and Permits	1,976	0	0	1,976	2,000	2,000	(24)
Charges for Current Services	219,896	0	0	219,896	245,048	245,048	(25,152)
Other Local Revenues	213,652	0	0	213,652	96,111	187,445	26,207
State of Tennessee	22,247,503	0	0	22,247,503	22,009,112	22,315,993	(68,490)
Federal Government	621,769	0	0	621,769	630,181	693,895	(72,126)
Other Governments and Citizens Groups	8,267	0	0	8,267	20,203	17,600	(9,333)
<b>Total Revenues</b>	<b>\$ 30,116,776</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 30,116,776</b>	<b>\$ 29,925,287</b>	<b>\$ 30,384,613</b>	<b>\$ (267,837)</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Regular Instruction Program	\$ 15,373,283	\$ (61,702)	\$ 0	\$ 15,311,581	\$ 15,476,026	\$ 15,439,614	\$ 128,033
Special Education Program	1,826,221	(26,268)	14,789	1,814,742	1,814,382	1,824,834	10,092
Vocational Education Program	1,165,344	(690)	0	1,164,654	1,159,014	1,215,174	50,520
Student Body Education Program	12,037	0	0	12,037	13,000	13,000	963
Adult Education Program	218,546	(80)	0	218,466	228,667	252,662	34,196
Other	41,941	0	0	41,941	0	41,941	0
<b>Support Services</b>							
Attendance	95,351	0	0	95,351	98,695	98,695	3,344
Health Services	238,989	0	170	239,159	190,689	242,828	3,669
Other Student Support	660,236	0	0	660,236	666,056	673,398	13,162
Regular Instruction Program	1,234,306	0	0	1,234,306	1,260,599	1,246,603	12,297
Alternative Instruction Program	79,294	0	0	79,294	76,349	80,549	1,255
Special Education Program	300,035	(9,168)	3,549	294,416	290,348	296,298	1,882

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Vocational Education Program	\$ 97,754	\$ 0	\$ 0	\$ 97,754	\$ 88,526	\$ 107,577	\$ 9,823
Other Programs	248,664	0	0	248,664	113,650	258,118	9,454
Board of Education	443,128	0	0	443,128	502,291	462,291	19,163
Director of Schools	254,285	0	0	254,285	255,798	258,298	4,013
Office of the Principal	1,264,509	0	0	1,264,509	1,286,813	1,274,813	10,304
Operation of Plant	2,332,587	0	0	2,332,587	2,321,300	2,354,780	22,193
Maintenance of Plant	1,055,213	(793)	115,175	1,169,595	597,319	1,625,895	456,300
Transportation	1,430,939	0	14,219	1,445,158	1,477,265	1,499,264	54,106
Central and Other	2,376	0	0	2,376	3,000	5,000	2,624
<u>Operation of Non-Instructional Services</u>							
Community Services	122,077	(300)	0	121,777	131,393	131,393	9,616
Early Childhood Education	555,278	(3,096)	0	552,182	540,006	556,372	4,190
<u>Capital Outlay</u>							
Regular Capital Outlay	454,406	(137,854)	43,763	360,315	700,000	400,000	39,685
<u>Other Debt Service</u>							
Education	531,513	0	0	531,513	531,514	531,514	1
<u>Total Expenditures</u>	<u>\$ 30,038,312</u>	<u>\$ (239,951)</u>	<u>\$ 191,665</u>	<u>\$ 29,990,026</u>	<u>\$ 29,822,700</u>	<u>\$ 30,890,911</u>	<u>\$ 900,885</u>
<u>Excess (Deficiency) of Revenues</u>							
<u>Over Expenditures</u>	\$ 78,464	\$ 239,951	\$ (191,665)	\$ 126,750	\$ 102,587	\$ (506,298)	\$ 633,048
<u>Other Financing Sources (Uses)</u>							
<u>Insurance Recovery</u>	\$ 23,353	\$ 0	\$ 0	\$ 23,353	\$ 1,000	\$ 1,000	\$ 22,353

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Other Financing Sources (Uses) (Cont.)							
Transfers In	\$ 4,335	\$ 0	\$ 0	\$ 4,335	\$ 11,335	\$ 11,335	\$ (7,000)
Total Other Financing Sources (Uses)	\$ 27,688	\$ 0	\$ 0	\$ 27,688	\$ 12,335	\$ 12,335	\$ 15,353
Net Change in Fund Balance	\$ 106,152	\$ 239,951	\$ (191,665)	\$ 154,438	\$ 114,922	\$ (493,963)	\$ 648,401
Fund Balance, July 1, 2007	3,195,425	(239,951)	0	2,955,474	2,690,882	2,690,882	264,592
Fund Balance, June 30, 2008	\$ 3,301,577	\$ 0	\$ (191,665)	\$ 3,109,912	\$ 2,805,804	\$ 2,196,919	\$ 912,993

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, 2008

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b>Revenues</b>						
Federal Government	\$ 2,155,168	\$ 0	\$ 2,155,168	\$ 2,132,669	\$ 2,508,705	\$ (353,537)
Total Revenues	\$ 2,155,168	\$ 0	\$ 2,155,168	\$ 2,132,669	\$ 2,508,705	\$ (353,537)
<b>Expenditures</b>						
<u>Instruction</u>						
Regular Instruction Program	\$ 946,918	\$ 0	\$ 946,918	\$ 877,044	\$ 1,074,401	\$ 127,483
Special Education Program	656,290	1,622	657,912	666,839	762,544	104,632
Vocational Education Program	87,386	0	87,386	82,360	87,758	372
<u>Support Services</u>						
Health Services	58,365	0	58,365	59,566	59,312	947
Other Student Support	88,500	0	88,500	174,889	94,177	5,677
Regular Instruction Program	146,936	0	146,936	110,150	257,924	110,988
Special Education Program	21,812	0	21,812	21,635	23,590	1,778
Transportation	123,689	0	123,689	135,851	125,550	1,861
<u>Principal on Debt</u>						
Education	22,764	0	22,764	0	22,764	0
<u>Interest on Debt</u>						
Education	2,499	0	2,499	0	2,499	0
Total Expenditures	\$ 2,155,159	\$ 1,622	\$ 2,156,781	\$ 2,128,334	\$ 2,510,519	\$ 353,738
Excess (Deficiency) of Revenues Over Expenditures	\$ 9	\$ (1,622)	\$ (1,613)	\$ 4,335	\$ (1,814)	\$ 201

(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)	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 121,309	\$ 0	\$ 0
Transfers Out	(4,335)	0	(4,335)	(125,644)	(4,335)	0
Total Other Financing Sources (Uses)	\$ (4,335)	\$ 0	(4,335)	(4,335)	(4,335)	0
Net Change in Fund Balance	\$ (4,326)	(1,622)	(5,948)	0	(6,149)	201
Fund Balance, July 1, 2007	16,301	0	16,301	0	14,849	1,452
Fund Balance, June 30, 2008	\$ 11,975	(1,622)	10,353	0	8,700	1,653

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 903,957	\$ 952,000	\$ 997,625	\$ (93,668)
Other Local Revenues	22,180	27,100	27,450	(5,270)
State of Tennessee	27,181	28,000	28,000	(819)
Federal Government	1,223,556	1,224,000	1,240,000	(16,444)
Total Revenues	<u>\$ 2,176,874</u>	<u>\$ 2,231,100</u>	<u>\$ 2,293,075</u>	<u>\$ (116,201)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,253,662	\$ 2,237,932	\$ 2,274,857	\$ 21,195
Total Expenditures	<u>\$ 2,253,662</u>	<u>\$ 2,237,932</u>	<u>\$ 2,274,857</u>	<u>\$ 21,195</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (76,788)</u>	<u>\$ (6,832)</u>	<u>\$ 18,218</u>	<u>\$ (95,006)</u>
Net Change in Fund Balance	\$ (76,788)	\$ (6,832)	\$ 18,218	\$ (95,006)
Fund Balance, July 1, 2007	<u>613,825</u>	<u>664,500</u>	<u>664,500</u>	<u>(50,675)</u>
Fund Balance, June 30, 2008	<u>\$ 537,037</u>	<u>\$ 657,668</u>	<u>\$ 682,718</u>	<u>\$ (145,681)</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

Weakley County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
Primary Government and Discretely Presented Weakley County School Department  
For the Year Ended June 30, 2008

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-07	Paid and/or Matured During Period	Outstanding 6-30-08
<b><u>PRIMARY GOVERNMENT</u></b>							
<b><u>NOTES PAYABLE</u></b>							
Payable through General Debt Service Fund							
Asbestos Removal - School Buildings	\$ 35,109	0 %	5-30-1990	11-30-08	\$ 2,108	\$ 2,000	\$ 108
Asbestos Removal - School Buildings	95,543	0	11-30-1992	5-30-10	15,904	5,308	10,596
Asbestos Removal - School Buildings	183,697	0	11-30-1993	11-30-12	56,135	10,205	45,930
Nursing Home Projects	300,000	4.4	10-7-05	10-1-10	195,000	57,000	138,000
Highway Capital Projects	1,000,000	3.89	9-12-05	9-1-10	815,000	192,000	623,000
Highway Capital Projects	600,000	4.2	12-21-06	12-1-11	600,000	57,000	543,000
Total Notes Payable					\$ 1,684,147	\$ 323,513	\$ 1,360,634
<b><u>OTHER LOANS PAYABLE</u></b>							
Payable through General Debt Service Fund							
Detention Center and Law Enforcement Complex	7,400,000	Variable	12-31-1997	5-25-18	\$ 4,973,000	\$ 345,000	\$ 4,628,000
School Construction and Renovation	10,339,705	Variable	2-25-03	5-25-23	8,773,705	425,000	8,348,705
Total Other Loans Payable					\$ 13,746,705	\$ 770,000	\$ 12,976,705
<b><u>BONDS PAYABLE</u></b>							
Payable through General Debt Service Fund							
School Refunding - Series 1998	7,010,000	4.4 to 4.8	6-1-1998	4-1-15	\$ 6,165,000	\$ 340,000	\$ 5,825,000
School Refunding - Series 2003	17,125,000	2 to 4	12-1-03	5-1-16	14,005,000	1,460,000	12,545,000
Total Bonds Payable					\$ 20,170,000	\$ 1,800,000	\$ 18,370,000
<b><u>DISCRETELY PRESENTED WEAKLEY COUNTY SCHOOL DEPARTMENT</u></b>							
<b><u>NOTES PAYABLE</u></b>							
Payable through School Federal Projects Fund							
Handicapped School Bus	74,525	4.875	1-29-07	2-1-09	\$ 50,555	\$ 22,764	\$ 27,791
Total Notes Payable					\$ 50,555	\$ 22,764	\$ 27,791

