
ANNUAL FINANCIAL REPORT WEAKLEY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2012



**ANNUAL FINANCIAL REPORT
WEAKLEY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2012**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT
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Director***

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ELISHA CROWELL, CFE
State Auditors***

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

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Audit Highlights
Annual Financial Report
Weakley County, Tennessee
For the Year Ended June 30, 2012

Scope

We have audited the basic financial statements of Weakley County as of and for the year ended June 30, 2012.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF FINANCE

- ◆ Appropriations exceeded estimated available funding in the Highway/Public Works Fund.
- ◆ A Report on Debt Obligation was not filed with the state Comptroller's Office.

INTRODUCTORY SECTION

Weakley County Officials

June 30, 2012

Officials

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

Board of County Commissioners

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

Board of Education

Gordon Morris, Chairman
Gath Meeks
Sarah Ann Pentecost
Jeff Perkins
Joan Pritchett
Lindell Roney
Doug Sims
Barbara Trentham
Steve Vantrease

Financial Management Committee

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

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

December 19, 2012

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Weakley County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Weakley County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Weakley County Municipal Electric System (a major fund and the entire business-type activities). Also, we did not audit the financial statements of the Weakley County Nursing Home, which represent 14.5 percent and 16.9 percent, respectively, of the assets and revenues of the aggregate discretely presented component units and the Weakley County Emergency Communications District, which represent 2.4 percent and .9 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Weakley County Municipal Electric System, the Weakley County Nursing Home, and the Weakley County Emergency Communications District, is based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the

amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2012, on our consideration of Weakley County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 20 and the budgetary comparison, pension, and other postemployment benefits information on pages 89 through 96 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Department (a discretely presented component unit), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the beginning.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Weakley County Government (the county), we offer readers of the county's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2012. All amounts, unless otherwise indicated, are expressed in actual dollars.

FINANCIAL HIGHLIGHTS

Management believes the county's financial condition is strong. The county is well within its budget and the more stringent financial policies and guidelines set by the County Commission and management. The following are key financial highlights.

- ◆ Total assets at year-end were \$101,313,187 and exceeded liabilities by \$63,120,771 (i.e., net assets).
- ◆ Total revenues of the governmental funds were \$16,199,991, an increase of \$233,698 from fiscal year 2011.
- ◆ Total expenditures of the governmental funds were \$17,385,203, an increase of \$934,207 over fiscal year 2011.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the financial statements and supplementary information. The MD&A represents management's examination and analysis of the county's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the county's strategic plan, budget, and other management tools were used for this analysis. The Annual Financial Report consists of three sections: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the county's finances in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the county's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The Statement of Activities presents information illustrating the changes in the government's net assets during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements include the Weakley County Government (known as the primary government), and a legally separate nursing home, emergency communications district, and a school district for which the Weakley County Government is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government.

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highway/public works; and debt service. The government-wide business-type activity is the Weakley County Municipal Electric System.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the county can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Weakley County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Highway/Public Works, and General Debt Service funds, which are all considered major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The county adopts an annual budget for the General, some special revenue, some capital projects, and the General Debt Service funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

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

Proprietary fund. Weakley County maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county uses an enterprise fund to account for its municipal electric system. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Weakley County's general and major special revenue funds' budgetary statements (General and Highway/Public Works funds). Required supplementary information can be found after the basic financial statements section of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Weakley County's assets exceeded liabilities by \$28,387,475 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, 2012, Weakley County had outstanding debt totaling \$16,811,537 for capital purposes for the Weakley County Board of Education, but the capital assets are reported in the financial statements of the Weakley County Board of Education. As a result, the county has incurred the related liability without a corresponding increase in the county's capital assets, thereby significantly decreasing its unrestricted net assets.

Weakley County Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets:						
Current and Other						
Assets	\$ 13,985,861	\$ 12,576,694	\$ 13,247,024	\$ 12,574,188	\$ 27,232,885	\$ 25,150,882
Capital Assets	40,937,108	44,326,069	33,143,194	33,554,666	74,080,302	77,880,735
Total Assets	\$ 54,922,969	\$ 56,902,763	\$ 46,390,218	\$ 46,128,854	\$ 101,313,187	\$ 103,031,617
Liabilities:						
Other Liabilities	\$ 6,316,990	\$ 6,062,722	\$ 8,202,932	\$ 8,041,245	\$ 14,519,922	\$ 14,103,967
Long-term Liabilities						
Outstanding	20,218,504	21,536,715	3,453,990	4,019,137	23,672,494	25,555,852
Total Liabilities	\$ 26,535,494	\$ 27,599,437	\$ 11,656,922	\$ 12,060,382	\$ 38,192,416	\$ 39,659,819
Net Assets						
Invested in Capital Assets,						
Net of Related Debt	\$ 37,875,762	\$ 40,848,069	\$ 31,701,486	\$ 31,720,342	\$ 69,577,248	\$ 72,568,411
Restricted	3,503,671	5,854,774	0	0	3,503,671	5,854,774
Unrestricted	(12,991,958)	(17,399,517)	3,031,810	2,348,130	(9,960,148)	(15,051,387)
Total Net Assets	\$ 28,387,475	\$ 29,303,326	\$ 34,733,296	\$ 34,068,472	\$ 63,120,771	\$ 63,371,798

By far the largest portion of the county's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Weakley County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Weakley County's investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the county's net assets (\$3,503,671) represents resources that are subject to external restrictions on how they may be used.

Weakley County Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,320,939	\$ 2,410,195	\$ 44,275,664	\$ 47,112,925	\$ 46,596,603	\$ 49,523,120
Operating Grants and Contributions	3,329,559	3,510,752	0	0	3,329,559	3,510,752
Capital Grants and Contributions	715,033	459,511	0	0	715,033	459,511
General Revenues:						
Property Taxes	6,282,498	6,097,298	0	0	6,282,498	6,097,298
Other Taxes	1,888,613	1,818,793	0	0	1,888,613	1,818,793
Grants and Contributions Not Restricted to Specific Programs	1,527,626	1,455,907	0	0	1,527,626	1,455,907
Unrestricted Investment Income	151,434	159,994	91,916	94,499	243,350	254,493
Other	102,127	20,732	0	1,125	102,127	21,857
Gain on Disposal of Property	0	0	10,000	0	10,000	0
Total Revenues	\$ 16,317,829	\$ 15,933,182	\$ 44,377,580	\$ 47,208,549	\$ 60,695,409	\$ 63,141,731
Expenses:						
General Government	\$ 898,888	\$ 969,317	\$ 0	\$ 0	\$ 898,888	\$ 969,317
Finance	1,181,630	1,200,151	0	0	1,181,630	1,200,151
Administration of Justice	1,205,249	1,261,772	0	0	1,205,249	1,261,772
Public Safety	3,476,573	3,425,210	0	0	3,476,573	3,425,210
Public Health and Welfare	494,991	448,941	0	0	494,991	448,941
Social, Cultural, and Recreational Services	413,800	373,630	0	0	413,800	373,630
Agriculture and Natural Resources	134,333	133,384	0	0	134,333	133,384
Other Operations	403,970	561,622	0	0	403,970	561,622
Highway/Public Works	7,067,217	6,793,225	0	0	7,067,217	6,793,225
Interest on Long-term Debt	431,151	510,857	0	0	431,151	510,857
Other Debt Service	152,063	156,468	0	0	152,063	156,468
Capital Projects	1,812,940	0	0	0	1,812,940	0
Public Utility	0	0	43,273,631	46,219,440	43,273,631	46,219,440
Total Expenses	\$ 17,672,805	\$ 15,834,577	\$ 43,273,631	\$ 46,219,440	\$ 60,946,436	\$ 62,054,017
Transfers	\$ 439,125	\$ 435,517	\$ (439,125)	\$ (435,517)	\$ 0	\$ 0
Change in Net Assets	\$ (915,851)	\$ 534,122	\$ 664,824	\$ 553,592	\$ (251,027)	\$ 1,087,714
Net Assets, July 1	29,303,326	28,769,204	34,068,472	33,514,880	63,371,798	62,284,084
Net Assets, June 30	\$ 28,387,475	\$ 29,303,326	\$ 34,733,296	\$ 34,068,472	\$ 63,120,771	\$ 63,371,798

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 \$7,143,271, an increase of \$1,068,887 in comparison with the prior year. Of this total amount, \$3,108,020 is restricted with externally enforceable limitations on use, \$3,685,345 is committed by the county legislative body to a specific fund or use, and \$98,075 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 \$251,831, while total fund balance was \$514,824. 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 three percent of total General Fund expenditures, while total fund balance represents seven percent of that same amount.

The General Debt Service Fund has a total fund balance of \$5,436,451. The increase in fund balance of \$785,320 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	\$ 47,258
Finance	(12,946)
Administration of Justice	(30,439)
Public Safety	(119,383)
Public Health and Welfare	9,955
Social, Cultural, and Recreational Services	(1,969)
Agriculture and Natural Resources	(12,329)
Other Operations	<u>29,676</u>
Total Decrease in Budgeted Expenditures	<u>\$ (90,177)</u>

During the year, revenues were less than budgetary estimates; however, expenditures were also significantly less than budgetary estimates, thus reducing the need to draw upon existing fund balance.

Capital Assets and Debt Administration

Capital assets. The county’s investment in capital assets for its governmental activities as of June 30, 2012, totaled \$40,937,108 (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 \$3,388,961, (net of accumulated depreciation). This decrease was mainly attributable to depreciation expense for the year.

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

- ◆ The Weakley County Sheriff’s Department purchased two new patrol vehicles. The Weakley County Highway/Public Works Department purchased a trailer and two new trucks.
- ◆ The Board of Education purchased two new special education school buses and one van. There were also major renovations to the Dresden High School Science Lab, Dresden High School HVAC System, and Martin Middle School HVAC System.

Long-term debt. At the end of the current fiscal year, Weakley County had total bonded debt outstanding of \$7,325,000, notes payable of \$5,108, and other loans payable of \$12,535,429. All debt is backed by full faith and credit of the county.

	Governmental Activities
Notes Payable	\$ 5,108
Other Loans Payable	12,535,429
Bonded Debt	7,325,000
 Total	 \$ 19,865,537

Weakley County maintains an “Aaa” rating from Moody’s for general obligation debt.

Economic Factors and Next Year’s Budget and Rates

- ◆ The unemployment rate of Weakley County is currently 12.5 percent, which is a decrease from a rate of 13.2 percent in June 2012.
- ◆ The county experienced limited commercial and industrial growth during the year.
- ◆ Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the county’s budget for the 2013 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 Assets
June 30, 2012

	Primary Government			Component Units		
	Governmental	Business-type	Total	Weakley	Weakley	Weakley
	Activities	Activities		School	County	County
				Department	Nursing	Emergency
					Home	Communications
						District
ASSETS						
Cash	\$ 2,220	\$ 7,690,995	\$ 7,693,215	\$ 0	\$ 2,936,656	\$ 441,750
Equity in Pooled Cash and Investments	5,989,397	0	5,989,397	5,340,846	0	0
Inventories	0	421,041	421,041	0	74,787	0
Investments	0	0	0	0	0	49,410
Accounts Receivable	32,412	2,805,554	2,837,966	41,443	1,638,798	11,758
Due from Other Governments	1,379,117	0	1,379,117	1,141,443	0	0
Due from Component Units	469	0	469	0	0	0
Property Taxes Receivable	6,607,823	0	6,607,823	3,431,384	0	0
Allowance for Uncollectible Property Taxes	(129,643)	0	(129,643)	(69,795)	0	0
Prepaid Items	0	136,075	136,075	0	9,866	125,466
Accrued Interest Receivable	0	0	0	0	0	39
Other Restricted Assets	0	0	0	0	37,132	0
Deferred Charges - Debt Issuance Costs	104,066	0	104,066	0	0	0
Notes Receivable	0	2,193,359	2,193,359	0	0	0
Capital Assets:						
Assets Not Depreciated:						
Land	1,575,535	513,913	2,089,448	1,935,850	2,371	0
Construction in Progress	0	579,758	579,758	0	0	0
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	5,174,083	0	5,174,083	20,046,734	1,140,645	0
Infrastructure	33,480,205	0	33,480,205	0	0	0
Other Capital Assets	707,285	32,049,523	32,756,808	2,700,591	194,991	377,157
Total Assets	\$ 54,922,969	\$ 46,390,218	\$ 101,313,187	\$ 34,568,496	\$ 6,035,246	\$ 1,005,580
LIABILITIES						
Accounts Payable	\$ 2,735	\$ 6,511,726	\$ 6,514,461	\$ 0	\$ 167,157	\$ 2,594
Accrued Payroll	0	0	0	0	42,497	0
Payroll Deductions Payable	0	0	0	0	41,310	0
Accrued Leave	0	556,087	556,087	0	59,734	306
Accrued Interest Payable	53,865	0	53,865	0	0	0
Other Current Liabilities	0	34,622	34,622	0	62,349	0
Current Liabilities Payable from Restricted Assets:						
Customer Deposits Payable	0	1,100,497	1,100,497	0	0	0
Deferred Revenue - Current Property Taxes	6,260,390	0	6,260,390	3,239,642	0	0
Noncurrent Liabilities:						
Due Within One Year	3,564,859	156,047	3,720,906	1,603	0	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	16,653,645	3,297,943	19,951,588	545,706	0	0
Total Liabilities	\$ 26,535,494	\$ 11,656,922	\$ 38,192,416	\$ 3,786,951	\$ 373,047	\$ 2,900

(Continued)

Exhibit A

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

	Primary Government			Component Units		
	Governmental	Business-type	Total	Weakley	Weakley	Weakley
	Activities	Activities		School	County	County
			Department	Nursing	Emergency	Communications
			Home	District		
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	\$ 37,875,762	\$ 31,701,486	\$ 69,577,248	\$ 0	\$ 0	\$ 0
Invested in Capital Assets	0	0	0	24,683,175	1,338,007	377,157
Restricted for:						
Administration of Justice	171,762	0	171,762	0	0	0
Public Safety	194,316	0	194,316	0	0	0
Highway/Public Works	200,454	0	200,454	0	0	0
Debt Service	2,795,904	0	2,795,904	0	0	0
Capital Projects	106,601	0	106,601	215,417	0	0
Education	0	0	0	158,451	0	0
Operation of Non-Instructional Services	0	0	0	555,524	0	0
Other Purposes	34,634	0	34,634	0	0	0
Unrestricted	(12,991,958)	3,031,810	(9,960,148)	5,168,978	4,324,192	625,523
Total Net Assets	\$ 28,387,475	\$ 34,733,296	\$ 63,120,771	\$ 30,781,545	\$ 5,662,199	\$ 1,002,680

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

Exhibit B

Weakley County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Component Units			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Weakley County			Emergency Communications District
					School Department	Nursing Home	County	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes				\$ 3,042,629	\$ 3,517,411	\$ 0	\$ 0	0
Property Taxes Levied for Debt Service				3,239,869	0	0	0	0
Local Option Sales Taxes				287,737	3,209,228	0	0	0
Hotel/Motel Tax				109,304	0	0	0	0
Wheel Tax				887,088	126,727	0	0	0
Litigation Tax - General				163,154	0	0	0	0
Business Tax				247,824	0	0	0	0
Mineral Severance Tax				100,524	0	0	0	0
Other Local Taxes				92,982	2,081	0	0	0
Grants and Contributions Not Restricted to Specific Programs				1,527,626	24,710,747	0	0	0
Unrestricted Investment Income				151,434	91,916	0	29,173	5,469
Miscellaneous				102,127	0	0	0	0
Gain on Disposal of Property				0	134,849	0	0	0
Total General Revenues				\$ 9,952,298	\$ 31,701,043	\$ 29,173	\$ 0	\$ 5,469
Transfers				\$ 439,125	\$ 0	\$ 0	\$ 0	\$ 0
Change in Net Assets				\$ (915,851)	\$ 664,824	\$ (251,027)	\$ 1,300,057	\$ 26,223
Net Assets, July 1, 2011				29,303,326	34,068,472	63,371,798	29,481,488	976,457
Net Assets, June 30, 2012				\$ 28,387,475	\$ 34,733,296	\$ 63,120,771	\$ 30,781,545	\$ 1,002,680

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, 2012

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 2,220	\$ 2,220
Equity in Pooled Cash and Investments	75,759	144,112	5,424,819	342,832	5,987,522
Accounts Receivable	11,955	11,458	786	8,213	32,412
Due from Other Governments	514,005	862,948	0	2,164	1,379,117
Due from Other Funds	10,299	1,875	0	0	12,174
Due from Component Units	469	0	0	0	469
Property Taxes Receivable	2,796,617	1,011,619	2,799,587	0	6,607,823
Allowance for Uncollectible Property Taxes	(50,296)	(18,820)	(60,527)	0	(129,643)
Total Assets	\$ 3,358,808	\$ 2,013,192	\$ 8,164,665	\$ 355,429	\$ 13,892,094
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 2,735	\$ 2,735
Due to Other Funds	0	0	0	10,299	10,299
Deferred Revenue - Current Property Taxes	2,670,516	963,137	2,626,737	0	6,260,390
Deferred Revenue - Delinquent Property Taxes	68,485	26,798	101,477	0	196,760
Other Deferred Revenues	104,983	173,656	0	0	278,639
Total Liabilities	\$ 2,843,984	\$ 1,163,591	\$ 2,728,214	\$ 13,034	\$ 6,748,823
<u>Fund Balances</u>					
Restricted:					
Restricted for General Government	\$ 16,890	\$ 0	\$ 0	\$ 0	\$ 16,890
Restricted for Finance	5,666	0	0	0	5,666
Restricted for Administration of Justice	58,631	0	0	113,131	171,762
Restricted for Public Safety	83,731	0	0	110,585	194,316
Restricted for Public Health and Welfare	0	0	0	12,078	12,078
Restricted for Debt Service	0	0	2,600,707	0	2,600,707
Restricted for Capital Projects	0	0	0	106,601	106,601
Committed:					
Committed for Highways/Public Works	0	849,601	0	0	849,601
Committed for Debt Service	0	0	2,835,744	0	2,835,744
Assigned:					
Assigned for General Government	78,000	0	0	0	78,000
Assigned for Finance	1,510	0	0	0	1,510
Assigned for Public Safety	18,565	0	0	0	18,565
Unassigned	251,831	0	0	0	251,831
Total Fund Balances	\$ 514,824	\$ 849,601	\$ 5,436,451	\$ 342,395	\$ 7,143,271
Total Liabilities and Fund Balances	\$ 3,358,808	\$ 2,013,192	\$ 8,164,665	\$ 355,429	\$ 13,892,094

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

Exhibit C-2

Weakley County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	7,143,271
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,575,535	
Add: buildings and improvements net of accumulated depreciation		5,174,083	
Add: infrastructure net of accumulated depreciation		33,480,205	
Add: other capital assets net of accumulated depreciation		<u>707,285</u>	40,937,108
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(5,108)	
Less: other loans payable		(12,535,429)	
Less: bonds payable		(7,325,000)	
Add: deferred amount on refunding		147,585	
Add: deferred charges - debt issuance costs		104,066	
Less: compensated absences payable		(209,085)	
Less: other postemployment benefits liability		(284,121)	
Less: accrued interest on bonds		(53,865)	
Less: other deferred revenue - premium on debt		<u>(7,346)</u>	(20,168,303)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>475,399</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 28,387,475</u>

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

Exhibit C-3

Weakley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 3,555,133	\$ 1,827,808	\$ 3,235,368	\$ 4,754	\$ 8,623,063
Licenses and Permits	26,887	1,875	0	0	28,762
Fines, Forfeitures, and Penalties	140,964	0	0	55,820	196,784
Charges for Current Services	124,369	0	0	2,080	126,449
Other Local Revenues	113,129	13,827	151,434	12,020	290,410
Fees Received from County Officials	1,231,718	0	0	0	1,231,718
State of Tennessee	1,524,391	2,583,099	407,779	22,406	4,537,675
Federal Government	194,463	96,397	0	0	290,860
Other Governments and Citizens Groups	366,046	0	508,224	0	874,270
Total Revenues	\$ 7,277,100	\$ 4,523,006	\$ 4,302,805	\$ 97,080	\$ 16,199,991
<u>Expenditures</u>					
Current:					
General Government	\$ 787,166	\$ 0	\$ 0	\$ 0	\$ 787,166
Finance	1,133,680	0	0	0	1,133,680
Administration of Justice	1,111,579	0	0	10,039	1,121,618
Public Safety	3,104,570	0	0	6,031	3,110,601
Public Health and Welfare	430,149	0	0	38,502	468,651
Social, Cultural, and Recreational Services	393,263	0	0	0	393,263
Agriculture and Natural Resources	124,162	0	0	0	124,162
Other Operations	500,460	0	0	709	501,169
Highways	0	4,138,718	0	49,276	4,187,994
Debt Service:					
Principal on Debt	0	0	3,250,421	0	3,250,421
Interest on Debt	0	0	370,477	0	370,477
Other Debt Service	0	0	123,061	0	123,061
Capital Projects	0	0	0	1,812,940	1,812,940
Total Expenditures	\$ 7,585,029	\$ 4,138,718	\$ 3,743,959	\$ 1,917,497	\$ 17,385,203
Excess (Deficiency) of Revenues Over Expenditures	\$ (307,929)	\$ 384,288	\$ 558,846	\$ (1,820,417)	\$ (1,185,212)
<u>Other Financing Sources (Uses)</u>					
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 1,812,940	\$ 1,812,940
Insurance Recovery	2,034	0	0	0	2,034
Transfers In	152,844	59,807	226,474	0	439,125
Total Other Financing Sources (Uses)	\$ 154,878	\$ 59,807	\$ 226,474	\$ 1,812,940	\$ 2,254,099
Net Change in Fund Balances	\$ (153,051)	\$ 444,095	\$ 785,320	\$ (7,477)	\$ 1,068,887
Fund Balance, July 1, 2011	667,875	405,506	4,651,131	349,872	6,074,384
Fund Balance, June 30, 2012	\$ 514,824	\$ 849,601	\$ 5,436,451	\$ 342,395	\$ 7,143,271

