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# ANNUAL FINANCIAL REPORT WEAKLEY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2011



**ANNUAL FINANCIAL REPORT  
WEAKLEY COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2011**

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

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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, 2011

***Scope***

We have audited the basic financial statements of Weakley County as of and for the year ended June 30, 2011.

***Results***

Our report on Weakley County's financial statements is unqualified. Our audit resulted in no findings.

**BEST PRACTICE**

Weakley County did not have an Audit Committee at June 30, 2011. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted by the governing body to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks. The county established an Audit Committee on November 21, 2011.

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# INTRODUCTORY SECTION

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Weakley County Officials  
June 30, 2011

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**Officials**

Houston Patrick, County Mayor  
Kermit Hopper, Highway Supervisor  
Randy Frazier, Director of Schools  
Marci Floyd, Trustee  
David Tuck, Assessor of Property  
Pat Scarbrough, County Clerk  
Pam Belew, Circuit and General Sessions Courts Clerk  
Susan Collins, Clerk and Master  
Donna Snyder, Register  
Michael Wilson, Sheriff  
Shawn Francisco, Director of Finance

**Board of County Commissioners**

James Westbrook, Jr., Chairman	Dale Overton
Bob Bell	Eric Owen
Joe Farmer	Julia Rich
Scott Fortner	John Salmon
David Hawks	Sam Sinclair
Andy Holt	Roger Stewart
Tommy Jones	Larry Taylor
Kevin McAlpin	Jack Vincent
Michael Medling	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**

Jack Vincent, Chairman  
Randy Frazier, Director of Schools  
Kermit Hopper, Highway Supervisor  
Houston Patrick, County Mayor  
Eric Owen  
Roger Stewart  
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**

January 9, 2012

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, 2011, 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 14 percent and 17 percent, respectively, of the assets and revenues of the aggregate discretely presented component units and the Weakley County Emergency Communications District, which represent 2.5 percent and 1.4 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 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2012, 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.

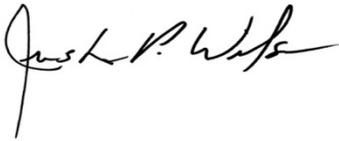
As described in Note V.B., Weakley County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 20 and the budgetary comparison, pension, and other postemployment benefits information on pages 90 through 97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Weakley County's financial statements as a whole. 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 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Weakley County Government (the county), we offer readers of the county's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2011. 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 County Commission and management. The following are key financial highlights.

- ◆ Total assets at year-end were \$103,031,617 and exceeded liabilities by \$63,371,798 (i.e., net assets).
- ◆ Total revenues of the governmental funds were \$15,966,293, a decrease of \$214,052 from fiscal year 2010.
- ◆ Total expenditures of the governmental funds were \$16,450,996, a decrease of \$1,068,945 over fiscal year 2010.

### 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 consists 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 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 ten 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 major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on Exhibits C-1 and C-3 of this report.

**Proprietary fund.** 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 the 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 exceeded liabilities by \$29,303,326 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, 2011, Weakley County had outstanding debt totaling \$17,825,018 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	
	2011	2010	2011	2010	2011	2010
Assets:						
Current and Other						
Assets	\$ 12,576,694	\$ 12,714,346	\$ 12,574,188	\$ 9,147,227	\$ 25,150,882	\$ 21,861,573
Capital Assets	44,326,069	47,516,598	33,554,666	33,488,461	77,880,735	81,005,059
Total Assets	\$ 56,902,763	\$ 60,230,944	\$ 46,128,854	\$ 42,635,688	\$ 103,031,617	\$ 102,866,632
Liabilities:						
Other Liabilities	\$ 6,062,722	\$ 6,097,355	\$ 8,041,245	\$ 4,715,111	\$ 14,103,967	\$ 10,812,466
Long-term Liabilities						
Outstanding	21,536,715	25,364,385	4,019,137	4,405,697	25,555,852	29,770,082
Total Liabilities	\$ 27,599,437	\$ 31,461,740	\$ 12,060,382	\$ 9,120,808	\$ 39,659,819	\$ 40,582,548
Net Assets						
Invested in Capital Assets,						
Net of Related Debt	\$ 40,848,069	\$ 42,708,650	\$ 31,720,342	\$ 31,283,489	\$ 72,568,411	\$ 73,992,139
Restricted	5,854,774	5,943,484	0	0	5,854,774	5,943,484
Unrestricted	(17,399,517)	(19,882,930)	2,348,130	2,231,391	(15,051,387)	(17,651,539)
Total Net Assets	\$ 29,303,326	\$ 28,769,204	\$ 34,068,472	\$ 33,514,880	\$ 63,371,798	\$ 62,284,084

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 (\$5,854,774) 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	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,410,195	\$ 2,172,512	\$ 47,112,925	\$ 41,658,761	\$ 49,523,120	\$ 43,831,273
Operating Grants and Contributions	3,510,752	3,609,854	0	0	3,510,752	3,609,854
Capital Grants and Contributions	459,511	993,461	0	0	459,511	993,461
General Revenues:						
Property Taxes	6,097,298	6,109,747	0	0	6,097,298	6,109,747
Other Taxes	1,818,793	1,785,329	0	0	1,818,793	1,785,329
Grants and Contributions						
Not Restricted to Specific Programs	1,455,907	1,343,539	0	0	1,455,907	1,343,539
Unrestricted Investment						
Earnings	159,994	203,258	94,499	94,191	254,493	297,449
Other	20,732	16,180	1,125	1,246	21,857	17,426
Proceeds from Sale of Capital Assets						
	0	21,325	0	0	0	21,325
<b>Total Revenues</b>	<b>\$ 15,933,182</b>	<b>\$ 16,255,205</b>	<b>\$ 47,208,549</b>	<b>\$ 41,754,198</b>	<b>\$ 63,141,731</b>	<b>\$ 58,009,403</b>
Expenses:						
General Government	\$ 969,317	\$ 910,615	\$ 0	\$ 0	\$ 969,317	\$ 910,615
Finance	1,200,151	1,145,673	0	0	1,200,151	1,145,673
Administration of Justice	1,261,772	1,248,945	0	0	1,261,772	1,248,945
Public Safety	3,425,210	3,456,533	0	0	3,425,210	3,456,533
Public Health and Welfare	448,941	514,300	0	0	448,941	514,300
Social, Cultural, and Recreational Services						
	373,630	366,919	0	0	373,630	366,919
Agriculture and Natural Resources						
	133,384	146,071	0	0	133,384	146,071
Other Operations	561,622	1,008,287	0	0	561,622	1,008,287
Highway/Public Works	6,793,225	6,583,921	0	0	6,793,225	6,583,921
Interest on Long-term Debt						
	510,857	590,860	0	0	510,857	590,860
Other Debt Service	156,468	152,730	0	0	156,468	152,730
Public Utility	0	0	46,219,440	40,010,624	46,219,440	40,010,624
<b>Total Expenses</b>	<b>\$ 15,834,577</b>	<b>\$ 16,124,854</b>	<b>\$ 46,219,440</b>	<b>\$ 40,010,624</b>	<b>\$ 62,054,017</b>	<b>\$ 56,135,478</b>
<b>Transfers</b>	<b>\$ 435,517</b>	<b>\$ 425,663</b>	<b>\$ (435,517)</b>	<b>\$ (425,663)</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Change in Net Assets</b>	<b>\$ 534,122</b>	<b>\$ 556,014</b>	<b>\$ 553,592</b>	<b>\$ 1,317,911</b>	<b>\$ 1,087,714</b>	<b>\$ 1,873,925</b>
Net Assets, July 1	28,769,204	27,745,713	33,514,880	32,196,969	62,284,084	59,942,682
Prior-period Adjustment	0	467,477	0	0	0	467,477
<b>Net Assets, June 30</b>	<b>\$ 29,303,326</b>	<b>\$ 28,769,204</b>	<b>\$ 34,068,472</b>	<b>\$ 33,514,880</b>	<b>\$ 63,371,798</b>	<b>\$ 62,284,084</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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$6,074,384, a decrease of \$49,079 in comparison with the prior year. Of this total amount, \$3,612,085 is restricted with externally enforceable limitations on use, \$1,940,193 is committed by the county legislative body to a specific fund or use, and \$80,729 is assigned for designated usage.

The General Fund is the chief operating fund of the county. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$441,377, while total fund balance was \$667,875. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of the General Fund represents six percent of total General Fund expenditures, while total fund balance represents nine percent of that same amount.

The General Debt Service Fund has a total fund balance of \$4,651,131. The increase in fund balance of \$144,106 from the prior year is due to revenues exceeding 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	\$ 4,697
Finance	23,236
Administration of Justice	(11,767)
Public Safety	(59,033)
Public Health and Welfare	(1,000)
Social, Cultural, and Recreational Services	14,702
Agriculture and Natural Resources	(7,834)
Other Operations	<u>41,949</u>
Total Increase in Budgeted Expenditures	<u><u>\$ 4,950</u></u>

During the year, revenues were less than budgetary estimates; however, expenditures were also significantly less than budgetary estimates, thus reducing 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, 2011, totaled \$44,326,069 (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 \$3,190,529, (net of accumulated depreciation). This decrease was mainly attributable to depreciation expense for the year.

Major capital asset 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 chip spreader.
- ◆ The Board of Education purchased one new special education school bus and food service equipment.

**Long-term debt.** At the end of the current fiscal year, Weakley County had total bonded debt outstanding of \$8,425,000, notes payable of \$15,313, and other loans payable of \$12,862,705. All debt is backed by full faith and credit of the county.

	<u>Governmental Activities</u>
Notes Payable	\$ 15,313
Other Loans Payable	12,862,705
Bonded Debt	<u>8,425,000</u>
Total	<u><u>\$ 21,303,018</u></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 12.4 percent, which is a decrease from a rate of 12.8 percent in June 2011.
- ◆ 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 2012 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, 2011

	Primary Government			Component Units		
	Governmental	Business-type	Total	Weakley	Weakley	Weakley
	Activities	Activities		School	County	County
				Department	Nursing	Emergency
					Home	Communications
						District
<b>ASSETS</b>						
Cash	\$ 1,890	\$ 6,490,666	\$ 6,492,556	\$ 0	\$ 2,335,579	\$ 423,390
Equity in Pooled Cash and Investments	5,380,883	0	5,380,883	3,080,236	0	0
Inventories	0	475,802	475,802	0	74,787	0
Investments	0	0	0	0	0	48,927
Accounts Receivable	41,826	2,956,201	2,998,027	155,277	1,899,282	11,246
Due from Other Governments	881,796	0	881,796	1,831,773	0	0
Due from Component Units	937	0	937	0	0	0
Property Taxes Receivable	6,318,742	0	6,318,742	3,538,037	0	0
Allowance for Uncollectible Property Taxes	(182,448)	0	(182,448)	(102,158)	0	0
Prepaid Items	0	266,304	266,304	0	9,866	5,133
Other Current Assets	0	0	0	0	0	55,618
Other Restricted Assets	0	0	0	0	30,457	0
Deferred Charges - Debt Issuance Costs	133,068	0	133,068	0	0	0
Notes Receivable	0	2,385,215	2,385,215	0	0	0
Capital Assets:						
Assets Not Depreciated:						
Land	1,575,535	518,913	2,094,448	1,935,850	2,371	0
Construction in Progress	0	740,407	740,407	92,107	0	0
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	5,619,296	0	5,619,296	21,798,449	1,199,617	0
Infrastructure	36,217,131	0	36,217,131	0	0	0
Other Capital Assets	914,107	32,295,346	33,209,453	1,029,579	222,120	440,684
<b>Total Assets</b>	<b>\$ 56,902,763</b>	<b>\$ 46,128,854</b>	<b>\$ 103,031,617</b>	<b>\$ 33,359,150</b>	<b>\$ 5,774,079</b>	<b>\$ 984,998</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 11,119	\$ 6,452,326	\$ 6,463,445	\$ 0	\$ 178,905	\$ 8,235
Accrued Payroll	0	0	0	0	41,459	0
Payroll Deductions Payable	0	0	0	0	41,925	0
Accrued Leave	0	563,013	563,013	0	59,734	306
Accrued Interest Payable	52,974	0	52,974	0	0	0
Other Current Liabilities	0	31,814	31,814	0	55,674	0
Current Liabilities Payable from Restricted Assets:						
Customer Deposits Payable	0	994,092	994,092	0	0	0
Deferred Revenue - Current Property Taxes	5,998,629	0	5,998,629	3,358,796	0	0
Noncurrent Liabilities:						
Due Within One Year	3,231,010	274,176	3,505,186	1,558	0	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	18,305,705	3,744,961	22,050,666	517,308	0	0
<b>Total Liabilities</b>	<b>\$ 27,599,437</b>	<b>\$ 12,060,382</b>	<b>\$ 39,659,819</b>	<b>\$ 3,877,662</b>	<b>\$ 377,697</b>	<b>\$ 8,541</b>

(Continued)

Exhibit A

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

	Primary Government			Component Units		
	Governmental	Business-type	Total	Weakley	Weakley	Weakley
	Activities	Activities		School	County	County
				Department	Nursing	Emergency
					Home	Communications
						District
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	\$ 40,848,069	\$ 31,720,342	\$ 72,568,411	\$ 0	\$ 0	\$ 0
Invested in Capital Assets	0	0	0	24,855,985	1,424,108	440,684
Restricted for:						
Solid Waste/Sanitation	20,268	0	20,268	0	0	0
Drug Control	75,037	0	75,037	0	0	0
District Attorney General	106,749	0	106,749	0	0	0
Highway/Public Works	499,752	0	499,752	0	0	0
School Federal Projects	0	0	0	39,057	0	0
Central Cafeteria	0	0	0	713,192	0	0
Debt Service	4,857,885	0	4,857,885	0	0	0
Capital Projects	149,314	0	149,314	233,064	0	0
Other Purposes	145,769	0	145,769	130,657	0	0
Unrestricted	(17,399,517)	2,348,130	(15,051,387)	3,509,533	3,972,274	535,773
Total Net Assets	\$ 29,303,326	\$ 34,068,472	\$ 63,371,798	\$ 29,481,488	\$ 5,396,382	\$ 976,457

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



Exhibit B

Weakley County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets						
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units				Weakley County Emergency Communications District		
				Expenses	Primary Governmental Business-type Activities	Total	Weakley County School Department		Weakley County Nursing Home	
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes				\$ 2,969,295	\$ 0	\$ 2,969,295	\$ 3,408,024	\$ 0	\$ 0	0
Property Taxes Levied for Debt Service				3,128,003	0	3,128,003	0	0	0	0
Local Option Sales Taxes				276,884	0	276,884	3,057,912	0	0	0
Hotel/Motel Tax				108,210	0	108,210	0	0	0	0
Wheel Tax				897,872	0	897,872	128,267	0	0	0
Litigation Tax - General				177,966	0	177,966	0	0	0	0
Business Tax				212,474	0	212,474	0	0	0	0
Mineral Severance Tax				90,530	0	90,530	0	0	0	0
Other Local Taxes				54,857	0	54,857	2,436	0	0	0
Grants and Contributions Not Restricted to Specific Programs				1,455,907	0	1,455,907	20,864,468	0	0	194,887
Unrestricted Investment Income				159,994	94,499	254,493	0	21,394	0	4,562
Miscellaneous				20,732	1,125	21,857	86,548	0	0	801
Gain on Disposal of Property				0	0	0	0	0	0	8,963
Total General Revenues				\$ 9,552,724	\$ 95,624	\$ 9,648,348	\$ 27,547,655	\$ 21,394	\$ 0	209,213
Transfers				\$ 435,517	\$ (435,517)	\$ 0	\$ 0	\$ 0	\$ 0	0
Change in Net Assets				\$ 534,122	\$ 553,592	\$ 1,087,714	\$ (1,763,350)	\$ (58,294)	\$ 0	90,838
Net Assets, July 1, 2010				28,769,204	33,514,880	62,284,084	31,244,838	5,454,676		885,619
Net Assets, June 30, 2011				\$ 29,303,326	\$ 34,068,472	\$ 63,371,798	\$ 29,481,488	\$ 5,396,382	\$ 0	976,457

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, 2011

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,890	\$ 1,890
Equity in Pooled Cash and Investments	195,738	200,957	4,631,099	353,089	5,380,883
Accounts Receivable	23,330	9,421	1,393	7,682	41,826
Due from Other Governments	519,167	355,315	0	7,314	881,796
Due from Other Funds	9,572	0	0	0	9,572
Due from Component Units	937	0	0	0	937
Property Taxes Receivable	2,199,320	857,142	3,258,819	3,461	6,318,742
Allowance for Uncollectible Property Taxes	(63,504)	(23,471)	(94,096)	(1,377)	(182,448)
Total Assets	\$ 2,884,560	\$ 1,399,364	\$ 7,797,215	\$ 372,059	\$ 12,453,198
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 11,119	\$ 11,119
Due to Other Funds	0	0	0	9,572	9,572
Deferred Revenue - Current Property Taxes	2,087,900	817,005	3,093,724	0	5,998,629
Deferred Revenue - Delinquent Property Taxes	35,331	12,290	52,360	1,496	101,477
Other Deferred Revenues	93,454	164,563	0	0	258,017
Total Liabilities	\$ 2,216,685	\$ 993,858	\$ 3,146,084	\$ 22,187	\$ 6,378,814
<u>Fund Balances</u>					
Restricted:					
Restricted for General Government	\$ 16,589	\$ 0	\$ 0	\$ 0	\$ 16,589
Restricted for Finance	3,718	0	0	0	3,718
Restricted for Administration of Justice	41,887	0	0	106,749	148,636
Restricted for Public Safety	83,575	0	0	75,037	158,612
Restricted for Public Health and Welfare	0	0	0	20,268	20,268
Restricted for Debt Service	0	0	3,116,444	0	3,116,444
Restricted for Capital Projects	0	0	0	147,818	147,818
Committed:					
Committed for Highways/Public Works	0	405,506	0	0	405,506
Committed for Debt Service	0	0	1,534,687	0	1,534,687
Assigned:					
Assigned for General Government	640	0	0	0	640
Assigned for Finance	1,193	0	0	0	1,193
Assigned for Administration of Justice	1,687	0	0	0	1,687
Assigned for Public Safety	26,319	0	0	0	26,319
Assigned for Public Health and Welfare	21,098	0	0	0	21,098
Assigned for Social, Cultural, and Recreational Services	410	0	0	0	410
Assigned for Other Operations	29,382	0	0	0	29,382
Unassigned	441,377	0	0	0	441,377
Total Fund Balances	\$ 667,875	\$ 405,506	\$ 4,651,131	\$ 349,872	\$ 6,074,384
Total Liabilities and Fund Balances	\$ 2,884,560	\$ 1,399,364	\$ 7,797,215	\$ 372,059	\$ 12,453,198

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, 2011

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 6,074,384
(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	5,619,296	
Add: infrastructure net of accumulated depreciation	36,217,131	
Add: other capital assets net of accumulated depreciation	<u>914,107</u>	44,326,069
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (15,313)	
Less: other loans payable	(12,862,705)	
Less: bonds payable	(8,425,000)	
Add: deferred amount on refunding	207,368	
Add: deferred charges - debt issuance costs	133,068	
Less: compensated absences payable	(216,080)	
Less: other postemployment benefits liability	(215,706)	
Less: accrued interest on notes and bonds	(52,974)	
Less: other deferred revenue - premium on debt	<u>(9,279)</u>	(21,456,621)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>359,494</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 29,303,326</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, 2011