Exhibit K-2

Weakley County, Tennessee  
Schedule of Long-term Debt Requirements by Year  
Primary Government and Discretely Presented Weakley County School Department

PRIMARY GOVERNMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2009	\$ 335,621	\$ 46,643	\$ 382,264
2010	348,493	33,438	381,931
2011	306,205	20,806	327,011
2012	365,205	7,455	372,660
2013	5,110	0	5,110
Total	\$ 1,360,634	\$ 108,342	\$ 1,468,976

Year Ending June 30	Other Loan Principal	Other Loan Interest	Other Loan Fees	Total Other Loan Requirements
2009	\$ 804,000	\$ 188,271	\$ 46,997	\$ 1,039,268
2010	837,000	176,800	44,124	1,057,924
2011	873,000	164,867	41,135	1,079,002
2012	910,000	152,431	38,019	1,100,450
2013	948,000	139,477	34,773	1,122,250
2014	989,000	125,992	31,394	1,146,386
2015	1,031,000	111,937	27,871	1,170,808
2016	1,075,000	97,294	24,200	1,196,494
2017	1,122,000	82,039	20,374	1,224,413
2018	1,169,000	66,131	16,385	1,251,516
2019	613,000	49,568	12,231	674,799
2020	634,000	40,128	9,902	684,030
2021	655,000	30,364	7,492	692,856
2022	677,000	20,277	5,003	702,280
2023	639,705	9,851	2,431	651,987
Total	\$ 12,976,705	\$ 1,455,427	\$ 362,331	\$ 14,794,463

(Continued)

Exhibit K-2

Weakley County, Tennessee

Schedule of Long-term Debt Requirements by Year

Primary Government and Discretely Presented Weakley County School Department (Cont.)

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
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>\$ 18,370,000</u>	<u>\$ 3,565,422</u>	<u>\$ 21,935,422</u>

DISCRETELY PRESENTED WEAKLEY  
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2009	\$ 27,791	\$ 1,378	\$ 29,169
Total	<u>\$ 27,791</u>	<u>\$ 1,378</u>	<u>\$ 29,169</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, 2008

<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	\$ 166,711
"	Highway/Public Works	"	45,356
"	General Debt Service	"	147,095
"	Highway Capital Projects	"	<u>6,129</u>
Total Transfers Primary Government			<u>\$ 365,291</u>
<u>DISCRETELY PRESENTED WEAKLEY</u>			
<u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 4,335
Total Transfers Discretely Presented Weakley County School Department			<u>\$ 4,335</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, 2008

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 67,997	\$ 50,000	Auto Owners Insurance Company
Highway Supervisor	Section 8-24-102, TCA	64,760	100,000	"
Director of Schools	State Board of Education and Weakley County Board of Education	101,370 (1)	50,000	"
Trustee	Section 8-24-102, TCA	58,872	959,200	"
Assessor of Property	Section 8-24-102, TCA	58,872 (2)	10,000	Nationwide Mutual Insurance Company
Director of Finance	Weakley County Commission	69,250 (3)	50,000	Auto Owners Insurance Company
County Clerk	Section 8-24-102, TCA	58,872	50,000	"
Circuit Court Clerk	Section 8-24-102, TCA	58,872	50,000	"
Clerk and Master	Section 8-24-102, TCA	58,872	85,000	RLI Insurance Company
Register	Section 8-24-102, TCA	58,872	25,000	Auto Owners Insurance Company
Sheriff	Section 8-24-102, TCA	64,760 (4)	25,000	"
Employee Blanket Bonds:				
County Mayor and Highway Supervisor:			150,000	Local Government Property and Casualty Fund
All Employees			150,000	The Netherlands Insurance Company
Director of Schools:				
All Employees				

- (1) Includes chief executive officer training supplement of \$1,000.
- (2) Does not include certified assessor supplement of \$750.
- (3) Includes \$3,750 for serving as recording secretary for the Health, Education, and Welfare Committee.
- (4) Does not include 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, 2008

	Special Revenue Funds					Debt Service Fund			Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General Debt Service	Community Development/Industrial Park		Highway Capital Projects			
							General	Debt Service				
<b>Local Taxes</b>												
<b>County Property Taxes</b>												
Current Property Tax	\$ 2,512,880	\$ 0	\$ 0	\$ 0	\$ 683,650	\$ 2,228,067	\$ 0	\$ 0	\$ 92,378	\$ 5,516,975		
Trustee's Collections - Prior Year	87,366	0	0	0	24,395	57,525	0	0	3,297	172,583		
Trustee's Collections - Bankruptcy	4,290	0	0	0	1,202	3,250	0	0	162	8,904		
Circuit/Clerk & Master Collections - Prior Years	47,170	0	0	0	13,222	35,735	0	0	1,787	97,914		
Interest and Penalty	17,407	0	0	0	4,987	13,014	0	0	655	36,063		
Payments in-Lieu-of Taxes - T.V.A.	919	0	0	0	0	0	0	0	0	919		
Payments in-Lieu-of Taxes - Other	529,102	0	0	0	0	0	0	0	0	529,102		
<b>County Local Option Taxes</b>												
Local Option Sales Tax	198,900	0	0	0	0	43,870	0	0	0	242,770		
Hotel/Motel Tax	71,804	0	0	0	0	0	0	0	0	71,804		
Wheel Tax	0	0	0	0	899,851	0	0	0	0	899,851		
Litigation Tax - General	163,185	0	0	0	0	0	0	0	0	163,185		
Litigation Tax - Special Purpose	5,804	0	0	0	0	0	0	0	0	5,804		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	48,576	0	0	0	48,576		
Business Tax	172,652	0	0	0	0	0	0	0	0	172,652		
Mineral Severance Tax	0	0	0	0	100,863	0	0	0	0	100,863		
<b>Statutory Local Taxes</b>												
Bank Excise Tax	8,066	0	0	0	2,195	7,117	0	0	297	17,675		
Wholesale Beer Tax	47,822	0	0	0	0	0	0	0	0	47,822		
Interstate Telecommunications Tax	2,142	0	0	0	0	0	0	0	0	2,142		
<b>Total Local Taxes</b>	<b>\$ 3,869,509</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,730,365</b>	<b>\$ 2,437,154</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 98,576</b>	<b>\$ 8,135,604</b>		
<b>Licenses and Permits</b>												
<b>Licenses</b>												
Cable TV Franchise	\$ 38,557	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 38,557		
Permits	570	0	0	0	0	0	0	0	0	570		
Beer Permits	39,127	0	0	0	0	0	0	0	0	39,127		
<b>Total Licenses and Permits</b>	<b>\$ 39,127</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 39,127</b>		

(Continued)

Exhibit K-5

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

	Special Revenue Funds							Debt Service Fund			Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General Debt Service	Community Development / Industrial Park	Highway Capital Projects	Debt Service Fund		Capital Projects Funds			
									General	Debt Service	Community Development / Industrial Park	Highway Capital Projects		
<u>Fines, Forfeitures, and Penalties</u>														
<u>Circuit Court</u>														
Fines	5,690	0	0	0	0	0	0	0	0	0	0	0	0	5,690
Officers Costs	2,140	0	0	0	0	0	0	0	0	0	0	0	0	2,140
Drug Control Fines	0	0	3,816	0	0	0	0	0	0	0	0	0	0	3,816
Drug Court Fees	847	0	0	0	0	0	0	0	0	0	0	0	0	847
Jail Fees	2,935	0	0	0	0	0	0	0	0	0	0	0	0	2,935
District Attorney General Fees	0	0	0	641	0	0	0	0	0	0	0	0	0	641
DUI Treatment Fines	190	0	0	0	0	0	0	0	0	0	0	0	0	190
Data Entry Fee - Circuit Court	131	0	0	0	0	0	0	0	0	0	0	0	0	131
Courtroom Security Fee	32	0	0	0	0	0	0	0	0	0	0	0	0	32
<u>General Sessions Court</u>														
Fines	36,267	0	0	0	0	0	0	0	0	0	0	0	0	36,267
Officers Costs	38,468	0	0	0	0	0	0	0	0	0	0	0	0	38,468
Drug Control Fines	0	0	5,209	0	0	0	0	0	0	0	0	0	0	5,209
Drug Court Fees	9,761	0	0	0	0	0	0	0	0	0	0	0	0	9,761
Jail Fees	104,782	0	0	0	0	0	0	0	0	0	0	0	0	104,782
District Attorney General Fees	0	0	0	10,833	0	0	0	0	0	0	0	0	0	10,833
DUI Treatment Fines	9,895	0	0	0	0	0	0	0	0	0	0	0	0	9,895
Data Entry Fee - General Sessions Court	9,055	0	0	0	0	0	0	0	0	0	0	0	0	9,055
Courtroom Security Fee	724	0	0	0	0	0	0	0	0	0	0	0	0	724
<u>Juvenile Court</u>														
Fines	603	0	0	0	0	0	0	0	0	0	0	0	0	603
Officers Costs	12,530	0	0	0	0	0	0	0	0	0	0	0	0	12,530
Data Entry Fee - Juvenile Court	3,237	0	0	0	0	0	0	0	0	0	0	0	0	3,237
Courtroom Security Fee	258	0	0	0	0	0	0	0	0	0	0	0	0	258
<u>Chancery Court</u>														
Officers Costs	12,970	0	0	0	0	0	0	0	0	0	0	0	0	12,970
Data Entry Fee - Chancery Court	3,019	0	0	0	0	0	0	0	0	0	0	0	0	3,019
Courtroom Security Fee	10	0	0	0	0	0	0	0	0	0	0	0	0	10
<u>Courts in Other District Counties</u>														
District Attorney General Fees	0	0	0	13,837	0	0	0	0	0	0	0	0	0	13,837