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, 2012

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)		\$ 1,068,887
(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	\$ 288,621	
Less: current-year depreciation expense	<u>(3,677,582)</u>	(3,388,961)
(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, 2012	\$ 475,399	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(359,494)</u>	115,905
(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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: other loan proceeds	\$ (1,812,940)	
Add: change in premium on debt issuances	1,933	
Less: change in deferred debt issuance costs	(29,002)	
Add: principal payments on notes	10,205	
Add: principal payments on other loans	2,140,216	
Add: principal payments on bonds	1,100,000	
Less: change in deferred amount on refunding debt	<u>(59,783)</u>	1,350,629
(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	\$ (891)	
Change in compensated absences payable	6,995	
Change in other postemployment benefits liability	<u>(68,415)</u>	(62,311)
Change in net assets of governmental activities (Exhibit B)		<u>\$ (915,851)</u>

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

Exhibit D-1

Weakley County, Tennessee
Statement of Net Assets
Proprietary Fund
June 30, 2012

	Business-type Activities
	<u>Major Fund</u>
	Weakley County Municipal Electric System
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 7,690,995
Inventories	421,041
Accounts Receivable	2,805,554
Prepaid Items	136,075
Total Current Assets	<u>\$ 11,053,665</u>
Noncurrent Assets:	
Notes Receivable	\$ 2,193,359
Capital Assets:	
Assets Not Depreciated:	
Land	513,913
Construction in Progress	579,758
Assets Net of Accumulated Depreciation:	
Other Capital Assets	32,049,523
Total Noncurrent Assets	<u>\$ 35,336,553</u>
Total Assets	<u>\$ 46,390,218</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 6,511,726
Accrued Leave	556,087
Other Current Liabilities	34,622
Current Liabilities Payable from Restricted Assets:	
Customer Deposits Payable	1,100,497
Total Current Liabilities	<u>\$ 8,202,932</u>
Noncurrent Liabilities:	
Due Within One Year	\$ 156,047
Due in More Than One Year	3,297,943
Total Noncurrent Liabilities	<u>\$ 3,453,990</u>
Total Liabilities	<u>\$ 11,656,922</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt Unrestricted	\$ 31,701,486 <u>3,031,810</u>
Total Net Assets	<u>\$ 34,733,296</u>

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

Exhibit D-2

Weakley County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2012

	Business-type Activities
	<u>Major Fund</u>
	Weakley County Municipal <u>Electric System</u>
<u>Operating Revenues</u>	
<u>Sale of Electric Energy</u>	
Residential and Rural	\$ 24,171,364
Small Commercial	4,378,554
Large Commercial	13,618,636
Street and Outdoor Lighting	1,132,826
<u>Other Electric Revenues</u>	
Consumer Forfeited Discounts	293,388
Rent from Electric Property	531,483
Service Charge - Meter Sets	86,937
Miscellaneous	62,476
Total Operating Revenues	<u>\$ 44,275,664</u>
<u>Operating Expenses</u>	
Purchased Power	\$ 35,962,672
<u>Operation Expense</u>	
<u>Transmission Expense</u>	
Overhead Wire Expense	7,456
Station Expense	37,292
<u>Distribution Expense</u>	
Supervision and Engineering	176,992
Station Expense	34,251
Overhead Line Expense	674,883
Underground Line Expense	40,652
Street Lighting and Signal Systems	11,718
Removing and Resetting Meters	225,340
Services on Customers' Premises	53,340
Miscellaneous Distribution Expense	37,984
Rents	22,820
<u>Customer Accounts Expense</u>	
Supervision and Accounting	18,702
Meter Reading	258,929
Records and Collection	713,926
<u>Customer Service and Sales Expense</u>	
Supervision	12,468
Customer Assistance	35,246
Miscellaneous Sales Expense	112,261
<u>Administrative and General Expense</u>	
Salaries	284,496
Office Supplies and Expense	114,152
Outside Services	31,589
Insurance	49,819

(Continued)

Exhibit D-2

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

	Business-type Activities
	<u>Major Fund</u>
	<u>Weakley County Municipal Electric System</u>
<u>Operating Expenses (Cont.)</u>	
<u>Administrative and General Expense (Cont.)</u>	
Injuries and Damages	\$ 153,966
Employee Pension and Benefits	595,836
Dues	40,991
Miscellaneous	38,504
<u>Maintenance Expense</u>	
<u>Transmission Maintenance</u>	
Station Equipment	9,299
Overhead Lines	28,796
<u>Distribution Maintenance</u>	
Station Equipment	77,791
Overhead Lines	862,228
Underground Lines	26,053
Line Transformers and Devices	61,783
Street Lights and Signal Systems	16,801
Meters	40,533
Security Lights	33,839
Miscellaneous	38,974
<u>Administrative and General Maintenance</u>	
Structures and Improvements	73,454
Communications Equipment	17,508
Fiber Optic	3,400
Depreciation and Amortization	1,737,975
Tax Equivalent	334,543
Payroll Taxes	86,271
Total Operating Expenses	<u>\$ 43,195,533</u>
Operating Income	<u>\$ 1,080,131</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 91,916
Gain on Sale of Capital Assets	10,000
Interest on Long-term Debt	(73,950)
Other Interest Expense	(4,148)
Total Nonoperating Revenues (Expenses)	<u>\$ 23,818</u>
Income Before Transfers	\$ 1,103,949
Transfers In (Out)	<u>(439,125)</u>
Change in Net Assets	\$ 664,824
Net Assets, July 1, 2011	<u>34,068,472</u>
Net Assets, June 30, 2012	<u>\$ 34,733,296</u>

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

Exhibit D-3

Weakley County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2012

	Business-type Activities
	<u>Major Fund</u>
	<u>Weakley County Municipal Electric System</u>
<u>Cash Flows from Operating Activities</u>	
Cash Received from Customers	\$ 44,532,716
Cash Payments to Suppliers for Goods and Services	(37,972,553)
Cash Payments to Employees for Services	(2,954,291)
Net Cash Advanced on Conservation Loans Receivable	54,356
Net Cash Proceeds from Conservation Loans Payable	(49,531)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 3,610,697</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Interest Paid	\$ (4,148)
Transfers to Other Funds	(439,125)
Payments of USDA Loan Payable	(92,500)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (535,773)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Additions to Plant	\$ (1,518,684)
Removal Cost	(133,761)
Proceeds From Sale of Capital Assets	15,000
Interest Paid on Long-term Debt	(73,950)
Principal Paid on Long-term Debt	(392,616)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (2,104,011)</u>
<u>Cash Flows from Investing Activities</u>	
Interest Received	\$ 91,916
Payments Received on Notes Receivable	137,500
Net Cash Provided By (Used In) Investing Activities	<u>\$ 229,416</u>
Net Increase in Cash	\$ 1,200,329
Cash, July 1, 2011	<u>6,490,666</u>
Cash, June 30, 2012	<u>\$ 7,690,995</u>

(Continued)

Exhibit D-3

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

	Business-type Activities
	<u>Major Fund</u>
	<u>Weakley County Municipal Electric System</u>
<u>Reconciliation of Operating Income to</u>	
<u>Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income	\$ 1,080,131
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Depreciation and Amortization	1,888,529
Amortization of Prepaid Purchased Power	130,500
Change In:	
Accounts Receivable	153,031
Rents Receivable	(2,384)
Material and Supplies	225,149
Prepayments	(271)
Conservation Loans Receivable	54,356
Other Current Assets	97
Accounts Payable	59,400
Customer Deposits	106,405
Accrued Salaries and Leave	(6,926)
Other Current and Accrued Liabilities	2,711
Conservation Loans Payable	(49,531)
Deferred Credits	(30,500)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 3,610,697</u>
<u>Reconciliation of Cash with the Statement of Net Assets</u>	
Cash Per Net Assets	<u>\$ 7,690,995</u>
Cash, June 30, 2012	<u>\$ 7,690,995</u>

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

Exhibit E

Weakley County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 852,979
Equity in Pooled Cash and Investments	424,937
Accounts Receivable	6
Due from Other Governments	<u>502,820</u>
Total Assets	<u>\$ 1,780,742</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 511,606
Due to Litigants, Heirs, and Others	846,084
Due to Joint Ventures	<u>423,052</u>
Total Liabilities	<u>\$ 1,780,742</u>

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

WEAKLEY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Weakley County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Weakley County:

A. Reporting Entity

Weakley County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Weakley County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Weakley County School Department operates the public school system in the county, and the voters of Weakley County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Weakley County Nursing Home provides intermediate health care to the citizens of Weakley County, and the Weakley County Commission appoints its governing body. Before the issuance of any debt instruments, the nursing home must obtain the County Commission's approval.

The Weakley County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Weakley County, and the Weakley County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Weakley County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Weakley County Emergency Communications District and the Weakley County Nursing Home can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Weakley County Emergency Communications District
P.O. Box 911
Dresden, TN 38225

Weakley County Nursing Home
700 Nursing Home Road
Dresden, TN 38225

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Weakley County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Weakley County issues all debt for the discretely presented Weakley County School Department. Net debt issues totaling \$1,812,940 were contributed by the county to the School Department during the year ended June 30, 2012.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Weakley County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories.

Separate financial statements are provided for governmental funds, the proprietary fund (enterprise), and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Weakley County considers grants and similar revenues to be available if they are collected within 120 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when

amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Weakley County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

Weakley County reports the following major proprietary fund:

Public Utility Fund – This fund is used to account for the operations of the Weakley County Municipal Electric System, which is financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services to the general public on a continuing basis can be financed or recovered primarily through user charges.

Additionally, Weakley County reports the following fund types:

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital projects.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Weakley County, state grants and other restricted revenues held for the benefit of the Twenty-seventh Judicial District Drug Task Force, and funds collected and held in a custodial capacity for a watershed district. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Weakley County School Department reports the following major governmental funds:

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.

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

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

Capital Projects Fund – The Education Capital Projects Fund is used to account for the receipt of debt issued by Weakley County and contributed to the School Department for building construction and renovations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and

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

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Weakley County Municipal Electric System, enterprise fund) and the discretely presented Weakley County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Weakley County (excluding the Weakley County Municipal Electric System, enterprise fund) and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.04 percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and

is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government (excluding the Weakley County Municipal Electric System, enterprise fund) and the discretely presented School

Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5
Infrastructure:	
Roads	20
Bridges	20 - 30

4. Compensated Absences

It is the policy of Weakley County (with the exception of the Weakley County Municipal Electric System, enterprise fund) and the discretely presented Weakley County School Department to permit employees to accumulate a limited amount of earned but unused vacation and sick leave benefits. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. Accumulated vacation benefits will be paid to employees upon separation from service with the government. All vacation leave is accrued when incurred in the government-wide statements for the county and the School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

5. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

6. Net Assets and Fund Equity

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

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2012, Weakley County had \$16,811,537 in outstanding debt for capital purposes for the discretely presented Weakley County School Department. This debt is a liability of Weakley County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Weakley County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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 authorized the Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Weakley County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

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

Primary Government

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

Discretely Presented Weakley County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the District Attorney General Fund (special revenue fund) and the Constitutional Officers - Fees Fund (special revenue fund), which are not budgeted, and the primary government's and School Department's Education 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, 2012, Weakley County and the Weakley County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government:		
Major Fund:		
Highway/Public Works	Road and Bridge Construction	\$ 824,778
School Department:		
Major Fund:		
General Purpose School	School Buses	203,354
"	Roofing System	231,100

B. Appropriations Exceeded Estimated Available Funds

The budget and subsequent amendments approved by the County Commission for the Highway/Public Works Fund resulted in appropriations exceeding estimated available funding by \$125,440.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund

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

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

Investments

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

Investment Balances. As of June 30, 2012, Weakley County had the following investments carried at cost. All investments (excluding the Weakley County Municipal Electric System, enterprise fund) are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Weakley County (excluding the Weakley County Municipal Electric System, enterprise fund) and the discretely presented Weakley County School Department since both pool their deposits and investments through the county trustee.

POOLED INVESTMENTS

Investment	Weighted Average Maturity (days)	Cost
State Treasurer's Investment Pool	6 to 164	\$ 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, 2012, Weakley County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2012, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 1,575,535	\$ 0	\$ 0	\$ 1,575,535
Total Capital Assets Not Depreciated	\$ 1,575,535	\$ 0	\$ 0	\$ 1,575,535
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,699,312	\$ 0	\$ 0	\$ 12,699,312
Infrastructure	72,031,516	156,952	0	72,188,468
Other Capital Assets	4,345,896	131,669	(91,131)	4,386,434
Total Capital Assets Depreciated	\$ 89,076,724	\$ 288,621	\$ (91,131)	\$ 89,274,214

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 7,080,016	\$ 445,213	\$ 0	\$ 7,525,229
Infrastructure	35,814,385	2,893,878	0	38,708,263
Other Capital Assets	3,431,789	338,491	(91,131)	3,679,149
Total Accumulated Depreciation	<u>\$ 46,326,190</u>	<u>\$ 3,677,582</u>	<u>\$ (91,131)</u>	<u>\$ 49,912,641</u>
Total Capital Assets Depreciated, Net	<u>\$ 42,750,534</u>	<u>\$ (3,388,961)</u>	<u>\$ 0</u>	<u>\$ 39,361,573</u>
Governmental Activities Capital Assets, Net	<u>\$ 44,326,069</u>	<u>\$ (3,388,961)</u>	<u>\$ 0</u>	<u>\$ 40,937,108</u>

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

Governmental Activities:

General Government	\$ 71,064
Finance	14,183
Administration of Justice	21,448
Public Safety	390,408
Public Health and Welfare	23,885
Social, Cultural, and Recreational Services	13,092
Agriculture and Natural Resources	2,298
Other Operations	766
Highways/Public Works	<u>3,140,438</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,677,582</u>

Discretely Presented Weakley County School Department

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 1,935,850	\$ 0	\$ 0	\$ 1,935,850
Construction in Progress	92,107	0	(92,107)	0
Total Capital Assets Not Depreciated	\$ 2,027,957	\$ 0	\$ (92,107)	\$ 1,935,850
Capital Assets Depreciated:				
Buildings and Improvements	\$ 61,353,539	\$ 0	\$ 0	\$ 61,353,539
Other Capital Assets	5,472,788	2,214,600	(410,676)	7,276,712
Total Capital Assets Depreciated	\$ 66,826,327	\$ 2,214,600	\$ (410,676)	\$ 68,630,251
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 39,555,090	\$ 1,751,715	\$ 0	\$ 41,306,805
Other Capital Assets	4,443,209	543,588	(410,676)	4,576,121
Total Accumulated Depreciation	\$ 43,998,299	\$ 2,295,303	\$ (410,676)	\$ 45,882,926
Total Capital Assets Depreciated, Net	\$ 22,828,028	\$ (80,703)	\$ 0	\$ 22,747,325
Governmental Activities Capital Assets, Net	\$ 24,855,985	\$ (80,703)	\$ (92,107)	\$ 24,683,175

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

Governmental Activities:

Instruction	\$ 1,389,974
Support Services	739,657
Operation of Non-Instructional Services	<u>165,672</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,295,303</u>

C. Construction Commitments

At June 30, 2012, the Highway/Public Works Fund had uncompleted construction contracts of \$239,668 for bridge construction and \$585,110 for state-aid road construction. Funding for these future expenditures is expected to be provided from available fund balances and state grant funds.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 10,299
Highway/Public Works	General	1,875

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

The receivable in the Highway/Public Works Fund totaling \$1,875 was in transit from the General Fund at June 30, 2012.

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Component Unit: Weakley County Nursing Home	\$ 469

The due from component unit balance in the General Fund was in transit from the Weakley County Nursing Home at June 30, 2012.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2012, consisted of the following amounts:

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Highway/ Public Works Fund</u>	<u>General Debt Service Fund</u>
Public Utility Fund	\$ 152,844	\$ 59,807	\$ 226,474

Discretely Presented Weakley County School Department

Transfer Out	Transfer In General Purpose School Fund
School Federal Projects Fund	\$ 3,695

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county (excluding the Weakley County Municipal Electric System, enterprise fund) issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds and other loans have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 13 years for bonds, up to 20 years for other loans, and up to 19 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2012, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bond -					
School Refunding	2 to 4	%	5-1-16	\$ 17,125,000	\$ 7,325,000
Capital Outlay Notes	0		11-30-12	183,697	5,108
Other Loans	0 to variable		5-25-23	25,422,645	12,535,429

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, 2012, the variable interest rate was .43 percent based on the BOA rate, and other fees totaled .4 percent of the outstanding loan principal.

During 2002-03, Weakley County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned Weakley County \$10,339,705. This loan is repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2012, the variable interest rate was .43 percent based on the LIBOR rate, and other fees totaled .5 percent of the outstanding loan principal.

During 2008-09, Weakley County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned Weakley County \$5,870,000. This loan is repayable at a variable interest rate based on the weekly Bank of America Thursday National Non-AMT Index (BOA). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2012, the variable interest rate was .43 percent based on the BOA rate, and other fees totaled .3 percent of the outstanding loan principal.

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

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2012, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 1,220,000	\$ 283,758	\$ 1,503,758
2014	1,745,000	239,838	1,984,838
2015	1,860,000	174,400	2,034,400
2016	2,500,000	100,000	2,600,000
Total	\$ 7,325,000	\$ 797,996	\$ 8,122,996

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 5,108	\$ 0	\$ 5,108

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2013	\$ 2,329,296	\$ 46,236	\$ 49,423	\$ 2,424,955
2014	1,170,296	37,000	41,284	1,248,580
2015	1,212,296	32,747	36,809	1,281,852
2016	1,256,296	28,314	32,148	1,316,758
2017	1,303,296	23,692	27,293	1,354,281
2018-2022	4,609,156	58,052	70,001	4,737,209
2023	654,793	2,751	3,750	661,294
Total	\$ 12,535,429	\$ 228,792	\$ 260,708	\$ 13,024,929

There is \$5,436,451 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$209, based on the 2010 federal census. Debt per capita, including bonds, notes, and other loans totaled \$567, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the primary government (excluding the Weakley County Municipal Electric System, enterprise fund) for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2011	\$ 8,425,000	\$ 15,313
Reductions	(1,100,000)	(10,205)
Balance, June 30, 2012	\$ 7,325,000	\$ 5,108
Balance Due Within One Year	\$ 1,220,000	\$ 5,108

	Other Loans	Compensated Absences
Balance, July 1, 2011	\$ 12,862,705	\$ 216,080
Additions	1,812,940	307,715
Reductions	(2,140,216)	(314,710)
Balance, June 30, 2012	\$ 12,535,429	\$ 209,085
Balance Due Within One Year	\$ 2,329,296	\$ 10,455

	Other Postemployment Benefits
Balance, July 1, 2011	\$ 215,706
Additions	76,469
Reductions	(8,054)
	<hr/>
Balance, June 30, 2012	\$ 284,121
	<hr/> <hr/>
Balance Due Within One Year	\$ 0
	<hr/> <hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 20,358,743
Less: Balance Due Within One Year	(3,564,859)
Less: Deferred Amount on Refunding	(147,585)
Add: Deferred Revenue - Premium on Debt	7,346
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 16,653,645</u>

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

Discretely Presented Weakley County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Weakley County School Department for the year ended June 30, 2012, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	\$ 31,142	\$ 487,724
Additions	31,815	224,801
Reductions	(30,902)	(197,271)
	<hr/>	<hr/>
Balance, June 30, 2012	\$ 32,055	\$ 515,254
	<hr/> <hr/>	<hr/> <hr/>
Balance Due Within One Year	\$ 1,603	\$ 0
	<hr/> <hr/>	<hr/> <hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 547,309
Less: Balance Due Within One Year	<u>(1,603)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 545,706</u>

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

F. Pledges of Local Option Sales Taxes

In May 1998, the citizens of Weakley County voted by public referendum to increase the local option sales tax by one-half percent. Weakley County began collecting this tax in July 1998. The increase in sales tax was specifically designated for paying the debt service requirements for a loan from the Public Building Authority of Montgomery County, Tennessee, to construct a detention center and law enforcement complex. Weakley County and the cities of Martin, Dresden, Gleason, Greenfield, Sharon, and McKenzie pledged their portions of the sales tax increase to the Weakley County General Debt Service Fund for a period of 12 years for the retirement of this debt. The 12-year pledge of sales tax for detention center and law enforcement complex debt retirement ended on August 31, 2010.

