ANNUAL FINANCIAL REPORT
WEAKLEY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2014

TENNESSEE
COMPTROLLER
OF THE TREASURY

ANNUAL FINANCIAL REPORT

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FOR THE YEAR ENDED JUNE 30, 2014

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JAN PAGE, CPA, CFE
Audit Manager

LEE ANN WEST, CPA, CGFM
TIFFANY NOLEN, CFE
Auditor 4s

SHELBI TUCKER
MANDY SPENCER
ELISHA CROWELL, CISA, CFE
State Auditors

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

WEAKLEY COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Weakley County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Weakley County as of and for the year ended June 30, 2014.

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

- Competitive bids were not solicited for custodial services at the Weakley County schools.

INTRODUCTORY SECTION

Weakley County Officials
June 30, 2014

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
John Liggett
Kim Longacre
Gath Meeks
Sarah Ann Pentecost
Joan Pritchett
Lindell Roney
Doug Sims
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, 2014, 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 16 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 one 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 opinions, 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, are 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons 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.

Change in Accounting Principles

As described in Note V.B., Weakley County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

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 102 - 104 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.

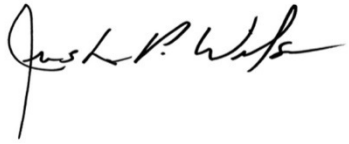
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Weakley County School Department (a discretely presented component unit), and miscellaneous 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 February 27, 2015, 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

February 27, 2015

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, 2014. 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 and deferred outflows of resources at year-end exceeded liabilities and deferred inflows of resources by $65,864,385 (i.e., net position).

- Total revenues of the governmental funds were $16,306,629, an increase of $295,548 from fiscal year 2013.

- Total expenditures of the governmental funds were $15,521,227, a decrease of $3,605,423 over fiscal year 2013.

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 is reported separately from the financial information presented for the primary government.

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; 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 eight 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 five 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, 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 through C-6 of this report.

Proprietary funds. Weakley County maintains two types of proprietary funds, an enterprise fund and an internal service 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. The county uses an internal service fund to account for its central vehicle fueling station. 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $30,231,783 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, 2014, Weakley County had outstanding debt totaling $8,742,729 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 position.

Weakley County Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and Other Assets	$ 12,854,315	$ 11,501,994	$ 13,019,031	$ 12,607,545	$ 25,873,346	$ 24,109,539
Capital Assets	35,539,982	38,682,731	32,595,210	32,539,589	68,135,192	71,222,320
Total Assets	$ 48,394,297	$ 50,184,725	$ 45,614,241	$ 45,147,134	$ 94,008,538	$ 95,331,859
Deferred Outflows of Resources:						
Deferred Charge on Refunding	$ 50,710	$ 95,032	$ 0	$ 0	$ 50,710	$ 95,032
Total Deferred Outflows of Resources	$ 50,710	$ 95,032	$ 0	$ 0	$ 50,710	$ 95,032
Liabilities:						
Other Liabilities	$ 33,041	$ 58,257	$ 8,231,132	$ 7,846,283	$ 8,264,173	$ 7,904,540
Long-term Liabilities Outstanding	11,647,659	14,492,509	1,750,507	2,061,395	13,398,166	16,553,904
Total Liabilities	$ 11,680,700	$ 14,550,766	$ 9,981,639	$ 9,907,678	$ 21,662,339	$ 24,458,444
Deferred Inflows of Resources:						
Deferred Current Property Taxes	$ 6,532,524	$ 6,433,372	$ 0	$ 0	$ 6,532,524	$ 6,433,372
Total Deferred Inflows of Resources	$ 6,532,524	$ 6,433,372	$ 0	$ 0	$ 6,532,524	$ 6,433,372
Net Position:						
Net Investment in Capital Assets	$ 33,268,852	$ 35,930,945	$ 32,595,210	$ 32,539,589	$ 65,864,062	$ 68,470,534
Restricted	706,445	699,047	226,874	0	933,319	699,047
Unrestricted	(3,743,514)	(7,334,373)	2,810,518	2,699,867	(932,996)	(4,634,506)
Total Net Position	$ 30,231,783	$ 29,295,619	$ 35,632,602	$ 35,239,456	$ 65,864,385	$ 64,535,075

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 ($706,445) 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	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	$ 2,534,146	$ 2,304,248	$ 46,884,179	$ 44,999,952	$ 49,418,325	$ 47,304,200
Operating Grants and Contributions	2,967,813	2,985,770	0	0	2,967,813	2,985,770
Capital Grants and Contributions	680,441	507,926	0	0	680,441	507,926
General Revenues:						
Property Taxes	6,791,350	6,805,422	0	0	6,791,350	6,805,422
Other Taxes	1,883,437	1,836,823	0	0	1,883,437	1,836,823
Grants and Contributions Not Restricted to Specific Programs	1,456,679	1,384,600	0	0	1,456,679	1,384,600
Unrestricted Investment Income	110,257	128,798	45,451	68,101	155,708	196,899
Other	77,709	39,845	0	0	77,709	39,845
Total Revenues	$ 16,501,832	$ 15,993,432	$ 46,929,630	$ 45,068,053	$ 63,431,462	$ 61,061,485
Expenses:						
General Government	$ 1,454,084	$ 861,054	$ 0	$ 0	$ 1,454,084	$ 861,054
Finance	1,209,681	1,190,291	0	0	1,209,681	1,190,291
Administration of Justice	1,034,139	1,035,507	0	0	1,034,139	1,035,507
Public Safety	4,021,233	3,469,816	0	0	4,021,233	3,469,816
Public Health and Welfare	460,554	420,782	0	0	460,554	420,782
Social, Cultural, and Recreational Services	422,924	415,794	0	0	422,924	415,794
Agriculture and Natural Resources	137,911	137,172	0	0	137,911	137,172
Other Operations	0	356,681	0	0	0	356,681
Highway/Public Works	6,900,192	6,803,835	0	0	6,900,192	6,803,835
Interest on Long-term Debt	167,552	369,932	0	0	167,552	369,932
Education	223,252	0	0	0	223,252	0
Other Debt Service	0	119,608	0	0	0	119,608
Capital Projects	0	154,942	0	0	0	154,942
Public Utility	0	0	46,070,630	43,743,590	46,070,630	43,743,590
Total Expenses	$ 16,031,522	$ 15,335,414	$ 46,070,630	$ 43,743,590	$ 62,102,152	$ 59,079,004
Transfers	$ 465,854	$ 467,323	$ (465,854)	$ (467,323)	$ 0	$ 0
Change in Net Position	$ 936,164	$ 1,125,341	$ 393,146	$ 857,140	$ 1,329,310	$ 1,982,481
Net Position, July 1	29,295,619	28,387,475	35,239,456	34,733,296	64,535,075	63,120,771
Reclassification	0	(113,131)	0	0	0	(113,131)
Restatement	0	(104,066)	0	0	0	(104,066)
Prior-period Adjustments	0	0	0	(350,980)	0	(350,980)
Net Position, June 30	$ 30,231,783	$ 29,295,619	$ 35,632,602	$ 35,239,456	$ 65,864,385	$ 64,535,075

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 $5,882,156, an increase of $1,277,426 in comparison with the prior year. Of this total amount, $493,333 is restricted with externally enforceable limitations on use, $4,364,321 is committed by the county legislative body to a specific fund or use, and $25,073 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 $999,429, while total fund balance was $1,219,724. 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 13 percent of total General Fund expenditures, while total fund balance represents 16 percent of that same amount.

The General Debt Service Fund has a total fund balance of $3,582,407. The increase in fund balance of $413,058 from the prior year is due to revenues exceeding debt payments.

General Fund Budgetary Highlights

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

General Government	$ (29,849)
Finance	(7,014)
Administration of Justice	(14,839)
Public Safety	(81,567)
Public Health and Welfare	75,254
Social, Cultural, and Recreational Services	(24,495)
Agriculture and Natural Resources	(635)
Other Operations	19,054
Total Decrease in Budgeted Expenditures	$ (64,091)

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, 2014, totaled $35,539,982 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other capital assets (includes equipment), and infrastructure (roads, highway, and bridges). The total decrease in Weakley County Government's investment in capital assets for the current fiscal year was $3,142,749 (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 vehicles. A new HVAC system was installed at the Weakley County Courthouse. The Weakley County Detention Center control panel in the jail section of the building was upgraded. The parking lot at the Weakley County Health Department was re-surfaced. The Highway Department purchased a new 14-wheel Mack Truck.

- The Board of Education purchased three school buses. New HVAC systems were installed at Greenfield, Gleason, and Martin Elementary schools. There were also major repairs to the roofs at Dresden K-8, Dresden High, and Sharon schools.

Long-term debt. At the end of the current fiscal year, Weakley County had total bonded debt outstanding of $1,860,000, a note payable of $133,130, and other loans payable of $9,020,729. All debt is backed by full faith and credit of the county.

Weakley County's Outstanding Debt
As of June 30, 2014

	Governmental Activities
Note Payable	$ 133,130
Other Loans Payable	9,020,729
Bonded Debt	1,860,000
Total	$ 11,013,859

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 8.5 percent, which is a decrease from a rate of 11.5 percent in June 2013.

- 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 2015 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, 2014

	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	$ 2,125	$ 7,582,541	$ 7,584,666	$ 0	$ 3,321,603	$ 765,756
Equity in Pooled Cash and Investments	5,090,992	0	5,090,992	7,540,265	0	0
Inventories	0	589,332	589,332	0	74,787	0
Investments	0	0	0	0	0	49,868
Accounts Receivable	28,261	3,101,712	3,129,973	7,653	456,347	8,297
Due from Other Governments	866,449	0	866,449	1,179,316	0	43,050
Due from Component Units	318	0	318	0	0	0
Property Taxes Receivable	6,901,789	0	6,901,789	3,523,819	0	0
Allowance for Uncollectible Property Taxes	(168,749)	0	(168,749)	(86,158)	0	0
Prepaid Items	0	56,303	56,303	0	9,866	2,677
Notes Receivable	133,130	1,689,143	1,822,273	0	0	0
Other Current Assets	0	0	0	0	0	9,000
Other Restricted Assets	0	0	0	0	22,494	0
Capital Assets:						
Assets Not Depreciated:						
Land	1,575,535	421,809	1,997,344	1,935,850	2,371	0
Construction in Progress	0	420,257	420,257	0	0	0
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	4,357,132	0	4,357,132	16,797,464	1,066,073	0
Infrastructure	28,987,446	0	28,987,446	0	0	0
Other Capital Assets	619,869	31,753,144	32,373,013	1,735,876	300,876	319,771
Total Assets	$ 48,394,297	$ 45,614,241	$ 94,008,538	$ 32,634,085	$ 5,254,417	$ 1,198,419
DEFERRED OUTFLOW OF RESOURCES						
Deferred Charge on Refunding	$ 50,710	$ 0	$ 50,710	$ 0	$ 0	$ 0
Total Deferred Outflow of Resources	$ 50,710	$ 0	$ 50,710	$ 0	$ 0	$ 0
LIABILITIES						
Accounts Payable	$ 20,811	$ 6,458,077	$ 6,478,888	$ 0	$ 131,688	$ 2,566
Accrued Payroll	0	0	0	0	73,677	0
Payroll Deductions Payable	0	0	0	33,164	24,727	0

(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
LIABILITIES (CONT.)						
Accrued Leave	$ 0	$ 552,666	$ 552,666	$ 0	$ 56,246	$ 306
Accrued Interest Payable	12,230	0	12,230	0	0	0
Other Current Liabilities	0	26,555	26,555	0	25,217	0
Current Liabilities Payable from Restricted Assets:						
Customer Deposits Payable	0	1,193,834	1,193,834	0	0	0
Other Payables from Restricted Assets	0	0	0	0	22,494	0
Noncurrent Liabilities:						
Due Within One Year	3,100,571	209,493	3,310,064	2,164	0	0
Due in More Than One Year (net of unamortized premium on debt)	8,547,088	1,541,014	10,088,102	485,242	0	0
Total Liabilities	$ 11,680,700	$ 9,981,639	$ 21,662,339	$ 520,570	$ 334,049	$ 2,872
DEFERRED INFLOW OF RESOURCES						
Deferred Current Property Taxes	$ 6,532,524	$ 0	$ 6,532,524	$ 3,335,284	$ 0	$ 0
Total Deferred Inflow of Resources	$ 6,532,524	$ 0	$ 6,532,524	$ 3,335,284	$ 0	$ 0
NET POSITION						
Net Investment in Capital Assets	$ 33,268,852	$ 32,595,210	$ 65,864,062	$ 20,469,190	$ 1,369,320	$ 319,771
Restricted for:						
General Government	17,597	0	17,597	0	0	0
Finance	16,105	0	16,105	0	0	0
Administration of Justice	72,137	0	72,137	0	0	0
Public Safety	92,027	0	92,027	0	0	0
Public Health and Welfare	40,001	0	40,001	0	0	0
Highway/Public Works	104,133	0	104,133	0	0	0
Debt Service	241,448	0	241,448	0	0	0
Capital Projects	122,997	226,874	349,871	56,117	0	0
Education	0	0	0	574,206	0	0
Operation of Non-instructional Services	0	0	0	341,972	0	0
Unrestricted	(3,743,514)	2,810,518	(932,996)	7,336,746	3,551,048	875,776
Total Net Position	$ 30,231,783	$ 35,632,602	$ 65,864,385	$ 28,778,231	$ 4,920,368	$ 1,195,547

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, 2014

		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	$ 1,454,084	$ 153,710	$ 16,704	$ 0	$ (1,283,670)	$ 0	$ (1,283,670)	$ 0	$ 0	$ 0
Finance	1,209,681	758,557	0	0	(451,124)	0	(451,124)	0	0	0
Administration of Justice	1,034,139	544,664	167,384	0	(322,091)	0	(322,091)	0	0	0
Public Safety	4,021,233	1,063,644	131,563	409,641	(2,416,385)	0	(2,416,385)	0	0	0
Public Health and Welfare	460,554	0	129,901	0	(330,653)	0	(330,653)	0	0	0
Social, Cultural, and Recreational Services	422,924	9,888	126,482	0	(286,554)	0	(286,554)	0	0	0
Agriculture and Natural Resources	137,911	0	0	0	(137,911)	0	(137,911)	0	0	0
Highways/Public Works	6,900,192	1,750	1,950,717	270,800	(4,676,925)	0	(4,676,925)	0	0	0
Education	223,252	0	227,430	0	4,178	0	4,178	0	0	0
Interest on Long-term Debt	167,552	1,933	217,632	0	52,013	0	52,013	0	0	0
Total Governmental Activities	$ 16,031,522	$ 2,534,146	$ 2,967,813	$ 680,441	$ (9,849,122)	$ 0	$ (9,849,122)	$ 0	$ 0	$ 0
Business-type Activities:										
Public Utility	$ 46,070,630	$ 46,884,179	$ 0	$ 0	$ 0	$ 813,549	$ 813,549	$ 0	$ 0	$ 0
Total Primary Government	$ 62,102,152	$ 49,418,325	$ 2,967,813	$ 680,441	$ (9,849,122)	$ 813,549	$ (9,035,573)	$ 0	$ 0	$ 0
Component Units:										
Weakley County School Department	$ 36,433,748	$ 876,050	$ 5,057,276	$ 0	$ 0	$ 0	$ 0	$ (30,500,422)	$ 0	$ 0
Weakley County Nursing Home	7,110,641	7,086,859	0	0	0	0	0	0	(23,782)	0
Weakley County Emergency Communications District	483,204	202,320	294,142	0	0	0	0	0	0	13,258
Total Component Units	$ 44,027,593	$ 8,165,229	$ 5,351,418	$ 0	$ 0	$ 0	$ 0	$ (30,500,422)	$ (23,782)	$ 13,258

(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					$ 4,140,930	$ 0	$ 4,140,930	$ 3,467,370	$ 0	$ 0
Property Taxes Levied for Debt Service					2,650,420	0	2,650,420	0	0	0
Local Option Sales Taxes					300,936	0	300,936	3,256,300	0	0
Hotel/Motel Tax					127,423	0	127,423	0	0	0
Wheel Tax					899,315	0	899,315	128,474	0	0
Litigation Taxes					176,661	0	176,661	0	0	0
Business Tax					214,582	0	214,582	0	0	0
Mineral Severance Tax					121,799	0	121,799	0	0	0
Other Local Taxes					42,721	0	42,721	58,368	0	0
Grants and Contributions Not Restricted to Specific Programs					1,456,679	0	1,456,679	23,081,164	0	21,570
Unrestricted Investment Income					110,257	45,451	155,708	0	20,724	7,476
Miscellaneous					77,709	0	77,709	101,405	0	0
Total General Revenues					$ 10,319,432	$ 45,451	$ 10,364,883	$ 30,093,081	$ 20,724	$ 29,046
Transfers					$ 465,854	$ (465,854)	$ 0	$ 0	$ 0	$ 0
Change in Net Position					$ 936,164	$ 393,146	$ 1,329,310	$ (407,341)	$ (3,058)	$ 42,304
Net Position, July 1, 2013					29,295,619	35,239,456	64,535,075	29,185,572	4,923,426	1,153,243
Net Position, June 30, 2014					$ 30,231,783	$ 35,632,602	$ 65,864,385	$ 28,778,231	$ 4,920,368	$ 1,195,547

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, 2014

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 2,125	$ 2,125
Equity in Pooled Cash and Investments	989,515	472,925	3,440,911	160,394	5,063,745
Accounts Receivable	6,815	10,442	0	11,004	28,261
Due from Other Governments	260,339	599,239	0	6,871	866,449
Due from Other Funds	12,603	0	0	0	12,603
Due from Component Units	318	0	0	0	318
Property Taxes Receivable	3,132,283	1,052,251	2,691,805	25,450	6,901,789
Allowance for Uncollectible Property Taxes	(76,584)	(25,727)	(65,815)	(623)	(168,749)
Notes Receivable - Long-term	0	0	133,130	0	133,130
Total Assets	$ 4,325,289	$ 2,109,130	$ 6,200,031	$ 205,221	$ 12,839,671
LIABILITIES					
Accounts Payable	$ 0	$ 0	$ 0	$ 2,888	$ 2,888
Due to Other Funds	0	0	0	12,603	12,603
Total Liabilities	$ 0	$ 0	$ 0	$ 15,491	$ 15,491
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 2,964,697	$ 995,953	$ 2,547,786	$ 24,088	$ 6,532,524
Deferred Delinquent Property Taxes	81,281	27,303	69,838	661	179,083
Other Deferred/Unavailable Revenue	59,587	170,830	0	0	230,417
Total Deferred Inflows of Resources	$ 3,105,565	$ 1,194,086	$ 2,617,624	$ 24,749	$ 6,942,024

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES					
Restricted:					
Restricted for General Government	$ 17,019	$ 0	$ 0	$ 0	$ 17,019
Restricted for Finance	16,105	0	0	0	16,105
Restricted for Administration of Justice	72,137	0	0	0	72,137
Restricted for Public Safety	67,921	0	0	24,106	92,027
Restricted for Public Health and Welfare	21,462	0	0	17,878	39,340
Restricted for Social, Cultural, and Recreational Services	578	0	0	0	578
Restricted for Debt Service	0	0	133,130	0	133,130
Restricted for Capital Projects	0	0	0	122,997	122,997
Committed:					
Committed for Highways/Public Works	0	915,044	0	0	915,044
Committed for Debt Service	0	0	3,449,277	0	3,449,277
Assigned:					
Assigned for General Government	10,060	0	0	0	10,060
Assigned for Finance	2,075	0	0	0	2,075
Assigned for Administration of Justice	4,067	0	0	0	4,067
Assigned for Public Safety	8,871	0	0	0	8,871
Unassigned	999,429	0	0	0	999,429
Total Fund Balances	$ 1,219,724	$ 915,044	$ 3,582,407	$ 164,981	$ 5,882,156
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,325,289	$ 2,109,130	$ 6,200,031	$ 205,221	$ 12,839,671

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, 2014

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)		$ 5,882,156
(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	4,357,132	
Add: infrastructure net of accumulated depreciation	28,987,446	
Add: other capital assets net of accumulated depreciation	619,869	35,539,982
(2) An internal service fund is used by management to charge the costs of a central vehicle fueling station to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		9,324
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: note payable	$ (133,130)	
Less: other loans payable	(9,020,729)	
Less: bonds payable	(1,860,000)	
Add: deferred amount on refunding	50,710	
Less: compensated absences payable	(245,867)	
Less: other postemployment benefits liability	(384,453)	
Less: accrued interest on bonds	(12,230)	
Less: other deferred revenue - premium on debt	(3,480)	(11,609,179)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		409,500
Net position of governmental activities (Exhibit A)		$ 30,231,783