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund			Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General Debt Service	Community Development/Industrial Park		Highway Capital Projects			
							General	Debt Service				
<b>Fines, Forfeitures, and Penalties (Cont.)</b>												
Other Fines, Forfeitures, and Penalties												
Proceeds from Confiscated Property												
Other Fines, Forfeitures, and Penalties	0 \$	0 \$	25,265 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	25,265
Total Fines, Forfeitures, and Penalties	9,500	0	0	0	0	0	0	0	0	0	0	9,500
	\$ 263,044	\$ 0	\$ 34,290	\$ 25,311	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 322,645
<b>Charges for Current Services</b>												
General Service Charges												
Convenience Waste Centers Collection Charge	0 \$	8,954 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	8,954
Other General Service Charges	1,380	0	0	0	0	0	0	0	0	0	0	1,380
Service Charges	82,984	0	0	0	0	0	0	0	0	0	0	82,984
Fees												
Telephone Commissions	10,413	0	0	0	0	0	0	0	0	0	0	10,413
Data Processing Fee - Register	12,774	0	0	0	0	0	0	0	0	0	0	12,774
Data Processing Fee - Sheriff	3,716	0	0	0	0	0	0	0	0	0	0	3,716
Sexual Offender Registration Fees - Sheriff	1,740	0	0	0	0	0	0	0	0	0	0	1,740
Other Charges for Services	40,357	0	0	0	0	0	0	0	0	0	0	40,357
Total Charges for Current Services	\$ 153,364	\$ 8,954	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 162,318
<b>Other Local Revenues</b>												
Recurring Items												
Investment Income	0 \$	0 \$	0 \$	0 \$	0 \$	415,981 \$	0 \$	0 \$	0 \$	0 \$	0 \$	415,981
Sale of Materials and Supplies	560	0	0	0	0	0	0	0	0	0	0	560
Refund of Telecommunication & Internet Fees (E-Rate)	1,372	0	0	0	0	0	0	0	0	0	0	1,372
Miscellaneous Refunds	28,495	0	0	0	10,806	0	0	0	0	0	0	39,301
Nonrecurring Items												
Sale of Property	6,958	0	0	0	32,534	0	0	0	0	0	0	39,492
Contributions and Gifts	6,505	0	0	0	0	0	0	0	0	0	0	6,505
Total Other Local Revenues	\$ 43,890	\$ 0	\$ 0	\$ 0	\$ 43,340	\$ 415,981	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 503,211

(Continued)

Exhibit K-5

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

	Special Revenue Funds						Debt Service Fund			Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General Debt Service	Community Development/ Industrial Park		Highway Capital Projects				
<b>Fees Received from County Officials</b>													
<u>Fees in-Lieu-of Salary</u>													
County Clerk	\$ 331,458	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 331,458
Circuit Court Clerk	33,515	0	0	0	0	0	0	0	0	0	0	0	33,515
General Sessions Court Clerk	281,138	0	0	0	0	0	0	0	0	0	0	0	281,138
Clerk and Master	155,382	0	0	0	0	0	0	0	0	0	0	0	155,382
Register	143,826	0	0	0	0	0	0	0	0	0	0	0	143,826
Sheriff	14,360	0	0	0	0	0	0	0	0	0	0	0	14,360
Trustee	368,209	0	0	0	0	0	0	0	0	0	0	0	368,209
<b>Total Fees Received from County Officials</b>	<b>\$ 1,327,888</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,327,888</b>
<b>State of Tennessee</b>													
<u>General Government Grants</u>													
Juvenile Services Program	\$ 279,782	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 279,782
Aging Programs	111,110	0	0	0	0	0	0	0	0	0	0	0	111,110
Solid Waste Grants	0	25,994	0	0	0	0	0	0	0	0	0	0	25,994
<u>Public Safety Grants</u>													
Law Enforcement Training Programs	12,000	0	0	0	0	0	0	0	0	0	0	0	12,000
Other Public Safety Grants	22,822	0	0	0	0	0	0	0	0	0	0	0	22,822
<u>Public Works Grants</u>													
Bridge Program	0	0	0	0	188,936	0	0	0	0	0	0	0	188,936
State Aid Program	0	0	0	0	227,395	0	0	0	0	0	0	0	227,395
Litter Program	0	0	0	0	35,143	0	0	0	0	0	0	0	35,143
<u>Other State Revenues</u>													
Income Tax	85,210	0	0	0	0	0	0	0	0	0	0	0	85,210
Beer Tax	19,312	0	0	0	0	0	0	0	0	0	0	0	19,312
Alcoholic Beverage Tax	57,619	0	0	0	0	0	0	0	0	0	0	0	57,619
Mixed Drink Tax	883	0	0	0	0	0	0	0	0	0	0	0	883
State Revenue Sharing - T.V.A.	317,742	0	0	0	0	317,742	0	0	0	0	0	0	635,484
Emergency Hospital - Prisoners	33,194	0	0	0	0	0	0	0	0	0	0	0	33,194
Prisoner Transportation	802	0	0	0	0	0	0	0	0	0	0	0	802
Contracted Prisoner Boarding	310,870	0	0	0	0	0	0	0	0	0	0	0	310,870

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund			Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General Debt Service	Community Development/Industrial Park		Highway Capital Projects			
							General	Debt Service				
<u>State of Tennessee (Cont.)</u>												
<u>Other State Revenues (Cont.)</u>												
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,963,214	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,963,214	
Petroleum Special Tax	0	0	0	0	28,024	0	0	0	0	0	28,024	
Reappraisal Program Reimbursement	12,552	0	0	0	0	0	0	0	0	0	12,552	
Registrar's Salary Supplement	16,380	0	0	0	0	0	0	0	0	0	16,380	
Other State Grants	82,249	0	0	0	5,561	0	0	0	0	0	87,810	
Other State Revenues	37,475	0	0	0	0	0	0	0	0	0	37,475	
Total State of Tennessee	\$ 1,400,002	\$ 25,994	\$ 0	\$ 0	\$ 2,448,273	\$ 317,742	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,192,011	
<u>Federal Government</u>												
<u>Federal Through State</u>												
USDA - Other	\$ 25,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,000	
Community Development	0	0	0	0	0	0	502,997	0	0	0	502,997	
Civil Defense Reimbursement	15,420	0	0	0	0	0	0	0	0	0	15,420	
Homeland Security Grants	77,436	0	0	0	0	0	0	0	0	0	77,436	
Total Federal Government	\$ 117,856	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 502,997	\$ 0	\$ 0	\$ 0	\$ 620,853	
<u>Other Governments and Citizens Groups</u>												
<u>Other Governments</u>												
Prisoner Board	\$ 8,567	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,567	
Contributions	15,000	0	0	0	0	922,263	29,680	0	0	0	966,943	
Contracted Services	98,787	0	0	0	0	0	0	0	0	0	98,787	
Citizens Groups	0	0	0	0	0	0	43,632	0	0	0	43,632	
Donations	0	0	0	0	0	0	0	0	0	0	0	
Other	105,000	0	0	0	0	64,326	0	0	0	0	169,326	
Total Other Governments and Citizens Groups	\$ 227,354	\$ 0	\$ 0	\$ 0	\$ 0	\$ 986,589	\$ 73,312	\$ 0	\$ 0	\$ 0	\$ 1,287,255	
<u>Total</u>	\$ 7,442,034	\$ 34,948	\$ 34,290	\$ 25,311	\$ 4,221,978	\$ 4,157,466	\$ 576,309	\$ 98,576	\$ 16,590,912			

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, 2008

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,251,959	\$ 0	\$ 0	\$ 3,251,959
Trustee's Collections - Prior Year	106,836	0	0	106,836
Trustee's Collections - Bankruptcy	5,200	0	0	5,200
Circuit/Clerk & Master Collections - Prior Years	57,176	0	0	57,176
Interest and Penalty	21,465	0	0	21,465
Payments in-Lieu-of Taxes - Local Utilities	215,745	0	0	215,745
<u>County Local Option Taxes</u>				
Local Option Sales Tax	3,001,847	0	0	3,001,847
Wheel Tax	128,550	0	0	128,550
<u>Statutory Local Taxes</u>				
Bank Excise Tax	10,439	0	0	10,439
Interstate Telecommunications Tax	4,496	0	0	4,496
<b>Total Local Taxes</b>	<b>\$ 6,803,713</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,803,713</b>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,976	\$ 0	\$ 0	\$ 1,976
<b>Total Licenses and Permits</b>	<b>\$ 1,976</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,976</b>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 113,734	\$ 0	\$ 0	\$ 113,734
Lunch Payments - Children	0	0	753,014	753,014
Lunch Payments - Adults	0	0	79,120	79,120
Income from Breakfast	0	0	71,823	71,823
Receipts from Individual Schools	106,162	0	0	106,162
<b>Total Charges for Current Services</b>	<b>\$ 219,896</b>	<b>\$ 0</b>	<b>\$ 903,957</b>	<b>\$ 1,123,853</b>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 21,006	\$ 21,006
Sale of Materials and Supplies	36,573	0	0	36,573
Refund of Telecommunication & Internet Fees (E-Rate)	34,751	0	0	34,751
Miscellaneous Refunds	91,113	0	374	91,487
<u>Nonrecurring Items</u>				
Sale of Equipment	12,165	0	800	12,965
Damages Recovered from Individuals	2,327	0	0	2,327
Contributions and Gifts	36,723	0	0	36,723
<b>Total Other Local Revenues</b>	<b>\$ 213,652</b>	<b>\$ 0</b>	<b>\$ 22,180</b>	<b>\$ 235,832</b>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 144,468	\$ 0	\$ 0	\$ 144,468
<u>Health and Welfare Grants</u>				
Other Health and Welfare Grants	15,789	0	0	15,789
<u>State Education Funds</u>				
Basic Education Program	20,789,000	0	0	20,789,000
Early Childhood Education	535,816	0	0	535,816