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 3,494,657	\$ 1,737,185	\$ 3,202,117	\$ 93,474	\$ 8,527,433
Licenses and Permits	24,850	1,925	0	0	26,775
Fines, Forfeitures, and Penalties	169,867	0	0	37,246	207,113
Charges for Current Services	105,891	0	0	0	105,891
Other Local Revenues	57,933	6,424	250,731	9,689	324,777
Fees Received from County Officials	1,279,262	0	0	0	1,279,262
State of Tennessee	1,468,059	2,159,629	391,488	15,191	4,034,367
Federal Government	164,077	0	0	186,168	350,245
Other Governments and Citizens Groups	583,786	0	508,224	18,420	1,110,430
<b>Total Revenues</b>	<b>\$ 7,348,382</b>	<b>\$ 3,905,163</b>	<b>\$ 4,352,560</b>	<b>\$ 360,188</b>	<b>\$ 15,966,293</b>
<u>Expenditures</u>					
Current:					
General Government	\$ 835,886	\$ 0	\$ 0	\$ 0	\$ 835,886
Finance	1,160,130	0	0	0	1,160,130
Administration of Justice	1,115,572	0	0	14,799	1,130,371
Public Safety	3,100,088	0	0	55,279	3,155,367
Public Health and Welfare	388,528	0	0	32,965	421,493
Social, Cultural, and Recreational Services	356,693	0	0	0	356,693
Agriculture and Natural Resources	123,396	0	0	0	123,396
Other Operations	480,373	0	0	696	481,069
Highways	0	3,940,862	0	54,812	3,995,674
Debt Service:					
Principal on Debt	0	0	4,005,153	0	4,005,153
Interest on Debt	0	0	453,710	0	453,710
Other Debt Service	0	0	127,466	0	127,466
Capital Projects	0	0	0	204,588	204,588
<b>Total Expenditures</b>	<b>\$ 7,560,666</b>	<b>\$ 3,940,862</b>	<b>\$ 4,586,329</b>	<b>\$ 363,139</b>	<b>\$ 16,450,996</b>
Excess (Deficiency) of Revenues Over Expenditures					
	\$ (212,284)	\$ (35,699)	\$ (233,769)	\$ (2,951)	\$ (484,703)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 107	\$ 0	\$ 0	\$ 0	\$ 107
Transfers In	151,588	52,726	377,875	6,590	588,779
Transfers Out	0	0	0	(153,262)	(153,262)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 151,695</b>	<b>\$ 52,726</b>	<b>\$ 377,875</b>	<b>\$ (146,672)</b>	<b>\$ 435,624</b>
Net Change in Fund Balances					
	\$ (60,589)	\$ 17,027	\$ 144,106	\$ (149,623)	\$ (49,079)
Fund Balance, July 1, 2010	728,464	388,479	4,507,025	499,495	6,123,463
<b>Fund Balance, June 30, 2011</b>	<b>\$ 667,875</b>	<b>\$ 405,506</b>	<b>\$ 4,651,131</b>	<b>\$ 349,872</b>	<b>\$ 6,074,384</b>

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, 2011

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)		\$ (49,079)
(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	\$ 501,656	
Less: current-year depreciation expense	<u>(3,684,514)</u>	(3,182,858)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: trade-in of capital asset		(7,671)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2011	\$ 359,494	
Less: deferred delinquent property taxes and other deferred June 30, 2010	<u>(394,538)</u>	(35,044)
(4) The issuance of long-term debt (e.g., notes, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: change in premium on debt issuances	\$ 1,933	
Less: change in deferred debt issuance costs	(29,002)	
Add: principal payments on notes	937,153	
Add: principal payments on other loans	2,073,000	
Add: principal payments on bonds	995,000	
Less: change in deferred amount on refunding debt	<u>(67,253)</u>	3,910,831
(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 the governmental funds.		
Change in accrued interest payable	\$ 10,106	
Change in compensated absences payable	(11,674)	
Change in other postemployment benefits liability	<u>(100,489)</u>	<u>(102,057)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 534,122</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, 2011

	Business-type Activities
	<u>Major Fund</u>
	Weakley County Municipal Electric System
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 6,490,666
Inventories	475,802
Accounts Receivable	2,956,201
Prepaid Items	266,304
Total Current Assets	<u>\$ 10,188,973</u>
Noncurrent Assets:	
Notes Receivable	\$ 2,385,215
Capital Assets:	
Assets Not Depreciated:	
Land	518,913
Construction in Progress	740,407
Assets Net of Accumulated Depreciation:	
Other Capital Assets	32,295,346
Total Noncurrent Assets	<u>\$ 35,939,881</u>
Total Assets	<u>\$ 46,128,854</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 6,452,326
Accrued Leave	563,013
Other Current Liabilities	31,814
Current Liabilities Payable from Restricted Assets:	
Customer Deposits Payable	994,092
Total Current Liabilities	<u>\$ 8,041,245</u>
Noncurrent Liabilities:	
Due Within One Year	\$ 274,176
Due in More Than One Year	3,744,961
Total Noncurrent Liabilities	<u>\$ 4,019,137</u>
Total Liabilities	<u>\$ 12,060,382</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 31,720,342
Unrestricted	2,348,130
Total Net Assets	<u>\$ 34,068,472</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, 2011

	Business-type Activities
	<u>Major Fund</u>
	Weakley County Municipal <u>Electric System</u>
<u>Operating Revenues</u>	
<u>Sale of Electric Energy</u>	
Residential and Rural	\$ 26,744,341
Small Commercial	4,354,881
Large Commercial	13,881,332
Street and Outdoor Lighting	1,145,648
<u>Other Electric Revenues</u>	
Consumer Forfeited Discounts	332,390
Rent from Electric Property	504,215
Service Charge - Meter Sets	84,003
Miscellaneous	66,115
Total Operating Revenues	<u>\$ 47,112,925</u>
<u>Operating Expenses</u>	
Purchased Power	\$ 39,259,527
<u>Operation Expense</u>	
<u>Transmission Expense</u>	
Overhead Wire Expense	4,001
Station Expense	24,729
<u>Distribution Expense</u>	
Supervision and Engineering	129,939
Station Expense	33,475
Overhead Line Expense	684,267
Underground Line Expense	42,648
Street Lighting and Signal Systems	7,685
Removing and Resetting Meters	169,654
Services on Customers' Premises	52,763
Miscellaneous Distribution Expense	11,907
Rents	21,837
<u>Customer Accounts Expense</u>	
Supervision and Accounting	18,259
Meter Reading	218,857
Records and Collection	679,598
<u>Customer Service and Sales Expense</u>	
Supervision	12,183
Customer Assistance	35,155
Miscellaneous Sales Expense	107,771
<u>Administrative and General Expense</u>	
Salaries	287,930
Office Supplies and Expense	111,948
Outside Services	47,680
Insurance	51,076

(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>	
Injuries and Damages	\$ 162,965
Employee Pension and Benefits	592,100
Dues	39,403
Miscellaneous	27,214
<u>Maintenance Expense</u>	
<u>Transmission Maintenance</u>	
Station Equipment	3,494
Overhead Lines	23,446
<u>Distribution Maintenance</u>	
Station Equipment	27,414
Overhead Lines	826,358
Underground Lines	13,300
Line Transformers and Devices	103,266
Street Lights and Signal Systems	11,746
Meters	32,107
Security Lights	33,599
Miscellaneous	14,315
<u>Administrative and General Maintenance</u>	
Structures and Improvements	80,804
Communications Equipment	9,636
Fiber Optic	1,985
Depreciation and Amortization	1,696,191
Tax Equivalent	332,460
Payroll Taxes	82,781
Total Operating Expenses	<u>\$ 46,127,473</u>
Operating Income	<u>\$ 985,452</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 94,499
Miscellaneous Non-operating Income	1,125
Interest on Long-term Debt	(91,967)
Total Nonoperating Revenues (Expenses)	<u>\$ 3,657</u>
Income Before Transfers	\$ 989,109
Transfers In (Out)	<u>(435,517)</u>
Change in Net Assets	\$ 553,592
Net Assets, July 1, 2010	<u>33,514,880</u>
Net Assets, June 30, 2011	<u><u>\$ 34,068,472</u></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, 2011

	Business-type Activities
	<u>Major Fund</u>
	<u>Weakley County Municipal Electric System</u>
<u>Cash Flows from Operating Activities</u>	
Cash Received from Customers	\$ 47,057,805
Cash Payments to Suppliers for Goods and Services	(37,943,018)
Cash Payments to Employees for Services	(2,935,875)
Net Cash Advanced on Conservation Loans Receivable	(108,585)
Net Cash Proceeds from Conservation Loans Payable	107,088
Net Cash Provided By (Used In) Operating Activities	<u>\$ 6,177,415</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Miscellaneous Non-operating Income	\$ 1,125
Transfers to Other Funds	(435,517)
Payments of USDA Loan Payable	(92,500)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (526,892)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Additions to Plant	\$ (1,770,405)
Removal Cost	(189,966)
Interest Paid on Long-term Debt	(91,967)
Principal Paid on Long-term Debt	(370,648)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (2,422,986)</u>
<u>Cash Flows from Investing Activities</u>	
Interest Received	\$ 94,499
Payments Received on Notes Receivable	137,500
Net Cash Provided By (Used In) Investing Activities	<u>\$ 231,999</u>
Net Increase in Cash	\$ 3,459,536
Cash, July 1, 2010	<u>3,031,130</u>
Cash, June 30, 2011	<u>\$ 6,490,666</u>

(Continued)

Exhibit D-3

Weakley County, Tennessee  
Statement of Cash Flows  
Proprietary Fund (Cont.)

	Business-type Activities
	<u>Major Fund</u>
	<u>Weakley County Municipal Electric System</u>
<u>Reconciliation of Operating Income to</u>	
<u>Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income	\$ 985,452
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Depreciation and Amortization	1,819,082
Amortization of Prepaid Purchased Power	130,500
Change In:	
Accounts Receivable	(141,513)
Rents Receivable	(1,672)
Material and Supplies	82,658
Prepayments	8,441
Conservation Loans Receivable	(108,585)
Other Current Assets	330
Accounts Payable	3,190,178
Customer Deposits	88,065
Accrued Salaries and Leave	43,406
Other Current and Accrued Liabilities	4,485
Conservation Loans Payable	107,088
Deferred Credits	(30,500)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 6,177,415</u>
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Cash per Net Assets	<u>\$ 6,490,666</u>
Cash, June 30, 2011	<u>\$ 6,490,666</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, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,104,605
Equity in Pooled Cash and Investments	427,553
Accounts Receivable	125
Due from Other Governments	<u>461,089</u>
Total Assets	<u>\$ 1,993,372</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 464,696
Due to Litigants, Heirs, and Others	1,097,580
Due to Joint Ventures	<u>431,096</u>
Total Liabilities	<u>\$ 1,993,372</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, 2011**

**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.

**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, 2011.

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 special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

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

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

**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.

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

**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; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds (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.

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.5 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 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 service with the government. 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 and other postemployment benefits, 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, 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, 2011, Weakley County had \$17,825,018 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 fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on

the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county’s Budget Committee and the Board of Education are authorized bodies to make assignments.

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

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net 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 with 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 with 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 primary government's General Capital Projects and Community Development/Industrial Park funds, and the School Department's Education Capital Projects Fund (capital projects funds), which adopt 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 County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer

appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2011, Weakley County and the Weakley County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government:		
Major Fund:		
Highway	Bridge Construction	\$ 135,853
"	State Aid Road Construction	296,215
School Department:		
Major Fund:		
General Purpose School	School Buses	182,072
Nonmajor Fund:		
Education Capital Projects	Energy Efficiency Improvements	1,821,295

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Weakley County (excluding the Weakley County Municipal Electric System, enterprise fund) and the Weakley County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

**Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf

of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

### **Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2011, 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

Investment	Maturity	Cost
State Treasurer's Investment Pool	Daily	\$ 210

**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, 2011, 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, 2011, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 1,575,535	\$ 0	\$ 0	\$ 1,575,535
Total Capital Assets Not Depreciated	\$ 1,575,535	\$ 0	\$ 0	\$ 1,575,535
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,699,312	\$ 0	\$ 0	\$ 12,699,312
Infrastructure	71,830,806	200,710	0	72,031,516
Other Capital Assets	4,072,025	300,946	(27,075)	4,345,896
Total Capital Assets Depreciated	\$ 88,602,143	\$ 501,656	\$ (27,075)	\$ 89,076,724

**Governmental Activities (Cont.):**

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,634,804	\$ 445,212	\$ 0	\$ 7,080,016
Infrastructure	32,924,765	2,889,620	0	35,814,385
Other Capital Assets	3,101,511	349,682	(19,404)	3,431,789
Total Accumulated Depreciation	<u>\$ 42,661,080</u>	<u>\$ 3,684,514</u>	<u>\$ (19,404)</u>	<u>\$ 46,326,190</u>
Total Capital Assets Depreciated, Net	<u>\$ 45,941,063</u>	<u>\$ (3,182,858)</u>	<u>\$ (7,671)</u>	<u>\$ 42,750,534</u>
Governmental Activities Capital Assets, Net	<u>\$ 47,516,598</u>	<u>\$ (3,182,858)</u>	<u>\$ (7,671)</u>	<u>\$ 44,326,069</u>

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

**Governmental Activities:**

General Government	\$ 71,063
Finance	14,183
Administration of Justice	21,448
Public Safety	397,226
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>3,140,553</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,684,514</u>

**Discretely Presented Weakley County School Department**

**Governmental Activities:**

	Balance 7-1-10	Increases	Balance 6-30-11
Capital Assets Not Depreciated:			
Land	\$ 1,935,850	\$ 0	\$ 1,935,850
Construction in Progress	0	92,107	92,107
Total Capital Assets Not Depreciated	<u>\$ 1,935,850</u>	<u>\$ 92,107</u>	<u>\$ 2,027,957</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 61,353,539	\$ 0	\$ 61,353,539
Other Capital Assets	5,349,284	123,504	5,472,788
Total Capital Assets Depreciated	<u>\$ 66,702,823</u>	<u>\$ 123,504</u>	<u>\$ 66,826,327</u>
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 37,803,375	\$ 1,751,715	\$ 39,555,090
Other Capital Assets	3,865,790	577,419	4,443,209
Total Accumulated Depreciation	<u>\$ 41,669,165</u>	<u>\$ 2,329,134</u>	<u>\$ 43,998,299</u>
Total Capital Assets Depreciated, Net	<u>\$ 25,033,658</u>	<u>\$ (2,205,630)</u>	<u>\$ 22,828,028</u>
Governmental Activities Capital Assets, Net	<u>\$ 26,969,508</u>	<u>\$ (2,113,523)</u>	<u>\$ 24,855,985</u>

There were no decreases in capital assets to report. Depreciation expense was charged to functions of the discretely presented Weakley County School Department as follows:

**Governmental Activities:**

Instruction	\$ 1,389,976
Support Services	768,457
Operation of Non-Instructional Services	<u>170,701</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,329,134</u></u>

**C. Construction Commitments**

At June 30, 2011, the Highway/Public Works Fund had uncompleted construction contracts of \$135,853 for bridge construction and \$296,215 for state aid road construction. Also, the discretely presented Weakley County School Department had uncompleted construction contracts for energy efficiency improvements of approximately \$1,821,295 in the Education Capital Projects Fund. Funding for these future expenditures is expected to be provided from available fund balances and state grant funds.

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

The composition of interfund balances as of June 30, 2011, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Nonmajor governmental	\$ 9,572
Discretely Presented School Department: Nonmajor governmental	General Purpose School	159,500

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

The receivable in the discretely presented nonmajor governmental fund of \$159,500 was in transit from the General Purpose School Fund at June 30, 2011.

**Due to/from primary government and component unit:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Component Unit: Weakley County Nursing Home	\$ 937

The due from component unit balance in the General Fund was in transit from the Weakley County Nursing Home at June 30, 2011.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2011, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In			
	General Fund	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor Governmental Funds
Public Utility Fund	\$ 151,588	\$ 52,726	\$ 224,613	\$ 6,590
Nonmajor governmental funds	0	0	153,262	0
<b>Total</b>	<b>\$ 151,588</b>	<b>\$ 52,726</b>	<b>\$ 377,875</b>	<b>\$ 6,590</b>

**Discretely Presented Weakley County School Department**

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 159,500
School Federal Projects Fund	3,956	0
<b>Total</b>	<b>\$ 3,956</b>	<b>\$ 159,500</b>

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 and other loans 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 13 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, 2011, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
General Obligation Bond -			
School Refunding	2 to 4 %	\$ 17,125,000	\$ 8,425,000
Capital Outlay Notes	0	183,697	15,313
Other Loans	variable	23,609,705	12,862,705

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, 2011, the variable interest rate was .16 percent based on the BOA rate, and other fees totaled .4 percent 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, 2011, the variable interest rate was .09 percent based on the LIBOR rate, and other fees totaled .5 percent of the outstanding loan principal.

During 2008-09, Weakley County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned Weakley County \$5,870,000. 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, 2011, the variable interest rate was .09 percent based on the BOA rate, and other fees totaled .3 percent of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2011, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 1,100,000	\$ 322,258	\$ 1,422,258
2013	1,220,000	283,758	1,503,758
2014	1,745,000	239,838	1,984,838
2015	1,860,000	174,400	2,034,400
2016	2,500,000	100,000	2,600,000
Total	\$ 8,425,000	\$ 1,120,254	\$ 9,545,254

Year Ending June 30	Notes	
	Principal	Total
2012	\$ 10,205	\$ 10,205
2013	5,108	5,108
Total	\$ 15,313	\$ 15,313

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2012	\$ 2,110,000	\$ 14,011	\$ 57,149	\$ 2,181,160
2013	2,148,000	11,815	49,423	2,209,238
2014	989,000	9,570	41,284	1,039,854
2015	1,031,000	8,351	36,809	1,076,160
2016	1,075,000	7,077	32,148	1,114,225
2017-2021	4,193,000	17,115	90,159	4,300,274
2022-2023	1,316,705	1,761	10,885	1,329,351
Total	\$ 12,862,705	\$ 69,700	\$ 317,857	\$ 13,250,262

There is \$4,651,131 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$241, based on the 2010 federal census. Debt per capita, including bonds, notes, and other loans totaled \$608, based on the 2010 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, 2011, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2010	\$ 9,420,000	\$ 952,466
Deductions	<u>(995,000)</u>	<u>(937,153)</u>
Balance, June 30, 2011	<u>\$ 8,425,000</u>	<u>\$ 15,313</u>
Balance Due Within One Year	<u>\$ 1,100,000</u>	<u>\$ 10,205</u>

	<u>Other Loans</u>	<u>Compensated Absences</u>
Balance, July 1, 2010	\$ 14,935,705	\$ 204,406
Additions	0	309,111
Deductions	<u>(2,073,000)</u>	<u>(297,437)</u>
Balance, June 30, 2011	<u>\$ 12,862,705</u>	<u>\$ 216,080</u>
Balance Due Within One Year	<u>\$ 2,110,000</u>	<u>\$ 10,805</u>

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2010	\$ 115,217
Additions	116,274
Deductions	<u>(15,785)</u>
Balance, June 30, 2011	<u>\$ 215,706</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 21,734,804
Less: Balance Due Within One Year	(3,231,010)
Less: Deferred Amount on Refunding	(207,368)
Add: Deferred Revenue - Premium on Debt	<u>9,279</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 18,305,705</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**

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Weakley County School Department for the year ended June 30, 2011, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2010	\$ 31,344	\$ 466,618
Additions	29,371	245,109
Deductions	(29,573)	(224,003)
	<hr/>	<hr/>
Balance, June 30, 2011	\$ 31,142	\$ 487,724
	<hr/>	<hr/>
Balance Due Within One Year	\$ 1,558	\$ 0
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 518,866
Less: Balance Due Within One Year	<u>(1,558)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 517,308</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 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 12-year pledge of sales tax for detention center and law enforcement complex debt retirement ended on August 31, 2010.

Beginning September 1, 2010, the aforementioned sales tax agreement was modified and extended for an indefinite period of time to allow for the repayment of monies contributed to the Weakley County Economic Development Board that had been made by the General Fund during the period of July 1, 2005, through June 30, 2010. Through this modification, the cities of Martin, Dresden, Gleason, Greenfield, and Sharon pledged to pay back to the General Fund the portions noted in the table below:

Martin	\$ 301,000
Dresden	82,000
Gleason	42,000
Greenfield	63,000
Sharon	28,000

Per this modification, the cities waived a similar portion of their sales tax to go toward this repayment. The waiver of monthly sales tax amounts cannot exceed the amount the cities were waiving under the prior agreement. During the period, the City of Greenfield elected to pay their allotted amount back in a lump sum. Subsequently, the City of Martin retired their pledge in September 2011, and the City of Dresden retired their pledge in December 2011. The remaining cities of Gleason and Sharon are still waiving some of their sales tax in compliance with this modified agreement.

This increase in local option sales tax resulted in the payment of \$359,840 in sales tax collections under these agreements to the General and General Debt Service funds for the year ended June 30, 2011.

