# ANNUAL FINANCIAL REPORT
# WEAKLEY COUNTY, TENNESSEE

## FOR THE YEAR ENDED JUNE 30, 2013

TENNESSEE
COMPTROLLER
OF THE TREASURY

# ANNUAL FINANCIAL REPORT

# WEAKLEY COUNTY, TENNESSEE

# FOR THE YEAR ENDED JUNE 30, 2013


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

***DIVISION OF LOCAL GOVERNMENT AUDIT***
***JAMES R. ARNETTE***
***Director***

***JAN PAGE, CPA, CFE***
***Audit Manager***

***HORACE B. WISEMAN, CGFM***
***Auditor 4***

***TIFFANY NOLEN, CFE***
***MANDY SPENCER***
***ELISHA CROWELL, CFE***
***State Auditors***


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

# WEAKLEY COUNTY, TENNESSEE
# TABLE OF CONTENTS


| | Exhibit | Page(s) |
|---|---|---|
| Audit Highlights | | 6 |
| INTRODUCTORY SECTION | | 7 |
| Weakley County Officials | | 8 |
| FINANCIAL SECTION | | 9 |
| Independent Auditor's Report | | 10-13 |
| Management's Discussion and Analysis | | 14-21 |
| BASIC FINANCIAL STATEMENTS: | | 22 |
| Government-wide Financial Statements: | | |
| Statement of Net Position | A | 23-24 |
| Statement of Activities | B | 25-26 |
| Fund Financial Statements: | | |
| Governmental Funds: | | |
| Balance Sheet | C-1 | 27 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | C-2 | 28 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances | C-3 | 29 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | C-4 | 30 |
| Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget: | | |
| General Fund | C-5 | 31-33 |
| Highway/Public Works Fund | C-6 | 34 |
| Proprietary Fund: | | |
| Statement of Net Position | D-1 | 35 |
| Statement of Revenues, Expenses, and Changes in Net Position | D-2 | 36-37 |
| Statement of Cash Flows | D-3 | 38-39 |
| Fiduciary Funds: | | |
| Statement of Fiduciary Assets and Liabilities | E | 40 |
| Index and Notes to the Financial Statements | | 41-97 |
| REQUIRED SUPPLEMENTARY INFORMATION: | | 98 |
| Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Weakley County School Department | F-1 | 99 |
| Schedule of Funding Progress – Pension Plan – Weakley County Municipal Electric System and Discretely Presented Weakley County Emergency Communications District | F-2 | 100 |

| | Exhibit | Page(s) |
|---|---|---|
| Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Weakley County School Department | F-3 | 101 |
| Notes to the Required Supplementary Information | | 102 |
| COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES: | | 103 |
| Nonmajor Governmental Funds: | | 104-105 |
| Combining Balance Sheet | G-1 | 106 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | G-2 | 107 |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget: | | |
| Solid Waste/Sanitation Fund | G-3 | 108 |
| Drug Control Fund | G-4 | 109 |
| Highway Capital Projects Fund | G-5 | 110 |
| Major Governmental Fund: | | 111 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget: | | |
| General Debt Service Fund | H | 112 |
| Fiduciary Funds: | | 113 |
| Combining Statement of Fiduciary Assets and Liabilities | I-1 | 114 |
| Combining Statement of Changes in Assets and Liabilities – All Agency Funds | I-2 | 115-116 |
| Component Unit: | | |
| Discretely Presented Weakley County School Department: | | 117 |
| Statement of Activities | J-1 | 118 |
| Balance Sheet – Governmental Funds | J-2 | 119 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | J-3 | 120 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | J-4 | 121 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | J-5 | 122 |
| Combining Balance Sheet – Nonmajor Governmental Funds | J-6 | 123 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds | J-7 | 124 |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget: | | |
| General Purpose School Fund | J-8 | 125-126 |
| School Federal Projects Fund | J-9 | 127 |
| Central Cafeteria Fund | J-10 | 128 |

| | Exhibit | Page(s) |
|---|---|---|
| Miscellaneous Schedules: | | 129 |
| Schedule of Changes in Long-term Notes, Other Loans, and Bonds | K-1 | 130 |
| Schedule of Long-term Debt Requirements by Year | K-2 | 131 |
| Schedule of Notes Receivable | K-3 | 132 |
| Schedule of Transfers – Primary Government and Discretely Presented Weakley County School Department | K-4 | 133 |
| Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Weakley County School Department | K-5 | 134 |
| Schedule of Detailed Revenues – All Governmental Fund Types | K-6 | 135-138 |
| Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Weakley County School Department | K-7 | 139-140 |
| Schedule of Detailed Expenditures – All Governmental Fund Types | K-8 | 141-156 |
| Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Weakley County School Department | K-9 | 157-167 |
| Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund | K-10 | 168 |
| SINGLE AUDIT SECTION | | 169 |
| Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* | | 170-171 |
| Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 | | 172-174 |
| Schedule of Expenditures of Federal Awards and State Grants | | 175-176 |
| Schedule of Audit Findings Not Corrected | | 177 |
| Schedule of Findings and Questioned Costs | | 178-180 |
| Auditee Reporting Responsibilities | | 181 |

# *Audit Highlights*

Annual Financial Report
Weakley County, Tennessee
For the Year Ended June 30, 2013

## *Scope*

We have audited the basic financial statements of Weakley County as of and for the year ended June 30, 2013.

## *Results*

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

Our audit resulted in one finding and recommendation, which we have reviewed with Weakley County management. The detailed finding, recommendation, and management's response are included in the Single Audit section of this report.

## *Finding*

The following is a summary of the audit finding:

### OFFICE OF DIRECTOR OF FINANCE

- The School Federal Projects Fund had a cash overdraft of $122,175 at June 30, 2013.

# INTRODUCTORY SECTION

# Weakley County Officials
June 30, 2013

---

**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 of Deeds
Michael Wilson, Sheriff
Shawn Francisco, Director of Finance

**Board of County Commissioners**

James Westbrook, Jr., Chairman
Bob Bell
James Bynum
Joe Farmer
Scott Fortner
David Hawks
Tommy Jones
Kevin McAlpin
Michael Medling
Dale Overton
Eric Owen
Julia Rich
John Salmon
Sam Sinclair
Roger Stewart
Larry Taylor
Jack Vincent
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
Houston Patrick, County Mayor
Kermit Hopper, Highway Supervisor
Randy Frazier, Director of Schools
Eric Owen
Roger Stewart
James Westbrook, Jr.

**Audit Committee**

Larry Taylor, Chairman
Charles Covington
Kay Stegall

# FINANCIAL SECTION

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on the Financial Statements**

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, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the 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 13 percent, 14 percent, and 18 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units and the Weakley County Emergency Communications District, which represent three percent, three percent, and two percent,

respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Weakley County Municipal Electric System, the Weakley County Nursing Home, and the Weakley County Emergency Communications District, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

We draw attention to Note I.D.8. in the financial statements, which describes a restatement to the beginning net position of the government-wide financial statements totaling $104,066. This restatement was necessary because prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, debt issuance costs become period costs.

As described in Note V.B., Weakley County has adopted the provisions of GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements;* Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34);* Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which became effective for the year ended June 30, 2013. Weakley County early implemented Statement No. 65, Items *Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62,* which have an effective date of June 30, 2014.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14-21 and the schedules of funding progress – pension plans and other postemployment benefits plans on pages 99-102 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Weakley County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Weakley County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Weakley County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been

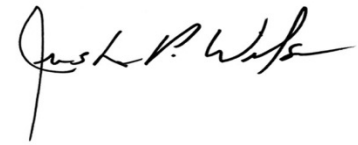
subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2014, on our consideration of Weakley County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Weakley County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 22, 2014

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, 2013. 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 $95,331,859 and exceeded liabilities by $64,535,075 (i.e., net position).
- Total revenues of the governmental funds were $16,011,081, a decrease of $188,910 from fiscal year 2012.
- Total expenditures of the governmental funds were $19,126,650, an increase of $1,741,447 over fiscal year 2012.

### 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 Position presents information on all of the county's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position during the fiscal year. All changes in net position 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 nursing home, emergency communications district, and a school district for which the Weakley County Government is financially accountable. Financial information for these component units are 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; other operations; highway/public works; debt service; and capital projects. 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 maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Highway/Public Works, and General Debt Service funds, which are all considered major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The county adopts an annual budget for the General, some special revenue, some capital projects, and the General 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-6 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 pension information and other postemployment benefits information. This required information has been presented in the required supplementary information 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 position may serve over time as a useful indicator of a government's financial position. Weakley County's assets exceeded liabilities by $29,295,619 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, 2013, Weakley County had outstanding debt totaling $11,188,025 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 Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Assets: | | | | | | |
| Current and Other Assets | $ 11,501,994 | $ 13,985,861 | $ 12,607,545 | $ 13,247,024 | $ 24,109,539 | $ 27,232,885 |
| Capital Assets | 38,682,731 | 40,937,108 | 32,539,589 | 33,143,194 | 71,222,320 | 74,080,302 |
| Total Assets | $ 50,184,725 | $ 54,922,969 | $ 45,147,134 | $ 46,390,218 | $ 95,331,859 | $ 101,313,187 |
| Deferred Outflows of Resources: | | | | | | |
| Deferred Charge on Refunding | $ 95,032 | $ 147,585 | $ 0 | $ 0 | $ 95,032 | $ 147,585 |
| Total Deferred Outflows of Resources | $ 95,032 | $ 147,585 | $ 0 | $ 0 | $ 95,032 | $ 147,585 |
| Liabilities: | | | | | | |
| Other Liabilities | $ 58,257 | $ 56,600 | $ 7,846,283 | $ 8,202,932 | $ 7,904,540 | $ 8,259,532 |
| Long-term Liabilities Outstanding | 14,492,509 | 20,366,089 | 2,061,395 | 3,453,990 | 16,553,904 | 23,820,079 |
| Total Liabilities | $ 14,550,766 | $ 20,422,689 | $ 9,907,678 | $ 11,656,922 | $ 24,458,444 | $ 32,079,611 |
| Deferred Inflows of Resources: | | | | | | |
| Deferred Current Property Taxes | $ 6,433,372 | $ 6,260,390 | $ 0 | $ 0 | $ 6,433,372 | $ 6,260,390 |
| Total Deferred Inflows of Resources | $ 6,433,372 | $ 6,260,390 | $ 0 | $ 0 | $ 6,433,372 | $ 6,260,390 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | $ 35,930,945 | $ 37,875,762 | $ 32,539,589 | $ 31,701,486 | $ 68,470,534 | $ 69,577,248 |
| Restricted | 699,047 | 3,503,671 | 0 | 0 | 699,047 | 3,503,671 |
| Unrestricted | (7,334,373) | (12,991,958) | 2,699,867 | 3,031,810 | (4,634,506) | (9,960,148) |
| Total Net Position | $ 29,295,619 | $ 28,387,475 | $ 35,239,456 | $ 34,733,296 | $ 64,535,075 | $ 63,120,771 |

By far the largest portion of the county's net position 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 position ($699,047) represents resources that are subject to external restrictions on how they may be used.

Weakley County Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | $ 2,304,248 | $ 2,320,939 | $ 44,999,952 | $ 44,275,664 | $ 47,304,200 | $ 46,596,603 |
| Operating Grants and Contributions | 2,985,770 | 3,329,559 | 0 | 0 | 2,985,770 | 3,329,559 |
| Capital Grants and Contributions | 507,926 | 715,033 | 0 | 0 | 507,926 | 715,033 |
| General Revenues: | | | | | | |
| Property Taxes | 6,805,422 | 6,282,498 | 0 | 0 | 6,805,422 | 6,282,498 |
| Other Taxes | 1,836,823 | 1,888,613 | 0 | 0 | 1,836,823 | 1,888,613 |
| Grants and Contributions Not Restricted to Specific Programs | 1,384,600 | 1,527,626 | 0 | 0 | 1,384,600 | 1,527,626 |
| Unrestricted Investment Income | 128,798 | 151,434 | 68,101 | 91,916 | 196,899 | 243,350 |
| Other | 39,845 | 102,127 | 0 | 0 | 39,845 | 102,127 |
| Gain on Disposal of Property | 0 | 0 | 0 | 10,000 | 0 | 10,000 |
| Total Revenues | $ 15,993,432 | $ 16,317,829 | $ 45,068,053 | $ 44,377,580 | $ 61,061,485 | $ 60,695,409 |
| Expenses: | | | | | | |
| General Government | $ 861,054 | $ 898,888 | $ 0 | $ 0 | $ 861,054 | $ 898,888 |
| Finance | 1,190,291 | 1,181,630 | 0 | 0 | 1,190,291 | 1,181,630 |
| Administration of Justice | 1,035,507 | 1,205,249 | 0 | 0 | 1,035,507 | 1,205,249 |
| Public Safety | 3,469,816 | 3,476,573 | 0 | 0 | 3,469,816 | 3,476,573 |
| Public Health and Welfare | 420,782 | 494,991 | 0 | 0 | 420,782 | 494,991 |
| Social, Cultural, and Recreational Services | 415,794 | 413,800 | 0 | 0 | 415,794 | 413,800 |
| Agriculture and Natural Resources | 137,172 | 134,333 | 0 | 0 | 137,172 | 134,333 |
| Other Operations | 356,681 | 403,970 | 0 | 0 | 356,681 | 403,970 |
| Highway/Public Works | 6,803,835 | 7,067,217 | 0 | 0 | 6,803,835 | 7,067,217 |
| Interest on Long-term Debt | 369,932 | 431,151 | 0 | 0 | 369,932 | 431,151 |
| Other Debt Service | 119,608 | 152,063 | 0 | 0 | 119,608 | 152,063 |
| Capital Projects | 154,942 | 1,812,940 | 0 | 0 | 154,942 | 1,812,940 |
| Public Utility | 0 | 0 | 43,743,590 | 43,273,631 | 43,743,590 | 43,273,631 |
| Total Expenses | $ 15,335,414 | $ 17,672,805 | $ 43,743,590 | $ 43,273,631 | $ 59,079,004 | $ 60,946,436 |
| Transfers | $ 467,323 | $ 439,125 | $ (467,323) | $ (439,125) | $ 0 | $ 0 |
| Change in Net Position | $ 1,125,341 | $ (915,851) | $ 857,140 | $ 664,824 | $ 1,982,481 | $ (251,027) |
| Net Position, July 1 | 28,387,475 | 29,303,326 | 34,733,296 | 34,068,472 | 63,120,771 | 63,371,798 |
| Reclassification | (113,131) | 0 | 0 | 0 | (113,131) | 0 |
| Restatement | (104,066) | 0 | 0 | 0 | (104,066) | 0 |
| Prior-period Adjustments | 0 | 0 | (350,980) | 0 | (350,980) | 0 |
| Net Position, June 30 | $ 29,295,619 | $ 28,387,475 | $ 35,239,456 | $ 34,733,296 | $ 64,535,075 | $ 63,120,771 |

## 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 $4,604,730, a decrease of $2,538,541 in comparison with the prior year. Of this total amount, $410,393 is restricted with externally enforceable limitations on use, $3,564,129 is committed by the county legislative body to a specific fund or use, and $71,947 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 $558,261, while total fund balance was $810,558. 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 eight percent of total General Fund expenditures, while total fund balance represents 11 percent of that same amount.

The General Debt Service Fund has a total fund balance of $3,169,349. The decrease in fund balance of $2,267,102 from the prior year is due to debt payments exceeding revenues.

## 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 | $ (28,380) |
| Finance | (1,481) |
| Administration of Justice | (16,201) |
| Public Safety | (70,204) |
| Public Health and Welfare | (400) |
| Social, Cultural, and Recreational Services | (8,829) |
| Agriculture and Natural Resources | (9,700) |
| Other Operations | (9,540) |
| Total Decrease in Budgeted Expenditures | $ (144,735) |

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, 2013, totaled $38,682,731 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other capital assets (includes equipment), and infrastructure (roads, highway, and bridges). The total decrease in Weakley County Government's investment in capital assets for the current fiscal year was $2,254,377, (net of accumulated depreciation). This decrease was mainly attributable to depreciation expense for the year.

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

- The Weakley County Sheriff's Department purchased five new patrol vehicles. A new roof was installed on the Weakley County Courthouse.

- The Board of Education purchased two school buses. The cafeteria dish washing machine was replaced at Martin Middle School cafeteria. There were also major repairs to the Martin Elementary School HVAC system.

**Long-term debt.** At the end of the current fiscal year, Weakley County had total bonded debt outstanding of $3,605,000, notes payable of $143,786, and other loans payable of $10,191,025. All debt is backed by full faith and credit of the county.

| | Governmental Activities |
|---|---|
| Notes Payable | $ 143,786 |
| Other Loans Payable | 10,191,025 |
| Bonded Debt | 3,605,000 |
| Total | $ 13,939,811 |

Weakley County maintains an "Aa" 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 11.5 percent, which is a decrease from a rate of 12.8 percent in June 2012.

- 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 2014 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.

# Basic Financial Statements

Exhibit A

Weakley County, Tennessee
Statement of Net Position
June 30, 2013

| | Primary Government | | | Component Units | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Weakley County School Department | Weakley County Nursing Home | Weakley County Emergency Communications District |
| **ASSETS** | | | | | | |
| Cash | $ 2,162 | $ 7,062,549 | $ 7,064,711 | $ 0 | $ 3,075,646 | $ 513,322 |
| Equity in Pooled Cash and Investments | 3,951,288 | 0 | 3,951,288 | 6,271,356 | 0 | 0 |
| Inventories | 0 | 488,062 | 488,062 | 0 | 74,787 | 0 |
| Investments | 0 | 0 | 0 | 0 | 0 | 49,701 |
| Accounts Receivable | 39,473 | 3,085,394 | 3,124,867 | 80,298 | 703,085 | 53,187 |
| Due from Other Governments | 680,072 | 0 | 680,072 | 1,042,406 | 0 | 144,898 |
| Due from Component Units | 475 | 0 | 475 | 0 | 0 | 0 |
| Property Taxes Receivable | 6,821,563 | 0 | 6,821,563 | 3,497,360 | 0 | 0 |
| Allowance for Uncollectible Property Taxes | (136,825) | 0 | (136,825) | (70,466) | 0 | 0 |
| Prepaid Items | 0 | 69,619 | 69,619 | 0 | 9,866 | 3,900 |
| Other Current Assets | 0 | 0 | 0 | 0 | 0 | 9,000 |
| Other Restricted Assets | 0 | 0 | 0 | 0 | 29,352 | 0 |
| Notes Receivable | 143,786 | 1,901,921 | 2,045,707 | 0 | 0 | 0 |
| Capital Assets: | | | | | | |
| Assets Not Depreciated: | | | | | | |
| Land | 1,575,535 | 514,513 | 2,090,048 | 1,935,850 | 2,371 | 0 |
| Construction in Progress | 0 | 566,645 | 566,645 | 0 | 0 | 0 |
| Assets Net of Accumulated Depreciation: | | | | | | |
| Buildings and Improvements | 4,806,991 | 0 | 4,806,991 | 18,295,021 | 1,061,932 | 0 |
| Infrastructure | 31,772,548 | 0 | 31,772,548 | 0 | 0 | 0 |
| Other Capital Assets | 527,657 | 31,458,431 | 31,986,088 | 2,144,624 | 333,850 | 380,522 |
| Total Assets | $ 50,184,725 | $ 45,147,134 | $ 95,331,859 | $ 33,196,449 | $ 5,290,889 | $ 1,154,530 |
| **DEFERRED OUTFLOW OF RESOURCES** | | | | | | |
| Deferred Charge on Refunding | $ 95,032 | $ 0 | $ 95,032 | $ 0 | $ 0 | $ 0 |
| Total Deferred Outflow of Resources | $ 95,032 | $ 0 | $ 95,032 | $ 0 | $ 0 | $ 0 |
| **LIABILITIES** | | | | | | |
| Accounts Payable | $ 8,075 | $ 6,097,617 | $ 6,105,692 | $ 2 | $ 152,711 | $ 981 |
| Accrued Payroll | 0 | 0 | 0 | 0 | 70,803 | 0 |
| Payroll Deductions Payable | 0 | 0 | 0 | 12,662 | 29,646 | 0 |
| Accrued Leave | 0 | 534,075 | 534,075 | 0 | 59,734 | 306 |
| Cash Overdraft | 0 | 0 | 0 | 122,175 | 0 | 0 |
| Accrued Interest Payable | 50,182 | 0 | 50,182 | 0 | 0 | 0 |
| Other Current Liabilities | 0 | 41,275 | 41,275 | 0 | 25,217 | 0 |
| Current Liabilities Payable from Restricted Assets: | | | | | | |
| Customer Deposits Payable | 0 | 1,173,316 | 1,173,316 | 0 | 0 | 0 |
| Other Payables from Restricted Assets | 0 | 0 | 0 | 0 | 29,352 | 0 |
| Noncurrent Liabilities: | | | | | | |
| Due Within One Year | 2,936,983 | 116,993 | 3,053,976 | 1,706 | 0 | 0 |
| Due in More Than One Year (net of unamortized premium on debt) | 11,555,526 | 1,944,402 | 13,499,928 | 577,515 | 0 | 0 |
| Total Liabilities | $ 14,550,766 | $ 9,907,678 | $ 24,458,444 | $ 714,060 | $ 367,463 | $ 1,287 |

(Continued)

Exhibit A

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

| | Primary Government | | | Component Units | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Weakley County School Department | Weakley County Nursing Home | Weakley County Emergency Communications District |
| DEFERRED INFLOW OF RESOURCES | | | | | | |
| Deferred Current Property Taxes | $ 6,433,372 | $ 0 | $ 6,433,372 | $ 3,296,817 | $ 0 | $ 0 |
| Total Deferred Inflow of Resources | $ 6,433,372 | $ 0 | $ 6,433,372 | $ 3,296,817 | $ 0 | $ 0 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | $ 35,930,945 | $ 32,539,589 | $ 68,470,534 | $ 22,375,495 | $ 1,398,153 | $ 380,522 |
| Restricted for: | | | | | | |
| General Government | 27,340 | 0 | 27,340 | 0 | 0 | 0 |
| Finance | 14,073 | 0 | 14,073 | 0 | 0 | 0 |
| Administration of Justice | 71,851 | 0 | 71,851 | 0 | 0 | 0 |
| Public Safety | 114,470 | 0 | 114,470 | 0 | 0 | 0 |
| Public Health and Welfare | 206 | 0 | 206 | 0 | 0 | 0 |
| Highway/Public Works | 146,248 | 0 | 146,248 | 0 | 0 | 0 |
| Debt Service | 278,843 | 0 | 278,843 | 0 | 0 | 0 |
| Capital Projects | 46,016 | 0 | 46,016 | 209,117 | 0 | 0 |
| Education | 0 | 0 | 0 | 223,389 | 0 | 0 |
| Operation of Non-Instructional Services | 0 | 0 | 0 | 437,037 | 0 | 0 |
| Unrestricted | (7,334,373) | 2,699,867 | (4,634,506) | 5,940,534 | 3,525,273 | 772,721 |
| Total Net Position | $ 29,295,619 | $ 35,239,456 | $ 64,535,075 | $ 29,185,572 | $ 4,923,426 | $ 1,153,243 |

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

Exhibit B

Weakley County, Tennessee
Statement of Activities
For the Year Ended June 30, 2013

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Primary Government | | | Component Units | | |
| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | Weakley County School Department | Weakley County Nursing Home | Weakley County Emergency Communications District |
| Primary Government: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | $ 861,054 | $ 206,485 | $ 15,164 | $ 0 | $ (639,405) | $ 0 | $ (639,405) | $ 0 | $ 0 | $ 0 |
| Finance | 1,190,291 | 739,214 | 2,303 | 0 | (448,774) | 0 | (448,774) | 0 | 0 | 0 |
| Administration of Justice | 1,035,507 | 587,525 | 162,289 | 0 | (285,693) | 0 | (285,693) | 0 | 0 | 0 |
| Public Safety | 3,469,816 | 761,665 | 52,705 | 49,347 | (2,606,099) | 0 | (2,606,099) | 0 | 0 | 0 |
| Public Health and Welfare | 420,782 | 0 | 44,456 | 0 | (376,326) | 0 | (376,326) | 0 | 0 | 0 |
| Social, Cultural, and Recreational Services | 415,794 | 5,376 | 134,854 | 0 | (275,564) | 0 | (275,564) | 0 | 0 | 0 |
| Agriculture and Natural Resources | 137,172 | 0 | 0 | 0 | (137,172) | 0 | (137,172) | 0 | 0 | 0 |
| Other Operations | 356,681 | 0 | 0 | 18,877 | (337,804) | 0 | (337,804) | 0 | 0 | 0 |
| Highways/Public Works | 6,803,835 | 2,050 | 1,946,934 | 439,702 | (4,415,149) | 0 | (4,415,149) | 0 | 0 | 0 |
| Interest on Long-term Debt | 369,932 | 1,933 | 627,065 | 0 | 259,066 | 0 | 259,066 | 0 | 0 | 0 |
| Other Debt Service | 119,608 | 0 | 0 | 0 | (119,608) | 0 | (119,608) | 0 | 0 | 0 |
| Capital Projects | 154,942 | 0 | 0 | 0 | (154,942) | 0 | (154,942) | 0 | 0 | 0 |
| Total Governmental Activities | $ 15,335,414 | $ 2,304,248 | $ 2,985,770 | $ 507,926 | $ (9,537,470) | $ 0 | $ (9,537,470) | $ 0 | $ 0 | $ 0 |
| Business-type Activities: | | | | | | | | | | |
| Public Utility | $ 43,743,590 | $ 44,999,952 | $ 0 | $ 0 | $ 0 | $ 1,256,362 | $ 1,256,362 | $ 0 | $ 0 | $ 0 |
| Total Primary Government | $ 59,079,004 | $ 47,304,200 | $ 2,985,770 | $ 507,926 | $ (9,537,470) | $ 1,256,362 | $ (8,281,108) | $ 0 | $ 0 | $ 0 |
| Component Units: | | | | | | | | | | |
| Weakley County School Department | $ 37,765,485 | $ 1,000,226 | $ 5,122,469 | $ 0 | $ 0 | $ 0 | $ 0 | $ (31,642,790) | $ 0 | $ 0 |
| Weakley County Nursing Home | 7,811,483 | 7,995,977 | 0 | 0 | 0 | 0 | 0 | 0 | 184,494 | 0 |
| Weakley County Emergency Communications District | 637,597 | 202,550 | 283,154 | 62,887 | 0 | 0 | 0 | 0 | 0 | (89,006) |
| Total Component Units | $ 46,214,565 | $ 9,198,753 | $ 5,405,623 | $ 62,887 | $ 0 | $ 0 | $ 0 | $ (31,642,790) | $ 184,494 | $ (89,006) |

(Continued)

Exhibit B

Weakley County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities | Primary Government: Business-type Activities | Primary Government: Total | Component Units: Weakley County School Department | Component Units: Weakley County Nursing Home | Component Units: Weakley County Emergency Communications District |
|---|---|---|---|---|---|---|---|---|---|---|
| General Revenues: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property Taxes Levied for General Purposes | | | | | $ 3,971,318 | $ 0 | $ 3,971,318 | $ 3,486,744 | $ 0 | $ 0 |
| Property Taxes Levied for Debt Service | | | | | 2,834,104 | 0 | 2,834,104 | 0 | 0 | 0 |
| Local Option Sales Taxes | | | | | 288,344 | 0 | 288,344 | 3,116,271 | 0 | 0 |
| Hotel/Motel Tax | | | | | 105,532 | 0 | 105,532 | 0 | 0 | 0 |
| Wheel Tax | | | | | 884,055 | 0 | 884,055 | 126,294 | 0 | 0 |
| Litigation Taxes | | | | | 162,249 | 0 | 162,249 | 0 | 0 | 0 |
| Business Tax | | | | | 253,686 | 0 | 253,686 | 0 | 0 | 0 |
| Mineral Severance Tax | | | | | 106,610 | 0 | 106,610 | 0 | 0 | 0 |
| Other Local Taxes | | | | | 36,347 | 0 | 36,347 | 3,286 | 0 | 0 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 1,384,600 | 0 | 1,384,600 | 23,194,502 | 0 | 135,756 |
| Unrestricted Investment Income | | | | | 128,798 | 68,101 | 196,899 | 0 | 23,545 | 5,170 |
| Miscellaneous | | | | | 39,845 | 0 | 39,845 | 119,720 | 0 | 98,643 |
| Total General Revenues | | | | | $ 10,195,488 | $ 68,101 | $ 10,263,589 | $ 30,046,817 | $ 23,545 | $ 239,569 |
| Transfers | | | | | $ 467,323 | $ (467,323) | $ 0 | $ 0 | $ 0 | $ 0 |
| Change in Net Position | | | | | $ 1,125,341 | $ 857,140 | $ 1,982,481 | $ (1,595,973) | $ 208,039 | $ 150,563 |
| Net Position, July 1, 2012 | | | | | 28,387,475 | 34,733,296 | 63,120,771 | 30,781,545 | 5,662,199 | 1,002,680 |
| Reclassification - See Note I.D.9. | | | | | (113,131) | 0 | (113,131) | 0 | 0 | 0 |
| Restatement - See Note I.D.8. | | | | | (104,066) | 0 | (104,066) | 0 | 0 | 0 |
| Prior-period Adjustment - See Notes VI.C.3. and VII.C.3. | | | | | 0 | (350,980) | (350,980) | 0 | (946,812) | 0 |
| Net Position, June 30, 2013 | | | | | $ 29,295,619 | $ 35,239,456 | $ 64,535,075 | $ 29,185,572 | $ 4,923,426 | $ 1,153,243 |

