

RESOLUTION NO. 2019-43**RESOLUTION TO AMEND THE DEBT POLICIES OF WEAKLEY COUNTY, TENNESSEE**

WHEREAS, Section A of the current Debt Policies of Weakley County has apparently been interpreted to allow for expenditures from the Debt Service Fund to purchase equipment, repair roads, promote industrial development, and other non-debt related purposes; and

WHEREAS, case law in Tennessee has long held that the expenditures or transfers from one fund for some other purposes is not lawful; and

WHEREAS, Weakley County has adopted the provisions of Governmental Accounting Standards Board (GASB); and

WHEREAS, paragraph thirty-four (34) of GASB gives the definition of a debt service fund as follows:

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure **for principal and interest**. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt services funds; and

WHEREAS, the annual audit of Weakley County conducted by the State Comptroller of the Treasury states on page 172 the following:

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; and

WHEREAS, Resolution No. 2019-01, (The Appropriation Resolution) in Section 4 contains the procedures for transfers as follows:

BE IT FURTHER RESOLVED, that, if the need shall arise, the Finance, Ways, and Means Committee may, with the approval of any official, head of any department or division which may be affected, transfer any amount within any major appropriation category; however, for transfers between major appropriation categories within the same fund, the approval of the Board of County Commissioners must be obtained. The Director of Schools must obtain the approval of the Board of Education for all School Department transfers. One copy of this authorization shall be filed with the Department of Finance. Aforesaid authorization shall clearly state the reason for the transfer, **but this provision shall in no case whatsoever be construed as authorizing the transfer from one fund to another, but shall apply solely to transfers within a fund.**

NOW, THEREFORE, BE IT RESOLVED by the county legislative body of Weakley County meeting in session in Dresden, Tennessee, on this 27th day of June, 2019, that:

SECTION 1. The Debt Policy of Weakley County, Tennessee, be amended by adding to Section A, Use of Debt Financing, the following sentence:

Nothing in this Section shall be construed as authorizing transfers from one fund to another or the payment for any goods or services except principal, interest, or related expenditures on debt.

SECTION 2. The Debt Policy of Weakley County, Tennessee, be amended by also adding the following sentence:

Any residual from bonds and/or notes issued shall be placed into the Debt Service Fund to aid in the retirement of same.

BE IF FURTHER RESOLVED, that this resolution take effect on the 27th of June 2019, the public welfare requiring it. This resolution shall be spread upon the minutes of the Board of County Commissioners.

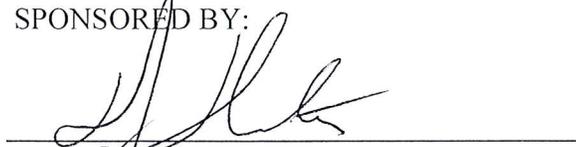
BE IT FURTHER RESOLVED, that all resolutions of the Board of County Commissioners of Weakley County, Tennessee, which are in conflict with this resolution are hereby repealed.

Pursuant To The Rules Of The Commission, This Resolution Is Sponsored By The Following Members Of The Weakley County Board of County Commissioners:

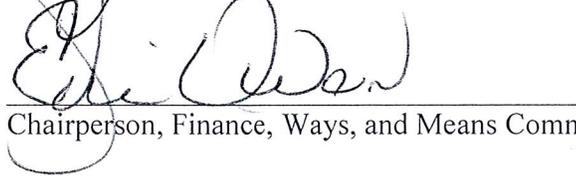
SPONSORED BY:

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ACKNOWLEDGED AND APPROVED



Chairperson, Finance, Ways, and Means Committee

Motion made by Commissioner Westbrook that the foregoing resolution be adopted:

Motion seconded by Commissioner Pope.

Upon being put to a voice vote, motion carried by a vote of

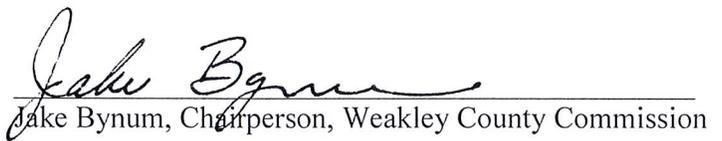
14 Yeas, 0 Nays, 0 Passed and 4 Absent.

ATTESTED:

APPROVED:



Kim Hughey, County Clerk



Jake Bynum, Chairperson, Weakley County Commission

This is the 27th Day of June, 2019.