**G. On-Behalf Payments**

**Primary Government**

The State of Tennessee pays health insurance premiums for some retired employees on-behalf of Weakley County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2011, were \$470. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

**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, 2011, were \$122,357 and \$34,863, 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 \$1,800,000 from the General Debt Service Fund to provide temporary operating funds for the General (\$1,000,000) and Highway/Public Works (\$800,000) funds. These loans were retired prior to June 30, 2011, 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, 2011, was as follows:

	Balance 7-1-10	Issued	Paid	Balance 6-30-11
Tax Anticipation Notes	\$ 0	\$ 1,800,000	\$ (1,800,000)	\$ 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 (LWCF), 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 LWCF for its workers' compensation insurance coverage. The LWCF is to be self-sustaining through member premiums. The LWCF 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**

#### Liability, Property, Casualty, and Workers' Compensation Insurance

The Weakley County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and worker's compensation insurance coverage. The creation of 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 Change**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be

spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Weakley County and the Weakley County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

**C. Subsequent Events**

On August 11, 2011, the county's General Debt Service Fund issued a \$1,000,000 tax anticipation note to the General Fund and a \$750,000 tax anticipation note to the Highway/Public Works Fund for temporary operating funds.

On September 19, 2011, the County Commission adopted a resolution establishing an Audit Committee for Weakley County. On November 21, 2011, this committee was formed with the appointment of a county commissioner and two Weakley County citizens.

**D. Contingent Liabilities**

In a prior year, Weakley County issued \$2,489,056 in capital outlay notes for benefit of the Weakley County Municipal Electric System (enterprise fund) to assist in financing the cost of acquiring capital assets. The liability for these notes has not been reflected in the county's governmental activities long-term debt schedule since they are to be retired by the Weakley County Municipal Electric System. Weakley County will be contingently liable for the notes and the interest thereon in the event of default by the electric system. As of June 30, 2011, future principal requirements were \$1,834,324, and future interest requirements were \$393,804.

The attorney representing the Weakley County Board of Education has 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; however, this ruling was appealed. The parties agreed to submission of evidence and written briefs instead of a live trial and are now waiting on the court to rule. The financial exposure to the county cannot be reasonably estimated in the event of an adverse judgment.

We were also advised that the director and assistant director of schools are represented by insurance counsel in a wrongful termination and defamation claim. A motion to dismiss was granted in this matter and was appealed. A ruling from the Court of Appeals is pending.

The county attorney advised that Weakley County is a defendant in a case that alleges wrongful death of an employee of a contracted custodial service due to the existence of mold in a school. Weakley County does not have

insurance coverage for this lawsuit. The matter should be subject to the limits of the Tennessee Governmental Tort Liability Act should Weakley County be determined to have liability in this case. A motion to dismiss the case is currently pending in court, and the attorney advised that Weakley County has a viable defense to the lawsuit.

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.

**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, 2011, 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 \$75,000 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 \$72,600 to the Weakley County Economic Development Board during the year.

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**

**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/PS/>.

## Funding Policy

Weakley has adopted a noncontributory 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, 2011, was 12.06 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

## Annual Pension Cost

For the year ended June 30, 2011, the county's annual pension cost of \$1,291,000 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, 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 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was eight years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

### Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	\$1,291,000	100%	\$0
6-30-10	1,156,854	100	0
6-30-09	1,165,580	100	0

## Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 90.43 percent funded. The actuarial accrued liability for benefits was \$25 million, and the actuarial value of assets was \$23 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2 million. The covered payroll (annual payroll of active employees covered by the plan) was

\$10 million, and the ratio of the UAAL to the covered payroll was 23.34 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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. Cost of living adjustments (COLA) are provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew

Jackson Building, Nashville, TN 37243-0230, or can be accessed at [www.tn.gov/treasury/tcrs/Schools](http://www.tn.gov/treasury/tcrs/Schools).

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2011, 2010, and 2009 were \$1,492,238, \$1,029,280, and \$1,033,673, 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 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 8-27-302, *Tennessee Code Annotated (TCA)*, for teachers or Section 8-27-207, *TCA*, for local governments. In previous fiscal years, prior to reaching the age of 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed, and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.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 a 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, 2011, Weakley County and the discretely presented Weakley County School Department contributed \$15,785 and \$224,003, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 116,000	\$ 244,000
Interest on the NPO	5,185	20,998
Adjustment to the ARC	(4,911)	(19,889)
Annual OPEB cost	\$ 116,274	\$ 245,109
Less: Amount of contribution	(15,785)	(224,003)
Increase/decrease in NPO	\$ 100,489	\$ 21,106
Net OPEB obligation, 7-1-10	115,217	466,618
Net OPEB obligation, 6-30-11	\$ 215,706	\$ 487,724

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Local Government Group	\$ 28,193	67%	\$ 18,218
6-30-10	"	112,043	13	115,217
6-30-11	"	116,274	14	215,706
6-30-09	Local Education Group	362,082	37	445,267
6-30-10	"	235,058	91	466,618
6-30-11	"	245,109	91	487,724

Funding Status and Funding Progress

The funded status of the plans as of July 1, 2010, were as follows:

	Government Group Plan	Education Group Plan
Actuarial valuation date	7-1-10	7-1-10
Actuarial accrued liability (AAL)	\$ 943,000	\$ 2,708,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 943,000	\$ 2,708,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 3,743,955	\$ 18,842,570
UAAL as a % of covered payroll	25%	14%

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

#### Actuarial Methods and Assumptions

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

In the July 1, 2010, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Plan was ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. All 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 the director 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. *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 an 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.

**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, 2011, was \$62,380.

**c. Inventories**

The electric system uses a perpetual inventory system and has actual physical counts annually. 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, 2011, was \$1,657,463, and \$122,891 cleared through other accounts, for a total accrual of \$1,780,354. 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, 2011, was \$38,728.

**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, 2011, was \$21,837.

**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.A.(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 or 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, 2011, 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. For the year ended June 30, 2011,

the electric system received credit of \$130,500 for prepaid purchased power.

**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, 2011, was \$435,517. An additional \$243,853 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 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Transmission Plant Land	\$ 100,307	\$ 0	\$ 0	\$ 100,307
Distribution Plant Land	111,975	0	0	111,975
General Plant Land	306,131	500	0	306,631
Construction in Progress	680,512	59,895	0	740,407
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 1,198,925</b>	<b>\$ 60,395</b>	<b>\$ 0</b>	<b>\$ 1,259,320</b>
Capital Assets Depreciated:				
Transmission Plant	\$ 4,836,710	\$ 15,349	\$ (14,105)	\$ 4,837,954
Distribution Plant	40,914,395	1,045,156	(328,323)	41,631,228
General Plant	12,169,906	649,505	(285,349)	12,534,062
Electric Plant Acquisition Adjustment	287,054	0	(38,728)	248,326
<b>Total Capital Assets Depreciated</b>	<b>\$ 58,208,065</b>	<b>\$ 1,710,010</b>	<b>\$ (666,505)</b>	<b>\$ 59,251,570</b>
Less Accumulated Depreciation For:				
Transmission Plant	\$ 3,171,965	\$ 47,301	\$ (19,151)	\$ 3,200,115
Distribution Plant	19,285,126	1,334,565	(438,364)	20,181,327
General Plant	3,461,438	398,488	(285,144)	3,574,782
<b>Total Accumulated Depreciation</b>	<b>\$ 25,918,529</b>	<b>\$ 1,780,354</b>	<b>\$ (742,659)</b>	<b>\$ 26,956,224</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 32,289,536</b>	<b>\$ (70,344)</b>	<b>\$ 76,154</b>	<b>\$ 32,295,346</b>
<b>Total Capital Assets, Net</b>	<b>\$ 33,488,461</b>	<b>\$ (9,949)</b>	<b>\$ 76,154</b>	<b>\$ 33,554,666</b>

5. Notes Payable

Two notes were executed with First State Bank to assist in financing the costs of capital assets. Two draw-down lines of credit were established for \$2,000,000 each. The draw-down feature expired after six months, and during this period, monthly interest-only payments were due. The amounts outstanding are being repaid through monthly payments of principal and interest. Both notes are unsecured and have a fixed interest rate. Details of the two notes are as follows:

Loan No.	Loan Date	Maturity Date	Interest Rate	Monthly Payment	Outstanding Balance 6-30-11
82112076	11-17-08	11-17-20	4.45 %	\$ 18,607	\$ 1,709,131
92112453	4-28-09	4-24-12	3.3	19,635	125,193
					<u>\$ 1,834,324</u>

Amounts due on notes payable for the next five years and to maturity are shown below:

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 274,176	\$ 75,573	\$ 349,749
2013	156,047	67,242	223,289
2014	163,235	60,055	223,290
2015	170,755	52,535	223,290
2016	178,501	44,789	223,290
2017-2021	891,610	93,610	985,220
Total	<u>\$ 1,834,324</u>	<u>\$ 393,804</u>	<u>\$ 2,228,128</u>

Changes in long-term debt during the year ended June 30, 2011, are summarized as follows:

Loan No.	Balance 7-1-10	Payments	Balance 6-30-11	Due Within One Year
82112076	\$ 1,852,445	\$ 143,314	\$ 1,709,131	\$ 148,983
92112453	352,527	227,334	125,193	125,193
Total	<u>\$ 2,204,972</u>	<u>\$ 370,648</u>	<u>\$ 1,834,324</u>	<u>\$ 274,176</u>

C. **Other Information**

1. **Pension Plan**

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

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

**Funding Policy**

The Weakley County Municipal Electric System requires employees to contribute five percent of their 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, 2011, the most recent year available, was 18.81 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, 2011, the most recent year available, the Weakley County Municipal Electric System’s annual pension cost of \$518,658 to TCRS was equal to their required and actual contributions. The required contribution was determined as part of the July 1, 2009, 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, 2009, was 20 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	\$518,658	100%	\$0
6-30-10	485,085	100	0
6-30-09	502,885	100	0

**Funded Status and Funding Progress**

As of July 1, 2009, the most recent actuarial valuation date, the plan was 55.11 percent funded. The actuarial accrued liability for benefits was \$10 million, and the actuarial value of assets was \$6 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$5 million. The covered payroll (annual payroll of active employees covered by the plan) was \$3 million, and the ratio of the UAAL to the covered payroll was 186.82 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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, workers' compensation, employee health and accident, and employee and officer liability and dishonesty. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**VII. OTHER NOTES – DISCRETELY PRESENTED WEAKLEY COUNTY NURSING HOME**

**A. Significant Accounting Policies**

**1. Reporting Entity**

The Weakley County Nursing Home is a discretely presented component unit 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 and cash in bank. 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, \$189,640 in bad debts was written-off, and recoveries of \$187,457 were collected.

**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 expenditure over budgeted amounts requires an amendment to the budget by the board of directors.

**10. Date of Management Review**

Subsequent events have been evaluated through September 19, 2011, which is the date the nursing home's financial statements were available to be issued.

**B. Changes in Capital Assets**

Capital assets activity for the year ended June 30, 2011, was as follows:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 2,371	\$ 0	\$ 0	\$ 2,371
Total Capital Assets Not Depreciated	<u>\$ 2,371</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,371</u>
Capital Assets Depreciated:				
Land Improvements	\$ 64,212	\$ 0	\$ 0	\$ 64,212
Building and Improvements	2,885,381	12,087	0	2,897,468
Equipment	1,185,800	46,621	0	1,232,421
Vehicles	55,559	0	23,741	31,818
Other Assets	40,815	0	0	40,815
Total Capital Assets Depreciated	<u>\$ 4,231,767</u>	<u>\$ 58,708</u>	<u>\$ 23,741</u>	<u>\$ 4,266,734</u>
Less Accumulated Depreciated For:				
Land Improvements	\$ 35,719	\$ 2,310	\$ 0	\$ 38,029
Building and Improvements	1,619,873	77,978	0	1,697,851
Equipment	992,072	55,879	0	1,047,951
Vehicles	39,792	4,300	23,741	20,351
Other Assets	40,815	0	0	40,815
Total Accumulated Depreciation	<u>\$ 2,728,271</u>	<u>\$ 140,467</u>	<u>\$ 23,741</u>	<u>\$ 2,844,997</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,503,496</u>	<u>\$ (81,759)</u>	<u>\$ 0</u>	<u>\$ 1,421,737</u>
Business-type Capital Assets, Net	<u><u>\$ 1,505,867</u></u>	<u><u>\$ (81,759)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,424,108</u></u>

## C. Other Information

### 1. 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.

## 2. Deposits and Investments

**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, 2011, all bank deposits were fully collateralized or insured.

## 3. Risk Management

Prior to February 1, 2001, the Weakley County Nursing Home chose 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 the 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 health insurance for its employees through the State of Tennessee 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 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.

#### 4. 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/PS/>.

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

**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 Commission 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 Statement 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 Comptroller's Office, 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. The district's capitalization threshold is set at \$5,000 per unit cost. 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 allow 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. **Stewardship, Compliance, and Accountability**

**Budgetary Information**

The district's Board of Directors approves an appropriatory budget annually. The budgetary basis of revenue and expenses differs from generally accepted accounting principles (GAAP) pertaining to proprietary funds, in that expenses are budgeted on the cash basis, rather than the accrual basis, and capital asset purchases are budgeted as expenses. A reconciliation of budgetary basis to GAAP basis is included in the budgetary comparison statements.

The legal level of control is at each line-item of expense; therefore, each line-item must be amended prior to expending funds. For the year ended June 30, 2011, the only line-item that exceeded the budgeted amount was depreciation, a noncash expense.

C. **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. 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, 2011, all bank deposits were fully collateralized or insured.

**2. Capital Assets**

Capital assets activity during the year was as follows:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets				
Depreciated:				
Furniture and Fixtures	\$ 687,001	\$ 217,809	\$ 245,850	\$ 658,960
Machinery and Equipment	72,657	0	50,664	21,993
Vehicles	45,076	0	22,076	23,000
Total Capital Assets				
Depreciated	<u>\$ 804,734</u>	<u>\$ 217,809</u>	<u>\$ 318,590</u>	<u>\$ 703,953</u>
Less Accumulated				
Depreciation For:				
Furniture and Fixtures	\$ 400,622	\$ 54,128	\$ 222,438	\$ 232,312
Machinery and Equipment	27,258	7,185	21,886	12,557
Vehicles	35,876	4,600	22,076	18,400
Total Accumulated				
Depreciation	<u>\$ 463,756</u>	<u>\$ 65,913</u>	<u>\$ 266,400</u>	<u>\$ 263,269</u>
Total Capital Assets, Net	<u>\$ 340,978</u>	<u>\$ 151,896</u>	<u>\$ 52,190</u>	<u>\$ 440,684</u>

Depreciation expense for the year ended June 30, 2011, was \$65,913.

**D. 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 [www.tn.gov/treasury/tcrs/PS/](http://www.tn.gov/treasury/tcrs/PS/).

### **Funding Policy**

The Weakley County Emergency Communications District has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, the most recent year available, was 30.75 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, 2011, the most recent year available, the Weakley County Emergency Communications District's annual pension cost of \$12,930 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the 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. 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, 2007, was eight years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

### **Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$12,930	100 %	\$ 0
6-30-09	12,915	100	0
6-30-08	10,619	100	0

### **Funded Status and Funding Progress**

As of July 1, 2009, the most recent actuarial valuation date, the plan was 58.84 percent funded. The actuarial accrued liability for benefits was \$181 thousand, and the actuarial value of assets was \$106 thousand, resulting in an unfunded actuarial accrued liability (UAAL) of \$74 thousand. The covered payroll (annual payroll of active employees covered by the plan) was \$58 thousand, and the ratio of the UAAL to the covered payroll was 128 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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.

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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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,494,657	\$ 0	\$ 0	\$ 3,494,657	\$ 3,993,441	\$ 3,497,013	\$ (2,356)
Licenses and Permits	24,850	0	0	24,850	43,100	42,917	(18,067)
Fines, Forfeitures, and Penalties	169,867	0	0	169,867	290,760	294,760	(124,893)
Charges for Current Services	105,891	0	0	105,891	110,919	123,342	(17,451)
Other Local Revenues	57,933	0	0	57,933	23,570	72,815	(14,882)
Fees Received from County Officials	1,279,262	0	0	1,279,262	1,402,000	1,412,041	(132,779)
State of Tennessee	1,468,059	0	0	1,468,059	1,431,753	1,455,886	12,173
Federal Government	164,077	0	0	164,077	242,200	260,216	(96,139)
Other Governments and Citizens Groups	583,786	0	0	583,786	241,896	600,342	(16,556)
<b>Total Revenues</b>	<b>\$ 7,348,382</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,348,382</b>	<b>\$ 7,779,639</b>	<b>\$ 7,759,332</b>	<b>\$ (410,950)</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 85,771	\$ 0	\$ 80	\$ 85,851	\$ 105,706	\$ 95,054	\$ 9,203
County Mayor/Executive	136,235	0	0	136,235	134,971	137,468	1,233
County Attorney	1,000	0	0	1,000	1,000	1,000	0
Election Commission	224,251	0	560	224,811	253,840	234,969	10,158
Register of Deeds	174,786	0	0	174,786	164,724	177,657	2,871
County Buildings	213,843	0	0	213,843	197,319	216,109	2,266
<u>Finance</u>							
Accounting and Budgeting	354,659	(200)	0	354,459	346,896	357,176	2,717
Property Assessor's Office	230,113	0	675	230,788	231,501	232,589	1,801
Reappraisal Program	58,695	0	0	58,695	61,650	61,650	2,955
County Trustee's Office	199,567	0	0	199,567	196,630	200,220	653
County Clerk's Office	317,096	0	518	317,614	311,357	319,635	2,021

(Continued)

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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 240,493	\$ 0	\$ 0	\$ 240,493	\$ 239,171	\$ 242,239	\$ 1,746
General Sessions Court	236,865	0	0	236,865	246,679	244,009	7,144
Chancery Court	195,238	0	1,688	196,926	212,061	206,143	9,217
Juvenile Court	190,908	0	0	190,908	209,446	203,328	12,420
District Attorney General	34,075	0	0	34,075	34,228	34,099	24
Other Administration of Justice	155,632	0	0	155,632	170,000	170,000	14,368
Probation Services	62,361	0	0	62,361	62,747	62,747	386
<u>Public Safety</u>							
Sheriff's Department	1,507,343	(22)	17,033	1,524,354	1,584,842	1,578,052	53,698
Traffic Control	358,706	0	0	358,706	369,054	358,709	3
Jail	1,060,316	(11,635)	9,285	1,057,966	1,134,053	1,079,255	21,289
Correctional Incentive Program Improvements	2,000	0	0	2,000	2,000	2,000	0
Fire Prevention and Control	27,000	0	0	27,000	27,000	27,000	0
Civil Defense	133,813	0	0	133,813	199,086	211,986	78,173
Rescue Squad	5,500	0	0	5,500	5,500	5,500	0
County Coroner/Medical Examiner	3,450	0	0	3,450	5,000	5,000	1,550
Other Public Safety	1,960	0	0	1,960	3,200	3,200	1,240
<u>Public Health and Welfare</u>							
Local Health Center	141,694	0	15	141,709	152,570	151,570	9,861
Ambulance/Emergency Medical Services	215,417	0	19,583	235,000	235,000	235,000	0
Maternal and Child Health Services	2,500	0	0	2,500	2,500	2,500	0
Crippled Children Services	2,167	0	0	2,167	2,167	2,167	0
General Welfare Assistance	26,750	0	1,500	28,250	34,000	34,000	5,750

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	\$ 143,589	\$ 0	\$ 129	\$ 143,718	\$ 137,231	\$ 145,580	\$ 1,862
Senior Citizens Assistance	33,726	0	281	34,007	34,615	34,615	608
Libraries	179,378	0	0	179,378	189,187	195,540	16,162
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	71,372	0	0	71,372	78,968	71,542	170
Soil Conservation	34,230	0	0	34,230	34,674	34,266	36
Flood Control	17,794	0	0	17,794	23,800	23,800	6,006
<u>Other Operations</u>							
Veterans' Services	41,345	0	0	41,345	41,643	41,617	272
Other Charges	8,532	0	0	8,532	4,784	18,809	10,277
Contributions to Other Agencies	185,964	0	24,200	210,164	210,164	210,164	0
Employee Benefits	25,892	0	5,182	31,074	10,000	31,075	1
ARRA Grant No. 1	20,306	0	0	20,306	35,000	35,000	14,694
ARRA Grant No. 3	18,296	0	0	18,296	30,001	30,001	11,705
Miscellaneous	180,038	0	0	180,038	187,659	194,534	14,496
Total Expenditures	\$ 7,560,666	\$ (11,857)	\$ 80,729	\$ 7,629,538	\$ 7,953,624	\$ 7,958,574	\$ 329,036
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ (212,284)	\$ 11,857	\$ (80,729)	\$ (281,156)	\$ (173,985)	\$ (199,242)	\$ (81,914)
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 107	\$ 0	\$ 0	\$ 107	\$ 5,000	\$ 5,000	\$ (4,893)
Transfers In	151,588	0	0	151,588	12,450	154,362	(2,774)
Total Other Financing Sources (Uses)	\$ 151,695	\$ 0	\$ 0	\$ 151,695	\$ 17,450	\$ 159,362	\$ (7,667)
Net Change in Fund Balance	\$ (60,589)	\$ 11,857	\$ (80,729)	\$ (129,461)	\$ (156,535)	\$ (39,880)	\$ (89,581)
Fund Balance, July 1, 2010	728,464	(11,857)	0	716,607	674,901	674,901	41,706
Fund Balance, June 30, 2011	\$ 667,875	\$ 0	\$ (80,729)	\$ 587,146	\$ 518,366	\$ 635,021	\$ (47,875)