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, 2014

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues					
Local Taxes	$ 4,452,772	$ 2,067,058	$ 2,718,406	$ 24,184	$ 9,262,420
Licenses and Permits	30,310	1,750	0	0	32,060
Fines, Forfeitures, and Penalties	154,162	0	0	44,649	198,811
Charges for Current Services	162,815	0	0	0	162,815
Other Local Revenues	56,117	39,609	110,257	6,067	212,050
Fees Received from County Officials	1,230,778	0	0	0	1,230,778
State of Tennessee	1,701,780	2,228,109	391,618	19,807	4,341,314
Federal Government	44,699	0	0	289,641	334,340
Other Governments and Citizens Groups	194,409	0	217,632	120,000	532,041
Total Revenues	$ 8,027,842	$ 4,336,526	$ 3,437,913	$ 504,348	$ 16,306,629
Expenditures					
Current:					
General Government	$ 876,590	$ 0	$ 0	$ 0	$ 876,590
Finance	1,178,797	0	0	0	1,178,797
Administration of Justice	998,369	0	0	0	998,369
Public Safety	3,376,822	0	0	60,578	3,437,400
Public Health and Welfare	409,436	0	0	33,388	442,824
Social, Cultural, and Recreational Services	405,815	0	0	0	405,815
Agriculture and Natural Resources	132,957	0	0	0	132,957
Other Operations	477,482	0	0	712	478,194
Highways	0	4,031,073	0	0	4,031,073
Debt Service:					
Principal on Debt	0	0	2,925,952	0	2,925,952
Interest on Debt	0	0	161,182	0	161,182
Other Debt Service	0	0	119,411	0	119,411

(Continued)

Exhibit C-3

Weakley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)					
Capital Projects	$ 0	$ 0	$ 0	$ 332,663	$ 332,663
Total Expenditures	$ 7,856,268	$ 4,031,073	$ 3,206,545	$ 427,341	$ 15,521,227
Excess (Deficiency) of Revenues Over Expenditures	$ 171,574	$ 305,453	$ 231,368	$ 77,007	$ 785,402
Other Financing Sources (Uses)					
Insurance Recovery	$ 26,170	$ 0	$ 0	$ 0	$ 26,170
Transfers In	211,422	71,025	181,690	1,717	465,854
Total Other Financing Sources (Uses)	$ 237,592	$ 71,025	$ 181,690	$ 1,717	$ 492,024
Net Change in Fund Balances	$ 409,166	$ 376,478	$ 413,058	$ 78,724	$ 1,277,426
Fund Balance, July 1, 2013	810,558	538,566	3,169,349	86,257	4,604,730
Fund Balance, June 30, 2014	$ 1,219,724	$ 915,044	$ 3,582,407	$ 164,981	$ 5,882,156

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, 2014

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)		$ 1,277,426
(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	$ 420,390	
Less: current-year depreciation expense	(3,563,139)	(3,142,749)
(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, 2014	$ 409,500	
Less: deferred delinquent property taxes and other deferred June 30, 2013	(455,817)	(46,317)
(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.		
Add: change in premium on debt issuances	$ 1,933	
Add: principal payments on note	10,656	
Add: principal payments on other loans	1,170,296	
Add: principal payments on bonds	1,745,000	
Less: change in deferred amount on refunding debt	(44,322)	2,883,563
(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	$ 37,952	
Change in compensated absences payable	(51,893)	
Change in other postemployment benefits liability	(31,142)	(45,083)
(5) An internal service fund is used by management to charge the costs of a central vehicle fueling station to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		9,324
Change in net position of governmental activities (Exhibit B)		$ 936,164

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 4,452,772	$ 0	$ 0	$ 4,452,772	$ 4,681,967	$ 4,583,911	$ (131,139)
Licenses and Permits	30,310	0	0	30,310	27,600	30,310	0
Fines, Forfeitures, and Penalties	154,162	0	0	154,162	183,300	188,600	(34,438)
Charges for Current Services	162,815	0	0	162,815	153,725	184,525	(21,710)
Other Local Revenues	56,117	0	0	56,117	12,378	38,652	17,465
Fees Received from County Officials	1,230,778	0	0	1,230,778	1,362,500	1,362,500	(131,722)
State of Tennessee	1,701,780	0	0	1,701,780	1,408,741	1,847,895	(146,115)
Federal Government	44,699	0	0	44,699	37,196	37,196	7,503
Other Governments and Citizens Groups	194,409	0	0	194,409	208,000	207,500	(13,091)
Total Revenues	$ 8,027,842	$ 0	$ 0	$ 8,027,842	$ 8,075,407	$ 8,481,089	$ (453,247)
Expenditures							
General Government							
County Commission	$ 71,724	$ 0	$ 800	$ 72,524	$ 90,776	$ 79,476	$ 6,952
County Mayor/Executive	141,239	(171)	0	141,068	146,494	143,299	2,231
County Attorney	2,050	0	0	2,050	500	2,050	0
Election Commission	222,831	0	0	222,831	233,363	223,053	222
Register of Deeds	182,757	0	0	182,757	179,384	183,373	616
County Buildings	242,507	(61,647)	9,260	190,120	202,660	192,077	1,957
Preservation of Records	13,482	0	0	13,482	23,406	23,406	9,924
Finance							
Accounting and Budgeting	392,582	(192)	2,075	394,465	393,145	395,031	566
Property Assessor's Office	236,543	0	0	236,543	240,896	239,555	3,012
Reappraisal Program	47,197	0	0	47,197	51,350	47,765	568
County Trustee's Office	200,518	(500)	0	200,018	201,459	200,378	360
County Clerk's Office	301,957	0	0	301,957	309,989	307,096	5,139
Administration of Justice							
Circuit Court	252,499	0	0	252,499	261,358	254,220	1,721
General Sessions Court	255,680	0	0	255,680	250,339	259,710	4,030
Chancery Court	203,971	0	4,067	208,038	227,397	217,683	9,645
Juvenile Court	205,254	0	0	205,254	218,340	211,062	5,808

(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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Administration of Justice (Cont.)							
District Attorney General	$ 35,621	$ 0	$ 0	$ 35,621	$ 35,704	$ 35,624	$ 3
Probation Services	45,344	0	0	45,344	62,747	62,747	17,403
Public Safety							
Sheriff's Department	1,624,033	(9,430)	8,766	1,623,369	1,733,767	1,674,405	51,036
Traffic Control	396,064	0	0	396,064	411,806	396,065	1
Jail	1,270,163	(7)	105	1,270,261	1,307,997	1,305,897	35,636
Correctional Incentive Program Improvements	975	0	0	975	2,000	975	0
Fire Prevention and Control	27,000	0	0	27,000	27,000	27,000	0
Civil Defense	47,478	0	0	47,478	59,291	58,342	10,864
Rescue Squad	5,500	0	0	5,500	5,500	5,500	0
County Coroner/Medical Examiner	4,200	0	0	4,200	6,000	4,200	0
Other Public Safety	1,409	0	0	1,409	2,000	1,410	1
Public Health and Welfare							
Local Health Center	95,565	0	0	95,565	74,044	114,420	18,855
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
Other Local Health Services	6,956	0	0	6,956	0	28,418	21,462
General Welfare Assistance	31,960	0	0	31,960	26,000	32,460	500
Other Local Welfare Services	35,288	0	0	35,288	46,200	46,200	10,912
Social, Cultural, and Recreational Services							
Adult Activities	153,195	0	0	153,195	177,810	157,502	4,307
Senior Citizens Assistance	49,964	0	0	49,964	52,314	50,467	503
Libraries	202,656	0	0	202,656	207,787	205,447	2,791
Agriculture and Natural Resources							
Agricultural Extension Service	73,655	0	0	73,655	78,968	78,518	4,863
Soil Conservation	35,574	0	0	35,574	35,766	35,581	7
Flood Control	23,728	0	0	23,728	23,800	23,800	72

(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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Other Operations							
Veterans' Services	$ 47,266	$ 0	$ 0	$ 47,266	$ 47,660	$ 47,691	$ 425
Other Charges	4,775	0	0	4,775	4,784	4,784	9
Contributions to Other Agencies	194,932	0	0	194,932	157,024	197,033	2,101
Employee Benefits	3,088	0	0	3,088	22,480	3,190	102
Miscellaneous	227,421	0	0	227,421	229,019	227,323	(98)
Total Expenditures	$ 7,856,268	$ (71,947)	$ 25,073	$ 7,809,394	$ 8,107,991	$ 8,043,900	$ 234,506
Excess (Deficiency) of Revenues Over Expenditures	$ 171,574	$ 71,947	$ (25,073)	$ 218,448	$ (32,584)	$ 437,189	$ (218,741)
Other Financing Sources (Uses)							
Insurance Recovery	$ 26,170	$ 0	$ 0	$ 26,170	$ 28,000	$ 28,000	$ (1,830)
Transfers In	211,422	0	0	211,422	8,500	215,922	(4,500)
Total Other Financing Sources	$ 237,592	$ 0	$ 0	$ 237,592	$ 36,500	$ 243,922	$ (6,330)
Net Change in Fund Balance	$ 409,166	$ 71,947	$ (25,073)	$ 456,040	$ 3,916	$ 681,111	$ (225,071)
Fund Balance, July 1, 2013	810,558	(71,947)	0	738,611	552,560	552,560	186,051
Fund Balance, June 30, 2014	$ 1,219,724	$ 0	$ (25,073)	$ 1,194,651	$ 556,476	$ 1,233,671	$ (39,020)

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 2,067,058	$ 0	$ 0	$ 2,067,058	$ 2,075,415	$ 2,063,233	$ 3,825
Licenses and Permits	1,750	0	0	1,750	0	1,750	0
Other Local Revenues	39,609	0	0	39,609	9,000	44,834	(5,225)
State of Tennessee	2,228,109	0	0	2,228,109	2,166,001	2,220,570	7,539
Total Revenues	$ 4,336,526	$ 0	$ 0	$ 4,336,526	$ 4,250,416	$ 4,330,387	$ 6,139
Expenditures							
Highways							
Administration	$ 130,248	$ 0	$ 0	$ 130,248	$ 134,807	$ 131,585	$ 1,337
Highway and Bridge Maintenance	2,369,638	(8,102)	270	2,361,806	2,415,316	2,426,914	65,108
Operation and Maintenance of Equipment	688,214	0	0	688,214	709,775	713,996	25,782
Litter and Trash Collection	44,965	(1,541)	0	43,424	45,200	45,200	1,776
Other Charges	119,769	0	0	119,769	128,006	124,346	4,577
Employee Benefits	526,239	0	0	526,239	540,019	526,252	13
Capital Outlay	152,000	0	303,273	455,273	479,280	476,280	21,007
Total Expenditures	$ 4,031,073	$ (9,643)	$ 303,543	$ 4,324,973	$ 4,452,403	$ 4,444,573	$ 119,600
Excess (Deficiency) of Revenues Over Expenditures	$ 305,453	$ 9,643	$ (303,543)	$ 11,553	$ (201,987)	$ (114,186)	$ 125,739
Other Financing Sources (Uses)							
Transfers In	$ 71,025	$ 0	$ 0	$ 71,025	$ 2,000	$ 71,275	$ (250)
Total Other Financing Sources	$ 71,025	$ 0	$ 0	$ 71,025	$ 2,000	$ 71,275	$ (250)
Net Change in Fund Balance	$ 376,478	$ 9,643	$ (303,543)	$ 82,578	$ (199,987)	$ (42,911)	$ 125,489
Fund Balance, July 1, 2013	538,566	(9,643)	0	528,923	510,116	510,116	18,807
Fund Balance, June 30, 2014	$ 915,044	$ 0	$ (303,543)	$ 611,501	$ 310,129	$ 467,205	$ 144,296

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

Exhibit D-1

Weakley County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities Major Fund Weakley County Municipal Electric System	Governmental Activities - Internal Service Fund Central Maintenance/ Garage
ASSETS		
Current Assets:		
Cash	$ 7,582,541	$ 0
Equity in Pooled Cash and Investments	0	8,851
Inventories	589,332	0
Accounts Receivable	3,101,712	0
Due from Other Funds	0	18,396
Prepaid Items	56,303	0
Total Current Assets	$ 11,329,888	$ 27,247
Noncurrent Assets:		
Notes Receivable	$ 1,689,143	$ 0
Capital Assets:		
Assets Not Depreciated:		
Land	421,809	0
Construction in Progress	420,257	0
Assets Net of Accumulated Depreciation:		
Other Capital Assets	31,753,144	0
Total Noncurrent Assets	$ 34,284,353	$ 0
Total Assets	$ 45,614,241	$ 27,247
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 6,458,077	$ 17,923
Accrued Leave	552,666	0
Other Current Liabilities	26,555	0
Current Liabilities Payable from Restricted Assets:		
Customer Deposits Payable	1,193,834	0
Total Current Liabilities	$ 8,231,132	$ 17,923
Noncurrent Liabilities:		
Due Within One Year	$ 209,493	$ 0
Due in More Than One Year	1,541,014	0
Total Noncurrent Liabilities	$ 1,750,507	$ 0
Total Liabilities	$ 9,981,639	$ 17,923
NET POSITION		
Net Investment in Capital Assets	$ 32,595,210	$ 0
Restricted for Capital Projects	226,874	0
Unrestricted	2,810,518	9,324
Total Net Position	$ 35,632,602	$ 9,324

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 Funds
For the Year Ended June 30, 2014

	Business-type Activities Major Fund Weakley County Municipal Electric System	Governmental Activities - Internal Service Fund Central Maintenance/ Garage
Operating Revenues		
Sale of Electric Energy		
Residential and Rural	$ 25,958,202	$ 0
Small Commercial	4,790,751	0
Large Commercial	13,962,455	0
Street and Outdoor Lighting	1,117,925	0
Other Electric Revenues		
Consumer Forfeited Discounts	316,374	0
Rent from Electric Property	592,009	0
Service Charge - Meter Sets	85,753	0
Miscellaneous	60,710	0
Other Local Revenues		
Sale of Gasoline	0	507,620
Total Operating Revenues	$ 46,884,179	$ 507,620
Operating Expenses		
Purchased Power	$ 38,450,132	$ 0
Operation Expense		
Transmission Expense		
Overhead Wire Expense	4,452	0
Station Expense	38,719	0
Distribution Expense		
Supervision and Engineering	119,548	0
Station Expense	28,269	0
Overhead Line Expense	835,958	0
Underground Line Expense	38,437	0
Street Lighting and Signal Systems	9,211	0
Removing and Resetting Meters	213,146	0
Services on Customers' Premises	64,559	0
Miscellaneous Distribution Expense	23,984	0
Rents	23,456	0
Customer Accounts Expense		
Supervision and Accounting	21,077	0
Meter Reading	254,496	0
Records and Collection	758,381	0
Customer Service and Sales Expense		
Supervision	14,051	0
Customer Assistance	37,171	0
Miscellaneous Sales Expense	116,728	0
Administrative and General Expense		
Salaries	315,901	0
Office Supplies and Expense	116,150	0
Outside Services	14,344	0
Insurance	52,095	0

(Continued)

Exhibit D-2

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

	Business-type Activities Major Fund Weakley County Municipal Electric System	Governmental Activities - Internal Service Fund Central Maintenance/ Garage
Operating Expenses (Cont.)		
Administrative and General Expense (Cont.)		
Injuries and Damages	$ 172,779	$ 0
Employee Pension and Benefits	631,762	0
Dues	41,677	0
Miscellaneous	39,383	0
Maintenance Expense		
Transmission Maintenance		
Station Equipment	44,265	0
Overhead Lines	36,506	0
Distribution Maintenance		
Station Equipment	20,654	0
Overhead Lines	941,426	0
Underground Lines	5,925	0
Line Transformers and Devices	47,310	0
Street Lights and Signal Systems	15,104	0
Meters	42,803	0
Security Lights	39,553	0
Miscellaneous	45,768	0
Administrative and General Maintenance		
Structures and Improvements	65,880	0
Communications Equipment	7,477	0
Fiber Optic	9,402	0
Other Facilities		
Maintenance and Repair Services - Equipment	0	310
Other Contracted Services	0	1,850
Diesel Fuel	0	372,741
Gasoline	0	123,395
Depreciation and Amortization	1,893,837	0
Tax Equivalent	329,644	0
Payroll Taxes	85,202	0
Total Operating Expenses	$ 46,066,622	$ 498,296
Operating Income	$ 817,557	$ 9,324
Nonoperating Revenues (Expenses)		
Investment Income	$ 45,451	$ 0
Other Interest Expense	(4,008)	0
Total Nonoperating Revenues (Expenses)	$ 41,443	$ 0
Income Before Transfers	$ 859,000	$ 9,324
Transfers In (Out)	(465,854)	0
Change in Net Position	$ 393,146	$ 9,324
Net Position, July 1, 2013	35,239,456	0
Net Position, June 30, 2014	$ 35,632,602	$ 9,324

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

Exhibit D-3

Weakley County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities Major Fund Weakley County Municipal Electric System	Governmental Activities - Internal Service Fund Central Maintenance/ Garage
Cash Flows from Operating Activities		
Cash Received from Customers and Users	$ 46,888,379	$ 489,224
Cash Payments to Suppliers for Goods and Services	(40,497,505)	(480,373)
Cash Payments to Employees for Services	(3,004,994)	0
Net Cash Advanced on Conservation Loans Receivable	86,841	0
Net Cash Proceeds from Conservation Loans Payable	(101,395)	0
Net Cash Provided By (Used In) Operating Activities	$ 3,371,326	$ 8,851
Cash Flows from Noncapital Financing Activities		
Interest Paid	$ (4,008)	$ 0
Transfers to Other Funds	(465,854)	0
Payments of USDA Loan Payable	(92,500)	0
Payments to TVA on Underbilling	(116,993)	0
Net Cash Provided By (Used In) Noncapital Financing Activities	$ (679,355)	$ 0
Cash Flows from Capital and Related Financing Activities		
Additions to Plant	$ (2,118,949)	$ 0
Removal Cost	(224,418)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	$ (2,343,367)	$ 0
Cash Flows from Investing Activities		
Interest Received	$ 45,451	$ 0
Payments Received on Notes Receivable	125,937	0
Net Cash Provided By (Used In) Investing Activities	$ 171,388	$ 0
Net Increase in Cash	$ 519,992	$ 8,851
Cash, July 1, 2013	7,062,549	0
Cash, June 30, 2014	$ 7,582,541	$ 8,851

(Continued)

Exhibit D-3

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

	Business-type Activities Major Fund Weakley County Municipal Electric System	Governmental Activities - Internal Service Fund Central Maintenance/ Garage
Reconciliation of Operating Income to Net Cash Provided By (Used In) Operating Activities		
Operating Income	$ 817,557	$ 9,324
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:		
Depreciation and Amortization	2,154,990	0
Change In:		
Accounts Receivable	(16,318)	0
Due from Other Funds	0	(18,396)
Inventories	31,486	0
Prepaid Items	13,316	0
Notes Receivable	86,841	0
Accounts Payable	360,460	17,923
Customer Deposits Payable	20,518	0
Accrued Leave	18,591	0
Other Current Liabilities	(14,720)	0
Conservation Loans Payable	(101,395)	0
Net Cash Provided By (Used In) Operating Activities	$ 3,371,326	$ 8,851
Reconciliation of Cash With the Statement of Net Position		
Cash Per Net Position	$ 7,582,541	$ 8,851
Cash, June 30, 2014	$ 7,582,541	$ 8,851

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, 2014

	Agency Funds
ASSETS	
Cash	$ 1,043,314
Equity in Pooled Cash and Investments	414,692
Due from Other Governments	510,834
Total Assets	$ 1,968,840
LIABILITIES	
Due to Other Taxing Units	$ 802,862
Due to Litigants, Heirs, and Others	1,165,978
Total Liabilities	$ 1,968,840

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

WEAKLEY COUNTY, TENNESSEE
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WEAKLEY COUNTY, TENNESSEE
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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, 2014.

Separate financial statements are provided for governmental funds, proprietary funds (internal service and enterprise), and fiduciary funds. The

internal service fund is reported with the governmental activities in the government-wide financial statements, and 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 funds 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. Weakley County reports two proprietary funds (internal service and enterprise).

Separate financial statements are provided for governmental funds, proprietary funds, 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 internal service fund and the fiduciary funds in total are reported in single columns by fund type.

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.

Proprietary funds and 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.