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, 2013

| | Major Funds | | | Nonmajor Funds | |
|---|---|---|---|---|---|
| | General | Highway / Public Works | General Debt Service | Other Govern-mental Funds | Total Governmental Funds |
| **ASSETS** | | | | | |
| Cash | $ 0 | $ 0 | $ 0 | $ 2,162 | $ 2,162 |
| Equity in Pooled Cash and Investments | 525,412 | 342,039 | 3,009,248 | 72,539 | 3,949,238 |
| Accounts Receivable | 12,133 | 17,518 | 1,054 | 8,768 | 39,473 |
| Due from Other Governments | 311,437 | 348,788 | 0 | 19,847 | 680,072 |
| Due from Other Funds | 9,804 | 2,050 | 0 | 0 | 11,854 |
| Due from Component Units | 475 | 0 | 0 | 0 | 475 |
| Property Taxes Receivable | 3,098,048 | 1,044,133 | 2,679,382 | 0 | 6,821,563 |
| Allowance for Uncollectible Property Taxes | (60,318) | (20,995) | (55,512) | 0 | (136,825) |
| Notes Receivable - Long-term | 0 | 0 | 143,786 | 0 | 143,786 |
| Total Assets | $ 3,896,991 | $ 1,733,533 | $ 5,777,958 | $ 103,316 | $ 11,511,798 |
| **LIABILITIES** | | | | | |
| Accounts Payable | $ 820 | $ 0 | $ 0 | $ 7,255 | $ 8,075 |
| Due to Other Funds | 0 | 0 | 0 | 9,804 | 9,804 |
| Total Liabilities | $ 820 | $ 0 | $ 0 | $ 17,059 | $ 17,879 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Deferred Current Property Taxes | $ 2,930,504 | $ 984,466 | $ 2,518,402 | $ 0 | $ 6,433,372 |
| Deferred Delinquent Property Taxes | 91,716 | 33,079 | 90,207 | 0 | 215,002 |
| Other Deferred/Unavailable Revenue | 63,393 | 177,422 | 0 | 0 | 240,815 |
| Total Deferred Inflows of Resources | $ 3,085,613 | $ 1,194,967 | $ 2,608,609 | $ 0 | $ 6,889,189 |
| **FUND BALANCES** | | | | | |
| Restricted: | | | | | |
| Restricted for General Government | $ 19,991 | $ 0 | $ 0 | $ 0 | $ 19,991 |
| Restricted for Finance | 14,073 | 0 | 0 | 0 | 14,073 |
| Restricted for Administration of Justice | 71,851 | 0 | 0 | 0 | 71,851 |
| Restricted for Public Safety | 74,435 | 0 | 0 | 40,035 | 114,470 |
| Restricted for Public Health and Welfare | 0 | 0 | 0 | 206 | 206 |
| Restricted for Debt Service | 0 | 0 | 143,786 | 0 | 143,786 |
| Restricted for Capital Projects | 0 | 0 | 0 | 46,016 | 46,016 |
| Committed: | | | | | |
| Committed for Highways/Public Works | 0 | 538,566 | 0 | 0 | 538,566 |
| Committed for Debt Service | 0 | 0 | 3,025,563 | 0 | 3,025,563 |
| Assigned: | | | | | |
| Assigned for General Government | 61,818 | 0 | 0 | 0 | 61,818 |
| Assigned for Finance | 692 | 0 | 0 | 0 | 692 |
| Assigned for Public Safety | 9,437 | 0 | 0 | 0 | 9,437 |
| Unassigned | 558,261 | 0 | 0 | 0 | 558,261 |
| Total Fund Balances | $ 810,558 | $ 538,566 | $ 3,169,349 | $ 86,257 | $ 4,604,730 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | $ 3,896,991 | $ 1,733,533 | $ 5,777,958 | $ 103,316 | $ 11,511,798 |

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 Position
June 30, 2013

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

| | | |
|---|---|---|
| Total fund balances - balance sheet - governmental funds (Exhibit C-1) | | $ 4,604,730 |
| (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 | 4,806,991 | |
| Add: infrastructure net of accumulated depreciation | 31,772,548 | |
| Add: other capital assets net of accumulated depreciation | 527,657 | 38,682,731 |
| (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 | $ (143,786) | |
| Less: other loans payable | (10,191,025) | |
| Less: bonds payable | (3,605,000) | |
| Add: deferred amount on refunding | 95,032 | |
| Less: compensated absences payable | (193,974) | |
| Less: other postemployment benefits liability | (353,311) | |
| Less: accrued interest on bonds | (50,182) | |
| Less: other deferred revenue - premium on debt | (5,413) | (14,447,659) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | 455,817 |
| Net position of governmental activities (Exhibit A) | | $ 29,295,619 |

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, 2013

| | Major Funds | | | Nonmajor Funds | |
|---|---|---|---|---|---|
| | General | Highway / Public Works | General Debt Service | Other Govern-mental Funds | Total Governmental Funds |
| Revenues | | | | | |
| Local Taxes | $ 4,215,828 | $ 2,020,751 | $ 2,887,927 | $ 0 | $ 9,124,506 |
| Licenses and Permits | 22,525 | 2,050 | 0 | 0 | 24,575 |
| Fines, Forfeitures, and Penalties | 167,685 | 0 | 0 | 15,097 | 182,782 |
| Charges for Current Services | 194,583 | 0 | 0 | 0 | 194,583 |
| Other Local Revenues | 65,825 | 5,920 | 128,798 | 9,309 | 209,852 |
| Fees Received from County Officials | 1,275,417 | 0 | 0 | 0 | 1,275,417 |
| State of Tennessee | 1,389,084 | 2,382,870 | 403,210 | 13,027 | 4,188,191 |
| Federal Government | 43,732 | 0 | 0 | 24,547 | 68,279 |
| Other Governments and Citizens Groups | 91,031 | 0 | 627,065 | 24,800 | 742,896 |
| Total Revenues | $ 7,465,710 | $ 4,411,591 | $ 4,047,000 | $ 86,780 | $ 16,011,081 |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | $ 833,349 | $ 0 | $ 0 | $ 0 | $ 833,349 |
| Finance | 1,149,275 | 0 | 0 | 0 | 1,149,275 |
| Administration of Justice | 959,665 | 0 | 0 | 0 | 959,665 |
| Public Safety | 3,119,345 | 0 | 0 | 88,042 | 3,207,387 |
| Public Health and Welfare | 362,798 | 0 | 0 | 31,089 | 393,887 |
| Social, Cultural, and Recreational Services | 398,304 | 0 | 0 | 0 | 398,304 |
| Agriculture and Natural Resources | 127,620 | 0 | 0 | 0 | 127,620 |
| Other Operations | 424,043 | 0 | 0 | 724 | 424,767 |
| Highways | 0 | 4,868,496 | 0 | 98,776 | 4,967,272 |
| Debt Service: | | | | | |
| Principal on Debt | 0 | 0 | 6,069,512 | 0 | 6,069,512 |
| Interest on Debt | 0 | 0 | 321,062 | 0 | 321,062 |
| Other Debt Service | 0 | 0 | 119,608 | 0 | 119,608 |
| Capital Projects | 0 | 0 | 0 | 154,942 | 154,942 |
| Total Expenditures | $ 7,374,399 | $ 4,868,496 | $ 6,510,182 | $ 373,573 | $ 19,126,650 |
| Excess (Deficiency) of Revenues Over Expenditures | $ 91,311 | $ (456,905) | $ (2,463,182) | $ (286,793) | $ (3,115,569) |
| Other Financing Sources (Uses) | | | | | |
| Notes Issued | $ 0 | $ 0 | $ 0 | $ 143,786 | $ 143,786 |
| Insurance Recovery | 5,074 | 73,976 | 0 | 0 | 79,050 |
| Transfers In | 199,349 | 71,894 | 196,080 | 0 | 467,323 |
| Total Other Financing Sources (Uses) | $ 204,423 | $ 145,870 | $ 196,080 | $ 143,786 | $ 690,159 |
| Net Change in Fund Balances | $ 295,734 | $ (311,035) | $ (2,267,102) | $ (143,007) | $ (2,425,410) |
| Reclassification | 0 | 0 | 0 | (113,131) | (113,131) |
| Fund Balance, July 1, 2012 | 514,824 | 849,601 | 5,436,451 | 342,395 | 7,143,271 |
| Fund Balance, June 30, 2013 | $ 810,558 | $ 538,566 | $ 3,169,349 | $ 86,257 | $ 4,604,730 |

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, 2013

| | | |
|---|---|---|
| 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) | | $ (2,425,410) |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | |
| Add: capital assets purchased in the current period | $ 1,362,762 | |
| Less: current-year depreciation expense | (3,617,139) | (2,254,377) |
| (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, 2013 | $ 455,817 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2012 | (475,399) | (19,582) |
| (3) 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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | |
| Less: note proceeds | $ (143,786) | |
| Add: change in premium on debt issuances | 1,933 | |
| Add: principal payments on notes | 5,108 | |
| Add: principal payments on other loans | 2,344,404 | |
| Add: principal payments on bonds | 3,720,000 | |
| Less: change in deferred amount on refunding debt | (52,553) | 5,875,106 |
| (4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in accrued interest payable | $ 3,683 | |
| Change in compensated absences payable | 15,111 | |
| Change in other postemployment benefits liability | (69,190) | (50,396) |
| Change in net position of governmental activities (Exhibit B) | | $ 1,125,341 |

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

Exhibit C-5

Weakley County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|---|---|---|
| Revenues | | | | | | | |
| Local Taxes | $ 4,215,828 | $ 0 | $ 0 | $ 4,215,828 | $ 4,489,447 | $ 4,346,300 | $ (130,472) |
| Licenses and Permits | 22,525 | 0 | 0 | 22,525 | 25,600 | 26,330 | (3,805) |
| Fines, Forfeitures, and Penalties | 167,685 | 0 | 0 | 167,685 | 177,475 | 186,075 | (18,390) |
| Charges for Current Services | 194,583 | 0 | 0 | 194,583 | 129,419 | 185,142 | 9,441 |
| Other Local Revenues | 65,825 | 0 | 0 | 65,825 | 14,903 | 37,361 | 28,464 |
| Fees Received from County Officials | 1,275,417 | 0 | 0 | 1,275,417 | 1,360,500 | 1,369,500 | (94,083) |
| State of Tennessee | 1,389,084 | 0 | 0 | 1,389,084 | 1,332,886 | 1,460,597 | (71,513) |
| Federal Government | 43,732 | 0 | 0 | 43,732 | 52,931 | 58,731 | (14,999) |
| Other Governments and Citizens Groups | 91,031 | 0 | 0 | 91,031 | 78,500 | 97,377 | (6,346) |
| Total Revenues | $ 7,465,710 | $ 0 | $ 0 | $ 7,465,710 | $ 7,661,661 | $ 7,767,413 | $ (301,703) |
| Expenditures | | | | | | | |
| General Government | | | | | | | |
| County Commission | $ 82,170 | $ 0 | $ 0 | $ 82,170 | $ 85,530 | $ 84,878 | $ 2,708 |
| County Mayor/Executive | 136,755 | 0 | 171 | 136,926 | 140,117 | 140,403 | 3,477 |
| County Attorney | 0 | 0 | 0 | 0 | 500 | 100 | 100 |
| Election Commission | 243,739 | 0 | 0 | 243,739 | 247,834 | 245,130 | 1,391 |
| Register of Deeds | 172,478 | 0 | 0 | 172,478 | 172,521 | 174,140 | 1,662 |
| County Buildings | 193,293 | (78,000) | 61,647 | 176,940 | 307,170 | 259,958 | 83,018 |
| Preservation of Records | 4,914 | 0 | 0 | 4,914 | 1,974 | 22,657 | 17,743 |
| Finance | | | | | | | |
| Accounting and Budgeting | 372,927 | (1,509) | 192 | 371,610 | 371,823 | 372,922 | 1,312 |
| Property Assessor's Office | 230,138 | 0 | 0 | 230,138 | 233,152 | 232,381 | 2,243 |
| Reappraisal Program | 64,368 | 0 | 0 | 64,368 | 68,500 | 68,500 | 4,132 |
| County Trustee's Office | 192,084 | 0 | 500 | 192,584 | 195,311 | 194,265 | 1,681 |
| County Clerk's Office | 289,758 | 0 | 0 | 289,758 | 299,267 | 298,504 | 8,746 |
| Administration of Justice | | | | | | | |
| Circuit Court | 238,760 | 0 | 0 | 238,760 | 250,745 | 245,236 | 6,476 |
| General Sessions Court | 238,173 | 0 | 0 | 238,173 | 246,101 | 242,739 | 4,566 |

(Continued)

Exhibit C-5

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|---|---|---|
| Expenditures (Cont.) | | | | | | | |
| Administration of Justice (Cont.) | | | | | | | |
| Chancery Court | $ 193,136 | $ 0 | $ 0 | $ 193,136 | $ 211,763 | $ 209,825 | $ 16,689 |
| Juvenile Court | 197,885 | 0 | 0 | 197,885 | 216,237 | 210,976 | 13,091 |
| District Attorney General | 34,453 | 0 | 0 | 34,453 | 34,585 | 34,454 | 1 |
| Probation Services | 57,258 | 0 | 0 | 57,258 | 62,747 | 62,747 | 5,489 |
| Public Safety | | | | | | | |
| Sheriff's Department | 1,571,161 | (10,993) | 9,430 | 1,569,598 | 1,648,447 | 1,622,594 | 52,996 |
| Traffic Control | 384,061 | 0 | 0 | 384,061 | 397,320 | 384,064 | 3 |
| Jail | 1,048,903 | (800) | 7 | 1,048,110 | 1,107,750 | 1,075,383 | 27,273 |
| Correctional Incentive Program Improvements | 1,769 | 0 | 0 | 1,769 | 2,000 | 1,770 | 1 |
| Fire Prevention and Control | 27,000 | 0 | 0 | 27,000 | 27,000 | 27,000 | 0 |
| Civil Defense | 73,651 | (6,773) | 0 | 66,878 | 80,121 | 80,123 | 13,245 |
| Rescue Squad | 5,500 | 0 | 0 | 5,500 | 5,500 | 5,500 | 0 |
| County Coroner/Medical Examiner | 5,850 | 0 | 0 | 5,850 | 5,000 | 6,500 | 650 |
| Other Public Safety | 1,450 | 0 | 0 | 1,450 | 2,000 | 2,000 | 550 |
| Public Health and Welfare | | | | | | | |
| Local Health Center | 68,472 | 0 | 0 | 68,472 | 74,203 | 73,703 | 5,231 |
| Ambulance/Emergency Medical Services | 235,000 | 0 | 0 | 235,000 | 235,000 | 235,000 | 0 |
| Maternal and Child Health Services | 2,500 | 0 | 0 | 2,500 | 2,500 | 2,500 | 0 |
| Crippled Children Services | 2,167 | 0 | 0 | 2,167 | 2,167 | 2,167 | 0 |
| General Welfare Assistance | 23,230 | 0 | 0 | 23,230 | 34,000 | 34,100 | 10,870 |
| Other Local Welfare Services | 31,429 | 0 | 0 | 31,429 | 46,200 | 46,200 | 14,771 |
| Social, Cultural, and Recreational Services | | | | | | | |
| Adult Activities | 155,407 | 0 | 0 | 155,407 | 180,144 | 158,705 | 3,298 |
| Senior Citizens Assistance | 41,084 | 0 | 0 | 41,084 | 39,281 | 43,002 | 1,918 |
| Libraries | 201,813 | 0 | 0 | 201,813 | 195,613 | 204,502 | 2,689 |
| Agriculture and Natural Resources | | | | | | | |
| Agriculture Extension Service | 69,404 | 0 | 0 | 69,404 | 78,968 | 69,404 | 0 |
| Soil Conservation | 34,488 | 0 | 0 | 34,488 | 34,626 | 34,490 | 2 |

(Continued)

Exhibit C-5

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|---|---|---|
| Expenditures (Cont.) | | | | | | | |
| Agriculture and Natural Resources (Cont.) | | | | | | | |
| Flood Control | $ 23,728 | $ 0 | $ 0 | $ 23,728 | $ 23,800 | $ 23,800 | $ 72 |
| Other Operations | | | | | | | |
| Veterans' Services | 41,800 | 0 | 0 | 41,800 | 42,504 | 42,589 | 789 |
| Other Charges | 4,784 | 0 | 0 | 4,784 | 4,784 | 4,784 | 0 |
| Contributions to Other Agencies | 155,109 | 0 | 0 | 155,109 | 157,024 | 157,024 | 1,915 |
| Employee Benefits | 13,548 | 0 | 0 | 13,548 | 23,000 | 18,000 | 4,452 |
| Miscellaneous | 208,802 | 0 | 0 | 208,802 | 214,343 | 209,718 | 916 |
| Total Expenditures | $ 7,374,399 | $ (98,075) | $ 71,947 | $ 7,348,271 | $ 7,809,172 | $ 7,664,437 | $ 316,166 |
| Excess (Deficiency) of Revenues Over Expenditures | $ 91,311 | $ 98,075 | $ (71,947) | $ 117,439 | $ (147,511) | $ 102,976 | $ 14,463 |
| Other Financing Sources (Uses) | | | | | | | |
| Insurance Recovery | $ 5,074 | $ 0 | $ 0 | $ 5,074 | $ 2,000 | $ 5,074 | $ 0 |
| Transfers In | 199,349 | 0 | 0 | 199,349 | 8,500 | 199,371 | (22) |
| Total Other Financing Sources | $ 204,423 | $ 0 | $ 0 | $ 204,423 | $ 10,500 | $ 204,445 | $ (22) |
| Net Change in Fund Balance | $ 295,734 | $ 98,075 | $ (71,947) | $ 321,862 | $ (137,011) | $ 307,421 | $ 14,441 |
| Fund Balance, July 1, 2012 | 514,824 | (98,075) | 0 | 416,749 | 361,153 | 361,153 | 55,596 |
| Fund Balance, June 30, 2013 | $ 810,558 | $ 0 | $ (71,947) | $ 738,611 | $ 224,142 | $ 668,574 | $ 70,037 |

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

Exhibit C-6

Weakley County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|---|---|---|
| Revenues | | | | | | | |
| Local Taxes | $ 2,020,751 | $ 0 | $ 0 | $ 2,020,751 | $ 2,084,150 | $ 2,034,150 | $ (13,399) |
| Licenses and Permits | 2,050 | 0 | 0 | 2,050 | 0 | 2,050 | 0 |
| Other Local Revenues | 5,920 | 0 | 0 | 5,920 | 14,000 | 14,000 | (8,080) |
| State of Tennessee | 2,382,870 | 0 | 0 | 2,382,870 | 2,156,240 | 2,378,562 | 4,308 |
| Total Revenues | $ 4,411,591 | $ 0 | $ 0 | $ 4,411,591 | $ 4,254,390 | $ 4,428,762 | $ (17,171) |
| Expenditures | | | | | | | |
| Highways | | | | | | | |
| Administration | $ 121,587 | $ 0 | $ 0 | $ 121,587 | $ 130,828 | $ 124,433 | $ 2,846 |
| Highway and Bridge Maintenance | 2,325,041 | 0 | 8,102 | 2,333,143 | 2,389,142 | 2,354,443 | 21,300 |
| Operation and Maintenance of Equipment | 672,268 | 0 | 0 | 672,268 | 690,991 | 690,992 | 18,724 |
| Litter and Trash Collection | 52,008 | 0 | 1,541 | 53,549 | 53,901 | 53,901 | 352 |
| Other Charges | 129,538 | 0 | 0 | 129,538 | 132,475 | 132,475 | 2,937 |
| Employee Benefits | 508,373 | 0 | 0 | 508,373 | 520,149 | 508,374 | 1 |
| Capital Outlay | 1,059,681 | (824,778) | 0 | 234,903 | 297,382 | 275,382 | 40,479 |
| Total Expenditures | $ 4,868,496 | $ (824,778) | $ 9,643 | $ 4,053,361 | $ 4,214,868 | $ 4,140,000 | $ 86,639 |
| Excess (Deficiency) of Revenues Over Expenditures | $ (456,905) | $ 824,778 | $ (9,643) | $ 358,230 | $ 39,522 | $ 288,762 | $ 69,468 |
| Other Financing Sources (Uses) | | | | | | | |
| Insurance Recovery | $ 73,976 | $ 0 | $ 0 | $ 73,976 | $ 0 | $ 73,976 | $ 0 |
| Transfers In | 71,894 | 0 | 0 | 71,894 | 2,000 | 71,844 | 50 |
| Total Other Financing Sources | $ 145,870 | $ 0 | $ 0 | $ 145,870 | $ 2,000 | $ 145,820 | $ 50 |
| Net Change in Fund Balance | $ (311,035) | $ 824,778 | $ (9,643) | $ 504,100 | $ 41,522 | $ 434,582 | $ 69,518 |
| Fund Balance, July 1, 2012 | 849,601 | (824,778) | 0 | 24,823 | 128,642 | 128,642 | (103,819) |
| Fund Balance, June 30, 2013 | $ 538,566 | $ 0 | $ (9,643) | $ 528,923 | $ 170,164 | $ 563,224 | $ (34,301) |

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

Exhibit D-1

Weakley County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2013

| | Business-type Activities<br>Major Fund<br>Weakley County Municipal Electric System |
|---|---|
| **ASSETS** | |
| Current Assets: | |
| Cash | $ 7,062,549 |
| Inventories | 488,062 |
| Accounts Receivable | 3,085,394 |
| Prepaid Items | 69,619 |
| Total Current Assets | $ 10,705,624 |
| Noncurrent Assets: | |
| Notes Receivable | $ 1,901,921 |
| Capital Assets: | |
| Assets Not Depreciated: | |
| Land | 514,513 |
| Construction in Progress | 566,645 |
| Assets Net of Accumulated Depreciation: | |
| Other Capital Assets | 31,458,431 |
| Total Noncurrent Assets | $ 34,441,510 |
| Total Assets | $ 45,147,134 |
| **LIABILITIES** | |
| Current Liabilities: | |
| Accounts Payable | $ 6,097,617 |
| Accrued Leave | 534,075 |
| Other Current Liabilities | 41,275 |
| Current Liabilities Payable from Restricted Assets: | |
| Customer Deposits Payable | 1,173,316 |
| Total Current Liabilities | $ 7,846,283 |
| Noncurrent Liabilities: | |
| Due Within One Year | $ 116,993 |
| Due in More Than One Year | 1,944,402 |
| Total Noncurrent Liabilities | $ 2,061,395 |
| Total Liabilities | $ 9,907,678 |
| **NET POSITION** | |
| Net Investment in Capital Assets | $ 32,539,589 |
| Unrestricted | 2,699,867 |
| Total Net Position | $ 35,239,456 |

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 Position
Proprietary Fund
For the Year Ended June 30, 2013

| | Business-type Activities Major Fund Weakley County Municipal Electric System |
|---|---|
| Operating Revenues | |
| Sale of Electric Energy | |
| Residential and Rural | $ 24,985,380 |
| Small Commercial | 4,568,581 |
| Large Commercial | 13,316,477 |
| Street and Outdoor Lighting | 1,122,575 |
| Other Electric Revenues | |
| Consumer Forfeited Discounts | 306,638 |
| Rent from Electric Property | 555,139 |
| Service Charge - Meter Sets | 83,544 |
| Miscellaneous | 61,618 |
| Total Operating Revenues | $ 44,999,952 |
| | |
| Operating Expenses | |
| Purchased Power | $ 36,407,634 |
| Operation Expense | |
| Transmission Expense | |
| Overhead Wire Expense | 855 |
| Station Expense | 33,120 |
| Distribution Expense | |
| Supervision and Engineering | 124,011 |
| Station Expense | 34,133 |
| Overhead Line Expense | 768,596 |
| Underground Line Expense | 42,595 |
| Street Lighting and Signal Systems | 6,847 |
| Removing and Resetting Meters | 219,359 |
| Services on Customers' Premises | 53,882 |
| Miscellaneous Distribution Expense | 26,497 |
| Rents | 22,349 |
| Customer Accounts Expense | |
| Supervision and Accounting | 19,760 |
| Meter Reading | 261,765 |
| Records and Collection | 730,755 |
| Customer Service and Sales Expense | |
| Supervision | 13,174 |
| Customer Assistance | 37,078 |
| Miscellaneous Sales Expense | 101,056 |
| Administrative and General Expense | |
| Salaries | 305,251 |
| Office Supplies and Expense | 120,116 |
| Outside Services | 19,952 |
| Insurance | 48,506 |

(Continued)

Exhibit D-2

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

| | Business-type Activities<br>Major Fund<br>Weakley County Municipal Electric System |
|---|---|
| Operating Expenses (Cont.) | |
| Administrative and General Expense (Cont.) | |
| Injuries and Damages | $ 191,636 |
| Employee Pension and Benefits | 599,637 |
| Dues | 40,547 |
| Miscellaneous | 41,949 |
| Maintenance Expense | |
| Transmission Maintenance | |
| Station Equipment | 27,263 |
| Overhead Lines | 9,984 |
| Distribution Maintenance | |
| Station Equipment | 30,636 |
| Overhead Lines | 955,386 |
| Underground Lines | 11,446 |
| Line Transformers and Devices | 40,653 |
| Street Lights and Signal Systems | 11,683 |
| Meters | 32,750 |
| Security Lights | 36,935 |
| Miscellaneous | 26,202 |
| Administrative and General Maintenance | |
| Structures and Improvements | 68,081 |
| Communications Equipment | 19,230 |
| Fiber Optic | 5,155 |
| Depreciation and Amortization | 1,760,006 |
| Tax Equivalent | 333,902 |
| Payroll Taxes | 84,325 |
| Total Operating Expenses | $ 43,724,697 |
| Operating Income | $ 1,275,255 |
| | |
| Nonoperating Revenues (Expenses) | |
| Investment Income | $ 68,101 |
| Interest on Long-term Debt | (15,104) |
| Other Interest Expense | (3,789) |
| Total Nonoperating Revenues (Expenses) | $ 49,208 |
| | |
| Income Before Transfers | $ 1,324,463 |
| Transfers In (Out) | (467,323) |
| | |
| Change in Net Position | $ 857,140 |
| Net Position, July 1, 2012 | 34,733,296 |
| Prior-period Adjustments - See Notes VI.C.3. and VII.C.3. | (350,980) |
| | |
| Net Position, June 30, 2013 | $ 35,239,456 |