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,737,185	\$ 0	\$ 0	\$ 1,737,185	\$ 1,829,164	\$ 1,777,258	\$ (40,073)
Licenses and Permits	1,925	0	0	1,925	0	2,000	(75)
Other Local Revenues	6,424	0	0	6,424	25,000	25,000	(18,576)
State of Tennessee	2,159,629	0	0	2,159,629	2,525,880	2,575,880	(416,251)
Total Revenues	\$ 3,905,163	\$ 0	\$ 0	\$ 3,905,163	\$ 4,380,044	\$ 4,380,138	\$ (474,975)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 123,559	\$ 0	\$ 0	\$ 123,559	\$ 125,225	\$ 124,944	\$ 1,385
Highway and Bridge Maintenance	2,231,834	(375)	0	2,231,459	2,282,462	2,252,589	21,130
Operation and Maintenance of Equipment	606,854	(743)	23	606,134	602,490	638,517	32,383
Litter and Trash Collection	36,114	(136)	0	35,978	36,630	36,618	640
Other Charges	123,381	0	0	123,381	123,769	128,718	5,337
Employee Benefits	516,310	0	0	516,310	533,132	516,314	4
Capital Outlay	302,810	0	432,068	734,878	713,265	734,915	37
Total Expenditures	\$ 3,940,862	\$ (1,254)	\$ 432,091	\$ 4,371,699	\$ 4,416,973	\$ 4,432,615	\$ 60,916
Excess (Deficiency) of Revenues Over Expenditures	\$ (35,699)	\$ 1,254	\$ (432,091)	\$ (466,536)	\$ (36,929)	\$ (52,477)	\$ (414,059)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 52,726	\$ 0	\$ 0	\$ 52,726	\$ 2,000	\$ 52,564	\$ 162
Total Other Financing Sources (Uses)	\$ 52,726	\$ 0	\$ 0	\$ 52,726	\$ 2,000	\$ 52,564	\$ 162
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 17,027	\$ 1,254	\$ (432,091)	\$ (413,810)	\$ (34,929)	\$ 87	\$ (413,897)
Fund Balance, July 1, 2010	388,479	(1,254)	0	387,225	293,118	293,118	94,107
Fund Balance, June 30, 2011	\$ 405,506	\$ 0	\$ (432,091)	\$ (26,585)	\$ 258,189	\$ 293,205	\$ (319,790)

Exhibit F-3

Weakley County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Weakley County School Department  
June 30, 2011

(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)
7-1-09	\$ 22,573	\$ 24,963	\$ 2,390	90.43	% \$ 10,240	23.34
7-1-07	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 went into effect during the year of the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit F-4

Weakley County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Weakley County Municipal Electric System and  
Discretely Presented Weakley County Emergency Communications District  
June 30, 2011

(Dollar amounts in thousands)

Entity	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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)
Municipal Electric System	7-1-09	\$ 5,840	\$ 10,596	\$ 4,756	55.11 %	\$ 2,546	186.82%
"	7-1-07	5,311	8,297	2,986	64.01	2,611	114.36
Emergency Communications District	7-1-09	106	181	74	58.84	58	128
"	7-1-07	87	157	70	55.41	35	200

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 went into effect during the year of the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit F-5

Weakley County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Weakley County School Department  
June 30, 2011

(Dollar amounts in thousands)

<u>Plans</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAAL) (b)-(a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-07	\$ 0	\$ 186	\$ 186	0%	\$ 4,750	4%
"	7-1-09	0	883	883	0	3,483	25
"	7-1-10	0	943	943	0	3,744	25
<u>DISCRETELY PRESENTED WEAKLEY COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07	0	3,548	3,548	0	18,049	20
"	7-1-09	0	2,624	2,624	0	13,075	20
"	7-1-10	0	2,708	2,708	0	18,843	14

**WEAKLEY COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2011**

**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 County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the 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.

At June 30, 2011, Weakley County reported the following significant encumbrances in the Highway/Public Works Fund:

<u>Description</u>	<u>Amount</u>
Bridge Construction	\$ 135,853
State Aid Road Construction	296,215

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county. This fund was closed during the year.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for grant proceeds and local funds received for improvements at the Palmersville Fire Department.

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.

Exhibit G-1

Weakley County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2011

	Special Revenue Funds					Total	Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees	Highway Capital Projects			
\$	0 \$	0 \$	0 \$	1,890 \$	0 \$	0 \$	1,890	
Equity in Pooled Cash and Investments	24,453	75,037	106,369	0	147,230	0	353,089	
Accounts Receivable	0	0	0	7,682	0	0	7,682	
Due from Other Governments	6,934	0	380	0	7,314	0	7,314	
Property Taxes Receivable	0	0	0	0	0	3,461	3,461	
Allowance for Uncollectible Property Taxes	0	0	0	0	(1,377)	0	(1,377)	
<b>Total Assets</b>	<b>\$ 31,387 \$</b>	<b>75,037 \$</b>	<b>106,749 \$</b>	<b>9,572 \$</b>	<b>222,745 \$</b>	<b>149,314 \$</b>	<b>372,059</b>	

ASSETS

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

LIABILITIES AND FUND BALANCES

Liabilities  
 Accounts Payable  
 Due to Other Funds  
 Deferred Revenue - Delinquent Property Taxes  
 Total Liabilities

Fund Balances  
 Restricted:  
 Restricted for Administration of Justice  
 Restricted for Public Safety  
 Restricted for Public Health and Welfare  
 Restricted for Capital Projects  
 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, 2011

	Special Revenue Funds				Capital Projects Funds				Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Total	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Total	
<u>Revenues</u>									
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 93,474	\$ 93,474	\$ 93,474
Fines, Forfeitures, and Penalties	0	23,048	14,198	37,246	0	0	0	0	37,246
Other Local Revenues	9,689	0	0	9,689	0	0	0	0	9,689
State of Tennessee	15,191	0	0	15,191	0	0	0	0	15,191
Federal Government	0	0	0	0	0	186,168	0	186,168	186,168
Other Governments and Citizens Groups	0	0	0	0	0	18,420	0	18,420	18,420
Total Revenues	\$ 24,880	\$ 23,048	\$ 14,198	\$ 62,126	\$ 0	\$ 204,588	\$ 93,474	\$ 298,062	\$ 360,188
<u>Expenditures</u>									
Current:									
Administration of Justice	\$ 0	\$ 0	\$ 14,799	\$ 14,799	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,799
Public Safety	0	55,279	0	55,279	0	0	0	0	55,279
Public Health and Welfare	32,965	0	0	32,965	0	0	0	0	32,965
Other Operations	696	0	0	696	0	0	0	0	696
Highways	0	0	0	0	0	0	54,812	54,812	54,812
Capital Projects	0	0	0	0	0	204,588	0	204,588	204,588
Total Expenditures	\$ 33,661	\$ 55,279	\$ 14,799	\$ 103,739	\$ 0	\$ 204,588	\$ 54,812	\$ 259,400	\$ 363,139
Excess (Deficiency) of Revenues Over Expenditures	\$ (8,781)	\$ (32,231)	\$ (601)	\$ (41,613)	\$ 0	\$ 0	\$ 38,662	\$ (2,951)	\$ (2,951)
<u>Other Financing Sources (Uses)</u>									
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,590	\$ 6,590	\$ 6,590
Transfers Out	0	0	0	0	(153,262)	0	0	(153,262)	(153,262)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (153,262)	\$ 0	\$ 6,590	\$ (146,672)	\$ (146,672)
Net Change in Fund Balances	\$ (8,781)	\$ (32,231)	\$ (601)	\$ (41,613)	\$ (153,262)	\$ 0	\$ 45,252	\$ (108,010)	\$ (149,623)
Fund Balance, July 1, 2010	29,049	107,268	107,350	243,667	153,262	0	102,566	255,828	499,495
Fund Balance, June 30, 2011	\$ 20,268	\$ 75,037	\$ 106,749	\$ 202,054	\$ 0	\$ 0	\$ 147,818	\$ 147,818	\$ 349,872

Exhibit G-3

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 9,689	\$ 6,000	\$ 11,000	\$ (1,311)
State of Tennessee	15,191	19,900	19,900	(4,709)
Total Revenues	<u>\$ 24,880</u>	<u>\$ 25,900</u>	<u>\$ 30,900</u>	<u>\$ (6,020)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Recycling Center	\$ 32,965	\$ 28,501	\$ 33,876	\$ 911
<u>Other Operations</u>				
Employee Benefits	696	1,143	768	72
Total Expenditures	<u>\$ 33,661</u>	<u>\$ 29,644</u>	<u>\$ 34,644</u>	<u>\$ 983</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (8,781)</u>	<u>\$ (3,744)</u>	<u>\$ (3,744)</u>	<u>\$ (5,037)</u>
Net Change in Fund Balance	\$ (8,781)	\$ (3,744)	\$ (3,744)	\$ (5,037)
Fund Balance, July 1, 2010	<u>29,049</u>	<u>30,019</u>	<u>30,019</u>	<u>(970)</u>
Fund Balance, June 30, 2011	<u>\$ 20,268</u>	<u>\$ 26,275</u>	<u>\$ 26,275</u>	<u>\$ (6,007)</u>

Exhibit G-4

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 23,048	\$ 0	\$ 23,048	\$ 32,400	\$ 27,600	\$ (4,552)
Other Local Revenues	0	0	0	500	500	(500)
Total Revenues	\$ 23,048	\$ 0	\$ 23,048	\$ 32,900	\$ 28,100	\$ (5,052)
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 55,279	\$ 161	\$ 55,440	\$ 81,830	\$ 82,030	\$ 26,590
Total Expenditures	\$ 55,279	\$ 161	\$ 55,440	\$ 81,830	\$ 82,030	\$ 26,590
Excess (Deficiency) of Revenues Over Expenditures	\$ (32,231)	\$ (161)	\$ (32,392)	\$ (48,930)	\$ (53,930)	\$ 21,538
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (32,231)	\$ (161)	\$ (32,392)	\$ (48,930)	\$ (53,930)	\$ 21,538
	107,268	0	107,268	106,814	106,814	454
Fund Balance, June 30, 2011	\$ 75,037	\$ (161)	\$ 74,876	\$ 57,884	\$ 52,884	\$ 21,992

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, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 93,474 \$	0 \$	93,474 \$	100,471 \$	94,000 \$	(526)
Total Revenues	\$ 93,474 \$	0 \$	93,474 \$	100,471 \$	94,000 \$	(526)
<u>Expenditures</u>						
<u>Highways</u>						
Other Charges	\$ 1,916 \$	0 \$	1,916 \$	2,000 \$	2,000 \$	84
Capital Outlay	52,896	139,918	192,814	196,819	192,816	2
Total Expenditures	\$ 54,812 \$	139,918 \$	194,730 \$	198,819 \$	194,816 \$	86
Excess (Deficiency) of Revenues Over Expenditures	\$ 38,662 \$	(139,918) \$	(101,256) \$	(98,348) \$	(100,816) \$	(440)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 6,590 \$	0 \$	6,590 \$	0 \$	6,596 \$	(6)
Total Other Financing Sources (Uses)	\$ 6,590 \$	0 \$	6,590 \$	0 \$	6,596 \$	(6)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 45,252 \$	(139,918) \$	(94,666) \$	(98,348) \$	(94,220) \$	(446)
	102,566	0	102,566	102,007	102,007	559
Fund Balance, June 30, 2011	\$ 147,818 \$	(139,918) \$	7,900 \$	3,659 \$	7,787 \$	113

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit 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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,202,117	\$ 3,420,773	\$ 3,200,350	\$ 1,767
Other Local Revenues	250,731	225,000	315,738	(65,007)
State of Tennessee	391,488	390,000	390,000	1,488
Other Governments and Citizens Groups	508,224	942,751	508,225	(1)
Total Revenues	\$ 4,352,560	\$ 4,978,524	\$ 4,414,313	\$ (61,753)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,113,948	\$ 500,445	\$ 1,115,500	\$ 1,552
Highways and Streets	216,000	216,000	216,000	0
Education	2,675,205	2,675,205	2,675,206	1
<u>Interest on Debt</u>				
General Government	45,865	31,000	49,191	3,326
Highways and Streets	4,201	4,201	4,202	1
Education	403,644	561,778	403,651	7
<u>Other Debt Service</u>				
General Government	84,552	75,500	85,254	702
Education	42,914	12,130	42,922	8
<u>Capital Projects</u>				
Public Utility Projects	0	432,545	1	1
Total Expenditures	\$ 4,586,329	\$ 4,508,804	\$ 4,591,927	\$ 5,598
Excess (Deficiency) of Revenues Over Expenditures	\$ (233,769)	\$ 469,720	\$ (177,614)	\$ (56,155)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 377,875	\$ 0	\$ 377,875	\$ 0
Total Other Financing Sources (Uses)	\$ 377,875	\$ 0	\$ 377,875	\$ 0
Net Change in Fund Balance	\$ 144,106	\$ 469,720	\$ 200,261	\$ (56,155)
Fund Balance, July 1, 2010	4,507,025	4,505,221	4,505,221	1,804
Fund Balance, June 30, 2011	\$ 4,651,131	\$ 4,974,941	\$ 4,705,482	\$ (54,351)

# Fiduciary Funds

---

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

---

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

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

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

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

Exhibit I-1

Weakley County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2011

	Agency Funds					Total
	Cities - Sales Tax	Watershed District	Constitu- tional Officers - Agency	Judicial District Drug		
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 1,097,580	\$ 7,025	\$ 1,104,605	
Equity in Pooled Cash and Investments	0	9,424	0	418,129	427,553	
Accounts Receivable	0	0	0	125	125	
Due from Other Governments	455,272	0	0	5,817	461,089	
<b>Total Assets</b>	<b>\$ 455,272</b>	<b>\$ 9,424</b>	<b>\$ 1,097,580</b>	<b>\$ 431,096</b>	<b>\$ 1,993,372</b>	
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 455,272	\$ 9,424	\$ 0	\$ 0	\$ 464,696	
Due to Litigants, Heirs, and Others	0	0	1,097,580	0	1,097,580	
Due to Joint Ventures	0	0	0	431,096	431,096	
<b>Total Liabilities</b>	<b>\$ 455,272</b>	<b>\$ 9,424</b>	<b>\$ 1,097,580</b>	<b>\$ 431,096</b>	<b>\$ 1,993,372</b>	

Exhibit I-2

Weakley County, Tennessee  
Combining Statement of Changes in Assets and Liabilities - All Agency Funds  
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,319,814	\$ 2,319,814	\$ 0
Due from Other Governments	447,258	455,272	447,258	455,272
Total Assets	\$ 447,258	\$ 2,775,086	\$ 2,767,072	\$ 455,272
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 447,258	\$ 2,775,086	\$ 2,767,072	\$ 455,272
Total Liabilities	\$ 447,258	\$ 2,775,086	\$ 2,767,072	\$ 455,272
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 10,065	\$ 582	\$ 1,223	\$ 9,424
Total Assets	\$ 10,065	\$ 582	\$ 1,223	\$ 9,424
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 10,065	\$ 582	\$ 1,223	\$ 9,424
Total Liabilities	\$ 10,065	\$ 582	\$ 1,223	\$ 9,424
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,029,686	\$ 6,125,651	\$ 6,057,757	\$ 1,097,580
Total Assets	\$ 1,029,686	\$ 6,125,651	\$ 6,057,757	\$ 1,097,580
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,029,686	\$ 6,125,651	\$ 6,057,757	\$ 1,097,580
Total Liabilities	\$ 1,029,686	\$ 6,125,651	\$ 6,057,757	\$ 1,097,580

(Continued)

Exhibit I-2

Weakley County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 3,795	\$ 3,230	\$ 0	\$ 7,025
Equity in Pooled Cash and Investments	428,552	242,926	253,349	418,129
Accounts Receivable	0	125	0	125
Due from Other Governments	15,801	5,817	15,801	5,817
Total Assets	<u>\$ 448,148</u>	<u>\$ 252,098</u>	<u>\$ 269,150</u>	<u>\$ 431,096</u>
<u>Liabilities</u>				
Due to Joint Ventures	\$ 448,148	\$ 252,098	\$ 269,150	\$ 431,096
Total Liabilities	<u>\$ 448,148</u>	<u>\$ 252,098</u>	<u>\$ 269,150</u>	<u>\$ 431,096</u>
 <u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,033,481	\$ 6,128,881	\$ 6,057,757	\$ 1,104,605
Equity in Pooled Cash and Investments	438,617	2,563,322	2,574,386	427,553
Accounts Receivable	0	125	0	125
Due from Other Governments	463,059	461,089	463,059	461,089
Total Assets	<u>\$ 1,935,157</u>	<u>\$ 9,153,417</u>	<u>\$ 9,095,202</u>	<u>\$ 1,993,372</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 457,323	\$ 2,775,668	\$ 2,768,295	\$ 464,696
Due to Litigants, Heirs, and Others	1,029,686	6,125,651	6,057,757	1,097,580
Due to Joint Ventures	448,148	252,098	269,150	431,096
Total Liabilities	<u>\$ 1,935,157</u>	<u>\$ 9,153,417</u>	<u>\$ 9,095,202</u>	<u>\$ 1,993,372</u>

# 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.

Exhibit J-1

Weakley County, Tennessee  
Statement of Activities  
Discretely Presented Weakley County School Department  
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 22,574,339	\$ 109,851	\$ 4,676,131	\$ (17,788,357)
Support Services	11,528,316	114,556	706,895	(10,706,865)
Operation of Non-Instructional Services	3,396,425	810,046	2,278,820	(307,559)
Other Debt Service	508,224	0	0	(508,224)
Total Governmental Activities	\$ 38,007,304	\$ 1,034,453	\$ 7,661,846	\$ (29,311,005)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 3,408,024
Local Option Sales Taxes				3,057,912
Wheel Tax				128,267
Other Local Taxes				2,436
Grants and Contributions Not Restricted to Specific Programs				20,864,468
Miscellaneous				86,548
Total General Revenues				\$ 27,547,655
Change in Net Assets				\$ (1,763,350)
Net Assets, July 1, 2010				31,244,838
Net Assets, June 30, 2011				\$ 29,481,488

Exhibit J-2

Weakley County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Weakley County School Department  
June 30, 2011

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total Govern- mental Funds</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<b><u>ASSETS</u></b>			
Equity in Pooled Cash and Investments	\$ 2,265,770	\$ 654,966	\$ 2,920,736
Accounts Receivable	155,277	0	155,277
Due from Other Governments	1,660,926	170,847	1,831,773
Due from Other Funds	0	159,500	159,500
Property Taxes Receivable	3,538,037	0	3,538,037
Allowance for Uncollectible Property Taxes	(102,158)	0	(102,158)
Total Assets	<u>\$ 7,517,852</u>	<u>\$ 985,313</u>	<u>\$ 8,503,165</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>Liabilities</u></b>			
Deferred Revenue - Current Property Taxes	\$ 3,358,796	\$ 0	\$ 3,358,796
Deferred Revenue - Delinquent Property Taxes	56,843	0	56,843
Other Deferred Revenues	304,400	0	304,400
Total Liabilities	<u>\$ 3,720,039</u>	<u>\$ 0</u>	<u>\$ 3,720,039</u>
<b><u>Fund Balances</u></b>			
Restricted:			
Restricted for Education	\$ 130,657	\$ 39,057	\$ 169,714
Restricted for Operation of Non-Instructional Services	0	713,192	713,192
Restricted for Capital Outlay	0	233,064	233,064
Assigned:			
Assigned for Education	454,056	0	454,056
Unassigned	3,213,100	0	3,213,100
Total Fund Balances	<u>\$ 3,797,813</u>	<u>\$ 985,313</u>	<u>\$ 4,783,126</u>
Total Liabilities and Fund Balances	<u>\$ 7,517,852</u>	<u>\$ 985,313</u>	<u>\$ 8,503,165</u>

Exhibit J-3

Weakley County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets  
Discretely Presented Weakley County School Department  
June 30, 2011