(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>				
School Food Service	\$ 0	\$ 0	\$ 27,181	\$ 27,181
Driver Education	14,170	0	0	14,170
Other State Education Funds	178,573	0	0	178,573
Career Ladder Program	269,480	0	0	269,480
Career Ladder - Extended Contract	202,914	0	0	202,914
Other Vocational	68,296	0	0	68,296
<u>Other State Revenues</u>				
Mixed Drink Tax	19,337	0	0	19,337
Other State Revenues	9,660	0	0	9,660
Total State of Tennessee	\$ 22,247,503	\$ 0	\$ 27,181	\$ 22,274,684
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 941,304	\$ 941,304
Breakfast	0	0	280,761	280,761
USDA - Other	0	0	1,491	1,491
Adult Education State Grant Program	113,325	0	0	113,325
Vocational Education - Basic Grants to States	0	90,290	0	90,290
Title I Grants to Local Education Agencies	0	907,258	0	907,258
Innovative Education Program Strategies	0	8,330	0	8,330
Special Education - Grants to States	16,402	861,430	0	877,832
Special Education Preschool Grants	0	26,289	0	26,289
Safe and Drug-Free Schools - State Grants	0	22,745	0	22,745
Eisenhower Professional Development State Grants	0	238,826	0	238,826
Other Federal through State	492,042	0	0	492,042
Total Federal Government	\$ 621,769	\$ 2,155,168	\$ 1,223,556	\$ 4,000,493
<u>Other Governments and Citizens Groups</u>				
<u>Citizens Groups</u>				
Donations	\$ 8,267	\$ 0	\$ 0	\$ 8,267
Total Other Governments and Citizens Groups	\$ 8,267	\$ 0	\$ 0	\$ 8,267
Total	\$ 30,116,776	\$ 2,155,168	\$ 2,176,874	\$ 34,448,818

Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2008

General Fund

General Government

County Commission

Secretary to Board	\$	6,900	
Board and Committee Members Fees		17,700	
Other Per Diem and Fees		28,725	
Social Security		2,789	
State Retirement		809	
Employer Medicare		758	
Audit Services		7,915	
Travel		4,627	
Contracts for Development Costs		292	
Other Contracted Services		240	
Other Charges		443	
Total County Commission			\$ 71,198

County Mayor/Executive

County Official/Administrative Officer	\$	67,997	
Secretary(ies)		25,947	
Educational Incentive - Other County Employees		50	
Social Security		5,708	
State Retirement		11,025	
Medical Insurance		4,272	
Employer Medicare		1,335	
Communication		2,462	
Dues and Memberships		2,049	
Legal Notices, Recording, and Court Costs		20	
Licenses		17	
Maintenance and Repair Services - Vehicles		3,676	
Postal Charges		250	
Printing, Stationery, and Forms		180	
Travel		2,646	
Gasoline		1,414	
Office Supplies		952	
In Service/Staff Development		600	
Other Charges		277	
Total County Mayor/Executive			130,877

County Attorney

Legal Services	\$	8,858	
Total County Attorney			8,858

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	52,985	
Deputy(ies)		42,675	
Temporary Personnel		3,028	
Other Salaries and Wages		300	
Election Commission		5,475	
Election Workers		18,498	
Social Security		6,225	
State Retirement		9,954	
Medical Insurance		19,774	
Employer Medicare		1,498	
Communication		2,247	
Data Processing Services		3,900	
Dues and Memberships		300	
Legal Notices, Recording, and Court Costs		3,699	
Maintenance and Repair Services - Buildings		99	
Maintenance and Repair Services - Equipment		11,475	
Postal Charges		5,000	
Printing, Stationery, and Forms		18,557	
Rentals		2,084	
Travel		1,507	
Office Supplies		3,162	
In Service/Staff Development		300	
Data Processing Equipment		6,353	
Office Equipment		3,250	
Total Election Commission			\$ 222,345

Register of Deeds

County Official/Administrative Officer	\$	58,872
Deputy(ies)		47,740
Educational Incentive - Other County Employees		300
Social Security		6,395
State Retirement		11,710
Medical Insurance		6,345
Employer Medicare		1,496
Communication		2,699
Dues and Memberships		578
Legal Notices, Recording, and Court Costs		12,773
Postal Charges		717
Printing, Stationery, and Forms		32
Rentals		697

(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.)

Travel	\$	749	
Other Contracted Services		2,445	
Data Processing Supplies		1,282	
Office Supplies		1,470	
Total Register of Deeds			\$ 156,300

County Buildings

Custodial Personnel	\$	46,600	
Social Security		2,753	
State Retirement		4,736	
Medical Insurance		4,181	
Employer Medicare		644	
Maintenance and Repair Services - Buildings		17,077	
Maintenance and Repair Services - Equipment		6,504	
Pest Control		412	
Other Contracted Services		10,888	
Custodial Supplies		4,409	
Electricity		41,922	
Natural Gas		10,439	
Water and Sewer		4,583	
Other Supplies and Materials		1,998	
Building and Contents Insurance		10,840	
Other Charges		1,500	
Building Construction		44,923	
Total County Buildings			214,409

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	65,500	
Accountants/Bookkeepers		128,693	
Custodial Personnel		2,652	
Social Security		11,496	
State Retirement		23,090	
Medical Insurance		15,533	
Employer Medicare		2,689	
Communication		3,584	
Data Processing Services		6,411	
Dues and Memberships		485	
Legal Notices, Recording, and Court Costs		624	
Maintenance and Repair Services - Office Equipment		993	

(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.)

Pest Control	\$	240	
Postal Charges		2,500	
Printing, Stationery, and Forms		5,450	
Rentals		4,100	
Travel		3,944	
Custodial Supplies		798	
Electricity		2,779	
Natural Gas		347	
Office Supplies		5,540	
Water and Sewer		418	
Other Supplies and Materials		4,229	
Premiums on Corporate Surety Bonds		89	
In Service/Staff Development		1,927	
Data Processing Equipment		3,519	
Total Accounting and Budgeting			\$ 297,630

Property Assessor's Office

County Official/Administrative Officer	\$	58,872	
Deputy(ies)		97,123	
Educational Incentive - Other County Employees		7,550	
Board and Committee Members Fees		1,275	
Social Security		9,323	
State Retirement		19,184	
Medical Insurance		16,602	
Employer Medicare		2,180	
Communication		2,841	
Dues and Memberships		1,351	
Legal Notices, Recording, and Court Costs		81	
Maintenance and Repair Services - Office Equipment		93	
Maintenance and Repair Services - Vehicles		804	
Postal Charges		1,288	
Printing, Stationery, and Forms		174	
Rentals		2,394	
Travel		608	
Gasoline		1,373	
Office Supplies		813	
Vehicle and Equipment Insurance		419	
Total Property Assessor's Office			224,348

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Other Salaries and Wages	\$	1,416	
Social Security		81	
State Retirement		166	
Employer Medicare		19	
Communication		347	
Data Processing Services		3,451	
Postal Charges		5,000	
Travel		254	
Other Contracted Services		38,589	
Office Supplies		789	
In Service/Staff Development		600	
Total Reappraisal Program			\$ 50,712

County Trustee's Office

County Official/Administrative Officer	\$	58,872	
Deputy(ies)		48,539	
Temporary Personnel		1,872	
Educational Incentive - Other County Employees		600	
Social Security		6,055	
State Retirement		12,670	
Medical Insurance		18,286	
Employer Medicare		1,416	
Communication		2,563	
Data Processing Services		11,218	
Dues and Memberships		578	
Legal Notices, Recording, and Court Costs		1,059	
Maintenance Agreements		3,885	
Maintenance and Repair Services - Office Equipment		212	
Postal Charges		4,799	
Rentals		651	
Travel		979	
Office Supplies		1,807	
Data Processing Equipment		910	
Total County Trustee's Office			176,971

County Clerk's Office

County Official/Administrative Officer	\$	58,872
Deputy(ies)		120,671
Clerical Personnel		1,350
Temporary Personnel		4,528

(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.)

Social Security	\$	10,307	
State Retirement		21,219	
Medical Insurance		28,144	
Employer Medicare		2,411	
Communication		2,476	
Dues and Memberships		603	
Legal Notices, Recording, and Court Costs		353	
Maintenance Agreements		11,146	
Postal Charges		10,000	
Printing, Stationery, and Forms		2,640	
Rentals		2,960	
Travel		861	
Office Supplies		2,629	
In Service/Staff Development		300	
Data Processing Equipment		2,056	
Total County Clerk's Office	\$		283,526

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	58,872	
Deputy(ies)		86,370	
Temporary Personnel		896	
Board and Committee Members Fees		750	
Jury and Witness Fees		5,793	
Social Security		8,495	
State Retirement		17,037	
Medical Insurance		16,346	
Employer Medicare		1,987	
Communication		2,820	
Dues and Memberships		95	
Legal Notices, Recording, and Court Costs		138	
Printing, Stationery, and Forms		686	
Rentals		3,819	
Travel		50	
Office Supplies		1,913	
Other Supplies and Materials		2,067	
Data Processing Equipment		280	
Total Circuit Court			208,414

(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

Judge(s)	\$	102,288	
Deputy(ies)		57,776	
Social Security		9,219	
State Retirement		16,521	
Medical Insurance		15,528	
Employer Medicare		2,156	
Communication		944	
Dues and Memberships		728	
Postal Charges		3,000	
Printing, Stationery, and Forms		912	
Travel		1,279	
Other Contracted Services		6,600	
Library Books/Media		1,500	
Office Supplies		2,894	
In Service/Staff Development		300	
Data Processing Equipment		15,611	
Total General Sessions Court	\$		237,256

Chancery Court

County Official/Administrative Officer	\$	58,872	
Deputy(ies)		71,082	
Temporary Personnel		1,290	
Social Security		7,919	
State Retirement		15,244	
Medical Insurance		8,287	
Employer Medicare		1,856	
Communication		1,929	
Dues and Memberships		548	
Legal Notices, Recording, and Court Costs		1,078	
Maintenance Agreements		6,667	
Maintenance and Repair Services - Office Equipment		65	
Postal Charges		1,974	
Printing, Stationery, and Forms		2,604	
Rentals		2,120	
Travel		339	
Other Contracted Services		7,720	
Office Supplies		1,610	
Premiums on Corporate Surety Bonds		45	
Office Equipment		3,484	
Total Chancery Court			194,733