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, 2013

| | Business-type Activities<br>Major Fund<br>Weakley County Municipal Electric System |
|---|---|
| Cash Flows from Operating Activities | |
| Cash Received from Customers | $ 44,788,901 |
| Cash Payments to Suppliers for Goods and Services | (38,609,596) |
| Cash Payments to Employees for Services | (2,954,291) |
| Net Cash Advanced on Conservation Loans Receivable | 153,938 |
| Net Cash Proceeds from Conservation Loans Payable | (152,578) |
| Net Cash Provided By (Used In) Operating Activities | $ 3,226,374 |
| Cash Flows from Noncapital Financing Activities | |
| Interest Paid | $ (3,789) |
| Transfers to Other Funds | (467,323) |
| Payments of USDA Loan Payable | (92,500) |
| Payments to TVA on Underbilling | (38,998) |
| Net Cash Provided By (Used In) Noncapital Financing Activities | $ (602,610) |
| Cash Flows from Capital and Related Financing Activities | |
| Additions to Plant | $ (1,811,898) |
| Removal Cost | (189,101) |
| Interest Paid on Long-term Debt | (15,104) |
| Principal Paid on Long-term Debt | (1,441,708) |
| Net Cash Provided By (Used In) Capital and Related Financing Activities | $ (3,457,811) |
| Cash Flows from Investing Activities | |
| Interest Received | $ 68,101 |
| Payments Received on Notes Receivable | 137,500 |
| Net Cash Provided By (Used In) Investing Activities | $ 205,601 |
| Net Increase in Cash | $ (628,446) |
| Cash, July 1, 2012 | 7,690,995 |
| Cash, June 30, 2013 | $ 7,062,549 |

(Continued)

Exhibit D-3

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

| | Business-type Activities Major Fund Weakley County Municipal Electric System |
|---|---|
| Reconciliation of Operating Income to Net Cash Provided By (Used In) Operating Activities | |
| Operating Income | $ 1,275,255 |
| Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities: | |
| Depreciation and Amortization | 1,954,701 |
| Amortization of Prepaid Purchased Power | 76,125 |
| Change In: | |
| Accounts Receivable | (279,840) |
| Inventories | 582,882 |
| Prepaid Items | (9,669) |
| Notes Receivable | 153,938 |
| Accounts Payable | (414,109) |
| Customer Deposits Payable | 68,789 |
| Accrued Leave | (22,012) |
| Other Current Liabilities | 10,683 |
| Conservation Loans Payable | (152,578) |
| Deferred Credits | (17,791) |
| Net Cash Provided By (Used In) Operating Activities | $ 3,226,374 |
| Reconciliation of Cash with the Statement of Net Position | |
| Cash Per Net Position | $ 7,062,549 |
| Cash, June 30, 2013 | $ 7,062,549 |

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, 2013

| | Agency Funds |
|---|---|
| **ASSETS** | |
| Cash | $ 1,088,471 |
| Equity in Pooled Cash and Investments | 429,200 |
| Accounts Receivable | 25,912 |
| Due from Other Governments | 485,951 |
| Total Assets | $ 2,029,534 |
| **LIABILITIES** | |
| Due to Other Taxing Units | $ 493,849 |
| Due to Litigants, Heirs, and Others | 1,203,759 |
| Due to Joint Ventures | 331,926 |
| Total Liabilities | $ 2,029,534 |

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

## WEAKLEY COUNTY, TENNESSEE
## Index of Notes to the Financial Statements


| Note | | | Page(s) |
|---|---|---|---|
| **I.** | **Summary of Significant Accounting Policies** | | |
| | A. | Reporting Entity | 43 |
| | B. | Government-wide and Fund Financial Statements | 44 |
| | C. | Measurement Focus, Basis of Accounting, and Financial Statement Presentation | 45 |
| | D. | Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance | |
| | | 1. Deposits and Investments | 47 |
| | | 2. Receivables and Payables | 48 |
| | | 3. Capital Assets | 49 |
| | | 4. Deferred Outflows/Inflows of Resources | 50 |
| | | 5. Compensated Absences | 50 |
| | | 6. Long-term Obligations | 50 |
| | | 7. Net Position and Fund Balance | 51 |
| | | 8. Restatement | 53 |
| | | 9. Reclassification | 53 |
| **II.** | **Reconciliation of Government-wide and Fund Financial Statements** | | |
| | A. | Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position | 53 |
| | 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 | 53 |
| **III.** | **Stewardship, Compliance, and Accountability** | | |
| | A. | Budgetary Information | 54 |
| | B. | Cash Overdraft | 55 |
| **IV.** | **Detailed Notes on All Funds** | | |
| | A. | Deposits and Investments | 55 |
| | B. | Notes Receivable | 57 |
| | C. | Capital Assets | 57 |
| | D. | Construction Commitments | 59 |
| | E. | Interfund Receivables, Payables, and Transfers | 59 |
| | F. | Long-term Obligations | 61 |
| | G. | Pledges of Local Option Sales Taxes | 65 |
| | H. | On-Behalf Payments | 66 |
| | I. | Short-term Debt | 66 |

**WEAKLEY COUNTY, TENNESSEE**
**Index of Notes to the Financial Statements (Cont.)**


| Note | | | Page(s) |
|---|---|---|---|
| **V.** | **Other Information** | | |
| | A. | Risk Management | 66 |
| | B. | Accounting Changes | 68 |
| | C. | Subsequent Events | 69 |
| | D. | Contingent Liabilities | 69 |
| | E. | Joint Ventures | 69 |
| | F. | Jointly Governed Organization | 70 |
| | G. | Retirement Commitments | 71 |
| | H. | Other Postemployment Benefits (OPEB) | 74 |
| | I. | Office of Central Accounting and Budgeting | 77 |
| | J. | Purchasing Law | 77 |
| **VI.** | **Other Notes - Weakley County Municipal Electric System (Enterprise Fund)** | | 77 |
| **VII.** | **Other Notes - Discretely Presented Weakley County Nursing Home** | | 85 |
| **VIII.** | **Other Notes - Discretely Presented Weakley County Emergency Communications District** | | 91 |

## 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 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 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 Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. 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. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2013.

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental 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 funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 Judicial District Drug Task Force, restricted revenues held for the benefit of the Office of District Attorney General, 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.

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

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

### 1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds (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 position 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 are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

**2. <u>Receivables and Payables</u>**

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 1.04 percent of total taxes levied.

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

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

year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

## 3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental 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:

| Assets | Years |
|---|---|
| Buildings and Improvements | 25 |
| Other Capital Assets | 5 |
| Infrastructure: | |
| Roads | 20 |
| Bridges | 20 - 30 |

## 4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various other receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## 5. 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.

## 6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums

and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

**7. <u>Net Position and Fund Balance</u>**

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

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

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

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

As of June 30, 2013, Weakley County had $11,188,025 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 position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

to specific purposes within the General and General Purpose School funds.

**8. Restatement**

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of Governmental Accounting Standards Board Statement No. 65, debt issuance costs become period costs. An adjustment to beginning net position totaling $104,066 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

**9. Reclassification**

In prior years, the District Attorney General Fund was classified as a special revenue fund; however, effective July 1, 2012, the balance of this fund ($113,131) was reclassified as an agency fund to better reflect the control of these funds by the district attorney general.

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

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

**Primary Government**

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

**Discretely Presented 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 Position.

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

**Primary Government**

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

## III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### A. Budgetary Information

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the primary government's Community Development/Industrial Park and Other Capital Projects funds and the School Department's Education Capital Projects Fund, 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.

## B. Cash Overdraft

The discretely presented School Federal Projects Fund had a cash overdraft of $122,175 at June 30, 2013. This cash overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2013.

# 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 position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

### Deposits

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

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

## Investments

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

**Investment Balances.** As of June 30, 2013, Weakley County had the following investments carried at fair value. 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.

| Investment | Weighted Average Maturity (days) | Fair Value |
|---|---|---|
| State Treasurer's Investment Pool | 11 to 138 | $ 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, 2013, Weakley County's investment in the State Treasurer's Investment Pool was unrated.

## B. Notes Receivable

During the current year, the Weakley County Commission authorized the county to issue a $143,786 non-interest bearing capital outlay note to assist the Everett-Stewart Regional Airport with construction of a runway extension project. The Everett-Stewart Regional Airport has agreed to repay $143,786 to the county over a period of ten years with no interest. This note receivable is included in the restricted fund balance of the General Debt Service Fund.

## C. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

### Primary Government

**Governmental Activities:**

| | Balance 7-1-12 | Increases | Balance 6-30-13 |
|---|---|---|---|
| Capital Assets Not Depreciated: | | | |
| Land | $ 1,575,535 | $ 0 | $ 1,575,535 |
| Total Capital Assets Not Depreciated | $ 1,575,535 | $ 0 | $ 1,575,535 |
| Capital Assets Depreciated: | | | |
| Buildings and Improvements | $ 12,699,312 | $ 78,000 | $ 12,777,312 |
| Infrastructure | 72,188,468 | 1,158,419 | 73,346,887 |
| Other Capital Assets | 4,386,434 | 126,343 | 4,512,777 |
| Total Capital Assets Depreciated | $ 89,274,214 | $ 1,362,762 | $ 90,636,976 |
| Less Accumulated Depreciation For: | | | |
| Buildings and Improvements | $ 7,525,229 | $ 445,092 | $ 7,970,321 |
| Infrastructure | 38,708,263 | 2,866,076 | 41,574,339 |
| Other Capital Assets | 3,679,149 | 305,971 | 3,985,120 |
| Total Accumulated Depreciation | $ 49,912,641 | $ 3,617,139 | $ 53,529,780 |
| Total Capital Assets Depreciated, Net | $ 39,361,573 | $ (2,254,377) | $ 37,107,196 |
| Governmental Activities Capital Assets, Net | $ 40,937,108 | $ (2,254,377) | $ 38,682,731 |

There were no decreases in capital assets to report during the year ended June 30, 2013.

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 | $ 73,230 |
| Finance | 14,183 |
| Administration of Justice | 21,448 |
| Public Safety | 397,112 |
| 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 | 3,071,125 |
| Total Depreciation Expense - Governmental Activities | $ 3,617,139 |

**Discretely Presented Weakley County School Department**

**Governmental Activities:**

| | Balance 7-1-12 | Increases | Balance 6-30-13 |
|---|---|---|---|
| Capital Assets Not Depreciated: | | | |
| Land | $ 1,935,850 | $ 0 | $ 1,935,850 |
| Total Capital Assets Not Depreciated | $ 1,935,850 | $ 0 | $ 1,935,850 |
| Capital Assets Depreciated: | | | |
| Buildings and Improvements | $ 61,353,539 | $ 0 | $ 61,353,539 |
| Other Capital Assets | 7,276,712 | 247,348 | 7,524,060 |
| Total Capital Assets Depreciated | $ 68,630,251 | $ 247,348 | $ 68,877,599 |

**Governmental Activities (Cont.):**

| | Balance 7-1-12 | Increases | Balance 6-30-13 |
|---|---|---|---|
| Less Accumulated Depreciated For: | | | |
| Buildings and Improvements | $ 41,306,805 | $ 1,751,713 | $ 43,058,518 |
| Other Capital Assets | 4,576,121 | 803,315 | 5,379,436 |
| Total Accumulated Depreciation | $ 45,882,926 | $ 2,555,028 | $ 48,437,954 |
| Total Capital Assets Depreciated, Net | $ 22,747,325 | $ (2,307,680) | $ 20,439,645 |
| Governmental Activities Capital Assets, Net | $ 24,683,175 | $ (2,307,680) | $ 22,375,495 |

There were no decreases in capital assets to report during the year ended June 30, 2013.

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

**Governmental Activities:**

| | |
|---|---|
| Instruction | $ 1,408,353 |
| Support Services | 989,439 |
| Operation of Non-Instructional Services | 157,236 |
| Total Depreciation Expense - Governmental Activities | $ 2,555,028 |

## D. Construction Commitments

At June 30, 2013, the Education Capital Projects Fund had uncompleted construction contracts of $153,000 for school roof repairs. Funding has been received for these future expenditures.

## E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, was as follows:

**Due to/from Other Funds:**

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| Primary Government: | | |
| General | Nonmajor governmental | $ 9,804 |
| Highway/Public Works | General | 2,050 |
| Discretely Presented School Department: | | |
| General Purpose School | Nonmajor governmental | 3,917 |

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 Highway/Public Works Fund totaling $2,050 was in-transit from the General Fund at June 30, 2013.

**Due to/from Primary Government and Component Unit:**

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| Primary Government: | Component Unit: | |
| General | Weakley County Nursing Home | $ 475 |

The due from component unit balance in the General Fund was in-transit from the Weakley County Nursing Home at June 30, 2013.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

**Primary Government**

| | Transfers In | | |
|---|---|---|---|
| Transfers Out | General Fund | Highway/ Public Works Fund | General Debt Service Fund |
| Public Utility Fund | $ 199,349 | $ 71,894 | $ 196,080 |

**Discretely Presented Weakley County School Department**

| Transfer Out | Transfer In<br>General Purpose School Fund |
|---|---|
| Nonmajor governmental fund | $ 3,917 |

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

## F. Long-term Obligations

### Primary Government

General Obligation Bonds, Notes, and Other Loans

Weakley 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 for the primary government and the discretely presented School Department. 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 12 years for bonds, up to 20 years for other loans, and up to ten years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2013, for governmental activities are as follows:

| Type | Interest Rate | Final Maturity | Original Amount of Issue | Balance 6-30-13 |
|---|---|---|---|---|
| General Obligation Bond - School Refunding | 2 to 4 % | 5-1-15 | $ 17,125,000 | $ 3,605,000 |
| Capital Outlay Notes | 0 | 9-30-22 | 143,786 | 143,786 |
| Other Loans | 0 to variable | 5-25-23 | 19,552,645 | 10,191,025 |

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, 2013, the variable interest rate was .31 percent based on the BOA rate, and other fees totaled .72 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, 2013, the variable interest rate was .38 percent based on the LIBOR rate, and other fees totaled .72 percent of the outstanding loan principal.

During 2011-12, Weakley County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. Under this agreement, the program loaned Weakley County $1,812,940 to fund a project to increase energy efficiency in the Weakley County school system. The loan is interest free.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2013, including interest payments and other loan fees, are presented in the following tables:

| Year Ending June 30 | Bonds | | |
|---|---|---|---|
| | Principal | Interest | Total |
| 2014 | $ 1,745,000 | $ 139,838 | $ 1,884,838 |
| 2015 | 1,860,000 | 74,400 | 1,934,400 |
| Total | $ 3,605,000 | $ 214,238 | $ 3,819,238 |

| Year Ending June 30 | Note | |
|---|---|---|
| | Principal | Total |
| 2014 | $ 11,988 | $ 11,988 |
| 2015 | 15,984 | 15,984 |
| 2016 | 15,984 | 15,984 |
| 2017 | 15,984 | 15,984 |
| 2018 | 15,984 | 15,984 |
| 2019-2023 | 67,862 | 67,862 |
| Total | $ 143,786 | $ 143,786 |

| Year Ending June 30 | Other Loans | | | |
|---|---|---|---|---|
| | Principal | Interest | Other Fees | Total |
| 2014 | $ 1,170,296 | $ 30,872 | $ 62,761 | $ 1,263,929 |
| 2015 | 1,212,296 | 27,443 | 55,640 | 1,295,379 |
| 2016 | 1,256,296 | 23,871 | 48,217 | 1,328,384 |
| 2017 | 1,303,296 | 20,150 | 40,477 | 1,363,923 |
| 2018 | 1,350,296 | 16,270 | 32,398 | 1,398,964 |
| 2019-2023 | 3,898,545 | 37,059 | 72,808 | 4,008,412 |
| Total | $ 10,191,025 | $ 155,665 | $ 312,301 | $ 10,658,991 |

There is $3,169,349 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled $398, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the primary government (excluding the Weakley County Municipal Electric System, enterprise fund) for the year ended June 30, 2013, was as follows:

Governmental Activities:

| | Bonds | Notes |
|---|---|---|
| Balance, July 1, 2012 | $ 7,325,000 | $ 5,108 |
| Additions | 0 | 143,786 |
| Reductions | (3,720,000) | (5,108) |
| Balance, June 30, 2013 | $ 3,605,000 | $ 143,786 |
| Balance Due Within One Year | $ 1,745,000 | $ 11,988 |

| | Other Loans | Compensated Absences |
|---|---|---|
| Balance, July 1, 2012 | $ 12,535,429 | $ 209,085 |
| Additions | 0 | 303,398 |
| Reductions | (2,344,404) | (318,509) |
| Balance, June 30, 2013 | $ 10,191,025 | $ 193,974 |
| Balance Due Within One Year | $ 1,170,296 | $ 9,699 |

| | Other Postemployment Benefits |
|---|---|
| Balance, July 1, 2012 | $ 284,121 |
| Additions | 77,301 |
| Reductions | (8,111) |
| Balance, June 30, 2013 | $ 353,311 |
| Balance Due Within One Year | $ 0 |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|---|
| Total Noncurrent Liabilities, June 30, 2013 | $ 14,487,096 |
| Less: Balance Due Within One Year | (2,936,983) |
| Add: Deferred Revenue - Premium on Debt | 5,413 |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | $ 11,555,526 |

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 Obligations

Long-term obligations activity for the discretely presented Weakley County School Department for the year ended June 30, 2013, was as follows:

| | Compensated Absences | Other Postemployment Benefits |
|---|---|---|
| Balance, July 1, 2012 | $ 32,055 | $ 515,254 |
| Additions | 32,511 | 227,733 |
| Reductions | (30,447) | (197,885) |
| Balance, June 30, 2013 | $ 34,119 | $ 545,102 |
| Balance Due Within One Year | $ 1,706 | $ 0 |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|---|
| Total Noncurrent Liabilities, June 30, 2013 | $ 579,221 |
| Less: Balance Due Within One Year | (1,706) |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | $ 577,515 |

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

## G. 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 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. The cities of Martin, Dresden, and Greenfield retired their pledges in prior years. 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 $18,877 in sales tax collections under these agreements to the General Fund for the year ended June 30, 2013.

### H. On-Behalf Payments - Discretely Presented Weakley County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Weakley County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2013, were $103,306 and $50,595, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

### I. Short-term Debt

During the year, Weakley County borrowed $1,650,000 from the General Debt Service Fund to provide temporary operating funds for the General ($1,000,000) and Highway/Public Works ($650,000) funds. These loans were retired prior to June 30, 2013, 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, 2013, was as follows:

| | Balance 7-1-12 | Issued | Paid | Balance 6-30-13 |
|---|---|---|---|---|
| Tax Anticipation Notes | $ 0 | $ 1,650,000 | $ (1,650,000) | $ 0 |

## V. OTHER INFORMATION

### A. Risk Management

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

Workers' Compensation Insurance

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

The LGWCF reinsures through commercial insurance companies for claims exceeding $300,000.

General Liability, Property, and Casualty

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

Employee Health Insurance

Weakley County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *TCA,* all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

**Discretely Presented Weakley County School Department**

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 Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements;* Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34);* Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Weakley County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62,* which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure issued on or before November 30, 1989, that does not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

## C. Subsequent Events

On August 29, 2013, the county's General Debt Service Fund issued a $1,000,000 tax anticipation note to the General Fund for temporary operating funds.

On November 12, 2013, the county's General Debt Service Fund issued a $550,000 tax anticipation note to the Highway/Public Works Fund for temporary operating funds.

## D. Contingent Liabilities

The attorneys for the county and School Department advised that there were no pending lawsuits, unasserted claims, or assessments that would materially affect the county or School Department'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, 2013, and does not have any equity interest in this joint venture.

Pursuant to a formal agreement between Obion and Weakley counties, a joint venture for the creation and operation of the Everett-Stewart Regional Airport was established December 1, 2006. The agreement between Obion

and Weakley counties states that the land and other capital assets, including improvements, will be owned by Obion County; however, the funding of airport operations will be jointly funded and managed by both counties. Weakley County appropriated $22,100 to the Everett-Stewart Regional Airport during the year. On November 16, 2012, Weakley County issued a $143,786 capital outlay note to provide funds for airport improvement projects (see Note IV.B.). This note was issued with a zero percent interest rate and is to be retired with monthly payments of $1,332 from the Everett-Stewart Regional Airport to the Weakley County General Debt Service Fund.

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 $96,800 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. Jointly Governed Organization

The West Tennessee Railroad Authority (WTRA) was created by Weakley County in conjunction with the counties of Chester, Gibson, Madison, McNairy, and Obion. The WTRA's board includes the mayors of Chester, Gibson, Madison, McNairy, Obion, and Weakley counties, and one at-large

member from each of these areas. However, the counties do not have any ongoing financial interest or responsibility for the entity.

## G. 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 County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. Weakley County is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 11.2 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 ending June 30, 2013, the county's annual pension cost of $1,175,811 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, 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 three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement 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, 2011, was one year. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

**Trend Information**

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 6-30-13 | $1,175,811 | 100% | $0 |
| 6-30-12 | 1,285,675 | 100 | 0 |
| 6-30-11 | 1,291,000 | 100 | 0 |

**Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the plan was 99.15 percent funded. The actuarial accrued liability for benefits was $28.4 million, and the actuarial value of assets was $28.16 million, resulting in an unfunded actuarial accrued liability (UAAL) of $.24 million. The covered payroll (annual payroll of active employees covered by the plan) was $10.88 million, and the ratio of the UAAL to the covered payroll was 2.21 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.

## SCHOOL TEACHERS

### Plan Description

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.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, 2013, was 8.88 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, 2013, 2012, and 2011, were $1,454,707, $1,514,582, and $1,492,238, respectively, equal to the required contributions for each year.

## H. Other Postemployment Benefits (OPEB)

Plan Description

Weakley County and the School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-207, *Tennessee Code Annotated (TCA)*, for local governments and Section 8-27-302, *TCA*, for local education employees. Prior to reaching the age of 65, all members 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 plan 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. During the year ended June 30, 2013, Weakley County and the School Department contributed $8,111 and $197,885, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

| | Local Education Group Plan | Local Government Group Plan |
|---|---|---|
| ARC | $ 229,000 | $ 78,000 |
| Interest on the NOPEBO | 20,610 | 11,365 |
| Adjustment to the ARC | (21,877) | (12,064) |
| Annual OPEB cost | $ 227,733 | $ 77,301 |
| Less: Amount of contribution | (197,885) | (8,111) |
| Increase/decrease in NOPEBO | $ 29,848 | $ 69,190 |
| Net OPEB obligation, 7-1-12 | 515,254 | 284,121 |
| Net OPEB obligation, 6-30-13 | $ 545,102 | $ 353,311 |

| Fiscal Year Ended | Plans | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|---|---|---|---|---|
| 6-30-11 | Local Education Group | $ 245,109 | 91% | $ 487,724 |
| 6-30-12 | " | 224,801 | 88 | 515,254 |
| 6-30-13 | " | 227,733 | 87 | 545,102 |
| 6-30-11 | Local Government Group | 116,274 | 14 | 215,706 |
| 6-30-12 | " | 76,469 | 11 | 284,121 |
| 6-30-13 | " | 77,301 | 10 | 353,311 |

Funding Status and Funding Progress

The funded status of the plans as of July 1, 2011, was as follows:

| | Local Education Group Plan | Local Government Group Plan |
|---|---|---|
| Actuarial valuation date | 7-1-11 | 7-1-11 |
| Actuarial accrued liability (AAL) | $ 2,321,000 | $ 560,000 |
| Actuarial value of plan assets | $ 0 | $ 0 |
| Unfunded actuarial accrued liability (UAAL) | $ 2,321,000 | $ 560,000 |
| Actuarial value of assets as a % of the AAL | 0% | 0% |
| Covered payroll (active plan members) | $ 13,972,732 | $ 4,224,644 |
| UAAL as a % of covered payroll | 17% | 13% |

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, 2011, actuarial valuation for the Local Education Group and the Local Government Group plans, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.75 percent for fiscal year 2013. The trend will decrease to 8.25 percent in fiscal year 2014 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

## I. 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. This act also provides for the creation of a Finance Department operated under the direction of the director of finance.

## J. 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. Proprietary fund types are reported using the economic resources measurement focus. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entity's net position.

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 Position

### a. Cash and Cash Equivalents

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, 2013, was $60,674.

### 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. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

**e. 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, 2013, was $1,721,278, and $194,695 cleared through other accounts, for a total accrual of $1,915,973. 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, 2013, was $38,728.

**f. Leases**

The electric system leases attachment space on joint use poles to and from telephone companies and various cable television companies. These leases are accounted for as operating leases. Rent expense for the year ended June 30, 2013, was $22,349.

**g. Compensated Absences**

Employees are entitled to paid vacation and sick days depending on length of service and other factors. An accrual for compensated absences has been made, which includes accumulated vacation leave and one-half of accumulated sick leave.

### h. Impact of Recently Issued Accounting Pronouncements

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB Statement No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in non-governmental pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB Statement No. 62 had no impact on the electric system's financial statements.

In June 2011, the GASB issued Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*. GASB Statement No. 63 provides guidance for reporting deferred outflows and inflows of resources, which are distinct from assets and liabilities, and also renames as net position, rather than net assets, the residual of all other elements presented in a Statement of Financial Position. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2011. As of June 30, 2013, the electric system had no deferred outflows or deferred inflows of resources.

### i. Net Position Flow Assumption

Sometimes the electric system will fund outlays for a particular purpose from both restricted (e.g., restricted bond and grants proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the electric system's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

## B. Detailed Notes on All Accounts

### 1. Deposits and Investments

The electric system's policies limit investments to those instruments allowed by applicable state laws. State statutes 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 and 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, and the state pooled investment fund.

Custodial credit risk is the risk that in the event of a depository institution failure, the electric system's deposits may not be returned to it. 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 electric system's agent in the electric system's name, or by the Federal Reserve banks acting as third-party agents. State 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, 2013, all bank deposits were fully collateralized or insured.

## 2. Prepaid Purchased Power

The 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 was for a period of ten years ending in 2013, and amounts were amortized over the ten-year period. For the year ended June 30, 2013, the electric system received credit of $76,125 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, 2013, was $467,323. An additional $241,826 in-lieu-of tax payment was made to the General Purpose School Fund.

## 4. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

| | Balance 7-1-12 | Increases | Decreases | Balance 6-30-13 |
|---|---|---|---|---|
| Capital Assets Not Depreciated: | | | | |
| Transmission Plant Land | $ 100,307 | $ 0 | $ 0 | $ 100,307 |
| Distribution Plant Land | 111,975 | 600 | 0 | 112,575 |
| General Plant Land | 301,631 | 0 | 0 | 301,631 |
| Construction in Progress | 579,758 | 0 | (13,113) | 566,645 |
| Total Capital Assets Not Depreciated | $ 1,093,671 | $ 600 | $ (13,113) | $ 1,081,158 |
| Capital Assets Depreciated: | | | | |
| Transmission Plant | $ 4,878,951 | $ 910 | $ (1,240) | $ 4,878,621 |
| Distribution Plant | 42,140,346 | 1,148,334 | (493,466) | 42,795,214 |
| General Plant | 12,748,432 | 675,167 | (1,151,191) | 12,272,408 |
| Electric Plant Acquisition Adjustment | 209,598 | 0 | (38,728) | 170,870 |
| Total Capital Assets Depreciated | $ 59,977,327 | $ 1,824,411 | $ (1,684,625) | $ 60,117,113 |
| Less Accumulated Depreciation For: | | | | |
| Transmission Plant | $ 3,206,012 | $ 48,483 | $ (7,254) | $ 3,247,241 |
| Distribution Plant | 21,079,869 | 1,368,479 | (582,939) | 21,865,409 |
| General Plant | 3,641,923 | 499,011 | (594,902) | 3,546,032 |
| Total Accumulated Depreciation | $ 27,927,804 | $ 1,915,973 | $ (1,185,095) | $ 28,658,682 |
| Total Capital Assets Depreciated, Net | $ 32,049,523 | $ (91,562) | $ (499,530) | $ 31,458,431 |
| Total Capital Assets, Net | $ 33,143,194 | $ (90,962) | $ (512,643) | $ 32,539,589 |

## 5. Note Payable

The change in long-term debt during the year ended June 30, 2013, is summarized as follows:

| Loan No. | Balance 7-1-12 | Payments | Balance 6-30-13 | Due Within One Year |
|---|---|---|---|---|
| 82112076 | $ 1,441,708 | $ 1,441,708 | $ 0 | $ 0 |
| Total | $ 1,441,708 | $ 1,441,708 | $ 0 | $ 0 |

### 6. TVA Payable - Underbilling

An error was discovered during the current year in the amount the electric system was being billed for power at one of its substations. TVA has set up a three-year schedule for the electric system to pay the amount owed in monthly installments of $9,749. Scheduled payments under the agreement are as follows:

| Year Ending | Amount |
|---|---|
| 2014 | $ 116,993 |
| 2015 | 116,993 |
| 2016 | 77,996 |
| Total | $ 311,982 |

## C. Other Information

### 1. Pension Plan

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

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

PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at 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, 2013, was 18.8 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, 2013, the Weakley County Municipal Electric System's annual pension cost of $513,710 to TCRS was equal to its required and actual contributions. The required contribution was determined as part of the July 1, 2011, 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 three percent annual rate of inflation, (c) 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 (d) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-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, 2011, was 15 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

**Trend Information**

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 6-30-13 | $ 513,710 | 100% | $ 0 |
| 6-30-12 | 512,070 | 100 | 0 |
| 6-30-11 | 518,658 | 100 | 0 |

**Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the plan was 62.17 percent funded. The actuarial accrued liability for benefits was $11.57 million, and the actuarial value of assets was $7.19 million, resulting in an unfunded actuarial accrued liability (UAAL) of $4.38 million. The covered payroll (annual payroll of active employees covered by the plan) was $2.72 million, and the ratio of the UAAL to the covered payroll was 160.92 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.