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)		\$	4,783,126
(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: construction in progress		92,107	
Add: buildings and improvements net of accumulated depreciation		21,798,449	
Add: other capital assets net of accumulated depreciation		<u>1,029,579</u>	24,855,985
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(31,142)	
Less: other postemployment benefits liability		<u>(487,724)</u>	(518,866)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>361,243</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>29,481,488</u></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, 2011

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 6,886,034	\$ 0	\$ 6,886,034
Licenses and Permits	2,299	0	2,299
Charges for Current Services	224,407	810,046	1,034,453
Other Local Revenues	91,609	11,650	103,259
State of Tennessee	23,101,816	25,864	23,127,680
Federal Government	224,196	4,891,630	5,115,826
Other Governments and Citizens Groups	13,030	0	13,030
Total Revenues	<u>\$ 30,543,391</u>	<u>\$ 5,739,190</u>	<u>\$ 36,282,581</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 18,895,478	\$ 2,241,509	\$ 21,136,987
Support Services	9,557,786	975,208	10,532,994
Operation of Non-Instructional Services	673,903	2,579,867	3,253,770
Capital Outlay	466,428	0	466,428
Debt Service:			
Other Debt Service	508,224	0	508,224
Capital Projects	0	120,256	120,256
Total Expenditures	<u>\$ 30,101,819</u>	<u>\$ 5,916,840</u>	<u>\$ 36,018,659</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 441,572</u>	<u>\$ (177,650)</u>	<u>\$ 263,922</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 145,782	\$ 0	\$ 145,782
Transfers In	3,956	159,500	163,456
Transfers Out	(159,500)	(3,956)	(163,456)
Total Other Financing Sources (Uses)	<u>\$ (9,762)</u>	<u>\$ 155,544</u>	<u>\$ 145,782</u>
Net Change in Fund Balances	\$ 431,810	\$ (22,106)	\$ 409,704
Fund Balance, July 1, 2010	3,366,003	1,007,419	4,373,422
Fund Balance, June 30, 2011	<u>\$ 3,797,813</u>	<u>\$ 985,313</u>	<u>\$ 4,783,126</u>

Exhibit J-5

Weakley County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
Discretely Presented Weakley County School Department  
For the Year Ended June 30, 2011

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)		\$	409,704
(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	\$	215,611	
Less: current-year depreciation expense		<u>(2,329,134)</u>	<u>(2,113,523)</u>
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2011	\$	361,243	
Less: deferred delinquent property taxes and other deferred June 30, 2010		<u>(399,870)</u>	<u>(38,627)</u>
(3) 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 compensated absences payable	\$	202	
Change in other postemployment benefits liability		<u>(21,106)</u>	<u>(20,904)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (1,763,350)</u>

Weakley County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Weakley County School Department  
June 30, 2011

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
\$	4,991	576,411	\$ 581,402	73,564	\$ 654,966
	34,066	136,781	170,847	0	170,847
	0	0	0	159,500	159,500
\$	39,057	713,192	\$ 752,249	233,064	\$ 985,313
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	39,057	0	\$ 39,057	0	\$ 39,057
Restricted for Operation of Non-Instructional Services	0	713,192	713,192	0	713,192
Restricted for Capital Outlay	0	0	0	233,064	233,064
Total Fund Balances	39,057	713,192	\$ 752,249	233,064	\$ 985,313

Exhibit J-7

Weakley County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Weakley County School Department  
For the Year Ended June 30, 2011

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 810,046	\$ 810,046	\$ 0	\$ 810,046
Other Local Revenues	0	11,650	11,650	0	11,650
State of Tennessee	0	25,864	25,864	0	25,864
Federal Government	3,213,659	1,677,971	4,891,630	0	4,891,630
<b>Total Revenues</b>	<b>\$ 3,213,659</b>	<b>\$ 2,525,531</b>	<b>\$ 5,739,190</b>	<b>\$ 0</b>	<b>\$ 5,739,190</b>
<u>Expenditures</u>					
Current:					
Instruction	\$ 2,241,509	\$ 0	\$ 2,241,509	\$ 0	\$ 2,241,509
Support Services	975,208	0	975,208	0	975,208
Operation of Non-Instructional Services	0	2,579,867	2,579,867	0	2,579,867
Capital Projects	0	0	0	120,256	120,256
<b>Total Expenditures</b>	<b>\$ 3,216,717</b>	<b>\$ 2,579,867</b>	<b>\$ 5,796,584</b>	<b>\$ 120,256</b>	<b>\$ 5,916,840</b>
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (3,058)	\$ (54,336)	\$ (57,394)	\$ (120,256)	\$ (177,650)
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 159,500	\$ 159,500
Transfers Out	(3,956)	0	(3,956)	0	(3,956)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (3,956)</b>	<b>\$ 0</b>	<b>\$ (3,956)</b>	<b>\$ 159,500</b>	<b>\$ 155,544</b>
Net Change in Fund Balances	\$ (7,014)	\$ (54,336)	\$ (61,350)	\$ 39,244	\$ (22,106)
Fund Balance, July 1, 2010	46,071	767,528	813,599	193,820	1,007,419
<b>Fund Balance, June 30, 2011</b>	<b>\$ 39,057</b>	<b>\$ 713,192</b>	<b>\$ 752,249</b>	<b>\$ 233,064</b>	<b>\$ 985,313</b>

Exhibit J-8

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Weakley County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,886,034	\$ 0	\$ 0	\$ 6,886,034	\$ 6,826,609	\$ 6,830,856	\$ 55,178
Licenses and Permits	2,299	0	0	2,299	2,350	2,350	(51)
Charges for Current Services	224,407	0	0	224,407	232,748	242,748	(18,341)
Other Local Revenues	91,609	0	0	91,609	105,801	134,553	(42,944)
State of Tennessee	23,101,816	0	0	23,101,816	22,908,786	23,164,978	(63,162)
Federal Government	224,196	0	0	224,196	153,245	276,568	(52,372)
Other Governments and Citizens Groups	13,030	0	0	13,030	13,998	13,998	(968)
Total Revenues	\$ 30,543,391	\$ 0	\$ 0	\$ 30,543,391	\$ 30,243,537	\$ 30,666,051	\$ (122,660)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 15,537,507	\$ (247,718)	\$ 46,476	\$ 15,336,265	\$ 15,493,784	\$ 15,472,094	\$ 135,829
Special Education Program	1,989,125	(70,497)	18,254	1,936,882	1,960,387	1,956,877	19,995
Vocational Education Program	1,193,314	0	0	1,193,314	1,260,347	1,260,348	67,034
Student Body Education Program	12,191	0	0	12,191	11,600	12,896	705
Adult Education Program	163,341	0	0	163,341	196,825	202,825	39,484
<u>Support Services</u>							
Attendance	102,841	0	0	102,841	103,084	103,075	234
Health Services	293,016	0	0	293,016	273,718	295,166	2,150
Other Student Support	838,689	(3,446)	3,150	838,393	754,728	856,028	17,635
Regular Instruction Program	1,276,342	(767)	42	1,275,617	1,319,029	1,319,059	43,442
Alternative Instruction Program	88,379	0	0	88,379	90,700	90,700	2,321
Special Education Program	390,884	(16,934)	0	373,950	374,529	381,923	7,973
Vocational Education Program	82,184	0	0	82,184	86,168	98,896	16,712
Other Programs	257,741	0	0	257,741	113,654	270,874	13,133
Board of Education	548,112	0	0	548,112	542,813	568,292	20,180
Director of Schools	264,086	0	0	264,086	276,396	276,396	12,310

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Office of the Principal	\$ 1,340,921	\$ (989)	0	\$ 1,339,932	\$ 1,354,297	\$ 1,354,297	\$ 14,365
Operation of Plant	2,321,623	(2,508)	0	2,319,115	2,423,699	2,385,529	66,414
Maintenance of Plant	626,913	(1,834)	1,920	626,999	657,357	660,748	33,749
Transportation	1,126,055	(89,090)	182,072	1,219,037	1,272,584	1,292,264	73,227
Central and Other	0	0	0	0	2,005	2,005	2,005
<u>Operation of Non-Instructional Services</u>							
Community Services	123,248	0	0	123,248	124,831	126,540	3,292
Early Childhood Education	550,655	(11,488)	22,337	561,504	578,105	578,105	16,601
<u>Capital Outlay</u>							
Regular Capital Outlay	466,428	(288,365)	179,805	357,868	504,305	365,028	7,160
<u>Other Debt Service</u>							
Education	508,224	0	0	508,224	508,224	508,224	0
<u>Total Expenditures</u>	<u>\$ 30,101,819</u>	<u>\$ (733,636)</u>	<u>\$ 454,056</u>	<u>\$ 29,822,239</u>	<u>\$ 30,283,169</u>	<u>\$ 30,438,189</u>	<u>\$ 615,950</u>
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 441,572	\$ 733,636	\$ (454,056)	\$ 721,152	\$ (39,632)	\$ 227,862	\$ 493,290
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 145,782	0	0	\$ 145,782	\$ 1	\$ 1	\$ 145,781
Transfers In	3,956	0	0	3,956	4,770	5,158	(1,202)
Transfers Out	(159,500)	0	0	(159,500)	0	(159,500)	0
<u>Total Other Financing Sources (Uses)</u>	<u>\$ (9,762)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (9,762)</u>	<u>\$ 4,771</u>	<u>\$ (154,341)</u>	<u>\$ 144,579</u>
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2010	\$ 431,810	\$ 733,636	\$ (454,056)	\$ 711,390	\$ (34,861)	\$ 73,521	\$ 637,869
	<u>3,366,003</u>	<u>(733,636)</u>	<u>0</u>	<u>2,632,367</u>	<u>2,250,991</u>	<u>2,250,991</u>	<u>381,376</u>
<u>Fund Balance, June 30, 2011</u>	<u>\$ 3,797,813</u>	<u>\$ 0</u>	<u>\$ (454,056)</u>	<u>\$ 3,343,757</u>	<u>\$ 2,216,130</u>	<u>\$ 2,324,512</u>	<u>\$ 1,019,245</u>

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Federal Government	\$ 3,213,659	\$ 0	\$ 0	\$ 3,213,659	\$ 2,948,299	\$ 3,740,539	\$ (526,880)
Total Revenues	\$ 3,213,659	\$ 0	\$ 0	\$ 3,213,659	\$ 2,948,299	\$ 3,740,539	\$ (526,880)
<b>Expenditures</b>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,144,694	\$ 0	\$ 0	\$ 1,144,694	\$ 1,306,726	\$ 1,220,899	\$ 76,205
Special Education Program	1,024,601	(38,502)	4,403	990,502	775,872	1,252,441	261,939
Vocational Education Program	72,214	0	0	72,214	158,644	72,214	0
<u>Support Services</u>							
Health Services	70,156	0	573	70,729	64,692	70,922	193
Other Student Support	64,917	0	0	64,917	93,528	75,529	10,612
Regular Instruction Program	510,339	0	24,435	534,774	410,653	711,615	176,841
Special Education Program	87,840	0	2,441	90,281	22,999	94,300	4,019
Transportation	241,956	0	0	241,956	142,174	246,727	4,771
Total Expenditures	\$ 3,216,717	\$ (38,502)	\$ 31,852	\$ 3,210,067	\$ 2,975,288	\$ 3,744,647	\$ 534,580
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,058)	\$ 38,502	\$ (31,852)	\$ 3,592	\$ (26,989)	\$ (4,108)	\$ 7,700
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 140,767	\$ 3,500	\$ (3,500)
Transfers Out	(3,956)	0	0	(3,956)	(114,273)	(3,956)	0
Total Other Financing Sources (Uses)	\$ (3,956)	\$ 0	\$ 0	\$ (3,956)	\$ 26,494	\$ (456)	\$ (3,500)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (7,014)	\$ 38,502	\$ (31,852)	\$ (364)	\$ (495)	\$ (4,564)	\$ 4,200
Fund Balance, June 30, 2011	\$ 46,071	\$ (38,502)	\$ 0	\$ 7,569	\$ 495	\$ 4,564	\$ 3,005
Fund Balance, June 30, 2011	\$ 39,057	\$ 0	\$ (31,852)	\$ 7,205	\$ 0	\$ 0	\$ 7,205

Exhibit J-10

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Weakley County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 810,046	\$ 0	\$ 0	\$ 810,046	\$ 900,000	\$ 904,000	\$ (93,954)
Other Local Revenues	11,650	0	0	11,650	12,600	15,500	(3,850)
State of Tennessee	25,864	0	0	25,864	26,376	26,376	(512)
Federal Government	1,677,971	0	0	1,677,971	1,453,001	1,711,506	(33,535)
Total Revenues	\$ 2,525,531	\$ 0	\$ 0	\$ 2,525,531	\$ 2,391,977	\$ 2,657,382	\$ (131,851)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 2,579,867	(2,885)	2,321	\$ 2,579,303	\$ 2,415,976	\$ 2,653,233	\$ 73,930
Total Expenditures	\$ 2,579,867	(2,885)	2,321	\$ 2,579,303	\$ 2,415,976	\$ 2,653,233	\$ 73,930
Excess (Deficiency) of Revenues Over Expenditures	\$ (54,336)	2,885	(2,321)	(53,772)	(23,999)	4,149	(57,921)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (54,336)	2,885	(2,321)	(53,772)	(23,999)	4,149	(57,921)
Fund Balance, June 30, 2011	767,528	(2,885)	0	764,643	762,685	762,685	1,958
	\$ 713,192	\$ 0	(2,321)	\$ 710,871	\$ 738,686	\$ 766,834	\$ (55,963)

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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  
For the Year Ended June 30, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Paid and/or		
						Matured During Period	Outstanding 6-30-11	
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Asbestos Removal - School Buildings	\$ 183,697	0	% 11-30-1993	11-30-12	\$ 25,518	\$ 10,205	\$ 15,313	
Highway Capital Projects	1,000,000	3.89	9-12-05	9-1-10	216,000	216,000	0	
Election Building	800,000	4	2-24-09	6-30-11	710,948	710,948	0	
Total Notes Payable					\$ 952,466	\$ 937,153	\$ 15,313	
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Detention Center and Law Enforcement Complex	7,400,000	Variable	12-31-1997	5-25-18	\$ 3,881,000	\$ 403,000	\$ 3,478,000	
School Construction and Renovation	10,339,705	Variable	2-25-03	5-25-23	7,454,705	470,000	6,984,705	
School Refunding - Series 2008	5,870,000	Variable	7-18-08	5-25-13	3,600,000	1,200,000	2,400,000	
Total Other Loans Payable					\$ 14,935,705	\$ 2,073,000	\$ 12,862,705	
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Refunding - Series 2003	17,125,000	2 to 4	12-1-03	5-1-16	\$ 9,420,000	\$ 995,000	\$ 8,425,000	
Total Bonds Payable					\$ 9,420,000	\$ 995,000	\$ 8,425,000	

Exhibit K-2

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

Year Ending June 30	Notes	
	Principal	Total
2012	\$ 10,205	\$ 10,205
2013	5,108	5,108
Total	<u>\$ 15,313</u>	<u>\$ 15,313</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2012	\$ 2,110,000	\$ 14,011	\$ 57,149	\$ 2,181,160
2013	2,148,000	11,815	49,423	2,209,238
2014	989,000	9,570	41,284	1,039,854
2015	1,031,000	8,351	36,809	1,076,160
2016	1,075,000	7,077	32,148	1,114,225
2017	1,122,000	5,745	27,293	1,155,038
2018	1,169,000	4,353	22,231	1,195,584
2019	613,000	2,897	16,645	632,542
2020	634,000	2,345	13,580	649,925
2021	655,000	1,775	10,410	667,185
2022	677,000	1,185	7,135	685,320
2023	639,705	576	3,750	644,031
Total	<u>\$ 12,862,705</u>	<u>\$ 69,700</u>	<u>\$ 317,857</u>	<u>\$ 13,250,262</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 1,100,000	\$ 322,258	\$ 1,422,258
2013	1,220,000	283,758	1,503,758
2014	1,745,000	239,838	1,984,838
2015	1,860,000	174,400	2,034,400
2016	2,500,000	100,000	2,600,000
Total	<u>\$ 8,425,000</u>	<u>\$ 1,120,254</u>	<u>\$ 9,545,254</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, 2011

<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	\$ 151,588
"	Highway/Public Works	"	52,726
"	General Debt Service	"	224,613
"	Highway Capital Projects	"	6,590
General Capital Projects	General Debt Service	To close fund	<u>153,262</u>
Total Transfers Primary Government			<u>\$ 588,779</u>
<u>DISCRETELY PRESENTED WEAKLEY</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Education Capital Projects	School renovations	\$ 159,500
School Federal Projects	General Purpose School	Indirect costs	<u>3,956</u>
Total Transfers Discretely Presented Weakley County School Department			<u>\$ 163,456</u>

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, 2011

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 74,502	\$ 50,000	RLI Insurance Company
Highway Supervisor	Section 8-24-102, TCA	70,956	100,000	"
Director of Schools	State Board of Education and Weakley County Board of Education	97,100 (1)	50,000	Auto Owners Insurance Company
Trustee	Board of Education	64,505	1,150,487	"
Assessor of Property	Section 8-24-102, TCA	64,505 (2)	10,000	Nationwide Mutual Insurance Company
Director of Finance	Section 8-24-102, TCA	75,774 (3)	50,000	RLI Insurance Company
County Clerk	Weakley County Commission	64,505	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	64,505	50,000	"
Clerk and Master	Section 8-24-102, TCA	64,505	85,000	"
Register	Section 8-24-102, TCA	64,505	25,000	"
Sheriff	Section 8-24-102, TCA	70,956 (4)	25,000	"
Employee Blanket Bonds:				
County Mayor and Highway Supervisor:				
All Employees			150,000	Local Government Property and Casualty Fund
Director of Schools:				
All Employees			150,000	Tennessee Risk Management Trust

- (1) Includes a chief executive officer training supplement of \$1,000. Does not include a travel allowance of \$450 per month.
- (2) Does not include a certified assessor supplement of \$750.
- (3) Includes \$4,000 for serving as recording secretary for the Health, Education, and Welfare Committee.
- (4) Does not include a 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, 2011