(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

Judge(s)	\$	29,020	
Youth Service Officer(s)		39,812	
Social Workers		21,574	
Secretary(ies)		24,409	
Social Security		6,509	
State Retirement		13,468	
Medical Insurance		12,799	
Employer Medicare		1,522	
Communication		268	
Contracts with Other Public Agencies		1,833	
Postal Charges		145	
Travel		751	
Total Juvenile Court			\$ 152,110

District Attorney General

Secretary(ies)	\$	24,033	
Social Security		1,490	
State Retirement		2,819	
Employer Medicare		348	
Total District Attorney General			28,690

Other Administration of Justice

Social Workers	\$	101,024	
Other Salaries and Wages		2,610	
Social Security		6,195	
State Retirement		7,642	
Medical Insurance		8,646	
Employer Medicare		1,449	
Communication		2,506	
Contracts with Other Public Agencies		30,080	
Dues and Memberships		50	
Maintenance and Repair Services - Buildings		350	
Rentals		9,600	
Travel		1,630	
Office Supplies		7,507	
Utilities		3,049	
Other Supplies and Materials		10,121	
Total Other Administration of Justice			192,459

(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

Social Workers	\$	44,087	
Social Security		2,459	
State Retirement		2,385	
Medical Insurance		7,481	
Employer Medicare		575	
Communication		4,000	
Contracts with Other Public Agencies		5,262	
Dues and Memberships		120	
Maintenance and Repair Services - Office Equipment		230	
Maintenance and Repair Services - Vehicles		1,248	
Postal Charges		1,100	
Printing, Stationery, and Forms		46	
Rentals		2,400	
Travel		3,668	
Gasoline		1,765	
Instructional Supplies and Materials		12	
Office Supplies		4,150	
Vehicle and Equipment Insurance		427	
Workers' Compensation Insurance		264	
In Service/Staff Development		492	
Total Probation Services			\$ 82,171

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	64,760
Deputy(ies)		698,944
Accountants/Bookkeepers		49,965
Salary Supplements		12,000
Maintenance Personnel		26,350
Part-time Personnel		26,550
Overtime Pay		724
Social Security		50,523
State Retirement		96,809
Medical Insurance		104,206
Employer Medicare		11,902
Other Fringe Benefits		36,000
Communication		17,984
Dues and Memberships		1,600
Maintenance Agreements		4,220
Maintenance and Repair Services - Equipment		3,964

(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.)

Maintenance and Repair Services - Vehicles	\$	26,271	
Postal Charges		5,729	
Printing, Stationery, and Forms		1,381	
Rentals		10,872	
Travel		18,426	
Other Contracted Services		3,120	
Gasoline		81,122	
Law Enforcement Supplies		7,477	
Office Supplies		6,755	
Uniforms		10,766	
Other Supplies and Materials		12,505	
Vehicle and Equipment Insurance		12,554	
Workers' Compensation Insurance		711	
In Service/Staff Development		5,258	
Other Charges		2,309	
Data Processing Equipment		5,043	
Law Enforcement Equipment		24,165	
Motor Vehicles		89,288	
Total Sheriff's Department			\$ 1,530,253

Traffic Control

Dispatchers/Radio Operators	\$	257,940	
Social Security		15,000	
State Retirement		28,343	
Medical Insurance		35,101	
Employer Medicare		3,508	
Total Traffic Control			339,892

Jail

Supervisor/Director	\$	39,526	
Accountants/Bookkeepers		28,076	
Guards		412,521	
Overtime Pay		5,909	
Social Security		26,936	
State Retirement		50,370	
Medical Insurance		84,969	
Employer Medicare		6,300	
Communication		1,600	
Maintenance and Repair Services - Buildings		10,143	
Maintenance and Repair Services - Equipment		12,743	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Medical and Dental Services	\$	79,769	
Pest Control		900	
Printing, Stationery, and Forms		601	
Rentals		687	
Other Contracted Services		4,934	
Custodial Supplies		10,837	
Drugs and Medical Supplies		14,709	
Electricity		47,051	
Food Supplies		65,258	
Natural Gas		39,653	
Office Supplies		2,091	
Water and Sewer		27,278	
Other Supplies and Materials		7,831	
Building and Contents Insurance		21,728	
Data Processing Equipment		99	
Total Jail			\$ 1,002,519

Correctional Incentive Program Improvements

Contributions	\$	2,000	
Total Correctional Incentive Program Improvements			2,000

Fire Prevention and Control

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

Civil Defense

Supervisor/Director	\$	15,000	
Deputy(ies)		4,894	
Social Security		1,233	
State Retirement		687	
Employer Medicare		288	
Advertising		72	
Communication		2,295	
Dues and Memberships		100	
Maintenance and Repair Services - Equipment		1,331	
Printing, Stationery, and Forms		17	
Travel		452	
Gasoline		2,597	
Office Supplies		391	
Uniforms		101	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Other Supplies and Materials	\$	981	
Vehicle and Equipment Insurance		430	
Communication Equipment		38,136	
Other Equipment		39,301	
Total Civil Defense			\$ 108,306

Rescue Squad

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

County Coroner/Medical Examiner

Other Contracted Services	\$	3,075	
Total County Coroner/Medical Examiner			3,075

Other Public Safety

Supervisor/Director	\$	2,122	
Social Security		132	
State Retirement		249	
Employer Medicare		31	
Other Contracted Services		2,007	
Office Supplies		272	
Total Other Public Safety			4,813

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	45,723	
Social Security		2,304	
State Retirement		4,836	
Medical Insurance		12,241	
Employer Medicare		539	
Communication		4,591	
Contracts with Government Agencies		31,500	
Dues and Memberships		100	
Janitorial Services		10,080	
Maintenance and Repair Services - Buildings		3,445	
Maintenance and Repair Services - Equipment		954	
Pest Control		264	
Postal Charges		3,198	
Rentals		100	
Travel		731	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Disposal Fees	\$	240	
Custodial Supplies		977	
Drugs and Medical Supplies		136	
Electricity		9,370	
Natural Gas		1,428	
Office Supplies		1,483	
Water and Sewer		2,092	
Other Supplies and Materials		322	
Building and Contents Insurance		3,734	
Heating and Air Conditioning Equipment		3,200	
Total Local Health Center	\$		143,588

Ambulance/Emergency Medical Services

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

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		16,543	
Total Other Local Health Services			25,543

General Welfare Assistance

Contracts with Other Public Agencies	\$	15,700	
Other Contracted Services		250	
Total General Welfare Assistance			15,950

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$	21,386	
Social Workers		19,360	
Other Salaries and Wages		22,810	
Social Security		3,089	

(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.)

Adult Activities (Cont.)

State Retirement	\$	4,780	
Medical Insurance		12,572	
Employer Medicare		806	
Communication		1,688	
Contributions		9,648	
Licenses		830	
Postal Charges		400	
Rentals		6,527	
Travel		8,251	
Other Contracted Services		800	
Custodial Supplies		1,842	
Food Supplies		2,640	
Other Supplies and Materials		2,573	
Refund to Applicant for Criminal Investigation		87	
Other Equipment		1,800	
Total Adult Activities			\$ 121,889

Senior Citizens Assistance

Supervisor/Director	\$	21,386	
Social Security		1,297	
State Retirement		2,509	
Employer Medicare		303	
Communication		907	
Postal Charges		100	
Rentals		341	
Travel		574	
Other Contracted Services		2,400	
Custodial Supplies		600	
Food Supplies		1,385	
Office Supplies		326	
Other Supplies and Materials		1,194	
Total Senior Citizens Assistance			33,322

Libraries

Supervisor/Director	\$	30,308	
Clerical Personnel		43,845	
Temporary Personnel		3,444	
Social Security		4,310	
State Retirement		8,698	
Medical Insurance		12,408	

(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.)

Libraries (Cont.)

Employer Medicare	\$	1,008	
Communication		2,572	
Contributions		15,374	
Janitorial Services		3,375	
Licenses		602	
Maintenance and Repair Services - Buildings		4,950	
Maintenance and Repair Services - Equipment		745	
Pest Control		283	
Travel		830	
Other Contracted Services		23,494	
Utilities		6,947	
Building and Contents Insurance		3,845	
Data Processing Equipment		3,533	
Total Libraries			\$ 170,571

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	53,120	
Other Fringe Benefits		12,303	
Communication		4,034	
Travel		1,544	
Data Processing Equipment		2,128	
Total Agriculture Extension Service			73,129

Soil Conservation

Secretary(ies)	\$	24,198	
Social Security		1,076	
State Retirement		2,838	
Medical Insurance		8,467	
Employer Medicare		252	
Total Soil Conservation			36,831

Flood Control

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

Other Operations

Veterans' Services

Assistant(s)	\$	8,103	
Supervisor/Director		23,484	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Social Security	\$	1,958	
State Retirement		2,755	
Employer Medicare		458	
Communication		1,642	
Dues and Memberships		72	
Postal Charges		312	
Travel		694	
Office Supplies		<u>1,237</u>	
Total Veterans' Services	\$		40,715

Other Charges

Dues and Memberships	\$	<u>4,784</u>	
Total Other Charges			4,784

Contributions to Other Agencies

Contributions	\$	297,636	
Airport Improvement		<u>25,000</u>	
Total Contributions to Other Agencies			322,636

Employee Benefits

Unemployment Compensation	\$	<u>9,357</u>	
Total Employee Benefits			9,357

Miscellaneous

Liability Insurance	\$	68,207	
Premiums on Corporate Surety Bonds		743	
Refunds		6,123	
Trustee's Commission		75,622	
Workers' Compensation Insurance		83,981	
Other Charges		<u>544</u>	
Total Miscellaneous			<u>235,220</u>