Internal Service Fund – The Central Maintenance/Garage Fund is used to account for the county's central vehicle fueling station. The various county departments are billed for their fuel usage and the payments are placed in this fund to pay the fuel costs.

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, 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has two proprietary funds, the Weakley County Municipal Electric System (enterprise fund) and a central maintenance/garage (internal service fund). Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the county's internal service fund are charges for fuel sales. Operating expenses

for the internal service fund include general operating expenses and fuel purchases.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows of the primary government (excluding the Weakley County Municipal Electric System), cash includes cash on deposit with the county trustee.

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. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.26 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 a 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 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 and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund 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. Net Position and Fund Balance

In the government-wide financial statements and the proprietary funds in the fund 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, 2014, Weakley County had $8,742,729 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 county's 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.

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

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 capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2014, Weakley County and the Weakley County School Department reported the following significant encumbrances:

Fund	Description	Amount
Primary Government:		
Major Fund:		
Highway/Public Works	Road Construction	$ 303,273
School Department:		
Major Fund:		
General Purpose School	School Roof Repairs	199,900
"	Buses	161,487

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Miscellaneous major appropriation category (the legal level of control) of the General Fund by $98. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

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, 2014, 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	109	$ 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, 2014, Weakley County's investment in the State Treasurer's Investment Pool was unrated.

B. Notes Receivable

During 2012-13, 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 and has a balance of $133,130 at June 30, 2014.

C. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	$ 1,575,535	$ 0	$ 0	$ 1,575,535
Total Capital Assets Not Depreciated	$ 1,575,535	$ 0	$ 0	$ 1,575,535
Capital Assets Depreciated:				
Buildings and Improvements	$ 12,777,312	$ 0	$ 0	$ 12,777,312
Infrastructure	73,346,887	16,000	0	73,362,887
Other Capital Assets	4,512,777	404,390	(198,422)	4,718,745
Total Capital Assets Depreciated	$ 90,636,976	$ 420,390	$ (198,422)	$ 90,858,944

Governmental Activities (Cont.):

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 7,970,321	$ 449,859	$ 0	$ 8,420,180
Infrastructure	41,574,339	2,801,102	0	44,375,441
Other Capital Assets	3,985,120	312,178	(198,422)	4,098,876
Total Accumulated Depreciation	$ 53,529,780	$ 3,563,139	$ (198,422)	$ 56,894,497
Total Capital Assets Depreciated, Net	$ 37,107,196	$ (3,142,749)	$ 0	$ 33,964,447
Governmental Activities Capital Assets, Net	$ 38,682,731	$ (3,142,749)	$ 0	$ 35,539,982

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	$ 84,966
Finance	14,183
Administration of Justice	21,448
Public Safety	412,379
Public Health and Welfare	23,929
Social, Cultural, and Recreational Services	13,092
Agriculture and Natural Resources	2,298
Other Operations	766
Highways/Public Works	2,990,078
Total Depreciation Expense - Governmental Activities	$ 3,563,139

Discretely Presented Weakley County School Department

Governmental Activities:

	Balance 7-1-13	Increases	Balance 6-30-14
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	$ 261,754	$ 61,615,293
Other Capital Assets	7,524,060	313,533	7,837,593
Total Capital Assets Depreciated	$ 68,877,599	$ 575,287	$ 69,452,886
Less Accumulated Depreciated For:			
Buildings and Improvements	$ 43,058,518	$ 1,759,311	$ 44,817,829
Other Capital Assets	5,379,436	722,281	6,101,717
Total Accumulated Depreciation	$ 48,437,954	$ 2,481,592	$ 50,919,546
Total Capital Assets Depreciated, Net	$ 20,439,645	$ (1,906,305)	$ 18,533,340
Governmental Activities Capital Assets, Net	$ 22,375,495	$ (1,906,305)	$ 20,469,190

There were no decreases in capital assets to report during the year ended June 30, 2014. Depreciation expense was charged to functions of the discretely presented Weakley County School Department as follows:

Governmental Activities:

Instruction	$ 1,425,318
Support Services	906,586
Operation of Non-instructional Services	149,688
Total Depreciation Expense - Governmental Activities	$ 2,481,592

D. Construction Commitments

At June 30, 2014, the Highway Department had uncompleted construction contracts of approximately $303,273 for road construction. Funding for these future expenditures is expected to be received from state appropriations. Also, at June 30, 2014, the discretely presented General Purpose School Fund had uncompleted construction contracts of $199,900 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, 2014, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 12,603
Central Maintenance/Garage	General	8,917
"	Highway/Public Works	9,479

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 Central Maintenance/Garage Fund totaling $18,396 was in transit from the General and Highway/Public Works funds at June 30, 2014.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit: Weakley County	
General	Nursing Home	$ 318

The due from component unit balance in the General Fund was in-transit from the Weakley County Nursing Home at June 30, 2014.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In: General Fund	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor Governmental Fund
Public Utility Fund	$ 211,422	$ 71,025	$ 181,690	$ 1,717

Discretely Presented Weakley County School Department

Transfers Out	Transfers In: General Purpose School Fund	Nonmajor Governmental Fund
General Purpose School Fund	$ 0	$ 150,000
Nonmajor governmental fund	3,116	0
	$ 3,116	$ 150,000

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, Note, 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, the capital outlay note, 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 the note. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, the note, and

other loans included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds, the capital outlay note, and other loans outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bond - School Refunding	2 to 4 %	5-1-15	$ 17,125,000	$ 1,860,000
Capital Outlay Note	0	10-31-22	143,786	133,130
Other Loans	0 to variable	5-25-23	19,552,645	9,020,729

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, 2014, the variable interest rate was .26 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, 2014, the variable interest rate was .24 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, the note, and other loans outstanding as of June 30, 2014, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds Principal	Interest	Total
2015	$ 1,860,000	$ 74,400	$ 1,934,400
Total	$ 1,860,000	$ 74,400	$ 1,934,400

Year Ending June 30	Note Principal	Total
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
2020-2023	53,210	53,210
Total	$ 133,130	$ 133,130

Year Ending June 30	Other Loans Principal	Interest	Other Fees	Total
2015	$ 1,212,296	$ 18,705	$ 55,511	$ 1,286,512
2016	1,256,296	16,132	48,088	1,320,516
2017	1,303,296	13,448	40,348	1,357,092
2018	1,350,296	10,646	32,269	1,393,211
2019	794,296	7,725	23,625	825,646
2020-2023	3,104,249	15,681	48,843	3,168,773
Total	$ 9,020,729	$ 82,337	$ 248,684	$ 9,351,750

There is $3,582,407 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, the note, and other loans totaled $314, 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, 2014, was as follows:

Governmental Activities:

	Bonds	Note
Balance, July 1, 2013	$ 3,605,000	$ 143,786
Reductions	(1,745,000)	(10,656)
Balance, June 30, 2014	$ 1,860,000	$ 133,130
Balance Due Within One Year	$ 1,860,000	$ 15,984

	Other Loans	Compensated Absences
Balance, July 1, 2013	$ 10,191,025	$ 193,974
Additions	0	335,255
Reductions	(1,170,296)	(283,362)
Balance, June 30, 2014	$ 9,020,729	$ 245,867
Balance Due Within One Year	$ 1,212,296	$ 12,291

	Other Postemployment Benefits
Balance, July 1, 2013	$ 353,311
Additions	34,364
Reductions	(3,222)
Balance, June 30, 2014	$ 384,453
Balance Due Within One Year	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	$ 11,644,179
Less: Balance Due Within One Year	(3,100,571)
Add: Deferred Revenue - Premium on Debt	3,480
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 8,547,088

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, 2014, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	$ 34,119	$ 545,102
Additions	35,022	107,562
Reductions	(25,865)	(208,534)
Balance, June 30, 2014	$ 43,276	$ 444,130
Balance Due Within One Year	$ 2,164	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	$ 487,406
Less: Balance Due Within One Year	(2,164)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 485,242

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Weakley County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were $105,233 and $43,495, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

During the year, Weakley County borrowed $1,550,000 from the General Debt Service Fund to provide temporary operating funds for the General ($1,000,000) and Highway/Public Works ($550,000) funds. These loans were retired prior to June 30, 2014, 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, 2014, was as follows:

	Balance 7-1-13	Issued	Paid	Balance 6-30-14
Tax Anticipation Notes	$ 0	$ 1,550,000	(1,550,000)	$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government (excluding the Weakley County Municipal Electric System, enterprise fund) and the Discretely Presented Weakley County School Department

Workers' Compensation Insurance

Weakley County and the Weakley County School Department participate 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 and School Department pay annual premiums to the LGWCF for their 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.

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

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, and Casualty Insurance

The Weakley County School Department carries commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, and casualty losses. Settled claims have not exceeded this commercial coverage in any of the past three years.

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. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70 relates to accounting and financial reporting by state and local governments and extend and receive nonexchange financial guarantees.

C. Subsequent Events

On August 31, 2014, Houston Patrick left the Office of County Mayor and was succeeded by Jake Bynum, Kermit Hopper left the Office of Highway Supervisor and was succeeded by Charles Ross, Pat Scarbrough left the Office of County Clerk and was succeeded by Kim Hughey, and Pam Belew left the Office of Circuit and General Sessions Courts Clerk and was succeeded by Jennifer Killebrew.

On September 30, 2014, the county's General Debt Service Fund issued a tax anticipation note totaling $802,910 to the General Fund for temporary operating funds.

On January 30, 2015, Susan Collins left the Office of Clerk and Master and was succeeded by Regina VanCleave.

D. Contingent Liabilities

There are several pending lawsuits in which the county and School Department are involved. Attorneys for the county and the School Department estimate that any potential claims against the county not covered by insurance resulting from such litigation should not materially affect the county's financial statements.

E. Joint Ventures

The Twenty-seventh Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-seventh Judicial District, Obion and Weakley counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Weakley County made no contributions to the DTF for the year ended June 30, 2014, 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 $20,000 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.

Weakley County transferred to the Hybrid Pension Plan for new hires effective July 1, 2013. Employees hired after the date of transfer participate in the alternate defined benefit plan. Vested members in the alternate defined benefit plan become eligible to retire at the age of 65 with five years of service or upon such time that the member's age plus years of service total at least 90. A reduced retirement benefit is available to vested members at the age of 60 with five years of service or upon such time that the member's age plus years of service total at least 80. Employees active as of the transfer date will continue to accrue salary and service credit in TCRS. The employer remains responsible for the pension liability for employees that were active as of the withdrawal date and for retirees of the employer.

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, 15th 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. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 11.2 percent and 5.9 percent of annual covered payroll for the Legacy and Hybrid Pension Plans, respectively. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2014, the county's annual pension cost of $1,155,571 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
6-30-14	$1,155,571	100%	$0
6-30-13	1,175,811	100	0
6-30-12	1,285,675	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 100 percent funded. The actuarial accrued liability for benefits was $31.58 million, and the actuarial value of assets was $31.58 million, resulting in an unfunded actuarial accrued liability (UAAL) of zero. The covered payroll (annual payroll of active employees covered by the plan) was $10.19 million, and the ratio of the UAAL to the covered payroll was zero 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, 2014, 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, 2014, 2013, and 2012, were $1,451,331, $1,454,707, and $1,514,582, 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 health care 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 health care 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 their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2014, Weakley County and the School Department contributed $3,222 and $208,534, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	$ 107,000	$ 34,000
Interest on the NOPEBO	21,804	14,132
Adjustment to the ARC	(21,242)	(13,768)
Annual OPEB cost	$ 107,562	$ 34,364
Less: Amount of contribution	(208,534)	(3,222)
Increase/decrease in NOPEBO	$ (100,972)	$ 31,142
Net OPEB obligation, 7-1-13	545,102	353,311
Net OPEB obligation, 6-30-14	$ 444,130	$ 384,453

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	$ 224,801	88%	$ 515,254
6-30-13	"	227,733	87	545,102
6-30-14	"	107,562	194	444,130
6-30-12	Local Government Group	76,469	11	284,121
6-30-13	"	77,301	10	353,311
6-30-14	"	34,364	9	384,453

Funding Status and Funding Progress

The funded status of the plans as of July 1, 2013, was as follows:

	Education Group Plan	Government Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	$ 1,186,000	$ 228,000
Actuarial value of plan assets	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 1,186,000	$ 228,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	$ 14,157,595	$ 4,084,987
UAAL as a % of covered payroll	8%	6%

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, 2013, 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 health care cost trend rate of 7.5 percent for fiscal year 2014. The trend will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. 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 director of finance 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, 2014, was $82,583.

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. The proportionate amount of expense is recognized in each of the benefitting periods.

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, 2014, was $1,855,109, and $261,153 cleared through other accounts, for a total accrual of $2,116,262. 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, 2014, 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, 2014, was $23,456.

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 June 2011, the Governmental Accounting Standards Board (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 Net Position. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2011. In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Statement No. 65 establishes accounting and financial reporting standards that

reclassifies, as deferred outflows or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This statement is effective for periods beginning after December 15, 2012. As of June 30, 2014, the electric system had no deferred outflows or deferred inflows of resources.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, and Statement No. 68, *Accounting and Financial Reporting for Pensions–an amendment of GASB Statement No. 27*. Statement No. 67, effective for fiscal years beginning after June 15, 2013, revises existing standards of financial reporting by state and local government pension plans and will be adopted by the pension plan itself. Statement No. 68 will affect the governments that participate as employers in these plans and is effective for fiscal years beginning after June 15, 2014. For governments to adopt Statement No. 68, the underlying pension plans must first adopt Statement No. 67. These statements establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. Statement No. 68 details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. The objective of Statement No. 68 is to improve accounting and financial reporting by state and local governments for pensions. These pension standards include significant changes to how governmental employers will report liabilities related to pension obligations. Management is currently evaluating the impact that the adoption of Statement No. 68 will have on the electric system's financial statements.

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, 2014, all bank deposits were fully collateralized or insured.

2. 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, 2014, was $465,854. An additional $237,853 in-lieu-of tax payment was made to the General Purpose School Fund.

3. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Transmission Plant Land	$ 100,307	$ 0	$ 0	$ 100,307
Distribution Plant Land	112,575	201	0	112,776
General Plant Land	301,631	0	(92,905)	208,726
Construction in Progress	566,645	0	(146,388)	420,257
Total Capital Assets Not Depreciated	$ 1,081,158	$ 201	$ (239,293)	$ 842,066
Capital Assets Depreciated:				
Transmission Plant	$ 4,878,621	$ 16,067	$ (2,363)	$ 4,892,325
Distribution Plant	42,795,214	1,752,729	(562,007)	43,985,936
General Plant	12,272,408	589,245	(543,844)	12,317,809
Electric Plant Acquisition Adjustment	170,870	0	(38,728)	132,142
Total Capital Assets Depreciated	$ 60,117,113	$ 2,358,041	$ (1,146,942)	$ 61,328,212
Less Accumulated Depreciation For:				
Transmission Plant	$ 3,247,241	$ 156,288	$ (2,020)	$ 3,401,509
Distribution Plant	21,865,409	1,395,238	(667,200)	22,593,447
General Plant	3,546,032	564,736	(530,656)	3,580,112
Total Accumulated Depreciation	$ 28,658,682	$ 2,116,262	$ (1,199,876)	$ 29,575,068
Total Capital Assets Depreciated, Net	$ 31,458,431	$ 241,779	$ 52,934	$ 31,753,144
Total Capital Assets, Net	$ 32,539,589	$ 241,980	$ (186,359)	$ 32,595,210

4. USDA Intermediary Loans

The electric system has two notes receivable from the Industrial Development Board of Weakley County related to USDA grant and loan funds for which the electric system acted as an intermediary. The electric system had a note payable to USDA at zero percent interest and a note receivable from the Industrial Development Board for the same amount, both requiring monthly payments of $7,708. In prior years, these receipts and disbursements offset each other, with no effect on the electric system's financial position. However, in June 2014, a modification agreement between the electric system and the Industrial Development Board was executed, retroactive to April 1, 2014, that reduced the amount of the monthly payments to be made by the Industrial Development Board to the electric system to $3,854 per month. This will result in the electric system advancing the

difference between the payments received from the Industrial Development Board and the payments the electric system makes to USDA, which will remain at the current amount of $7,708 per month.

The second note receivable is for repayment of funds advanced to the Industrial Development Board from the electric system through its participation in the Rural Economic Development Loan and Grant Program. This note was also modified and now calls for six annual payments of $22,500 each. The original note required annual payments of $45,000 ending in 2017.

The notes receivable have been reported in noncurrent assets in the accompanying Statement of Net Position. The amounts due within one year are $46,250 on the intermediary loan and $22,500 on the grant funds advanced, for a total current portion of $68,750 as of June 30, 2014.

The loan payable to USDA is reported in noncurrent liabilities, with the current portion of $92,500 included in current liabilities. Payments due on this loan are $92,500 per year for the years ending June 30, 2015, 2016, and 2017.

5. TVA Payable - Underbilling

An error was discovered during the prior 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
2015	$ 116,993
2016	77,996
Total	$ 194,989

6. Changes in Long-term Liabilities

Changes in long-term liabilities during the year ended June 30, 2014, are as follows:

	Balance 7-1-13	Payments	Balance 6-30-14	Due Within One Year
USDA Note Payable	$ 370,000	$ 92,500	$ 277,500	$ 92,500
TVA Underbilling	311,982	116,993	194,989	116,993
Total	$ 681,982	$ 209,493	$ 472,489	$ 209,493

7. Restricted Net Position

The electric system received grant monies from the Rural Economic Development Loan and Grant Program in a prior year to be used solely for the establishment and operation of a Revolving Loan Fund to finance approved rural economic development projects. The electric system advanced these monies to the Industrial Development Board of Weakley County, who is currently repaying these advances with annual payments (see Note VI.B.4). The repayments are being deposited into a restricted account as they are received. The grant agreement contains affirmative covenants requiring that the contribution deposited in the fund by the electric system, along with repayments of original loans and any interest earnings, will remain part of the fund and be used to finance approved projects. As a result of the account approaching a material amount as of June 30, 2014, the full amount of the Revolving Loan Fund has been reported as restricted net position.

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 electric system is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, (the most recent year available) was 18.8 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the 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 most recent year available) 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 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.

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 such, 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. Operating expenses are those expenses that are essential to the primary operations of the fund. All other revenues and 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, $146,618 in bad debts was written-off, and recoveries of $182,851 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 June 2011, the Governmental Accounting Standards Board (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 Net Position. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2011. In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred

outflows or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This statement is effective for periods beginning after December 15, 2012. As of June 30, 2014, the nursing home had no deferred outflows or deferred inflows of resources.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, and Statement No. 68, *Accounting and Financial Reporting for Pensions–an amendment of GASB Statement No. 27.* Statement No. 67, effective for fiscal years beginning after June 15, 2013, revises existing standards of financial reporting by state and local government pension plans and will be adopted by the pension plan itself. Statement No. 68 will affect the governments that participate as employers in these plans and is effective for fiscal years beginning after June 15, 2014. For governments to adopt Statement No. 68, the underlying pension plans must first adopt Statement No. 67. These statements establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. Statement No. 68 details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. The objective of Statement No. 68 is to improve accounting and financial reporting by state and local governments for pensions. These pension standards include significant changes to how governmental employers will report liabilities related to pension obligations. Management is currently evaluating the impact that the adoption of Statement No. 68 will have on the nursing home's financial statements.

g. <u>Net Position Flow Assumption</u>

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. As of June 30, 2014, all bank deposits were fully collateralized or insured.

2. Changes in Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

Capital Assets	Balance 7-1-13	Increases	Balance 6-30-14
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	78,048	2,995,282
Equipment	1,482,577	56,793	1,539,370
Vehicles	31,818	0	31,818
Other Assets	40,815	0	40,815
Total Capital Assets Depreciated	$ 4,536,656	$ 134,841	$ 4,671,497

Capital Assets (Cont.)	Balance 7-1-13	Increases	Balance 6-30-14
Less Accumulated Depreciated For:			
Land Improvements	$ 41,780	$ 1,828	$ 43,608
Building and Improvements	1,855,302	73,907	1,929,209
Equipment	1,174,026	85,072	1,259,098
Vehicles	28,951	2,867	31,818
Other Assets	40,815	0	40,815
Total Accumulated Depreciation	$ 3,140,874	$ 163,674	$ 3,304,548
Total Capital Assets Depreciated, Net	$ 1,395,782	$ (28,833)	$ 1,366,949
Business-type Capital Assets, Net	$ 1,398,153	$ (28,833)	$ 1,369,320

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.

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 a 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 organizations with the district's reporting entity is financial accountability as defined by the Governmental Accounting Standards Board (GASB). 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 district is accountable to the county for fiscal matters and must obtain the County Commission's approval before the issuance of most debt instruments.