	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				
<b>Local Taxes</b>												
<u>County Property Taxes</u>												
Current Property Tax	\$ 2,001,778	\$ 0	\$ 0	\$ 0	\$ 696,270	\$ 2,966,329	\$ 0	\$ 87,021	\$ 5,751,398			
Trustee's Collections - Prior Year	93,251	0	0	0	27,020	99,532	0	3,377	223,180			
Trustee's Collections - Bankruptcy	460	0	0	0	126	423	0	16	1,025			
Circuit/Clerk & Master Collections - Prior Years	63,934	0	0	0	17,947	64,114	0	2,243	148,238			
Interest and Penalty	16,941	0	0	0	5,925	18,990	0	630	42,486			
Payments in-Lieu-of Taxes - T.V.A.	919	0	0	0	0	0	0	0	919			
Payments in-Lieu-of Taxes - Other	530,320	0	0	0	0	0	0	0	530,320			
<u>County Local Option Taxes</u>												
Local Option Sales Tax	270,247	0	0	0	0	5,310	0	0	275,557			
Hotel/Motel Tax	108,210	0	0	0	0	0	0	0	108,210			
Wheel Tax	0	0	0	0	897,872	0	0	0	897,872			
Litigation Tax - General	136,916	0	0	0	0	41,050	0	0	177,966			
Litigation Tax - Special Purpose	5,016	0	0	0	0	0	0	0	5,016			
Business Tax	212,474	0	0	0	0	0	0	0	212,474			
Mineral Severance Tax	0	0	0	0	90,530	0	0	0	90,530			
<u>Statutory Local Taxes</u>												
Bank Excise Tax	4,299	0	0	0	1,495	6,369	0	187	12,350			
Wholesale Beer Tax	48,750	0	0	0	0	0	0	0	48,750			
Interstate Telecommunications Tax	1,142	0	0	0	0	0	0	0	1,142			
<b>Total Local Taxes</b>	<b>\$ 3,494,657</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,737,185</b>	<b>\$ 3,202,117</b>	<b>\$ 0</b>	<b>\$ 93,474</b>	<b>\$ 8,527,433</b>			
<u>Licenses and Permits</u>												
<u>Licenses</u>												
Cable TV Franchise Permits	\$ 24,280	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,280			
Beer Permits	570	0	0	0	0	0	0	0	570			
Building Permits	0	0	0	0	1,925	0	0	0	1,925			
<b>Total Licenses and Permits</b>	<b>\$ 24,850</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,925</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 26,775</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	Fund		Capital Projects Funds			
<u>Fines, Forfeitures, and Penalties</u>														
<u>Circuit Court</u>														
Fines	6,686	0	0	0	0	0	0	0	0	0	0	0	0	6,686
Officers Costs	2,216	0	0	0	0	0	0	0	0	0	0	0	0	2,216
Drug Control Fines	0	0	5,373	0	0	0	0	0	0	0	0	0	0	5,373
Drug Court Fees	1,049	0	0	0	0	0	0	0	0	0	0	0	0	1,049
Jail Fees	2,010	0	0	0	0	0	0	0	0	0	0	0	0	2,010
District Attorney General Fees	0	0	0	1,625	0	0	0	0	0	0	0	0	0	1,625
DUI Treatment Fines	190	0	0	0	0	0	0	0	0	0	0	0	0	190
Data Entry Fee - Circuit Court	402	0	0	0	0	0	0	0	0	0	0	0	0	402
Courtroom Security Fee	44	0	0	0	0	0	0	0	0	0	0	0	0	44
<u>General Sessions Court</u>														
Fines	32,666	0	0	0	0	0	0	0	0	0	0	0	0	32,666
Officers Costs	25,571	0	0	0	0	0	0	0	0	0	0	0	0	25,571
Drug Control Fines	0	0	11,325	0	0	0	0	0	0	0	0	0	0	11,325
Drug Court Fees	10,523	0	0	0	0	0	0	0	0	0	0	0	0	10,523
Jail Fees	54,011	0	0	0	0	0	0	0	0	0	0	0	0	54,011
District Attorney General Fees	0	0	0	7,777	0	0	0	0	0	0	0	0	0	7,777
DUI Treatment Fines	10,103	0	0	0	0	0	0	0	0	0	0	0	0	10,103
Data Entry Fee - General Sessions Court	8,123	0	0	0	0	0	0	0	0	0	0	0	0	8,123
Courtroom Security Fee	726	0	0	0	0	0	0	0	0	0	0	0	0	726
<u>Juvenile Court</u>														
Fines	401	0	0	0	0	0	0	0	0	0	0	0	0	401
Officers Costs	3,117	0	0	0	0	0	0	0	0	0	0	0	0	3,117
Data Entry Fee - Juvenile Court	861	0	0	0	0	0	0	0	0	0	0	0	0	861
Courtroom Security Fee	171	0	0	0	0	0	0	0	0	0	0	0	0	171
<u>Chancery Court</u>														
Officers Costs	8,111	0	0	0	0	0	0	0	0	0	0	0	0	8,111
Data Entry Fee - Chancery Court	2,884	0	0	0	0	0	0	0	0	0	0	0	0	2,884
Courtroom Security Fee	2	0	0	0	0	0	0	0	0	0	0	0	0	2
<u>Courts in Other District Counties</u>														
District Attorney General Fees	0	0	0	4,796	0	0	0	0	0	0	0	0	0	4,796

(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			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>												
<u>Other Fines, Forfeitures, and Penalties</u>												
Proceeds from Confiscated Property	0	0	6,350	0	0	0	0	0	0	0	0	6,350
Total Fines, Forfeitures, and Penalties	\$ 169,867	\$ 0	\$ 23,048	\$ 14,198	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 207,113
<u>Charges for Current Services</u>												
<u>General Service Charges</u>												
Other General Service Charges	2,320	0	0	0	0	0	0	0	0	0	0	2,320
Service Charges	51,116	0	0	0	0	0	0	0	0	0	0	51,116
<u>Fees</u>												
Greenbelt Late Application Fee	150	0	0	0	0	0	0	0	0	0	0	150
Telephone Commissions	8,497	0	0	0	0	0	0	0	0	0	0	8,497
Vending Machine Collections	79	0	0	0	0	0	0	0	0	0	0	79
Data Processing Fee - Register	9,998	0	0	0	0	0	0	0	0	0	0	9,998
Data Processing Fee - Sheriff	3,374	0	0	0	0	0	0	0	0	0	0	3,374
Sexual Offender Registration Fees - Sheriff	1,010	0	0	0	0	0	0	0	0	0	0	1,010
Data Processing Fee - County Clerk	2,042	0	0	0	0	0	0	0	0	0	0	2,042
<u>Other Charges for Services</u>												
Other Charges for Services	27,305	0	0	0	0	0	0	0	0	0	0	27,305
Total Charges for Current Services	\$ 105,891	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 105,891
<u>Other Local Revenues</u>												
<u>Recurring Items</u>												
Investment Income	0	0	0	0	0	0	0	0	0	0	0	0
Lease/Rentals	34,333	0	0	0	0	159,994	0	0	0	0	0	159,994
Refund of Telecommunication and Internet Fees (E-Rate)	1,954	0	0	0	0	0	0	0	0	0	0	34,333
Miscellaneous Refunds	2,665	9,689	0	0	6,424	0	0	0	0	0	0	1,954
<u>Nonrecurring Items</u>												
Sale of Property	15,108	0	0	0	0	90,737	0	0	0	0	0	18,778
Contributions and Gifts	3,373	0	0	0	0	0	0	0	0	0	0	105,845
<u>Other Local Revenues</u>												
Other Local Revenues	500	0	0	0	0	0	0	0	0	0	0	500
Total Other Local Revenues	\$ 57,933	\$ 9,689	\$ 0	\$ 0	\$ 6,424	\$ 250,731	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 324,777

(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			
<u>Fees Received from County Officials</u>											
<u>Fees in-Lieu-of Salary</u>											
County Clerk	\$ 324,399	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 324,399	
Circuit Court Clerk	39,060	0	0	0	0	0	0	0	0	39,060	
General Sessions Court Clerk	256,532	0	0	0	0	0	0	0	0	256,532	
Clerk and Master	157,764	0	0	0	0	0	0	0	0	157,764	
Register	114,123	0	0	0	0	0	0	0	0	114,123	
Sheriff	11,204	0	0	0	0	0	0	0	0	11,204	
Trustee	376,180	0	0	0	0	0	0	0	0	376,180	
<b>Total Fees Received from County Officials</b>	<b>\$ 1,279,262</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>\$ 1,279,262</b>	
<u>State of Tennessee</u>											
<u>General Government Grants</u>											
Juvenile Services Program	\$ 226,993	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 226,993	
Aging Programs	103,379	0	0	0	0	0	0	0	0	103,379	
Solid Waste Grants	0	15,191	0	0	0	0	0	0	0	15,191	
On-Behalf Contributions for OPEB	470	0	0	0	0	0	0	0	0	470	
<u>Public Safety Grants</u>											
Law Enforcement Training Programs	10,800	0	0	0	0	0	0	0	0	10,800	
Health and Welfare Grants	71,844	0	0	0	0	0	0	0	0	71,844	
<u>Other Health and Welfare Grants</u>											
Public Works Grants	0	0	0	0	179,097	0	0	0	0	179,097	
Bridge Program	0	0	0	0	34,652	0	0	0	0	34,652	
Litter Program	0	0	0	0	0	0	0	0	0	0	
<u>Other State Revenues</u>											
Income Tax	40,060	0	0	0	0	0	0	0	0	40,060	
Beer Tax	32,839	0	0	0	0	0	0	0	0	32,839	
Alcoholic Beverage Tax	50,119	0	0	0	0	0	0	0	0	50,119	
Mixed Drink Tax	942	0	0	0	0	0	0	0	0	942	
State Revenue Sharing - T.V.A.	391,488	0	0	0	0	391,488	0	0	0	782,976	
Prisoner Transportation	877	0	0	0	0	0	0	0	0	877	
Contracted Prisoner Boarding	507,360	0	0	0	0	0	0	0	0	507,360	

(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>State of Tennessee (Cont.)</b>												
Other State Revenues (Cont.)												
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,917,856	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,917,856	
Petroleum Special Tax	0	0	0	0	28,024	0	0	0	0	0	28,024	
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	0	0	15,164	
Other State Grants	15,034	0	0	0	0	0	0	0	0	0	15,034	
Other State Revenues	690	0	0	0	0	0	0	0	0	0	690	
Total State of Tennessee	\$ 1,468,059	\$ 15,191	\$ 0	\$ 0	\$ 2,159,629	\$ 391,488	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,034,367	
<b>Federal Government</b>												
Federal Through State												
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 186,168	\$ 0	\$ 0	\$ 0	\$ 186,168	
Civil Defense Reimbursement	23,034	0	0	0	0	0	0	0	0	0	23,034	
Homeland Security Grants	94,246	0	0	0	0	0	0	0	0	0	94,246	
Law Enforcement Grants	4,995	0	0	0	0	0	0	0	0	0	4,995	
ARRA Grant No. 1	17,028	0	0	0	0	0	0	0	0	0	17,028	
ARRA Grant No. 3	21,574	0	0	0	0	0	0	0	0	0	21,574	
Direct Federal Revenue	3,200	0	0	0	0	0	0	0	0	0	3,200	
Other Direct Federal Revenue	\$ 164,077	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 186,168	\$ 0	\$ 0	\$ 0	\$ 350,245	
Total Federal Government	\$ 164,077	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 186,168	\$ 0	\$ 0	\$ 0	\$ 350,245	
<b>Other Governments and Citizens Groups</b>												
Other Governments												
Prisoner Board	\$ 6,353	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,353	
Contributions	373,446	0	0	0	0	508,224	18,420	0	0	0	900,090	
Contracted Services	98,787	0	0	0	0	0	0	0	0	0	98,787	
Other	105,200	0	0	0	0	0	0	0	0	0	105,200	
Total Other Governments and Citizens Groups	\$ 583,786	\$ 0	\$ 0	\$ 0	\$ 0	\$ 508,224	\$ 18,420	\$ 0	\$ 0	\$ 0	\$ 1,110,430	
<b>Total</b>	\$ 7,348,382	\$ 24,880	\$ 23,048	\$ 14,198	\$ 3,905,163	\$ 4,352,560	\$ 204,588	\$ 93,474	\$ 15,966,293			

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, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,221,152	\$ 0	\$ 0	\$ 3,221,152
Trustee's Collections - Prior Year	118,599	0	0	118,599
Trustee's Collections - Bankruptcy	594	0	0	594
Circuit/Clerk & Master Collections - Prior Years	83,004	0	0	83,004
Interest and Penalty	23,302	0	0	23,302
Payments in-Lieu-of Taxes - Local Utilities	243,853	0	0	243,853
<u>County Local Option Taxes</u>				
Local Option Sales Tax	3,057,912	0	0	3,057,912
Wheel Tax	128,267	0	0	128,267
<u>Statutory Local Taxes</u>				
Bank Excise Tax	6,915	0	0	6,915
Interstate Telecommunications Tax	2,436	0	0	2,436
Total Local Taxes	\$ 6,886,034	\$ 0	\$ 0	\$ 6,886,034
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 2,299	\$ 0	\$ 0	\$ 2,299
Total Licenses and Permits	\$ 2,299	\$ 0	\$ 0	\$ 2,299
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 109,851	\$ 0	\$ 0	\$ 109,851
Lunch Payments - Children	0	0	668,839	668,839
Lunch Payments - Adults	0	0	110,906	110,906
Income from Breakfast	0	0	27,367	27,367
Contract for Instructional Services with Other LEAs	10,000	0	0	10,000
Receipts from Individual Schools	104,556	0	2,934	107,490
Total Charges for Current Services	\$ 224,407	\$ 0	\$ 810,046	\$ 1,034,453
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 9,361	\$ 9,361
Sale of Materials and Supplies	26,275	0	0	26,275
Refund of Telecommunication and Internet Fees (E-Rate)	39,968	0	0	39,968
Miscellaneous Refunds	14,394	0	2,289	16,683
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	3,622	0	0	3,622
Contributions and Gifts	7,350	0	0	7,350
Total Other Local Revenues	\$ 91,609	\$ 0	\$ 11,650	\$ 103,259
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 157,220	\$ 0	\$ 0	\$ 157,220
<u>State Education Funds</u>				
Basic Education Program	19,405,875	0	0	19,405,875
Basic Education Program - ARRA	2,256,125	0	0	2,256,125

(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>				
Early Childhood Education	\$ 565,624	\$ 0	\$ 0	\$ 565,624
School Food Service	0	0	25,864	25,864
Energy Efficient School Initiative	35,125	0	0	35,125
Driver Education	12,896	0	0	12,896
Other State Education Funds	100,889	0	0	100,889
Coordinated School Health - ARRA	89,802	0	0	89,802
Internet Connectivity - ARRA	14,019	0	0	14,019
Statewide Student Management System (SSMS) - ARRA	11,811	0	0	11,811
Career Ladder Program	240,219	0	0	240,219
Career Ladder - Extended Contract - ARRA	130,267	0	0	130,267
Other Vocational	25,000	0	0	25,000
<u>Other State Revenues</u>				
Mixed Drink Tax	21,846	0	0	21,846
Safe Schools - ARRA	35,098	0	0	35,098
Total State of Tennessee	\$ 23,101,816	\$ 0	\$ 25,864	\$ 23,127,680
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,031,894	\$ 1,031,894
USDA - Commodities	0	0	158,505	158,505
Breakfast	0	0	485,595	485,595
USDA - Other	0	0	1,977	1,977
Adult Education State Grant Program	121,439	0	0	121,439
Vocational Education - Basic Grants to States	0	79,112	0	79,112
Title I Grants to Local Education Agencies	0	1,183,680	0	1,183,680
Special Education - Grants to States	3,884	1,369,785	0	1,373,669
Special Education Preschool Grants	0	26,511	0	26,511
Eisenhower Professional Development State Grants	0	324,213	0	324,213
Race to the Top - ARRA	0	206,201	0	206,201
Other Federal through State	98,873	24,157	0	123,030
Total Federal Government	\$ 224,196	\$ 3,213,659	\$ 1,677,971	\$ 5,115,826
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 2,340	\$ 0	\$ 0	\$ 2,340
<u>Citizens Groups</u>				
Donations	10,690	0	0	10,690
Total Other Governments and Citizens Groups	\$ 13,030	\$ 0	\$ 0	\$ 13,030
Total	\$ 30,543,391	\$ 3,213,659	\$ 2,525,531	\$ 36,282,581

Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2011

General Fund

General Government

County Commission

Secretary to Board	\$	7,050	
Board and Committee Members Fees		15,450	
Other Per Diem and Fees		19,624	
Social Security		1,649	
State Retirement		850	
Employer Medicare		531	
Audit Services		10,469	
Legal Services		15,952	
Travel		9,216	
Contracts for Development Costs		500	
Other Contracted Services		2,338	
Building and Contents Insurance		761	
In Service/Staff Development		790	
Other Charges		591	
Total County Commission			\$ 85,771

County Mayor/Executive

County Official/Administrative Officer	\$	74,502	
Secretary(ies)		26,097	
Educational Incentive - Other County Employees		300	
Bonus Payments		400	
Social Security		6,156	
State Retirement		12,217	
Medical Insurance		5,023	
Employer Medicare		1,440	
Communication		3,343	
Dues and Memberships		1,634	
Maintenance and Repair Services - Vehicles		235	
Postal Charges		44	
Travel		3,341	
Gasoline		156	
Office Supplies		749	
Premiums on Corporate Surety Bonds		348	
In Service/Staff Development		250	
Total County Mayor/Executive			136,235

County Attorney

Legal Services	\$	1,000	
Total County Attorney			1,000

(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	\$	58,055	
Deputy(ies)		25,589	
Part-time Personnel		9,610	
Bonus Payments		400	
Election Commission		5,175	
Election Workers		34,960	
Social Security		6,599	
State Retirement		8,700	
Medical Insurance		14,310	
Employer Medicare		1,570	
Communication		3,227	
Data Processing Services		4,333	
Dues and Memberships		175	
Legal Services		7,686	
Legal Notices, Recording, and Court Costs		4,624	
Maintenance and Repair Services - Buildings		1,843	
Maintenance and Repair Services - Equipment		5,977	
Maintenance and Repair Services - Office Equipment		145	
Postal Charges		1,999	
Printing, Stationery, and Forms		13,181	
Rentals		1,890	
Travel		1,500	
Other Contracted Services		8,250	
Office Supplies		1,821	
Other Supplies and Materials		188	
Building and Contents Insurance		892	
In Service/Staff Development		1,024	
Office Equipment		528	
Total Election Commission			\$ 224,251

Register of Deeds

County Official/Administrative Officer	\$	64,505
Deputy(ies)		48,090
Educational Incentive - Other County Employees		600
Bonus Payments		800
Social Security		6,438
State Retirement		13,712
Medical Insurance		15,414
Employer Medicare		1,506
Communication		3,158

(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.)

Dues and Memberships	\$	607	
Legal Notices, Recording, and Court Costs		8,360	
Postal Charges		96	
Rentals		730	
Travel		1,625	
Other Contracted Services		6,545	
Data Processing Supplies		697	
Office Supplies		737	
Premiums on Corporate Surety Bonds		266	
In Service/Staff Development		900	
Total Register of Deeds			\$ 174,786

County Buildings

Custodial Personnel	\$	22,275	
Maintenance Personnel		22,925	
Bonus Payments		800	
Social Security		2,714	
State Retirement		5,548	
Medical Insurance		4,768	
Employer Medicare		635	
Maintenance and Repair Services - Buildings		26,538	
Maintenance and Repair Services - Equipment		8,640	
Pest Control		520	
Other Contracted Services		7,934	
Custodial Supplies		6,715	
Electricity		76,688	
Equipment and Machinery Parts		110	
Natural Gas		8,821	
Water and Sewer		4,636	
Other Supplies and Materials		963	
Building and Contents Insurance		11,042	
Other Charges		1,571	
Total County Buildings			213,843

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	71,774	
Accountants/Bookkeepers		157,158	
Custodial Personnel		2,652	
Educational Incentive - Other County Employees		300	

(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.)