Total General Fund \$ 7,446,293

Solid Waste/Sanitation Fund

Public Health and Welfare

Recycling Center

Temporary Personnel	\$	5,725	
Communication		188	
Legal Notices, Recording, and Court Costs		100	

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Postal Charges	\$	82	
Travel		108	
Other Contracted Services		25,472	
Custodial Supplies		30	
Electricity		855	
Water and Sewer		193	
Other Supplies and Materials		899	
Solid Waste Equipment		8,348	
Total Recycling Center			\$ 42,000

Other Operations

Employee Benefits

Social Security	\$	355	
State Retirement		310	
Employer Medicare		83	
Total Employee Benefits			748

Total Solid Waste/Sanitation Fund \$ 42,748

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	6,000	
Maintenance and Repair Services - Equipment		420	
Tow-in Services		665	
Trustee's Commission		92	
Other Charges		716	
Data Processing Equipment		5,991	
Total Drug Enforcement			\$ 13,884

Total Drug Control Fund 13,884

District Attorney General Fund

Administration of Justice

District Attorney General

Salary Supplements	\$	11,561	
Dues and Memberships		230	
Travel		856	
Office Supplies		213	
Premiums on Corporate Surety Bonds		113	

(Continued)

Exhibit K-7

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

District Attorney General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

Trustee's Commission	\$	257	
In Service/Staff Development		1,250	
Other Charges		675	
Total District Attorney General			\$ 15,155

Total District Attorney General Fund \$ 15,155

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	64,760	
Secretary to Board		1,800	
Secretary(ies)		26,143	
Board and Committee Members Fees		10,800	
Dues and Memberships		3,109	
Legal Services		565	
Legal Notices, Recording, and Court Costs		296	
Medical and Dental Services		1,603	
Postal Charges		1,021	
Printing, Stationery, and Forms		820	
Rentals		1,970	
Travel		1,833	
Drugs and Medical Supplies		200	
Office Supplies		711	
Other Supplies and Materials		290	
Other Charges		562	
Total Administration			\$ 116,483

Highway and Bridge Maintenance

Foremen	\$	35,772	
Equipment Operators		446,733	
Truck Drivers		334,924	
Laborers		236,906	
Rentals		2,590	
Other Contracted Services		186,171	
Asphalt - Hot Mix		159,558	
Asphalt - Liquid		294,006	
Crushed Stone		213,382	
General Construction Materials		34,102	
Other Road Supplies		14,773	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Pipe	\$	116,619	
Road Signs		11,042	
Small Tools		182	
Other Supplies and Materials		178	
Total Highway and Bridge Maintenance			\$ 2,086,938

Operation and Maintenance of Equipment

Foremen	\$	33,752	
Mechanic(s)		86,891	
Laundry Service		10,191	
Maintenance and Repair Services - Equipment		36,676	
Maintenance and Repair Services - Vehicles		3,441	
Tow-in Services		50	
Diesel Fuel		253,574	
Equipment and Machinery Parts		87,458	
Garage Supplies		7,870	
Gasoline		33,259	
Lubricants		23,632	
Small Tools		1,520	
Tires and Tubes		47,356	
Other Supplies and Materials		1,010	
Total Operation and Maintenance of Equipment			626,680

Litter and Trash Collection

Foremen	\$	10,281	
Truck Drivers		8,058	
Secretary(ies)		5,119	
Social Security		1,264	
State Retirement		1,946	
Employer Medicare		296	
Advertising		4,552	
Litter Enforcement Awards		4,035	
Total Litter and Trash Collection			35,551

Other Charges

Communication	\$	4,812	
Maintenance and Repair Services - Buildings		1,046	
Maintenance and Repair Services - Office Equipment		1,795	
Electricity		14,613	
Natural Gas		7,589	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Water and Sewer	\$	1,225	
Building and Contents Insurance		18,299	
Liability Insurance		10,489	
Trustee's Commission		44,866	
Vehicle and Equipment Insurance		16,020	
Liability Claims		65	
Total Other Charges			\$ 120,819

Employee Benefits

Social Security	\$	73,190	
State Retirement		144,553	
Medical Insurance		188,950	
Unemployment Compensation		2,934	
Employer Medicare		17,117	
Workers' Compensation Insurance		144,176	
Total Employee Benefits			570,920

Capital Outlay

Bridge Construction	\$	219,750	
Highway Equipment		179,000	
State Aid Projects		289,400	
Other Capital Outlay		260,000	
Total Capital Outlay			948,150

Total Highway/Public Works Fund \$ 4,505,541

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	57,000	
Principal on Other Loans		345,000	
Total General Government			\$ 402,000

Highways and Streets

Principal on Notes	\$	249,000	
Total Highways and Streets			249,000

Education

Principal on Bonds	\$	1,800,000	
Principal on Notes		17,513	

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education (Cont.)

Principal on Other Loans	\$ 425,000	
Total Education		\$ 2,242,513

Interest on Debt

General Government

Interest on Notes	\$ 7,326	
Interest on Other Loans	162,828	
Total General Government		170,154

Highways and Streets

Interest on Notes	\$ 51,959	
Total Highways and Streets		51,959

Education

Interest on Bonds	\$ 781,158	
Interest on Other Loans	276,057	
Total Education		1,057,215

Other Debt Service

General Government

Trustee's Commission	\$ 56,132	
Other Debt Service	4,974	
Total General Government		61,106

Education

Other Debt Service	\$ 9,374	
Total Education		9,374

Total General Debt Service Fund		\$ 4,243,321
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Community Development/Industrial Park Fund

Capital Projects

Public Health and Welfare Projects

Contracts with Other Public Agencies	\$ 16,500	
Engineering Services	559,648	
Legal Notices, Recording, and Court Costs	161	
Total Public Health and Welfare Projects		\$ 576,309

Total Community Development/Industrial Park Fund		576,309
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(Continued)

Exhibit K-7

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

<u>Highway Capital Projects Fund</u>		
<u>Highways</u>		
<u>Other Charges</u>		
Trustee's Commission	\$ 2,018	
Total Other Charges		\$ 2,018
 <u>Capital Outlay</u>		
Bridge Construction	\$ 2,382	
Highway Construction	169,562	
Total Capital Outlay		<u>171,944</u>
Total Highway Capital Projects Fund		<u>\$ 173,962</u>
Total Governmental Funds - Primary Government		<u>\$ 17,017,213</u>

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, 2008

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 10,455,716	
Career Ladder Program	160,717	
Career Ladder Extended Contracts	181,250	
Educational Assistants	382,208	
Certified Substitute Teachers	45,885	
Non-certified Substitute Teachers	95,645	
Social Security	649,757	
State Retirement	701,889	
Medical Insurance	1,090,202	
Employer Medicare	153,807	
Other Fringe Benefits	27,440	
Communication	512	
Contracts with Other School Systems	207	
Maintenance and Repair Services - Equipment	2,790	
Printing, Stationery, and Forms	100	
Rentals	65,570	
Other Contracted Services	46,755	
Instructional Supplies and Materials	150,363	
Textbooks	335,865	
Other Supplies and Materials	228,769	
In Service/Staff Development	118,299	
Other Charges	7,000	
Regular Instruction Equipment	456,646	
Other Equipment	15,891	
Total Regular Instruction Program		\$ 15,373,283

Special Education Program

Teachers	\$ 1,194,762
Career Ladder Program	21,000
Educational Assistants	56,541
Speech Pathologist	132,141
Certified Substitute Teachers	1,600
Non-certified Substitute Teachers	13,375
Social Security	82,197
State Retirement	89,815
Medical Insurance	127,655
Employer Medicare	19,224
Contracts with Private Agencies	16,106
Other Contracted Services	12,911

(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.)

Special Education Program (Cont.)

Instructional Supplies and Materials	\$	46,565	
Other Supplies and Materials		2,860	
Special Education Equipment		9,469	
Total Special Education Program			\$ 1,826,221

Vocational Education Program

Teachers	\$	827,367	
Career Ladder Program		17,985	
Other Salaries and Wages		21,460	
Certified Substitute Teachers		5,080	
Non-certified Substitute Teachers		9,525	
Social Security		51,305	
State Retirement		54,245	
Medical Insurance		74,382	
Employer Medicare		12,003	
Communication		613	
Maintenance and Repair Services - Equipment		1,362	
Rentals		1,233	
Other Contracted Services		164	
Animal Food and Supplies		41,367	
Drugs and Medical Supplies		1,654	
Equipment and Machinery Parts		1,638	
Gasoline		2,000	
Instructional Supplies and Materials		26,949	
Office Supplies		27	
Other Supplies and Materials		1,612	
Vehicle and Equipment Insurance		400	
Vocational Instruction Equipment		1,070	
Other Equipment		9,660	
Other Capital Outlay		2,243	
Total Vocational Education Program			1,165,344

Student Body Education Program

Clerical Personnel	\$	6,354	
Certified Substitute Teachers		80	
Non-certified Substitute Teachers		25	
Social Security		307	
State Retirement		745	
Employer Medicare		73	

(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.)

Student Body Education Program (Cont.)

Maintenance and Repair Services - Equipment	\$	413	
Gasoline		1,800	
Vehicle Parts		240	
Vehicle and Equipment Insurance		2,000	
Total Student Body Education Program			\$ 12,037

Adult Education Program

Supervisor/Director	\$	39,872	
Teachers		78,049	
Guidance Personnel		9,470	
Educational Assistants		34,676	
Social Security		8,584	
State Retirement		14,977	
Medical Insurance		18,760	
Employer Medicare		2,167	
Communication		1,086	
Rentals		2,394	
Travel		3,512	
Instructional Supplies and Materials		2,803	
Office Supplies		902	
Other Charges		1,294	
Total Adult Education Program			218,546

Other

Refunds	\$	41,941	
Total Other			41,941

Support Services

Attendance

Supervisor/Director	\$	67,335	
Career Ladder Program		3,000	
Social Security		4,233	
State Retirement		4,389	
Medical Insurance		3,572	
Employer Medicare		990	
Maintenance Agreements		9,080	
Travel		762	
Other Supplies and Materials		1,990	
Total Attendance			95,351

(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.)