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 by the 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. <u>Impact of Recently Issued Accounting Pronouncements</u>

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 Net Position. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2011. In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This statement is effective for periods beginning after December 15, 2012. As of June 30, 2014, the district had no deferred outflows or deferred inflows of resources.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, and Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Statement No. 67, effective for fiscal years beginning after June 15, 2013, revises existing standards of financial reporting by state and local government pension plans and will be adopted by the pension plan itself. Statement No. 68 will affect the governments that participate as employers in these plans and is effective for fiscal years beginning after June 15, 2014. For governments to adopt Statement No. 68, the underlying pension plans must first adopt Statement No. 67. These statements establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. Statement No. 68 details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. The objective of Statement No. 68 is to improve accounting and financial reporting by state and local governments for pensions. These pension standards include significant changes to how governmental employers will report liabilities related to pension obligations. Management is currently evaluating the impact that the adoption

of Statement No. 68 will have on the district's financial statements.

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.

For the year ended June 30, 2014, the district had the following line-item expenses that exceeded final budget appropriations:

Line-item	Final Budget	Actual Expense	Over Budget
Fees Paid to Service Providers	$ 67,900	$ 69,890	$ 1,990
Fuel - Vehicles	3,900	3,929	29
Utilities - General Telephone	1,700	1,771	71

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, 2014, all bank deposits were fully collateralized or insured.

2. Capital Assets

Capital assets activity during the year was as follows:

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Depreciated:			
Furniture and Fixtures	$ 716,146	$ 0	$ 716,146
Machinery and Equipment	21,993	0	21,993
Vehicles	23,000	0	23,000
Total Capital Assets Depreciated	$ 761,139	$ 0	$ 761,139
Less Accumulated Depreciation For:			
Furniture and Fixtures	$ 338,776	$ 58,318	$ 397,094
Machinery and Equipment	18,841	2,433	21,274
Vehicles	23,000	0	23,000
Total Accumulated Depreciation	$ 380,617	$ 60,751	$ 441,368
Total Capital Assets, Net	$ 380,522	$ (60,751)	$ 319,771

Depreciation expense for the year ended June 30, 2014, was $60,751.

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, 2014, 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, 2014, the Weakley County Emergency Communications District's annual pension cost of $11,424 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, 2013, which established contribution rates effective July 1, 2014.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	$11,424	100 %	$ 0
6-30-13	10,329	100	0
6-30-12	10,049	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date available, the plan was 65.11 percent funded. The actuarial accrued liability for benefits was $215,000, and the actuarial value of assets was $140,000, resulting in an unfunded actuarial accrued liability (UAAL) of $75,000. The covered payroll (annual payroll of active employees covered by the plan) was $65,000, and the ratio of the UAAL to the covered payroll was 115.39 percent.

The Schedule of Funding Progress 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, 2014

(Dollar amounts in thousands)

Plans	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)
Primary Government (excluding the Municipal Electric System) and the Discretely Presented School Department	7-1-13	$ 31,576	$ 31,576	$ 0	100.00 %	$ 10,188	0.00 %
"	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
Primary Government - 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

Exhibit F-2

Weakley County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Weakley County School Department
June 30, 2014

(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	7-1-10	$ 0	$ 943	$ 943	0 %	$ 3,744	25 %
"	7-1-11	0	560	560	0	4,225	13
"	7-1-13	0	228	228	0	4,085	6
DISCRETELY PRESENTED WEAKLEY COUNTY SCHOOL DEPARTMENT							
Local Education Group	7-1-10	0	2,708	2,708	0	18,843	14
"	7-1-11	0	2,321	2,321	0	13,972	17
"	7-1-13	0	1,186	1,186	0	14,158	8

WEAKLEY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

NONE

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.

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 of deeds, 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.

Exhibit G-1

Weakley County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu-tional Officers - Fees	Total	Community Development/ Industrial Park
ASSETS					
Cash	$ 0	$ 0	$ 2,125	$ 2,125	$ 0
Equity in Pooled Cash and Investments	13,817	23,580	0	37,397	115,169
Accounts Receivable	0	526	10,478	11,004	0
Due from Other Governments	6,871	0	0	6,871	0
Property Taxes Receivable	25,450	0	0	25,450	0
Allowance for Uncollectible Property Taxes	(623)	0	0	(623)	0
Total Assets	$ 45,515	$ 24,106	$ 12,603	$ 82,224	$ 115,169
LIABILITIES					
Accounts Payable	$ 2,888	$ 0	$ 0	$ 2,888	$ 0
Due to Other Funds	0	0	12,603	12,603	0
Total Liabilities	$ 2,888	$ 0	$ 12,603	$ 15,491	$ 0
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 24,088	$ 0	$ 0	$ 24,088	$ 0
Deferred Delinquent Property Taxes	661	0	0	661	0
Total Deferred Inflows of Resources	$ 24,749	$ 0	$ 0	$ 24,749	$ 0

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu-tional Officers - Fees	Total	Community Development/ Industrial Park
FUND BALANCES					
Restricted:					
Restricted for Public Safety	$ 0	$ 24,106	$ 0	$ 24,106	$ 0
Restricted for Public Health and Welfare	17,878	0	0	17,878	0
Restricted for Capital Projects	0	0	0	0	115,169
Total Fund Balances	$ 17,878	$ 24,106	$ 0	$ 41,984	$ 115,169
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 45,515	$ 24,106	$ 12,603	$ 82,224	$ 115,169

(Continued)

Exhibit G-1

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

	Capital Projects Funds (Cont.)		
	Highway Capital Projects	Total	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 0	$ 0	$ 2,125
Equity in Pooled Cash and Investments	7,828	122,997	160,394
Accounts Receivable	0	0	11,004
Due from Other Governments	0	0	6,871
Property Taxes Receivable	0	0	25,450
Allowance for Uncollectible Property Taxes	0	0	(623)
Total Assets	$ 7,828	$ 122,997	$ 205,221
LIABILITIES			
Accounts Payable	$ 0	$ 0	$ 2,888
Due to Other Funds	0	0	12,603
Total Liabilities	$ 0	$ 0	$ 15,491
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 0	$ 0	$ 24,088
Deferred Delinquent Property Taxes	0	0	661
Total Deferred Inflows of Resources	$ 0	$ 0	$ 24,749

(Continued)

Exhibit G-1

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

	Capital Projects Funds (Cont.)		
	Highway Capital Projects	Total	Total Nonmajor Governmental Funds
FUND BALANCES			
Restricted:			
Restricted for Public Safety	$ 0	$ 0	$ 24,106
Restricted for Public Health and Welfare	0	0	17,878
Restricted for Capital Projects	7,828	122,997	122,997
Total Fund Balances	$ 7,828	$ 122,997	$ 164,981
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 7,828	$ 122,997	$ 205,221

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, 2014

	Special Revenue Funds			Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Total	Community Development/ Industrial Park
Revenues				
Local Taxes	$ 24,181	$ 0	$ 24,181	$ 0
Fines, Forfeitures, and Penalties	0	44,649	44,649	0
Other Local Revenues	6,067	0	6,067	0
State of Tennessee	19,807	0	19,807	0
Federal Government	0	0	0	289,641
Other Governments and Citizens Groups	0	0	0	120,000
Total Revenues	$ 50,055	$ 44,649	$ 94,704	$ 409,641
Expenditures				
Current:				
Public Safety	$ 0	$ 60,578	$ 60,578	$ 0
Public Health and Welfare	33,388	0	33,388	0
Other Operations	712	0	712	0
Capital Projects	0	0	0	332,663
Total Expenditures	$ 34,100	$ 60,578	$ 94,678	$ 332,663
Excess (Deficiency) of Revenues Over Expenditures	$ 15,955	$ (15,929)	$ 26	$ 76,978
Other Financing Sources (Uses)				
Transfers In	$ 1,717	$ 0	$ 1,717	$ 0
Total Other Financing Sources (Uses)	$ 1,717	$ 0	$ 1,717	$ 0
Net Change in Fund Balances	$ 17,672	$ (15,929)	$ 1,743	$ 76,978
Fund Balance, July 1, 2013	206	40,035	40,241	38,191
Fund Balance, June 30, 2014	$ 17,878	$ 24,106	$ 41,984	$ 115,169

(Continued)

Exhibit G-2

Weakley County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds (Cont.)		
	Highway Capital Projects	Total	Total Nonmajor Governmental Funds
Revenues			
Local Taxes	$ 3	$ 3	$ 24,184
Fines, Forfeitures, and Penalties	0	0	44,649
Other Local Revenues	0	0	6,067
State of Tennessee	0	0	19,807
Federal Government	0	289,641	289,641
Other Governments and Citizens Groups	0	120,000	120,000
Total Revenues	$ 3	$ 409,644	$ 504,348
Expenditures			
Current:			
Public Safety	$ 0	$ 0	$ 60,578
Public Health and Welfare	0	0	33,388
Other Operations	0	0	712
Capital Projects	0	332,663	332,663
Total Expenditures	$ 0	$ 332,663	$ 427,341
Excess (Deficiency) of Revenues Over Expenditures	$ 3	$ 76,981	$ 77,007
Other Financing Sources (Uses)			
Transfers In	$ 0	$ 0	$ 1,717
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 1,717
Net Change in Fund Balances	$ 3	$ 76,981	$ 78,724
Fund Balance, July 1, 2013	7,825	46,016	86,257
Fund Balance, June 30, 2014	$ 7,828	$ 122,997	$ 164,981

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, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 24,181	$ 25,448	$ 24,419	$ (238)
Other Local Revenues	6,067	5,050	6,579	(512)
State of Tennessee	19,807	19,900	19,900	(93)
Total Revenues	$ 50,055	$ 50,398	$ 50,898	$ (843)
Expenditures				
Public Health and Welfare				
Recycling Center	$ 33,388	$ 31,261	$ 33,478	$ 90
Other Operations				
Employee Benefits	712	744	744	32
Total Expenditures	$ 34,100	$ 32,005	$ 34,222	$ 122
Excess (Deficiency) of Revenues Over Expenditures	$ 15,955	$ 18,393	$ 16,676	$ (721)
Other Financing Sources (Uses)				
Transfers In	$ 1,717	$ 0	$ 1,717	$ 0
Total Other Financing Sources	$ 1,717	$ 0	$ 1,717	$ 0
Net Change in Fund Balance	$ 17,672	$ 18,393	$ 18,393	$ (721)
Fund Balance, July 1, 2013	206	5,974	5,974	(5,768)
Fund Balance, June 30, 2014	$ 17,878	$ 24,367	$ 24,367	$ (6,489)

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, 2014

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Fines, Forfeitures, and Penalties	$ 44,649	$ 0	$ 44,649	$ 23,000	$ 55,261	$ (10,612)
Other Local Revenues	0	0	0	600	600	(600)
Total Revenues	$ 44,649	$ 0	$ 44,649	$ 23,600	$ 55,861	$ (11,212)
Expenditures						
Public Safety						
Drug Enforcement	$ 60,578	$ 6,695	$ 67,273	$ 85,300	$ 85,300	$ 18,027
Total Expenditures	$ 60,578	$ 6,695	$ 67,273	$ 85,300	$ 85,300	$ 18,027
Excess (Deficiency) of Revenues Over Expenditures	$ (15,929)	$ (6,695)	$ (22,624)	$ (61,700)	$ (29,439)	$ 6,815
Net Change in Fund Balance	$ (15,929)	$ (6,695)	$ (22,624)	$ (61,700)	$ (29,439)	$ 6,815
Fund Balance, July 1, 2013	40,035	0	40,035	70,816	70,816	(30,781)
Fund Balance, June 30, 2014	$ 24,106	$ (6,695)	$ 17,411	$ 9,116	$ 41,377	$ (23,966)

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, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 2,718,406	$ 2,878,227	$ 2,748,127	$ (29,721)
Other Local Revenues	110,257	132,000	112,000	(1,743)
State of Tennessee	391,618	403,210	391,620	(2)
Other Governments and Citizens Groups	217,632	181,296	217,632	0
Total Revenues	$ 3,437,913	$ 3,594,733	$ 3,469,379	$ (31,466)
Expenditures				
Principal on Debt				
General Government	$ 480,656	$ 470,000	$ 480,656	$ 0
Education	2,445,296	2,445,296	2,445,296	0
Interest on Debt				
General Government	6,659	31,000	6,661	2
Education	154,523	189,838	154,523	0
Other Debt Service				
General Government	78,667	66,000	80,018	1,351
Education	40,744	8,540	40,747	3
Total Expenditures	$ 3,206,545	$ 3,210,674	$ 3,207,901	$ 1,356
Excess (Deficiency) of Revenues Over Expenditures	$ 231,368	$ 384,059	$ 261,478	$ (30,110)
Other Financing Sources (Uses)				
Transfers In	$ 181,690	$ 0	$ 181,690	$ 0
Total Other Financing Sources	$ 181,690	$ 0	$ 181,690	$ 0
Net Change in Fund Balance	$ 413,058	$ 384,059	$ 443,168	$ (30,110)
Fund Balance, July 1, 2013	3,169,349	3,020,957	3,020,957	148,392
Fund Balance, June 30, 2014	$ 3,582,407	$ 3,405,016	$ 3,464,125	$ 118,282

Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or 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 of deeds, 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. During the fiscal year, the Judicial District Drug Fund was closed in Weakley County and transferred to Obion County.

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, 2014

	Agency Funds				
	Cities - Sales Tax	Watershed District	Constitutional Officers - Agency	District Attorney General	Total
ASSETS					
Cash	$ 0	$ 0	$ 1,043,314	$ 0	$ 1,043,314
Equity in Pooled Cash and Investments	0	292,297	0	122,395	414,692
Due from Other Governments	510,565	0	0	269	510,834
Total Assets	$ 510,565	$ 292,297	$ 1,043,314	$ 122,664	$ 1,968,840
LIABILITIES					
Due to Other Taxing Units	$ 510,565	$ 292,297	$ 0	$ 0	$ 802,862
Due to Litigants, Heirs, and Others	0	0	1,043,314	122,664	1,165,978
Total Liabilities	$ 510,565	$ 292,297	$ 1,043,314	$ 122,664	$ 1,968,840

Exhibit I-2

Weakley County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 2,938,833	$ 2,938,833	$ 0
Due from Other Governments	483,274	510,565	483,274	510,565
Total Assets	$ 483,274	$ 3,449,398	$ 3,422,107	$ 510,565
Liabilities				
Due to Other Taxing Units	$ 483,274	$ 3,449,398	$ 3,422,107	$ 510,565
Total Liabilities	$ 483,274	$ 3,449,398	$ 3,422,107	$ 510,565
Watershed District Fund				
Assets				
Equity in Pooled Cash and Investments	$ 10,575	$ 281,735	$ 13	$ 292,297
Total Assets	$ 10,575	$ 281,735	$ 13	$ 292,297
Liabilities				
Due to Other Taxing Units	$ 10,575	$ 281,735	$ 13	$ 292,297
Total Liabilities	$ 10,575	$ 281,735	$ 13	$ 292,297
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 1,084,701	$ 6,214,138	$ 6,255,525	$ 1,043,314
Total Assets	$ 1,084,701	$ 6,214,138	$ 6,255,525	$ 1,043,314
Liabilities				
Due to Litigants, Heirs, and Others	$ 1,084,701	$ 6,214,138	$ 6,255,525	$ 1,043,314
Total Liabilities	$ 1,084,701	$ 6,214,138	$ 6,255,525	$ 1,043,314

(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	$ 3,770	$ 0	$ 3,770	$ 0
Equity in Pooled Cash and Investments	299,714	28,517	328,231	0
Accounts Receivable	25,912	0	25,912	0
Due from Other Governments	2,530	0	2,530	0
Total Assets	$ 331,926	$ 28,517	$ 360,443	$ 0
Liabilities				
Due to Joint Ventures	$ 331,926	$ 28,517	$ 360,443	$ 0
Total Liabilities	$ 331,926	$ 28,517	$ 360,443	$ 0
District Attorney General Fund				
Assets				
Equity in Pooled Cash and Investments	$ 118,911	$ 13,392	$ 9,908	$ 122,395
Due from Other Governments	147	269	147	269
Total Assets	$ 119,058	$ 13,661	$ 10,055	$ 122,664
Liabilities				
Due to Litigants, Heirs, and Others	$ 119,058	$ 13,661	$ 10,055	$ 122,664
Total Liabilities	$ 119,058	$ 13,661	$ 10,055	$ 122,664
Totals - All Agency Funds				
Assets				
Cash	$ 1,088,471	$ 6,214,138	$ 6,259,295	$ 1,043,314
Equity in Pooled Cash and Investments	429,200	3,262,477	3,276,985	414,692
Accounts Receivable	25,912	0	25,912	0
Due from Other Governments	485,951	510,834	485,951	510,834
Total Assets	$ 2,029,534	$ 9,987,449	$ 10,048,143	$ 1,968,840
Liabilities				
Due to Other Taxing Units	$ 493,849	$ 3,731,133	$ 3,422,120	$ 802,862
Due to Litigants, Heirs, and Others	1,203,759	6,227,799	6,265,580	1,165,978
Due to Joint Ventures	331,926	28,517	360,443	0
Total Liabilities	$ 2,029,534	$ 9,987,449	$ 10,048,143	$ 1,968,840

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, 2014

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	$ 21,943,040	$ 107,295	$ 1,622,365	$ (20,213,380)
Support Services	11,013,137	135,963	935,563	(9,941,611)
Operation of Non-instructional Services	3,477,571	632,792	2,499,348	(345,431)
Total Governmental Activities	$ 36,433,748	$ 876,050	$ 5,057,276	$ (30,500,422)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 3,467,370
Local Option Sales Taxes				3,256,300
Wheel Tax				128,474
Other Local Taxes				58,368
Grants and Contributions Not Restricted to Specific Programs				23,081,164
Miscellaneous				101,405
Total General Revenues				$ 30,093,081
Change in Net Position				$ (407,341)
Net Position, July 1, 2013				29,185,572
Net Position, June 30, 2014				$ 28,778,231

Exhibit J-2

Weakley County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Weakley County School Department
June 30, 2014

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 7,105,914	$ 434,351	$ 7,540,265
Accounts Receivable	7,395	258	7,653
Due from Other Governments	937,051	242,265	1,179,316
Property Taxes Receivable	3,523,819	0	3,523,819
Allowance for Uncollectible Property Taxes	(86,158)	0	(86,158)
Total Assets	$ 11,488,021	$ 676,874	$ 12,164,895
LIABILITIES			
Payroll Deductions Payable	$ 31,366	$ 1,798	$ 33,164
Total Liabilities	$ 31,366	$ 1,798	$ 33,164
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 3,335,284	$ 0	$ 3,335,284
Deferred Delinquent Property Taxes	91,432	0	91,432
Other Deferred/Unavailable Revenue	284,228	0	284,228
Total Deferred Inflows of Resources	$ 3,710,944	$ 0	$ 3,710,944
FUND BALANCES			
Restricted:			
Restricted for Education	$ 447,219	$ 126,987	$ 574,206
Restricted for Operation of Non-instructional Services	0	341,972	341,972
Restricted for Capital Outlay	0	56,117	56,117
Assigned:			
Assigned for Education	458,139	150,000	608,139
Unassigned	6,840,353	0	6,840,353
Total Fund Balances	$ 7,745,711	$ 675,076	$ 8,420,787
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 11,488,021	$ 676,874	$ 12,164,895

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, 2014

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)		$ 8,420,787
(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	16,797,464	
Add: other capital assets net of accumulated depreciation	1,735,876	20,469,190
(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	$ (43,276)	
Less: other postemployment benefits liability	(444,130)	(487,406)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		375,660
Net position of governmental activities (Exhibit A)		$ 28,778,231