Bonus Payments	\$	2,000	
Social Security		13,511	
State Retirement		27,465	
Medical Insurance		26,105	
Employer Medicare		3,160	
Communication		3,965	
Data Processing Services		6,853	
Dues and Memberships		322	
Legal Notices, Recording, and Court Costs		1,077	
Maintenance and Repair Services - Office Equipment		1,000	
Pest Control		240	
Postal Charges		2,500	
Printing, Stationery, and Forms		5,500	
Rentals		4,095	
Travel		3,242	
Custodial Supplies		800	
Electricity		2,800	
Natural Gas		361	
Office Supplies		4,500	
Water and Sewer		350	
Other Supplies and Materials		3,197	
Premiums on Corporate Surety Bonds		91	
In Service/Staff Development		2,841	
Data Processing Equipment		6,800	
Total Accounting and Budgeting			\$ 354,659

Property Assessor's Office

County Official/Administrative Officer	\$	64,505
Deputy(ies)		97,424
Educational Incentive - Other County Employees		7,550
Bonus Payments		1,600
Board and Committee Members Fees		18
Social Security		10,142
State Retirement		20,632
Medical Insurance		12,799
Employer Medicare		2,372
Communication		2,410
Dues and Memberships		1,515
Legal Services		1,798
Legal Notices, Recording, and Court Costs		86

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Maintenance and Repair Services - Office Equipment	\$	85	
Maintenance and Repair Services - Vehicles		604	
Postal Charges		537	
Printing, Stationery, and Forms		31	
Rentals		2,567	
Travel		1,085	
Gasoline		1,125	
Office Supplies		830	
Vehicle and Equipment Insurance		398	
Total Property Assessor's Office			\$ 230,113

Reappraisal Program

Data Processing Services	\$	4,606	
Postal Charges		638	
Travel		323	
Other Contracted Services		52,536	
Office Supplies		292	
In Service/Staff Development		300	
Total Reappraisal Program			58,695

County Trustee's Office

County Official/Administrative Officer	\$	64,505	
Deputy(ies)		48,839	
Educational Incentive - Other County Employees		600	
Bonus Payments		800	
Social Security		6,403	
State Retirement		13,874	
Medical Insurance		17,526	
Employer Medicare		1,498	
Communication		2,650	
Data Processing Services		19,773	
Dues and Memberships		707	
Legal Notices, Recording, and Court Costs		1,217	
Maintenance Agreements		4,878	
Postal Charges		2,579	
Rentals		659	
Travel		2,558	
Office Supplies		2,496	
Premiums on Corporate Surety Bonds		7,105	
In Service/Staff Development		900	
Total County Trustee's Office			199,567

(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

County Official/Administrative Officer	\$	64,505	
Deputy(ies)		121,421	
Clerical Personnel		1,050	
Temporary Personnel		5,598	
Educational Incentive - Other County Employees		600	
Bonus Payments		2,000	
Social Security		10,731	
State Retirement		22,863	
Medical Insurance		37,840	
Employer Medicare		2,510	
Communication		2,511	
Dues and Memberships		632	
Legal Notices, Recording, and Court Costs		303	
Maintenance Agreements		12,545	
Maintenance and Repair Services - Office Equipment		195	
Postal Charges		7,500	
Printing, Stationery, and Forms		2,298	
Rentals		3,514	
Travel		854	
Office Supplies		2,819	
Other Supplies and Materials		8,459	
Premiums on Corporate Surety Bonds		348	
In Service/Staff Development		900	
Data Processing Equipment		5,100	
Total County Clerk's Office			\$ 317,096

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	64,505
Deputy(ies)		86,568
Temporary Personnel		3,975
Bonus Payments		1,200
Jury and Witness Expense		3,461
Social Security		7,767
State Retirement		16,428
Medical Insurance		38,807
Employer Medicare		1,894
Communication		2,994
Data Processing Services		2,940
Dues and Memberships		95

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Legal Notices, Recording, and Court Costs	\$	76	
Maintenance and Repair Services - Office Equipment		140	
Printing, Stationery, and Forms		1,252	
Rentals		4,087	
Travel		105	
Office Supplies		1,987	
Other Supplies and Materials		1,864	
Premiums on Corporate Surety Bonds		348	
Total Circuit Court			\$ 240,493

General Sessions Court

Judge(s)	\$	109,148	
Deputy(ies)		59,424	
Bonus Payments		800	
Social Security		10,035	
State Retirement		19,886	
Medical Insurance		13,453	
Employer Medicare		2,357	
Communication		2,197	
Data Processing Services		6,825	
Dues and Memberships		777	
Postal Charges		3,000	
Printing, Stationery, and Forms		548	
Travel		1,395	
Other Contracted Services		3,000	
Library Books/Media		896	
Office Supplies		2,824	
In Service/Staff Development		300	
Total General Sessions Court			236,865

Chancery Court

County Official/Administrative Officer	\$	64,505	
Deputy(ies)		69,089	
Temporary Personnel		2,574	
Bonus Payments		800	
Social Security		8,286	
State Retirement		15,220	
Medical Insurance		9,214	
Employer Medicare		1,938	
Communication		2,169	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Dues and Memberships	\$	516	
Legal Notices, Recording, and Court Costs		878	
Maintenance Agreements		6,165	
Postal Charges		2,316	
Printing, Stationery, and Forms		2,690	
Rentals		1,860	
Other Contracted Services		200	
Office Supplies		2,003	
Data Processing Equipment		3,000	
Office Equipment		1,815	
Total Chancery Court			\$ 195,238

Juvenile Court

Judge(s)	\$	29,020	
Youth Service Officer(s)		39,812	
Social Workers		27,053	
Secretary(ies)		23,733	
Bonus Payments		1,200	
Social Security		6,858	
State Retirement		12,980	
Medical Insurance		27,818	
Employer Medicare		1,604	
Communication		2,984	
Contracts with Other Public Agencies		6,213	
Dues and Memberships		75	
Legal Services		100	
Maintenance and Repair Services - Office Equipment		245	
Maintenance and Repair Services - Vehicles		449	
Postal Charges		41	
Rentals		2,431	
Travel		3,205	
Drugs and Medical Supplies		1,120	
Gasoline		1,509	
Office Supplies		1,619	
Vehicle and Equipment Insurance		474	
In Service/Staff Development		365	
Total Juvenile Court			190,908

District Attorney General

Secretary(ies)	\$	24,183	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

Bonus Payments	\$	400	
Social Security		1,426	
State Retirement		2,965	
Medical Insurance		4,768	
Employer Medicare		333	
Total District Attorney General			\$ 34,075

Other Administration of Justice

Social Workers	\$	97,650	
Bonus Payments		800	
Other Salaries and Wages		3,736	
Social Security		6,092	
State Retirement		10,727	
Medical Insurance		9,762	
Employer Medicare		1,425	
Communication		2,010	
Rentals		9,600	
Travel		3,129	
Office Supplies		2,137	
Utilities		3,282	
Other Supplies and Materials		4,618	
Workers' Compensation Insurance		664	
Total Other Administration of Justice			155,632

Probation Services

Social Workers	\$	50,000	
Bonus Payments		800	
Social Security		2,837	
State Retirement		6,126	
Medical Insurance		1,934	
Employer Medicare		664	
Total Probation Services			62,361

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	70,956	
Deputy(ies)		719,672	
Accountants/Bookkeepers		53,126	
Salary Supplements		10,800	
Maintenance Personnel		26,833	

(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.)

Part-time Personnel	\$	31,550	
Overtime Pay		985	
Bonus Payments		8,800	
Social Security		51,735	
State Retirement		98,680	
Medical Insurance		143,248	
Employer Medicare		12,195	
Communication		22,311	
Dues and Memberships		2,100	
Evaluation and Testing		230	
Legal Services		160	
Maintenance Agreements		3,000	
Maintenance and Repair Services - Equipment		1,256	
Maintenance and Repair Services - Vehicles		26,154	
Postal Charges		6,460	
Printing, Stationery, and Forms		1,486	
Rentals		10,884	
Travel		9,910	
Other Contracted Services		239	
Gasoline		80,706	
Law Enforcement Supplies		7,411	
Office Supplies		4,562	
Uniforms		10,321	
Other Supplies and Materials		11,109	
Premiums on Corporate Surety Bonds		266	
Vehicle and Equipment Insurance		15,179	
Workers' Compensation Insurance		816	
In Service/Staff Development		1,035	
Other Charges		2,296	
Data Processing Equipment		706	
Law Enforcement Equipment		16,214	
Motor Vehicles		43,952	
Total Sheriff's Department			\$ 1,507,343

Traffic Control

Dispatchers/Radio Operators	\$	267,269
Bonus Payments		2,800
Social Security		15,673
State Retirement		26,306
Medical Insurance		42,993

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Traffic Control (Cont.)

Employer Medicare	\$ 3,665	
Total Traffic Control		\$ 358,706

Jail

Supervisor/Director	\$ 39,676	
Accountants/Bookkeepers	28,076	
Guards	435,163	
Bonus Payments	5,600	
Social Security	27,908	
State Retirement	48,021	
Medical Insurance	102,313	
Employer Medicare	6,527	
Maintenance and Repair Services - Buildings	28,377	
Maintenance and Repair Services - Equipment	10,718	
Medical and Dental Services	90,468	
Pest Control	960	
Printing, Stationery, and Forms	1,115	
Rentals	687	
Custodial Supplies	13,183	
Electricity	61,305	
Food Supplies	80,535	
Natural Gas	26,427	
Office Supplies	1,687	
Water and Sewer	12,942	
Other Supplies and Materials	14,964	
Building and Contents Insurance	12,029	
Heating and Air Conditioning Equipment	11,635	
Total Jail		1,060,316

Correctional Incentive Program Improvements

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

Fire Prevention and Control

Contributions	\$ 27,000	
Total Fire Prevention and Control		27,000

Civil Defense

Assistant(s)	\$ 8,800	
Supervisor/Director	16,122	

(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.)

Overtime Pay	\$	3,368	
Bonus Payments		600	
Social Security		1,791	
State Retirement		2,387	
Employer Medicare		419	
Advertising		41	
Communication		1,770	
Dues and Memberships		174	
Maintenance and Repair Services - Equipment		1,173	
Postal Charges		50	
Printing, Stationery, and Forms		316	
Travel		782	
Other Contracted Services		2,249	
Gasoline		1,958	
Office Supplies		830	
Uniforms		323	
Other Supplies and Materials		1,305	
Vehicle and Equipment Insurance		610	
In Service/Staff Development		545	
Law Enforcement Equipment		13,000	
Other Equipment		75,200	
Total Civil Defense			\$ 133,813

Rescue Squad

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

County Coroner/Medical Examiner

Other Contracted Services	\$	3,450	
Total County Coroner/Medical Examiner			3,450

Other Public Safety

Other Contracted Services	\$	1,960	
Total Other Public Safety			1,960

Public Health and Welfare

Local Health Center

Bonus Payments	\$	800	
Other Salaries and Wages		46,500	
Social Security		2,328	

(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.)

State Retirement	\$	4,964	
Medical Insurance		14,615	
Employer Medicare		544	
Communication		4,163	
Contracts with Government Agencies		31,500	
Dues and Memberships		260	
Janitorial Services		9,240	
Maintenance and Repair Services - Buildings		3,719	
Maintenance and Repair Services - Equipment		1,215	
Pest Control		264	
Postal Charges		1,039	
Rentals		76	
Travel		2,093	
Custodial Supplies		1,351	
Drugs and Medical Supplies		108	
Electricity		10,714	
Natural Gas		951	
Office Supplies		1,155	
Water and Sewer		2,520	
Other Supplies and Materials		306	
Building and Contents Insurance		1,269	
Total Local Health Center			\$ 141,694

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	215,417	
Total Ambulance/Emergency Medical Services			215,417

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

General Welfare Assistance

Contracts with Other Public Agencies	\$	26,250	
Other Contracted Services		500	
Total General Welfare Assistance			26,750

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$	21,636	
Social Workers		19,510	
Bonus Payments		1,200	
Other Salaries and Wages		34,950	
Social Security		3,910	
State Retirement		6,712	
Medical Insurance		18,893	
Employer Medicare		978	
Communication		2,094	
Contributions		10,000	
Licenses		840	
Postal Charges		990	
Rentals		5,687	
Travel		7,651	
Other Contracted Services		1,593	
Custodial Supplies		1,625	
Food Supplies		1,838	
Gasoline		130	
Other Supplies and Materials		3,352	
Total Adult Activities			\$ 143,589

Senior Citizens Assistance

Supervisor/Director	\$	21,586	
Bonus Payments		400	
Social Security		1,320	
State Retirement		2,652	
Employer Medicare		309	
Communication		1,012	
Maintenance and Repair Services - Vehicles		867	
Rentals		444	
Travel		1,000	
Other Contracted Services		600	
Custodial Supplies		300	
Food Supplies		1,219	
Office Supplies		300	
Utilities		134	
Other Supplies and Materials		1,583	
Total Senior Citizens Assistance			33,726

(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

Supervisor/Director	\$	30,308	
Clerical Personnel		43,906	
Temporary Personnel		6,036	
Bonus Payments		1,200	
Social Security		4,592	
State Retirement		9,095	
Medical Insurance		13,166	
Employer Medicare		1,074	
Communication		2,926	
Contributions		15,374	
Janitorial Services		4,200	
Licenses		568	
Maintenance and Repair Services - Buildings		4,145	
Maintenance and Repair Services - Equipment		312	
Pest Control		295	
Travel		991	
Other Contracted Services		30,340	
Utilities		7,463	
Building and Contents Insurance		1,224	
Data Processing Equipment		2,163	
Total Libraries			\$ 179,378

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	49,943	
Other Fringe Benefits		11,562	
Communication		4,831	
Travel		1,800	
Data Processing Equipment		3,236	
Total Agriculture Extension Service			71,372

Soil Conservation

Secretary(ies)	\$	24,248	
Bonus Payments		400	
Social Security		1,376	
State Retirement		2,973	
Medical Insurance		4,911	
Employer Medicare		322	
Total Soil Conservation			34,230

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Flood Control

Other Contracted Services	\$ 17,794	
Total Flood Control		\$ 17,794

Other Operations

Veterans' Services

Assistant(s)	\$ 8,102	
Supervisor/Director	23,484	
Bonus Payments	400	
Social Security	1,983	
State Retirement	2,880	
Employer Medicare	464	
Communication	1,540	
Dues and Memberships	108	
Postal Charges	448	
Travel	990	
Office Supplies	946	
Total Veterans' Services		41,345

Other Charges

Dues and Memberships	\$ 4,784	
Other Charges	3,748	
Total Other Charges		8,532

Contributions to Other Agencies

Contributions	\$ 185,964	
Total Contributions to Other Agencies		185,964

Employee Benefits

Unemployment Compensation	\$ 25,892	
Total Employee Benefits		25,892

ARRA Grant No. 1

Part-time Personnel	\$ 11,587	
Social Security	718	
Employer Medicare	168	
Travel	3,713	
Other Supplies and Materials	4,120	
Total ARRA Grant No. 1		20,306

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

ARRA Grant No. 3

Part-time Personnel	\$	14,889	
Social Security		889	
State Retirement		711	
Medical Insurance		1,599	
Employer Medicare		208	
Total ARRA Grant No. 3			\$ 18,296

Miscellaneous

On-Behalf Payments to OPEB	\$	470	
Liability Insurance		55,649	
Premiums on Corporate Surety Bonds		743	
Trustee's Commission		69,577	
Workers' Compensation Insurance		53,072	
Other Charges		527	
Total Miscellaneous			180,038

Total General Fund \$ 7,560,666

Solid Waste/Sanitation Fund

Public Health and Welfare

Recycling Center

Temporary Personnel	\$	5,453	
Postal Charges		100	
Travel		65	
Other Contracted Services		24,735	
Electricity		1,317	
Water and Sewer		550	
Other Supplies and Materials		662	
Trustee's Commission		83	
Total Recycling Center			\$ 32,965

Other Operations

Employee Benefits

Social Security	\$	338	
State Retirement		279	
Employer Medicare		79	
Total Employee Benefits			696

Total Solid Waste/Sanitation Fund 33,661

(Continued)

Exhibit K-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	5,000	
Tow-in Services		575	
Other Supplies and Materials		6,517	
Trustee's Commission		171	
Other Charges		17	
Motor Vehicles		42,999	
Total Drug Enforcement			\$ 55,279

Total Drug Control Fund \$ 55,279

District Attorney General Fund

Administration of Justice

District Attorney General

Communication	\$	3,148	
Dues and Memberships		850	
Travel		724	
Tuition		1,230	
Library Books/Media		92	
Office Supplies		76	
Trustee's Commission		136	
Furniture and Fixtures		8,543	
Total District Attorney General			\$ 14,799

Total District Attorney General Fund 14,799

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	70,956	
Secretary to Board		1,800	
Secretary(ies)		26,141	
Bonus Payments		400	
Board and Committee Members Fees		10,800	
Dues and Memberships		3,109	
Legal Services		410	
Legal Notices, Recording, and Court Costs		137	
Medical and Dental Services		637	
Postal Charges		922	
Printing, Stationery, and Forms		518	
Rentals		2,035	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Travel	\$	1,834	
Office Supplies		672	
Other Supplies and Materials		442	
Premiums on Corporate Surety Bonds		746	
Other Charges		2,000	
Total Administration			\$ 123,559

Highway and Bridge Maintenance

Foremen	\$	35,923	
Equipment Operators		354,437	
Truck Drivers		308,745	
Laborers		209,282	
Bonus Payments		12,700	
Rentals		738	
Other Contracted Services		198,065	
Asphalt - Liquid		627,823	
Crushed Stone		333,484	
General Construction Materials		16,585	
Pipe		124,651	
Road Signs		8,852	
Small Tools		236	
Other Supplies and Materials		313	
Total Highway and Bridge Maintenance			2,231,834

Operation and Maintenance of Equipment

Foremen	\$	33,751	
Mechanic(s)		87,437	
Bonus Payments		1,600	
Laundry Service		11,774	
Maintenance and Repair Services - Equipment		35,875	
Tow-in Services		735	
Diesel Fuel		207,544	
Equipment and Machinery Parts		119,067	
Garage Supplies		3,681	
Gasoline		27,789	
Lubricants		23,069	
Small Tools		3,304	
Tires and Tubes		50,400	
Other Supplies and Materials		828	
Total Operation and Maintenance of Equipment			606,854

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection

Foremen	\$	18,608	
Secretary(ies)		5,122	
Social Security		1,398	
State Retirement		2,767	
Employer Medicare		327	
Advertising		3,543	
Other Supplies and Materials		393	
Litter Enforcement Awards		<u>3,956</u>	
Total Litter and Trash Collection			\$ 36,114

Other Charges

Communication	\$	7,340	
Maintenance and Repair Services - Buildings		1,905	
Maintenance and Repair Services - Office Equipment		8,244	
Electricity		18,706	
Natural Gas		6,089	
Water and Sewer		1,461	
Building and Contents Insurance		3,727	
Liability Insurance		5,841	
Trustee's Commission		44,735	
Vehicle and Equipment Insurance		24,901	
Liability Claims		<u>432</u>	
Total Other Charges			123,381

Employee Benefits

Social Security	\$	66,320	
State Retirement		136,616	
Medical Insurance		187,736	
Employer Medicare		15,510	
Workers' Compensation Insurance		<u>110,128</u>	
Total Employee Benefits			516,310

Capital Outlay

Bridge Construction	\$	200,710	
Highway Equipment		<u>102,100</u>	
Total Capital Outlay			<u>302,810</u>

Total Highway/Public Works Fund \$ 3,940,862

(Continued)

Exhibit K-7

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$ 710,948	
Principal on Other Loans	<u>403,000</u>	
Total General Government		\$ 1,113,948

Highways and Streets

Principal on Notes	\$ <u>216,000</u>	
Total Highways and Streets		216,000

Education

Principal on Bonds	\$ 995,000	
Principal on Notes	10,205	
Principal on Other Loans	<u>1,670,000</u>	
Total Education		2,675,205

Interest on Debt

General Government

Interest on Notes	\$ 27,945	
Interest on Other Loans	<u>17,920</u>	
Total General Government		45,865

Highways and Streets

Interest on Notes	\$ <u>4,201</u>	
Total Highways and Streets		4,201

Education

Interest on Bonds	\$ 362,058	
Interest on Other Loans	<u>41,586</u>	
Total Education		403,644

Other Debt Service

General Government

Trustee's Commission	\$ 70,700	
Other Debt Service	<u>13,852</u>	
Total General Government		84,552

Education

Other Debt Service	\$ <u>42,914</u>	
Total Education		<u>42,914</u>

Total General Debt Service Fund		\$ 4,586,329
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(Continued)

Exhibit K-7

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

Community Development/Industrial Park Fund

Capital Projects

Other General Government Projects

Contracts with Other Public Agencies	\$ 11,576	
Legal Notices, Recording, and Court Costs	270	
Other Equipment	<u>192,742</u>	
Total Other General Government Projects		<u>\$ 204,588</u>

Total Community Development/Industrial Park Fund \$ 204,588

Highway Capital Projects Fund

Highways

Other Charges

Trustee's Commission	\$ 1,916	
Total Other Charges		\$ 1,916

Capital Outlay

Highway Construction	\$ 52,896	
Total Capital Outlay		<u>52,896</u>

Total Highway Capital Projects Fund 54,812

Total Governmental Funds - Primary Government \$ 16,450,996

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, 2011

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 10,507,082	
Career Ladder Program	125,989	
Career Ladder Extended Contracts	110,625	
Educational Assistants	370,697	
Bonus Payments	112,140	
Certified Substitute Teachers	72,036	
Non-certified Substitute Teachers	78,966	
Social Security	644,647	
State Retirement	1,003,357	
Medical Insurance	1,288,989	
Employer Medicare	153,745	
Other Fringe Benefits	20,760	
Rentals	67,782	
Instructional Supplies and Materials	205,669	
Textbooks	480,062	
Other Supplies and Materials	8,544	
Regular Instruction Equipment	286,417	
Total Regular Instruction Program		\$ 15,537,507

Special Education Program

Teachers	\$ 1,299,489	
Career Ladder Program	18,990	
Educational Assistants	45,163	
Speech Pathologist	42,460	
Other Salaries and Wages	13,000	
Certified Substitute Teachers	6,240	
Non-certified Substitute Teachers	11,648	
Social Security	83,032	
State Retirement	127,360	
Medical Insurance	145,281	
Employer Medicare	19,437	
Contracts with Private Agencies	22,718	
Other Contracted Services	60,177	
Instructional Supplies and Materials	32,451	
Other Supplies and Materials	6,306	
Furniture and Fixtures	16,371	
Special Education Equipment	39,002	
Total Special Education Program		1,989,125

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Teachers	\$	853,281	
Career Ladder Program		16,430	
Bonus Payments		8,800	
Other Salaries and Wages		21,410	
Certified Substitute Teachers		5,800	
Non-certified Substitute Teachers		9,750	
Social Security		53,489	
State Retirement		78,445	
Medical Insurance		86,524	
Employer Medicare		12,522	
Communication		731	
Maintenance and Repair Services - Equipment		773	
Rentals		888	
Animal Food and Supplies		11,650	
Drugs and Medical Supplies		539	
Equipment and Machinery Parts		957	
Gasoline		2,500	
Instructional Supplies and Materials		23,225	
Other Supplies and Materials		3,365	
Vehicle and Equipment Insurance		400	
Vocational Instruction Equipment		1,835	
Total Vocational Education Program			\$ 1,193,314

Student Body Education Program

Clerical Personnel	\$	6,110	
Social Security		293	
State Retirement		737	
Employer Medicare		69	
Maintenance and Repair Services - Equipment		781	
Gasoline		1,355	
Vehicle Parts		846	
Vehicle and Equipment Insurance		2,000	
Total Student Body Education Program			12,191

Adult Education Program

Supervisor/Director	\$	40,947	
Teachers		43,320	
Guidance Personnel		9,470	
Bonus Payments		1,000	

(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.)