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

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

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

This increase in local option sales tax resulted in the payment of \$76,177 in sales tax collections under these agreements to the General Fund for the year ended June 30, 2012.

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, 2012, were \$103,876 and \$37,510, 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 \$1,750,000 from the General Debt Service Fund to provide temporary operating funds for the General (\$1,000,000) and Highway/Public Works (\$750,000) funds. These loans were retired prior to June 30, 2012, 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, 2012, was as follows:

	Balance 7-1-11	Issued	Paid	Balance 6-30-12
Tax Anticipation Notes	\$ 0	\$ 1,750,000	\$ (1,750,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

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

Workers' Compensation Insurance

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

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

General Liability, Property, and Casualty

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

Employee Health Insurance

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

Discretely Presented Weakley County School Department

Liability, Property, Casualty, and Workers' Compensation Insurance

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

Employee Health Insurance

The School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the

state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Subsequent Event

On August 10, 2012, the county's General Debt Service Fund issued a \$1,000,000 tax anticipation note to the General Fund for temporary operating funds.

C. Contingent Liabilities

In a prior year, Weakley County issued \$2,489,056 in capital outlay notes for the benefit of the Weakley County Municipal Electric System (enterprise fund) to assist in financing the cost of acquiring capital assets. The liability for these notes has not been reflected in the county's governmental activities long-term debt schedule since they are to be retired by the Weakley County Municipal Electric System. Weakley County will be contingently liable for the notes and the interest thereon in the event of default by the electric system. As of June 30, 2012, future principal requirements were \$1,441,708, and future interest requirements were \$318,232.

The attorney representing the Weakley County Board of Education has advised that the board is a defendant in litigation for the appeal of a special education due process proceeding filed by a parent on behalf of a student. The case alleges that the student was not given proper consideration and/or evaluation for special education services. An administrative law judge ruled in favor of the parent and issued an order for payment of educational services provided at a private placement; however, this ruling was appealed. The parties agreed to submission of evidence and written briefs instead of a live trial and are now waiting on the court to rule. The financial exposure to the county cannot be reasonably estimated in the event of an adverse judgment.

The county attorney advised that Weakley County is a defendant in a case that alleges wrongful death of an employee of a contracted custodial service due to the existence of mold in a school. Weakley County does not have insurance coverage for this lawsuit. The matter should be subject to the limits of the Tennessee Governmental Tort Liability Act should Weakley County be determined to have liability in this case.

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

D. 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, 2012, and does not have any equity interest in this joint venture.

The Everett-Stewart Regional Airport is a joint venture between Weakley and Obion counties and was established December 1, 2006. The agreement between Obion and Weakley counties states that the land and other capital assets, including improvements, will continue to be owned by Obion County; however, the funding of airport operations will be jointly funded and managed by both counties. Weakley County appropriated \$67,500 to the Everett-Stewart Regional Airport during the year.

The Weakley County Economic Development Board is a joint venture between Weakley County and the cities of Martin, Dresden, Greenfield, Gleason, and Sharon. The board comprises the county and city mayors, 14 additional members, and four ex-officio non-voting members. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Weakley County appropriated \$121,000 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

E. Jointly Governed Organizations

The West Tennessee Railroad Authority (WTRA) was created by the county in conjunction with the counties of Gibson, Madison, McNairy, and Obion. The WTRA's board includes the mayors of 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.

F. Retirement Commitments

Plan Description

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

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

Funding Policy

Weakley 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, 2012, was 12.06 percent of annual covered payroll. The contribution requirement of

plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2012, the county’s annual pension cost of \$1,285,675 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected 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, 2009, was eight 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
6-30-12	\$1,285,675	100%	\$0
6-30-11	1,156,854	100	0
6-30-10	1,291,000	100	0

Funded Status and Funding Progress

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

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan

assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

SCHOOL TEACHERS

Plan Description

The Weakley County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustments (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, 2012, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2012, 2011, and 2010, were \$1,514,582, \$1,492,238, and \$1,029,280, respectively, equal to the required contributions for each year.

G. Other Postemployment Benefits (OPEB)

Plan Description

Weakley County and the Weakley County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-207, *Tennessee Code Annotated (TCA)*, for local governments and Section 8-27-302, *TCA*, for local education employees. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop 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, 2012, Weakley County and the School Department contributed \$8,054 and \$197,271, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 226,000	\$ 77,000
Interest on the NPO	19,509	8,628
Adjustment to the ARC	(20,708)	(9,159)
Annual OPEB cost	\$ 224,801	\$ 76,469
Less: Amount of contribution	(197,271)	(8,054)
Increase/decrease in NPO	\$ 27,530	\$ 68,415
Net OPEB obligation, 7-1-11	487,724	215,706
Net OPEB obligation, 6-30-12	\$ 515,254	\$ 284,121

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Local Education Group	\$ 235,058	91%	\$ 466,618
6-30-11	"	245,109	91	487,724
6-30-12	"	224,801	88	515,254
6-30-10	Local Government Group	112,043	13	115,217
6-30-11	"	116,274	14	215,706
6-30-12	"	76,469	11	284,121

Funding Status and Funding Progress

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

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

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

Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation for the Local Education Group and the Local Government Group plans, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.25 percent for fiscal year 2012. The trend will decrease to 8.75 percent in fiscal year 2013 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

H. Office of Central Accounting, Budgeting, and Purchasing

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

I. Purchasing Law

The County Financial Management System of 1981 provides for the director of finance or a deputy appointed by the director to serve as the county purchasing agent. The finance director serves as the purchasing agent for Weakley County. All purchase orders are issued by the Finance Department. Purchases exceeding \$10,000 are required to be competitively bid.

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

A. **Significant Accounting Policies**

1. **Reporting Entity**

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

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

The electric system’s financial statements are presented on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental Accounting Standards Board (GASB) Statement No. 20 gives governments the option of applying all Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its proprietary funds, unless they conflict with or contradict GASB pronouncements. Weakley County has elected not to implement FASB statements and interpretations issued thereafter, unless they are adopted by GASB.

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

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

The cost of purchased power is accrued based on the final meter reading of the fiscal year. This may result in an unrecognized expense for the period between the final billing and the end of the fiscal year.

This practice is consistent with TVA guidelines and does not differ significantly from generally accepted accounting principles.

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

3. Assets, Liabilities, and Net Assets

a. 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, 2012, was \$41,859.

c. Inventories

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

d. Capital Assets

Capital assets include property, plant and equipment, work in progress, and an electric plant acquisition adjustment. Such assets are stated substantially at original cost. The electric system capitalizes interest costs as part of the cost of construction when the construction period covers more than 12 months. No interest costs were capitalized for the year under examination. The electric system provides for depreciation on a straight-line basis at rates recommended by the Tennessee Valley Authority. These rates purport to depreciate the property over its estimated useful life. Depreciation expense for the year ended June 30, 2012, was \$1,699,247, and \$150,554 cleared through other accounts, for a total accrual of \$1,849,801. 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, 2012, was \$38,728.

e. Leases

The electric system leases attachment space on joint use poles to and from telephone companies and various cable television companies. These leases are accounted for as operating leases. Rent expense for the year ended June 30, 2012, was \$22,820.

f. Compensated Absences

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

g. Net Assets

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

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

B. Detailed Notes on All Accounts

1. Deposits and Investments

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, the state pooled investment fund, and mutual funds.

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, 2012, all bank deposits were fully collateralized or insured.

2. Prepayments

The electric system elected to participate in a Discounted Energy Units (DEU) Program offered by TVA. This program allowed the electric system to purchase DEUs in one million dollar increments, which entitles them to a 2.5 cent per kwh program discount on a specified quantity for a specified term. The electric system's agreement is for a period of ten years, and amounts will be amortized over the ten-year period. For the year ended June 30, 2012, the electric system received credit of \$130,500 for prepaid purchased power.

3. Interfund Activity

A transfer is made each year from the Weakley County Municipal Electric System to the primary government of Weakley County for an in-lieu-of tax payment. The transfer amount for the year ended June 30, 2012, was \$439,125. An additional \$245,873 in-lieu-of tax payment was made to the General Purpose School Fund.

4. Capital Assets

Capital assets activity for the year ended June 30, 2012, was as follows:

	Balance		Balance	
	7-1-11	Increases	Decreases	6-30-12
Capital Assets Not Depreciated:				
Transmission Plant Land	\$ 100,307	\$ 0	\$ 0	\$ 100,307
Distribution Plant Land	111,975	0	0	111,975
General Plant Land	306,631	0	(5,000)	301,631
Construction in Progress	740,407	0	(160,649)	579,758
Total Capital Assets Not Depreciated	\$ 1,259,320	\$ 0	\$ (165,649)	\$ 1,093,671
Capital Assets Depreciated:				
Transmission Plant	\$ 4,837,954	\$ 81,598	\$ (40,601)	\$ 4,878,951
Distribution Plant	41,631,228	931,161	(422,043)	42,140,346
General Plant	12,534,062	666,574	(452,204)	12,748,432
Electric Plant Acquisition Adjustment	248,326	0	(38,728)	209,598
Total Capital Assets Depreciated	\$ 59,251,570	\$ 1,679,333	\$ (953,576)	\$ 59,977,327
Less Accumulated Depreciation For:				
Transmission Plant	\$ 3,200,115	\$ 47,867	\$ (41,970)	\$ 3,206,012
Distribution Plant	20,181,327	1,352,656	(454,114)	21,079,869
General Plant	3,574,782	449,278	(382,137)	3,641,923
Total Accumulated Depreciation	\$ 26,956,224	\$ 1,849,801	\$ (878,221)	\$ 27,927,804
Total Capital Assets Depreciated, Net	\$ 32,295,346	\$ (170,468)	\$ (75,355)	\$ 32,049,523
Total Capital Assets, Net	\$ 33,554,666	\$ (170,468)	\$ (241,004)	\$ 33,143,194

5. Notes Payable

A note was executed with First State Bank to assist in financing the costs of capital assets. A draw-down line of credit was established for \$2,000,000. The draw-down feature expired after six months, and during this period, monthly interest-only payments were due. The amount outstanding is being repaid through monthly payments of

principal and interest. The note is unsecured and has a fixed interest rate. Details of the note are as follows:

Loan No.	Loan Date	Maturity Date	Interest Rate	Monthly Payment	Outstanding Balance 6-30-12
82112076	11-17-08	11-17-20	4.45 %	\$ 18,607	\$ 1,441,708

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

Year Ending June 30	Note		
	Principal	Interest	Total
2013	\$ 156,047	\$ 67,242	\$ 223,289
2014	163,235	60,055	223,290
2015	170,755	52,535	223,290
2016	178,501	44,789	223,290
2017	186,842	36,447	223,289
2018-2021	586,328	57,164	643,492
Total	\$ 1,441,708	\$ 318,232	\$ 1,759,940

Changes in long-term debt during the year ended June 30, 2012, are summarized as follows:

Loan No.	Balance 7-1-11	Payments	Balance 6-30-12	Due Within One Year
82112076	\$ 1,709,131	\$ 267,423	\$ 1,441,708	\$ 156,047
92112453	125,193	125,193	0	0
Total	\$ 1,834,324	\$ 392,616	\$ 1,441,708	\$ 156,047

C. Other Information

1. Pension Plan

Employees of the Weakley County Municipal Electric System are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years

of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Weakley County Municipal Electric System participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

The Weakley County Municipal Electric System requires employees to contribute five percent of their earnable compensation. The Weakley County Municipal Electric System is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, the most recent year available, was 18.81 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the Weakley County Municipal Electric System is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2012, the Weakley County Municipal Electric System's annual pension cost of \$512,070 to TCRS was equal to their required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), and (d) projected

3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The Weakley County Municipal Electric System's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 20 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
6-30-12	\$512,070	100%	\$0
6-30-11	518,658	100	0
6-30-10	485,085	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 \$2.73 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. Basis of Accounting

The Weakley County Nursing Home is a governmental unit and uses fund accounting. The nursing home is an enterprise fund in that operations are accounted for in a manner similar to a private business, where the intent of the governing body is that the costs of operations (including depreciation) will be recovered through user charges.

The nursing home uses the accrual basis of accounting. The accrual basis of accounting recognizes revenues when earned and expenses as incurred.

The Governmental Accounting Standards Board (GASB) Statement No. 20 requires that governments' proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The Weakley County Nursing Home has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

3. Depreciation

Capital assets are recorded at historical cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives for assets are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5 - 40
Equipment	5 - 15
Vehicles	5

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

4. 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.

5. Net Assets

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

- a. Invested in Capital Assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. The nursing home presents only invested in capital assets, as there is no debt related to capital assets.
- b. Unrestricted – All other net assets that do not meet the description of the above categories.

6. 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.

7. 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, \$164,339 in bad debts was written-off, and recoveries of \$80,974 were collected.

8. 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.

9. Budget

The nursing home adopts a budget prior to the beginning of each fiscal year. The budget, as amended, is presented against operations in the statement of budgetary comparison. Any expenditure over budgeted amounts requires an amendment to the budget by the board of directors.

B. Changes in Capital Assets

Capital assets activity for the year ended June 30, 2012, was as follows:

	Balance 7-1-11	Increases	Balance 6-30-12
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	2,897,468	19,766	2,917,234
Equipment	1,232,421	32,724	1,265,145
Vehicles	31,818	0	31,818
Other Assets	40,815	0	40,815
Total Capital Assets Depreciated	\$ 4,266,734	\$ 52,490	\$ 4,319,224

Capital Assets (Cont.)	Balance 7-1-11	Increases	Balance 6-30-12
Less Accumulated Depreciated For:			
Land Improvements	\$ 38,029	\$ 1,897	\$ 39,926
Building and Improvements	1,697,851	78,738	1,776,589
Equipment	1,047,951	53,656	1,101,607
Vehicles	20,351	4,300	24,651
Other Assets	40,815	0	40,815
Total Accumulated Depreciation	<u>\$ 2,844,997</u>	<u>\$ 138,591</u>	<u>\$ 2,983,588</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,421,737</u>	<u>\$ (86,101)</u>	<u>\$ 1,335,636</u>
Business-type Capital Assets, Net	<u>\$ 1,424,108</u>	<u>\$ (86,101)</u>	<u>\$ 1,338,007</u>

C. Other Information

1. Deposits and Investments

Custodial Credit Risk. The nursing home's policies limit deposits and investments to those instruments allowed by applicable state laws. State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the nursing home's agent in the nursing home's name, or by the Federal Reserve banks acting as third-party agents. State statute also authorizes the nursing home to invest in bonds, notes, or treasury bills of the United States or any of its agencies; certificates of deposit at Tennessee state chartered banks, savings and loan associations, and federally chartered banks and savings and loan associations; repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities; the state pooled investment fund; and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2012, all bank deposits were fully collateralized or insured.

2. Risk Management

Prior to February 1, 2001, the Weakley County Nursing Home chose to cover its employees' health insurance claims below \$20,000 for each employee up to a maximum total annual exposure amount for the

nursing home, which is based on a calculation that changes as the number of participants and premium amounts change. The nursing home had obtained a stop/loss commercial insurance policy to cover claims beyond this liability. As of February 1, 2001, the nursing home changed to health insurance for its employees through the State of Tennessee for everything except 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.

3. Pension Information

Plan Description

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

operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

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

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

A. Significant Accounting Policies

1. Reporting Entity

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

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

The district is, however, considered a discretely presented component unit of Weakley County, Tennessee, because of the following factors.

The Weakley County Commission appoints the board and has a right to remove them. The county also provides office space for the district's business use, and the district is accountable to the county for fiscal matters.

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

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

3. Assets, Liabilities, and Net Assets

a. Deposits and Investments

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

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

b. Accounts Receivable

Accounts receivable represent amounts due from various phone companies.

c. **Capital Assets**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from five to 40 years. The district's capitalization threshold is set at \$5,000 per unit cost. Interest costs incurred on financing during the construction or installation period of capital assets are capitalized as part of the cost of the assets. For the year under review, there were no interest costs capitalized.

d. **Compensated Absences**

The district has adopted Weakley County's Personnel Policies, which allow full-time employees one sick day per month with a maximum 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. **Net Assets**

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

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

B. Stewardship, Compliance, and Accountability

Budgetary Information

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

budgetary basis to GAAP basis is included in the budgetary comparison statements.

The legal level of control is at each line-item of expense; therefore, each line-item must be amended prior to expending funds. For the year ended June 30, 2012, there were three line items that exceeded budgeted amounts: retirement contributions by \$99, maintenance agreements by \$211, and employee testing and exams by \$260.

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, 2012, all bank deposits were fully collateralized or insured.

2. Capital Assets

Capital assets activity during the year was as follows:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets				
Depreciated:				
Furniture and Fixtures	\$ 658,960	\$ 0	\$ 450	\$ 658,510
Machinery and Equipment	21,993	0	0	21,993
Vehicles	23,000	0	0	23,000
Total Capital Assets				
Depreciated	<u>\$ 703,953</u>	<u>\$ 0</u>	<u>\$ 450</u>	<u>\$ 703,503</u>
Less Accumulated				
Depreciation For:				
Furniture and Fixtures	\$ 232,312	\$ 55,785	\$ 450	\$ 287,647
Machinery and Equipment	12,557	3,142	0	15,699
Vehicles	18,400	4,600	0	23,000
Total Accumulated				
Depreciation	<u>\$ 263,269</u>	<u>\$ 63,527</u>	<u>\$ 450</u>	<u>\$ 326,346</u>
Total Capital Assets, Net	<u>\$ 440,684</u>	<u>\$ (63,527)</u>	<u>\$ 0</u>	<u>\$ 377,157</u>

Depreciation expense for the year ended June 30, 2012, was \$63,527.