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, 2014

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 7,173,351	$ 0	$ 7,173,351
Licenses and Permits	1,748	0	1,748
Charges for Current Services	243,258	632,792	876,050
Other Local Revenues	102,647	6,008	108,655
State of Tennessee	23,042,038	25,621	23,067,659
Federal Government	184,897	4,605,513	4,790,410
Other Governments and Citizens Groups	21,432	0	21,432
Total Revenues	$ 30,769,371	$ 5,269,934	$ 36,039,305
Expenditures			
Current:			
Instruction	$ 18,197,026	$ 2,036,108	$ 20,233,134
Support Services	9,739,442	651,176	10,390,618
Operation of Non-instructional Services	680,267	2,646,206	3,326,473
Capital Outlay	352,715	0	352,715
Debt Service:			
Other Debt Service	217,632	0	217,632
Capital Projects	0	153,000	153,000
Total Expenditures	$ 29,187,082	$ 5,486,490	$ 34,673,572
Excess (Deficiency) of Revenues Over Expenditures	$ 1,582,289	$ (216,556)	$ 1,365,733
Other Financing Sources (Uses)			
Insurance Recovery	$ 54,314	$ 0	$ 54,314
Transfers In	3,116	150,000	153,116
Transfers Out	(150,000)	(3,116)	(153,116)
Total Other Financing Sources (Uses)	$ (92,570)	$ 146,884	$ 54,314
Net Change in Fund Balances	$ 1,489,719	$ (69,672)	$ 1,420,047
Fund Balance, July 1, 2013	6,255,992	744,748	7,000,740
Fund Balance, June 30, 2014	$ 7,745,711	$ 675,076	$ 8,420,787

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, 2014

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

Net change in fund balances - total governmental funds (Exhibit J-4)		$ 1,420,047
(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	$ 575,287	
Less: current-year depreciation expense	(2,481,592)	(1,906,305)
(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, 2014	$ 375,660	
Less: deferred delinquent property taxes and other deferred June 30, 2013	(388,558)	(12,898)
(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	$ (9,157)	
Change in other postemployment benefits liability	100,972	91,815
Change in net position of governmental activities (Exhibit B)		$ (407,341)

Exhibit J-6

Weakley County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Weakley County School Department
June 30, 2014

	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	$ 50,511	$ 327,723	$ 378,234	$ 56,117	$ 434,351
Accounts Receivable	0	258	258	0	258
Due from Other Governments	228,224	14,041	242,265	0	242,265
Total Assets	$ 278,735	$ 342,022	$ 620,757	$ 56,117	$ 676,874
LIABILITIES					
Payroll Deductions Payable	$ 1,748	$ 50	$ 1,798	$ 0	$ 1,798
Total Liabilities	$ 1,748	$ 50	$ 1,798	$ 0	$ 1,798
FUND BALANCES					
Restricted:					
Restricted for Education	$ 126,987	$ 0	$ 126,987	$ 0	$ 126,987
Restricted for Operation of Non-instructional Services	0	341,972	341,972	0	341,972
Restricted for Capital Outlay	0	0	0	56,117	56,117
Assigned:					
Assigned for Education	150,000	0	150,000	0	150,000
Total Fund Balances	$ 276,987	$ 341,972	$ 618,959	$ 56,117	$ 675,076
Total Liabilities and Fund Balances	$ 278,735	$ 342,022	$ 620,757	$ 56,117	$ 676,874

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, 2014

	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	$ 632,792	$ 632,792	$ 0	$ 632,792
Other Local Revenues	0	6,008	6,008	0	6,008
State of Tennessee	0	25,621	25,621	0	25,621
Federal Government	2,718,793	1,886,720	4,605,513	0	4,605,513
Total Revenues	$ 2,718,793	$ 2,551,141	$ 5,269,934	$ 0	$ 5,269,934
Expenditures					
Current:					
Instruction	$ 2,036,108	$ 0	$ 2,036,108	$ 0	$ 2,036,108
Support Services	651,176	0	651,176	0	651,176
Operation of Non-instructional Services	0	2,646,206	2,646,206	0	2,646,206
Capital Projects	0	0	0	153,000	153,000
Total Expenditures	$ 2,687,284	$ 2,646,206	$ 5,333,490	$ 153,000	$ 5,486,490
Excess (Deficiency) of Revenues Over Expenditures	$ 31,509	$ (95,065)	$ (63,556)	$ (153,000)	$ (216,556)
Other Financing Sources (Uses)					
Transfers In	$ 150,000	$ 0	$ 150,000	$ 0	$ 150,000
Transfers Out	(3,116)	0	(3,116)	0	(3,116)
Total Other Financing Sources (Uses)	$ 146,884	$ 0	$ 146,884	$ 0	$ 146,884
Net Change in Fund Balances	$ 178,393	$ (95,065)	$ 83,328	$ (153,000)	$ (69,672)
Fund Balance, July 1, 2013	98,594	437,037	535,631	209,117	744,748
Fund Balance, June 30, 2014	$ 276,987	$ 341,972	$ 618,959	$ 56,117	$ 675,076

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 7,173,351	$ 0	$ 0	$ 7,173,351	$ 6,924,987	$ 7,040,938	$ 132,413
Licenses and Permits	1,748	0	0	1,748	2,000	2,000	(252)
Charges for Current Services	243,258	0	0	243,258	251,946	237,662	5,596
Other Local Revenues	102,647	0	0	102,647	88,604	100,247	2,400
State of Tennessee	23,042,038	0	0	23,042,038	22,489,661	23,040,322	1,716
Federal Government	184,897	0	0	184,897	164,046	207,047	(22,150)
Other Governments and Citizens Groups	21,432	0	0	21,432	32,255	35,588	(14,156)
Total Revenues	$ 30,769,371	$ 0	$ 0	$ 30,769,371	$ 29,953,499	$ 30,663,804	$ 105,567
Expenditures							
Instruction							
Regular Instruction Program	$ 14,732,116	$ 0	$ 0	$ 14,732,116	$ 15,136,189	$ 15,029,476	$ 297,360
Special Education Program	2,013,985	(43,551)	10,086	1,980,520	2,021,736	1,984,382	3,862
Vocational Education Program	1,181,866	0	731	1,182,597	1,244,740	1,244,740	62,143
Student Body Education Program	11,483	0	0	11,483	12,648	12,648	1,165
Adult Education Program	230,451	0	0	230,451	170,491	250,717	20,266
Other	27,125	0	0	27,125	31,454	31,729	4,604
Support Services							
Attendance	107,076	0	0	107,076	107,743	107,743	667
Health Services	313,481	0	0	313,481	298,971	316,193	2,712
Other Student Support	775,094	0	2,125	777,219	776,983	778,278	1,059
Regular Instruction Program	1,247,502	(906)	0	1,246,596	1,368,585	1,368,585	121,989
Alternative Instruction Program	96,716	0	0	96,716	93,574	99,016	2,300
Special Education Program	405,149	(2,014)	3,974	407,109	415,972	411,216	4,107
Vocational Education Program	87,335	0	100	87,435	89,369	97,730	10,295
Other Programs	283,380	0	0	283,380	115,000	284,901	1,521
Board of Education	481,304	0	0	481,304	603,376	603,376	122,072
Director of Schools	281,293	0	0	281,293	297,593	297,593	16,300
Office of the Principal	1,366,153	0	0	1,366,153	1,396,509	1,396,509	30,356
Operation of Plant	2,396,363	0	2,472	2,398,835	2,500,121	2,500,121	101,286

(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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Maintenance of Plant	$ 629,009	$ (23,804)	$ 6,113	$ 611,318	$ 664,040	$ 664,040	$ 52,722
Transportation	1,269,587	0	170,483	1,440,070	1,377,837	1,508,123	68,053
Operation of Non-instructional Services							
Community Services	106,833	0	0	106,833	126,945	126,945	20,112
Early Childhood Education	573,434	(3,747)	14,352	584,039	585,785	585,785	1,746
Capital Outlay							
Regular Capital Outlay	352,715	(253,426)	247,703	346,992	396,022	396,022	49,030
Other Debt Service							
Education	217,632	0	0	217,632	181,296	217,632	0
Total Expenditures	$ 29,187,082	$ (327,448)	$ 458,139	$ 29,317,773	$ 30,012,979	$ 30,313,500	$ 995,727
Excess (Deficiency) of Revenues Over Expenditures	$ 1,582,289	$ 327,448	$ (458,139)	$ 1,451,598	$ (59,480)	$ 350,304	$ 1,101,294
Other Financing Sources (Uses)							
Insurance Recovery	$ 54,314	$ 0	$ 0	$ 54,314	$ 1	$ 54,313	$ 1
Transfers In	3,116	0	0	3,116	4,000	4,000	(884)
Transfers Out	(150,000)	0	0	(150,000)	0	(150,000)	0
Total Other Financing Sources	$ (92,570)	$ 0	$ 0	$ (92,570)	$ 4,001	$ (91,687)	$ (883)
Net Change in Fund Balance	$ 1,489,719	$ 327,448	$ (458,139)	$ 1,359,028	$ (55,479)	$ 258,617	$ 1,100,411
Fund Balance, July 1, 2013	6,255,992	(327,448)	0	5,928,544	5,546,686	5,546,686	381,858
Fund Balance, June 30, 2014	$ 7,745,711	$ 0	$ (458,139)	$ 7,287,572	$ 5,491,207	$ 5,805,303	$ 1,482,269

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Federal Government	$ 2,718,793	$ 0	$ 0	$ 2,718,793	$ 3,630,113	$ 3,277,737	$ (558,944)
Total Revenues	$ 2,718,793	$ 0	$ 0	$ 2,718,793	$ 3,630,113	$ 3,277,737	$ (558,944)
Expenditures							
Instruction							
Regular Instruction Program	$ 1,335,129	$ (1,585)	$ 0	$ 1,333,544	$ 2,140,160	$ 1,483,400	$ 149,856
Special Education Program	661,574	(35,503)	81,533	707,604	659,665	839,168	131,564
Vocational Education Program	39,405	(21,514)	24,790	42,681	34,355	42,682	1
Support Services							
Health Services	35,244	0	446	35,690	39,778	39,778	4,088
Other Student Support	59,644	(15,680)	0	43,964	63,845	55,602	11,638
Regular Instruction Program	410,723	(4,168)	0	406,555	385,268	512,366	105,811
Special Education Program	32,801	0	0	32,801	36,282	38,225	5,424
Transportation	112,764	(18,000)	20,000	114,764	134,025	134,938	20,174
Total Expenditures	$ 2,687,284	$ (96,450)	$ 126,769	$ 2,717,603	$ 3,493,378	$ 3,146,159	$ 428,556
Excess (Deficiency) of Revenues Over Expenditures	$ 31,509	$ 96,450	$ (126,769)	$ 1,190	$ 136,735	$ 131,578	$ (130,388)
Other Financing Sources (Uses)							
Transfers In	$ 150,000	$ 0	$ 0	$ 150,000	$ 81,969	$ 234,355	$ (84,355)
Transfers Out	(3,116)	0	0	(3,116)	(85,085)	(85,085)	81,969
Total Other Financing Sources	$ 146,884	$ 0	$ 0	$ 146,884	$ (3,116)	$ 149,270	$ (2,386)
Net Change in Fund Balance	$ 178,393	$ 96,450	$ (126,769)	$ 148,074	$ 133,619	$ 280,848	$ (132,774)
Fund Balance, July 1, 2013	98,594	(96,450)	0	2,144	98,594	98,594	(96,450)
Fund Balance, June 30, 2014	$ 276,987	$ 0	$ (126,769)	$ 150,218	$ 232,213	$ 379,442	$ (229,224)

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Charges for Current Services	$ 632,792	$ 0	$ 0	$ 632,792	$ 798,565	$ 633,220	$ (428)
Other Local Revenues	6,008	0	0	6,008	6,000	6,200	(192)
State of Tennessee	25,621	0	0	25,621	25,471	25,622	(1)
Federal Government	1,886,720	0	0	1,886,720	1,748,100	1,887,612	(892)
Total Revenues	$ 2,551,141	$ 0	$ 0	$ 2,551,141	$ 2,578,136	$ 2,552,654	$ (1,513)
Expenditures							
Operation of Non-instructional Services							
Food Service	$ 2,646,206	$ (2,664)	$ 9,884	$ 2,653,426	$ 2,675,963	$ 2,683,253	$ 29,827
Total Expenditures	$ 2,646,206	$ (2,664)	$ 9,884	$ 2,653,426	$ 2,675,963	$ 2,683,253	$ 29,827
Excess (Deficiency) of Revenues Over Expenditures	$ (95,065)	$ 2,664	$ (9,884)	$ (102,285)	$ (97,827)	$ (130,599)	$ 28,314
Net Change in Fund Balance	$ (95,065)	$ 2,664	$ (9,884)	$ (102,285)	$ (97,827)	$ (130,599)	$ 28,314
Fund Balance, July 1, 2013	437,037	(2,664)	0	434,373	433,481	433,481	892
Fund Balance, June 30, 2014	$ 341,972	$ 0	$ (9,884)	$ 332,088	$ 335,654	$ 302,882	$ 29,206

MISCELLANEOUS SCHEDULES

Exhibit K-1

Weakley County, Tennessee
Schedule of Changes in Long-term Note, Other Loans, and Bonds
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Paid and/or Matured During Period	Outstanding 6-30-14
NOTE PAYABLE							
Payable through General Debt Service Fund							
Airport Improvement	$ 143,786	0 %	10-16-12	10-31-22	$ 143,786	$ 10,656	$ 133,130
Total Note Payable					$ 143,786	$ 10,656	$ 133,130
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	$ 2,608,000	$ 470,000	$ 2,138,000
School Construction and Renovation	10,339,705	Variable	2-25-03	5-25-23	5,996,705	519,000	5,477,705
Energy Efficient Schools Initiative	1,812,940	0	2-17-12	4-1-22	1,586,320	181,296	1,405,024
Total Other Loans Payable					$ 10,191,025	$ 1,170,296	$ 9,020,729
BONDS PAYABLE							
Payable through General Debt Service Fund							
School Refunding - Series 2003	17,125,000	2 to 4	12-1-03	5-1-15	$ 3,605,000	$ 1,745,000	$ 1,860,000
Total Bonds Payable					$ 3,605,000	$ 1,745,000	$ 1,860,000

Exhibit K-2

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

Year Ending June 30	Note	
	Principal	Total
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	5,258	5,258
Total	$ 133,130	$ 133,130

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	$ 1,212,296	$ 18,705	$ 55,511	$ 1,286,512
2016	1,256,296	16,132	48,088	1,320,516
2017	1,303,296	13,448	40,348	1,357,092
2018	1,350,296	10,646	32,269	1,393,211
2019	794,296	7,725	23,625	825,646
2020	815,296	6,254	19,211	840,761
2021	836,296	4,732	14,646	855,674
2022	812,952	3,160	9,930	826,042
2023	639,705	1,535	5,056	646,296
Total	$ 9,020,729	$ 82,337	$ 248,684	$ 9,351,750

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	$ 1,860,000	$ 74,400	$ 1,934,400
Total	$ 1,860,000	$ 74,400	$ 1,934,400

Exhibit K-3

Weakley County, Tennessee
Schedule of Notes Receivable
June 30, 2014

Description	Debtor	Original Amount of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-14
General Debt Service Fund						
Airport Improvements	Everett-Stewart Regional Airport	$ 143,786	10-16-12	10-31-22	0%	$ 133,130
Total Notes Receivable						$ 133,130

Exhibit K-4

Weakley County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Weakley County School Department
For the Year Ended June 30, 2014

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
Public Utility	General	Payments in-lieu-of taxes	$ 211,422
"	Solid Waste/Sanitation	"	1,717
"	Highway/Public Works	"	71,025
"	General Debt Service	"	181,690
Total Transfers Primary Government			$ 465,854
DISCRETELY PRESENTED WEAKLEY COUNTY SCHOOL DEPARTMENT			
General Purpose School	School Federal Projects	Cash flow funds	$ 150,000
School Federal Projects	General Purpose School	Indirect costs	3,116
Total Transfers Discretely Presented Weakley County School Department			$ 153,116

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, 2014

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Mayor	Section 8-24-102, *TCA*	$ 78,508		$ 50,000	RLI Insurance Company
Highway Supervisor	Section 8-24-102, *TCA*	74,770		100,000	"
Director of Schools	State Board of Education and Weakley County Board of Education	105,755	(1)	50,000	"
Trustee	Section 8-24-102, *TCA*	67,973		1,150,487	Auto Owners Insurance Company
Assessor of Property	Section 8-24-102, *TCA*	67,973	(2)	50,000	RLI Insurance Company
Director of Finance	Weakley County Commission	78,626	(3)	100,000	"
County Clerk	Section 8-24-102, *TCA*	67,973		50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, *TCA*	67,973		50,000	"
Clerk and Master	Section 8-24-102, *TCA*	67,973		85,000	"
Register of Deeds	Section 8-24-102, *TCA*	67,973		25,000	"
Sheriff	Section 8-24-102, *TCA*	74,770	(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	Catlin Indemnity Company

(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 $3,000 for serving as a recording secretary for the Health, Education, and Welfare Committee.
(4) Does not include a law enforcement training supplement of $600.

Exhibit K-6

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2014

		Special Revenue Funds			Debt Service Fund	Capital Projects Funds
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	Community Development/ Industrial Park
Local Taxes						
County Property Taxes						
Current Property Tax	$ 2,954,631	$ 23,995	$ 0	$ 992,580	$ 2,539,129	$ 0
Trustee's Collections - Prior Year	93,808	73	0	33,606	91,081	0
Trustee's Collections - Bankruptcy	232	0	0	85	297	0
Circuit/Clerk and Master Collections - Prior Years	25,345	0	0	9,140	24,929	0
Interest and Penalty	16,033	26	0	6,923	15,353	0
Payments in-Lieu-of Taxes - T.V.A.	919	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	529,783	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	298,300	0	0	0	0	0
Hotel/Motel Tax	127,423	0	0	0	0	0
Wheel Tax	0	0	0	899,315	0	0
Litigation Tax - General	133,120	0	0	0	38,383	0
Litigation Tax - Special Purpose	5,158	0	0	0	0	0
Business Tax	214,582	0	0	0	0	0
Mixed Drink Tax	1,109	0	0	0	0	0
Mineral Severance Tax	0	0	0	121,799	0	0
Statutory Local Taxes						
Bank Excise Tax	10,745	87	0	3,610	9,234	0
Wholesale Beer Tax	39,974	0	0	0	0	0
Interstate Telecommunications Tax	1,610	0	0	0	0	0
Total Local Taxes	$ 4,452,772	$ 24,181	$ 0	$ 2,067,058	$ 2,718,406	$ 0
Licenses and Permits						
Licenses						
Cable TV Franchise	$ 29,360	$ 0	$ 0	$ 0	$ 0	$ 0

(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 Funds: Community Development/ Industrial Park
Licenses and Permits (Cont.)						
Permits						
Beer Permits	$ 950	$ 0	$ 0	$ 0	$ 0	$ 0
Building Permits	0	0	0	1,750	0	0
Total Licenses and Permits	$ 30,310	$ 0	$ 0	$ 1,750	$ 0	$ 0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 2,810	$ 0	$ 0	$ 0	$ 0	$ 0
Officers Costs	3,047	0	0	0	0	0
Drug Control Fines	0	0	3,092	0	0	0
Drug Court Fees	598	0	0	0	0	0
Jail Fees	678	0	0	0	0	0
DUI Treatment Fines	95	0	0	0	0	0
Data Entry Fee - Circuit Court	997	0	0	0	0	0
Courtroom Security Fee	13	0	0	0	0	0
General Sessions Court						
Fines	17,812	0	0	0	0	0
Officers Costs	40,484	0	0	0	0	0
Drug Control Fines	0	0	9,296	0	0	0
Drug Court Fees	12,211	0	0	0	0	0
Jail Fees	40,743	0	0	0	0	0
DUI Treatment Fines	8,505	0	0	0	0	0
Data Entry Fee - General Sessions Court	14,336	0	0	0	0	0
Courtroom Security Fee	683	0	0	0	0	0
Juvenile Court						
Fines	299	0	0	0	0	0

(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 Funds: Community Development/ Industrial Park
Fines, Forfeitures, and Penalties (Cont.)						
Juvenile Court (Cont.)						
Officers Costs	$ 1,600	$ 0	$ 0	$ 0	$ 0	$ 0
Data Entry Fee - Juvenile Court	958	0	0	0	0	0
Courtroom Security Fee	133	0	0	0	0	0
Chancery Court						
Officers Costs	4,965	0	0	0	0	0
Data Entry Fee - Chancery Court	3,164	0	0	0	0	0
Courtroom Security Fee	6	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	32,261	0	0	0
Other Fines, Forfeitures, and Penalties	25	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	$ 154,162	$ 0	$ 44,649	$ 0	$ 0	$ 0
Charges for Current Services						
General Service Charges						
Other General Service Charges	$ 8,325	$ 0	$ 0	$ 0	$ 0	$ 0
Service Charges	49,305	0	0	0	0	0
Fees						
Archives and Records Management Fee - County Clerk	18,056	0	0	0	0	0
Greenbelt Late Application Fee	300	0	0	0	0	0
Telephone Commissions	35,723	0	0	0	0	0
Vending Machine Collections	644	0	0	0	0	0
Data Processing Fee - Register	9,540	0	0	0	0	0
Data Processing Fee - Sheriff	3,740	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,550	0	0	0	0	0
Data Processing Fee - County Clerk	4,522	0	0	0	0	0