**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.

**3. Prior-period Adjustment**

An error was discovered during the current year in the amount the electric system was being billed for power at one of its substations. The portion of the underbilling that applied to prior years was reported as a prior-period adjustment. This resulted in a decrease in beginning net position of $350,980, which is the amount prior years' net income (change in net position), was overstated as a result of purchased power expense being understated.

## 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. Measurement Focus and 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. Enterprise funds are a type of proprietary fund, and, as much, are reported in accordance with generally accepted accounting principles for the proprietary funds as defined by the Governmental Accounting Standards Board. Proprietary fund types are reported using the economic resources measurement focus and the accrual basis of accounting. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entity's net position. The accrual basis of accounting recognizes revenues when earned and expenses as incurred, whether or not cash is received or paid out at that time.

Operating revenues in proprietary funds are those revenues generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating.

## 3. Assets, Liabilities, and Net Position

### a. 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.

### b. 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.

**c. 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, $195,052 in bad debts was written-off, and recoveries of $100,239 were collected.

**d. 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:

| Assets | Years |
|---|---|
| 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.

**e. 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 those benefits. The policy of the nursing home is to pay eligible employees up to 15 days of vacation time upon termination assuming they had 15 days of vacation time accrued. An accrual of 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.

**f. Impact of Recently Issued Accounting Pronouncements**

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62, *Codification of*

*Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* GASB Statement No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in non-governmental pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB Statement No. 62 had no impact on the nursing home's financial statements.

In June 2011, the GASB issued Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position.* GASB Statement No. 63 provides guidance for reporting deferred outflows and inflows of resources, which are distinct from assets and liabilities, and also renames as net position, rather than net assets, the residual of all other elements presented in a Statement of Financial Position. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2011. As of June 30, 2013, the nursing home had no deferred outflows or deferred inflows of resources.

**g. Net Position Flow Assumption**

Sometimes the nursing home will fund outlays for a particular purpose from both restricted (e.g., restricted bond and grants proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the nursing home's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

## B. Detailed Notes on Accounts

### 1. Deposits and Investments

The nursing home's policies limit deposits and investments to those instruments allowed by applicable state laws. State statute 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 and 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, and the state pooled investment fund.

Custodial credit risk of deposits is the risk that in the event of bank failure the government's deposits may not be returned. 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. 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, 2013, all bank deposits were fully collateralized or insured.

## 2. Changes in Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

| Capital Assets | Balance 7-1-12 | Increases | Balance 6-30-13 |
|---|---|---|---|
| Capital Assets Not Depreciated: | | | |
| Land | $ 2,371 | $ 0 | $ 2,371 |
| Total Capital Assets Not Depreciated | $ 2,371 | $ 0 | $ 2,371 |
| Capital Assets Depreciated: | | | |
| Land Improvements | $ 64,212 | $ 0 | $ 64,212 |
| Building and Improvements | 2,917,234 | 0 | 2,917,234 |
| Equipment | 1,265,145 | 217,432 | 1,482,577 |
| Vehicles | 31,818 | 0 | 31,818 |
| Other Assets | 40,815 | 0 | 40,815 |
| Total Capital Assets Depreciated | $ 4,319,224 | $ 217,432 | $ 4,536,656 |
| Less Accumulated Depreciated For: | | | |
| Land Improvements | $ 39,926 | $ 1,854 | $ 41,780 |
| Building and Improvements | 1,776,589 | 78,713 | 1,855,302 |
| Equipment | 1,101,607 | 72,419 | 1,174,026 |
| Vehicles | 24,651 | 4,300 | 28,951 |
| Other Assets | 40,815 | 0 | 40,815 |
| Total Accumulated Depreciation | $ 2,983,588 | $ 157,286 | $ 3,140,874 |
| Total Capital Assets Depreciated, Net | $ 1,335,636 | $ 60,146 | $ 1,395,782 |
| Business-type Capital Assets, Net | $ 1,338,007 | $ 60,146 | $ 1,398,153 |

## C. Other Information

### 1. 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 commercial health insurance for its employees through the State of Tennessee for everything except paid prescription cards.

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.

### 2. 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.G.

### 3. Prior-period Adjustment

During the current year, management discovered uncollectible balances in accounts receivable from Medicare and co-insurance that had not been written off in prior years. Accounts receivable and beginning net position were both decreased by $946,812 to correct overstated receivables in prior years.

## 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). Proprietary fund types are reported using the economic resources measurement focus. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entity's net position. 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.

Operating revenues in proprietary funds are those revenues generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. The state has defined grants and reimbursements from the Tennessee Emergency Communications Board to be nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating.

## 3. Assets, Liabilities, and Net Position

### 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 carryover of 90 days to the subsequent year and one vacation day per month with a maximum carryover 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. Impact of Recently Issued Accounting Pronouncements**

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB Statement No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in non-governmental pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. This statement is effective for periods beginning after

December 15, 2011. The adoption of GASB Statement No. 62 had no impact on the district's financial statements.

In June 2011, the GASB issued Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*. GASB Statement No. 63 provides guidance for reporting deferred outflows and inflows of resources, which are distinct from assets and liabilities, and also renames as net position, rather than net assets, the residual of all other elements presented in a Statement of Financial Position. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2011. As of June 30, 2013, the district had no deferred outflows or deferred inflows of resources.

**f. Net Position Flow Assumption**

Sometimes the district will fund outlays for a particular purpose from both restricted (e.g., restricted bond and grants proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

## B. Stewardship, Compliance, and Accountability

**Budgetary Information**

The district's Board of Directors approves an appropriatory budget annually. The budget is prepared in accordance with generally accepted accounting principles pertaining to proprietary funds. The legal level of control is at each line-item of expense; therefore, each line-item must be amended prior to expending funds.

## 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, 2013, all bank deposits were fully collateralized or insured.

## 2. Capital Assets

Capital assets activity during the year was as follows:

| | Balance 7-1-12 | Increases | Decreases | Balance 6-30-13 |
|---|---|---|---|---|
| Capital Assets Depreciated: | | | | |
| Furniture and Fixtures | $ 658,510 | $ 62,887 | $ 5,251 | $ 716,146 |
| Machinery and Equipment | 21,993 | 0 | 0 | 21,993 |
| Vehicles | 23,000 | 0 | 0 | 23,000 |
| Total Capital Assets Depreciated | $ 703,503 | $ 62,887 | $ 5,251 | $ 761,139 |
| Less Accumulated Depreciation For: | | | | |
| Furniture and Fixtures | $ 287,647 | $ 56,380 | $ 5,251 | $ 338,776 |
| Machinery and Equipment | 15,699 | 3,142 | 0 | 18,841 |
| Vehicles | 23,000 | 0 | 0 | 23,000 |
| Total Accumulated Depreciation | $ 326,346 | $ 59,522 | $ 5,251 | $ 380,617 |
| Total Capital Assets, Net | $ 377,157 | $ 3,365 | $ 0 | $ 380,522 |

Depreciation expense for the year ended June 30, 2013, was $59,522.

# 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/.

**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, 2013, was 23.55 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, 2013, the Weakley County Emergency Communications District's annual pension cost of $10,329 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2011, 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 three percent annual rate of inflation, (c) 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), (d) projected

3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement 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 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, 2011, was nine years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

**Trend Information**

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 6-30-13 | $10,329 | 100 % | $ 0 |
| 6-30-12 | 10,049 | 100 | 0 |
| 6-30-11 | 9,779 | 100 | 0 |

**Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the plan was 64.51 percent funded. The actuarial accrued liability for benefits was $.2 million, and the actuarial value of assets was $.13 million, resulting in an unfunded actuarial accrued liability (UAAL) of $.07 million. The covered payroll (annual payroll of active employees covered by the plan) was $.06 million, and the ratio of the UAAL to the covered payroll was 112.48 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.

# REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

Weakley County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Weakley County School Department
June 30, 2013

(Dollar amounts in thousands)

| Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Actuarial Accrued Liability (AAL) Frozen Entry Age (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|---|---|---|---|---|---|
| 7-1-11 | $ 28,160 | $ 28,400 | $ 241 | 99.15 % | $ 10,884 | 2.21 % |
| 7-1-09 | 22,573 | 22,877 | 303 | 98.67 | 10,240 | 2.96 |
| 7-1-07 | 21,005 | 21,360 | 355 | 98.34 | 10,481 | 3.39 |

Exhibit F-2

Weakley County, Tennessee
Schedule of Funding Progress – Pension Plan
Weakley County Municipal Electric System and
Discretely Presented Weakley County Emergency Communications District
June 30, 2013

(Dollar amounts in thousands)

| Entity | Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Actuarial Accrued Liability (AAL) Frozen Entry Age (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|---|---|---|---|---|---|---|
| Municipal Electric System | 7-1-11 | $ 7,191 | $ 11,566 | $ 4,375 | 62.17 % | $ 2,719 | 160.92 % |
| " | 7-1-09 | 5,840 | 10,596 | 4,756 | 55.11 | 2,546 | 186.82 |
| " | 7-1-07 | 5,311 | 7,151 | 1,840 | 74.27 | 2,611 | 70.47 |
| Emergency Communications District | 7-1-11 | 127 | 197 | 70 | 64.51 | 62 | 112.48 |
| " | 7-1-09 | 106 | 133 | 27 | 79.81 | 58 | 46.25 |
| " | 7-1-07 | 87 | 121 | 34 | 71.9 | 35 | 97.14 |

Exhibit F-3

Weakley County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Weakley County School Department
June 30, 2013

(Dollar amounts in thousands)

| Plans | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Projected Unit Credit (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|---|---|---|---|---|---|---|
| PRIMARY GOVERNMENT | | | | | | | |
| Local Government Group | 7-1-09 | $ 0 | $ 883 | $ 883 | 0 % | $ 3,483 | 25 % |
| " | 7-1-10 | 0 | 943 | 943 | 0 | 3,744 | 25 |
| " | 7-1-11 | 0 | 560 | 560 | 0 | 4,225 | 13 |
| DISCRETELY PRESENTED WEAKLEY COUNTY SCHOOL DEPARTMENT | | | | | | | |
| Local Education Group | 7-1-09 | 0 | 2,624 | 2,624 | 0 | 13,075 | 20 |
| " | 7-1-10 | 0 | 2,708 | 2,708 | 0 | 18,843 | 14 |
| " | 7-1-11 | 0 | 2,321 | 2,321 | 0 | 13,972 | 17 |

**WEAKLEY COUNTY, TENNESSEE**
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**
**For the Year Ended June 30, 2013**

## BUDGETARY INFORMATION

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

# Nonmajor Governmental Funds

# Special Revenue Funds

---

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

---

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 restricted revenue held for the benefit of the Office of District Attorney General. Effective July 1, 2012, this fund was reclassified to an agency fund to better reflect the control of this fund by the district attorney general.

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

# Capital Projects Funds

Capital Projects Funds are used to account for 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.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for grant proceeds received for the purchase of trucks and equipment for volunteer fire departments.

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.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for note proceeds contributed to the Everett-Stewart Regional Airport.

Exhibit G-1

Weakley County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

| | Special Revenue Funds | | | | Capital Projects Funds | | | |
|---|---|---|---|---|---|---|---|---|
| | Solid Waste / Sanitation | Drug Control | Constitu-tional Officers - Fees | Total | Community Development/ Industrial Park | Highway Capital Projects | Total | Total Nonmajor Governmental Funds |
| **ASSETS** | | | | | | | | |
| Cash | $ 0 | $ 0 | $ 2,162 | $ 2,162 | $ 0 | $ 0 | $ 0 | $ 2,162 |
| Equity in Pooled Cash and Investments | 946 | 39,074 | 0 | 40,020 | 24,694 | 7,825 | 32,519 | 72,539 |
| Accounts Receivable | 165 | 961 | 7,642 | 8,768 | 0 | 0 | 0 | 8,768 |
| Due from Other Governments | 0 | 0 | 0 | 0 | 19,847 | 0 | 19,847 | 19,847 |
| Total Assets | $ 1,111 | $ 40,035 | $ 9,804 | $ 50,950 | $ 44,541 | $ 7,825 | $ 52,366 | $ 103,316 |
| **LIABILITIES** | | | | | | | | |
| Accounts Payable | $ 905 | $ 0 | $ 0 | $ 905 | $ 6,350 | $ 0 | $ 6,350 | $ 7,255 |
| Due to Other Funds | 0 | 0 | 9,804 | 9,804 | 0 | 0 | 0 | 9,804 |
| Total Liabilities | $ 905 | $ 0 | $ 9,804 | $ 10,709 | $ 6,350 | $ 0 | $ 6,350 | $ 17,059 |
| **FUND BALANCES** | | | | | | | | |
| Restricted: | | | | | | | | |
| Restricted for Public Safety | $ 0 | $ 40,035 | $ 0 | $ 40,035 | $ 0 | $ 0 | $ 0 | $ 40,035 |
| Restricted for Public Health and Welfare | 206 | 0 | 0 | 206 | 0 | 0 | 0 | 206 |
| Restricted for Capital Projects | 0 | 0 | 0 | 0 | 38,191 | 7,825 | 46,016 | 46,016 |
| Total Fund Balances | $ 206 | $ 40,035 | $ 0 | $ 40,241 | $ 38,191 | $ 7,825 | $ 46,016 | $ 86,257 |
| Total Liabilities and Fund Balances | $ 1,111 | $ 40,035 | $ 9,804 | $ 50,950 | $ 44,541 | $ 7,825 | $ 52,366 | $ 103,316 |

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, 2013

| | Special Revenue Funds | | | | Capital Projects Funds | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Solid Waste / Sanitation | Drug Control | District Attorney | Total | Community Development/ Industrial Park | Highway Capital Projects | Other Capital Projects | Total | Total Nonmajor Governmental Funds |
| Revenues | | | | | | | | | |
| Fines, Forfeitures, and Penalties | $ 0 | $ 15,097 | $ 0 | $ 15,097 | $ 0 | $ 0 | $ 0 | $ 0 | $ 15,097 |
| Other Local Revenues | 6,914 | 2,395 | 0 | 9,309 | 0 | 0 | 0 | 0 | 9,309 |
| State of Tennessee | 13,027 | 0 | 0 | 13,027 | 0 | 0 | 0 | 0 | 13,027 |
| Federal Government | 0 | 0 | 0 | 0 | 24,547 | 0 | 0 | 24,547 | 24,547 |
| Other Governments and Citizens Groups | 0 | 0 | 0 | 0 | 24,800 | 0 | 0 | 24,800 | 24,800 |
| Total Revenues | $ 19,941 | $ 17,492 | $ 0 | $ 37,433 | $ 49,347 | $ 0 | $ 0 | $ 49,347 | $ 86,780 |
| Expenditures | | | | | | | | | |
| Current: | | | | | | | | | |
| Public Safety | $ 0 | $ 88,042 | $ 0 | $ 88,042 | $ 0 | $ 0 | $ 0 | $ 0 | $ 88,042 |
| Public Health and Welfare | 31,089 | 0 | 0 | 31,089 | 0 | 0 | 0 | 0 | 31,089 |
| Other Operations | 724 | 0 | 0 | 724 | 0 | 0 | 0 | 0 | 724 |
| Highways | 0 | 0 | 0 | 0 | 0 | 98,776 | 0 | 98,776 | 98,776 |
| Capital Projects | 0 | 0 | 0 | 0 | 11,156 | 0 | 143,786 | 154,942 | 154,942 |
| Total Expenditures | $ 31,813 | $ 88,042 | $ 0 | $ 119,855 | $ 11,156 | $ 98,776 | $ 143,786 | $ 253,718 | $ 373,573 |
| Excess (Deficiency) of Revenues Over Expenditures | $ (11,872) | $ (70,550) | $ 0 | $ (82,422) | $ 38,191 | $ (98,776) | $ (143,786) | $ (204,371) | $ (286,793) |
| Other Financing Sources (Uses) | | | | | | | | | |
| Notes Issued | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 143,786 | $ 143,786 | $ 143,786 |
| Total Other Financing Sources (Uses) | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 143,786 | $ 143,786 | $ 143,786 |
| Net Change in Fund Balances | $ (11,872) | $ (70,550) | $ 0 | $ (82,422) | $ 38,191 | $ (98,776) | $ 0 | $ (60,585) | $ (143,007) |
| Reclassification - See Note I.D.9. | 0 | 0 | (113,131) | (113,131) | 0 | 0 | 0 | 0 | (113,131) |
| Fund Balance, July 1, 2012 | 12,078 | 110,585 | 113,131 | 235,794 | 0 | 106,601 | 0 | 106,601 | 342,395 |
| Fund Balance, June 30, 2013 | $ 206 | $ 40,035 | $ 0 | $ 40,241 | $ 38,191 | $ 7,825 | $ 0 | $ 46,016 | $ 86,257 |

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, 2013

| | Actual | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| Revenues | | | | |
| Other Local Revenues | $ 6,914 | $ 12,000 | $ 7,250 | $ (336) |
| State of Tennessee | 13,027 | 19,900 | 19,900 | (6,873) |
| Total Revenues | $ 19,941 | $ 31,900 | $ 27,150 | $ (7,209) |
| Expenditures | | | | |
| Public Health and Welfare | | | | |
| Recycling Center | $ 31,089 | $ 43,201 | $ 33,137 | $ 2,048 |
| Other Operations | | | | |
| Employee Benefits | 724 | 744 | 744 | 20 |
| Total Expenditures | $ 31,813 | $ 43,945 | $ 33,881 | $ 2,068 |
| Excess (Deficiency) of Revenues Over Expenditures | $ (11,872) | $ (12,045) | $ (6,731) | $ (5,141) |
| Net Change in Fund Balance | $ (11,872) | $ (12,045) | $ (6,731) | $ (5,141) |
| Fund Balance, July 1, 2012 | 12,078 | 12,135 | 12,135 | (57) |
| Fund Balance, June 30, 2013 | $ 206 | $ 90 | $ 5,404 | $ (5,198) |

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, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|---|---|
| Revenues | | | | | | |
| Fines, Forfeitures, and Penalties | $ 15,097 | $ 0 | $ 15,097 | $ 22,600 | $ 23,100 | $ (8,003) |
| Other Local Revenues | 2,395 | 0 | 2,395 | 600 | 2,400 | (5) |
| Total Revenues | $ 17,492 | $ 0 | $ 17,492 | $ 23,200 | $ 25,500 | $ (8,008) |
| Expenditures | | | | | | |
| Public Safety | | | | | | |
| Drug Enforcement | $ 88,042 | $ (30,281) | $ 57,761 | $ 81,980 | $ 82,084 | $ 24,323 |
| Total Expenditures | $ 88,042 | $ (30,281) | $ 57,761 | $ 81,980 | $ 82,084 | $ 24,323 |
| Excess (Deficiency) of Revenues Over Expenditures | $ (70,550) | $ 30,281 | $ (40,269) | $ (58,780) | $ (56,584) | $ 16,315 |
| Net Change in Fund Balance | $ (70,550) | $ 30,281 | $ (40,269) | $ (58,780) | $ (56,584) | $ 16,315 |
| Fund Balance, July 1, 2012 | 110,585 | (30,281) | 80,304 | 82,697 | 82,697 | (2,393) |
| Fund Balance, June 30, 2013 | $ 40,035 | $ 0 | $ 40,035 | $ 23,917 | $ 26,113 | $ 13,922 |

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, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|---|---|
| Total Revenues | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |
| Expenditures | | | | | | |
| Highways | | | | | | |
| Capital Outlay | $ 98,776 | $ (98,739) | $ 37 | $ 0 | $ 0 | $ (37) |
| Total Expenditures | $ 98,776 | $ (98,739) | $ 37 | $ 0 | $ 0 | $ (37) |
| Excess (Deficiency) of Revenues Over Expenditures | $ (98,776) | $ 98,739 | $ (37) | $ 0 | $ 0 | $ (37) |
| Net Change in Fund Balance | $ (98,776) | $ 98,739 | $ (37) | $ 0 | $ 0 | $ (37) |
| Fund Balance, July 1, 2012 | 106,601 | (98,739) | 7,862 | 7,863 | 7,863 | (1) |
| Fund Balance, June 30, 2013 | $ 7,825 | $ 0 | $ 7,825 | $ 7,863 | $ 7,863 | $ (38) |

# Major Governmental Fund

# General Debt Service Fund

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

Exhibit 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, 2013

| | Actual | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| Revenues | | | | |
| Local Taxes | $ 2,887,927 | $ 3,041,546 | $ 2,878,509 | $ 9,418 |
| Other Local Revenues | 128,798 | 152,000 | 132,000 | (3,202) |
| State of Tennessee | 403,210 | 375,000 | 403,210 | 0 |
| Other Governments and Citizens Groups | 627,065 | 999,483 | 641,447 | (14,382) |
| Total Revenues | $ 4,047,000 | $ 4,568,029 | $ 4,055,166 | $ (8,166) |
| Expenditures | | | | |
| Principal on Debt | | | | |
| General Government | $ 446,000 | $ 446,000 | $ 446,000 | $ 0 |
| Education | 5,623,512 | 3,108,398 | 5,623,512 | 0 |
| Interest on Debt | | | | |
| General Government | 11,849 | 31,000 | 11,850 | 1 |
| Education | 309,213 | 416,998 | 309,214 | 1 |
| Other Debt Service | | | | |
| General Government | 78,580 | 83,880 | 79,305 | 725 |
| Education | 41,028 | 15,665 | 41,028 | 0 |
| Capital Projects | | | | |
| Public Utility Projects | 0 | 480,000 | 2 | 2 |
| Total Expenditures | $ 6,510,182 | $ 4,581,941 | $ 6,510,911 | $ 729 |
| Excess (Deficiency) of Revenues Over Expenditures | $ (2,463,182) | $ (13,912) | $ (2,455,745) | $ (7,437) |
| Other Financing Sources (Uses) | | | | |
| Transfers In | $ 196,080 | $ 0 | $ 196,080 | $ 0 |
| Total Other Financing Sources | $ 196,080 | $ 0 | $ 196,080 | $ 0 |
| Net Change in Fund Balance | $ (2,267,102) | $ (13,912) | $ (2,259,665) | $ (7,437) |
| Fund Balance, July 1, 2012 | 5,436,451 | 5,428,435 | 5,428,435 | 8,016 |
| Fund Balance, June 30, 2013 | $ 3,169,349 | $ 5,414,523 | $ 3,168,770 | $ 579 |

# 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.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General.

Exhibit I-1

Weakley County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

| | Agency Funds | | | | | |
|---|---|---|---|---|---|---|
| | Cities - Sales Tax | Watershed District | Constitu-tional Officers - Agency | Judicial District Drug | District Attorney General | Total |
| ASSETS | | | | | | |
| Cash | $ 0 | $ | $ 1,084,701 | $ 3,770 | $ 0 | $ 1,088,471 |
| Equity in Pooled Cash and Investments | 0 | 10,575 | 0 | 299,714 | 118,911 | 429,200 |
| Accounts Receivable | 0 | 0 | 0 | 25,912 | 0 | 25,912 |
| Due from Other Governments | 483,274 | 0 | 0 | 2,530 | 147 | 485,951 |
| Total Assets | $ 483,274 | $ 10,575 | $ 1,084,701 | $ 331,926 | $ 119,058 | $ 2,029,534 |
| LIABILITIES | | | | | | |
| Due to Other Taxing Units | $ 483,274 | $ 10,575 | $ 0 | $ 0 | $ 0 | $ 493,849 |
| Due to Litigants, Heirs, and Others | 0 | 0 | 1,084,701 | 0 | 119,058 | 1,203,759 |
| Due to Joint Ventures | 0 | 0 | 0 | 331,926 | 0 | 331,926 |
| Total Liabilities | $ 483,274 | $ 10,575 | $ 1,084,701 | $ 331,926 | $ 119,058 | $ 2,029,534 |

Exhibit I-2

Weakley County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2013

| | Beginning Balance | Additions | Deductions | Ending Balance |
|---|---|---|---|---|
| Cities - Sales Tax Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | $ 0 | $ 2,852,221 | $ 2,852,221 | $ 0 |
| Due from Other Governments | 501,607 | 483,274 | 501,607 | 483,274 |
| Total Assets | $ 501,607 | $ 3,335,495 | $ 3,353,828 | $ 483,274 |
| Liabilities | | | | |
| Due to Other Taxing Units | $ 501,607 | $ 3,335,495 | $ 3,353,828 | $ 483,274 |
| Total Liabilities | $ 501,607 | $ 3,335,495 | $ 3,353,828 | $ 483,274 |
| Watershed District Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | $ 9,999 | $ 582 | $ 6 | $ 10,575 |
| Total Assets | $ 9,999 | $ 582 | $ 6 | $ 10,575 |
| Liabilities | | | | |
| Due to Other Taxing Units | $ 9,999 | $ 582 | $ 6 | $ 10,575 |
| Total Liabilities | $ 9,999 | $ 582 | $ 6 | $ 10,575 |
| Constitutional Officers - Agency Fund | | | | |
| Assets | | | | |
| Cash | $ 846,084 | $ 6,209,486 | $ 5,970,869 | $ 1,084,701 |
| Total Assets | $ 846,084 | $ 6,209,486 | $ 5,970,869 | $ 1,084,701 |
| Liabilities | | | | |
| Due to Litigants, Heirs, and Others | $ 846,084 | $ 6,209,486 | $ 5,970,869 | $ 1,084,701 |
| Total Liabilities | $ 846,084 | $ 6,209,486 | $ 5,970,869 | $ 1,084,701 |

(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 |
|---|---|---|---|---|
| Judicial District Drug Fund | | | | |
| Assets | | | | |
| Cash | $ 6,895 | $ 3,770 | $ 6,895 | $ 3,770 |
| Equity in Pooled Cash and Investments | 414,938 | 116,354 | 231,578 | 299,714 |
| Accounts Receivable | 6 | 25,912 | 6 | 25,912 |
| Due from Other Governments | 1,213 | 2,530 | 1,213 | 2,530 |
| Total Assets | $ 423,052 | $ 148,566 | $ 239,692 | $ 331,926 |
| Liabilities | | | | |
| Due to Joint Ventures | $ 423,052 | $ 148,566 | $ 239,692 | $ 331,926 |
| Total Liabilities | $ 423,052 | $ 148,566 | $ 239,692 | $ 331,926 |
| District Attorney General Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | $ 0 | $ 126,824 | $ 7,913 | $ 118,911 |
| Due from Other Governments | 0 | 147 | 0 | 147 |
| Total Assets | $ 0 | $ 126,971 | $ 7,913 | $ 119,058 |
| Liabilities | | | | |
| Due to Litigants, Heirs, and Others | $ 0 | $ 126,971 | $ 7,913 | $ 119,058 |
| Total Liabilities | $ 0 | $ 126,971 | $ 7,913 | $ 119,058 |
| Totals - All Agency Funds | | | | |
| Assets | | | | |
| Cash | $ 852,979 | $ 6,213,256 | $ 5,977,764 | $ 1,088,471 |
| Equity in Pooled Cash and Investments | 424,937 | 3,095,981 | 3,091,718 | 429,200 |
| Accounts Receivable | 6 | 25,912 | 6 | 25,912 |
| Due from Other Governments | 502,820 | 485,951 | 502,820 | 485,951 |
| Total Assets | $ 1,780,742 | $ 9,821,100 | $ 9,572,308 | $ 2,029,534 |
| Liabilities | | | | |
| Due to Other Taxing Units | $ 511,606 | $ 3,336,077 | $ 3,353,834 | $ 493,849 |
| Due to Litigants, Heirs, and Others | 846,084 | 6,336,457 | 5,978,782 | 1,203,759 |
| Due to Joint Ventures | 423,052 | 148,566 | 239,692 | 331,926 |
| Total Liabilities | $ 1,780,742 | $ 9,821,100 | $ 9,572,308 | $ 2,029,534 |