Health Services

Teachers	\$	32,110	
Medical Personnel		99,179	
Other Salaries and Wages		12,585	
Social Security		8,355	
State Retirement		11,628	
Medical Insurance		10,616	
Employer Medicare		1,954	
Communication		1,916	
Postal Charges		200	
Printing, Stationery, and Forms		247	
Rentals		1,432	
Travel		7,383	
Other Contracted Services		625	
Other Supplies and Materials		50,759	
Total Health Services			\$ 238,989

Other Student Support

Career Ladder Program	\$	6,000	
Guidance Personnel		504,942	
Certified Substitute Teachers		40	
Non-certified Substitute Teachers		50	
Social Security		30,159	
State Retirement		32,943	
Medical Insurance		36,487	
Employer Medicare		7,054	
Evaluation and Testing		24,547	
Travel		170	
Other Contracted Services		11,966	
Other Supplies and Materials		5,601	
Other Charges		277	
Total Other Student Support			660,236

Regular Instruction Program

Supervisor/Director	\$	273,674	
Career Ladder Program		19,560	
Librarians		387,829	
Social Workers		34,550	
Instructional Computer Personnel		53,053	
Other Salaries and Wages		110,219	

(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.)

Regular Instruction Program (Cont.)

Social Security	\$	50,741	
State Retirement		59,580	
Medical Insurance		61,648	
Employer Medicare		12,147	
Travel		14,467	
Other Contracted Services		1,309	
Library Books/Media		91,647	
Other Supplies and Materials		25,646	
In Service/Staff Development		38,236	
Total Regular Instruction Program			\$ 1,234,306

Alternative Instruction Program

Supervisor/Director	\$	19,660	
Career Ladder Program		1,000	
Educational Assistants		14,275	
Non-certified Substitute Teachers		950	
Social Security		1,975	
State Retirement		1,952	
Medical Insurance		10,368	
Employer Medicare		462	
Communication		613	
Contracts with Other Public Agencies		25,000	
Rentals		897	
Travel		1,262	
Other Supplies and Materials		880	
Total Alternative Instruction Program			79,294

Special Education Program

Supervisor/Director	\$	67,335	
Career Ladder Program		3,000	
Psychological Personnel		128,115	
Clerical Personnel		23,357	
Social Security		13,383	
State Retirement		15,123	
Medical Insurance		7,074	
Employer Medicare		3,130	
Communication		815	
Maintenance and Repair Services - Equipment		5,232	
Postal Charges		769	

(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.)

Special Education Program (Cont.)

Rentals	\$	3,060	
Travel		9,171	
Drugs and Medical Supplies		315	
Office Supplies		4,621	
Other Supplies and Materials		10,154	
In Service/Staff Development		5,381	
Total Special Education Program			\$ 300,035

Vocational Education Program

Clerical Personnel	\$	23,541	
Other Salaries and Wages		2,090	
Certified Substitute Teachers		80	
Non-certified Substitute Teachers		75	
Social Security		1,220	
State Retirement		2,984	
Medical Insurance		7,074	
Employer Medicare		287	
Communication		428	
Maintenance and Repair Services - Equipment		6,972	
Postal Charges		32	
Travel		41,821	
Office Supplies		603	
Other Supplies and Materials		8,571	
In Service/Staff Development		1,976	
Total Vocational Education Program			97,754

Other Programs

Other Salaries and Wages	\$	87,661	
Certified Substitute Teachers		4,400	
Social Security		5,385	
State Retirement		5,464	
Employer Medicare		1,286	
On-Behalf Payments to OPEB		144,468	
Total Other Programs			248,664

Board of Education

Secretary to Board	\$	3,000	
Board and Committee Members Fees		17,100	
Social Security		1,046	

(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.)

Board of Education (Cont.)

State Retirement	\$	352	
Unemployment Compensation		5,400	
Employer Medicare		290	
Audit Services		9,000	
Dues and Memberships		20,742	
Legal Services		11,465	
Legal Notices, Recording, and Court Costs		930	
Travel		5,965	
Excess Risk Insurance		25,000	
Liability Insurance		17,353	
Premiums on Corporate Surety Bonds		3,193	
Trustee's Commission		161,310	
Workers' Compensation Insurance		154,254	
Other Self-Insured Claims		728	
Other Charges		6,000	
Total Board of Education	\$		443,128

Director of Schools

County Official/Administrative Officer	\$	100,370	
Career Ladder Program		1,000	
Accountants/Bookkeepers		27,384	
Secretary(ies)		42,100	
Social Security		10,127	
State Retirement		14,476	
Medical Insurance		10,972	
Employer Medicare		2,378	
Communication		6,790	
Maintenance and Repair Services - Equipment		161	
Postal Charges		3,854	
Printing, Stationery, and Forms		10,632	
Rentals		6,687	
Travel		2,611	
Office Supplies		6,420	
Other Supplies and Materials		8,323	
Total Director of Schools			254,285

Office of the Principal

Principals	\$	661,106	
Career Ladder Program		14,000	

(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.)

Office of the Principal (Cont.)

Secretary(ies)	\$	299,468	
Social Security		56,636	
State Retirement		77,254	
Medical Insurance		89,635	
Employer Medicare		13,246	
Communication		30,730	
Travel		5,878	
Office Supplies		16,556	
Total Office of the Principal			\$ 1,264,509

Operation of Plant

Custodial Personnel	\$	86,353	
Social Security		4,299	
State Retirement		8,155	
Medical Insurance		21,868	
Employer Medicare		1,005	
Maintenance and Repair Services - Equipment		170	
Rentals		7,147	
Disposal Fees		39,031	
Permits		3,510	
Other Contracted Services		804,191	
Custodial Supplies		10,878	
Electricity		794,847	
Natural Gas		303,869	
Water and Sewer		110,473	
Other Supplies and Materials		5,758	
Building and Contents Insurance		111,904	
Furniture and Fixtures		17,196	
Plant Operation Equipment		1,933	
Total Operation of Plant			2,332,587

Maintenance of Plant

Supervisor/Director	\$	45,420	
Secretary(ies)		26,376	
Maintenance Personnel		155,594	
Social Security		12,433	
State Retirement		22,330	
Medical Insurance		38,189	
Employer Medicare		2,908	

(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.)

Maintenance of Plant (Cont.)

Communication	\$	3,414	
Laundry Service		6,226	
Maintenance and Repair Services - Buildings		8,654	
Maintenance and Repair Services - Equipment		16,970	
Pest Control		7,116	
Printing, Stationery, and Forms		140	
Travel		2,752	
Other Contracted Services		543,822	
Equipment and Machinery Parts		68,144	
Garage Supplies		481	
General Construction Materials		26,024	
Office Supplies		537	
Other Supplies and Materials		25,704	
Maintenance Equipment		3,848	
Motor Vehicles		37,676	
Office Equipment		455	
Total Maintenance of Plant			\$ 1,055,213

Transportation

Supervisor/Director	\$	40,670
Mechanic(s)		70,171
Bus Drivers		337,436
Social Security		26,685
State Retirement		48,227
Medical Insurance		21,380
Employer Medicare		6,257
Communication		2,898
Maintenance and Repair Services - Equipment		16,662
Maintenance and Repair Services - Vehicles		23,562
Medical and Dental Services		2,951
Printing, Stationery, and Forms		361
Rentals		1,434
Tow-in Services		2,083
Travel		1,149
Other Contracted Services		3,921
Drugs and Medical Supplies		651
Garage Supplies		982
Gasoline		279,548
General Construction Materials		67

(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.)

Office Supplies	\$	423	
Tires and Tubes		26,160	
Vehicle Parts		76,210	
Other Supplies and Materials		11,090	
Vehicle and Equipment Insurance		49,715	
Transportation Equipment		369,107	
Other Equipment		11,139	
Total Transportation			\$ 1,430,939

Central and Other

Travel	\$	1,466	
Other Contracted Services		910	
Total Central and Other			2,376

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	69,571	
Social Security		4,185	
State Retirement		4,244	
Medical Insurance		3,572	
Employer Medicare		979	
Other Contracted Services		350	
Other Supplies and Materials		34,418	
Other Equipment		4,758	
Total Community Services			122,077

Early Childhood Education

Teachers	\$	241,520	
Educational Assistants		72,779	
Certified Substitute Teachers		240	
Non-certified Substitute Teachers		2,690	
Social Security		17,023	
State Retirement		21,536	
Medical Insurance		56,640	
Employer Medicare		3,985	
Communication		3,830	
Postal Charges		82	
Travel		630	
Other Contracted Services		220	

(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 (Cont.)

Other Supplies and Materials	\$	102,825	
In Service/Staff Development		1,024	
Other Equipment		13,888	
Other Capital Outlay		16,366	
Total Early Childhood Education			\$ 555,278

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	452,756	
Other Capital Outlay		1,650	
Total Regular Capital Outlay			454,406

Other Debt Service

Education

Contributions	\$	531,513	
Total Education			531,513

Total General Purpose School Fund \$ 30,038,312

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	379,840	
Educational Assistants		234,738	
Other Salaries and Wages		8,900	
Certified Substitute Teachers		5,890	
Non-certified Substitute Teachers		17,555	
Social Security		37,291	
State Retirement		48,669	
Medical Insurance		71,328	
Employer Medicare		8,753	
Other Contracted Services		54,785	
Instructional Supplies and Materials		66,214	
Regular Instruction Equipment		12,955	
Total Regular Instruction Program			\$ 946,918

Special Education Program

Teachers	\$	60,355	
Homebound Teachers		22,527	

(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.)

Special Education Program (Cont.)