(Continued)

Exhibit K-6

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

	General	Special Revenue Funds			Debt Service Fund	Capital Projects Funds
		Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	Community Development/ Industrial Park
Charges for Current Services (Cont.)						
Other Charges for Services						
Other Charges for Services	$ 31,110	$ 0	$ 0	$ 0	$ 0	$ 0
Total Charges for Current Services	$ 162,815	$ 0	$ 0	$ 0	$ 0	$ 0
Other Local Revenues						
Recurring Items						
Investment Income	$ 0	$ 0	$ 0	$ 0	$ 110,257	$ 0
Lease/Rentals	14,196	0	0	0	0	0
Sale of Materials and Supplies	1,569	0	0	0	0	0
E-Rate Funding	2,159	0	0	0	0	0
Miscellaneous Refunds	3,526	6,067	0	1,275	0	0
Nonrecurring Items						
Sale of Property	24,779	0	0	38,334	0	0
Contributions and Gifts	9,888	0	0	0	0	0
Total Other Local Revenues	$ 56,117	$ 6,067	$ 0	$ 39,609	$ 110,257	$ 0
Fees Received from County Officials						
Fees in-Lieu-of Salary						
County Clerk	$ 330,971	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	55,316	0	0	0	0	0
General Sessions Court Clerk	228,448	0	0	0	0	0
Clerk and Master	101,489	0	0	0	0	0
Register	106,369	0	0	0	0	0
Sheriff	12,959	0	0	0	0	0
Trustee	395,226	0	0	0	0	0
Total Fees Received from County Officials	$ 1,230,778	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit K-6

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

		Special Revenue Funds			Debt Service Fund	Capital Projects Funds
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	Community Development/ Industrial Park
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 54,344	$ 0	$ 0	$ 0	$ 0	$ 0
Aging Programs	102,898	0	0	0	0	0
Solid Waste Grants	0	19,807	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	12,000	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	21,335	0	0
State Aid Program	0	0	0	249,465	0	0
Litter Program	0	0	0	44,561	0	0
Other State Revenues						
Income Tax	28,334	0	0	0	0	0
Beer Tax	17,806	0	0	0	0	0
Vehicle Certificate of Title Fees	2,246	0	0	0	0	0
Alcoholic Beverage Tax	69,800	0	0	0	0	0
State Revenue Sharing - T.V.A.	391,618	0	0	0	391,618	0
Emergency Hospital - Prisoners	41,363	0	0	0	0	0
Prisoner Transportation	526	0	0	0	0	0
Contracted Prisoner Boarding	761,645	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	1,887,479	0	0
Petroleum Special Tax	0	0	0	25,269	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	131,177	0	0	0	0	0
Other State Revenues	72,859	0	0	0	0	0
Total State of Tennessee	$ 1,701,780	$ 19,807	$ 0	$ 2,228,109	$ 391,618	$ 0

(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 Funds: Community Development/ Industrial Park
Federal Government						
Federal Through State						
Community Development	$ 0	$ 0	$ 0	$ 0	$ 0	$ 289,641
Civil Defense Reimbursement	21,500	0	0	0	0	0
Homeland Security Grants	11,891	0	0	0	0	0
Law Enforcement Grants	4,984	0	0	0	0	0
Other Federal through State	2,724	0	0	0	0	0
Direct Federal Revenue						
Other Direct Federal Revenue	3,600	0	0	0	0	0
Total Federal Government	$ 44,699	$ 0	$ 0	$ 0	$ 0	$ 289,641
Other Governments and Citizens Groups						
Other Governments						
Prisoner Board	$ 5,269	$ 0	$ 0	$ 0	$ 0	$ 0
Contributions	20,000	0	0	0	217,632	120,000
Contracted Services	120,500	0	0	0	0	0
Other						
Other	48,640	0	0	0	0	0
Total Other Governments and Citizens Groups	$ 194,409	$ 0	$ 0	$ 0	$ 217,632	$ 120,000
Total	$ 8,027,842	$ 50,055	$ 44,649	$ 4,336,526	$ 3,437,913	$ 409,641

(Continued)

Exhibit K-6

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

	Capital Projects Fund (Cont.)	
	Highway Capital Projects	Total
Local Taxes		
County Property Taxes		
Current Property Tax	$ 0	$ 6,510,335
Trustee's Collections - Prior Year	0	218,568
Trustee's Collections - Bankruptcy	3	617
Circuit/Clerk and Master Collections - Prior Years	0	59,414
Interest and Penalty	0	38,335
Payments in-Lieu-of Taxes - T.V.A.	0	919
Payments in-Lieu-of Taxes - Other	0	529,783
County Local Option Taxes		
Local Option Sales Tax	0	298,300
Hotel/Motel Tax	0	127,423
Wheel Tax	0	899,315
Litigation Tax - General	0	171,503
Litigation Tax - Special Purpose	0	5,158
Business Tax	0	214,582
Mixed Drink Tax	0	1,109
Mineral Severance Tax	0	121,799
Statutory Local Taxes		
Bank Excise Tax	0	23,676
Wholesale Beer Tax	0	39,974
Interstate Telecommunications Tax	0	1,610
Total Local Taxes	$ 3	$ 9,262,420
Licenses and Permits		
Licenses		
Cable TV Franchise	$ 0	$ 29,360

(Continued)

Exhibit K-6

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

	Capital Projects Fund (Cont.)	
	Highway Capital Projects	Total
Licenses and Permits (Cont.)		
Permits		
Beer Permits	$ 0	$ 950
Building Permits	0	1,750
Total Licenses and Permits	$ 0	$ 32,060
Fines, Forfeitures, and Penalties		
Circuit Court		
Fines	$ 0	$ 2,810
Officers Costs	0	3,047
Drug Control Fines	0	3,092
Drug Court Fees	0	598
Jail Fees	0	678
DUI Treatment Fines	0	95
Data Entry Fee - Circuit Court	0	997
Courtroom Security Fee	0	13
General Sessions Court		
Fines	0	17,812
Officers Costs	0	40,484
Drug Control Fines	0	9,296
Drug Court Fees	0	12,211
Jail Fees	0	40,743
DUI Treatment Fines	0	8,505
Data Entry Fee - General Sessions Court	0	14,336
Courtroom Security Fee	0	683
Juvenile Court		
Fines	0	299

(Continued)

Exhibit K-6

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

	Capital Projects Fund (Cont.)	
	Highway Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)		
Juvenile Court (Cont.)		
Officers Costs	$ 0	$ 1,600
Data Entry Fee - Juvenile Court	0	958
Courtroom Security Fee	0	133
Chancery Court		
Officers Costs	0	4,965
Data Entry Fee - Chancery Court	0	3,164
Courtroom Security Fee	0	6
Other Fines, Forfeitures, and Penalties		
Proceeds from Confiscated Property	0	32,261
Other Fines, Forfeitures, and Penalties	0	25
Total Fines, Forfeitures, and Penalties	$ 0	$ 198,811
Charges for Current Services		
General Service Charges		
Other General Service Charges	$ 0	$ 8,325
Service Charges	0	49,305
Fees		
Archives and Records Management Fee - County Clerk	0	18,056
Greenbelt Late Application Fee	0	300
Telephone Commissions	0	35,723
Vending Machine Collections	0	644
Data Processing Fee - Register	0	9,540
Data Processing Fee - Sheriff	0	3,740
Sexual Offender Registration Fee - Sheriff	0	1,550
Data Processing Fee - County Clerk	0	4,522

(Continued)

Exhibit K-6

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

	Capital Projects Fund (Cont.)	
	Highway Capital Projects	Total
Charges for Current Services (Cont.)		
Other Charges for Services		
Other Charges for Services	$ 0	$ 31,110
Total Charges for Current Services	$ 0	$ 162,815
Other Local Revenues		
Recurring Items		
Investment Income	$ 0	$ 110,257
Lease/Rentals	0	14,196
Sale of Materials and Supplies	0	1,569
E-Rate Funding	0	2,159
Miscellaneous Refunds	0	10,868
Nonrecurring Items		
Sale of Property	0	63,113
Contributions and Gifts	0	9,888
Total Other Local Revenues	$ 0	$ 212,050
Fees Received from County Officials		
Fees in-Lieu-of Salary		
County Clerk	$ 0	$ 330,971
Circuit Court Clerk	0	55,316
General Sessions Court Clerk	0	228,448
Clerk and Master	0	101,489
Register	0	106,369
Sheriff	0	12,959
Trustee	0	395,226
Total Fees Received from County Officials	$ 0	$ 1,230,778

(Continued)

Exhibit K-6

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

	Capital Projects Fund (Cont.)	
	Highway Capital Projects	Total
State of Tennessee		
General Government Grants		
Juvenile Services Program	$ 0	$ 54,344
Aging Programs	0	102,898
Solid Waste Grants	0	19,807
Public Safety Grants		
Law Enforcement Training Programs	0	12,000
Public Works Grants		
Bridge Program	0	21,335
State Aid Program	0	249,465
Litter Program	0	44,561
Other State Revenues		
Income Tax	0	28,334
Beer Tax	0	17,806
Vehicle Certificate of Title Fees	0	2,246
Alcoholic Beverage Tax	0	69,800
State Revenue Sharing - T.V.A.	0	783,236
Emergency Hospital - Prisoners	0	41,363
Prisoner Transportation	0	526
Contracted Prisoner Boarding	0	761,645
Gasoline and Motor Fuel Tax	0	1,887,479
Petroleum Special Tax	0	25,269
Registrar's Salary Supplement	0	15,164
Other State Grants	0	131,177
Other State Revenues	0	72,859
Total State of Tennessee	$ 0	$ 4,341,314

(Continued)

Exhibit K-6

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

	Capital Projects Fund (Cont.)	
	Highway Capital Projects	Total
Federal Government		
Federal Through State		
Community Development	$ 0	$ 289,641
Civil Defense Reimbursement	0	21,500
Homeland Security Grants	0	11,891
Law Enforcement Grants	0	4,984
Other Federal through State	0	2,724
Direct Federal Revenue		
Other Direct Federal Revenue	0	3,600
Total Federal Government	$ 0	$ 334,340
Other Governments and Citizens Groups		
Other Governments		
Prisoner Board	$ 0	$ 5,269
Contributions	0	357,632
Contracted Services	0	120,500
Other		
Other	0	48,640
Total Other Governments and Citizens Groups	$ 0	$ 532,041
Total	$ 3	$ 16,306,629

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, 2014

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 3,324,010	$ 0	$ 0	$ 3,324,010
Trustee's Collections - Prior Year	112,951	0	0	112,951
Trustee's Collections - Bankruptcy	337	0	0	337
Circuit/Clerk and Master Collections - Prior Years	30,745	0	0	30,745
Interest and Penalty	19,153	0	0	19,153
Payments in-Lieu-of Taxes - Local Utilities	237,853	0	0	237,853
County Local Option Taxes				
Local Option Sales Tax	3,247,478	0	0	3,247,478
Wheel Tax	128,474	0	0	128,474
Mixed Drink Tax	56,693	0	0	56,693
Statutory Local Taxes				
Bank Excise Tax	12,088	0	0	12,088
Interstate Telecommunications Tax	3,569	0	0	3,569
Total Local Taxes	$ 7,173,351	$ 0	$ 0	$ 7,173,351
Licenses and Permits				
Licenses				
Marriage Licenses	$ 1,748	$ 0	$ 0	$ 1,748
Total Licenses and Permits	$ 1,748	$ 0	$ 0	$ 1,748
Charges for Current Services				
Education Charges				
Tuition - Other	$ 107,295	$ 0	$ 0	$ 107,295
Lunch Payments - Children	0	0	530,105	530,105
Lunch Payments - Adults	0	0	88,277	88,277
Income from Breakfast	0	0	13,363	13,363
Contract for Instructional Services with Other LEAs	14,000	0	0	14,000
Receipts from Individual Schools	121,963	0	1,047	123,010
Total Charges for Current Services	$ 243,258	$ 0	$ 632,792	$ 876,050
Other Local Revenues				
Recurring Items				
Investment Income	$ 0	$ 0	$ 2,772	$ 2,772
Sale of Materials and Supplies	45,316	0	0	45,316
E-Rate Funding	42,199	0	0	42,199
Miscellaneous Refunds	9,119	0	3,236	12,355
Nonrecurring Items				
Sale of Equipment	497	0	0	497
Damages Recovered from Individuals	1,038	0	0	1,038
Contributions and Gifts	4,478	0	0	4,478
Total Other Local Revenues	$ 102,647	$ 0	$ 6,008	$ 108,655
State of Tennessee				
General Government Grants				
On-behalf Contributions for OPEB	$ 148,728	$ 0	$ 0	$ 148,728

(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
State of Tennessee (Cont.)				
State Education Funds				
Basic Education Program	$ 21,494,999	$ 0	$ 0	$ 21,494,999
Early Childhood Education	584,235	0	0	584,235
School Food Service	0	0	25,621	25,621
Energy Efficient School Initiative	19,437	0	0	19,437
Driver Education	13,275	0	0	13,275
Other State Education Funds	205,168	0	0	205,168
Career Ladder Program	159,863	0	0	159,863
Career Ladder - Extended Contract	62,978	0	0	62,978
Other State Revenues				
Other State Grants	17,450	0	0	17,450
Other State Revenues	335,905	0	0	335,905
Total State of Tennessee	$ 23,042,038	$ 0	$ 25,621	$ 23,067,659
Federal Government				
Federal Through State				
USDA School Lunch Program	$ 0	$ 0	$ 1,150,839	$ 1,150,839
USDA - Commodities	0	0	171,512	171,512
Breakfast	0	0	548,513	548,513
USDA - Other	0	0	4,222	4,222
Adult Education State Grant Program	178,774	0	0	178,774
Vocational Education - Basic Grants to States	0	62,322	0	62,322
Title I Grants to Local Education Agencies	0	1,334,476	0	1,334,476
Special Education - Grants to States	6,123	866,650	0	872,773
Special Education Preschool Grants	0	24,209	0	24,209
Rural Education	0	94,073	0	94,073
Eisenhower Professional Development State Grants	0	187,904	0	187,904
Race-to-the-Top - ARRA	0	149,159	0	149,159
Other Federal through State	0	0	11,634	11,634
Total Federal Government	$ 184,897	$ 2,718,793	$ 1,886,720	$ 4,790,410
Other Governments and Citizens Groups				
Other Governments				
Contributions	$ 569	$ 0	$ 0	$ 569
Citizens Groups				
Donations	1,000	0	0	1,000
Other				
Other	19,863	0	0	19,863
Total Other Governments and Citizens Groups	$ 21,432	$ 0	$ 0	$ 21,432
Total	$ 30,769,371	$ 2,718,793	$ 2,551,141	$ 36,039,305

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2014

General Fund				
General Government				
County Commission				
Secretary to Board	$	5,850		
Board and Committee Members Fees		19,950		
Other Per Diem and Fees		19,297		
Social Security		1,908		
State Retirement		655		
Employer Medicare		617		
Audit Services		10,506		
Legal Services		1,134		
Travel		9,014		
Contracts for Development Costs		317		
Other Contracted Services		1,126		
In Service/Staff Development		795		
Other Charges		555		
Total County Commission			$	71,724
County Mayor/Executive				
County Official/Administrative Officer	$	78,508		
Secretary(ies)		27,532		
Educational Incentive - Other County Employees		300		
Social Security		6,254		
State Retirement		11,910		
Medical Insurance		5,770		
Employer Medicare		1,463		
Communication		3,103		
Dues and Memberships		1,740		
Maintenance and Repair Services - Vehicles		171		
Postal Charges		92		
Travel		2,116		
Office Supplies		2,280		
Total County Mayor/Executive				141,239
County Attorney				
Legal Services	$	2,050		
Total County Attorney				2,050
Election Commission				
County Official/Administrative Officer	$	61,175		
Deputy(ies)		25,214		
Part-time Personnel		9,302		
Election Commission		6,150		
Election Workers		17,015		
Social Security		6,054		
State Retirement		9,676		
Medical Insurance		18,958		
Employer Medicare		1,455		
Communication		2,944		
Data Processing Services		2,900		

(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.)		
Dues and Memberships	$ 175	
Legal Services	12,185	
Legal Notices, Recording, and Court Costs	5,249	
Maintenance and Repair Services - Buildings	1,058	
Maintenance and Repair Services - Equipment	11,320	
Maintenance and Repair Services - Office Equipment	88	
Postal Charges	4,998	
Printing, Stationery, and Forms	12,298	
Rentals	1,860	
Travel	1,675	
Other Contracted Services	5,994	
Office Supplies	1,048	
Building and Contents Insurance	925	
In Service/Staff Development	900	
Data Processing Equipment	2,215	
Total Election Commission		$ 222,831
Register of Deeds		
County Official/Administrative Officer	$ 67,973	
Deputy(ies)	50,434	
Educational Incentive - Other County Employees	600	
Social Security	6,715	
State Retirement	13,329	
Medical Insurance	14,844	
Employer Medicare	1,570	
Communication	3,509	
Dues and Memberships	632	
Legal Notices, Recording, and Court Costs	8,624	
Postal Charges	418	
Printing, Stationery, and Forms	180	
Rentals	1,357	
Travel	3,204	
Other Contracted Services	8,318	
Data Processing Supplies	543	
Office Supplies	507	
Total Register of Deeds		182,757
County Buildings		
Custodial Personnel	$ 40,563	
Social Security	2,261	
State Retirement	4,543	
Medical Insurance	10,731	
Employer Medicare	529	
Maintenance and Repair Services - Buildings	21,257	
Maintenance and Repair Services - Equipment	262	
Pest Control	625	
Other Contracted Services	83,874	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Custodial Supplies	$ 3,905	
Electricity	49,509	
Natural Gas	7,394	
Water and Sewer	4,817	
Building and Contents Insurance	10,942	
Other Charges	1,295	
Total County Buildings		$ 242,507
Preservation of Records		
Communication	$ 1,121	
Pest Control	2	
Rentals	1,421	
Custodial Supplies	8	
Office Supplies	2,737	
Utilities	1,621	
Other Supplies and Materials	722	
Data Processing Equipment	1,276	
Furniture and Fixtures	4,574	
Total Preservation of Records		13,482
Finance		
Accounting and Budgeting		
County Official/Administrative Officer	$ 75,626	
Accountants/Bookkeepers	178,757	
Custodial Personnel	2,786	
Educational Incentive - Other County Employees	300	
Social Security	14,445	
State Retirement	28,836	
Medical Insurance	36,077	
Employer Medicare	3,378	
Communication	4,098	
Data Processing Services	12,030	
Dues and Memberships	655	
Legal Notices, Recording, and Court Costs	1,200	
Maintenance and Repair Services - Office Equipment	847	
Pest Control	240	
Postal Charges	2,293	
Printing, Stationery, and Forms	2,872	
Rentals	4,100	
Travel	4,505	
Custodial Supplies	800	
Electricity	2,800	
Natural Gas	531	
Office Supplies	4,625	
Water and Sewer	394	
Other Supplies and Materials	2,999	
Premiums on Corporate Surety Bonds	182	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Finance (Cont.)		
Accounting and Budgeting (Cont.)		
In Service/Staff Development	$ 2,606	
Data Processing Equipment	4,600	
Total Accounting and Budgeting		$ 392,582
Property Assessor's Office		
County Official/Administrative Officer	$ 67,973	
Deputy(ies)	102,396	
Educational Incentive - Other County Employees	8,050	
Board and Committee Members Fees	1,125	
Social Security	10,631	
State Retirement	19,927	
Medical Insurance	12,848	
Employer Medicare	2,486	
Communication	2,378	
Dues and Memberships	1,715	
Legal Notices, Recording, and Court Costs	98	
Maintenance and Repair Services - Vehicles	682	
Postal Charges	709	
Printing, Stationery, and Forms	71	
Rentals	2,436	
Travel	830	
Gasoline	1,529	
Office Supplies	259	
Vehicle and Equipment Insurance	400	
Total Property Assessor's Office		236,543
Reappraisal Program		
Communication	$ 130	
Data Processing Services	3,817	
Postal Charges	512	
Other Contracted Services	42,065	
Office Supplies	673	
Total Reappraisal Program		47,197
County Trustee's Office		
County Official/Administrative Officer	$ 67,973	
Deputy(ies)	51,391	
Educational Incentive - Other County Employees	600	
Social Security	6,435	
State Retirement	13,436	
Medical Insurance	20,175	
Employer Medicare	1,505	
Communication	2,734	
Data Processing Services	15,554	
Dues and Memberships	847	
Legal Notices, Recording, and Court Costs	870	
Maintenance Agreements	5,667	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Maintenance and Repair Services - Office Equipment	$ 65	
Postal Charges	6,297	
Rentals	906	
Travel	2,037	
Office Supplies	577	
Data Processing Equipment	3,449	
Total County Trustee's Office		$ 200,518
County Clerk's Office		
County Official/Administrative Officer	$ 67,973	
Deputy(ies)	126,994	
Clerical Personnel	1,200	
Educational Incentive - Other County Employees	600	
Social Security	11,037	
State Retirement	22,038	
Medical Insurance	34,363	
Employer Medicare	2,581	
Communication	3,418	
Dues and Memberships	672	
Legal Notices, Recording, and Court Costs	323	
Maintenance Agreements	12,890	
Maintenance and Repair Services - Office Equipment	600	
Postal Charges	6,760	
Printing, Stationery, and Forms	1,801	
Rentals	2,267	
Travel	1,695	
Office Supplies	4,745	
Total County Clerk's Office		301,957
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 67,973	
Deputy(ies)	87,138	
Jury and Witness Expense	12,509	
Social Security	7,748	
State Retirement	17,372	
Medical Insurance	45,444	
Employer Medicare	1,812	
Data Processing Services	3,381	
Dues and Memberships	95	
Legal Notices, Recording, and Court Costs	44	
Printing, Stationery, and Forms	743	
Rentals	3,494	
Travel	130	
Office Supplies	1,603	
Other Supplies and Materials	2,359	
Data Processing Equipment	654	
Total Circuit Court		252,499