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, 2012, was 28.41 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the Weakley County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2012, the Weakley County Emergency Communications District's annual pension cost of \$10,049 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected 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, 2009, was six 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
6-30-12	\$10,049	100 %	\$ 0
6-30-11	9,779	100	0
6-30-10	12,930	100	0

Funded Status and Funding Progress

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

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,555,133	\$ 0	\$ 0	\$ 3,555,133	\$ 4,038,237	\$ 3,812,850	\$ (257,717)
Licenses and Permits	26,887	0	0	26,887	27,100	27,239	(352)
Fines, Forfeitures, and Penalties	140,964	0	0	140,964	286,925	203,900	(62,936)
Charges for Current Services	124,369	0	0	124,369	114,869	139,966	(15,597)
Other Local Revenues	113,129	0	0	113,129	13,215	111,516	1,613
Fees Received from County Officials	1,231,718	0	0	1,231,718	1,395,200	1,405,499	(173,781)
State of Tennessee	1,524,391	0	0	1,524,391	1,439,269	1,511,484	12,907
Federal Government	194,463	0	0	194,463	94,954	189,894	4,569
Other Governments and Citizens Groups	366,046	0	0	366,046	230,287	262,667	103,379
Total Revenues	\$ 7,277,100	\$ 0	\$ 0	\$ 7,277,100	\$ 7,640,056	\$ 7,665,015	\$ (387,915)

Expenditures

<u>General Government</u>							
County Commission	\$ 76,268	(80)	0	\$ 76,188	\$ 105,743	\$ 84,307	\$ 8,119
County Mayor/Executive	133,706	0	0	133,706	140,304	135,234	1,528
County Attorney	100	0	0	100	1,000	1,000	900
Election Commission	208,348	(560)	0	207,788	203,063	208,791	1,003
Register of Deeds	169,210	0	0	169,210	177,229	172,470	3,260
County Buildings	195,258	0	78,000	273,258	215,420	283,215	9,957
Preservation of Records	4,276	0	0	4,276	0	5,000	724
<u>Finance</u>							
Accounting and Budgeting	364,712	0	1,509	366,221	371,547	366,471	250
Property Assessor's Office	229,035	(675)	0	228,360	231,129	230,384	2,024
Reappraisal Program	52,684	0	0	52,684	61,650	61,650	8,966
County Trustee's Office	191,022	0	0	191,022	194,005	193,086	2,064

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Clerk's Office	\$ 296,227	\$ (518)	\$ 0	\$ 295,709	\$ 306,599	\$ 300,393	\$ 4,684
<u>Administration of Justice</u>							
Circuit Court	243,418	0	0	243,418	257,030	246,392	2,974
General Sessions Court	236,721	0	0	236,721	243,276	244,580	7,859
Chancery Court	197,198	(1,688)	0	195,510	216,750	208,481	12,971
Juvenile Court	205,169	0	0	205,169	226,947	214,223	9,054
District Attorney General	34,366	0	0	34,366	34,482	34,370	4
Other Administration of Justice	135,583	0	0	135,583	140,001	140,001	4,418
Probation Services	59,124	0	0	59,124	62,748	62,748	3,624
<u>Public Safety</u>							
Sheriff's Department	1,504,232	(17,033)	10,993	1,498,192	1,640,058	1,562,454	64,262
Traffic Control	362,203	0	0	362,203	365,659	362,206	3
Jail	1,025,545	(9,285)	800	1,017,060	1,104,437	1,067,779	50,719
Correctional Incentive Program Improvements	1,340	0	0	1,340	2,000	1,340	0
Fire Prevention and Control	27,000	0	0	27,000	27,000	27,000	0
Civil Defense	173,441	0	6,773	180,214	190,280	189,272	9,058
Rescue Squad	5,500	0	0	5,500	5,500	5,500	0
County Coroner/Medical Examiner	3,825	0	0	3,825	5,000	5,000	1,175
Other Public Safety	1,484	0	0	1,484	3,200	3,200	1,716
<u>Public Health and Welfare</u>							
Local Health Center	71,247	(15)	0	71,232	74,169	73,724	2,492
Ambulance/Emergency Medical Services	254,583	(19,583)	0	235,000	235,000	235,000	0
Maternal and Child Health Services	2,500	0	0	2,500	2,500	2,500	0
Crippled Children Services	2,167	0	0	2,167	2,167	2,167	0
General Welfare Assistance	45,395	(1,500)	0	43,895	34,000	44,400	505
Other Local Welfare Services	54,257	0	0	54,257	78,301	78,301	24,044

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	\$ 155,758	\$ (129)	\$ 0	\$ 155,629	\$ 158,820	\$ 156,671	\$ 1,042
Senior Citizens Assistance	38,528	(281)	0	38,247	38,911	39,860	1,613
Libraries	198,977	0	0	198,977	207,928	207,159	8,182
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	66,017	0	0	66,017	78,968	66,804	787
Soil Conservation	34,417	0	0	34,417	34,586	34,421	4
Flood Control	23,728	0	0	23,728	23,800	23,800	72
<u>Other Operations</u>							
Veterans' Services	41,735	0	0	41,735	41,777	41,804	69
Other Charges	25,199	0	0	25,199	4,784	25,199	0
Contributions to Other Agencies	219,000	(24,200)	0	194,800	202,477	202,477	7,677
Employee Benefits	25,181	(5,182)	0	19,999	10,000	21,700	1,701
Miscellaneous	189,345	0	0	189,345	192,782	190,316	971
Total Expenditures	\$ 7,585,029	\$ (80,729)	\$ 98,075	\$ 7,602,375	\$ 7,953,027	\$ 7,862,850	\$ 260,475
Excess (Deficiency) of Revenues Over Expenditures	\$ (307,929)	\$ 80,729	\$ (98,075)	\$ (325,275)	\$ (312,971)	\$ (197,835)	\$ (127,440)
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 2,034	\$ 0	\$ 0	\$ 2,034	\$ 5,000	\$ 2,035	\$ (1)
Transfers In	152,844	0	0	152,844	9,227	157,304	(4,460)
Total Other Financing Sources (Uses)	\$ 154,878	\$ 0	\$ 0	\$ 154,878	\$ 14,227	\$ 159,339	\$ (4,461)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (153,051)	\$ 80,729	\$ (98,075)	\$ (170,397)	\$ (298,744)	\$ (38,496)	\$ (131,901)
Fund Balance, July 1, 2011	667,875	(80,729)	0	587,146	763,203	763,203	(176,057)
Fund Balance, June 30, 2012	\$ 514,824	\$ 0	\$ (98,075)	\$ 416,749	\$ 464,459	\$ 724,707	\$ (307,958)

Exhibit F-2

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,827,808	\$ 0	\$ 0	\$ 1,827,808	\$ 1,915,003	\$ 1,843,989	\$ (16,181)
Licenses and Permits	1,875	0	0	1,875	0	1,875	0
Other Local Revenues	13,827	0	0	13,827	17,000	17,000	(3,173)
State of Tennessee	2,583,099	0	0	2,583,099	2,490,314	2,490,314	92,785
Federal Government	96,397	0	0	96,397	60,000	96,397	0
Total Revenues	\$ 4,523,006	\$ 0	\$ 0	\$ 4,523,006	\$ 4,482,317	\$ 4,449,575	\$ 73,431
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 129,641	\$ 0	\$ 0	\$ 129,641	\$ 137,003	\$ 132,332	\$ 2,691
Highway and Bridge Maintenance	2,367,898	0	0	2,367,898	2,346,274	2,385,901	18,003
Operation and Maintenance of Equipment	691,351	(23)	0	691,328	669,414	709,476	18,148
Litter and Trash Collection	54,816	0	0	54,816	54,842	54,842	26
Other Charges	120,983	0	0	120,983	127,423	123,959	2,976
Employee Benefits	526,101	0	0	526,101	523,469	526,105	4
Capital Outlay	247,928	(432,068)	824,778	640,638	827,389	1,074,604	433,966
Total Expenditures	\$ 4,138,718	\$ (432,091)	\$ 824,778	\$ 4,531,405	\$ 4,685,814	\$ 5,007,219	\$ 475,814
Excess (Deficiency) of Revenues Over Expenditures	\$ 384,288	\$ 432,091	\$ (824,778)	\$ (8,399)	\$ (203,497)	\$ (557,644)	\$ 549,245
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 59,807	\$ 0	\$ 0	\$ 59,807	\$ 2,000	\$ 59,932	\$ (125)
Total Other Financing Sources (Uses)	\$ 59,807	\$ 0	\$ 0	\$ 59,807	\$ 2,000	\$ 59,932	\$ (125)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 444,095	\$ 432,091	\$ (824,778)	\$ 51,408	\$ (201,497)	\$ (497,712)	\$ 549,120
Fund Balance, July 1, 2011	405,506	(432,091)	0	(26,585)	372,272	372,272	(398,857)
Fund Balance, June 30, 2012	\$ 849,601	\$ 0	\$ (824,778)	\$ 24,823	\$ 170,775	\$ (125,440)	\$ 150,263

Exhibit F-3

Weakley County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Weakley County School Department
June 30, 2012

(Dollar amounts in thousands)

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

Exhibit F-4

Weakley County, Tennessee
Schedule of Funding Progress – Pension Plan
Weakley County Municipal Electric System and
Discretely Presented Weakley County Emergency Communications District
June 30, 2012

(Dollar amounts in thousands)

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

Exhibit F-5

Weakley County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Weakley County School Department
June 30, 2012

(Dollar amounts in thousands)

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

WEAKLEY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2012

A. BUDGETARY INFORMATION

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

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

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

At June 30, 2012, Weakley County reported significant encumbrances of \$824,778 in the Highway/Public Works Fund for road and bridge construction.

B. APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDS

The budget and subsequent amendments approved by the County Commission for the Highway/Public Works Fund resulted in appropriations exceeding estimated available funding by \$125,440.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Weakley County’s recycling center operations.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

District Attorney General Fund – The District Attorney General Fund is used to account for revenues received for the benefit of the Office of District Attorney General.

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

Capital Projects Funds

Capital Projects Funds are used to account for 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.

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.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt issued by Weakley County that is subsequently contributed to the discretely presented Weakley County School Department for building construction and renovations.

Exhibit G-1

Weakley County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2012

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees	Total		
Cash	\$ 0	\$ 0	\$ 0	\$ 2,220	\$ 2,220	\$ 0	\$ 2,220
Equity in Pooled Cash and Investments	12,906	110,585	112,740	0	236,231	106,601	342,832
Accounts Receivable	134	0	0	8,079	8,213	0	8,213
Due from Other Governments	1,773	0	391	0	2,164	0	2,164
Total Assets	\$ 14,813	\$ 110,585	\$ 113,131	\$ 10,299	\$ 248,828	\$ 106,601	\$ 355,429

ASSETS

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

LIABILITIES AND FUND BALANCES

Liabilities	\$ 2,735	\$ 0	\$ 0	\$ 0	\$ 2,735	\$ 0	\$ 2,735
Accounts Payable	0	0	0	10,299	10,299	0	10,299
Due to Other Funds	2,735	0	0	10,299	13,034	0	13,034
Total Liabilities	\$ 2,735	\$ 0	\$ 0	\$ 10,299	\$ 13,034	\$ 0	\$ 13,034
Fund Balances	\$ 0	\$ 0	\$ 113,131	\$ 0	\$ 113,131	\$ 0	\$ 113,131
Restricted:	0	110,585	0	0	110,585	0	110,585
Restricted for Administration of Justice	12,078	0	0	0	12,078	0	12,078
Restricted for Public Health and Welfare	0	0	0	0	0	106,601	106,601
Restricted for Capital Projects	12,078	110,585	113,131	0	235,794	106,601	342,395
Total Fund Balances	\$ 14,813	\$ 110,585	\$ 113,131	\$ 10,299	\$ 248,828	\$ 106,601	\$ 355,429
Total Liabilities and Fund Balances	\$ 14,813	\$ 110,585	\$ 113,131	\$ 10,299	\$ 248,828	\$ 106,601	\$ 355,429

Liabilities
 Accounts Payable
 Due to Other Funds
 Total Liabilities
 Fund Balances
 Restricted:
 Restricted for Administration of Justice
 Restricted for Public Health and Welfare
 Restricted for Public Health and Welfare
 Restricted for Capital Projects
 Total Fund Balances

Total Liabilities and Fund Balances

Exhibit G-2

Weakley County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Consti- tutional Officers - Fees	Total	Highway Capital Projects	Education Capital Projects	
<u>Revenues</u>								
Local Taxes	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	4,754 \$	0 \$	4,754 \$
Fines, Forfeitures, and Penalties	0	41,479	14,341	0	55,820	0	0	55,820
Charges for Current Services	0	0	0	2,080	2,080	0	0	2,080
Other Local Revenues	11,920	100	0	0	12,020	0	0	12,020
State of Tennessee	19,101	0	0	0	19,101	3,305	0	22,406
Total Revenues	\$ 31,021 \$	41,579 \$	14,341 \$	2,080 \$	89,021 \$	8,059 \$	0 \$	97,080 \$
<u>Expenditures</u>								
Current:								
Administration of Justice	\$ 0 \$	0 \$	7,959 \$	2,080 \$	10,039 \$	0 \$	0 \$	10,039
Public Safety	0	6,031	0	0	6,031	0	0	6,031
Public Health and Welfare	38,502	0	0	0	38,502	0	0	38,502
Other Operations	709	0	0	0	709	0	0	709
Highways	0	0	0	0	0	49,276	0	49,276
Capital Projects	0	0	0	0	0	1,812,940	1,812,940	1,812,940
Total Expenditures	\$ 39,211 \$	6,031 \$	7,959 \$	2,080 \$	55,281 \$	49,276 \$	1,812,940 \$	1,917,497 \$
Excess (Deficiency) of Revenues Over Expenditures	\$ (8,190) \$	35,548 \$	6,382 \$	0 \$	33,740 \$	(41,217) \$	(1,812,940) \$	(1,820,417) \$
<u>Other Financing Sources (Uses)</u>								
Other Loans Issued	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,812,940 \$	1,812,940
Total Other Financing Sources (Uses)	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,812,940 \$	1,812,940
Net Change in Fund Balances	\$ (8,190) \$	35,548 \$	6,382 \$	0 \$	33,740 \$	(41,217) \$	0 \$	(7,477) \$
Fund Balance, July 1, 2011	20,268	75,037	106,749	0	202,054	147,818	0	349,872
Fund Balance, June 30, 2012	\$ 12,078 \$	110,585 \$	113,131 \$	0 \$	235,794 \$	106,601 \$	0 \$	342,395 \$

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 11,920	\$ 10,000	\$ 11,000	\$ 920
State of Tennessee	19,101	19,900	26,900	(7,799)
Total Revenues	<u>\$ 31,021</u>	<u>\$ 29,900</u>	<u>\$ 37,900</u>	<u>\$ (6,879)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Recycling Center	\$ 38,502	\$ 29,001	\$ 42,992	\$ 4,490
<u>Other Operations</u>				
Employee Benefits	709	1,143	725	16
Total Expenditures	<u>\$ 39,211</u>	<u>\$ 30,144</u>	<u>\$ 43,717</u>	<u>\$ 4,506</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (8,190)</u>	<u>\$ (244)</u>	<u>\$ (5,817)</u>	<u>\$ (2,373)</u>
Net Change in Fund Balance	\$ (8,190)	\$ (244)	\$ (5,817)	\$ (2,373)
Fund Balance, July 1, 2011	<u>20,268</u>	<u>24,142</u>	<u>24,142</u>	<u>(3,874)</u>
Fund Balance, June 30, 2012	<u>\$ 12,078</u>	<u>\$ 23,898</u>	<u>\$ 18,325</u>	<u>\$ (6,247)</u>

Exhibit G-4

Weakley County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Drug Control Fund
 For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2011	6/30/2012			Original	Final	
<u>Revenues</u>								
Fines, Forfeitures, and Penalties	\$ 41,479	\$ 0	\$ 0	\$ 0	\$ 41,479	\$ 27,600	\$ 48,100	\$ (6,621)
Other Local Revenues	100	0	0	0	100	500	600	(500)
Total Revenues	\$ 41,579	\$ 0	\$ 0	\$ 0	\$ 41,579	\$ 28,100	\$ 48,700	\$ (7,121)
<u>Expenditures</u>								
<u>Public Safety</u>								
Drug Enforcement	\$ 6,031	(161)	\$ 30,281	\$ 30,281	\$ 36,151	\$ 81,930	\$ 81,980	\$ 45,829
Total Expenditures	\$ 6,031	(161)	\$ 30,281	\$ 30,281	\$ 36,151	\$ 81,930	\$ 81,980	\$ 45,829
Excess (Deficiency) of Revenues Over Expenditures	\$ 35,548	\$ 161	(30,281)	\$ (30,281)	\$ 5,428	\$ (53,830)	\$ (33,280)	\$ 38,708
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 35,548	\$ 161	(30,281)	\$ (30,281)	\$ 5,428	\$ (53,830)	\$ (33,280)	\$ 38,708
	75,037	(161)	0	0	74,876	74,159	74,159	717
Fund Balance, June 30, 2012	\$ 110,585	\$ 0	(30,281)	\$ (30,281)	\$ 80,304	\$ 20,329	\$ 40,879	\$ 39,425

Exhibit G-5

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway Capital Projects Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,754 \$	0 \$	0 \$	4,754 \$	904 \$	5,000 \$	(246)
State of Tennessee	3,305	0	0	3,305	0	3,305	0
<u>Total Revenues</u>	<u>\$ 8,059 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>8,059 \$</u>	<u>904 \$</u>	<u>8,305 \$</u>	<u>(246)</u>
<u>Expenditures</u>							
<u>Highways</u>							
Other Charges	\$ 97 \$	0 \$	0 \$	97 \$	50 \$	175 \$	78
Capital Outlay	49,179	(139,918)	98,739	8,000	8,346	8,000	0
<u>Total Expenditures</u>	<u>\$ 49,276 \$</u>	<u>(139,918) \$</u>	<u>98,739 \$</u>	<u>8,097 \$</u>	<u>8,396 \$</u>	<u>8,175 \$</u>	<u>78</u>
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	<u>\$ (41,217) \$</u>	<u>139,918 \$</u>	<u>(98,739) \$</u>	<u>(38) \$</u>	<u>(7,492) \$</u>	<u>130 \$</u>	<u>(168)</u>
<u>Net Change in Fund Balance</u> <u>Fund Balance, July 1, 2011</u>	<u>\$ (41,217) \$</u> <u>147,818</u>	<u>139,918 \$</u> <u>(139,918)</u>	<u>(98,739) \$</u> <u>0</u>	<u>(38) \$</u> <u>7,900</u>	<u>(7,492) \$</u> <u>7,492</u>	<u>130 \$</u> <u>7,492</u>	<u>(168)</u> <u>408</u>
<u>Fund Balance, June 30, 2012</u>	<u>\$ 106,601 \$</u>	<u>0 \$</u>	<u>(98,739) \$</u>	<u>7,862 \$</u>	<u>0 \$</u>	<u>7,622 \$</u>	<u>240</u>

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,235,368	\$ 3,426,753	\$ 3,206,296	\$ 29,072
Other Local Revenues	151,434	225,000	155,000	(3,566)
State of Tennessee	407,779	391,488	391,488	16,291
Other Governments and Citizens Groups	508,224	967,133	508,224	0
Total Revenues	<u>\$ 4,302,805</u>	<u>\$ 5,010,374</u>	<u>\$ 4,261,008</u>	<u>\$ 41,797</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 424,000	\$ 424,000	\$ 424,000	\$ 0
Education	2,826,421	2,796,205	2,826,421	0
<u>Interest on Debt</u>				
General Government	15,491	31,000	16,248	757
Education	354,986	488,738	354,991	5
<u>Other Debt Service</u>				
General Government	84,697	75,500	85,752	1,055
Education	38,364	15,665	38,372	8
<u>Capital Projects</u>				
Public Utility Projects	0	430,828	1	1
Total Expenditures	<u>\$ 3,743,959</u>	<u>\$ 4,261,936</u>	<u>\$ 3,745,785</u>	<u>\$ 1,826</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 558,846</u>	<u>\$ 748,438</u>	<u>\$ 515,223</u>	<u>\$ 43,623</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 226,474	\$ 0	\$ 226,474	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 226,474</u>	<u>\$ 0</u>	<u>\$ 226,474</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 785,320	\$ 748,438	\$ 741,697	\$ 43,623
Fund Balance, July 1, 2011	<u>4,651,131</u>	<u>4,695,117</u>	<u>4,695,117</u>	<u>(43,986)</u>
Fund Balance, June 30, 2012	<u>\$ 5,436,451</u>	<u>\$ 5,443,555</u>	<u>\$ 5,436,814</u>	<u>\$ (363)</u>

Fiduciary Funds

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

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

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

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

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

Exhibit I-1

Weakley County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	Agency Funds					Total
	Cities - Sales Tax	Watershed District	Constitu- tional Officers - Agency	Judicial District Drug		
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 846,084	\$ 6,895	\$	\$ 852,979
Equity in Pooled Cash and Investments	0	9,999	0	414,938		424,937
Accounts Receivable	0	0	0	6		6
Due from Other Governments	501,607	0	0	1,213		502,820
Total Assets	<u>\$ 501,607</u>	<u>\$ 9,999</u>	<u>\$ 846,084</u>	<u>\$ 423,052</u>	<u>\$</u>	<u>\$ 1,780,742</u>
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 501,607	\$ 9,999	\$ 0	\$ 0	\$	\$ 511,606
Due to Litigants, Heirs, and Others	0	0	846,084	0		846,084
Due to Joint Ventures	0	0	0	423,052		423,052
Total Liabilities	<u>\$ 501,607</u>	<u>\$ 9,999</u>	<u>\$ 846,084</u>	<u>\$ 423,052</u>	<u>\$</u>	<u>\$ 1,780,742</u>

Exhibit I-2

Weakley County, Tennessee

Combining Statement of Changes in Assets and Liabilities - All Agency Funds

For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,880,085	\$ 2,880,085	\$ 0
Due from Other Governments	455,272	501,607	455,272	501,607
Total Assets	\$ 455,272	\$ 3,381,692	\$ 3,335,357	\$ 501,607
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 455,272	\$ 3,381,692	\$ 3,335,357	\$ 501,607
Total Liabilities	\$ 455,272	\$ 3,381,692	\$ 3,335,357	\$ 501,607
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 9,424	\$ 581	\$ 6	\$ 9,999
Total Assets	\$ 9,424	\$ 581	\$ 6	\$ 9,999
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 9,424	\$ 581	\$ 6	\$ 9,999
Total Liabilities	\$ 9,424	\$ 581	\$ 6	\$ 9,999
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,097,580	\$ 5,955,856	\$ 6,207,352	\$ 846,084
Total Assets	\$ 1,097,580	\$ 5,955,856	\$ 6,207,352	\$ 846,084
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,097,580	\$ 5,955,856	\$ 6,207,352	\$ 846,084
Total Liabilities	\$ 1,097,580	\$ 5,955,856	\$ 6,207,352	\$ 846,084

(Continued)