Educational Assistants	\$	399,528	
Social Security		27,144	
State Retirement		45,687	
Medical Insurance		82,242	
Employer Medicare		6,348	
Contracts with Private Agencies		2,650	
Instructional Supplies and Materials		4,509	
Special Education Equipment		5,300	
Total Special Education Program			\$ 656,290

Vocational Education Program

Teachers	\$	25,128	
Educational Assistants		22,272	
Other Salaries and Wages		500	
Social Security		2,776	
State Retirement		1,599	
Employer Medicare		649	
Travel		3,968	
Other Contracted Services		1,000	
Instructional Supplies and Materials		15,244	
Other Supplies and Materials		957	
In Service/Staff Development		3,161	
Vocational Instruction Equipment		10,132	
Total Vocational Education Program			87,386

Support Services

Health Services

Medical Personnel	\$	41,515	
Social Security		2,133	
State Retirement		3,589	
Medical Insurance		10,614	
Employer Medicare		499	
Drugs and Medical Supplies		15	
Total Health Services			58,365

Other Student Support

Guidance Personnel	\$	12,218	
Other Salaries and Wages		15,199	
Social Security		1,646	

(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.)

Other Student Support (Cont.)

State Retirement	\$	3,134	
Employer Medicare		385	
Evaluation and Testing		2,329	
Travel		2,120	
Other Contracted Services		3,000	
Other Supplies and Materials		3,612	
Other Charges		36,841	
Other Equipment		8,016	
Total Other Student Support			\$ 88,500

Regular Instruction Program

Supervisor/Director	\$	50,267	
Secretary(ies)		27,863	
Social Security		4,450	
State Retirement		6,405	
Medical Insurance		8,353	
Employer Medicare		1,041	
Operating Lease Payments		897	
Travel		5,609	
Other Supplies and Materials		1,263	
In Service/Staff Development		40,788	
Total Regular Instruction Program			146,936

Special Education Program

Clerical Personnel	\$	15,300	
Social Security		815	
State Retirement		1,795	
Medical Insurance		3,648	
Employer Medicare		191	
Travel		63	
Total Special Education Program			21,812

Transportation

Bus Drivers	\$	80,591	
Social Security		4,984	
State Retirement		8,949	
Employer Medicare		1,165	
Gasoline		28,000	
Total Transportation			123,689

(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.)

Principal on Debt

Education

Principal on Notes	\$ 22,764	
Total Education		\$ 22,764

Interest on Debt

Education

Interest on Notes	\$ 2,499	
Total Education		<u>2,499</u>

Total School Federal Projects Fund		\$ 2,155,159
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Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 57,990
Accountants/Bookkeepers	24,762
Cafeteria Personnel	654,462
Maintenance Personnel	25,200
Educational Incentive - Other County Employees	300
Social Security	41,756
State Retirement	69,138
Medical Insurance	139,229
Employer Medicare	9,831
Audit Services	3,000
Communication	5,880
Freight Expenses	14,776
Legal Notices, Recording, and Court Costs	87
Maintenance Agreements	4,940
Maintenance and Repair Services - Equipment	2,910
Pest Control	2,184
Postal Charges	348
Printing, Stationery, and Forms	1,387
Travel	3,055
Other Contracted Services	9,007
Custodial Supplies	1,982
Equipment and Machinery Parts	12,178
Food Supplies	969,604
Office Supplies	9,032
Other Supplies and Materials	106,048
Trustee's Commission	211

(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.)

In Service/Staff Development	\$	3,659	
Food Service Equipment		<u>80,706</u>	
Total Food Service			\$ <u>2,253,662</u>

Total Central Cafeteria Fund \$ 2,253,662

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Contributions	\$	29,680	
Building Improvements		<u>208</u>	
Total Education Capital Projects			\$ <u>29,888</u>

Total Education Capital Projects Fund 29,888

Total Governmental Funds - Weakley County School Department \$ 34,477,021

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, 2008

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,746,029
Total Cash Receipts	<u>\$ 2,746,029</u>
<u>Cash Disbursements</u>	
Remittance of Revenue Collected	\$ 2,327,811
Trustee's Commission	27,468
Contributions	<u>390,750</u>
Total Cash Disbursements	<u>\$ 2,746,029</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2007	<u>0</u>
Cash Balance, June 30, 2008	<u><u>\$ 0</u></u>

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**SINGLE AUDIT SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402

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

May 8, 2009

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, 2008, which collectively comprise Weakley County's basic financial statements and have issued our report thereon dated May 8, 2009. 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: 08.01 and 08.03.

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

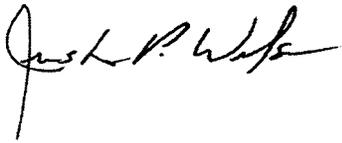
As part of obtaining reasonable assurance about whether Weakley County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 one instance of noncompliance that is required to be reported under Government Auditing Standards and is described in the accompanying Schedule of Findings and Questioned Costs as item 08.02.

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

Weakley County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Weakley County's response and, accordingly, we express no opinion on it.

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 used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a prominent vertical line extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
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

May 8, 2009

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, 2008. 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, 2008.

#### 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

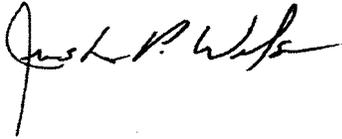
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County as of and for the year ended June 30, 2008, and have issued our report thereon dated May 8, 2009. 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 response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Weakley County's response and, accordingly, we express no opinion on it.

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, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke on the left side.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

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Weakley County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2008

<u>Federal/Pass-through Agency/State Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 132,695 (5)
Rural Economic Development Loans and Grants	10.854	(2)	25,000
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	280,761
National School Lunch Program	10.555	N/A	941,304 (5)
Total U.S. Department of Agriculture			<u>\$ 1,379,760</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)	\$ 502,997
Total U.S. Department of Housing and Urban Development			<u>\$ 502,997</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-08-022821-00	\$ 9,000
Total U.S. Department of Justice			<u>\$ 9,000</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	Z-07-212234-00	\$ 625
Total U.S. Institute of Museum and Library Services			<u>\$ 625</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	Z-08-020841-00	\$ 175,172
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	913,422
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	873,654
Special Education - Preschool Grants	84.173	N/A	26,289
Career and Technical Education - Basic Grants to States	84.048	N/A	160,018
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	22,744
State Grants for Innovative Programs	84.298	N/A	8,280
Reading First State Grants	84.357	GG-05-11254-00	492,042
Improving Teacher Quality State Grants	84.367	N/A	239,785
Total U.S. Department of Education			<u>\$ 2,911,406</u>
U.S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	Z-08-2011327-00	\$ 1,773
Total U.S. Elections Assistance Commission			<u>\$ 1,773</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)	\$ 111,110
Total U.S. Department of Health and Human Services			<u>\$ 111,110</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	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security: Passed-through State Department of Military: Emergency Management Performance Grants	97.042	Z-07-20610-00	\$ 15,420
Homeland Security Grant Program	97.067	(4)	<u>77,436</u>
Total U.S. Department of Homeland Security			<u>\$ 92,856</u>
Total Expenditures of Federal Awards			<u>\$ 5,009,527</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
Coordinated School Health Program - State Department of Health and Human Services	N/A	(2)	\$ 83,370
Courtroom Security Enhancement - Administrative Office of the Courts	N/A	(2)	22,822
Early Childhood Education - State Department of Education	N/A	(2)	535,816
Juvenile Justice and Delinquency Prevention - State Department of Children's Services	N/A	GG-0821615-00	70,782
Litter Grant - State Department of Transportation	N/A	Z-08-021057-00	35,143
Meth Outpatient Treatment Pilot Program - State Office of Criminal Justice Programs	N/A	GG-0712717-00	200,000
Optional Safety Grant - State Department of Transportation	N/A	CPD05012004	5,561
Preventative Health and Human Services - State Department of Health	N/A	Z-08-020394-00	79,851
Tobacco Use Prevention and Cessation Grant - State Department of Health	N/A	(2)	15,789
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	<u>25,994</u>
Total State Grants			<u>\$ 1,075,128</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: \$213,497; GG-07-20700-00: \$289,500.  
(4) GG-07-20819-00: \$39,301; Z-05-025221-00: \$38,135.  
(5) Total for CFDA No. 10.555 is \$1,073,999.

Weakley County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2008

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, 2007, which has not been corrected.

<u>Finding</u> <u>Number</u>	<u>Page</u> <u>Number</u>	<u>Subject</u>
07.02	199	Duties were not segregated adequately in the Offices of Trustee and Register

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**WEAKLEY COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2008**

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**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), the Community Development Block Grants/State's Program (CFDA No. 14.228), the Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$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 response of the register is paraphrased in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

### **OFFICES OF TRUSTEE AND CLERK AND MASTER**

**FINDING 08.01**      **THE OFFICES OF TRUSTEE AND CLERK AND MASTER DID NOT REVIEW SOFTWARE AUDIT LOGS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software applications used by these offices generated daily logs that displayed changes made by users. Since these logs provided the only audit trail of these changes, they should be reviewed daily for inappropriate activity. Because they were not aware of their existence, management did not begin reviewing these logs until several months into the fiscal year. Procedures for reviewing these logs are currently in place.

---

### **OFFICE OF SHERIFF**

**FINDING 08.02**      **THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF DRUG CONTROL FUNDS**  
(Noncompliance Under Government Auditing Standards)

Several forms and reports required by the Comptroller of the Treasury documenting the use of confidential funds were not completed or prepared. These forms and reports are necessary to document the administration of confidential funds and to account for cash transactions related to undercover investigative operations.

- A.      Only one of 44 forms documenting payments to confidential informants had the required signatures of two officers. The signature of the first officer is necessary to document that he made the payment, and the signature of the second officer is necessary to document that he witnessed the payment.
- B.      The office could not document that cash maintained by undercover officers was periodically verified and reconciled with supporting records.

These deficiencies exist because management failed to provide proper oversight, which results in increased risks of fraud and abuse.

## RECOMMENDATION

Payments to informants should be witnessed by a second officer. Documentation should be on file as evidence that cash maintained by undercover agents is periodically verified and reconciled with supporting records.

---

## OTHER FINDING AND RECOMMENDATION

FINDING 08.03      **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. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

## RECOMMENDATION

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

## MANAGEMENT'S RESPONSE – REGISTER

Management is aware of this deficiency. However, due to the number of employees in the Office of Register, it is difficult fully to segregate recordkeeping and receipting. Management will continue to monitor for any problems that could arise from this lack of segregation of duties. However, this finding has never been a problem in efficient bookkeeping or providing good service.

**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, 2008**

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