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
General Sessions Court		
Judge(s)	$ 116,846	
Deputy(ies)	61,843	
Social Security	10,700	
State Retirement	20,013	
Medical Insurance	8,087	
Employer Medicare	2,502	
Communication	5,124	
Data Processing Services	7,889	
Dues and Memberships	597	
Postal Charges	2,999	
Printing, Stationery, and Forms	223	
Travel	2,000	
Other Contracted Services	1,462	
Office Supplies	2,707	
In Service/Staff Development	900	
Data Processing Equipment	11,788	
Total General Sessions Court		$ 255,680
Chancery Court		
County Official/Administrative Officer	$ 67,973	
Deputy(ies)	75,375	
Social Security	8,274	
State Retirement	13,353	
Medical Insurance	20,690	
Employer Medicare	1,935	
Communication	2,296	
Dues and Memberships	562	
Maintenance Agreements	7,111	
Postal Charges	1,215	
Printing, Stationery, and Forms	1,669	
Rentals	1,860	
Office Supplies	1,424	
Data Processing Equipment	234	
Total Chancery Court		203,971
Juvenile Court		
Judge(s)	$ 29,600	
Youth Service Officer(s)	42,496	
Social Workers	31,031	
Secretary(ies)	24,920	
Social Security	6,979	
State Retirement	14,341	
Medical Insurance	27,012	
Employer Medicare	1,632	
Communication	3,080	
Contracts with Other Public Agencies	13,710	
Maintenance and Repair Services - Office Equipment	75	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Juvenile Court (Cont.)		
Maintenance and Repair Services - Vehicles	$ 520	
Postal Charges	715	
Printing, Stationery, and Forms	210	
Rentals	2,877	
Travel	3,010	
Gasoline	1,409	
Office Supplies	730	
Vehicle and Equipment Insurance	477	
In Service/Staff Development	430	
Total Juvenile Court		$ 205,254
District Attorney General		
Secretary(ies)	$ 26,671	
Social Security	1,538	
State Retirement	1,593	
Medical Insurance	5,459	
Employer Medicare	360	
Total District Attorney General		35,621
Probation Services		
Social Workers	$ 32,556	
Social Security	1,803	
State Retirement	2,948	
Medical Insurance	7,615	
Employer Medicare	422	
Total Probation Services		45,344
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 74,770	
Deputy(ies)	699,586	
Accountants/Bookkeepers	57,042	
Salary Supplements	12,000	
Maintenance Personnel	30,064	
Part-time Personnel	30,151	
Overtime Pay	1,943	
Social Security	50,569	
State Retirement	86,500	
Medical Insurance	141,522	
Employer Medicare	11,901	
Accounting Services	2,100	
Communication	19,541	
Contracts with Other Public Agencies	57,375	
Dues and Memberships	2,103	
Evaluation and Testing	1,375	
Legal Services	20	
Maintenance Agreements	3,250	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Maintenance and Repair Services - Equipment	$ 2,167	
Maintenance and Repair Services - Vehicles	24,670	
Postal Charges	3,716	
Printing, Stationery, and Forms	1,971	
Rentals	11,104	
Travel	27,346	
Other Contracted Services	3,758	
Gasoline	98,700	
Law Enforcement Supplies	4,293	
Office Supplies	4,472	
Uniforms	14,237	
Other Supplies and Materials	14,736	
Vehicle and Equipment Insurance	21,018	
Workers' Compensation Insurance	909	
In Service/Staff Development	9,635	
Other Charges	5,211	
Data Processing Equipment	3,600	
Law Enforcement Equipment	42,834	
Motor Vehicles	47,844	
Total Sheriff's Department		$ 1,624,033
Traffic Control		
Dispatchers/Radio Operators	$ 306,888	
Social Security	17,937	
State Retirement	28,757	
Medical Insurance	38,287	
Employer Medicare	4,195	
Total Traffic Control		396,064
Jail		
Supervisor/Director	$ 40,739	
Accountants/Bookkeepers	29,447	
Guards	492,010	
Overtime Pay	531	
Social Security	31,004	
State Retirement	47,242	
Medical Insurance	104,192	
Employer Medicare	7,251	
Maintenance and Repair Services - Buildings	13,067	
Maintenance and Repair Services - Equipment	12,183	
Medical and Dental Services	136,344	
Pest Control	1,020	
Printing, Stationery, and Forms	1,352	
Rentals	1,381	
Custodial Supplies	22,423	
Electricity	59,585	
Food Preparation Supplies	139	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail (Cont.)		
Food Supplies	$ 103,051	
Natural Gas	27,854	
Office Supplies	1,888	
Water and Sewer	16,219	
Other Supplies and Materials	13,096	
Building and Contents Insurance	13,318	
Other Capital Outlay	94,827	
Total Jail		$ 1,270,163
Correctional Incentive Program Improvements		
Contributions	$ 975	
Total Correctional Incentive Program Improvements		975
Fire Prevention and Control		
Contributions	$ 27,000	
Total Fire Prevention and Control		27,000
Civil Defense		
Assistant(s)	$ 9,245	
Supervisor/Director	16,937	
Social Security	1,623	
State Retirement	1,897	
Employer Medicare	380	
Communication	1,577	
Dues and Memberships	30	
Maintenance and Repair Services - Equipment	841	
Printing, Stationery, and Forms	339	
Travel	548	
Gasoline	703	
Office Supplies	20	
Other Supplies and Materials	425	
Vehicle and Equipment Insurance	663	
In Service/Staff Development	359	
Other Equipment	11,891	
Total Civil Defense		47,478
Rescue Squad		
Other Contracted Services	$ 5,500	
Total Rescue Squad		5,500
County Coroner/Medical Examiner		
Other Contracted Services	$ 4,200	
Total County Coroner/Medical Examiner		4,200
Other Public Safety		
Other Contracted Services	$ 1,409	
Total Other Public Safety		1,409

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Health and Welfare		
Local Health Center		
Communication	$ 4,981	
Contracts with Government Agencies	29,500	
Dues and Memberships	200	
Janitorial Services	10,800	
Maintenance and Repair Services - Buildings	3,886	
Maintenance and Repair Services - Equipment	242	
Pest Control	364	
Postal Charges	244	
Custodial Supplies	839	
Drugs and Medical Supplies	142	
Electricity	9,925	
Natural Gas	1,459	
Office Supplies	976	
Water and Sewer	2,222	
Other Supplies and Materials	2,325	
Building and Contents Insurance	1,339	
Building Improvements	26,121	
Total Local Health Center		$ 95,565
Ambulance/Emergency Medical Services		
Contracts with Private Agencies	$ 235,000	
Total Ambulance/Emergency Medical Services		235,000
Maternal and Child Health Services		
Contracts with Other Public Agencies	$ 2,500	
Total Maternal and Child Health Services		2,500
Crippled Children Services		
Contributions	$ 2,167	
Total Crippled Children Services		2,167
Other Local Health Services		
Travel	$ 3,750	
Other Contracted Services	2,812	
Other Supplies and Materials	394	
Total Other Local Health Services		6,956
General Welfare Assistance		
Contracts with Other Public Agencies	$ 31,460	
Other Contracted Services	500	
Total General Welfare Assistance		31,960
Other Local Welfare Services		
Other Salaries and Wages	$ 25,095	
Social Security	1,411	
State Retirement	2,392	
Medical Insurance	5,365	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Other Local Welfare Services (Cont.)		
Employer Medicare	$ 330	
Travel	695	
Total Other Local Welfare Services		$ 35,288
Social, Cultural, and Recreational Services		
Adult Activities		
Supervisor/Director	$ 22,868	
Social Workers	20,614	
Other Salaries and Wages	32,434	
Social Security	4,114	
State Retirement	6,465	
Medical Insurance	16,818	
Employer Medicare	962	
Communication	2,156	
Contributions	11,922	
Licenses	810	
Maintenance and Repair Services - Vehicles	683	
Postal Charges	1,000	
Rentals	7,187	
Travel	5,789	
Other Contracted Services	503	
Custodial Supplies	1,999	
Food Supplies	6,445	
Gasoline	222	
Other Supplies and Materials	9,759	
Vehicle and Equipment Insurance	445	
Total Adult Activities		153,195
Senior Citizens Assistance		
Supervisor/Director	$ 22,818	
Temporary Personnel	2,175	
Social Security	1,171	
State Retirement	2,556	
Medical Insurance	8,947	
Employer Medicare	274	
Communication	1,127	
Maintenance and Repair Services - Buildings	759	
Postal Charges	203	
Rentals	444	
Travel	436	
Other Contracted Services	600	
Custodial Supplies	299	
Food Supplies	3,827	
Office Supplies	296	
Utilities	203	
Other Supplies and Materials	3,829	
Total Senior Citizens Assistance		49,964

(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.)		
Libraries		
Supervisor/Director	$ 33,438	
Clerical Personnel	46,285	
Temporary Personnel	4,918	
Social Security	4,385	
State Retirement	8,929	
Medical Insurance	17,554	
Employer Medicare	1,034	
Communication	3,655	
Contributions	20,000	
Janitorial Services	6,230	
Licenses	1,100	
Maintenance and Repair Services - Buildings	7,175	
Maintenance and Repair Services - Equipment	1,385	
Pest Control	295	
Travel	1,583	
Other Contracted Services	32,593	
Utilities	8,111	
Building and Contents Insurance	1,603	
Data Processing Equipment	2,383	
Total Libraries		$ 202,656
Agriculture and Natural Resources		
Agricultural Extension Service		
Salary Supplements	$ 50,676	
Other Fringe Benefits	12,382	
Communication	5,898	
Travel	1,800	
Data Processing Equipment	2,899	
Total Agricultural Extension Service		73,655
Soil Conservation		
Secretary(ies)	$ 25,424	
Social Security	1,424	
State Retirement	2,848	
Medical Insurance	5,545	
Employer Medicare	333	
Total Soil Conservation		35,574
Flood Control		
Other Contracted Services	$ 23,728	
Total Flood Control		23,728
Other Operations		
Veterans' Services		
Assistant(s)	$ 11,500	
Supervisor/Director	24,873	
Social Security	2,255	

(Continued)

Exhibit K-8

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

General Fund (Cont.)			
Other Operations (Cont.)			
Veterans' Services (Cont.)			
State Retirement	$ 2,786		
Employer Medicare	527		
Communication	1,718		
Dues and Memberships	135		
Postal Charges	371		
Travel	1,193		
Office Supplies	1,908		
Total Veterans' Services		$ 47,266	
Other Charges			
Dues and Memberships	$ 4,775		
Total Other Charges		4,775	
Contributions to Other Agencies			
Contributions	$ 194,932		
Total Contributions to Other Agencies		194,932	
Employee Benefits			
Other Fringe Benefits	$ 3,088		
Total Employee Benefits		3,088	
Miscellaneous			
Liability Insurance	$ 57,490		
Premiums on Corporate Surety Bonds	743		
Trustee's Commission	89,099		
Workers' Compensation Insurance	77,161		
Other Charges	600		
Interest on Other Loans	2,328		
Total Miscellaneous		227,421	
Total General Fund			$ 7,856,268
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Recycling Center			
Temporary Personnel	$ 5,828		
Postal Charges	19		
Travel	78		
Other Contracted Services	24,793		
Custodial Supplies	71		
Electricity	1,276		
Water and Sewer	327		
Other Supplies and Materials	400		
Trustee's Commission	596		
Total Recycling Center		$ 33,388	

(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	$ 361		
State Retirement	267		
Employer Medicare	84		
Total Employee Benefits		$ 712	
Total Solid Waste/Sanitation Fund			$ 34,100
Drug Control Fund			
Public Safety			
Drug Enforcement			
Confidential Drug Enforcement Payments	$ 5,000		
Towing Services	175		
Other Supplies and Materials	256		
Trustee's Commission	451		
Motor Vehicles	47,766		
Other Capital Outlay	6,930		
Total Drug Enforcement		$ 60,578	
Total Drug Control Fund			60,578
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 74,770		
Secretary to Board	1,800		
Secretary(ies)	27,399		
Custodial Personnel	6,220		
Board and Committee Members Fees	7,200		
Dues and Memberships	3,109		
Legal Services	150		
Legal Notices, Recording, and Court Costs	585		
Medical and Dental Services	940		
Postal Charges	428		
Printing, Stationery, and Forms	590		
Rentals	1,989		
Travel	975		
Drugs and Medical Supplies	200		
Office Supplies	627		
Other Supplies and Materials	610		
Other Charges	2,000		
Interest on Other Loans	656		
Total Administration		$ 130,248	
Highway and Bridge Maintenance			
Foremen	$ 37,832		
Equipment Operators	779,980		
Truck Drivers	106,290		

(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.)		
Other Contracted Services	$ 222,801	
Asphalt - Liquid	598,013	
Crushed Stone	491,347	
General Construction Materials	11,917	
Pipe	117,412	
Road Signs	3,390	
Small Tools	199	
Other Supplies and Materials	457	
Total Highway and Bridge Maintenance		$ 2,369,638
Operation and Maintenance of Equipment		
Foremen	$ 35,390	
Mechanic(s)	92,205	
Laundry Service	12,332	
Maintenance and Repair Services - Equipment	55,081	
Towing Services	135	
Diesel Fuel	257,344	
Equipment and Machinery Parts	138,257	
Garage Supplies	4,003	
Gasoline	29,834	
Lubricants	23,734	
Small Tools	757	
Tires and Tubes	38,343	
Other Supplies and Materials	799	
Total Operation and Maintenance of Equipment		688,214
Litter and Trash Collection		
Foremen	$ 19,891	
Secretary(ies)	7,644	
Social Security	1,716	
State Retirement	3,018	
Employer Medicare	401	
Advertising	5,864	
Travel	1,000	
Other Supplies and Materials	83	
Litter Enforcement Awards	5,348	
Total Litter and Trash Collection		44,965
Other Charges		
Communication	$ 6,259	
Maintenance and Repair Services - Buildings	1,848	
Maintenance and Repair Services - Office Equipment	100	
Electricity	19,160	
Natural Gas	7,770	
Water and Sewer	2,154	
Building and Contents Insurance	3,892	
Liability Insurance	5,955	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Other Charges (Cont.)			
Trustee's Commission	$ 50,934		
Vehicle and Equipment Insurance	20,359		
Liability Claims	1,338		
Total Other Charges		$ 119,769	
Employee Benefits			
Social Security	$ 66,743		
State Retirement	120,846		
Medical Insurance	198,661		
Unemployment Compensation	795		
Employer Medicare	15,609		
Other Fringe Benefits	150		
Workers' Compensation Insurance	123,435		
Total Employee Benefits		526,239	
Capital Outlay			
Bridge Construction	$ 5,000		
Highway Equipment	147,000		
Total Capital Outlay		152,000	
Total Highway/Public Works Fund			$ 4,031,073
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Notes	$ 10,656		
Principal on Other Loans	470,000		
Total General Government		$ 480,656	
Education			
Principal on Bonds	$ 1,745,000		
Principal on Other Loans	700,296		
Total Education		2,445,296	
Interest on Debt			
General Government			
Interest on Other Loans	$ 6,659		
Total General Government		6,659	
Education			
Interest on Bonds	$ 139,838		
Interest on Other Loans	14,685		
Total Education		154,523	
Other Debt Service			
General Government			
Trustee's Commission	$ 60,743		
Other Debt Service	17,924		
Total General Government		78,667	

(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)			
Other Debt Service (Cont.)			
Education			
Other Debt Service	$ 40,744		
Total Education		$ 40,744	
Total General Debt Service Fund			$ 3,206,545
Community Development/Industrial Park Fund			
Capital Projects			
Other General Government Projects			
Contracts with Other Public Agencies	$ 19,150		
Legal Notices, Recording, and Court Costs	257		
Motor Vehicles	240,500		
Other Equipment	72,756		
Total Other General Government Projects		$ 332,663	
Total Community Development/Industrial Park Fund			332,663
Total Governmental Funds - Primary Government			$ 15,521,227

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, 2014

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 10,105,622	
Career Ladder Program	84,779	
Career Ladder Extended Contracts	54,275	
Educational Assistants	367,005	
Bonus Payments	174,466	
Certified Substitute Teachers	73,797	
Non-certified Substitute Teachers	65,354	
Social Security	611,656	
State Retirement	945,106	
Medical Insurance	1,415,013	
Employer Medicare	145,283	
Other Fringe Benefits	22,207	
Rentals	70,756	
Instructional Supplies and Materials	140,041	
Textbooks	104,767	
Other Supplies and Materials	1,620	
Regular Instruction Equipment	350,369	
Total Regular Instruction Program		$ 14,732,116
Special Education Program		
Teachers	$ 1,323,100	
Career Ladder Program	11,907	
Homebound Teachers	17,537	
Educational Assistants	24,485	
Speech Pathologist	46,939	
Certified Substitute Teachers	10,920	
Non-certified Substitute Teachers	10,341	
Social Security	82,065	
State Retirement	123,907	
Medical Insurance	168,529	
Employer Medicare	19,295	
Contracts with Private Agencies	33,980	
Other Contracted Services	59,952	
Instructional Supplies and Materials	48,681	
Other Supplies and Materials	9,222	
Furniture and Fixtures	2,388	
Special Education Equipment	20,737	
Total Special Education Program		2,013,985
Vocational Education Program		
Teachers	$ 820,425	
Career Ladder Program	13,505	
Bonus Payments	11,213	
Other Salaries and Wages	21,717	
Certified Substitute Teachers	13,494	
Non-certified Substitute Teachers	8,046	

(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.)		
Social Security	$ 52,124	
State Retirement	75,881	
Medical Insurance	73,551	
Employer Medicare	12,214	
Communication	882	
Laundry Service	1,052	
Maintenance and Repair Services - Equipment	551	
Rentals	888	
Other Contracted Services	5,520	
Animal Food and Supplies	31,283	
Drugs and Medical Supplies	197	
Equipment and Machinery Parts	1,500	
Gasoline	2,500	
Instructional Supplies and Materials	25,226	
Other Supplies and Materials	2,899	
Vehicle and Equipment Insurance	400	
Vocational Instruction Equipment	4,818	
Other Capital Outlay	1,980	
Total Vocational Education Program		$ 1,181,866
Student Body Education Program		
Clerical Personnel	$ 6,396	
Social Security	295	
State Retirement	716	
Employer Medicare	69	
Gasoline	2,000	
Vehicle Parts	7	
Vehicle and Equipment Insurance	2,000	
Total Student Body Education Program		11,483
Adult Education Program		
Supervisor/Director	$ 73,862	
Teachers	64,003	
Guidance Personnel	9,470	
Other Salaries and Wages	26,681	
Social Security	9,327	
State Retirement	14,859	
Medical Insurance	7,885	
Employer Medicare	2,405	
Communication	1	
Rentals	3,406	
Travel	10,779	
Instructional Supplies and Materials	1,499	
Office Supplies	1,500	
Other Charges	4,774	
Total Adult Education Program		230,451