Exhibit I-2

Weakley County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 7,025	\$ 0	\$ 130	\$ 6,895
Equity in Pooled Cash and Investments	418,129	179,114	182,305	414,938
Accounts Receivable	125	6	125	6
Due from Other Governments	5,817	1,213	5,817	1,213
Total Assets	<u>\$ 431,096</u>	<u>\$ 180,333</u>	<u>\$ 188,377</u>	<u>\$ 423,052</u>
<u>Liabilities</u>				
Due to Joint Ventures	\$ 431,096	\$ 180,333	\$ 188,377	\$ 423,052
Total Liabilities	<u>\$ 431,096</u>	<u>\$ 180,333</u>	<u>\$ 188,377</u>	<u>\$ 423,052</u>
 <u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,104,605	\$ 5,955,856	\$ 6,207,482	\$ 852,979
Equity in Pooled Cash and Investments	427,553	3,059,780	3,062,396	424,937
Accounts Receivable	125	6	125	6
Due from Other Governments	461,089	502,820	461,089	502,820
Total Assets	<u>\$ 1,993,372</u>	<u>\$ 9,518,462</u>	<u>\$ 9,731,092</u>	<u>\$ 1,780,742</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 464,696	\$ 3,382,273	\$ 3,335,363	\$ 511,606
Due to Litigants, Heirs, and Others	1,097,580	5,955,856	6,207,352	846,084
Due to Joint Ventures	431,096	180,333	188,377	423,052
Total Liabilities	<u>\$ 1,993,372</u>	<u>\$ 9,518,462</u>	<u>\$ 9,731,092</u>	<u>\$ 1,780,742</u>

Weakley County School Department

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

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

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

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

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

Exhibit J-1

Weakley County, Tennessee
Statement of Activities
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 22,484,647	\$ 115,349	\$ 2,954,440	\$ (19,414,858)
Support Services	10,984,696	144,458	840,076	(10,000,162)
Operation of Non-Instructional Services	3,629,360	781,277	2,370,341	(477,742)
Other Debt Service	508,224	0	0	(508,224)
Total Governmental Activities	\$ 37,606,927	\$ 1,041,084	\$ 6,164,857	\$ (30,400,986)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 3,517,411
Local Option Sales Taxes				3,209,228
Wheel Tax				126,727
Other Local Taxes				2,081
Grants and Contributions Not Restricted to Specific Programs				24,710,747
Miscellaneous				134,849
Total General Revenues				\$ 31,701,043
Change in Net Assets				\$ 1,300,057
Net Assets, July 1, 2011				29,481,488
Net Assets, June 30, 2012				\$ 30,781,545

Exhibit J-2

Weakley County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Weakley County School Department
June 30, 2012

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Other Govern-mental Funds</u>	<u>Govern-mental Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 4,714,915	\$ 11,320	\$ 614,611	\$ 5,340,846
Accounts Receivable	41,443	0	0	41,443
Due from Other Governments	971,767	13,346	156,330	1,141,443
Property Taxes Receivable	3,431,384	0	0	3,431,384
Allowance for Uncollectible Property Taxes	(69,795)	0	0	(69,795)
Total Assets	\$ 9,089,714	\$ 24,666	\$ 770,941	\$ 9,885,321
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Deferred Revenue - Current Property Taxes	\$ 3,239,642	\$ 0	\$ 0	\$ 3,239,642
Deferred Revenue - Delinquent Property Taxes	110,172	0	0	110,172
Other Deferred Revenues	304,400	0	0	304,400
Total Liabilities	\$ 3,654,214	\$ 0	\$ 0	\$ 3,654,214
<u>Fund Balances</u>				
Restricted:				
Restricted for Education	\$ 133,785	\$ 24,666	\$ 0	\$ 158,451
Restricted for Operation of Non-Instructional Services	0	0	555,524	555,524
Restricted for Capital Outlay	0	0	215,417	215,417
Assigned:				
Assigned for Education	615,910	0	0	615,910
Unassigned	4,685,805	0	0	4,685,805
Total Fund Balances	\$ 5,435,500	\$ 24,666	\$ 770,941	\$ 6,231,107
Total Liabilities and Fund Balances	\$ 9,089,714	\$ 24,666	\$ 770,941	\$ 9,885,321

Exhibit J-3

Weakley County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Weakley County School Department
June 30, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 6,231,107
(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	20,046,734	
Add: other capital assets net of accumulated depreciation	<u>2,700,591</u>	24,683,175
(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	\$ (32,055)	
Less: other postemployment benefits liability	<u>(515,254)</u>	(547,309)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>414,572</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 30,781,545</u>

Exhibit J-4

Weakley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2012

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Federal</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 7,055,750	\$ 0	\$ 0	\$ 7,055,750
Licenses and Permits	2,128	0	0	2,128
Charges for Current Services	259,807	0	781,277	1,041,084
Other Local Revenues	126,160	0	17,520	143,680
State of Tennessee	23,007,047	0	25,193	23,032,240
Federal Government	99,944	3,871,035	1,765,194	5,736,173
Other Governments and Citizens Groups	29,660	0	1,812,940	1,842,600
Total Revenues	<u>\$ 30,580,496</u>	<u>\$ 3,871,035</u>	<u>\$ 4,402,124</u>	<u>\$ 38,853,655</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 17,866,458	\$ 3,096,970	\$ 0	\$ 20,963,428
Support Services	9,612,739	784,761	0	10,397,500
Operation of Non-Instructional Services	723,494	0	2,746,852	3,470,346
Capital Outlay	265,458	0	0	265,458
Debt Service:				
Other Debt Service	508,224	0	0	508,224
Capital Projects	0	0	1,830,587	1,830,587
Total Expenditures	<u>\$ 28,976,373</u>	<u>\$ 3,881,731</u>	<u>\$ 4,577,439</u>	<u>\$ 37,435,543</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 1,604,123	\$ (10,696)	\$ (175,315)	\$ 1,418,112
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 29,869	\$ 0	\$ 0	\$ 29,869
Transfers In	3,695	0	0	3,695
Transfers Out	0	(3,695)	0	(3,695)
Total Other Financing Sources (Uses)	<u>\$ 33,564</u>	<u>\$ (3,695)</u>	<u>\$ 0</u>	<u>\$ 29,869</u>
Net Change in Fund Balances	\$ 1,637,687	\$ (14,391)	\$ (175,315)	\$ 1,447,981
Fund Balance, July 1, 2011	<u>3,797,813</u>	<u>39,057</u>	<u>946,256</u>	<u>4,783,126</u>
Fund Balance, June 30, 2012	<u>\$ 5,435,500</u>	<u>\$ 24,666</u>	<u>\$ 770,941</u>	<u>\$ 6,231,107</u>

Exhibit J-5

Weakley County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2012

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)		\$ 1,447,981
(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	\$ 2,122,493	
Less: current-year depreciation expense	<u>(2,295,303)</u>	(172,810)
(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, 2012	\$ 414,572	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(361,243)</u>	53,329
(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	\$ (913)	
Change in other postemployment benefits liability	<u>(27,530)</u>	<u>(28,443)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,300,057</u>

Exhibit J-6

Weakley County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Weakley County School Department
June 30, 2012

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Education Capital Projects	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 399,194	\$ 215,417	\$ 614,611
Due from Other Governments	156,330	0	156,330
	<hr/>		
Total Assets	\$ 555,524	\$ 215,417	\$ 770,941
<hr/>			
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Operation of Non-Instructional Services	\$ 555,524	\$ 0	\$ 555,524
Restricted for Capital Outlay	0	215,417	215,417
	<hr/>		
Total Fund Balances	\$ 555,524	\$ 215,417	\$ 770,941
	<hr/>		

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, 2012

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Education Capital Projects	
<u>Revenues</u>			
Charges for Current Services	\$ 781,277	\$ 0	\$ 781,277
Other Local Revenues	17,520	0	17,520
State of Tennessee	25,193	0	25,193
Federal Government	1,765,194	0	1,765,194
Other Governments and Citizens Groups	0	1,812,940	1,812,940
Total Revenues	<u>\$ 2,589,184</u>	<u>\$ 1,812,940</u>	<u>\$ 4,402,124</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 2,746,852	\$ 0	\$ 2,746,852
Capital Projects	0	1,830,587	1,830,587
Total Expenditures	<u>\$ 2,746,852</u>	<u>\$ 1,830,587</u>	<u>\$ 4,577,439</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (157,668)</u>	<u>\$ (17,647)</u>	<u>\$ (175,315)</u>
Net Change in Fund Balances	\$ (157,668)	\$ (17,647)	\$ (175,315)
Fund Balance, July 1, 2011	<u>713,192</u>	<u>233,064</u>	<u>946,256</u>
Fund Balance, June 30, 2012	<u>\$ 555,524</u>	<u>\$ 215,417</u>	<u>\$ 770,941</u>

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 7,055,750	\$ 0	\$ 0	\$ 7,055,750	\$ 6,837,433	\$ 6,835,331	\$ 220,419
Licenses and Permits	2,128	0	0	2,128	2,000	2,000	128
Charges for Current Services	259,807	0	0	259,807	238,232	265,366	(5,559)
Other Local Revenues	126,160	0	0	126,160	103,469	131,637	(5,477)
State of Tennessee	23,007,047	0	0	23,007,047	22,772,053	22,953,125	53,922
Federal Government	99,944	0	0	99,944	154,455	154,510	(54,566)
Other Governments and Citizens Groups	29,660	0	0	29,660	12,700	32,711	(3,051)
Total Revenues	\$ 30,580,496	\$ 0	\$ 0	\$ 30,580,496	\$ 30,120,342	\$ 30,374,680	\$ 205,816
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 14,626,625	\$ (46,476)	\$ 41,259	\$ 14,621,408	\$ 14,680,186	\$ 14,853,668	\$ 232,260
Special Education Program	1,979,756	(18,254)	28,837	1,990,339	2,035,912	1,992,332	1,993
Vocational Education Program	1,103,540	0	0	1,103,540	1,241,612	1,129,929	26,389
Student Body Education Program	11,390	0	0	11,390	12,648	12,648	1,258
Adult Education Program	130,245	0	0	130,245	199,499	199,499	69,254
Other	14,902	0	0	14,902	0	16,943	2,041
<u>Support Services</u>							
Attendance	104,193	0	0	104,193	104,769	104,769	576
Health Services	310,404	0	0	310,404	324,442	315,892	5,488
Other Student Support	702,098	(3,150)	0	698,948	767,211	726,311	27,363
Regular Instruction Program	1,271,969	(42)	0	1,271,927	1,368,242	1,287,892	15,965
Alternative Instruction Program	93,473	0	0	93,473	90,428	94,395	922
Special Education Program	391,125	0	2,021	393,146	400,047	393,657	511
Vocational Education Program	87,086	0	0	87,086	86,855	101,657	14,571
Other Programs	248,993	0	0	248,993	114,154	255,540	6,547

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Board of Education	\$ 579,773	\$ 0	\$ 0	\$ 579,773	\$ 549,873	\$ 595,973	\$ 16,200
Director of Schools	268,493	0	0	268,493	282,286	274,953	6,460
Office of the Principal	1,311,749	0	0	1,311,749	1,378,868	1,334,420	22,671
Operation of Plant	2,316,974	0	0	2,316,974	2,448,919	2,407,929	90,955
Maintenance of Plant	647,065	(1,920)	97	645,242	676,214	703,635	58,393
Transportation	1,278,118	(182,072)	203,676	1,299,722	1,269,597	1,378,797	79,075
Central and Other	1,226	0	0	1,226	2,005	2,005	779
<u>Operation of Non-Instructional Services</u>							
Community Services	138,695	0	0	138,695	124,078	147,128	8,433
Early Childhood Education	584,799	(22,337)	13,635	576,097	579,488	579,488	3,391
<u>Capital Outlay</u>							
Regular Capital Outlay	265,458	(179,805)	326,385	412,038	504,305	505,203	93,165
<u>Other Debt Service</u>							
Education	508,224	0	0	508,224	508,224	508,224	0
Total Expenditures	\$ 28,976,373	\$ (454,056)	\$ 615,910	\$ 29,138,227	\$ 29,749,862	\$ 29,922,887	\$ 784,660
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 1,604,123	\$ 454,056	\$ (615,910)	\$ 1,442,269	\$ 370,480	\$ 451,793	\$ 990,476
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 29,869	\$ 0	\$ 0	\$ 29,869	\$ 1	\$ 29,669	\$ 200
Transfers In	\$ 3,695	\$ 0	\$ 0	\$ 3,695	\$ 4,770	\$ 4,770	\$ (1,075)
Total Other Financing Sources (Uses)	\$ 33,564	\$ 0	\$ 0	\$ 33,564	\$ 4,771	\$ 34,439	\$ (875)
Net Change in Fund Balance	\$ 1,637,687	\$ 454,056	\$ (615,910)	\$ 1,475,833	\$ 375,251	\$ 486,232	\$ 989,601
Fund Balance, July 1, 2011	3,797,813	(454,056)	0	3,343,757	2,725,513	2,725,513	618,244
Fund Balance, June 30, 2012	\$ 5,435,500	\$ 0	\$ (615,910)	\$ 4,819,590	\$ 3,100,764	\$ 3,211,745	\$ 1,607,845

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 3,871,035	\$ 0	\$ 0	\$ 3,871,035	\$ 3,730,999	\$ 4,446,735	\$ (575,700)
Total Revenues	\$ 3,871,035	\$ 0	\$ 0	\$ 3,871,035	\$ 3,730,999	\$ 4,446,735	\$ (575,700)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,192,477	\$ 0	\$ 0	\$ 2,192,477	\$ 2,222,217	\$ 2,363,047	\$ 170,570
Special Education Program	849,741	(4,403)	0	845,338	742,358	999,832	154,494
Vocational Education Program	54,752	0	0	54,752	51,242	54,753	1
<u>Support Services</u>							
Health Services	32,749	(573)	0	32,176	37,931	37,931	5,755
Other Student Support	41,502	0	13,346	54,848	63,072	92,680	37,832
Regular Instruction Program	543,155	(24,435)	0	518,720	435,421	711,606	192,886
Special Education Program	38,868	(2,441)	0	36,427	37,168	41,227	4,800
Transportation	128,487	0	0	128,487	142,422	147,191	18,704
Total Expenditures	\$ 3,881,731	\$ (31,852)	\$ 13,346	\$ 3,863,225	\$ 3,731,831	\$ 4,448,267	\$ 585,042
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,696)	\$ 31,852	\$ (13,346)	\$ 7,810	\$ (832)	\$ (1,532)	\$ 9,342
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 83,755	\$ 6,953	\$ (6,953)
Transfers Out	(3,695)	0	0	(3,695)	(82,925)	(6,123)	2,428
Total Other Financing Sources (Uses)	\$ (3,695)	\$ 0	\$ 0	\$ (3,695)	\$ 830	\$ 830	\$ (4,525)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (14,391)	\$ 31,852	\$ (13,346)	\$ 4,115	\$ (2)	\$ (702)	\$ 4,817
Fund Balance, July 1, 2011	39,057	(31,852)	0	7,205	1,313	1,313	5,892
Fund Balance, June 30, 2012	\$ 24,666	\$ 0	\$ (13,346)	\$ 11,320	\$ 1,311	\$ 611	\$ 10,709

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 781,277	\$ 0	\$ 0	\$ 781,277	\$ 842,000	\$ 842,000	\$ (60,723)
Other Local Revenues	17,520	0	0	17,520	9,600	19,725	(2,205)
State of Tennessee	25,193	0	0	25,193	25,301	25,301	(108)
Federal Government	1,765,194	0	0	1,765,194	1,498,000	1,752,200	12,994
Total Revenues	\$ 2,589,184	\$ 0	\$ 0	\$ 2,589,184	\$ 2,374,901	\$ 2,639,226	\$ (50,042)
<u>Expenditures</u>							
Operation of Non-Instructional Services							
Food Service	\$ 2,746,852	(2,321)	8,001	\$ 2,752,532	\$ 2,606,527	\$ 2,761,504	\$ 8,972
Total Expenditures	\$ 2,746,852	(2,321)	8,001	\$ 2,752,532	\$ 2,606,527	\$ 2,761,504	\$ 8,972
Excess (Deficiency) of Revenues Over Expenditures	\$ (157,668)	2,321	(8,001)	(163,348)	(231,626)	(122,278)	(41,070)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (157,668)	2,321	(8,001)	(163,348)	(231,626)	(122,278)	(41,070)
	713,192	(2,321)	0	710,871	742,296	742,296	(31,425)
Fund Balance, June 30, 2012	\$ 555,524	\$ 0	(8,001)	\$ 547,523	\$ 510,670	\$ 620,018	\$ (72,495)

MISCELLANEOUS SCHEDULES

Exhibit K-1

Weakley County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
NOTES PAYABLE								
Payable through General Debt Service Fund								
Asbestos Removal - School Buildings	\$ 183,697	0 %	11-30-1993	11-30-12	\$ 15,313	0 \$	10,205 \$	5,108
Total Notes Payable					\$ 15,313	0 \$	10,205 \$	5,108
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
Detention Center and Law Enforcement Complex	7,400,000	Variable	12-31-1997	5-25-18	\$ 3,478,000	0 \$	424,000 \$	3,054,000
School Construction and Renovation	10,339,705	Variable	2-25-03	5-25-23	6,984,705	0	486,000	6,498,705
School Refunding - Series 2008	5,870,000	Variable	7-18-08	5-25-13	2,400,000	0	1,200,000	1,200,000
Energy Efficient Schools Initiative	1,812,940	0	2-17-12	4-1-22	0	1,812,940	30,216	1,782,724
Total Other Loans Payable					\$ 12,862,705	\$ 1,812,940	2,140,216 \$	12,535,429
BONDS PAYABLE								
Payable through General Debt Service Fund								
School Refunding - Series 2003	17,125,000	2 to 4	12-1-03	5-1-16	\$ 8,425,000	0 \$	1,100,000 \$	7,325,000
Total Bonds Payable					\$ 8,425,000	0 \$	1,100,000 \$	7,325,000

Exhibit K-2

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

Year Ending June 30	Notes	
	Principal	Total
2013	\$ 5,108	\$ 5,108
Total	\$ 5,108	\$ 5,108

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2013	\$ 2,329,296	\$ 46,236	\$ 49,423	\$ 2,424,955
2014	1,170,296	37,000	41,284	1,248,580
2015	1,212,296	32,747	36,809	1,281,852
2016	1,256,296	28,314	32,148	1,316,758
2017	1,303,296	23,692	27,293	1,354,281
2018	1,350,296	18,867	22,231	1,391,394
2019	794,296	13,840	16,645	824,781
2020	815,296	11,205	13,580	840,081
2021	836,296	8,478	10,410	855,184
2022	812,972	5,662	7,135	825,769
2023	654,793	2,751	3,750	661,294
Total	\$ 12,535,429	\$ 228,792	\$ 260,708	\$ 13,024,929

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 1,220,000	\$ 283,758	\$ 1,503,758
2014	1,745,000	239,838	1,984,838
2015	1,860,000	174,400	2,034,400
2016	2,500,000	100,000	2,600,000
Total	\$ 7,325,000	\$ 797,996	\$ 8,122,996

Exhibit K-3

Weakley County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Weakley County School Department
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Municipal Electric System	General	Payments in-lieu-of taxes	\$ 152,844
"	Highway/Public Works	"	59,807
"	General Debt Service	"	<u>226,474</u>
Total Transfers Primary Government			<u>\$ 439,125</u>
<u>DISCRETELY PRESENTED WEAKLEY</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ <u>3,695</u>
Total Transfers Discretely Presented Weakley County School Department			<u>\$ 3,695</u>

Exhibit K-4

Weakley County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Weakley County School Department
For the Year Ended June 30, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 73,866	\$ 50,000	RLI Insurance Company
Highway Supervisor	Section 8-24-102, TCA	70,350	100,000	"
Director of Schools	State Board of Education and Weakley County Board of Education	99,118 (1)	50,000	Auto Owners Insurance Company
Trustee	Board of Education	63,954	1,150,487	"
Assessor of Property	Section 8-24-102, TCA	63,954 (2)	10,000	Nationwide Mutual Insurance Company
Director of Finance	Section 8-24-102, TCA	74,611 (3)	50,000	RLI Insurance Company
County Clerk	Weakley County Commission	63,954	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	63,954	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	63,954 (4)	85,000	"
Register	Section 8-24-102, TCA	63,954	25,000	"
Sheriff	Section 8-24-102, TCA	70,350 (5)	25,000	"
Employee Blanket Bonds:				
County Mayor and Highway Supervisor:				
All Employees			150,000	Local Government Property and Casualty Fund
Director of Schools:				
All Employees			150,000	Tennessee Risk Management Trust

- (1) Includes a chief executive officer training supplement of \$1,000. Does not include a travel allowance of \$450 per month.
- (2) Does not include a certified assessor supplement of \$750.
- (3) Includes \$3,450 for serving as recording secretary for the Health, Education, and Welfare Committee.
- (4) Does not include special commissioner fees of \$2,080.
- (5) Does not include a law enforcement training supplement of \$600.