# Weakley County School Department

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

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

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

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

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

Exhibit J-1

Weakley County, Tennessee
Statement of Activities
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2013

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| Instruction | $ 22,270,080 | $ 127,451 | $ 1,878,933 | $ (20,263,696) |
| Support Services | 11,008,296 | 118,561 | 755,879 | (10,133,856) |
| Operation of Non-Instructional Services | 4,003,830 | 754,214 | 2,487,657 | (761,959) |
| Other Debt Service | 483,279 | 0 | 0 | (483,279) |
| Total Governmental Activities | $ 37,765,485 | $ 1,000,226 | $ 5,122,469 | $ (31,642,790) |
| General Revenues: | | | | |
| Taxes: | | | | |
| Property Taxes Levied for General Purposes | | | | $ 3,486,744 |
| Local Option Sales Taxes | | | | 3,116,271 |
| Wheel Tax | | | | 126,294 |
| Other Local Taxes | | | | 3,286 |
| Grants and Contributions Not Restricted to Specific Programs | | | | 23,194,502 |
| Miscellaneous | | | | 119,720 |
| Total General Revenues | | | | $ 30,046,817 |
| Change in Net Position | | | | $ (1,595,973) |
| Net Position, July 1, 2012 | | | | 30,781,545 |
| Net Position, June 30, 2013 | | | | $ 29,185,572 |

Exhibit J-2

Weakley County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Weakley County School Department
June 30, 2013

| | Major Fund | Nonmajor Funds | |
|---|---|---|---|
| | General Purpose School | Other Govern-mental Funds | Total Governmental Funds |
| **ASSETS** | | | |
| Equity in Pooled Cash and Investments | $ 5,634,593 | $ 636,763 | $ 6,271,356 |
| Accounts Receivable | 79,956 | 342 | 80,298 |
| Due from Other Governments | 807,565 | 234,841 | 1,042,406 |
| Due from Other Funds | 3,917 | 0 | 3,917 |
| Property Taxes Receivable | 3,497,360 | 0 | 3,497,360 |
| Allowance for Uncollectible Property Taxes | (70,466) | 0 | (70,466) |
| Total Assets | $ 9,952,925 | $ 871,946 | $ 10,824,871 |
| **LIABILITIES** | | | |
| Accounts Payable | $ 0 | $ 2 | $ 2 |
| Payroll Deductions Payable | 11,558 | 1,104 | 12,662 |
| Cash Overdraft | 0 | 122,175 | 122,175 |
| Due to Other Funds | 0 | 3,917 | 3,917 |
| Total Liabilities | $ 11,558 | $ 127,198 | $ 138,756 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Deferred Current Property Taxes | $ 3,296,817 | $ 0 | $ 3,296,817 |
| Deferred Delinquent Property Taxes | 111,258 | 0 | 111,258 |
| Other Deferred/Unavailable Revenue | 277,300 | 0 | 277,300 |
| Total Deferred Inflows of Resources | $ 3,685,375 | $ 0 | $ 3,685,375 |
| **FUND BALANCES** | | | |
| Restricted: | | | |
| Restricted for Education | $ 124,795 | $ 98,594 | $ 223,389 |
| Restricted for Operation of Non-Instructional Services | 0 | 437,037 | 437,037 |
| Restricted for Capital Outlay | 0 | 209,117 | 209,117 |
| Assigned: | | | |
| Assigned for Education | 327,448 | 0 | 327,448 |
| Unassigned | 5,803,749 | 0 | 5,803,749 |
| Total Fund Balances | $ 6,255,992 | $ 744,748 | $ 7,000,740 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | $ 9,952,925 | $ 871,946 | $ 10,824,871 |

Exhibit J-3

Weakley County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Weakley County School Department
June 30, 2013

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

| | | |
|---|---|---|
| Total fund balances - balance sheet - governmental funds (Exhibit J-2) | | $ 7,000,740 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| Add: land | $ 1,935,850 | |
| Add: buildings and improvements net of accumulated depreciation | 18,295,021 | |
| Add: other capital assets net of accumulated depreciation | 2,144,624 | 22,375,495 |
| (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 | $ (34,119) | |
| Less: other postemployment benefits liability | (545,102) | (579,221) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | 388,558 |
| Net position of governmental activities (Exhibit A) | | $ 29,185,572 |

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, 2013

| | Major Fund | Nonmajor Funds | |
|---|---|---|---|
| | General Purpose School | Other Govern-mental Funds | Total Governmental Funds |
| Revenues | | | |
| Local Taxes | $ 7,010,340 | $ 0 | $ 7,010,340 |
| Licenses and Permits | 1,957 | 0 | 1,957 |
| Charges for Current Services | 246,012 | 754,214 | 1,000,226 |
| Other Local Revenues | 122,058 | 5,232 | 127,290 |
| State of Tennessee | 22,817,644 | 25,470 | 22,843,114 |
| Federal Government | 174,490 | 5,002,868 | 5,177,358 |
| Other Governments and Citizens Groups | 35,241 | 0 | 35,241 |
| Total Revenues | $ 30,407,742 | $ 5,787,784 | $ 36,195,526 |
| Expenditures | | | |
| Current: | | | |
| Instruction | $ 18,456,292 | $ 2,320,083 | $ 20,776,375 |
| Support Services | 9,674,140 | 730,734 | 10,404,874 |
| Operation of Non-Instructional Services | 704,291 | 2,777,609 | 3,481,900 |
| Capital Outlay | 388,311 | 0 | 388,311 |
| Debt Service: | | | |
| Other Debt Service | 483,279 | 0 | 483,279 |
| Capital Projects | 0 | 6,300 | 6,300 |
| Total Expenditures | $ 29,706,313 | $ 5,834,726 | $ 35,541,039 |
| Excess (Deficiency) of Revenues Over Expenditures | $ 701,429 | $ (46,942) | $ 654,487 |
| Other Financing Sources (Uses) | | | |
| Insurance Recovery | $ 115,146 | $ 0 | $ 115,146 |
| Transfers In | 3,917 | 0 | 3,917 |
| Transfers Out | 0 | (3,917) | (3,917) |
| Total Other Financing Sources (Uses) | $ 119,063 | $ (3,917) | $ 115,146 |
| Net Change in Fund Balances | $ 820,492 | $ (50,859) | $ 769,633 |
| Fund Balance, July 1, 2012 | 5,435,500 | 795,607 | 6,231,107 |
| Fund Balance, June 30, 2013 | $ 6,255,992 | $ 744,748 | $ 7,000,740 |

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, 2013

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) | | $ 769,633 |
| (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 | $ 247,348 | |
| Less: current-year depreciation expense | (2,555,028) | (2,307,680) |
| (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, 2013 | $ 388,558 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2012 | (414,572) | (26,014) |
| (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 | $ (2,064) | |
| Change in other postemployment benefits liability | (29,848) | (31,912) |
| Change in net position of governmental activities (Exhibit B) | | $ (1,595,973) |

Exhibit J-6

Weakley County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Weakley County School Department
June 30, 2013

| | Special Revenue Funds | | | Capital Projects Fund | Total |
|---|---|---|---|---|---|
| | School Federal Projects | Central Cafeteria | Total | Education Capital Projects | Nonmajor Governmental Funds |
| ASSETS | | | | | |
| Equity in Pooled Cash and Investments | $ 0 | $ 427,646 | $ 427,646 | $ 209,117 | $ 636,763 |
| Accounts Receivable | 0 | 342 | 342 | 0 | 342 |
| Due from Other Governments | 225,742 | 9,099 | 234,841 | 0 | 234,841 |
| Total Assets | $ 225,742 | $ 437,087 | $ 662,829 | $ 209,117 | $ 871,946 |
| LIABILITIES | | | | | |
| Accounts Payable | $ 2 | $ 0 | $ 2 | $ 0 | $ 2 |
| Payroll Deductions Payable | 1,054 | 50 | 1,104 | 0 | 1,104 |
| Cash Overdraft | 122,175 | 0 | 122,175 | 0 | 122,175 |
| Due to Other Funds | 3,917 | 0 | 3,917 | 0 | 3,917 |
| Total Liabilities | $ 127,148 | $ 50 | $ 127,198 | $ 0 | $ 127,198 |
| FUND BALANCES | | | | | |
| Restricted: | | | | | |
| Restricted for Education | $ 98,594 | $ 0 | $ 98,594 | $ 0 | $ 98,594 |
| Restricted for Operation of Non-Instructional Services | 0 | 437,037 | 437,037 | 0 | 437,037 |
| Restricted for Capital Outlay | 0 | 0 | 0 | 209,117 | 209,117 |
| Total Fund Balances | $ 98,594 | $ 437,037 | $ 535,631 | $ 209,117 | $ 744,748 |
| Total Liabilities and Fund Balances | $ 225,742 | $ 437,087 | $ 662,829 | $ 209,117 | $ 871,946 |

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, 2013

| | Special Revenue Funds | | | Capital Projects Fund | Total |
|---|---|---|---|---|---|
| | School Federal Projects | Central Cafeteria | Total | Education Capital Projects | Nonmajor Governmental Funds |
| Revenues | | | | | |
| Charges for Current Services | $ 0 | $ 754,214 | $ 754,214 | $ 0 | $ 754,214 |
| Other Local Revenues | 0 | 5,232 | 5,232 | 0 | 5,232 |
| State of Tennessee | 0 | 25,470 | 25,470 | 0 | 25,470 |
| Federal Government | 3,128,662 | 1,874,206 | 5,002,868 | 0 | 5,002,868 |
| Total Revenues | $ 3,128,662 | $ 2,659,122 | $ 5,787,784 | $ 0 | $ 5,787,784 |
| Expenditures | | | | | |
| Current: | | | | | |
| Instruction | $ 2,320,083 | $ 0 | $ 2,320,083 | $ 0 | $ 2,320,083 |
| Support Services | 730,734 | 0 | 730,734 | 0 | 730,734 |
| Operation of Non-Instructional Services | 0 | 2,777,609 | 2,777,609 | 0 | 2,777,609 |
| Capital Projects | 0 | 0 | 0 | 6,300 | 6,300 |
| Total Expenditures | $ 3,050,817 | $ 2,777,609 | $ 5,828,426 | $ 6,300 | $ 5,834,726 |
| Excess (Deficiency) of Revenues Over Expenditures | $ 77,845 | $ (118,487) | $ (40,642) | $ (6,300) | $ (46,942) |
| Other Financing Sources (Uses) | | | | | |
| Transfers Out | $ (3,917) | $ 0 | $ (3,917) | $ 0 | $ (3,917) |
| Total Other Financing Sources (Uses) | $ (3,917) | $ 0 | $ (3,917) | $ 0 | $ (3,917) |
| Net Change in Fund Balances | $ 73,928 | $ (118,487) | $ (44,559) | $ (6,300) | $ (50,859) |
| Fund Balance, July 1, 2012 | 24,666 | 555,524 | 580,190 | 215,417 | 795,607 |
| Fund Balance, June 30, 2013 | $ 98,594 | $ 437,037 | $ 535,631 | $ 209,117 | $ 744,748 |

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, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|---|---|---|
| Revenues | | | | | | | |
| Local Taxes | $ 7,010,340 | $ 0 | $ 0 | $ 7,010,340 | $ 6,956,594 | $ 6,983,348 | $ 26,992 |
| Licenses and Permits | 1,957 | 0 | 0 | 1,957 | 2,000 | 2,000 | (43) |
| Charges for Current Services | 246,012 | 0 | 0 | 246,012 | 255,425 | 255,425 | (9,413) |
| Other Local Revenues | 122,058 | 0 | 0 | 122,058 | 84,200 | 104,740 | 17,318 |
| State of Tennessee | 22,817,644 | 0 | 0 | 22,817,644 | 22,574,552 | 22,794,606 | 23,038 |
| Federal Government | 174,490 | 0 | 0 | 174,490 | 129,803 | 191,710 | (17,220) |
| Other Governments and Citizens Groups | 35,241 | 0 | 0 | 35,241 | 28,913 | 36,413 | (1,172) |
| Total Revenues | $ 30,407,742 | $ 0 | $ 0 | $ 30,407,742 | $ 30,031,487 | $ 30,368,242 | $ 39,500 |
| Expenditures | | | | | | | |
| Instruction | | | | | | | |
| Regular Instruction Program | $ 15,071,513 | $ (41,259) | $ 0 | $ 15,030,254 | $ 15,096,668 | $ 15,086,660 | $ 56,406 |
| Special Education Program | 2,021,603 | (28,837) | 43,551 | 2,036,317 | 2,042,331 | 2,060,875 | 24,558 |
| Vocational Education Program | 1,179,510 | 0 | 0 | 1,179,510 | 1,187,972 | 1,208,105 | 28,595 |
| Student Body Education Program | 12,251 | 0 | 0 | 12,251 | 12,648 | 12,648 | 397 |
| Adult Education Program | 158,987 | 0 | 0 | 158,987 | 165,882 | 167,382 | 8,395 |
| Other | 12,428 | 0 | 0 | 12,428 | 15,873 | 15,873 | 3,445 |
| Support Services | | | | | | | |
| Attendance | 105,247 | 0 | 0 | 105,247 | 106,632 | 106,632 | 1,385 |
| Health Services | 323,623 | 0 | 0 | 323,623 | 315,507 | 332,974 | 9,351 |
| Other Student Support | 754,636 | 0 | 0 | 754,636 | 769,887 | 769,937 | 15,301 |
| Regular Instruction Program | 1,301,636 | 0 | 906 | 1,302,542 | 1,374,765 | 1,374,765 | 72,223 |
| Alternative Instruction Program | 95,899 | 0 | 0 | 95,899 | 91,922 | 97,109 | 1,210 |
| Special Education Program | 410,389 | (2,021) | 2,014 | 410,382 | 393,628 | 410,679 | 297 |
| Vocational Education Program | 73,496 | 0 | 0 | 73,496 | 88,814 | 99,997 | 26,501 |
| Other Programs | 260,054 | 0 | 0 | 260,054 | 110,000 | 263,901 | 3,847 |
| Board of Education | 565,579 | 0 | 0 | 565,579 | 660,001 | 660,396 | 94,817 |
| Director of Schools | 269,946 | 0 | 0 | 269,946 | 285,853 | 285,853 | 15,907 |

(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 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|---|---|---|
| Expenditures (Cont.) | | | | | | | |
| Support Services (Cont.) | | | | | | | |
| Office of the Principal | $ 1,368,436 | $ 0 | $ 0 | $ 1,368,436 | $ 1,385,587 | $ 1,386,025 | $ 17,589 |
| Operation of Plant | 2,213,571 | 0 | 0 | 2,213,571 | 2,478,293 | 2,436,644 | 223,073 |
| Maintenance of Plant | 611,684 | (97) | 23,804 | 635,391 | 652,953 | 666,600 | 31,209 |
| Transportation | 1,319,944 | (203,676) | 0 | 1,116,268 | 1,168,944 | 1,169,284 | 53,016 |
| Operation of Non-Instructional Services | | | | | | | |
| Community Services | 110,294 | 0 | 0 | 110,294 | 135,424 | 135,424 | 25,130 |
| Early Childhood Education | 593,997 | (13,635) | 3,747 | 584,109 | 585,849 | 585,849 | 1,740 |
| Capital Outlay | | | | | | | |
| Regular Capital Outlay | 388,311 | (326,385) | 253,426 | 315,352 | 386,490 | 386,490 | 71,138 |
| Other Debt Service | | | | | | | |
| Education | 483,279 | 0 | 0 | 483,279 | 505,103 | 505,103 | 21,824 |
| Total Expenditures | $ 29,706,313 | $ (615,910) | $ 327,448 | $ 29,417,851 | $ 30,017,026 | $ 30,225,205 | $ 807,354 |
| Excess (Deficiency) of Revenues Over Expenditures | $ 701,429 | $ 615,910 | $ (327,448) | $ 989,891 | $ 14,461 | $ 143,037 | $ 846,854 |
| Other Financing Sources (Uses) | | | | | | | |
| Insurance Recovery | $ 115,146 | $ 0 | $ 0 | $ 115,146 | $ 1 | $ 54,699 | $ 60,447 |
| Transfers In | 3,917 | 0 | 0 | 3,917 | 4,000 | 4,000 | (83) |
| Total Other Financing Sources | $ 119,063 | $ 0 | $ 0 | $ 119,063 | $ 4,001 | $ 58,699 | $ 60,364 |
| Net Change in Fund Balance | $ 820,492 | $ 615,910 | $ (327,448) | $ 1,108,954 | $ 18,462 | $ 201,736 | $ 907,218 |
| Fund Balance, July 1, 2012 | 5,435,500 | (615,910) | 0 | 4,819,590 | 2,007,291 | 2,007,291 | 2,812,299 |
| Fund Balance, June 30, 2013 | $ 6,255,992 | $ 0 | $ (327,448) | $ 5,928,544 | $ 2,025,753 | $ 2,209,027 | $ 3,719,517 |

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, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|---|---|---|
| Revenues | | | | | | | |
| Federal Government | $ 3,128,662 | $ 0 | $ 0 | $ 3,128,662 | $ 2,725,633 | $ 3,594,299 | $ (465,637) |
| Total Revenues | $ 3,128,662 | $ 0 | $ 0 | $ 3,128,662 | $ 2,725,633 | $ 3,594,299 | $ (465,637) |
| Expenditures | | | | | | | |
| Instruction | | | | | | | |
| Regular Instruction Program | $ 1,567,599 | $ 0 | $ 1,585 | $ 1,569,184 | $ 1,161,834 | $ 1,757,228 | $ 188,044 |
| Special Education Program | 723,001 | 0 | 35,503 | 758,504 | 752,165 | 926,244 | 167,740 |
| Vocational Education Program | 29,483 | 0 | 21,514 | 50,997 | 50,000 | 50,997 | 0 |
| Support Services | | | | | | | |
| Health Services | 36,475 | 0 | 0 | 36,475 | 37,979 | 40,719 | 4,244 |
| Other Student Support | 82,127 | (13,346) | 15,680 | 84,461 | 90,854 | 133,028 | 48,567 |
| Regular Instruction Program | 462,755 | 0 | 4,168 | 466,923 | 469,238 | 627,069 | 160,146 |
| Special Education Program | 34,820 | 0 | 0 | 34,820 | 35,486 | 39,245 | 4,425 |
| Transportation | 114,557 | 0 | 18,000 | 132,557 | 128,077 | 134,377 | 1,820 |
| Total Expenditures | $ 3,050,817 | $ (13,346) | $ 96,450 | $ 3,133,921 | $ 2,725,633 | $ 3,708,907 | $ 574,986 |
| Excess (Deficiency) of Revenues Over Expenditures | $ 77,845 | $ 13,346 | $ (96,450) | $ (5,259) | $ 0 | $ (114,608) | $ 109,349 |
| Other Financing Sources (Uses) | | | | | | | |
| Transfers In | $ 0 | $ 0 | $ 0 | $ 0 | $ 85,469 | $ 128,020 | $ (128,020) |
| Transfers Out | (3,917) | 0 | 0 | (3,917) | (85,469) | (13,412) | 9,495 |
| Total Other Financing Sources | $ (3,917) | $ 0 | $ 0 | $ (3,917) | $ 0 | $ 114,608 | $ (118,525) |
| Net Change in Fund Balance | $ 73,928 | $ 13,346 | $ (96,450) | $ (9,176) | $ 0 | $ 0 | $ (9,176) |
| Fund Balance, July 1, 2012 | 24,666 | (13,346) | 0 | 11,320 | 9,366 | 9,366 | 1,954 |
| Fund Balance, June 30, 2013 | $ 98,594 | $ 0 | $ (96,450) | $ 2,144 | $ 9,366 | $ 9,366 | $ (7,222) |

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, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts Original | Budgeted Amounts Final | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|---|---|---|
| Revenues | | | | | | | |
| Charges for Current Services | $ 754,214 | $ 0 | $ 0 | $ 754,214 | $ 844,000 | $ 845,215 | $ (91,001) |
| Other Local Revenues | 5,232 | 0 | 0 | 5,232 | 10,500 | 6,000 | (768) |
| State of Tennessee | 25,470 | 0 | 0 | 25,470 | 25,001 | 25,471 | (1) |
| Federal Government | 1,874,206 | 0 | 0 | 1,874,206 | 1,725,100 | 1,892,124 | (17,918) |
| Total Revenues | $ 2,659,122 | $ 0 | $ 0 | $ 2,659,122 | $ 2,604,601 | $ 2,768,810 | $ (109,688) |
| Expenditures | | | | | | | |
| Operation of Non-Instructional Services | | | | | | | |
| Food Service | $ 2,777,609 | $ (8,001) | $ 2,664 | $ 2,772,272 | $ 2,672,415 | $ 2,824,544 | $ 52,272 |
| Total Expenditures | $ 2,777,609 | $ (8,001) | $ 2,664 | $ 2,772,272 | $ 2,672,415 | $ 2,824,544 | $ 52,272 |
| Excess (Deficiency) of Revenues Over Expenditures | $ (118,487) | $ 8,001 | $ (2,664) | $ (113,150) | $ (67,814) | $ (55,734) | $ (57,416) |
| Net Change in Fund Balance | $ (118,487) | $ 8,001 | $ (2,664) | $ (113,150) | $ (67,814) | $ (55,734) | $ (57,416) |
| Fund Balance, July 1, 2012 | 555,524 | (8,001) | 0 | 547,523 | 537,302 | 537,302 | 10,221 |
| Fund Balance, June 30, 2013 | $ 437,037 | $ 0 | $ (2,664) | $ 434,373 | $ 469,488 | $ 481,568 | $ (47,195) |

# MISCELLANEOUS SCHEDULES

Exhibit K-1

Weakley County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2013

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-12 | Issued During Period | Paid and/or Matured During Period | Outstanding 6-30-13 |
|---|---|---|---|---|---|---|---|---|
| NOTES PAYABLE | | | | | | | | |
| Payable through General Debt Service Fund | | | | | | | | |
| Asbestos Removal - School Buildings | $ 183,697 | 0 % | 11-30-1993 | 11-30-12 | $ 5,108 | $ 0 | $ 5,108 | $ 0 |
| Airport Improvement | 143,786 | 0 | 10-16-12 | 9-30-22 | 0 | 143,786 | 0 | 143,786 |
| Total Notes Payable | | | | | $ 5,108 | $ 143,786 | $ 5,108 | $ 143,786 |
| OTHER LOANS PAYABLE | | | | | | | | |
| Payable through General Debt Service Fund | | | | | | | | |
| Detention Center and Law Enforcement Complex | 7,400,000 | Variable | 12-31-1997 | 5-25-18 | $ 3,054,000 | $ 0 | $ 446,000 | $ 2,608,000 |
| School Construction and Renovation | 10,339,705 | Variable | 2-25-03 | 5-25-23 | 6,498,705 | 0 | 502,000 | 5,996,705 |
| School Refunding - Series 2008 | 5,870,000 | Variable | 7-18-08 | 5-25-13 | 1,200,000 | 0 | 1,200,000 | 0 |
| Energy Efficient Schools Initiative | 1,812,940 | 0 | 2-17-12 | 4-1-22 | 1,782,724 | 0 | 196,404 | 1,586,320 |
| Total Other Loans Payable | | | | | $ 12,535,429 | $ 0 | $ 2,344,404 | $ 10,191,025 |
| BONDS PAYABLE | | | | | | | | |
| Payable through General Debt Service Fund | | | | | | | | |
| School Refunding - Series 2003 | 17,125,000 | 2 to 4 | 12-1-03 | 5-1-15 | $ 7,325,000 | $ 0 | $ 3,720,000 | $ 3,605,000 |
| Total Bonds Payable | | | | | $ 7,325,000 | $ 0 | $ 3,720,000 | $ 3,605,000 |

Exhibit K-2

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

| Year Ending June 30 | Notes | |
|---|---|---|
| | Principal | Total |
| 2014 | $ 11,988 | $ 11,988 |
| 2015 | 15,984 | 15,984 |
| 2016 | 15,984 | 15,984 |
| 2017 | 15,984 | 15,984 |
| 2018 | 15,984 | 15,984 |
| 2019 | 15,984 | 15,984 |
| 2020 | 15,984 | 15,984 |
| 2021 | 15,984 | 15,984 |
| 2022 | 15,984 | 15,984 |
| 2023 | 3,926 | 3,926 |
| Total | $ 143,786 | $ 143,786 |

| Year Ending June 30 | Other Loans | | | |
|---|---|---|---|---|
| | Principal | Interest | Other Fees | Total |
| 2014 | $ 1,170,296 | $ 30,872 | $ 62,761 | $ 1,263,929 |
| 2015 | 1,212,296 | 27,443 | 55,640 | 1,295,379 |
| 2016 | 1,256,296 | 23,871 | 48,217 | 1,328,384 |
| 2017 | 1,303,296 | 20,150 | 40,477 | 1,363,923 |
| 2018 | 1,350,296 | 16,270 | 32,398 | 1,398,964 |
| 2019 | 794,296 | 12,231 | 23,693 | 830,220 |
| 2020 | 815,296 | 9,902 | 19,279 | 844,477 |
| 2021 | 836,296 | 7,492 | 14,714 | 858,502 |
| 2022 | 812,952 | 5,003 | 9,998 | 827,953 |
| 2023 | 639,705 | 2,431 | 5,124 | 647,260 |
| Total | $ 10,191,025 | $ 155,665 | $ 312,301 | $ 10,658,991 |

| Year Ending June 30 | Bonds | | |
|---|---|---|---|
| | Principal | Interest | Total |
| 2014 | $ 1,745,000 | $ 139,838 | $ 1,884,838 |
| 2015 | 1,860,000 | 74,400 | 1,934,400 |
| Total | $ 3,605,000 | $ 214,238 | $ 3,819,238 |

Exhibit K-3

Weakley County, Tennessee
Schedule of Notes Receivable
June 30, 2013

| Description | Debtor | Original Amount of Issue | Date of Issue | Date of Maturity | Interest Rate | Balance 6-30-13 |
|---|---|---|---|---|---|---|
| General Debt Service Fund | | | | | | |
| Airport Improvements | Everett-Stewart Regional Airport | $ 143,786 | 10-16-12 | 9-30-22 | 0% | $ 143,786 |
| Total Notes Receivable | | | | | | $ 143,786 |

Exhibit K-4

Weakley County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Weakley County School Department
For the Year Ended June 30, 2013

| From Fund | To Fund | Purpose | Amount |
|---|---|---|---|
| PRIMARY GOVERNMENT | | | |
| Municipal Electric System | General | Payments in-lieu-of taxes | $ 199,349 |
| " | Highway/Public Works | " | 71,894 |
| " | General Debt Service | " | 196,080 |
| Total Transfers Primary Government | | | $ 467,323 |
| DISCRETELY PRESENTED WEAKLEY COUNTY SCHOOL DEPARTMENT | | | |
| School Federal Projects | General Purpose School | Indirect costs | $ 3,917 |
| Total Transfers Discretely Presented Weakley County School Department | | | $ 3,917 |

Exhibit K-5

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, 2013

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|---|---|---|---|---|
| County Mayor | Section 8-24-102, *TCA* | $ 75,048 | $ 50,000 | RLI Insurance Company |
| Highway Supervisor | Section 8-24-102, *TCA* | 71,475 | 100,000 | " |
| Director of Schools | State Board of Education and Weakley County Board of Education | 101,571 (1) | 50,000 | " |
| Trustee | Section 8-24-102, *TCA* | 64,977 | 1,150,487 | Auto Owners Insurance Company |
| Assessor of Property | Section 8-24-102, *TCA* | 64,977 (2) | 50,000 | RLI Insurance Company |
| Director of Finance | Weakley County Commission | 72,300 (3) | 50,000 | " |
| County Clerk | Section 8-24-102, *TCA* | 64,977 | 50,000 | " |
| Circuit and General Sessions Courts Clerk | Section 8-24-102, *TCA* | 64,977 | 50,000 | " |
| Clerk and Master | Section 8-24-102, *TCA* | 64,977 | 85,000 | " |
| Register of Deeds | Section 8-24-102, *TCA* | 64,977 | 25,000 | " |
| Sheriff | Section 8-24-102, *TCA* | 71,475 (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 $3,900 for serving as a recording secretary for the Health, Education, and Welfare Committee.
(4) Does not include a law enforcement training supplement of $1,200.