Instruction (Cont.)

Adult Education Program (Cont.)

Other Salaries and Wages	\$	24,156	
Social Security		6,724	
State Retirement		12,435	
Medical Insurance		4,198	
Employer Medicare		1,640	
Communication		1,337	
Rentals		2,256	
Travel		9,115	
Instructional Supplies and Materials		6,219	
Other Charges		524	
Total Adult Education Program			\$ 163,341

Support Services

Attendance

Supervisor/Director	\$	67,948	
Career Ladder Program		3,000	
Bonus Payments		400	
Social Security		4,314	
State Retirement		6,457	
Medical Insurance		4,198	
Employer Medicare		1,009	
Maintenance Agreements		11,811	
Travel		715	
Other Supplies and Materials		2,989	
Total Attendance			102,841

Health Services

Teachers	\$	33,916	
Medical Personnel		148,338	
Bonus Payments		2,400	
Other Salaries and Wages		15,842	
Certified Substitute Teachers		160	
Non-certified Substitute Teachers		2,366	
Social Security		10,860	
State Retirement		17,996	
Medical Insurance		34,724	
Employer Medicare		2,540	
Communication		1,340	
Dues and Memberships		225	

(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 (Cont.)

Postal Charges	\$	1,000	
Rentals		1,812	
Travel		6,753	
Other Contracted Services		2,200	
Other Supplies and Materials		10,544	
Total Health Services			\$ 293,016

Other Student Support

Career Ladder Program	\$	4,998	
Guidance Personnel		496,705	
School Resource Officer		31,189	
Bonus Payments		4,400	
Other Salaries and Wages		1,947	
Certified Substitute Teachers		760	
Non-certified Substitute Teachers		1,326	
Social Security		31,979	
State Retirement		48,111	
Medical Insurance		44,250	
Employer Medicare		7,480	
Communication		128	
Evaluation and Testing		33,392	
Printing, Stationery, and Forms		406	
Travel		29,657	
Other Contracted Services		42,246	
Other Supplies and Materials		7,363	
In Service/Staff Development		7,519	
Transfers to Other Funds		5,969	
Other Charges		25,451	
Other Equipment		13,413	
Total Other Student Support			838,689

Regular Instruction Program

Supervisor/Director	\$	288,754	
Career Ladder Program		13,500	
Librarians		381,551	
Social Workers		36,431	
Instructional Computer Personnel		67,948	
Bonus Payments		8,400	
Other Salaries and Wages		106,974	

(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	\$	49,835	
State Retirement		75,618	
Medical Insurance		69,426	
Employer Medicare		12,181	
Travel		16,804	
Library Books/Media		80,001	
Other Supplies and Materials		36,170	
In Service/Staff Development		32,749	
Total Regular Instruction Program			\$ 1,276,342

Alternative Instruction Program

Supervisor/Director	\$	20,167	
Career Ladder Program		1,000	
Educational Assistants		11,050	
Bonus Payments		600	
Certified Substitute Teachers		80	
Non-certified Substitute Teachers		52	
Social Security		1,783	
State Retirement		2,902	
Medical Insurance		11,665	
Employer Medicare		418	
Communication		681	
Contracts with Other Public Agencies		35,000	
Rentals		985	
Travel		855	
Other Supplies and Materials		1,141	
Total Alternative Instruction Program			88,379

Special Education Program

Supervisor/Director	\$	67,948	
Career Ladder Program		4,000	
Psychological Personnel		135,846	
Assessment Personnel		41,289	
Clerical Personnel		23,357	
Other Salaries and Wages		2,000	
Social Security		16,092	
State Retirement		25,552	
Medical Insurance		19,428	
Employer Medicare		3,763	

(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.)

Communication	\$	993	
Maintenance Agreements		5,104	
Maintenance and Repair Services - Equipment		1,031	
Postal Charges		547	
Rentals		2,808	
Travel		10,099	
Drugs and Medical Supplies		783	
Office Supplies		8,923	
Other Supplies and Materials		14,665	
In Service/Staff Development		1,841	
Office Equipment		4,815	
Total Special Education Program			\$ 390,884

Vocational Education Program

Clerical Personnel	\$	23,691	
Bonus Payments		400	
Other Salaries and Wages		670	
Non-certified Substitute Teachers		52	
Social Security		1,145	
State Retirement		2,982	
Medical Insurance		8,306	
Employer Medicare		268	
Communication		434	
Maintenance and Repair Services - Equipment		1,795	
Travel		34,043	
Office Supplies		551	
Other Supplies and Materials		5,998	
In Service/Staff Development		1,849	
Total Vocational Education Program			82,184

Other Programs

Other Salaries and Wages	\$	74,341	
Certified Substitute Teachers		3,040	
Non-certified Substitute Teachers		9,776	
Social Security		5,200	
State Retirement		6,933	
Employer Medicare		1,231	
On-Behalf Payments to OPEB		157,220	
Total Other Programs			257,741

(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

Secretary to Board	\$	3,000	
Board and Committee Members Fees		17,100	
Social Security		855	
State Retirement		362	
Unemployment Compensation		47,046	
Employer Medicare		291	
Audit Services		10,000	
Dues and Memberships		16,291	
Legal Services		105,436	
Legal Notices, Recording, and Court Costs		6,321	
Travel		6,376	
Excess Risk Insurance		18,960	
Liability Insurance		18,850	
Premiums on Corporate Surety Bonds		91	
Trustee's Commission		160,033	
Workers' Compensation Insurance		134,220	
Other Charges		2,880	
Total Board of Education			\$ 548,112

Director of Schools

County Official/Administrative Officer	\$	96,100	
Career Ladder Program		1,000	
Accountants/Bookkeepers		26,784	
Secretary(ies)		44,918	
Bonus Payments		1,200	
Social Security		10,199	
State Retirement		17,579	
Medical Insurance		21,356	
Employer Medicare		2,385	
Communication		6,904	
Postal Charges		3,239	
Printing, Stationery, and Forms		8,404	
Rentals		5,313	
Travel		8,144	
Office Supplies		2,439	
Other Supplies and Materials		8,122	
Total Director of Schools			264,086

(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

Principals	\$	672,759	
Career Ladder Program		13,000	
Secretary(ies)		298,200	
Bonus Payments		10,200	
Social Security		58,423	
State Retirement		101,344	
Medical Insurance		116,017	
Employer Medicare		13,664	
Communication		33,833	
Postal Charges		264	
Travel		5,563	
Office Supplies		17,654	
Total Office of the Principal			\$ 1,340,921

Operation of Plant

Custodial Personnel	\$	81,685	
Bonus Payments		800	
Social Security		4,492	
State Retirement		4,093	
Medical Insurance		14,860	
Employer Medicare		1,051	
Maintenance and Repair Services - Equipment		2,282	
Rentals		28,571	
Disposal Fees		48,358	
Permits		640	
Other Contracted Services		856,517	
Custodial Supplies		2,556	
Electricity		847,289	
Natural Gas		229,555	
Water and Sewer		105,881	
Other Supplies and Materials		4,588	
Building and Contents Insurance		82,257	
Furniture and Fixtures		6,148	
Total Operation of Plant			2,321,623

Maintenance of Plant

Supervisor/Director	\$	47,012
Secretary(ies)		26,376
Maintenance Personnel		177,830

(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.)

Bonus Payments	\$	2,800	
Social Security		13,802	
State Retirement		27,218	
Medical Insurance		47,017	
Employer Medicare		3,228	
Communication		1,821	
Laundry Service		3,901	
Maintenance and Repair Services - Buildings		9,553	
Maintenance and Repair Services - Equipment		49,889	
Pest Control		7,409	
Printing, Stationery, and Forms		284	
Other Contracted Services		77,898	
Equipment and Machinery Parts		87,596	
General Construction Materials		20,930	
Office Supplies		300	
Other Supplies and Materials		22,049	
Total Maintenance of Plant			\$ 626,913

Transportation

Supervisor/Director	\$	40,820
Mechanic(s)		70,310
Bus Drivers		331,151
Bonus Payments		14,000
Social Security		27,412
State Retirement		49,406
Medical Insurance		15,478
Employer Medicare		6,482
Communication		3,600
Maintenance and Repair Services - Equipment		196
Medical and Dental Services		3,020
Postal Charges		32
Rentals		1,452
Tow-in Services		2,225
Travel		1,126
Other Contracted Services		1,291
Drugs and Medical Supplies		1,314
Gasoline		257,136
General Construction Materials		194
Office Supplies		1,060

(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.)

Tires and Tubes	\$	45,818	
Vehicle Parts		99,671	
Other Supplies and Materials		11,475	
Vehicle and Equipment Insurance		40,691	
Transportation Equipment		89,090	
Other Equipment		11,605	
Total Transportation			\$ 1,126,055

Operation of Non-Instructional Services

Community Services

Bonus Payments	\$	3,000	
Other Salaries and Wages		71,953	
Social Security		4,485	
State Retirement		4,247	
Employer Medicare		1,049	
Other Contracted Services		140	
Other Supplies and Materials		38,374	
Total Community Services			123,248

Early Childhood Education

Teachers	\$	230,771	
Educational Assistants		69,103	
Bonus Payments		4,000	
Certified Substitute Teachers		2,640	
Non-certified Substitute Teachers		3,640	
Social Security		16,061	
State Retirement		26,304	
Medical Insurance		76,821	
Employer Medicare		3,773	
Communication		4,009	
Legal Notices, Recording, and Court Costs		194	
Postal Charges		79	
Other Contracted Services		3,155	
Other Supplies and Materials		108,522	
In Service/Staff Development		1,583	
Total Early Childhood Education			550,655

(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.)

Capital Outlay

Regular Capital Outlay

Engineering Services	\$	8,146	
Other Supplies and Materials		1,260	
Building Improvements		457,022	
Total Regular Capital Outlay			\$ 466,428

Other Debt Service

Education

Contributions	\$	508,224	
Total Education			508,224

Total General Purpose School Fund \$ 30,101,819

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	521,372	
Educational Assistants		239,403	
Other Salaries and Wages		13,492	
Certified Substitute Teachers		3,720	
Non-certified Substitute Teachers		4,134	
Social Security		45,882	
State Retirement		73,872	
Medical Insurance		84,268	
Employer Medicare		10,735	
Other Contracted Services		113,841	
Instructional Supplies and Materials		15,191	
Regular Instruction Equipment		18,784	
Total Regular Instruction Program			\$ 1,144,694

Special Education Program

Teachers	\$	55,177	
Homebound Teachers		16,216	
Educational Assistants		428,493	
Other Salaries and Wages		13,600	
Certified Substitute Teachers		1,120	
Non-certified Substitute Teachers		1,248	
Social Security		28,057	
State Retirement		54,738	
Medical Insurance		108,509	

(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.)

Employer Medicare	\$	6,564	
Contracts with Private Agencies		9,180	
Instructional Supplies and Materials		58,805	
Special Education Equipment		242,894	
Total Special Education Program			\$ 1,024,601

Vocational Education Program

Educational Assistants	\$	20,734	
Other Salaries and Wages		28,388	
Social Security		2,856	
State Retirement		2,570	
Employer Medicare		695	
Instructional Supplies and Materials		14,566	
Other Supplies and Materials		32	
Vocational Instruction Equipment		2,373	
Total Vocational Education Program			72,214

Support Services

Health Services

Medical Personnel	\$	44,410	
Other Salaries and Wages		800	
Social Security		2,172	
State Retirement		5,092	
Medical Insurance		16,166	
Employer Medicare		508	
Drugs and Medical Supplies		1,008	
Total Health Services			70,156

Other Student Support

Other Salaries and Wages	\$	7,172	
Social Security		426	
State Retirement		858	
Employer Medicare		100	
Evaluation and Testing		2,588	
Travel		4,022	
In Service/Staff Development		325	
Other Charges		49,426	
Total Other Student Support			64,917

(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.)

Regular Instruction Program

Supervisor/Director	\$	35,800	
Secretary(ies)		25,440	
Educational Assistants		6,912	
Other Salaries and Wages		259,106	
Certified Substitute Teachers		3,252	
Non-certified Substitute Teachers		6,214	
Social Security		17,319	
State Retirement		27,077	
Medical Insurance		21,867	
Employer Medicare		4,605	
Operating Lease Payments		897	
Travel		986	
Other Contracted Services		29,950	
Other Supplies and Materials		4,071	
In Service/Staff Development		65,608	
Other Equipment		1,235	
Total Regular Instruction Program			\$ 510,339

Special Education Program

Clerical Personnel	\$	15,350	
Other Salaries and Wages		400	
Social Security		840	
State Retirement		1,900	
Medical Insurance		4,130	
Employer Medicare		196	
Travel		138	
In Service/Staff Development		20,328	
Other Equipment		44,558	
Total Special Education Program			87,840

Transportation

Mechanic(s)	\$	8,011	
Bus Drivers		90,143	
Other Salaries and Wages		3,200	
Social Security		6,263	
State Retirement		12,065	
Employer Medicare		1,465	
Maintenance and Repair Services - Vehicles		15,496	
Gasoline		17,093	
Transportation Equipment	\$	88,220	
Total Transportation			241,956

Total School Federal Projects Fund \$ 3,216,717

(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

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	59,488	
Accountants/Bookkeepers		23,308	
Cafeteria Personnel		648,231	
Maintenance Personnel		23,888	
Educational Incentive - Other County Employees		3,300	
Bonus Payments		22,300	
Other Salaries and Wages		2,289	
Social Security		43,614	
State Retirement		72,834	
Medical Insurance		144,617	
Employer Medicare		10,204	
Audit Services		3,000	
Communication		6,741	
Freight Expenses		18,340	
Legal Notices, Recording, and Court Costs		400	
Maintenance Agreements		5,987	
Maintenance and Repair Services - Equipment		733	
Pest Control		1,982	
Postal Charges		371	
Printing, Stationery, and Forms		1,777	
Travel		2,675	
Other Contracted Services		10,523	
Custodial Supplies		873	
Equipment and Machinery Parts		13,383	
Food Supplies		1,092,247	
Office Supplies		12,242	
USDA - Commodities		158,505	
Other Supplies and Materials		100,954	
Trustee's Commission		98	
In Service/Staff Development		4,793	
Food Service Equipment		90,170	
Total Food Service			\$ 2,579,867
Total Central Cafeteria Fund			\$ 2,579,867

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$	57,411	
Building Improvements		62,845	
Total Education Capital Projects			\$ 120,256
Total Education Capital Projects Fund			120,256

Total Governmental Funds - Weakley County School Department \$ 36,018,659

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, 2011

	<u>Cities - Sales Tax Fund</u>
Cash Receipts	
Local Option Sales Tax	<u>\$ 2,775,086</u>
Total Cash Receipts	<u>\$ 2,775,086</u>
Cash Disbursements	
Remittance of Revenue Collected	\$ 2,387,495
Trustee's Commission	27,751
Contributions	<u>359,840</u>
Total Cash Disbursements	<u>\$ 2,775,086</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2010	<u>0</u>
Cash Balance, June 30, 2011	<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  
PHONE (615) 401-7841

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

January 9, 2012

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, 2011, which collectively comprise Weakley County's basic financial statements and have issued our report thereon dated January 9, 2012. Our report includes 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), Weakley County Nursing Home, and 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 the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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 internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

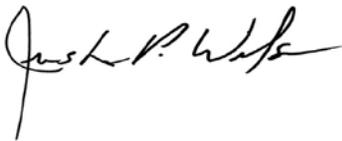
#### Compliance and Other Matters

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

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

This report is intended solely for the information and use of management, the county mayor, director of schools, highway supervisor, director of finance, 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 those specified parties.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury

JPW/sb



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

REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 9, 2012

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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

#### Internal Control Over Compliance

The management of Weakley County is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Weakley County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

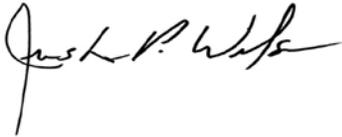
#### Schedule of Expenditures of Federal Awards

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, 2011, and have issued our report thereon dated January 9, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the county mayor, director of schools, highway supervisor, director of finance, County Commission, Board of Education, 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 at the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

Weakley County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2011

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 485,595
National School Lunch Program	10.555	N/A	1,031,894 (5)
Child and Adult Care Food Program	10.558	N/A	1,977
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	158,505 (5)
Total U.S. Department of Agriculture			<u>\$ 1,677,971</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	GG-10-31410-00	\$ 186,168
Total U.S. Department of Housing and Urban Development			<u>\$ 186,168</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	GG-10-30085-00	\$ 9,000
Passed-through State Administrative Office of the Courts:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG)			
Program/Grants to States and Territories	16.803	(2)	38,602
Total U.S. Department of Justice			<u>\$ 47,602</u>
U.S. Department of Labor:			
Passed-through Dyersburg State Community College:			
WIA Youth Activities	17.259	(3)	\$ 25,000
Total U.S. Department of Labor			<u>\$ 25,000</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	Z-11-GHS2-38	\$ 4,995
Total U.S. Department of Transportation			<u>\$ 4,995</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(2)	\$ 1,000
National Leadership Grants	45.312	(2)	14,034
Total U.S. Institute of Museum and Library Services			<u>\$ 15,034</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 121,439
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,185,263
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	657
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,013,064
Special Education - Grants to States, Recovery Act	84.391	N/A	380,204
Special Education - Preschool Grants	84.173	N/A	24,271
Special Education - Preschool Grants, Recovery Act	84.392	N/A	3,481
Career and Technical Education - Basic Grants to States	84.048	N/A	79,112

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	\$ 17,951
Education Technology State Grants, Recovery Act	84.386	N/A	6,206
Improving Teacher Quality State Grants	84.367	N/A	325,164
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	N/A	2,256,125
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	280,997
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	157,333
Total U.S. Department of Education			\$ 5,851,267
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)	\$ 103,379
Mental Health Research Grants	93.242	(2)	61,143
ARRA-Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	(2)	37,730
Total U.S. Department of Health and Human Services			\$ 202,252
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants			
	97.042	(2)	\$ 23,034
Interoperable Emergency Communications	97.055	2010-TO-0021	6,046
Homeland Security Grant Program	97.067	(4)	88,200
Total U.S. Department of Homeland Security			\$ 117,280
Total Expenditures of Federal Awards			\$ 8,127,569

<u>State Grants</u>	Contract Number		
Juvenile Justice and Delinquency Prevention - State Department of Children's Services	N/A	GG-10-28512-00	\$ 62,361
Substance Abuse Treatment for Families - State Office of Criminal Justice Programs	N/A	GG-10-29718-00	155,632
Preventative Health and Human Services - State Department of Health	N/A	Z-09-213774-00	71,844
Litter Grant - State Department of Transportation	N/A	(2)	34,652
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	15,191
Energy Efficiency Grant - State Department of Education	N/A	(2)	35,125
Early Childhood Education - State Department of Education	N/A	(2)	565,624
Total State Grants			\$ 940,429

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) 2009-SU-B9-0002 (4289): \$17,028; 2009-SU-B9-0002 (4517): \$21,574.
- (3) Information not available.
- (4) 2009-SS-T9-0086: \$75,200; 2009-EP-E9-0052: \$13,000.
- (5) Total for CFDA No. 10.555 is \$1,190,399.

Weakley County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2011

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. There were no findings in the Annual Financial Report for Weakley County, Tennessee, for the year ended June 30, 2010.

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**WEAKLEY COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2011**

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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 no significant deficiencies in internal control.
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 Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); Improving Teacher Quality State Grants (CFDA No. 84.367); and the State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Fund (SFSF) – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397) 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**

There were no findings relating to the financial statements of Weakley County, Tennessee, as a result of our examination, for the year ended June 30, 2011.

### **BEST PRACTICE**

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

#### **WEAKLEY COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

Weakley County did not have an Audit Committee on June 30, 2011. An Audit Committee can assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks. County officials should establish an Audit Committee as a best practice. The county established an Audit Committee on November 21, 2011.

**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, 2011**

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