Exhibit K-5

Weakley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2012

	Special Revenue Funds							Total
	General	Solid Waste/ Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 2,033,330	\$ 0	\$ 0	\$ 0	\$ 0	\$ 795,635	\$ 3,012,858	\$ 0
Trustee's Collections - Prior Year	80,891	0	0	0	0	28,462	119,916	3,200
Trustee's Collections - Bankruptcy	358	0	0	0	0	112	434	13
Circuit/Clerk & Master Collections - Prior Years	23,674	0	0	0	0	8,234	35,079	1,029
Interest and Penalty	15,157	0	0	0	0	5,866	22,455	512
Payments in-Lieu-of Taxes - T.V.A.	919	0	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	573,499	0	0	0	0	0	0	0
<u>County Local Option Taxes</u>								
Local Option Sales Tax	290,328	0	0	0	0	0	0	0
Hotel/Motel Tax	109,304	0	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	887,088	0	0
Litigation Tax - General	125,674	0	0	0	0	0	37,480	0
Litigation Tax - Special Purpose	4,614	0	0	0	0	0	0	0
Business Tax	247,824	0	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	100,524	0	0
<u>Statutory Local Taxes</u>								
Bank Excise Tax	4,823	0	0	0	0	1,887	7,146	0
Wholesale Beer Tax	43,801	0	0	0	0	0	0	0
Interstate Telecommunications Tax	937	0	0	0	0	0	0	0
<u>Total Local Taxes</u>	\$ 3,555,133	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,827,808	\$ 3,235,368	\$ 4,754
								\$ 8,623,063
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 25,820	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>								
Beer Permits	1,067	0	0	0	0	0	0	0
Building Permits	0	0	0	0	0	1,875	0	0
<u>Total Licenses and Permits</u>	\$ 26,887	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,875	\$ 0	\$ 0
								\$ 28,762

(Continued)

Exhibit K-5

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

	Special Revenue Funds										Total	
	General	Solid Waste/ Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Capital Projects Fund	Highway Capital Projects			
<u>Fines, Forfeitures, and Penalties</u>												
<u>Circuit Court</u>												
Fines	\$ 1,515	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,515
Officers Costs	3,498	0	0	0	0	0	0	0	0	0	0	3,498
Drug Control Fines	0	0	1,424	0	0	0	0	0	0	0	0	1,424
Drug Court Fees	701	0	0	0	0	0	0	0	0	0	0	701
Jail Fees	1,166	0	0	0	0	0	0	0	0	0	0	1,166
District Attorney General Fees	0	0	0	508	0	0	0	0	0	0	0	508
DUI Treatment Fines	377	0	0	0	0	0	0	0	0	0	0	377
Data Entry Fee - Circuit Court	790	0	0	0	0	0	0	0	0	0	0	790
Courtroom Security Fee	40	0	0	0	0	0	0	0	0	0	0	40
<u>General Sessions Court</u>												
Fines	25,494	0	0	0	0	0	0	0	0	0	0	25,494
Officers Costs	26,495	0	0	0	0	0	0	0	0	0	0	26,495
Drug Control Fines	0	0	9,969	0	0	0	0	0	0	0	0	9,969
Drug Court Fees	10,926	0	0	0	0	0	0	0	0	0	0	10,926
Jail Fees	43,798	0	0	0	0	0	0	0	0	0	0	43,798
District Attorney General Fees	0	0	0	8,501	0	0	0	0	0	0	0	8,501
DUI Treatment Fines	8,860	0	0	0	0	0	0	0	0	0	0	8,860
Data Entry Fee - General Sessions Court	7,254	0	0	0	0	0	0	0	0	0	0	7,254
Courtroom Security Fee	766	0	0	0	0	0	0	0	0	0	0	766
<u>Juvenile Court</u>												
Fines	461	0	0	0	0	0	0	0	0	0	0	461
Officers Costs	1,700	0	0	0	0	0	0	0	0	0	0	1,700
Data Entry Fee - Juvenile Court	763	0	0	0	0	0	0	0	0	0	0	763
Courtroom Security Fee	157	0	0	0	0	0	0	0	0	0	0	157
<u>Chancery Court</u>												
Officers Costs	4,329	0	0	0	0	0	0	0	0	0	0	4,329
Data Entry Fee - Chancery Court	1,866	0	0	0	0	0	0	0	0	0	0	1,866
Courtroom Security Fee	8	0	0	0	0	0	0	0	0	0	0	8
<u>Courts in Other District Counties</u>												
District Attorney General Fees	0	0	0	5,332	0	0	0	0	0	0	0	5,332

(Continued)

Exhibit K-5

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

	Special Revenue Funds							Total
	General	Solid Waste/ Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway/ Public Works	Debt Service Fund	
Fines, Forfeitures, and Penalties (Cont.)								
Other Fines, Forfeitures, and Penalties								
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 30,086	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,086
Total Fines, Forfeitures, and Penalties	\$ 140,964	\$ 0	\$ 41,479	\$ 14,341	\$ 0	\$ 0	\$ 0	\$ 196,784
Charges for Current Services								
General Service Charges								
Other General Service Charges	\$ 3,243	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,243
Service Charges	37,819	0	0	0	0	0	0	37,819
Fees								
Greenbelt Late Application Fee	150	0	0	0	0	0	0	150
Telephone Commissions	27,408	0	0	0	0	0	0	27,408
Vending Machine Collections	767	0	0	0	0	0	0	767
Constitutional Officers' Fees and Commissions	0	0	0	0	2,080	0	0	2,080
Data Processing Fee - Register	9,728	0	0	0	0	0	0	9,728
Data Processing Fee - Sheriff	2,672	0	0	0	0	0	0	2,672
Sexual Offender Registration Fees - Sheriff	950	0	0	0	0	0	0	950
Data Processing Fee - County Clerk	1,948	0	0	0	0	0	0	1,948
Other Charges for Services								
Other Charges for Services	39,684	0	0	0	0	0	0	39,684
Total Charges for Current Services	\$ 124,369	\$ 0	\$ 0	\$ 0	\$ 2,080	\$ 0	\$ 0	\$ 126,449
Other Local Revenues								
Recurring Items								
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 151,434	\$ 151,434
Lease/Rentals	31,472	0	0	0	0	0	0	31,472
Sale of Materials and Supplies	4,350	0	0	0	0	0	0	4,350
Refund of Telecommunication and Internet Fees (E-Rate)	2,117	0	0	0	0	0	0	2,117
Miscellaneous Refunds	1,674	11,920	0	0	0	6,203	0	19,797
Nonrecurring Items								
Sale of Property	68,239	0	0	0	0	7,624	0	75,863
Contributions and Gifts	5,277	0	100	0	0	0	0	5,377
Total Other Local Revenues	\$ 113,129	\$ 11,920	\$ 100	\$ 0	\$ 0	\$ 13,827	\$ 151,434	\$ 290,410

(Continued)

Exhibit K-5

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

	Special Revenue Funds										Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Debt Service Fund	Capital Projects Fund	Highway Capital Projects	
Fees Received from County Officials											
<u>Fees in-Lieu-of-Salary</u>											
County Clerk	\$ 324,387	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 324,387
Circuit Court Clerk	49,867	0	0	0	0	0	0	0	0	0	49,867
General Sessions Court Clerk	235,811	0	0	0	0	0	0	0	0	0	235,811
Clerk and Master	116,949	0	0	0	0	0	0	0	0	0	116,949
Register	109,512	0	0	0	0	0	0	0	0	0	109,512
Sheriff	12,072	0	0	0	0	0	0	0	0	0	12,072
Trustee	383,120	0	0	0	0	0	0	0	0	0	383,120
Total Fees Received from County Officials	\$ 1,231,718	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,231,718
State of Tennessee											
<u>General Government Grants</u>											
Juvenile Services Program	\$ 203,706	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 203,706
Aging Programs	114,774	0	0	0	0	0	0	0	0	0	114,774
Solid Waste Grants	0	19,101	0	0	0	0	0	0	0	0	19,101
<u>Public Safety Grants</u>											
Law Enforcement Training Programs	12,000	0	0	0	0	0	0	0	0	0	12,000
Health and Welfare Grants	57,117	0	0	0	0	0	0	0	0	0	57,117
<u>Public Works Grants</u>											
Bridge Program	0	0	0	0	0	130,527	0	0	3,305	0	133,832
State Aid Program	0	0	0	0	0	505,024	0	0	0	0	505,024
Litter Program	0	0	0	0	0	52,175	0	0	0	0	52,175
<u>Other State Revenues</u>											
Income Tax	39,807	0	0	0	0	0	0	0	0	0	39,807
Beer Tax	18,421	0	0	0	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	64,743	0	0	0	0	0	0	0	0	0	64,743
Mixed Drink Tax	862	0	0	0	0	0	0	0	0	0	862
State Revenue Sharing - T.V.A.	407,780	0	0	0	0	0	0	407,779	0	0	815,559
Prisoner Transportation	807	0	0	0	0	0	0	0	0	0	807
Contracted Prisoner Boarding	491,155	0	0	0	0	0	0	0	0	0	491,155

(Continued)

Exhibit K-5

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

	Special Revenue Funds							Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>State of Tennessee (Cont.)</u>								
<u>Other State Revenues (Cont.)</u>								
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,870,104	\$ 0	\$ 1,870,104
Petroleum Special Tax	0	0	0	0	0	25,269	0	25,269
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	15,164
Other State Grants	52,552	0	0	0	0	0	0	52,552
Other State Revenues	45,503	0	0	0	0	0	0	45,503
Total State of Tennessee	\$ 1,524,391	\$ 19,101	\$ 0	\$ 0	\$ 0	\$ 2,583,099	\$ 407,779	\$ 3,305 \$ 4,537,675
<u>Federal Government</u>								
<u>Federal Through State</u>								
Civil Defense Reimbursement	\$ 22,770	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,770
Disaster Relief	17,516	0	0	0	0	96,397	0	113,913
Homeland Security Grants	146,391	0	0	0	0	0	0	146,391
Law Enforcement Grants	4,986	0	0	0	0	0	0	4,986
<u>Direct Federal Revenue</u>								
Other Direct Federal Revenue	2,800	0	0	0	0	0	0	2,800
Total Federal Government	\$ 194,463	\$ 0	\$ 0	\$ 0	\$ 0	\$ 96,397	\$ 0	\$ 290,860
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Prisoner Board	\$ 7,959	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,959
Contributions	91,177	0	0	0	0	0	508,224	599,401
Contracted Services	226,000	0	0	0	0	0	0	226,000
<u>Other</u>								
Other	40,910	0	0	0	0	0	0	40,910
Total Other Governments and Citizens Groups	\$ 366,046	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 508,224	\$ 874,270
Total	\$ 7,277,100	\$ 31,021	\$ 41,579	\$ 14,341	\$ 2,080	\$ 4,523,006	\$ 4,302,805	\$ 16,199,991

Exhibit K-6

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 3,270,932	\$ 0	\$ 0	\$ 0	\$ 3,270,932
Trustee's Collections - Prior Year	130,166	0	0	0	130,166
Trustee's Collections - Bankruptcy	520	0	0	0	520
Circuit/Clerk & Master Collections - Prior Years	38,084	0	0	0	38,084
Interest and Penalty	24,380	0	0	0	24,380
Payments in-Lieu-of Taxes - Local Utilities	245,873	0	0	0	245,873
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,209,228	0	0	0	3,209,228
Wheel Tax	126,727	0	0	0	126,727
<u>Statutory Local Taxes</u>					
Bank Excise Tax	7,759	0	0	0	7,759
Interstate Telecommunications Tax	2,081	0	0	0	2,081
Total Local Taxes	\$ 7,055,750	\$ 0	\$ 0	\$ 0	\$ 7,055,750
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,128	\$ 0	\$ 0	\$ 0	\$ 2,128
Total Licenses and Permits	\$ 2,128	\$ 0	\$ 0	\$ 0	\$ 2,128
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Other	\$ 115,349	\$ 0	\$ 0	\$ 0	\$ 115,349
Lunch Payments - Children	0	0	659,627	0	659,627
Lunch Payments - Adults	0	0	96,728	0	96,728
Income from Breakfast	0	0	21,516	0	21,516
Contract for Instructional Services with Other LEAs	27,134	0	0	0	27,134
Receipts from Individual Schools	117,324	0	3,406	0	120,730
Total Charges for Current Services	\$ 259,807	\$ 0	\$ 781,277	\$ 0	\$ 1,041,084
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 6,023	\$ 0	\$ 6,023
Sale of Materials and Supplies	37,148	0	0	0	37,148
Refund of Telecommunication and Internet Fees (E-Rate)	40,227	0	0	0	40,227
Miscellaneous Refunds	15,954	0	11,389	0	27,343
<u>Nonrecurring Items</u>					
Sale of Equipment	25,686	0	108	0	25,794
Damages Recovered from Individuals	2,048	0	0	0	2,048
Contributions and Gifts	5,097	0	0	0	5,097
Total Other Local Revenues	\$ 126,160	\$ 0	\$ 17,520	\$ 0	\$ 143,680
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 141,386	\$ 0	\$ 0	\$ 0	\$ 141,386
<u>State Education Funds</u>					
Basic Education Program	21,646,001	0	0	0	21,646,001
Early Childhood Education	574,931	0	0	0	574,931
School Food Service	0	0	25,193	0	25,193

(Continued)

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Energy Efficient School Initiative	\$ 64,081	\$ 0	\$ 0	\$ 0	\$ 64,081
Driver Education	13,440	0	0	0	13,440
Other State Education Funds	163,956	0	0	0	163,956
Statewide Student Management System (SSMS) - ARRA	11,787	0	0	0	11,787
Career Ladder Program	220,493	0	0	0	220,493
Career Ladder - Extended Contract	124,249	0	0	0	124,249
Other Vocational	25,000	0	0	0	25,000
<u>Other State Revenues</u>					
Mixed Drink Tax	19,434	0	0	0	19,434
Other State Revenues	2,289	0	0	0	2,289
Total State of Tennessee	\$ 23,007,047	\$ 0	\$ 25,193	\$ 0	\$ 23,032,240
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,092,894	\$ 0	\$ 1,092,894
USDA - Commodities	0	0	118,200	0	118,200
Breakfast	0	0	549,991	0	549,991
USDA - Other	0	0	3,109	0	3,109
Adult Education State Grant Program	99,018	0	0	0	99,018
Vocational Education - Basic Grants to States	0	73,919	0	0	73,919
Title I Grants to Local Education Agencies	0	976,612	0	0	976,612
Special Education - Grants to States	0	1,022,080	0	0	1,022,080
Special Education Preschool Grants	0	21,108	0	0	21,108
Rural Education	0	92,012	0	0	92,012
Eisenhower Professional Development State Grants	0	242,942	0	0	242,942
Disaster Relief	926	0	0	0	926
Race-to-the-Top - ARRA	0	273,139	0	0	273,139
Other Federal through State	0	1,169,223	1,000	0	1,170,223
Total Federal Government	\$ 99,944	\$ 3,871,035	\$ 1,765,194	\$ 0	\$ 5,736,173
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 4,093	\$ 0	\$ 0	\$ 1,812,940	\$ 1,817,033
<u>Citizens Groups</u>					
Donations	10,697	0	0	0	10,697
<u>Other</u>					
Other	14,870	0	0	0	14,870
Total Other Governments and Citizens Groups	\$ 29,660	\$ 0	\$ 0	\$ 1,812,940	\$ 1,842,600
Total	\$ 30,580,496	\$ 3,871,035	\$ 2,589,184	\$ 1,812,940	\$ 38,853,655

Exhibit K-7

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2012

General FundGeneral GovernmentCounty Commission

Secretary to Board	\$	5,400	
Board and Committee Members Fees		18,000	
Other Per Diem and Fees		18,055	
Social Security		1,579	
State Retirement		651	
Employer Medicare		504	
Audit Services		10,506	
Legal Services		7,306	
Travel		11,857	
Contracts for Development Costs		411	
Other Contracted Services		1,026	
In Service/Staff Development		782	
Other Charges		191	
Total County Commission			\$ 76,268

County Mayor/Executive

County Official/Administrative Officer	\$	73,866	
Secretary(ies)		26,655	
Educational Incentive - Other County Employees		300	
Social Security		6,045	
State Retirement		12,159	
Medical Insurance		5,243	
Employer Medicare		1,414	
Communication		3,478	
Dues and Memberships		1,534	
Legal Notices, Recording, and Court Costs		35	
Postal Charges		108	
Travel		2,223	
Office Supplies		526	
In Service/Staff Development		120	
Total County Mayor/Executive			133,706

County Attorney

Legal Services	\$	100	
Total County Attorney			100

Election Commission

County Official/Administrative Officer	\$	57,559	
Deputy(ies)		24,982	
Part-time Personnel		11,136	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Election Commission	\$	5,325	
Election Workers		16,074	
Social Security		5,907	
State Retirement		9,269	
Medical Insurance		10,217	
Employer Medicare		1,461	
Communication		2,976	
Data Processing Services		2,900	
Dues and Memberships		175	
Legal Services		15,356	
Legal Notices, Recording, and Court Costs		4,390	
Maintenance and Repair Services - Buildings		3,928	
Maintenance and Repair Services - Equipment		10,620	
Maintenance and Repair Services - Office Equipment		437	
Postal Charges		5,952	
Printing, Stationery, and Forms		8,444	
Rentals		1,860	
Travel		1,871	
Other Contracted Services		4,125	
Office Supplies		1,441	
Other Supplies and Materials		151	
Building and Contents Insurance		892	
In Service/Staff Development		900	
Total Election Commission			\$ 208,348

Register of Deeds

County Official/Administrative Officer	\$	63,954
Deputy(ies)		49,081
Educational Incentive - Other County Employees		600
Social Security		6,488
State Retirement		12,046
Medical Insurance		13,030
Employer Medicare		1,517
Communication		2,910
Dues and Memberships		607
Legal Notices, Recording, and Court Costs		8,646
Postal Charges		466
Rentals		746
Travel		1,923
Other Contracted Services		5,550

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Data Processing Supplies	\$	781	
Office Supplies		865	
Total Register of Deeds			\$ 169,210

County Buildings

Custodial Personnel	\$	39,296	
Maintenance Personnel		1,265	
Social Security		2,282	
State Retirement		3,798	
Medical Insurance		9,443	
Employer Medicare		534	
Maintenance and Repair Services - Buildings		22,394	
Maintenance and Repair Services - Equipment		3,404	
Pest Control		520	
Other Contracted Services		3,211	
Custodial Supplies		6,623	
Electricity		79,658	
Natural Gas		3,727	
Water and Sewer		5,214	
Building and Contents Insurance		12,189	
Other Charges		1,700	
Total County Buildings			195,258

Preservation of Records

Other Supplies and Materials	\$	4,276	
Total Preservation of Records			4,276

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	71,161	
Accountants/Bookkeepers		169,588	
Custodial Personnel		2,709	
Educational Incentive - Other County Employees		300	
Social Security		14,144	
State Retirement		27,797	
Medical Insurance		26,947	
Employer Medicare		3,308	
Communication		4,000	
Data Processing Services		8,016	
Dues and Memberships		637	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Legal Notices, Recording, and Court Costs	\$	1,052	
Maintenance and Repair Services - Office Equipment		974	
Pest Control		240	
Postal Charges		2,500	
Printing, Stationery, and Forms		5,173	
Rentals		4,100	
Travel		5,000	
Custodial Supplies		800	
Electricity		2,800	
Natural Gas		550	
Office Supplies		3,355	
Water and Sewer		454	
Other Supplies and Materials		2,959	
Premiums on Corporate Surety Bonds		91	
In Service/Staff Development		3,109	
Data Processing Equipment		2,948	
Total Accounting and Budgeting			\$ 364,712

Property Assessor's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		99,329	
Educational Incentive - Other County Employees		7,550	
Board and Committee Members Fees		1,725	
Social Security		10,176	
State Retirement		20,602	
Medical Insurance		11,642	
Employer Medicare		2,380	
Communication		2,272	
Dues and Memberships		1,515	
Legal Services		818	
Legal Notices, Recording, and Court Costs		146	
Maintenance and Repair Services - Office Equipment		105	
Maintenance and Repair Services - Vehicles		795	
Postal Charges		758	
Printing, Stationery, and Forms		47	
Rentals		2,425	
Travel		522	
Gasoline		1,488	
Office Supplies		372	
Vehicle and Equipment Insurance		414	
Total Property Assessor's Office			229,035

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Data Processing Services	\$	3,809	
Postal Charges		1,200	
Travel		786	
Other Contracted Services		46,839	
In Service/Staff Development		50	
Total Reappraisal Program			\$ 52,684

County Trustee's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		49,838	
Educational Incentive - Other County Employees		600	
Social Security		6,311	
State Retirement		13,796	
Medical Insurance		18,359	
Employer Medicare		1,476	
Communication		2,517	
Data Processing Services		19,408	
Dues and Memberships		707	
Legal Notices, Recording, and Court Costs		1,424	
Maintenance Agreements		5,253	
Postal Charges		2,500	
Rentals		686	
Travel		1,993	
Office Supplies		1,136	
Data Processing Equipment		1,064	
Total County Trustee's Office			191,022