Exhibit K-6

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2013

| | | Special Revenue Funds | | | Debt Service Fund | Capital Projects Fund | |
|---|---|---|---|---|---|---|---|
| | General | Solid Waste / Sanitation | Drug Control | Highway / Public Works | General Debt Service | Community Development/ Industrial Park | Total |
| Local Taxes | | | | | | | |
| County Property Taxes | | | | | | | |
| Current Property Tax | $ 2,712,983 | $ 0 | $ 0 | $ 978,448 | $ 2,668,508 | $ 0 | $ 6,359,939 |
| Trustee's Collections - Prior Year | 80,202 | 0 | 0 | 31,049 | 111,748 | 0 | 222,999 |
| Trustee's Collections - Bankruptcy | 1,764 | 0 | 0 | 666 | 2,574 | 0 | 5,004 |
| Circuit/Clerk & Master Collections - Prior Years | 105,012 | 0 | 0 | 11,479 | 43,469 | 0 | 159,960 |
| Interest and Penalty | 14,109 | 0 | 0 | 6,094 | 19,075 | 0 | 39,278 |
| Payments in-Lieu-of Taxes - T.V.A. | 919 | 0 | 0 | 0 | 0 | 0 | 919 |
| Payments in-Lieu-of Taxes - Other | 486,540 | 0 | 0 | 0 | 0 | 0 | 486,540 |
| County Local Option Taxes | | | | | | | |
| Local Option Sales Tax | 286,248 | 0 | 0 | 0 | 0 | 0 | 286,248 |
| Hotel/Motel Tax | 105,532 | 0 | 0 | 0 | 0 | 0 | 105,532 |
| Wheel Tax | 0 | 0 | 0 | 884,055 | 0 | 0 | 884,055 |
| Litigation Tax - General | 121,689 | 0 | 0 | 0 | 36,144 | 0 | 157,833 |
| Litigation Tax - Special Purpose | 4,416 | 0 | 0 | 0 | 0 | 0 | 4,416 |
| Business Tax | 253,686 | 0 | 0 | 0 | 0 | 0 | 253,686 |
| Mineral Severance Tax | 0 | 0 | 0 | 106,610 | 0 | 0 | 106,610 |
| Statutory Local Taxes | | | | | | | |
| Bank Excise Tax | 6,516 | 0 | 0 | 2,350 | 6,409 | 0 | 15,275 |
| Wholesale Beer Tax | 34,865 | 0 | 0 | 0 | 0 | 0 | 34,865 |
| Interstate Telecommunications Tax | 1,347 | 0 | 0 | 0 | 0 | 0 | 1,347 |
| Total Local Taxes | $ 4,215,828 | $ 0 | $ 0 | $ 2,020,751 | $ 2,887,927 | $ 0 | $ 9,124,506 |
| Licenses and Permits | | | | | | | |
| Licenses | | | | | | | |
| Cable TV Franchise | $ 20,957 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 20,957 |
| Permits | | | | | | | |
| Beer Permits | 1,568 | 0 | 0 | 0 | 0 | 0 | 1,568 |
| Building Permits | 0 | 0 | 0 | 2,050 | 0 | 0 | 2,050 |
| Total Licenses and Permits | $ 22,525 | $ 0 | $ 0 | $ 2,050 | $ 0 | $ 0 | $ 24,575 |
| Fines, Forfeitures, and Penalties | | | | | | | |
| Circuit Court | | | | | | | |
| Fines | $ 5,843 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 5,843 |
| Officers Costs | 7,312 | 0 | 0 | 0 | 0 | 0 | 7,312 |
| Drug Control Fines | 0 | 0 | 5,834 | 0 | 0 | 0 | 5,834 |
| Drug Court Fees | 917 | 0 | 0 | 0 | 0 | 0 | 917 |
| Jail Fees | 710 | 0 | 0 | 0 | 0 | 0 | 710 |

(Continued)

Exhibit K-6

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

| | General | Special Revenue Funds: Solid Waste / Sanitation | Special Revenue Funds: Drug Control | Special Revenue Funds: Highway / Public Works | Debt Service Fund: General Debt Service | Capital Projects Fund: Community Development/ Industrial Park | Total |
|---|---|---|---|---|---|---|---|
| Fines, Forfeitures, and Penalties (Cont.) | | | | | | | |
| Circuit Court (Cont.) | | | | | | | |
| DUI Treatment Fines | $ 3 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 3 |
| Data Entry Fee - Circuit Court | 949 | 0 | 0 | 0 | 0 | 0 | 949 |
| Courtroom Security Fee | 23 | 0 | 0 | 0 | 0 | 0 | 23 |
| General Sessions Court | | | | | | | |
| Fines | 25,607 | 0 | 0 | 0 | 0 | 0 | 25,607 |
| Officers Costs | 38,250 | 0 | 0 | 0 | 0 | 0 | 38,250 |
| Drug Control Fines | 0 | 0 | 7,804 | 0 | 0 | 0 | 7,804 |
| Drug Court Fees | 8,909 | 0 | 0 | 0 | 0 | 0 | 8,909 |
| Jail Fees | 44,544 | 0 | 0 | 0 | 0 | 0 | 44,544 |
| DUI Treatment Fines | 10,462 | 0 | 0 | 0 | 0 | 0 | 10,462 |
| Data Entry Fee - General Sessions Court | 12,207 | 0 | 0 | 0 | 0 | 0 | 12,207 |
| Courtroom Security Fee | 662 | 0 | 0 | 0 | 0 | 0 | 662 |
| Juvenile Court | | | | | | | |
| Fines | 618 | 0 | 0 | 0 | 0 | 0 | 618 |
| Officers Costs | 1,880 | 0 | 0 | 0 | 0 | 0 | 1,880 |
| Data Entry Fee - Juvenile Court | 855 | 0 | 0 | 0 | 0 | 0 | 855 |
| Courtroom Security Fee | 188 | 0 | 0 | 0 | 0 | 0 | 188 |
| Chancery Court | | | | | | | |
| Officers Costs | 4,740 | 0 | 0 | 0 | 0 | 0 | 4,740 |
| Data Entry Fee - Chancery Court | 3,004 | 0 | 0 | 0 | 0 | 0 | 3,004 |
| Courtroom Security Fee | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Other Fines, Forfeitures, and Penalties | | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 1,459 | 0 | 0 | 0 | 1,459 |
| Total Fines, Forfeitures, and Penalties | $ 167,685 | $ 0 | $ 15,097 | $ 0 | $ 0 | $ 0 | $ 182,782 |
| Charges for Current Services | | | | | | | |
| General Service Charges | | | | | | | |
| Other General Service Charges | $ 5,850 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 5,850 |
| Service Charges | 93,060 | 0 | 0 | 0 | 0 | 0 | 93,060 |
| Fees | | | | | | | |
| Archives and Records Management Fee - County Clerk | 8,920 | 0 | 0 | 0 | 0 | 0 | 8,920 |
| Greenbelt Late Application Fee | 100 | 0 | 0 | 0 | 0 | 0 | 100 |
| Telephone Commissions | 33,645 | 0 | 0 | 0 | 0 | 0 | 33,645 |
| Vending Machine Collections | 756 | 0 | 0 | 0 | 0 | 0 | 756 |
| Data Processing Fee - Register | 11,562 | 0 | 0 | 0 | 0 | 0 | 11,562 |
| Data Processing Fee - Sheriff | 3,563 | 0 | 0 | 0 | 0 | 0 | 3,563 |

(Continued)

Exhibit K-6

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

| | General | Special Revenue Funds: Solid Waste / Sanitation | Special Revenue Funds: Drug Control | Special Revenue Funds: Highway / Public Works | Debt Service Fund: General Debt Service | Capital Projects Fund: Community Development/ Industrial Park | Total |
|---|---|---|---|---|---|---|---|
| Charges for Current Services (Cont.) | | | | | | | |
| Fees (Cont.) | | | | | | | |
| Sexual Offender Registration Fees - Sheriff | $ 925 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 925 |
| Data Processing Fee - County Clerk | 1,997 | 0 | 0 | 0 | 0 | 0 | 1,997 |
| Other Charges for Services | | | | | | | |
| Other Charges for Services | 34,205 | 0 | 0 | 0 | 0 | 0 | 34,205 |
| Total Charges for Current Services | $ 194,583 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 194,583 |
| Other Local Revenues | | | | | | | |
| Recurring Items | | | | | | | |
| Investment Income | $ 0 | $ 0 | $ 0 | $ 0 | $ 128,798 | $ 0 | $ 128,798 |
| Lease/Rentals | 34,333 | 0 | 0 | 0 | 0 | 0 | 34,333 |
| Refund of Telecommunication and Internet Fees (E-Rate) | 2,581 | 0 | 0 | 0 | 0 | 0 | 2,581 |
| Miscellaneous Refunds | 18,905 | 5,664 | 895 | 5,920 | 0 | 0 | 31,384 |
| Nonrecurring Items | | | | | | | |
| Sale of Property | 4,630 | 1,250 | 0 | 0 | 0 | 0 | 5,880 |
| Contributions and Gifts | 5,376 | 0 | 1,500 | 0 | 0 | 0 | 6,876 |
| Total Other Local Revenues | $ 65,825 | $ 6,914 | $ 2,395 | $ 5,920 | $ 128,798 | $ 0 | $ 209,852 |
| Fees Received from County Officials | | | | | | | |
| Fees in-Lieu-of Salary | | | | | | | |
| County Clerk | $ 321,287 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 321,287 |
| Circuit Court Clerk | 62,436 | 0 | 0 | 0 | 0 | 0 | 62,436 |
| General Sessions Court Clerk | 225,546 | 0 | 0 | 0 | 0 | 0 | 225,546 |
| Clerk and Master | 129,084 | 0 | 0 | 0 | 0 | 0 | 129,084 |
| Register | 130,716 | 0 | 0 | 0 | 0 | 0 | 130,716 |
| Sheriff | 14,336 | 0 | 0 | 0 | 0 | 0 | 14,336 |
| Trustee | 392,012 | 0 | 0 | 0 | 0 | 0 | 392,012 |
| Total Fees Received from County Officials | $ 1,275,417 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 1,275,417 |
| State of Tennessee | | | | | | | |
| General Government Grants | | | | | | | |
| Juvenile Services Program | $ 66,257 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 66,257 |
| Aging Programs | 118,745 | 0 | 0 | 0 | 0 | 0 | 118,745 |
| Solid Waste Grants | 0 | 13,027 | 0 | 0 | 0 | 0 | 13,027 |
| Public Safety Grants | | | | | | | |
| Law Enforcement Training Programs | 11,400 | 0 | 0 | 0 | 0 | 0 | 11,400 |

(Continued)

Exhibit K-6

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

| | General | Special Revenue Funds: Solid Waste / Sanitation | Special Revenue Funds: Drug Control | Special Revenue Funds: Highway / Public Works | Debt Service Fund: General Debt Service | Capital Projects Fund: Community Development/ Industrial Park | Total |
|---|---|---|---|---|---|---|---|
| State of Tennessee (Cont.) | | | | | | | |
| Health and Welfare Grants | | | | | | | |
| Other Health and Welfare Grants | $ 31,429 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 31,429 |
| Public Works Grants | | | | | | | |
| Bridge Program | 0 | 0 | 0 | 219,488 | 0 | 0 | 219,488 |
| State Aid Program | 0 | 0 | 0 | 220,214 | 0 | 0 | 220,214 |
| Litter Program | 0 | 0 | 0 | 52,849 | 0 | 0 | 52,849 |
| Other State Revenues | | | | | | | |
| Income Tax | 39,272 | 0 | 0 | 0 | 0 | 0 | 39,272 |
| Beer Tax | 18,586 | 0 | 0 | 0 | 0 | 0 | 18,586 |
| Alcoholic Beverage Tax | 66,942 | 0 | 0 | 0 | 0 | 0 | 66,942 |
| Mixed Drink Tax | 1,816 | 0 | 0 | 0 | 0 | 0 | 1,816 |
| State Revenue Sharing - T.V.A. | 403,210 | 0 | 0 | 0 | 403,210 | 0 | 806,420 |
| Prisoner Transportation | 673 | 0 | 0 | 0 | 0 | 0 | 673 |
| Contracted Prisoner Boarding | 562,178 | 0 | 0 | 0 | 0 | 0 | 562,178 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 1,865,050 | 0 | 0 | 1,865,050 |
| Petroleum Special Tax | 0 | 0 | 0 | 25,269 | 0 | 0 | 25,269 |
| Registrar's Salary Supplement | 15,164 | 0 | 0 | 0 | 0 | 0 | 15,164 |
| Other State Grants | 51,109 | 0 | 0 | 0 | 0 | 0 | 51,109 |
| Other State Revenues | 2,303 | 0 | 0 | 0 | 0 | 0 | 2,303 |
| Total State of Tennessee | $ 1,389,084 | $ 13,027 | $ 0 | $ 2,382,870 | $ 403,210 | $ 0 | $ 4,188,191 |
| Federal Government | | | | | | | |
| Federal Through State | | | | | | | |
| Community Development | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 24,547 | $ 24,547 |
| Civil Defense Reimbursement | 2,892 | 0 | 0 | 0 | 0 | 0 | 2,892 |
| Homeland Security Grants | 31,241 | 0 | 0 | 0 | 0 | 0 | 31,241 |
| Law Enforcement Grants | 4,999 | 0 | 0 | 0 | 0 | 0 | 4,999 |
| Direct Federal Revenue | | | | | | | |
| Other Direct Federal Revenue | 4,600 | 0 | 0 | 0 | 0 | 0 | 4,600 |
| Total Federal Government | $ 43,732 | $ 0 | $ 0 | $ 0 | $ 0 | $ 24,547 | $ 68,279 |
| Other Governments and Citizens Groups | | | | | | | |
| Other Governments | | | | | | | |
| Prisoner Board | $ 11,122 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 11,122 |
| Contributions | 33,877 | 0 | 0 | 0 | 627,065 | 24,800 | 685,742 |
| Other | | | | | | | |
| Other | 46,032 | 0 | 0 | 0 | 0 | 0 | 46,032 |
| Total Other Governments and Citizens Groups | $ 91,031 | $ 0 | $ 0 | $ 0 | $ 627,065 | $ 24,800 | $ 742,896 |
| Total | $ 7,465,710 | $ 19,941 | $ 17,492 | $ 4,411,591 | $ 4,047,000 | $ 49,347 | $ 16,011,081 |

Exhibit K-7

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2013

| | General Purpose School | Special Revenue Funds: School Federal Projects | Special Revenue Funds: Central Cafeteria | Total |
|---|---|---|---|---|
| Local Taxes | | | | |
| County Property Taxes | | | | |
| Current Property Tax | $ 3,291,161 | $ 0 | $ 0 | $ 3,291,161 |
| Trustee's Collections - Prior Year | 123,255 | 0 | 0 | 123,255 |
| Trustee's Collections - Bankruptcy | 2,812 | 0 | 0 | 2,812 |
| Circuit/Clerk & Master Collections - Prior Years | 47,193 | 0 | 0 | 47,193 |
| Interest and Penalty | 21,238 | 0 | 0 | 21,238 |
| Payments in-Lieu-of Taxes - Local Utilities | 241,826 | 0 | 0 | 241,826 |
| County Local Option Taxes | | | | |
| Local Option Sales Tax | 3,145,671 | 0 | 0 | 3,145,671 |
| Wheel Tax | 126,294 | 0 | 0 | 126,294 |
| Statutory Local Taxes | | | | |
| Bank Excise Tax | 7,904 | 0 | 0 | 7,904 |
| Interstate Telecommunications Tax | 2,986 | 0 | 0 | 2,986 |
| Total Local Taxes | $ 7,010,340 | $ 0 | $ 0 | $ 7,010,340 |
| Licenses and Permits | | | | |
| Licenses | | | | |
| Marriage Licenses | $ 1,957 | $ 0 | $ 0 | $ 1,957 |
| Total Licenses and Permits | $ 1,957 | $ 0 | $ 0 | $ 1,957 |
| Charges for Current Services | | | | |
| Education Charges | | | | |
| Tuition - Other | $ 127,451 | $ 0 | $ 0 | $ 127,451 |
| Lunch Payments - Children | 0 | 0 | 635,687 | 635,687 |
| Lunch Payments - Adults | 0 | 0 | 99,641 | 99,641 |
| Income from Breakfast | 0 | 0 | 17,499 | 17,499 |
| Contract for Instructional Services with Other LEAs | 9,700 | 0 | 0 | 9,700 |
| Receipts from Individual Schools | 108,861 | 0 | 1,387 | 110,248 |
| Total Charges for Current Services | $ 246,012 | $ 0 | $ 754,214 | $ 1,000,226 |
| Other Local Revenues | | | | |
| Recurring Items | | | | |
| Investment Income | $ 0 | $ 0 | $ 3,775 | $ 3,775 |
| Sale of Materials and Supplies | 49,376 | 0 | 0 | 49,376 |
| Refund of Telecommunication and Internet Fees (E-Rate) | 42,904 | 0 | 0 | 42,904 |
| Miscellaneous Refunds | 23,837 | 0 | 1,432 | 25,269 |
| Nonrecurring Items | | | | |
| Sale of Equipment | 0 | 0 | 25 | 25 |
| Damages Recovered from Individuals | 1,619 | 0 | 0 | 1,619 |
| Contributions and Gifts | 4,322 | 0 | 0 | 4,322 |
| Total Other Local Revenues | $ 122,058 | $ 0 | $ 5,232 | $ 127,290 |
| State of Tennessee | | | | |
| General Government Grants | | | | |
| On-Behalf Contributions for OPEB | $ 153,901 | $ 0 | $ 0 | $ 153,901 |
| State Education Funds | | | | |
| Basic Education Program | 21,577,144 | 0 | 0 | 21,577,144 |
| Early Childhood Education | 584,206 | 0 | 0 | 584,206 |
| School Food Service | 0 | 0 | 25,470 | 25,470 |
| Driver Education | 13,180 | 0 | 0 | 13,180 |
| Other State Education Funds | 184,820 | 0 | 0 | 184,820 |
| Career Ladder Program | 203,803 | 0 | 0 | 203,803 |
| Career Ladder - Extended Contract | 79,700 | 0 | 0 | 79,700 |
| Other State Revenues | | | | |
| Mixed Drink Tax | 20,363 | 0 | 0 | 20,363 |
| Other State Revenues | 527 | 0 | 0 | 527 |
| Total State of Tennessee | $ 22,817,644 | $ 0 | $ 25,470 | $ 22,843,114 |

(Continued)

Exhibit K-7

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

| | General Purpose School | Special Revenue Funds: School Federal Projects | Special Revenue Funds: Central Cafeteria | Total |
|---|---|---|---|---|
| Federal Government | | | | |
| Federal Through State | | | | |
| USDA School Lunch Program | $ 0 | $ 0 | $ 1,143,442 | $ 1,143,442 |
| USDA - Commodities | 0 | 0 | 143,724 | 143,724 |
| Breakfast | 0 | 0 | 583,451 | 583,451 |
| USDA - Other | 0 | 0 | 3,589 | 3,589 |
| Adult Education State Grant Program | 113,082 | 0 | 0 | 113,082 |
| Vocational Education - Basic Grants to States | 0 | 78,346 | 0 | 78,346 |
| Title I Grants to Local Education Agencies | 0 | 1,343,307 | 0 | 1,343,307 |
| Special Education - Grants to States | 3,976 | 936,877 | 0 | 940,853 |
| Special Education Preschool Grants | 10,503 | 27,867 | 0 | 38,370 |
| Rural Education | 0 | 85,454 | 0 | 85,454 |
| Eisenhower Professional Development State Grants | 0 | 201,187 | 0 | 201,187 |
| Race-to-the-Top - ARRA | 0 | 455,624 | 0 | 455,624 |
| Other Federal through State | 46,929 | 0 | 0 | 46,929 |
| Total Federal Government | $ 174,490 | $ 3,128,662 | $ 1,874,206 | $ 5,177,358 |
| Other Governments and Citizens Groups | | | | |
| Other Governments | | | | |
| Contributions | $ 3,114 | $ 0 | $ 0 | $ 3,114 |
| Citizens Groups | | | | |
| Donations | 19,699 | 0 | 0 | 19,699 |
| Other | | | | |
| Other | 12,428 | 0 | 0 | 12,428 |
| Total Other Governments and Citizens Groups | $ 35,241 | $ 0 | $ 0 | $ 35,241 |
| Total | $ 30,407,742 | $ 3,128,662 | $ 2,659,122 | $ 36,195,526 |

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2013

| | | |
|---|---|---|
| General Fund | | |
| General Government | | |
| County Commission | | |
| Secretary to Board | $ 7,200 | |
| Board and Committee Members Fees | 18,300 | |
| Other Per Diem and Fees | 25,875 | |
| Social Security | 2,408 | |
| State Retirement | 806 | |
| Employer Medicare | 731 | |
| Audit Services | 10,506 | |
| Legal Services | 5,278 | |
| Travel | 8,387 | |
| Contracts for Development Costs | 317 | |
| Other Contracted Services | 1,118 | |
| In Service/Staff Development | 534 | |
| Other Charges | 710 | |
| Total County Commission | | $ 82,170 |
| County Mayor/Executive | | |
| County Official/Administrative Officer | $ 75,048 | |
| Secretary(ies) | 26,705 | |
| Educational Incentive - Other County Employees | 300 | |
| Social Security | 6,106 | |
| State Retirement | 11,430 | |
| Medical Insurance | 5,532 | |
| Employer Medicare | 1,428 | |
| Communication | 3,212 | |
| Dues and Memberships | 1,740 | |
| Legal Notices, Recording, and Court Costs | 24 | |
| Maintenance and Repair Services - Vehicles | 1,705 | |
| Travel | 1,605 | |
| Gasoline | 886 | |
| Office Supplies | 481 | |
| In Service/Staff Development | 235 | |
| Other Charges | 318 | |
| Total County Mayor/Executive | | 136,755 |
| Election Commission | | |
| County Official/Administrative Officer | $ 58,480 | |
| Deputy(ies) | 24,480 | |
| Part-time Personnel | 12,628 | |
| Election Commission | 7,050 | |
| Election Workers | 33,395 | |
| Social Security | 6,054 | |
| State Retirement | 8,606 | |
| Medical Insurance | 18,318 | |
| Employer Medicare | 1,492 | |
| Communication | 3,172 | |
| Data Processing Services | 2,900 | |
| Dues and Memberships | 175 | |
| Legal Services | 9,973 | |
| Legal Notices, Recording, and Court Costs | 5,710 | |
| Maintenance and Repair Services - Buildings | 1,095 | |

(Continued)

Exhibit K-8

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

| | | | |
|---|---|---|---|
| General Fund (Cont.) | | | |
| General Government (Cont.) | | | |
| Election Commission (Cont.) | | | |
| Maintenance and Repair Services - Equipment | $ 14,246 | | |
| Maintenance and Repair Services - Office Equipment | 65 | | |
| Postal Charges | 3,000 | | |
| Printing, Stationery, and Forms | 17,489 | | |
| Rentals | 1,860 | | |
| Travel | 1,805 | | |
| Other Contracted Services | 8,250 | | |
| Office Supplies | 928 | | |
| Building and Contents Insurance | 899 | | |
| In Service/Staff Development | 979 | | |
| Data Processing Equipment | 590 | | |
| Office Equipment | 100 | | |
| Total Election Commission | | $ | 243,739 |
| Register of Deeds | | | |
| County Official/Administrative Officer | $ 64,977 | | |
| Deputy(ies) | 48,940 | | |
| Educational Incentive - Other County Employees | 300 | | |
| Social Security | 6,443 | | |
| State Retirement | 12,792 | | |
| Medical Insurance | 14,285 | | |
| Employer Medicare | 1,507 | | |
| Communication | 2,922 | | |
| Dues and Memberships | 656 | | |
| Legal Notices, Recording, and Court Costs | 11,189 | | |
| Postal Charges | 298 | | |
| Printing, Stationery, and Forms | 279 | | |
| Rentals | 688 | | |
| Travel | 2,381 | | |
| Other Contracted Services | 2,875 | | |
| Data Processing Supplies | 1,279 | | |
| Office Supplies | 667 | | |
| Total Register of Deeds | | | 172,478 |
| County Buildings | | | |
| Custodial Personnel | $ 39,346 | | |
| Social Security | 2,195 | | |
| State Retirement | 4,407 | | |
| Medical Insurance | 10,326 | | |
| Employer Medicare | 513 | | |
| Maintenance and Repair Services - Buildings | 9,627 | | |
| Maintenance and Repair Services - Equipment | 2,583 | | |
| Pest Control | 520 | | |
| Other Contracted Services | 16,353 | | |
| Custodial Supplies | 6,850 | | |
| Electricity | 78,379 | | |
| Natural Gas | 5,463 | | |
| Water and Sewer | 5,011 | | |
| Other Supplies and Materials | 175 | | |
| Building and Contents Insurance | 9,937 | | |
| Other Charges | 1,608 | | |
| Total County Buildings | | | 193,293 |

(Continued)

Exhibit K-8

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

| | | |
|---|---|---|
| General Fund (Cont.) | | |
| General Government (Cont.) | | |
| Preservation of Records | | |
| Other Supplies and Materials | $ 2,521 | |
| Data Processing Equipment | 2,393 | |
| Total Preservation of Records | | $ 4,914 |
| Finance | | |
| Accounting and Budgeting | | |
| County Official/Administrative Officer | $ 72,300 | |
| Accountants/Bookkeepers | 172,138 | |
| Custodial Personnel | 2,705 | |
| Educational Incentive - Other County Employees | 300 | |
| Social Security | 14,215 | |
| State Retirement | 27,714 | |
| Medical Insurance | 29,144 | |
| Employer Medicare | 3,325 | |
| Communication | 4,020 | |
| Data Processing Services | 8,480 | |
| Dues and Memberships | 655 | |
| Legal Notices, Recording, and Court Costs | 972 | |
| Maintenance and Repair Services - Office Equipment | 457 | |
| Pest Control | 240 | |
| Postal Charges | 2,500 | |
| Printing, Stationery, and Forms | 5,825 | |
| Rentals | 4,100 | |
| Travel | 4,741 | |
| Custodial Supplies | 799 | |
| Electricity | 2,800 | |
| Natural Gas | 392 | |
| Office Supplies | 5,514 | |
| Water and Sewer | 440 | |
| Other Supplies and Materials | 3,039 | |
| Premiums on Corporate Surety Bonds | 91 | |
| In Service/Staff Development | 3,109 | |
| Data Processing Equipment | 2,912 | |
| Total Accounting and Budgeting | | 372,927 |
| Property Assessor's Office | | |
| County Official/Administrative Officer | $ 64,977 | |
| Deputy(ies) | 99,379 | |
| Educational Incentive - Other County Employees | 7,550 | |
| Board and Committee Members Fees | 875 | |
| Social Security | 10,226 | |
| State Retirement | 19,253 | |
| Medical Insurance | 12,219 | |
| Employer Medicare | 2,392 | |
| Communication | 2,422 | |
| Dues and Memberships | 1,715 | |
| Legal Services | 90 | |
| Legal Notices, Recording, and Court Costs | 124 | |
| Maintenance and Repair Services - Office Equipment | 126 | |
| Maintenance and Repair Services - Vehicles | 892 | |

(Continued)

Exhibit K-8

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

| | | |
|---|---|---|
| General Fund (Cont.) | | |
| Finance (Cont.) | | |
| Property Assessor's Office (Cont.) | | |
| Postal Charges | $ 1,171 | |
| Printing, Stationery, and Forms | 30 | |
| Rentals | 2,600 | |
| Travel | 1,200 | |
| Gasoline | 1,468 | |
| Office Supplies | 575 | |
| Premiums on Corporate Surety Bonds | 465 | |
| Vehicle and Equipment Insurance | 389 | |
| Total Property Assessor's Office | | $ 230,138 |
| Reappraisal Program | | |
| Communication | $ 297 | |
| Data Processing Services | 3,814 | |
| Postal Charges | 6,018 | |
| Travel | 1,294 | |
| Other Contracted Services | 52,579 | |
| Office Supplies | 272 | |
| In Service/Staff Development | 94 | |
| Total Reappraisal Program | | 64,368 |
| County Trustee's Office | | |
| County Official/Administrative Officer | $ 64,977 | |
| Deputy(ies) | 49,888 | |
| Educational Incentive - Other County Employees | 600 | |
| Social Security | 6,310 | |
| State Retirement | 12,932 | |
| Medical Insurance | 19,270 | |
| Employer Medicare | 1,476 | |
| Communication | 2,613 | |
| Data Processing Services | 14,933 | |
| Dues and Memberships | 747 | |
| Legal Notices, Recording, and Court Costs | 1,066 | |
| Maintenance Agreements | 5,422 | |
| Postal Charges | 6,276 | |
| Rentals | 810 | |
| Travel | 2,186 | |
| Office Supplies | 2,578 | |
| Total County Trustee's Office | | 192,084 |
| County Clerk's Office | | |
| County Official/Administrative Officer | $ 64,977 | |
| Deputy(ies) | 123,181 | |
| Clerical Personnel | 1,200 | |
| Educational Incentive - Other County Employees | 600 | |
| Social Security | 10,527 | |
| State Retirement | 21,275 | |
| Medical Insurance | 35,040 | |
| Employer Medicare | 2,462 | |
| Communication | 2,556 | |
| Dues and Memberships | 672 | |