(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.)		
Other		
Teachers	$ 16,435	
Pupil Personnel	7,509	
Social Security	1,449	
State Retirement	1,393	
Employer Medicare	339	
Total Other		$ 27,125
Support Services		
Attendance		
Supervisor/Director	$ 70,941	
Career Ladder Program	3,000	
Bonus Payments	598	
Social Security	4,403	
State Retirement	6,619	
Medical Insurance	4,962	
Employer Medicare	1,030	
Maintenance Agreements	11,558	
Travel	867	
Other Supplies and Materials	3,098	
Total Attendance		107,076
Health Services		
Teachers	$ 29,061	
Medical Personnel	170,052	
Secretary(ies)	6,749	
Educational Assistants	1,465	
Bonus Payments	479	
Certified Substitute Teachers	400	
Non-certified Substitute Teachers	1,296	
Social Security	11,508	
State Retirement	19,223	
Medical Insurance	27,059	
Employer Medicare	2,694	
Communication	1,077	
Dues and Memberships	50	
Postal Charges	693	
Printing, Stationery, and Forms	1,298	
Rentals	1,919	
Travel	4,854	
Other Contracted Services	3,600	
Other Supplies and Materials	30,004	
Total Health Services		313,481
Other Student Support		
Career Ladder Program	$ 4,917	
Guidance Personnel	541,428	

(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 (Cont.)		
Other Student Support (Cont.)		
School Resource Officer	$ 33,965	
Bonus Payments	7,356	
Other Salaries and Wages	2,150	
Certified Substitute Teachers	800	
Non-certified Substitute Teachers	1,134	
Social Security	34,573	
State Retirement	53,188	
Medical Insurance	51,711	
Employer Medicare	8,089	
Evaluation and Testing	16,493	
Travel	1,982	
Other Contracted Services	13,500	
Other Supplies and Materials	1,613	
Other Charges	2,195	
Total Other Student Support		$ 775,094
Regular Instruction Program		
Supervisor/Director	$ 275,203	
Career Ladder Program	11,505	
Librarians	346,676	
Social Workers	39,808	
Instructional Computer Personnel	70,941	
Bonus Payments	10,465	
Other Salaries and Wages	113,138	
Social Security	48,098	
State Retirement	76,343	
Medical Insurance	84,818	
Employer Medicare	11,794	
Travel	28,761	
Library Books/Media	62,487	
Other Supplies and Materials	43,910	
In Service/Staff Development	23,555	
Total Regular Instruction Program		1,247,502
Alternative Instruction Program		
Supervisor/Director	$ 21,526	
Career Ladder Program	1,000	
Educational Assistants	12,614	
Bonus Payments	299	
Social Security	1,908	
State Retirement	3,371	
Medical Insurance	12,850	
Employer Medicare	446	
Communication	396	
Contracts with Other Public Agencies	39,862	
Rentals	1,044	

(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.)		
Alternative Instruction Program (Cont.)		
Travel	$ 320	
Other Supplies and Materials	1,080	
Total Alternative Instruction Program		$ 96,716
Special Education Program		
Supervisor/Director	$ 74,942	
Career Ladder Program	6,000	
Psychological Personnel	149,697	
Assessment Personnel	43,277	
Clerical Personnel	24,551	
Social Security	17,470	
State Retirement	27,073	
Medical Insurance	21,177	
Employer Medicare	4,086	
Communication	962	
Maintenance Agreements	6,867	
Maintenance and Repair Services - Equipment	414	
Postal Charges	499	
Travel	10,570	
Drugs and Medical Supplies	307	
Office Supplies	1,935	
Other Supplies and Materials	3,661	
In Service/Staff Development	10,498	
Other Equipment	1,163	
Total Special Education Program		405,149
Vocational Education Program		
Clerical Personnel	$ 26,438	
Other Salaries and Wages	771	
Certified Substitute Teachers	40	
Non-certified Substitute Teachers	162	
Social Security	1,209	
State Retirement	3,038	
Medical Insurance	9,791	
Employer Medicare	283	
Communication	402	
Maintenance and Repair Services - Equipment	5,457	
Travel	33,034	
Office Supplies	1,035	
Other Supplies and Materials	3,823	
In Service/Staff Development	1,852	
Total Vocational Education Program		87,335
Other Programs		
Other Salaries and Wages	$ 104,350	
Certified Substitute Teachers	3,521	

(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.)		
Other Programs (Cont.)		
Non-certified Substitute Teachers	$ 8,964	
Social Security	6,853	
State Retirement	9,347	
Employer Medicare	1,617	
On-behalf Payments to OPEB	148,728	
Total Other Programs		$ 283,380
Board of Education		
Secretary to Board	$ 3,000	
Board and Committee Members Fees	17,100	
Social Security	733	
State Retirement	336	
Unemployment Compensation	10,016	
Employer Medicare	289	
Audit Services	12,950	
Dues and Memberships	11,186	
Legal Services	47,079	
Legal Notices, Recording, and Court Costs	6,264	
Travel	3,728	
Other Contracted Services	6,000	
Excess Risk Insurance	30,045	
Liability Insurance	34,952	
Premiums on Corporate Surety Bonds	350	
Trustee's Commission	163,610	
Workers' Compensation Insurance	131,750	
Other Charges	1,916	
Total Board of Education		481,304
Director of Schools		
County Official/Administrative Officer	$ 104,755	
Career Ladder Program	1,000	
Accountants/Bookkeepers	28,322	
Secretary(ies)	47,188	
Social Security	10,610	
State Retirement	17,848	
Medical Insurance	29,198	
Employer Medicare	2,481	
Communication	6,355	
Postal Charges	3,089	
Printing, Stationery, and Forms	6,014	
Rentals	5,247	
Travel	7,681	
Office Supplies	3,406	
Other Supplies and Materials	8,099	
Total Director of Schools		281,293

(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.)		
Office of the Principal		
Principals	$ 697,832	
Career Ladder Program	8,912	
Secretary(ies)	303,571	
Bonus Payments	5,980	
Social Security	57,873	
State Retirement	95,221	
Medical Insurance	123,912	
Employer Medicare	13,535	
Communication	36,096	
Travel	5,588	
Office Supplies	15,183	
Other Charges	2,450	
Total Office of the Principal		$ 1,366,153
Operation of Plant		
Custodial Personnel	$ 73,712	
Social Security	4,067	
State Retirement	3,991	
Medical Insurance	12,700	
Employer Medicare	951	
Maintenance and Repair Services - Equipment	2,795	
Rentals	28,537	
Disposal Fees	40,821	
Permits	3,340	
Other Contracted Services	932,379	
Custodial Supplies	2,983	
Electricity	849,851	
Natural Gas	235,510	
Water and Sewer	67,888	
Other Supplies and Materials	7,738	
Building and Contents Insurance	122,751	
Furniture and Fixtures	6,349	
Total Operation of Plant		2,396,363
Maintenance of Plant		
Supervisor/Director	$ 46,826	
Secretary(ies)	27,624	
Maintenance Personnel	199,076	
Social Security	14,953	
State Retirement	30,635	
Medical Insurance	49,644	
Employer Medicare	3,497	
Communication	1,661	
Laundry Service	9,825	
Maintenance and Repair Services - Buildings	10,939	
Maintenance and Repair Services - Equipment	49,439	

(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.)		
Maintenance of Plant (Cont.)		
Pest Control	$ 7,198	
Printing, Stationery, and Forms	298	
Travel	788	
Other Contracted Services	54,201	
Custodial Supplies	60	
Drugs and Medical Supplies	576	
Equipment and Machinery Parts	80,054	
General Construction Materials	4,090	
Office Supplies	497	
Other Supplies and Materials	13,326	
Motor Vehicles	23,802	
Total Maintenance of Plant		$ 629,009
Transportation		
Supervisor/Director	$ 43,002	
Mechanic(s)	74,775	
Bus Drivers	319,627	
Social Security	26,665	
State Retirement	43,670	
Medical Insurance	7,351	
Employer Medicare	6,301	
Communication	2,730	
Maintenance and Repair Services - Equipment	3,979	
Maintenance and Repair Services - Vehicles	18,212	
Medical and Dental Services	4,793	
Printing, Stationery, and Forms	654	
Rentals	1,452	
Towing Services	6,320	
Travel	692	
Drugs and Medical Supplies	1,652	
Gasoline	324,311	
General Construction Materials	440	
Office Supplies	930	
Tires and Tubes	41,023	
Vehicle Parts	98,550	
Other Supplies and Materials	12,507	
Vehicle and Equipment Insurance	59,026	
Transportation Equipment	165,825	
Other Equipment	5,100	
Total Transportation		1,269,587
Operation of Non-instructional Services		
Community Services		
Other Salaries and Wages	$ 73,962	
Social Security	4,484	
State Retirement	2,483	

(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.)			
Operation of Non-instructional Services (Cont.)			
Community Services (Cont.)			
Employer Medicare	$ 1,049		
Other Contracted Services	180		
Other Supplies and Materials	24,675		
Total Community Services		$ 106,833	
Early Childhood Education			
Teachers	$ 235,529		
Social Workers	36,347		
Educational Assistants	73,397		
Bonus Payments	4,186		
Certified Substitute Teachers	1,560		
Non-certified Substitute Teachers	2,754		
Social Security	18,744		
State Retirement	31,238		
Medical Insurance	77,699		
Employer Medicare	4,388		
Communication	4,783		
Legal Notices, Recording, and Court Costs	4,543		
Postal Charges	83		
Other Supplies and Materials	73,992		
In Service/Staff Development	4,191		
Total Early Childhood Education		573,434	
Capital Outlay			
Regular Capital Outlay			
Building Improvements	$ 335,256		
Other Construction	17,459		
Total Regular Capital Outlay		352,715	
Other Debt Service			
Education			
Contributions	$ 217,632		
Total Education		217,632	
Total General Purpose School Fund			$ 29,187,082
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 610,600		
Educational Assistants	188,677		
Other Salaries and Wages	33,285		
Certified Substitute Teachers	11,774		
Non-certified Substitute Teachers	15,282		
Social Security	48,681		
State Retirement	71,722		

(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.)		
Instruction (Cont.)		
Regular Instruction Program (Cont.)		
Medical Insurance	$ 89,010	
Employer Medicare	11,699	
Instructional Supplies and Materials	22,038	
Regular Instruction Equipment	232,361	
Total Regular Instruction Program		$ 1,335,129
Special Education Program		
Teachers	$ 54,957	
Educational Assistants	387,019	
Social Security	23,256	
State Retirement	38,453	
Medical Insurance	110,714	
Employer Medicare	5,440	
Contracts with Private Agencies	3,782	
Instructional Supplies and Materials	19,244	
Special Education Equipment	18,709	
Total Special Education Program		661,574
Vocational Education Program		
Other Contracted Services	$ 500	
Instructional Supplies and Materials	4,356	
Other Supplies and Materials	268	
Vocational Instruction Equipment	34,281	
Total Vocational Education Program		39,405
Support Services		
Health Services		
Medical Personnel	$ 23,864	
Social Security	1,142	
State Retirement	2,505	
Medical Insurance	7,466	
Employer Medicare	267	
Total Health Services		35,244
Other Student Support		
Guidance Personnel	$ 11,001	
Other Salaries and Wages	9,753	
Social Security	1,241	
State Retirement	1,989	
Employer Medicare	291	
Evaluation and Testing	2,006	
Travel	4,699	
Other Contracted Services	1,190	
In Service/Staff Development	1	
Other Charges	27,473	
Total Other Student Support		59,644

(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.)			
Regular Instruction Program			
Supervisor/Director	$ 37,475		
Secretary(ies)	26,688		
Educational Assistants	6,495		
Other Salaries and Wages	255,574		
Social Security	16,675		
State Retirement	26,211		
Medical Insurance	4,759		
Employer Medicare	4,443		
Operating Lease Payments	1,008		
Maintenance and Repair Services - Equipment	295		
Travel	2,651		
Other Supplies and Materials	2,352		
In Service/Staff Development	26,097		
Total Regular Instruction Program		$ 410,723	
Special Education Program			
Clerical Personnel	$ 16,894		
Other Salaries and Wages	7,579		
Social Security	1,342		
State Retirement	1,892		
Medical Insurance	4,780		
Employer Medicare	314		
Total Special Education Program		32,801	
Transportation			
Mechanic(s)	$ 9,191		
Bus Drivers	71,411		
Social Security	4,996		
State Retirement	7,998		
Employer Medicare	1,168		
Gasoline	18,000		
Total Transportation		112,764	
Total School Federal Projects Fund			$ 2,687,284
Central Cafeteria Fund			
Operation of Non-instructional Services			
Food Service			
Supervisor/Director	$ 62,176		
Accountants/Bookkeepers	26,709		
Cafeteria Personnel	710,108		
Maintenance Personnel	28,222		
Educational Incentive - Other County Employees	2,400		
Bonus Payments	598		
Other Salaries and Wages	788		
Social Security	45,214		

(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.)			
State Retirement	$ 72,125		
Medical Insurance	179,914		
Employer Medicare	10,591		
Audit Services	3,000		
Communication	7,901		
Freight Expenses	16,399		
Legal Notices, Recording, and Court Costs	149		
Maintenance Agreements	8,137		
Maintenance and Repair Services - Equipment	3,978		
Pest Control	1,982		
Postal Charges	255		
Printing, Stationery, and Forms	1,484		
Travel	1,376		
Disposal Fees	37,357		
Other Contracted Services	19,520		
Custodial Supplies	162		
Equipment and Machinery Parts	11,539		
Food Supplies	1,086,275		
Office Supplies	6,004		
USDA - Commodities	171,512		
Other Supplies and Materials	96,907		
Trustee's Commission	29		
In Service/Staff Development	3,261		
Food Service Equipment	30,134		
Total Food Service		$ 2,646,206	
Total Central Cafeteria Fund			$ 2,646,206
Education Capital Projects Fund			
Capital Projects			
Education Capital Projects			
Building Improvements	$ 153,000		
Total Education Capital Projects		$ 153,000	
Total Education Capital Projects Fund			153,000
Total Governmental Funds - Weakley County School Department			$ 34,673,572

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, 2014

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 2,938,833
Total Cash Receipts	$ 2,938,833
Cash Disbursements	
Remittance of Revenue Collected	$ 2,909,445
Trustee's Commission	29,388
Total Cash Disbursements	$ 2,938,833
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2013	0
Cash Balance, June 30, 2014	$ 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, 2014, and the related notes to the financial statements, which collectively comprise Weakley County's basic financial statements, and have issued our report thereon dated February 27, 2015. Our report includes a reference to other auditors who audited the financial statements of the Weakley County Municipal Electric System, the Weakley County Nursing Home, and the 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. 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.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

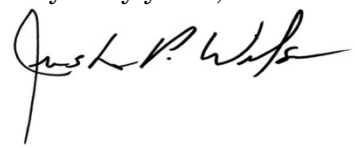
Weakley County's Response to Finding

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

February 27, 2015

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, 2014. 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, 2014.

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.

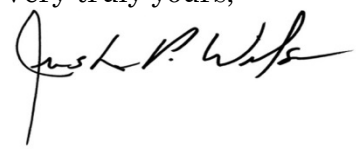
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2014, and the related notes to the financial statements, which collectively comprise Weakley County's basic financial statements. We issued our report thereon dated February 27, 2015, 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 basic 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 basic 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 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. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 27, 2015

JPW/sb

Weakley County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2014

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	N/A	$ 171,512	(5)
Passed-through State Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	548,513	
National School Lunch Program	10.555	N/A	1,150,839	(5)
Child and Adult Care Food Program	10.558	(2)	4,222	
Team Nutrition Grants	10.574	(2)	1,000	
Fresh Fruit and Vegetable Program	10.582	(2)	10,634	
Total U.S. Department of Agriculture			$ 1,886,720	
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	(3)	$ 289,641	
Total U.S. Department of Housing and Urban Development			$ 289,641	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Alcohol Open Container Requirements	20.607	Z-14-GHS422	$ 4,984	
Total U.S. Department of Transportation			$ 4,984	
U.S. Institute of Museum and Library Services:				
Passed-through Tennessee Secretary of State:				
Grants to States	45.310	30504-00114-95	$ 1,184	
Total U.S. Institute of Museum and Library Services			$ 1,184	
U.S. Department of Education:				
Passed-through State Department of Labor and Workforce Development:				
Adult Education - Basic Grants to States	84.002	N/A	$ 178,774	
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	1,353,103	
Special Education Cluster:				
Special Education - Grants to States	84.027	N/A	824,646	
Special Education - Preschool Grants	84.173	N/A	26,246	
Career and Technical Education - Basic Grants to States	84.048	N/A	61,108	
Rural Education	84.358	N/A	94,073	
Improving Teacher Quality State Grants	84.367	N/A	187,945	
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	149,402	
Total U.S. Department of Education			$ 2,875,297	
U.S. Election Assistance Commission				
Passed-through Tennessee Secretary of State:				
Help America Vote Act Requirements Payments	90.401	30510-00113-92	$ 1,540	
Total U.S. Election Assistance Commission			$ 1,540	
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)	$ 102,898	
Total U.S. Department of Health and Human Services			$ 102,898	
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Emergency Management Performance Grants	97.042	34101-09614	$ 21,500	
Homeland Security Grant Program	97.067	EMW-2012-SS-00107	11,891	
Total U.S. Department of Homeland Security			$ 33,391	
Total Federal Awards			$ 5,195,655	

(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	(4)	$ 54,344
Preventive Health and Human Services - State Department of Health	N/A	GG-14-37709-00	35,221
27th Judicial District Drug Court - State Department of Finance and Administration	N/A	(2)	63,931
Litter Grant - State Department of Environment and Conservation	N/A	(2)	44,561
Archives Grant - Tennessee Secretary of State	N/A	(2)	2,400
Improved DUI Enforcement - State Department of Transportation	N/A	(2)	29,625
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	19,807
Coordinated School Health - State Department of Education	N/A	N/A	89,500
Connect Tennessee - State Department of Education	N/A	N/A	12,762
Safe Schools - State Department of Education	N/A	N/A	25,701
Statewide Student Management System - State Department of Education	N/A	N/A	11,558
ACT/EXPLORE/PLAN - State Department of Education	N/A	N/A	6,055
Adult Education - State Department of Labor and Workforce Development	N/A	N/A	59,592
Energy Efficient School Initiative - State Department of Education	N/A	N/A	19,437
Early Childhood Education - State Department of Education	N/A	N/A	584,235
Student Ticket Subsidy Grant - Tennessee Arts Commission	N/A	N/A	2,450
Three Star Program - State Department of Economic and Community Development	N/A	N/A	15,000
Total State Grants			$ 1,076,179

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) 33004-00813: $275,409; 33004-11814: $14,232.
(4) 35910-20252: $45,344; GG-10-30085-00: $9,000.
(5) Total CFDA No. 10.555 is $1,322,351.

Weakley County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

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, 2013, which have not been corrected.

WEAKLEY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

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 no significant deficiencies in internal control.

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

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

5. An 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 Educational Agencies (CFDA No. 84.010) and the Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.

8. A $300,000 threshold was used to distinguish between Type A and Type B federal programs.

9. Weakley County did qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our examination, are 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 2014-001 **COMPETITIVE BIDS WERE NOT SOLICITED FOR CUSTODIAL SERVICES AT THE WEAKLEY COUNTY SCHOOLS**
(Noncompliance Under *Government Auditing Standards*)

Weakley County contracted for cleaning services of the Weakley County schools for a total of $915,996 per year without soliciting competitive bids. Purchasing procedures for Weakley County are governed by the County Financial Management System of 1981, which requires all purchases exceeding $10,000 to be competitively bid through public advertisement. The failure to solicit competitive bids could result in the county paying more than the most competitive price. This deficiency exists because management failed to comply with the state statute.

RECOMMENDATION

Service contracts exceeding $10,000 should be competitively bid as required by state statute.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

The Finance Department did bid custodial services for the county schools in June 2001. Requests for Proposals (RFP) were solicited via RFP #2002-17. Contract extensions have been negotiated and entered into from this RFP. The Finance Department will review this contract in the near future.

AUDITOR'S COMMENT

During the audit, the Finance Department provided us a copy of a janitorial contract effective July 1, 2001, and indicated that this contract had been renegotiated periodically. However, this 14-year-old contract totaled $456,264 annually with Southern Building Service, Inc.; therefore, this contract did not appear to be relevant to the current contract of $915,996 with GCA Services Group, Inc. The 2001 contract did state that the cost of services per year could be negotiated, and there was no expiration date listed. Sound business practices dictate that contracts should have expiration dates and periodically be bid to ensure that the county obtains the most competitive price.

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, 2014

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