County Clerk's Office

County Official/Administrative Officer	\$	63,954
Deputy(ies)		124,278
Clerical Personnel		1,050
Temporary Personnel		3,478
Educational Incentive - Other County Employees		600
Social Security		10,640
State Retirement		21,489
Medical Insurance		38,072
Employer Medicare		2,488
Communication		2,310
Dues and Memberships		632
Legal Notices, Recording, and Court Costs		351

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Maintenance Agreements	\$	11,641	
Maintenance and Repair Services - Office Equipment		90	
Postal Charges		7,500	
Printing, Stationery, and Forms		1,353	
Rentals		3,586	
Travel		613	
Office Supplies		2,102	
Total County Clerk's Office			\$ 296,227

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		83,830	
Temporary Personnel		975	
Jury and Witness Expense		4,539	
Social Security		7,301	
State Retirement		17,823	
Medical Insurance		45,482	
Employer Medicare		1,722	
Communication		2,662	
Data Processing Services		3,062	
Dues and Memberships		95	
Legal Services		380	
Maintenance and Repair Services - Office Equipment		120	
Printing, Stationery, and Forms		1,352	
Rentals		3,522	
Travel		163	
Office Supplies		1,807	
Other Supplies and Materials		4,629	
Total Circuit Court			243,418

General Sessions Court

Judge(s)	\$	110,894
Deputy(ies)		59,398
Social Security		10,006
State Retirement		20,537
Medical Insurance		12,988
Employer Medicare		2,362
Communication		2,200
Data Processing Services		7,265

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Dues and Memberships	\$	516	
Postal Charges		3,000	
Printing, Stationery, and Forms		321	
Travel		1,647	
Other Contracted Services		2,912	
Library Books/Media		8	
Office Supplies		2,667	
Total General Sessions Court			\$ 236,721

Chancery Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		72,844	
Temporary Personnel		80	
Social Security		8,275	
State Retirement		16,498	
Medical Insurance		9,928	
Employer Medicare		1,935	
Communication		1,874	
Dues and Memberships		577	
Legal Notices, Recording, and Court Costs		878	
Maintenance Agreements		6,413	
Postal Charges		2,626	
Printing, Stationery, and Forms		4,125	
Rentals		1,860	
Travel		208	
Office Supplies		1,713	
Premiums on Corporate Surety Bonds		966	
Office Equipment		2,444	
Total Chancery Court			197,198

Juvenile Court

Judge(s)	\$	29,600	
Youth Service Officer(s)		40,608	
Social Workers		27,806	
Secretary(ies)		20,900	
Social Security		6,780	
State Retirement		14,341	
Medical Insurance		32,893	
Employer Medicare		1,586	
Communication		3,028	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Contracts with Other Public Agencies	\$	8,932	
Dues and Memberships		50	
Maintenance and Repair Services - Office Equipment		585	
Maintenance and Repair Services - Vehicles		642	
Postal Charges		41	
Rentals		7,231	
Travel		3,951	
Gasoline		1,476	
Office Supplies		767	
Utilities		2,959	
Vehicle and Equipment Insurance		493	
In Service/Staff Development		500	
Total Juvenile Court			\$ 205,169

District Attorney General

Secretary(ies)	\$	24,705	
Social Security		1,429	
State Retirement		2,979	
Medical Insurance		4,919	
Employer Medicare		334	
Total District Attorney General			34,366

Other Administration of Justice

Social Workers	\$	97,700	
Social Security		5,837	
State Retirement		11,783	
Medical Insurance		10,063	
Employer Medicare		1,365	
Communication		2,413	
Travel		2,891	
Drugs and Medical Supplies		1,950	
Office Supplies		864	
Workers' Compensation Insurance		717	
Total Other Administration of Justice			135,583

Probation Services

Social Workers	\$	51,000	
Social Security		2,718	
State Retirement		3,075	
Medical Insurance		1,695	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Employer Medicare	\$ 636	
Total Probation Services		\$ 59,124

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 70,350
Deputy(ies)	689,572
Accountants/Bookkeepers	55,101
Salary Supplements	12,000
Maintenance Personnel	29,109
Part-time Personnel	32,180
Overtime Pay	760
Social Security	49,419
State Retirement	96,273
Medical Insurance	143,606
Employer Medicare	11,639
Accounting Services	1,677
Communication	22,535
Dues and Memberships	2,100
Evaluation and Testing	120
Legal Services	70
Maintenance Agreements	3,000
Maintenance and Repair Services - Equipment	1,999
Maintenance and Repair Services - Vehicles	22,884
Postal Charges	5,950
Printing, Stationery, and Forms	1,150
Rentals	11,266
Travel	18,739
Other Contracted Services	7,053
Gasoline	94,367
Law Enforcement Supplies	3,496
Office Supplies	5,215
Uniforms	9,666
Other Supplies and Materials	13,832
Vehicle and Equipment Insurance	15,786
Workers' Compensation Insurance	882
In Service/Staff Development	12,518
Other Charges	2,196
Data Processing Equipment	3,573
Law Enforcement Equipment	11,425

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Motor Vehicles	\$ 42,724	
Total Sheriff's Department		\$ 1,504,232

Traffic Control

Dispatchers/Radio Operators	\$ 275,011	
Social Security	15,975	
State Retirement	26,111	
Medical Insurance	41,370	
Employer Medicare	3,736	
Total Traffic Control		362,203

Jail

Supervisor/Director	\$ 40,502	
Accountants/Bookkeepers	28,618	
Guards	452,158	
Overtime Pay	1,088	
Social Security	29,075	
State Retirement	52,757	
Medical Insurance	95,686	
Employer Medicare	6,800	
Maintenance and Repair Services - Buildings	12,269	
Maintenance and Repair Services - Equipment	5,884	
Medical and Dental Services	75,633	
Pest Control	880	
Printing, Stationery, and Forms	668	
Rentals	687	
Custodial Supplies	13,411	
Electricity	66,125	
Food Preparation Supplies	48	
Food Supplies	83,428	
Natural Gas	19,735	
Office Supplies	1,897	
Water and Sewer	11,518	
Other Supplies and Materials	14,649	
Building and Contents Insurance	12,029	
Total Jail		1,025,545

Correctional Incentive Program Improvements

Contributions	\$ 1,340	
Total Correctional Incentive Program Improvements		1,340

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

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

Civil Defense

Assistant(s)	\$ 8,976	
Supervisor/Director	16,444	
Overtime Pay	5,580	
Social Security	1,922	
State Retirement	2,656	
Employer Medicare	450	
Advertising	192	
Communication	1,317	
Dues and Memberships	169	
Maintenance and Repair Services - Equipment	1,126	
Postal Charges	50	
Printing, Stationery, and Forms	223	
Travel	758	
Other Contracted Services	60,429	
Gasoline	1,844	
Office Supplies	1,129	
Uniforms	226	
Other Supplies and Materials	1,694	
Vehicle and Equipment Insurance	634	
In Service/Staff Development	624	
Other Equipment	66,998	
Total Civil Defense		173,441

Rescue Squad

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

County Coroner/Medical Examiner

Other Contracted Services	\$ 3,825	
Total County Coroner/Medical Examiner		3,825

Other Public Safety

Other Contracted Services	\$ 1,484	
Total Other Public Safety		1,484

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Communication	\$	4,043	
Contracts with Government Agencies		31,500	
Dues and Memberships		210	
Janitorial Services		11,640	
Legal Services		55	
Maintenance and Repair Services - Buildings		4,349	
Maintenance and Repair Services - Equipment		1,380	
Maintenance and Repair Services - Office Equipment		4	
Pest Control		264	
Postal Charges		737	
Rentals		56	
Custodial Supplies		1,372	
Drugs and Medical Supplies		88	
Electricity		10,018	
Natural Gas		664	
Office Supplies		1,099	
Water and Sewer		2,224	
Other Supplies and Materials		275	
Building and Contents Insurance		1,269	
Total Local Health Center			\$ 71,247

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	254,583	
Total Ambulance/Emergency Medical Services			254,583

Maternal and Child Health Services

Contracts with Other Public Agencies	\$	2,500	
Total Maternal and Child Health Services			2,500

Crippled Children Services

Contributions	\$	2,167	
Total Crippled Children Services			2,167

General Welfare Assistance

Contracts with Other Public Agencies	\$	44,400	
Other Contracted Services		995	
Total General Welfare Assistance			45,395

Other Local Welfare Services

Other Salaries and Wages	\$	36,320	
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(Continued)

Exhibit K-7

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.)

Social Security	\$	1,910	
State Retirement		3,628	
Medical Insurance		9,974	
Employer Medicare		447	
Travel		1,978	
Total Other Local Welfare Services			\$ 54,257

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$	22,114	
Social Workers		19,937	
Other Salaries and Wages		42,018	
Social Security		4,333	
State Retirement		6,727	
Medical Insurance		19,443	
Employer Medicare		1,070	
Communication		2,402	
Contributions		9,645	
Licenses		830	
Maintenance and Repair Services - Vehicles		653	
Postal Charges		1,000	
Rentals		7,187	
Travel		8,143	
Other Contracted Services		1,415	
Custodial Supplies		1,213	
Food Supplies		3,056	
Gasoline		352	
Other Supplies and Materials		4,220	
Total Adult Activities			155,758

Senior Citizens Assistance

Supervisor/Director	\$	22,064	
Social Security		1,325	
State Retirement		2,661	
Employer Medicare		310	
Communication		1,031	
Maintenance and Repair Services - Buildings		2,400	
Maintenance and Repair Services - Vehicles		62	
Postal Charges		203	
Rentals		444	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Travel	\$	1,199	
Other Contracted Services		600	
Custodial Supplies		295	
Food Supplies		2,634	
Office Supplies		186	
Utilities		112	
Other Supplies and Materials		3,002	
Total Senior Citizens Assistance			\$ 38,528

Libraries

Supervisor/Director	\$	30,914	
Clerical Personnel		44,891	
Temporary Personnel		5,830	
Social Security		4,604	
State Retirement		9,142	
Medical Insurance		12,199	
Employer Medicare		1,077	
Communication		2,947	
Contributions		20,000	
Janitorial Services		5,300	
Licenses		110	
Maintenance and Repair Services - Buildings		6,385	
Maintenance and Repair Services - Equipment		800	
Pest Control		295	
Travel		1,717	
Other Contracted Services		31,993	
Utilities		6,846	
Building and Contents Insurance		1,224	
Data Processing Equipment		12,703	
Total Libraries			198,977

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	47,360	
Other Fringe Benefits		12,143	
Communication		4,714	
Travel		1,800	
Total Agriculture Extension Service			66,017

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Secretary(ies)	\$	24,713	
Social Security		1,390	
State Retirement		2,980	
Medical Insurance		5,009	
Employer Medicare		325	
Total Soil Conservation			\$ 34,417

Flood Control

Other Contracted Services	\$	23,728	
Total Flood Control			23,728

Other Operations

Veterans' Services

Assistant(s)	\$	8,485	
Supervisor/Director		24,104	
Social Security		2,021	
State Retirement		2,907	
Employer Medicare		473	
Communication		1,811	
Dues and Memberships		128	
Postal Charges		350	
Travel		993	
Office Supplies		463	
Total Veterans' Services			41,735

Other Charges

Dues and Memberships	\$	4,784	
Other Charges		20,415	
Total Other Charges			25,199

Contributions to Other Agencies

Contributions	\$	219,000	
Total Contributions to Other Agencies			219,000

Employee Benefits

Unemployment Compensation	\$	25,181	
Total Employee Benefits			25,181

Miscellaneous

Liability Insurance	\$	55,637	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Premiums on Corporate Surety Bonds	\$	743	
Trustee's Commission		71,177	
Workers' Compensation Insurance		52,294	
Other Charges		452	
Interest on Other Loans		9,042	
Total Miscellaneous			<u>\$ 189,345</u>

Total General Fund \$ 7,585,029

Solid Waste/Sanitation Fund

Public Health and Welfare

Recycling Center

Temporary Personnel	\$	5,599	
Postal Charges		38	
Other Contracted Services		24,041	
Custodial Supplies		43	
Electricity		1,094	
Water and Sewer		316	
Other Supplies and Materials		131	
Trustee's Commission		243	
Solid Waste Equipment		6,997	
Total Recycling Center			<u>\$ 38,502</u>

Other Operations

Employee Benefits

Social Security	\$	347	
State Retirement		281	
Employer Medicare		81	
Total Employee Benefits			<u>709</u>

Total Solid Waste/Sanitation Fund 39,211

Drug Control Fund

Public Safety

Drug Enforcement

Contributions	\$	500	
Confidential Drug Enforcement Payments		5,000	
Tow-in Services		80	
Other Supplies and Materials		161	
Trustee's Commission		290	
Total Drug Enforcement			<u>\$ 6,031</u>

Total Drug Control Fund 6,031

(Continued)

Exhibit K-7

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

District Attorney General Fund

Administration of Justice

District Attorney General

Communication	\$	2,684	
Dues and Memberships		668	
Travel		1,132	
Tuition		1,650	
Library Books/Media		101	
Trustee's Commission		151	
Other Charges		101	
Furniture and Fixtures		485	
Office Equipment		987	
Total District Attorney General			\$ 7,959

Total District Attorney General Fund \$ 7,959

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	2,080	
Total Chancery Court			\$ 2,080

Total Constitutional Officers - Fees Fund 2,080

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	70,350	
Secretary to Board		1,800	
Secretary(ies)		27,630	
Board and Committee Members Fees		10,800	
Dues and Memberships		3,109	
Legal Services		75	
Legal Notices, Recording, and Court Costs		344	
Medical and Dental Services		595	
Postal Charges		481	
Printing, Stationery, and Forms		574	
Rentals		1,914	
Travel		1,939	
Office Supplies		680	
Other Supplies and Materials		423	
Other Charges		2,000	
Interest on Other Loans		6,927	
Total Administration			\$ 129,641

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$	38,057	
Equipment Operators		392,157	
Truck Drivers		299,664	
Laborers		214,449	
Other Contracted Services		196,771	
Asphalt - Liquid		665,032	
Crushed Stone		383,301	
General Construction Materials		26,362	
Other Road Supplies		5,422	
Pipe		141,726	
Road Signs		3,707	
Small Tools		322	
Other Supplies and Materials		928	
Total Highway and Bridge Maintenance			\$ 2,367,898

Operation and Maintenance of Equipment

Foremen	\$	35,692	
Mechanic(s)		91,584	
Laundry Service		11,512	
Maintenance and Repair Services - Equipment		43,239	
Tow-in Services		341	
Diesel Fuel		259,673	
Equipment and Machinery Parts		126,425	
Garage Supplies		5,735	
Gasoline		31,823	
Lubricants		25,142	
Small Tools		3,500	
Tires and Tubes		55,609	
Other Supplies and Materials		1,076	
Total Operation and Maintenance of Equipment			691,351

Litter and Trash Collection

Foremen	\$	21,936	
Secretary(ies)		9,781	
Social Security		1,966	
State Retirement		3,825	
Employer Medicare		460	
Advertising		6,850	
Other Supplies and Materials		3,165	
Litter Enforcement Awards		6,833	
Total Litter and Trash Collection			54,816

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	8,980	
Maintenance and Repair Services - Buildings		1,878	
Maintenance and Repair Services - Office Equipment		2,789	
Electricity		19,652	
Natural Gas		4,213	
Water and Sewer		2,135	
Building and Contents Insurance		3,845	
Liability Insurance		5,841	
Trustee's Commission		46,413	
Vehicle and Equipment Insurance		24,937	
Liability Claims		300	
Total Other Charges			\$ 120,983

Employee Benefits

Social Security	\$	67,934	
State Retirement		139,025	
Medical Insurance		191,263	
Employer Medicare		15,888	
Workers' Compensation Insurance		111,991	
Total Employee Benefits			526,101

Capital Outlay

Bridge Construction	\$	159,852	
Highway Equipment		88,076	
Total Capital Outlay			247,928

Total Highway/Public Works Fund \$ 4,138,718

General Debt Service Fund

Principal on Debt

General Government

Principal on Other Loans	\$	424,000	
Total General Government			\$ 424,000

Education

Principal on Bonds	\$	1,100,000	
Principal on Notes		10,205	
Principal on Other Loans		1,716,216	
Total Education			2,826,421

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Other Loans	\$ 15,491	
Total General Government		\$ 15,491

Education

Interest on Bonds	\$ 322,257	
Interest on Other Loans	32,729	
Total Education		354,986

Other Debt Service

General Government

Trustee's Commission	\$ 72,171	
Other Debt Service	12,526	
Total General Government		84,697

Education

Other Debt Service	\$ 38,364	
Total Education		38,364

Total General Debt Service Fund		\$ 3,743,959
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Highway Capital Projects Fund

Highways

Other Charges

Trustee's Commission	\$ 97	
Total Other Charges		\$ 97

Capital Outlay

Bridge Construction	\$ 41,179	
Highway Construction	8,000	
Total Capital Outlay		49,179

Total Highway Capital Projects Fund		49,276
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Education Capital Projects Fund

Capital Projects

Education Capital Projects

Contributions	\$ 1,812,940	
Total Education Capital Projects		\$ 1,812,940

Total Education Capital Projects Fund		1,812,940
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Total Governmental Funds - Primary Government		<u>\$ 17,385,203</u>
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Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 10,583,256	
Career Ladder Program	118,776	
Career Ladder Extended Contracts	106,900	
Educational Assistants	386,864	
Certified Substitute Teachers	98,926	
Non-certified Substitute Teachers	63,456	
Social Security	639,034	
State Retirement	994,422	
Medical Insurance	681,616	
Employer Medicare	153,177	
Other Fringe Benefits	19,710	
Rentals	72,614	
Instructional Supplies and Materials	137,095	
Textbooks	202,174	
Other Supplies and Materials	9,508	
Regular Instruction Equipment	359,097	
Total Regular Instruction Program		\$ 14,626,625

Special Education Program

Teachers	\$ 1,352,482	
Career Ladder Program	18,000	
Homebound Teachers	17,160	
Educational Assistants	37,062	
Speech Pathologist	44,725	
Certified Substitute Teachers	5,720	
Non-certified Substitute Teachers	12,638	
Social Security	85,871	
State Retirement	131,992	
Medical Insurance	89,862	
Employer Medicare	20,093	
Contracts with Private Agencies	10,492	
Other Contracted Services	80,560	
Instructional Supplies and Materials	24,474	
Other Supplies and Materials	13,358	
Furniture and Fixtures	13,048	
Special Education Equipment	22,219	
Total Special Education Program		1,979,756

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Teachers	\$	801,058	
Career Ladder Program		14,000	
Other Salaries and Wages		23,741	
Certified Substitute Teachers		6,348	
Non-certified Substitute Teachers		10,400	
Social Security		50,589	
State Retirement		76,445	
Medical Insurance		45,273	
Employer Medicare		11,837	
Communication		734	
Laundry Service		531	
Maintenance and Repair Services - Equipment		1,171	
Rentals		888	
Animal Food and Supplies		29,511	
Drugs and Medical Supplies		540	
Gasoline		2,500	
Instructional Supplies and Materials		16,408	
Other Supplies and Materials		4,219	
Vehicle and Equipment Insurance		400	
Vocational Instruction Equipment		5,516	
Other Capital Outlay		1,431	
Total Vocational Education Program			\$ 1,103,540

Student Body Education Program

Clerical Personnel	\$	6,110	
Non-certified Substitute Teachers		78	
Social Security		301	
State Retirement		737	
Employer Medicare		70	
Maintenance and Repair Services - Equipment		70	
Gasoline		2,000	
Instructional Supplies and Materials		24	
Vehicle and Equipment Insurance		2,000	
Total Student Body Education Program			11,390

Adult Education Program

Supervisor/Director	\$	42,934
Teachers		23,712
Guidance Personnel		9,470

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

Other Salaries and Wages	\$	25,211	
Social Security		4,719	
State Retirement		8,639	
Medical Insurance		2,593	
Employer Medicare		1,382	
Communication		1,320	
Rentals		2,256	
Travel		5,512	
Instructional Supplies and Materials		1,321	
Other Charges		1,176	
Total Adult Education Program			\$ 130,245

Other

Teachers	\$	4,560	
Pupil Personnel		8,921	
Social Security		817	
State Retirement		413	
Employer Medicare		191	
Total Other			14,902

Support Services

Attendance

Supervisor/Director	\$	69,489	
Career Ladder Program		3,000	
Social Security		4,379	
State Retirement		6,560	
Medical Insurance		4,445	
Employer Medicare		1,024	
Maintenance Agreements		11,787	
Travel		1,115	
Other Supplies and Materials		2,394	
Total Attendance			104,193

Health Services

Teachers	\$	34,332	
Medical Personnel		170,361	
Secretary(ies)		17,232	
Educational Assistants		1,540	
Non-certified Substitute Teachers		312	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Social Security	\$	12,077	
State Retirement		21,705	
Medical Insurance		23,465	
Employer Medicare		2,824	
Communication		1,343	
Dues and Memberships		50	
Postal Charges		250	
Rentals		1,812	
Travel		4,721	
Other Contracted Services		360	
Other Supplies and Materials		18,020	
Total Health Services			\$ 310,404