(Continued)

Exhibit K-8

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

| | | | | |
|---|---|---|---|---|
| General Fund (Cont.) | | | | |
| Finance (Cont.) | | | | |
| County Clerk's Office (Cont.) | | | | |
| Legal Notices, Recording, and Court Costs | $ | 344 | | |
| Maintenance Agreements | | 12,871 | | |
| Maintenance and Repair Services - Office Equipment | | 260 | | |
| Postal Charges | | 4,900 | | |
| Printing, Stationery, and Forms | | 1,010 | | |
| Rentals | | 3,081 | | |
| Travel | | 122 | | |
| Office Supplies | | 1,642 | | |
| In Service/Staff Development | | 300 | | |
| Data Processing Equipment | | 2,738 | | |
| Total County Clerk's Office | | | $ | 289,758 |
| Administration of Justice | | | | |
| Circuit Court | | | | |
| County Official/Administrative Officer | $ | 64,977 | | |
| Deputy(ies) | | 84,309 | | |
| Jury and Witness Expense | | 4,787 | | |
| Social Security | | 7,491 | | |
| State Retirement | | 16,720 | | |
| Medical Insurance | | 44,411 | | |
| Employer Medicare | | 1,752 | | |
| Communication | | 3,158 | | |
| Data Processing Services | | 3,246 | | |
| Dues and Memberships | | 95 | | |
| Legal Notices, Recording, and Court Costs | | 50 | | |
| Printing, Stationery, and Forms | | 126 | | |
| Rentals | | 3,491 | | |
| Travel | | 200 | | |
| Office Supplies | | 1,592 | | |
| Other Supplies and Materials | | 1,858 | | |
| Data Processing Equipment | | 497 | | |
| Total Circuit Court | | | | 238,760 |
| General Sessions Court | | | | |
| Judge(s) | $ | 114,443 | | |
| Deputy(ies) | | 59,886 | | |
| Social Security | | 10,352 | | |
| State Retirement | | 19,525 | | |
| Medical Insurance | | 10,169 | | |
| Employer Medicare | | 2,432 | | |
| Communication | | 2,090 | | |
| Data Processing Services | | 7,652 | | |
| Dues and Memberships | | 522 | | |
| Postal Charges | | 2,959 | | |
| Printing, Stationery, and Forms | | 819 | | |
| Travel | | 1,735 | | |
| Other Contracted Services | | 2,662 | | |
| Office Supplies | | 1,870 | | |
| Data Processing Equipment | | 1,057 | | |
| Total General Sessions Court | | | | 238,173 |

(Continued)

Exhibit K-8

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

| | | | | |
|---|---|---|---|---|
| General Fund (Cont.) | | | | |
| Administration of Justice (Cont.) | | | | |
| Chancery Court | | | | |
| County Official/Administrative Officer | $ | 64,977 | | |
| Deputy(ies) | | 72,005 | | |
| Social Security | | 8,061 | | |
| State Retirement | | 13,045 | | |
| Medical Insurance | | 14,826 | | |
| Employer Medicare | | 1,885 | | |
| Communication | | 2,051 | | |
| Dues and Memberships | | 522 | | |
| Legal Notices, Recording, and Court Costs | | 1,792 | | |
| Maintenance Agreements | | 6,824 | | |
| Postal Charges | | 1,219 | | |
| Printing, Stationery, and Forms | | 2,691 | | |
| Rentals | | 1,860 | | |
| Office Supplies | | 590 | | |
| Premiums on Corporate Surety Bonds | | 410 | | |
| Office Equipment | | 378 | | |
| Total Chancery Court | | | $ | 193,136 |
| Juvenile Court | | | | |
| Judge(s) | $ | 29,600 | | |
| Youth Service Officer(s) | | 41,258 | | |
| Social Workers | | 30,027 | | |
| Secretary(ies) | | 23,163 | | |
| Social Security | | 7,102 | | |
| State Retirement | | 13,732 | | |
| Medical Insurance | | 31,418 | | |
| Employer Medicare | | 1,661 | | |
| Communication | | 3,068 | | |
| Contracts with Other Public Agencies | | 8,280 | | |
| Maintenance and Repair Services - Office Equipment | | 50 | | |
| Maintenance and Repair Services - Vehicles | | 40 | | |
| Postal Charges | | 541 | | |
| Rentals | | 2,431 | | |
| Travel | | 2,959 | | |
| Gasoline | | 1,425 | | |
| Office Supplies | | 666 | | |
| Vehicle and Equipment Insurance | | 464 | | |
| Total Juvenile Court | | | | 197,885 |
| District Attorney General | | | | |
| Secretary(ies) | $ | 24,755 | | |
| Social Security | | 1,428 | | |
| State Retirement | | 2,773 | | |
| Medical Insurance | | 5,163 | | |
| Employer Medicare | | 334 | | |
| Total District Attorney General | | | | 34,453 |
| Probation Services | | | | |
| Social Workers | $ | 49,042 | | |
| Social Security | | 2,600 | | |

(Continued)

Exhibit K-8

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

| | | |
|---|---|---|
| General Fund (Cont.) | | |
| Administration of Justice (Cont.) | | |
| Probation Services (Cont.) | | |
| State Retirement | $ 2,875 | |
| Medical Insurance | 2,133 | |
| Employer Medicare | 608 | |
| Total Probation Services | | $ 57,258 |
| Public Safety | | |
| Sheriff's Department | | |
| County Official/Administrative Officer | $ 71,475 | |
| Deputy(ies) | 697,697 | |
| Accountants/Bookkeepers | 55,368 | |
| Salary Supplements | 11,400 | |
| Maintenance Personnel | 29,159 | |
| Part-time Personnel | 32,133 | |
| Social Security | 49,721 | |
| State Retirement | 90,269 | |
| Medical Insurance | 147,475 | |
| Employer Medicare | 11,705 | |
| Accounting Services | 1,822 | |
| Communication | 23,612 | |
| Contracts with Other Public Agencies | 46,125 | |
| Dues and Memberships | 2,100 | |
| Evaluation and Testing | 1,500 | |
| Maintenance Agreements | 3,000 | |
| Maintenance and Repair Services - Equipment | 2,610 | |
| Maintenance and Repair Services - Vehicles | 13,432 | |
| Postal Charges | 6,436 | |
| Printing, Stationery, and Forms | 1,400 | |
| Rentals | 11,048 | |
| Travel | 13,824 | |
| Other Contracted Services | 1,951 | |
| Gasoline | 101,597 | |
| Law Enforcement Supplies | 3,917 | |
| Office Supplies | 4,466 | |
| Uniforms | 15,962 | |
| Other Supplies and Materials | 14,515 | |
| Vehicle and Equipment Insurance | 16,247 | |
| Workers' Compensation Insurance | 882 | |
| In Service/Staff Development | 6,148 | |
| Other Charges | 2,459 | |
| Data Processing Equipment | 5,624 | |
| Law Enforcement Equipment | 25,840 | |
| Motor Vehicles | 48,242 | |
| Total Sheriff's Department | | 1,571,161 |
| Traffic Control | | |
| Dispatchers/Radio Operators | $ 295,851 | |
| Social Security | 17,254 | |
| State Retirement | 27,221 | |
| Medical Insurance | 39,700 | |
| Employer Medicare | 4,035 | |
| Total Traffic Control | | 384,061 |

(Continued)

Exhibit K-8

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

| | | |
|---|---|---|
| General Fund (Cont.) | | |
| Public Safety (Cont.) | | |
| Jail | | |
| Supervisor/Director | $ 45,750 | |
| Accountants/Bookkeepers | 28,618 | |
| Guards | 447,836 | |
| Overtime Pay | 3,061 | |
| Social Security | 29,162 | |
| State Retirement | 42,705 | |
| Medical Insurance | 91,253 | |
| Employer Medicare | 6,820 | |
| Maintenance and Repair Services - Buildings | 20,251 | |
| Maintenance and Repair Services - Equipment | 5,831 | |
| Medical and Dental Services | 90,586 | |
| Pest Control | 1,015 | |
| Printing, Stationery, and Forms | 1,605 | |
| Rentals | 1,381 | |
| Custodial Supplies | 16,218 | |
| Electricity | 60,898 | |
| Food Preparation Supplies | 163 | |
| Food Supplies | 90,458 | |
| Natural Gas | 21,218 | |
| Office Supplies | 1,715 | |
| Water and Sewer | 14,698 | |
| Other Supplies and Materials | 14,644 | |
| Building and Contents Insurance | 13,017 | |
| Total Jail | | $ 1,048,903 |
| Correctional Incentive Program Improvements | | |
| Contributions | $ 1,769 | |
| Total Correctional Incentive Program Improvements | | 1,769 |
| Fire Prevention and Control | | |
| Contributions | $ 27,000 | |
| Total Fire Prevention and Control | | 27,000 |
| Civil Defense | | |
| Assistant(s) | $ 8,976 | |
| Supervisor/Director | 16,444 | |
| Overtime Pay | 4,552 | |
| Social Security | 1,858 | |
| State Retirement | 2,352 | |
| Employer Medicare | 435 | |
| Communication | 1,465 | |
| Dues and Memberships | 30 | |
| Maintenance and Repair Services - Equipment | 719 | |
| Printing, Stationery, and Forms | 225 | |
| Rentals | 1,200 | |
| Travel | 158 | |
| Gasoline | 1,355 | |
| Office Supplies | 1,828 | |
| Uniforms | 250 | |
| Other Supplies and Materials | 966 | |

(Continued)

Exhibit K-8

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

| | | |
|---|---|---|
| General Fund (Cont.) | | |
| Public Safety (Cont.) | | |
| Civil Defense (Cont.) | | |
| Vehicle and Equipment Insurance | $ 633 | |
| In Service/Staff Development | 2,870 | |
| Other Equipment | 27,335 | |
| Total Civil Defense | | $ 73,651 |
| Rescue Squad | | |
| Other Contracted Services | $ 5,500 | |
| Total Rescue Squad | | 5,500 |
| County Coroner/Medical Examiner | | |
| Other Contracted Services | $ 5,850 | |
| Total County Coroner/Medical Examiner | | 5,850 |
| Other Public Safety | | |
| Other Contracted Services | $ 1,450 | |
| Total Other Public Safety | | 1,450 |
| Public Health and Welfare | | |
| Local Health Center | | |
| Communication | $ 4,266 | |
| Contracts with Government Agencies | 31,500 | |
| Dues and Memberships | 294 | |
| Janitorial Services | 10,800 | |
| Maintenance and Repair Services - Buildings | 4,700 | |
| Maintenance and Repair Services - Equipment | 1,755 | |
| Maintenance and Repair Services - Office Equipment | 59 | |
| Pest Control | 264 | |
| Postal Charges | 413 | |
| Custodial Supplies | 511 | |
| Drugs and Medical Supplies | 111 | |
| Electricity | 7,776 | |
| Natural Gas | 1,025 | |
| Office Supplies | 1,167 | |
| Water and Sewer | 2,220 | |
| Other Supplies and Materials | 308 | |
| Building and Contents Insurance | 1,303 | |
| Total Local Health Center | | 68,472 |
| Ambulance/Emergency Medical Services | | |
| Contracts with Private Agencies | $ 235,000 | |
| Total Ambulance/Emergency Medical Services | | 235,000 |
| Maternal and Child Health Services | | |
| Contracts with Other Public Agencies | $ 2,500 | |
| Total Maternal and Child Health Services | | 2,500 |
| Crippled Children Services | | |
| Contributions | $ 2,167 | |
| Total Crippled Children Services | | 2,167 |

(Continued)

Exhibit K-8

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

| | | | | |
|---|---|---|---|---|
| General Fund (Cont.) | | | | |
| Public Health and Welfare (Cont.) | | | | |
| General Welfare Assistance | | | | |
| Contracts with Other Public Agencies | $ | 22,180 | | |
| Other Contracted Services | | 1,050 | | |
| Total General Welfare Assistance | | | $ | 23,230 |
| Other Local Welfare Services | | | | |
| Other Salaries and Wages | $ | 22,188 | | |
| Social Security | | 1,235 | | |
| State Retirement | | 2,394 | | |
| Medical Insurance | | 5,163 | | |
| Employer Medicare | | 289 | | |
| Travel | | 160 | | |
| Total Other Local Welfare Services | | | | 31,429 |
| Social, Cultural, and Recreational Services | | | | |
| Adult Activities | | | | |
| Supervisor/Director | $ | 22,080 | | |
| Social Workers | | 19,987 | | |
| Other Salaries and Wages | | 39,584 | | |
| Social Security | | 4,210 | | |
| State Retirement | | 6,026 | | |
| Medical Insurance | | 19,054 | | |
| Employer Medicare | | 1,040 | | |
| Communication | | 1,983 | | |
| Contributions | | 10,000 | | |
| Licenses | | 810 | | |
| Maintenance and Repair Services - Vehicles | | 162 | | |
| Postal Charges | | 1,000 | | |
| Rentals | | 7,187 | | |
| Travel | | 9,318 | | |
| Other Contracted Services | | 1,034 | | |
| Custodial Supplies | | 1,996 | | |
| Food Supplies | | 3,429 | | |
| Gasoline | | 309 | | |
| Other Supplies and Materials | | 5,859 | | |
| Vehicle and Equipment Insurance | | 339 | | |
| Total Adult Activities | | | | 155,407 |
| Senior Citizens Assistance | | | | |
| Supervisor/Director | $ | 22,114 | | |
| Social Security | | 1,130 | | |
| State Retirement | | 2,477 | | |
| Medical Insurance | | 3,717 | | |
| Employer Medicare | | 264 | | |
| Communication | | 1,050 | | |
| Maintenance and Repair Services - Buildings | | 897 | | |
| Maintenance and Repair Services - Vehicles | | 48 | | |
| Postal Charges | | 203 | | |
| Rentals | | 444 | | |
| Travel | | 877 | | |
| Other Contracted Services | | 600 | | |

(Continued)

Exhibit K-8

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

| | | | | |
|---|---|---|---|---|
| General Fund (Cont.) | | | | |
| Social, Cultural, and Recreational Services (Cont.) | | | | |
| Senior Citizens Assistance (Cont.) | | | | |
| Custodial Supplies | $ | 299 | | |
| Food Supplies | | 3,294 | | |
| Office Supplies | | 300 | | |
| Other Supplies and Materials | | 3,370 | | |
| Total Senior Citizens Assistance | | | $ | 41,084 |
| Libraries | | | | |
| Supervisor/Director | $ | 30,914 | | |
| Clerical Personnel | | 44,941 | | |
| Temporary Personnel | | 4,988 | | |
| Social Security | | 4,297 | | |
| State Retirement | | 8,496 | | |
| Medical Insurance | | 17,275 | | |
| Employer Medicare | | 1,005 | | |
| Communication | | 3,586 | | |
| Contributions | | 20,000 | | |
| Janitorial Services | | 5,300 | | |
| Licenses | | 1,210 | | |
| Maintenance and Repair Services - Buildings | | 7,795 | | |
| Maintenance and Repair Services - Equipment | | 1,265 | | |
| Pest Control | | 295 | | |
| Travel | | 1,818 | | |
| Other Contracted Services | | 33,593 | | |
| Utilities | | 7,504 | | |
| Building and Contents Insurance | | 1,283 | | |
| Data Processing Equipment | | 6,248 | | |
| Total Libraries | | | | 201,813 |
| Agriculture and Natural Resources | | | | |
| Agriculture Extension Service | | | | |
| Salary Supplements | $ | 48,494 | | |
| Other Fringe Benefits | | 11,667 | | |
| Communication | | 6,360 | | |
| Travel | | 1,800 | | |
| Data Processing Equipment | | 1,083 | | |
| Total Agriculture Extension Service | | | | 69,404 |
| Soil Conservation | | | | |
| Secretary(ies) | $ | 24,713 | | |
| Social Security | | 1,385 | | |
| State Retirement | | 2,768 | | |
| Medical Insurance | | 5,298 | | |
| Employer Medicare | | 324 | | |
| Total Soil Conservation | | | | 34,488 |
| Flood Control | | | | |
| Other Contracted Services | $ | 23,728 | | |
| Total Flood Control | | | | 23,728 |

(Continued)

Exhibit K-8

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

| | | | |
|---|---|---|---|
| General Fund (Cont.) | | | |
| Other Operations | | | |
| Veterans' Services | | | |
| Assistant(s) | $ 8,485 | | |
| Supervisor/Director | 24,154 | | |
| Social Security | 2,024 | | |
| State Retirement | 2,705 | | |
| Employer Medicare | 473 | | |
| Communication | 1,555 | | |
| Dues and Memberships | 70 | | |
| Postal Charges | 311 | | |
| Travel | 1,028 | | |
| Office Supplies | 995 | | |
| Total Veterans' Services | | $ 41,800 | |
| Other Charges | | | |
| Dues and Memberships | $ 4,784 | | |
| Total Other Charges | | 4,784 | |
| Contributions to Other Agencies | | | |
| Contributions | $ 155,109 | | |
| Total Contributions to Other Agencies | | 155,109 | |
| Employee Benefits | | | |
| Unemployment Compensation | $ 13,548 | | |
| Total Employee Benefits | | 13,548 | |
| Miscellaneous | | | |
| Liability Insurance | $ 55,816 | | |
| Premiums on Corporate Surety Bonds | 743 | | |
| Trustee's Commission | 85,704 | | |
| Workers' Compensation Insurance | 61,064 | | |
| Other Charges | 600 | | |
| Interest on Other Loans | 4,875 | | |
| Total Miscellaneous | | 208,802 | |
| Total General Fund | | | $ 7,374,399 |
| Solid Waste/Sanitation Fund | | | |
| Public Health and Welfare | | | |
| Recycling Center | | | |
| Temporary Personnel | $ 5,636 | | |
| Legal Notices, Recording, and Court Costs | 100 | | |
| Postal Charges | 59 | | |
| Other Contracted Services | 23,270 | | |
| Electricity | 1,211 | | |
| Water and Sewer | 327 | | |
| Other Supplies and Materials | 349 | | |
| Trustee's Commission | 137 | | |
| Total Recycling Center | | $ 31,089 | |

(Continued)

Exhibit K-8

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

| | | | |
|---|---|---|---|
| Solid Waste/Sanitation Fund (Cont.) | | | |
| Other Operations | | | |
| Employee Benefits | | | |
| Social Security | $ 349 | | |
| State Retirement | 293 | | |
| Employer Medicare | 82 | | |
| Total Employee Benefits | | $ 724 | |
| Total Solid Waste/Sanitation Fund | | | $ 31,813 |
| Drug Control Fund | | | |
| Public Safety | | | |
| Drug Enforcement | | | |
| Contributions | $ 750 | | |
| Confidential Drug Enforcement Payments | 5,000 | | |
| Maintenance and Repair Services - Equipment | 294 | | |
| Towing Services | 510 | | |
| Trustee's Commission | 141 | | |
| Other Charges | 75 | | |
| Data Processing Equipment | 887 | | |
| Motor Vehicles | 80,385 | | |
| Total Drug Enforcement | | $ 88,042 | |
| Total Drug Control Fund | | | 88,042 |
| Highway/Public Works Fund | | | |
| Highways | | | |
| Administration | | | |
| County Official/Administrative Officer | $ 71,475 | | |
| Secretary to Board | 1,800 | | |
| Secretary(ies) | 26,644 | | |
| Board and Committee Members Fees | 7,800 | | |
| Dues and Memberships | 3,109 | | |
| Legal Notices, Recording, and Court Costs | 150 | | |
| Medical and Dental Services | 966 | | |
| Postal Charges | 450 | | |
| Printing, Stationery, and Forms | 695 | | |
| Rentals | 1,911 | | |
| Travel | 2,024 | | |
| Drugs and Medical Supplies | 81 | | |
| Office Supplies | 352 | | |
| Other Supplies and Materials | 526 | | |
| Other Charges | 2,000 | | |
| Interest on Other Loans | 1,604 | | |
| Total Administration | | $ 121,587 | |
| Highway and Bridge Maintenance | | | |
| Foremen | $ 36,727 | | |
| Equipment Operators | 345,122 | | |
| Truck Drivers | 299,998 | | |
| Laborers | 213,409 | | |
| Other Contracted Services | 204,843 | | |
| Asphalt - Liquid | 612,761 | | |

(Continued)

Exhibit K-8

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

| | | |
|---|---|---|
| Highway/Public Works Fund (Cont.) | | |
| Highways (Cont.) | | |
| Highway and Bridge Maintenance (Cont.) | | |
| Crushed Stone | $ 451,519 | |
| General Construction Materials | 18,251 | |
| Other Road Supplies | 6,000 | |
| Pipe | 131,321 | |
| Road Signs | 4,639 | |
| Small Tools | 75 | |
| Other Supplies and Materials | 376 | |
| Total Highway and Bridge Maintenance | | $ 2,325,041 |
| Operation and Maintenance of Equipment | | |
| Foremen | $ 34,407 | |
| Mechanic(s) | 89,484 | |
| Laundry Service | 11,580 | |
| Maintenance and Repair Services - Equipment | 38,794 | |
| Towing Services | 400 | |
| Diesel Fuel | 254,931 | |
| Equipment and Machinery Parts | 125,627 | |
| Garage Supplies | 4,081 | |
| Gasoline | 31,019 | |
| Lubricants | 23,475 | |
| Small Tools | 1,907 | |
| Tires and Tubes | 55,514 | |
| Other Supplies and Materials | 1,049 | |
| Total Operation and Maintenance of Equipment | | 672,268 |
| Litter and Trash Collection | | |
| Foremen | $ 21,935 | |
| Secretary(ies) | 9,419 | |
| Social Security | 1,944 | |
| State Retirement | 3,512 | |
| Employer Medicare | 455 | |
| Advertising | 5,973 | |
| Travel | 1,796 | |
| Other Supplies and Materials | 1,406 | |
| Litter Enforcement Awards | 5,568 | |
| Total Litter and Trash Collection | | 52,008 |
| Other Charges | | |
| Communication | $ 7,592 | |
| Maintenance and Repair Services - Buildings | 6,489 | |
| Maintenance and Repair Services - Office Equipment | 2,182 | |
| Electricity | 18,347 | |
| Natural Gas | 6,486 | |
| Water and Sewer | 3,008 | |
| Building and Contents Insurance | 3,814 | |
| Liability Insurance | 5,782 | |
| Trustee's Commission | 49,959 | |
| Vehicle and Equipment Insurance | 25,079 | |
| Liability Claims | 800 | |
| Total Other Charges | | 129,538 |

(Continued)

Exhibit K-8

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

| | | | |
|---|---|---|---|
| Highway/Public Works Fund (Cont.) | | | |
| Highways (Cont.) | | | |
| Employee Benefits | | | |
| Social Security | $ 63,423 | | |
| State Retirement | 121,750 | | |
| Medical Insurance | 193,524 | | |
| Unemployment Compensation | 3,554 | | |
| Employer Medicare | 16,226 | | |
| Workers' Compensation Insurance | 109,896 | | |
| Total Employee Benefits | | $ 508,373 | |
| Capital Outlay | | | |
| Bridge Construction | $ 247,136 | | |
| State Aid Projects | 812,545 | | |
| Total Capital Outlay | | 1,059,681 | |
| Total Highway/Public Works Fund | | | $ 4,868,496 |
| General Debt Service Fund | | | |
| Principal on Debt | | | |
| General Government | | | |
| Principal on Other Loans | $ 446,000 | | |
| Total General Government | | $ 446,000 | |
| Education | | | |
| Principal on Bonds | $ 3,720,000 | | |
| Principal on Notes | 5,108 | | |
| Principal on Other Loans | 1,898,404 | | |
| Total Education | | 5,623,512 | |
| Interest on Debt | | | |
| General Government | | | |
| Interest on Other Loans | $ 11,849 | | |
| Total General Government | | 11,849 | |
| Education | | | |
| Interest on Bonds | $ 283,753 | | |
| Interest on Other Loans | 25,460 | | |
| Total Education | | 309,213 | |
| Other Debt Service | | | |
| General Government | | | |
| Trustee's Commission | $ 64,276 | | |
| Other Debt Service | 14,304 | | |
| Total General Government | | 78,580 | |
| Education | | | |
| Other Debt Service | $ 41,028 | | |
| Total Education | | 41,028 | |
| Total General Debt Service Fund | | | 6,510,182 |

(Continued)

Exhibit K-8

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 | $ 11,050 | | |
| Legal Notices, Recording, and Court Costs | 106 | | |
| Total Other General Government Projects | | $ 11,156 | |
| Total Community Development/Industrial Park Fund | | | $ 11,156 |
| Highway Capital Projects Fund | | | |
| Highways | | | |
| Capital Outlay | | | |
| State Aid Projects | $ 98,776 | | |
| Total Capital Outlay | | $ 98,776 | |
| Total Highway Capital Projects Fund | | | 98,776 |
| Other Capital Projects Fund | | | |
| Capital Projects | | | |
| Other General Government Projects | | | |
| Contributions | $ 143,786 | | |
| Total Other General Government Projects | | $ 143,786 | |
| Total Other Capital Projects Fund | | | 143,786 |
| Total Governmental Funds - Primary Government | | | $ 19,126,650 |

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2013

| | | |
|---|---|---|
| General Purpose School Fund | | |
| Instruction | | |
| Regular Instruction Program | | |
| Teachers | $ 10,244,964 | |
| Career Ladder Program | 102,682 | |
| Career Ladder Extended Contracts | 70,036 | |
| Educational Assistants | 361,617 | |
| Certified Substitute Teachers | 94,700 | |
| Non-certified Substitute Teachers | 62,548 | |
| Social Security | 622,553 | |
| State Retirement | 949,778 | |
| Medical Insurance | 1,284,434 | |
| Employer Medicare | 147,073 | |
| Other Fringe Benefits | 10,455 | |
| Rentals | 75,702 | |
| Instructional Supplies and Materials | 137,195 | |
| Textbooks | 578,000 | |
| Other Supplies and Materials | 3,490 | |
| Regular Instruction Equipment | 326,286 | |
| Total Regular Instruction Program | | $ 15,071,513 |
| Special Education Program | | |
| Teachers | $ 1,336,324 | |
| Career Ladder Program | 12,255 | |
| Homebound Teachers | 17,532 | |
| Educational Assistants | 27,993 | |
| Speech Pathologist | 45,920 | |
| Certified Substitute Teachers | 8,280 | |
| Non-certified Substitute Teachers | 9,308 | |
| Social Security | 83,695 | |
| State Retirement | 123,356 | |
| Medical Insurance | 162,482 | |
| Employer Medicare | 19,583 | |
| Contracts with Private Agencies | 28,770 | |
| Other Contracted Services | 61,443 | |
| Instructional Supplies and Materials | 40,225 | |
| Other Supplies and Materials | 10,521 | |
| Furniture and Fixtures | 2,865 | |
| Special Education Equipment | 31,051 | |
| Total Special Education Program | | 2,021,603 |
| Vocational Education Program | | |
| Teachers | $ 825,196 | |
| Career Ladder Program | 13,338 | |
| Other Salaries and Wages | 23,440 | |
| Certified Substitute Teachers | 9,680 | |
| Non-certified Substitute Teachers | 6,994 | |
| Social Security | 51,543 | |
| State Retirement | 76,045 | |
| Medical Insurance | 72,947 | |
| Employer Medicare | 12,079 | |
| Communication | 954 | |

(Continued)