Other Student Support

Career Ladder Program	\$	5,000	
Guidance Personnel		491,564	
School Resource Officer		32,924	
Other Salaries and Wages		2,150	
Certified Substitute Teachers		600	
Non-certified Substitute Teachers		806	
Social Security		31,570	
State Retirement		49,125	
Medical Insurance		26,331	
Employer Medicare		7,384	
Evaluation and Testing		27,407	
Travel		2,665	
Other Contracted Services		14,000	
Other Supplies and Materials		3,942	
In Service/Staff Development		125	
Other Charges		579	
Other Equipment		5,926	
Total Other Student Support			702,098

Regular Instruction Program

Supervisor/Director	\$	297,540
Career Ladder Program		13,500
Librarians		375,676
Social Workers		37,734
Instructional Computer Personnel		69,489

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Salaries and Wages	\$	110,424	
Social Security		51,112	
State Retirement		80,725	
Medical Insurance		59,124	
Employer Medicare		12,479	
Travel		21,926	
Library Books/Media		54,947	
Other Supplies and Materials		56,102	
In Service/Staff Development		31,191	
Total Regular Instruction Program			\$ 1,271,969

Alternative Instruction Program

Supervisor/Director	\$	20,838	
Career Ladder Program		1,000	
Educational Assistants		11,582	
Certified Substitute Teachers		240	
Non-certified Substitute Teachers		52	
Social Security		1,842	
State Retirement		3,282	
Medical Insurance		11,488	
Employer Medicare		431	
Communication		715	
Contracts with Other Public Agencies		38,706	
Rentals		1,044	
Travel		748	
Other Supplies and Materials		1,505	
Total Alternative Instruction Program			93,473

Special Education Program

Supervisor/Director	\$	69,489	
Career Ladder Program		4,000	
Psychological Personnel		142,899	
Assessment Personnel		42,311	
Clerical Personnel		23,884	
Social Security		16,517	
State Retirement		26,292	
Medical Insurance		21,828	
Employer Medicare		3,863	
Communication		935	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Maintenance Agreements	\$	5,534	
Maintenance and Repair Services - Equipment		1,134	
Postal Charges		992	
Rentals		2,808	
Travel		12,509	
Drugs and Medical Supplies		455	
Office Supplies		8,284	
Other Supplies and Materials		3,455	
In Service/Staff Development		3,936	
Total Special Education Program			\$ 391,125

Vocational Education Program

Clerical Personnel	\$	25,610	
Other Salaries and Wages		702	
Certified Substitute Teachers		320	
Non-certified Substitute Teachers		520	
Social Security		1,265	
State Retirement		3,173	
Medical Insurance		8,722	
Employer Medicare		296	
Communication		332	
Maintenance and Repair Services - Equipment		1,319	
Travel		36,545	
Office Supplies		519	
Other Supplies and Materials		5,786	
In Service/Staff Development		1,977	
Total Vocational Education Program			87,086

Other Programs

Other Salaries and Wages	\$	77,816	
Certified Substitute Teachers		6,520	
Non-certified Substitute Teachers		8,944	
Social Security		5,496	
State Retirement		7,505	
Employer Medicare		1,326	
On-Behalf Payments to OPEB		141,386	
Total Other Programs			248,993

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Secretary to Board	\$	3,000	
Board and Committee Members Fees		17,100	
Social Security		853	
State Retirement		362	
Unemployment Compensation		46,429	
Employer Medicare		291	
Audit Services		10,000	
Dues and Memberships		16,024	
Legal Services		140,042	
Legal Notices, Recording, and Court Costs		6,055	
Travel		4,894	
Excess Risk Insurance		18,960	
Liability Insurance		15,535	
Premiums on Corporate Surety Bonds		91	
Trustee's Commission		162,258	
Workers' Compensation Insurance		134,783	
Other Charges		<u>3,096</u>	
Total Board of Education			\$ 579,773

Director of Schools

County Official/Administrative Officer	\$	98,118	
Career Ladder Program		1,000	
Accountants/Bookkeepers		27,390	
Secretary(ies)		46,018	
Social Security		10,303	
State Retirement		17,823	
Medical Insurance		25,025	
Employer Medicare		2,410	
Communication		4,699	
Postal Charges		3,620	
Printing, Stationery, and Forms		6,021	
Rentals		5,313	
Travel		7,690	
Office Supplies		4,399	
Other Supplies and Materials		<u>8,664</u>	
Total Director of Schools			268,493

Office of the Principal

Principals	\$	691,806	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Career Ladder Program	\$	13,000	
Secretary(ies)		307,337	
Social Security		58,049	
State Retirement		99,692	
Medical Insurance		70,152	
Employer Medicare		13,576	
Communication		34,741	
Travel		5,570	
Office Supplies		15,570	
Other Charges		2,256	
Total Office of the Principal			\$ 1,311,749

Operation of Plant

Custodial Personnel	\$	82,340	
Social Security		4,673	
State Retirement		4,142	
Medical Insurance		11,338	
Employer Medicare		1,093	
Maintenance and Repair Services - Equipment		2,086	
Rentals		27,777	
Disposal Fees		65,583	
Permits		4,250	
Other Contracted Services		870,034	
Custodial Supplies		2,634	
Electricity		874,969	
Natural Gas		148,985	
Water and Sewer		101,200	
Other Supplies and Materials		8,930	
Building and Contents Insurance		95,610	
Furniture and Fixtures		11,330	
Total Operation of Plant			2,316,974

Maintenance of Plant

Supervisor/Director	\$	44,880
Secretary(ies)		26,896
Maintenance Personnel		184,280
Social Security		14,027
State Retirement		28,229
Medical Insurance		45,731

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Employer Medicare	\$	3,281	
Communication		1,846	
Laundry Service		6,927	
Maintenance and Repair Services - Buildings		6,099	
Maintenance and Repair Services - Equipment		42,476	
Pest Control		10,978	
Printing, Stationery, and Forms		196	
Travel		957	
Other Contracted Services		82,579	
Drugs and Medical Supplies		825	
Equipment and Machinery Parts		91,092	
Garage Supplies		596	
General Construction Materials		15,821	
Office Supplies		280	
Other Supplies and Materials		20,359	
Motor Vehicles		18,710	
Total Maintenance of Plant			\$ 647,065

Transportation

Supervisor/Director	\$	41,673
Mechanic(s)		66,400
Bus Drivers		341,474
Social Security		27,413
State Retirement		47,072
Medical Insurance		4,947
Employer Medicare		6,483
Communication		3,668
Maintenance and Repair Services - Equipment		11,300
Maintenance and Repair Services - Vehicles		9,584
Medical and Dental Services		3,253
Printing, Stationery, and Forms		671
Rentals		1,452
Tow-in Services		3,435
Travel		1,168
Other Contracted Services		778
Drugs and Medical Supplies		1,951
Gasoline		339,817
Office Supplies		477
Tires and Tubes		28,298

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Vehicle Parts	\$ 98,267	
Other Supplies and Materials	10,982	
Vehicle and Equipment Insurance	45,483	
Transportation Equipment	182,072	
Total Transportation		\$ 1,278,118

Central and Other

Other Contracted Services	\$ 1,226	
Total Central and Other		1,226

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$ 82,092	
Social Security	4,988	
State Retirement	4,758	
Employer Medicare	1,166	
Other Contracted Services	210	
Other Supplies and Materials	43,025	
Other Equipment	2,456	
Total Community Services		138,695

Early Childhood Education

Teachers	\$ 246,108	
Educational Assistants	71,366	
Certified Substitute Teachers	1,040	
Non-certified Substitute Teachers	2,570	
Social Security	17,477	
State Retirement	27,991	
Medical Insurance	64,623	
Employer Medicare	4,095	
Communication	4,154	
Postal Charges	40	
Other Contracted Services	4,845	
Other Supplies and Materials	136,367	
In Service/Staff Development	4,123	
Total Early Childhood Education		584,799

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Engineering Services	\$ 1,200	
Building Improvements	207,880	
Other Construction	56,378	
Total Regular Capital Outlay		\$ 265,458

Other Debt Service

Education

Contributions	\$ 508,224	
Total Education		508,224

Total General Purpose School Fund \$ 28,976,373

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 713,024	
Educational Assistants	182,857	
Certified Substitute Teachers	3,696	
Non-certified Substitute Teachers	3,796	
Social Security	53,804	
State Retirement	83,469	
Medical Insurance	944,720	
Employer Medicare	12,677	
Other Contracted Services	57,946	
Instructional Supplies and Materials	17,654	
Regular Instruction Equipment	118,834	
Total Regular Instruction Program		\$ 2,192,477

Special Education Program

Teachers	\$ 56,128	
Educational Assistants	451,710	
Social Security	27,056	
State Retirement	54,958	
Medical Insurance	68,711	
Employer Medicare	6,348	
Contracts with Private Agencies	4,000	
Instructional Supplies and Materials	65,514	
Other Supplies and Materials	494	
Special Education Equipment	114,822	
Total Special Education Program		849,741

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Other Salaries and Wages	\$	29,927	
Social Security		1,800	
State Retirement		2,753	
Employer Medicare		421	
Instructional Supplies and Materials		19,851	
Total Vocational Education Program			\$ 54,752

Support Services

Health Services

Medical Personnel	\$	22,702	
Social Security		1,012	
State Retirement		2,606	
Medical Insurance		5,175	
Employer Medicare		237	
Drugs and Medical Supplies		1,017	
Total Health Services			32,749

Other Student Support

Guidance Personnel	\$	18,866	
Other Salaries and Wages		7,094	
Social Security		1,610	
State Retirement		2,595	
Employer Medicare		376	
Evaluation and Testing		2,516	
Travel		2,913	
In Service/Staff Development		543	
Other Charges		4,989	
Total Other Student Support			41,502

Regular Instruction Program

Supervisor/Director	\$	36,700	
Secretary(ies)		25,960	
Educational Assistants		7,094	
Other Salaries and Wages		288,027	
Certified Substitute Teachers		640	
Non-certified Substitute Teachers		1,170	
Social Security		18,598	
State Retirement		29,982	
Medical Insurance		22,726	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	4,886	
Operating Lease Payments		897	
Travel		1,988	
Other Supplies and Materials		4,431	
In Service/Staff Development		99,672	
Other Equipment		384	
Total Regular Instruction Program			\$ 543,155

Special Education Program

Clerical Personnel	\$	16,444	
Other Salaries and Wages		9,670	
Social Security		1,480	
State Retirement		1,983	
Medical Insurance		4,220	
Employer Medicare		346	
Travel		115	
In Service/Staff Development		2,178	
Other Equipment		2,432	
Total Special Education Program			38,868

Transportation

Mechanic(s)	\$	8,385	
Bus Drivers		85,803	
Social Security		5,838	
State Retirement		10,944	
Employer Medicare		1,365	
Gasoline		16,152	
Total Transportation			128,487

Total School Federal Projects Fund \$ 3,881,731

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	60,844
Accountants/Bookkeepers		25,960
Cafeteria Personnel		685,872
Maintenance Personnel		27,290
Educational Incentive - Other County Employees		3,300

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Salaries and Wages	\$	2,769	
Social Security		44,630	
State Retirement		75,100	
Medical Insurance		156,155	
Employer Medicare		10,442	
Audit Services		3,000	
Communication		8,108	
Freight Expenses		9,982	
Legal Notices, Recording, and Court Costs		340	
Maintenance Agreements		7,549	
Maintenance and Repair Services - Equipment		2,601	
Pest Control		2,344	
Postal Charges		414	
Printing, Stationery, and Forms		973	
Travel		3,665	
Other Contracted Services		14,932	
Custodial Supplies		1,018	
Equipment and Machinery Parts		19,868	
Food Supplies		1,253,562	
Office Supplies		9,792	
USDA - Commodities		118,200	
Other Supplies and Materials		109,077	
Trustee's Commission		63	
In Service/Staff Development		4,590	
Food Service Equipment		84,412	
Total Food Service			\$ 2,746,852
Total Central Cafeteria Fund			\$ 2,746,852

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$	62,940	
Building Improvements		81,581	
Heating and Air Conditioning Equipment		1,686,066	
Total Education Capital Projects			\$ 1,830,587
Total Education Capital Projects Fund			1,830,587

Total Governmental Funds - Weakley County School Department \$ 37,435,543

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2012

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,880,085
Total Cash Receipts	<u>\$ 2,880,085</u>
<u>Cash Disbursements</u>	
Remittance of Revenue Collected	\$ 2,775,107
Trustee's Commission	28,801
Contributions	76,177
Total Cash Disbursements	<u>\$ 2,880,085</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2011	<u>0</u>
Cash Balance, June 30, 2012	<u><u>\$ 0</u></u>

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

December 19, 2012

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Weakley County's basic financial statements and have issued our report thereon dated December 19, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Weakley County Municipal Electric System (a major fund and the entire business-type activities), Weakley County Nursing Home, and Weakley County Emergency Communications District (discretely presented component units) as described in our report on Weakley County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

The management of Weakley County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Weakley County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Weakley County's internal control

over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Weakley County's internal control over financial reporting.

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

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

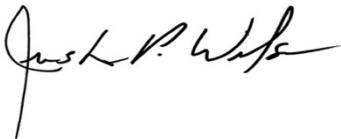
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Weakley County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and are described in the accompanying Schedule of Findings and Questioned Costs as items 12.01 and 12.02.

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

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

December 19, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Weakley County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Weakley County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Weakley County's management. Our responsibility is to express an opinion on Weakley County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test

basis, evidence about Weakley County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Weakley County's compliance with those requirements.

In our opinion, Weakley County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County as of and for the year ended June 30, 2012, and have issued our report thereon dated December 19, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures

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

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Weakley County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2012

Federal/Pass Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	\$ 118,200 (5)
Team Nutrition Grants	10.574	(2)	1,000
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	549,991
National School Lunch Program	10.555	(2)	1,092,894 (5)
Child and Adult Care Food Program	10.558	(2)	3,109
Total U.S. Department of Agriculture			<u>\$ 1,765,194</u>
U.S. Department of Labor:			
Passed-through Dyersburg State Community College:			
WIA Youth Activities	17.259	(2)	\$ 25,000
Total U.S. Department of Labor			<u>\$ 25,000</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z-12-GHS3-59	\$ 4,986
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	(2)	6,500
Total U.S. Department of Transportation			<u>\$ 11,486</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 99,018
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(2)	955,327
Special Education Cluster:			
Special Education - Grants to States	84.027	(2)	897,391
Special Education - Grants to States, Recovery Act	84.391	(2)	135,824
Special Education - Preschool Grants	84.173	(2)	21,215
Career and Technical Education - Basic Grants to States	84.048	(2)	73,919
Educational Technology State Grants Cluster:			
Educational Technology State Grants	84.318	(2)	843
Educational Technology State Grants, Recovery Act	84.386	(2)	1,511
Rural Education	84.358	(2)	92,012
Improving Teacher Quality State Grants	84.367	(2)	242,942
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	297,573
State Fiscal Stabilization Fund (SFSF) - Governmental Services, Recovery Act	84.397	(2)	11,787
Education Jobs Fund	84.410	(2)	1,166,869
Total U.S. Department of Education			<u>\$ 3,996,231</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 114,774
Total U.S. Department of Health and Human Services			<u>\$ 114,774</u>

(Continued)

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

Federal/Pass Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(3)	\$ 496,590
Emergency Management Performance Grants	97.042	(2)	22,770
Interoperable Emergency Communications	97.055	2010-T0-0021	66,346
Homeland Security Grant Program	97.067	2010-HSGP-Z-9976	73,545
Total U.S. Department of Homeland Security			<u>\$ 659,251</u>
Total Federal Awards			<u>\$ 6,571,936</u>
Contract Number			
State Grants:			
Substance Abuse Treatment for Families - State Office of Criminal Justice Programs	N/A	GG-12-35510-00	\$ 135,583
Juvenile Justice and Delinquency Prevention - State Department of Children's Services	N/A	(4)	68,123
Preventive Health and Human Services - State Department of Health	N/A	Z-12-43713-00	57,117
27th Judicial District Drug Court - State Department of Finance and Administration	N/A	2009-SU-B9-0002	50,000
Library Services and Technology Act - Tennessee Secretary of State	N/A	(2)	2,042
Litter Grant - State Department of Environment and Conservation	N/A	(2)	52,175
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	19,101
Energy Efficient Schools Initiative - State Department of Education	N/A	(2)	64,081
Coordinated School Health - State Department of Education	N/A	(2)	89,904
Connect Tennessee - State Department of Education	N/A	(2)	16,117
Safe Schools - State Department of Education	N/A	(2)	24,379
Early Childhood Education - State Department of Education	N/A	(2)	574,931
Total State Grants			<u>\$ 1,153,553</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) FEMA-1974-DR-TN: \$344,827; FEMA-1979-DR-TN: \$151,763.
- (4) GG-12-35161-00: \$59,123; GG-10-30085-00: \$9,000.
- (5) Total CFDA No. 10.555 is \$1,211,094.

Weakley County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2012

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, 2011.

WEAKLEY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Weakley County is unqualified.
2. The audit of the financial statements of Weakley County disclosed no significant deficiencies in internal control.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Weakley County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395), Education Jobs Fund (CFDA No. 84.410), and Disaster Grants - Public Assistance (Presidentially Declared Disaster) (CFDA No. 97.036) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Weakley County did qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The director of finance provided written responses, which are paraphrased in this report.

OFFICE OF DIRECTOR OF FINANCE

FINDING 12.01 **APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDING IN THE HIGHWAY/PUBLIC WORKS FUND (Noncompliance Under *Government Auditing Standards*)**

The budget and subsequent amendments approved by the County Commission for the Highway/Public Works Fund resulted in appropriations exceeding estimated available funding by \$125,440. Sound budgetary principles dictate that appropriations be held within estimated available funding. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Appropriations that exceed estimated available funding should not be submitted to the County Commission, and the County Commission should not approve such appropriations.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

A purchase order dated June 1, 2011, issued to Ford Construction for state-aid hot-mix for \$296,215 is the item this budget deficit stems from. During the audit of June 30, 2011, an audit adjustment was made to the Highway/Public Works Fund that included voiding this purchase order. Ford Construction was unable to complete the state aid work during the 2010-2011 fiscal year; so I elected to carry this purchase order to the next fiscal year of 2011-2012. Therefore, the budget approved for the 2011-2012 fiscal year included the purchase order of \$296,215. The state auditor provided the Highway Department an audit adjustment on December 21, 2011, removing the \$296,215 from the current year. Ford Construction completed the state-aid work during the 2011-2012 fiscal year, and the funds had to be moved from the fund balance account to the capital outlay account. It is my opinion, had this audit adjustment not been made, the purchase order of \$296,215 would have remained outstanding and Weakley County highway appropriations would not have exceeded estimated available funds.

AUDITOR'S REBUTTAL

Auditors did not give the county an audit adjustment on December 21, 2011, to remove the outstanding encumbrance. Auditors gave the county an audit adjustment reducing accounts receivable, which the county had recorded as of June 30, 2011, but had not materialized within the revenue recognition period. It is the responsibility of the director of finance to ensure that sufficient estimated funds are available for all appropriations submitted to the County Commission for approval.

FINDING 12.02 **A REPORT ON DEBT OBLIGATION WAS NOT FILED WITH THE STATE COMPTROLLER'S OFFICE**
(Noncompliance Under *Government Auditing Standards*)

The director of finance did not file a Report on Debt Obligation with the state Comptroller's Office for a \$1,812,940 Energy Efficient Schools Loan that was issued February 17, 2012. Section 9-21-151, *Tennessee Code Annotated*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

The director of finance should file a Report on Debt Obligation with the state Comptroller's Office for each debt issuance.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

The Weakley County Director of Schools secured the Energy Efficient Schools Initiative (EESI) grant with the assistance of the executive director of the Tennessee Energy Efficient Schools Council. The executive director guided the director of schools through the grant process, never informing the director of schools that such a Report of Debt Obligation with the state Comptroller's office was necessary. The executive director stated in an email that he was unaware that such a report to the state Comptroller's Office was necessary for the EESI grants. Upon being notified that no such Report on Debt Obligation with the state Comptroller's Office had been filed, on October 18, 2012, I filed the Report on Debt Obligation with the state Comptroller's Office.

AUDITOR'S REBUTTAL

All debt should be approved by the County Commission, and all debt should be reported to the state Comptroller's Office. A Report on Debt Obligation is not required for grant funds. The report was required for the \$1,812,940 ten-year loan agreement entered into with the Tennessee Energy Efficient Schools Council. It is the responsibility of the director of finance to ensure that a Report on Debt Obligation is filed with the state Comptroller's Office for each debt issuance.

**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, 2012**

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