Exhibit K-9

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 (Cont.) | | |
| Laundry Service | $ 489 | |
| Rentals | 888 | |
| Animal Food and Supplies | 49,710 | |
| Drugs and Medical Supplies | 174 | |
| Equipment and Machinery Parts | 862 | |
| Gasoline | 2,500 | |
| Instructional Supplies and Materials | 27,125 | |
| Other Supplies and Materials | 2,598 | |
| Vehicle and Equipment Insurance | 400 | |
| Vocational Instruction Equipment | 2,548 | |
| Total Vocational Education Program | | $ 1,179,510 |
| Student Body Education Program | | |
| Clerical Personnel | $ 6,110 | |
| Social Security | 291 | |
| State Retirement | 684 | |
| Employer Medicare | 68 | |
| Maintenance and Repair Services - Equipment | 170 | |
| Gasoline | 2,000 | |
| Vehicle Parts | 928 | |
| Vehicle and Equipment Insurance | 2,000 | |
| Total Student Body Education Program | | 12,251 |
| Adult Education Program | | |
| Supervisor/Director | $ 42,934 | |
| Teachers | 42,855 | |
| Guidance Personnel | 9,470 | |
| Other Salaries and Wages | 25,261 | |
| Social Security | 7,030 | |
| State Retirement | 12,238 | |
| Medical Insurance | 4,639 | |
| Employer Medicare | 1,662 | |
| Communication | 1,414 | |
| Rentals | 2,256 | |
| Travel | 7,958 | |
| Instructional Supplies and Materials | 664 | |
| Other Charges | 606 | |
| Total Adult Education Program | | 158,987 |
| Other | | |
| Teachers | $ 3,740 | |
| Pupil Personnel | 7,498 | |
| Social Security | 695 | |
| State Retirement | 332 | |
| Employer Medicare | 163 | |
| Total Other | | 12,428 |

(Continued)

Exhibit K-9

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 | | | | |
| Attendance | | | | |
| Supervisor/Director | $ | 70,054 | | |
| Career Ladder Program | | 2,962 | | |
| Social Security | | 4,378 | | |
| State Retirement | | 6,484 | | |
| Medical Insurance | | 4,639 | | |
| Employer Medicare | | 1,024 | | |
| Maintenance Agreements | | 11,907 | | |
| Travel | | 783 | | |
| Other Supplies and Materials | | 3,016 | | |
| Total Attendance | | | $ | 105,247 |
| Health Services | | | | |
| Teachers | $ | 36,173 | | |
| Medical Personnel | | 171,880 | | |
| Secretary(ies) | | 9,427 | | |
| Educational Assistants | | 920 | | |
| Other Salaries and Wages | | 100 | | |
| Non-certified Substitute Teachers | | 156 | | |
| Social Security | | 12,094 | | |
| State Retirement | | 19,492 | | |
| Medical Insurance | | 31,625 | | |
| Employer Medicare | | 2,828 | | |
| Communication | | 1,357 | | |
| Dues and Memberships | | 50 | | |
| Postal Charges | | 1,093 | | |
| Rentals | | 1,904 | | |
| Travel | | 4,509 | | |
| Other Contracted Services | | 690 | | |
| Other Supplies and Materials | | 29,325 | | |
| Total Health Services | | | | 323,623 |
| Other Student Support | | | | |
| Career Ladder Program | $ | 5,000 | | |
| Guidance Personnel | | 529,245 | | |
| School Resource Officer | | 33,736 | | |
| Other Salaries and Wages | | 2,200 | | |
| Certified Substitute Teachers | | 320 | | |
| Non-certified Substitute Teachers | | 650 | | |
| Social Security | | 33,647 | | |
| State Retirement | | 51,428 | | |
| Medical Insurance | | 46,745 | | |
| Employer Medicare | | 7,869 | | |
| Evaluation and Testing | | 18,365 | | |
| Travel | | 1,362 | | |
| Other Contracted Services | | 14,000 | | |
| Other Supplies and Materials | | 1,255 | | |
| Other Charges | | 5,534 | | |
| Other Equipment | | 3,280 | | |
| Total Other Student Support | | | | 754,636 |

(Continued)

Exhibit K-9

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 | | |
| Supervisor/Director | $ 305,731 | |
| Career Ladder Program | 13,479 | |
| Librarians | 382,865 | |
| Social Workers | 38,790 | |
| Instructional Computer Personnel | 69,463 | |
| Other Salaries and Wages | 109,502 | |
| Social Security | 51,394 | |
| State Retirement | 80,973 | |
| Medical Insurance | 89,332 | |
| Employer Medicare | 12,556 | |
| Travel | 22,610 | |
| Library Books/Media | 76,693 | |
| Other Supplies and Materials | 30,861 | |
| In Service/Staff Development | 17,387 | |
| Total Regular Instruction Program | | $ 1,301,636 |
| Alternative Instruction Program | | |
| Supervisor/Director | $ 21,526 | |
| Career Ladder Program | 1,000 | |
| Educational Assistants | 12,181 | |
| Certified Substitute Teachers | 160 | |
| Non-certified Substitute Teachers | 52 | |
| Social Security | 1,907 | |
| State Retirement | 3,295 | |
| Medical Insurance | 11,999 | |
| Employer Medicare | 446 | |
| Communication | 689 | |
| Contracts with Other Public Agencies | 40,187 | |
| Rentals | 1,044 | |
| Travel | 183 | |
| Other Supplies and Materials | 1,230 | |
| Total Alternative Instruction Program | | 95,899 |
| Special Education Program | | |
| Supervisor/Director | $ 74,942 | |
| Career Ladder Program | 6,000 | |
| Psychological Personnel | 149,000 | |
| Assessment Personnel | 43,277 | |
| Clerical Personnel | 23,884 | |
| Social Security | 17,353 | |
| State Retirement | 26,937 | |
| Medical Insurance | 22,870 | |
| Employer Medicare | 4,058 | |
| Communication | 823 | |
| Maintenance Agreements | 6,406 | |
| Maintenance and Repair Services - Equipment | 1,657 | |
| Postal Charges | 497 | |
| Rentals | 85 | |
| Travel | 10,633 | |

(Continued)

Exhibit K-9

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.) | | |
| Drugs and Medical Supplies | $ 81 | |
| Office Supplies | 7,897 | |
| Other Supplies and Materials | 3,821 | |
| In Service/Staff Development | 9,408 | |
| Other Equipment | 760 | |
| Total Special Education Program | | $ 410,389 |
| Vocational Education Program | | |
| Clerical Personnel | $ 25,660 | |
| Other Salaries and Wages | 1,050 | |
| Certified Substitute Teachers | 80 | |
| Non-certified Substitute Teachers | 442 | |
| Social Security | 1,245 | |
| State Retirement | 2,969 | |
| Medical Insurance | 9,123 | |
| Employer Medicare | 291 | |
| Communication | 366 | |
| Maintenance and Repair Services - Equipment | 1,408 | |
| Travel | 23,935 | |
| Office Supplies | 543 | |
| Other Supplies and Materials | 4,470 | |
| In Service/Staff Development | 1,914 | |
| Total Vocational Education Program | | 73,496 |
| Other Programs | | |
| Other Salaries and Wages | $ 76,869 | |
| Certified Substitute Teachers | 6,360 | |
| Non-certified Substitute Teachers | 9,360 | |
| Social Security | 5,452 | |
| State Retirement | 6,812 | |
| Employer Medicare | 1,300 | |
| On-Behalf Payments to OPEB | 153,901 | |
| Total Other Programs | | 260,054 |
| Board of Education | | |
| Secretary to Board | $ 3,000 | |
| Board and Committee Members Fees | 17,100 | |
| Social Security | 826 | |
| State Retirement | 336 | |
| Unemployment Compensation | 15,778 | |
| Employer Medicare | 289 | |
| Audit Services | 10,000 | |
| Dues and Memberships | 16,681 | |
| Legal Services | 100,394 | |
| Legal Notices, Recording, and Court Costs | 3,289 | |
| Travel | 4,923 | |
| Excess Risk Insurance | 30,045 | |
| Liability Insurance | 31,443 | |
| Premiums on Corporate Surety Bonds | 91 | |

(Continued)

Exhibit K-9

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

| | | |
|---|---|---|
| General Purpose School Fund (Cont.) | | |
| Support Services (Cont.) | | |
| Board of Education (Cont.) | | |
| Trustee's Commission | $ 162,256 | |
| Workers' Compensation Insurance | 166,698 | |
| Other Charges | 2,430 | |
| Total Board of Education | | $ 565,579 |
| Director of Schools | | |
| County Official/Administrative Officer | $ 100,571 | |
| Career Ladder Program | 1,000 | |
| Accountants/Bookkeepers | 27,440 | |
| Secretary(ies) | 46,018 | |
| Social Security | 10,363 | |
| State Retirement | 17,247 | |
| Medical Insurance | 27,339 | |
| Employer Medicare | 2,424 | |
| Communication | 6,229 | |
| Postal Charges | 3,068 | |
| Printing, Stationery, and Forms | 5,824 | |
| Rentals | 5,510 | |
| Travel | 7,100 | |
| Office Supplies | 3,308 | |
| Other Supplies and Materials | 6,505 | |
| Total Director of Schools | | 269,946 |
| Office of the Principal | | |
| Principals | $ 703,036 | |
| Career Ladder Program | 12,000 | |
| Secretary(ies) | 298,333 | |
| Social Security | 57,564 | |
| State Retirement | 95,833 | |
| Medical Insurance | 128,582 | |
| Employer Medicare | 13,463 | |
| Communication | 36,091 | |
| Travel | 5,695 | |
| Office Supplies | 17,312 | |
| Other Charges | 527 | |
| Total Office of the Principal | | 1,368,436 |
| Operation of Plant | | |
| Custodial Personnel | $ 91,097 | |
| Social Security | 5,170 | |
| State Retirement | 4,007 | |
| Medical Insurance | 11,849 | |
| Employer Medicare | 1,209 | |
| Maintenance and Repair Services - Equipment | 2,594 | |
| Rentals | 28,192 | |
| Disposal Fees | 49,630 | |
| Permits | 500 | |
| Other Contracted Services | 887,520 | |
| Custodial Supplies | 3,198 | |

(Continued)

Exhibit K-9

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

| | | |
|---|---|---|
| General Purpose School Fund (Cont.) | | |
| Support Services (Cont.) | | |
| Operation of Plant (Cont.) | | |
| Electricity | $ 756,221 | |
| Natural Gas | 182,235 | |
| Water and Sewer | 77,984 | |
| Other Supplies and Materials | 9,142 | |
| Building and Contents Insurance | 98,839 | |
| Furniture and Fixtures | 4,184 | |
| Total Operation of Plant | | $ 2,213,571 |
| Maintenance of Plant | | |
| Supervisor/Director | $ 45,430 | |
| Secretary(ies) | 26,896 | |
| Maintenance Personnel | 192,910 | |
| Social Security | 14,578 | |
| State Retirement | 29,706 | |
| Medical Insurance | 46,358 | |
| Employer Medicare | 3,409 | |
| Communication | 1,851 | |
| Laundry Service | 8,598 | |
| Maintenance and Repair Services - Buildings | 10,167 | |
| Maintenance and Repair Services - Equipment | 49,835 | |
| Pest Control | 10,094 | |
| Printing, Stationery, and Forms | 267 | |
| Travel | 823 | |
| Other Contracted Services | 62,750 | |
| Drugs and Medical Supplies | 282 | |
| Equipment and Machinery Parts | 83,007 | |
| General Construction Materials | 10,108 | |
| Office Supplies | 663 | |
| Other Supplies and Materials | 13,952 | |
| Total Maintenance of Plant | | 611,684 |
| Transportation | | |
| Supervisor/Director | $ 41,723 | |
| Mechanic(s) | 71,512 | |
| Bus Drivers | 347,692 | |
| Social Security | 28,241 | |
| State Retirement | 43,291 | |
| Medical Insurance | 4,414 | |
| Employer Medicare | 6,657 | |
| Communication | 3,749 | |
| Maintenance and Repair Services - Equipment | 5,769 | |
| Maintenance and Repair Services - Vehicles | 28,614 | |
| Medical and Dental Services | 4,607 | |
| Printing, Stationery, and Forms | 79 | |
| Rentals | 1,452 | |
| Towing Services | 4,495 | |
| Travel | 1,128 | |
| Other Contracted Services | 4,079 | |
| Drugs and Medical Supplies | 1,168 | |

(Continued)

Exhibit K-9

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.) | | | |
| Gasoline | $ 340,353 | | |
| Office Supplies | 573 | | |
| Tires and Tubes | 43,220 | | |
| Vehicle Parts | 75,735 | | |
| Other Supplies and Materials | 8,461 | | |
| Vehicle and Equipment Insurance | 49,578 | | |
| Transportation Equipment | 203,354 | | |
| Total Transportation | | $ 1,319,944 | |
| Operation of Non-Instructional Services | | | |
| Community Services | | | |
| Other Salaries and Wages | $ 72,611 | | |
| Social Security | 4,267 | | |
| State Retirement | 3,201 | | |
| Medical Insurance | 1,330 | | |
| Employer Medicare | 998 | | |
| Other Contracted Services | 300 | | |
| Other Supplies and Materials | 27,587 | | |
| Total Community Services | | 110,294 | |
| Early Childhood Education | | | |
| Teachers | $ 252,141 | | |
| Educational Assistants | 72,714 | | |
| Certified Substitute Teachers | 2,080 | | |
| Non-certified Substitute Teachers | 2,912 | | |
| Social Security | 17,605 | | |
| State Retirement | 27,896 | | |
| Medical Insurance | 68,888 | | |
| Employer Medicare | 4,128 | | |
| Communication | 4,514 | | |
| Legal Notices, Recording, and Court Costs | 3,742 | | |
| Postal Charges | 33 | | |
| Other Contracted Services | 3,891 | | |
| Other Supplies and Materials | 129,213 | | |
| In Service/Staff Development | 4,240 | | |
| Total Early Childhood Education | | 593,997 | |
| Capital Outlay | | | |
| Regular Capital Outlay | | | |
| Building Improvements | $ 383,946 | | |
| Other Construction | 4,365 | | |
| Total Regular Capital Outlay | | 388,311 | |
| Other Debt Service | | | |
| Education | | | |
| Contributions | $ 483,279 | | |
| Total Education | | 483,279 | |
| Total General Purpose School Fund | | | $ 29,706,313 |

(Continued)

Exhibit K-9

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

| | | |
|---|---|---|
| School Federal Projects Fund | | |
| Instruction | | |
| Regular Instruction Program | | |
| Teachers | $ 589,673 | |
| Educational Assistants | 193,065 | |
| Certified Substitute Teachers | 12,075 | |
| Non-certified Substitute Teachers | 11,487 | |
| Social Security | 45,403 | |
| State Retirement | 67,654 | |
| Medical Insurance | 106,402 | |
| Employer Medicare | 10,933 | |
| Other Contracted Services | 253,066 | |
| Instructional Supplies and Materials | 23,289 | |
| Regular Instruction Equipment | 254,552 | |
| Total Regular Instruction Program | | $ 1,567,599 |
| Special Education Program | | |
| Teachers | $ 56,982 | |
| Educational Assistants | 435,410 | |
| Social Security | 25,993 | |
| State Retirement | 48,118 | |
| Medical Insurance | 117,819 | |
| Employer Medicare | 6,087 | |
| Contracts with Private Agencies | 5,400 | |
| Instructional Supplies and Materials | 13,611 | |
| Special Education Equipment | 13,581 | |
| Total Special Education Program | | 723,001 |
| Vocational Education Program | | |
| Instructional Supplies and Materials | $ 5,505 | |
| Other Supplies and Materials | 1,031 | |
| Vocational Instruction Equipment | 22,947 | |
| Total Vocational Education Program | | 29,483 |
| Support Services | | |
| Health Services | | |
| Medical Personnel | $ 23,047 | |
| Social Security | 1,013 | |
| State Retirement | 2,426 | |
| Medical Insurance | 9,306 | |
| Employer Medicare | 237 | |
| Drugs and Medical Supplies | 446 | |
| Total Health Services | | 36,475 |
| Other Student Support | | |
| Guidance Personnel | $ 18,856 | |
| Other Salaries and Wages | 21,669 | |
| Social Security | 2,446 | |
| State Retirement | 3,758 | |
| Employer Medicare | 572 | |
| Evaluation and Testing | 2,209 | |
| Travel | 7,679 | |

(Continued)

Exhibit K-9

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

| | | | |
|---|---|---|---|
| School Federal Projects Fund (Cont.) | | | |
| Support Services (Cont.) | | | |
| Other Student Support (Cont.) | | | |
| Other Contracted Services | $ 500 | | |
| In Service/Staff Development | 527 | | |
| Other Charges | 23,911 | | |
| Total Other Student Support | | $ 82,127 | |
| Regular Instruction Program | | | |
| Supervisor/Director | $ 37,475 | | |
| Secretary(ies) | 25,960 | | |
| Educational Assistants | 7,119 | | |
| Other Salaries and Wages | 295,310 | | |
| Certified Substitute Teachers | 640 | | |
| Non-certified Substitute Teachers | 312 | | |
| Social Security | 18,944 | | |
| State Retirement | 29,778 | | |
| Medical Insurance | 13,703 | | |
| Employer Medicare | 4,981 | | |
| Operating Lease Payments | 993 | | |
| Travel | 2,914 | | |
| Other Supplies and Materials | 2,319 | | |
| In Service/Staff Development | 22,307 | | |
| Total Regular Instruction Program | | 462,755 | |
| Special Education Program | | | |
| Clerical Personnel | $ 16,444 | | |
| Other Salaries and Wages | 10,037 | | |
| Social Security | 1,489 | | |
| State Retirement | 1,842 | | |
| Medical Insurance | 4,479 | | |
| Employer Medicare | 348 | | |
| Travel | 181 | | |
| Total Special Education Program | | 34,820 | |
| Transportation | | | |
| Mechanic(s) | $ 8,582 | | |
| Bus Drivers | 83,991 | | |
| Social Security | 5,721 | | |
| State Retirement | 8,622 | | |
| Employer Medicare | 1,341 | | |
| Other Supplies and Materials | 942 | | |
| Transportation Equipment | 5,358 | | |
| Total Transportation | | 114,557 | |
| Total School Federal Projects Fund | | | $ 3,050,817 |
| Central Cafeteria Fund | | | |
| Operation of Non-Instructional Services | | | |
| Food Service | | | |
| Supervisor/Director | $ 62,176 | | |
| Accountants/Bookkeepers | 25,960 | | |

(Continued)

Exhibit K-9

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

| | | | |
|---|---|---|---|
| Central Cafeteria Fund (Cont.) | | | |
| Operation of Non-Instructional Services (Cont.) | | | |
| Food Service (Cont.) | | | |
| Cafeteria Personnel | $ 697,217 | | |
| Maintenance Personnel | 27,340 | | |
| Educational Incentive - Other County Employees | 3,000 | | |
| Other Salaries and Wages | 1,192 | | |
| Social Security | 44,922 | | |
| State Retirement | 68,584 | | |
| Medical Insurance | 161,717 | | |
| Employer Medicare | 10,507 | | |
| Audit Services | 3,000 | | |
| Communication | 7,648 | | |
| Freight Expenses | 8,965 | | |
| Legal Notices, Recording, and Court Costs | 266 | | |
| Maintenance Agreements | 7,707 | | |
| Pest Control | 2,269 | | |
| Postal Charges | 474 | | |
| Printing, Stationery, and Forms | 1,256 | | |
| Travel | 2,137 | | |
| Disposal Fees | 37,964 | | |
| Other Contracted Services | 12,459 | | |
| Custodial Supplies | 136 | | |
| Equipment and Machinery Parts | 18,908 | | |
| Food Supplies | 1,245,693 | | |
| Office Supplies | 6,616 | | |
| USDA - Commodities | 143,724 | | |
| Other Supplies and Materials | 116,925 | | |
| Trustee's Commission | 38 | | |
| In Service/Staff Development | 4,075 | | |
| Food Service Equipment | 54,734 | | |
| Total Food Service | | $ 2,777,609 | |
| Total Central Cafeteria Fund | | | $ 2,777,609 |
| Education Capital Projects Fund | | | |
| Capital Projects | | | |
| Education Capital Projects | | | |
| Engineering Services | $ 6,300 | | |
| Total Education Capital Projects | | $ 6,300 | |
| Total Education Capital Projects Fund | | | 6,300 |
| Total Governmental Funds - Weakley County School Department | | | $ 35,541,039 |

Exhibit K-10

Weakley County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2013

| | Cities - Sales Tax Fund |
|---|---|
| Cash Receipts | |
| Local Option Sales Tax | $ 2,871,098 |
| Total Cash Receipts | $ 2,871,098 |
| Cash Disbursements | |
| Remittance of Revenue Collected | $ 2,823,510 |
| Trustee's Commission | 28,711 |
| Contributions | 18,877 |
| Total Cash Disbursements | $ 2,871,098 |
| Excess of Cash Receipts Over (Under) Cash Disbursements | $ 0 |
| Cash Balance, July 1, 2012 | 0 |
| Cash Balance, June 30, 2013 | $ 0 |

# SINGLE AUDIT SECTION

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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the 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, 2013, and the related notes to the financial statements, which collectively comprise Weakley County's basic financial statements, and have issued our report thereon dated January 22, 2014. Our report includes a reference to other auditors who audited the financial statements of the Weakley County Municipal Electric System, Weakley County Nursing Home, and Weakley County Emergency Communications District 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 of the financial statements, we considered Weakley County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Weakley County's internal control. Accordingly, we do not express an opinion on the effectiveness of Weakley County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable

possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2013-001.

**Compliance and Other Matters**

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

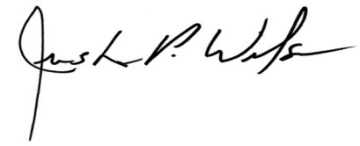
**Weakley County's Response to Finding**

Weakley County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Weakley County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Weakley County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 22, 2014

JPW/sb

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

## Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

### Report on Compliance for Each Major Federal Program

We have audited Weakley County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Weakley County's major federal programs for the year ended June 30, 2013. 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.

#### *Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of Weakley County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and*

*Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Weakley County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Weakley County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of Weakley County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Weakley County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

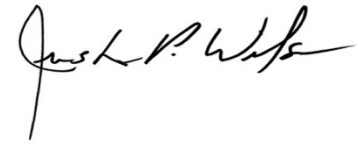
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the 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, 2013, and the related notes to the financial statements, which collectively comprise Weakley County's basic financial statements. We issued our report thereon dated January 22, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 22, 2014

JPW/sb

Weakley County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2013

| Federal/Pass Through Agency/State Grantor Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Expenditures | |
|---|---|---|---|---|
| U.S. Department of Agriculture: | | | | |
| Passed-through State Department of Agriculture: | | | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | (2) | $ 143,724 | (4) |
| Passed-through State Department of Education: | | | | |
| Child Nutrition Cluster: | | | | |
| School Breakfast Program | 10.553 | (2) | 583,451 | |
| National School Lunch Program | 10.555 | (2) | 1,143,442 | (4) |
| Child and Adult Care Food Program | 10.558 | (2) | 3,589 | |
| Total U.S. Department of Agriculture | | | $ 1,874,206 | |
| U.S. Department of Housing and Urban Development: | | | | |
| Passed-through State Department of Economic and Community Development: | | | | |
| Community Development Block Grant/State's Program | 14.228 | 33004-00813 | $ 24,547 | |
| Total U.S. Department of Housing and Urban Development | | | $ 24,547 | |
| U.S. Department of Transportation: | | | | |
| Passed-through State Department of Transportation: | | | | |
| Highway Planning and Construction | 20.205 | SRTS-9200 | $ 46,929 | |
| Alcohol Open Container Requirements | 20.607 | Z-13-GHS387 | 4,999 | |
| Total U.S. Department of Transportation | | | $ 51,928 | |
| U.S. Department of Education: | | | | |
| Passed-through State Department of Labor and Workforce Development: | | | | |
| Adult Education - Basic Grants to States | 84.002 | (2) | $ 113,082 | |
| Passed-through State Department of Education: | | | | |
| Title I Grants to Local Educational Agencies | 84.010 | (2) | 1,349,612 | |
| Special Education Cluster: | | | | |
| Special Education - Grants to States | 84.027 | (2) | 885,099 | |
| Special Education - Preschool Grants | 84.173 | (2) | 38,235 | |
| Career and Technical Education - Basic Grants to States | 84.048 | (2) | 54,145 | |
| Rural Education | 84.358 | (2) | 85,454 | |
| Improving Teacher Quality State Grants | 84.367 | (2) | 201,183 | |
| State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act | 84.395 | (2) | 455,485 | |
| State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act | 84.397 | (2) | 11,907 | |
| Total U.S. Department of Education | | | $ 3,194,202 | |
| 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) | $ 118,745 | |
| Total U.S. Department of Health and Human Services | | | $ 118,745 | |
| U.S. Department of Homeland Security: | | | | |
| Passed-through State Department of Military: | | | | |
| Emergency Management Performance Grants | 97.042 | Z-0-000115-68 | $ 2,892 | |
| Interoperable Emergency Communications | 97.055 | 2010-IP-T0-0021 | 6,751 | |
| Homeland Security Grant Program | 97.067 | 2011-HSGP-Z-9373 | 24,490 | |
| Total U.S. Department of Homeland Security | | | $ 34,133 | |
| Total Federal Awards | | | $ 5,297,761 | |

(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 | Contract Number | Expenditures |
|---|---|---|---|
| State Grants: | | | |
| Juvenile Justice and Delinquency Prevention - State Department of Children's Services | N/A | (3) | $ 66,257 |
| Preventive Health and Human Services - State Department of Health | N/A | GG-13-38857-00 | 31,429 |
| 27th Judicial District Drug Court - State Department of Finance and Administration | N/A | (2) | 50,000 |
| Library Services and Technology Act - Tennessee Secretary of State | N/A | (2) | 1,109 |
| Litter Grant - State Department of Environment and Conservation | N/A | (2) | 52,849 |
| Waste Tire Options Grant - State Department of Environment and Conservation | N/A | N/A | 13,027 |
| Coordinated School Health - State Department of Education | N/A | N/A | 89,893 |
| Connect Tennessee - State Department of Education | N/A | N/A | 14,934 |
| Safe Schools - State Department of Education | N/A | N/A | 24,400 |
| ACT/EXPLORE/PLAN - State Department of Education | N/A | N/A | 5,492 |
| Adult Education - State Department of Labor and Workforce Development | N/A | N/A | 37,694 |
| Early Childhood Education - State Department of Education | N/A | N/A | 584,206 |
| Total State Grants | | | $ 971,290 |

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) GG-13-30244-00: $57,257; GG-10-30085-00: $9,000.
(4) Total CFDA No. 10.555 is $1,287,166.

Weakley County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2013

*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, 2012, which have not been corrected.

## WEAKLEY COUNTY, TENNESSEE

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## For the Year Ended June 30, 2013

### PART I, SUMMARY OF AUDITOR'S RESULTS

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

2. The audit of the financial statements of Weakley County disclosed one significant deficiency in internal control. This deficiency was not considered to be a material weakness.

3. The audit disclosed no instances of noncompliance that are material to the financial statements of Weakley County.

4. The audit disclosed no significant deficiencies in internal control over major programs.

5. An unmodified opinion was issued on compliance for major programs.

6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.

7. Title I Grants to Local Education Agencies (CFDA No. 84.010) and State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) 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

A finding and recommendation, as a result of our examination, is presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. The director of finance provided a written response, which is paraphrased in this report.

### OFFICE OF DIRECTOR OF FINANCE

FINDING 2013-001 **THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT OF $122,175 AT JUNE 30, 2013**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The School Federal Projects Fund had a cash overdraft of $122,175 at June 30, 2013. This overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. Sound business practices dictate that expenditures be held within available funds. The cash overdraft was liquidated subsequent to June 30, 2013.

RECOMMENDATION

The Finance Department should not issue warrants exceeding cash on deposit with the county trustee.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

The payroll for the School Federal Projects Fund had to be released resulting in the outstanding warrant balance exceeding the book balance. However, the June 30, 2013, ending trustee's cash balance was $165,742. We utilize the state Department of Education's Federal Application Consolidated Tracking System to request the School Federal Projects' funds be sent to Weakley County. These funds were requested approximately 20 days in advance of the payroll date; however, the state did not release these funds in a timely fashion. Weakley County officials and employees contacted the state Department of Education's Finance and Administration Office repeatedly in efforts to receive the funds before June 30, 2013. The funds were received on July 5, 2013.

## 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, 2013**

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