
ANNUAL FINANCIAL REPORT MEIGS COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2009



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ANNUAL FINANCIAL REPORT
MEIGS COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2009

DEPARTMENT OF AUDIT
JUSTIN P. WILSON
Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
RICHARD V. NORMENT
Assistant to the Comptroller

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Auditor 4

KATHY CLEMENTS, CGFM
JENI PALADENI
State Auditors

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

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Audit Highlights

Annual Financial Report
Meigs County, Tennessee
For the Year Ended June 30, 2009

Scope

We have audited the financial statements of Meigs County as of and for the year ended June 30, 2009.

Results

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

Our audit resulted in seven findings and recommendations, which we have reviewed with Meigs County management. Detailed findings and recommendations are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF FINANCE

- ◆ The office had deficiencies in purchasing procedures.
- ◆ The office had deficiencies in the administration of payroll records.
- ◆ The office had deficiencies in computer system backup procedures.
- ◆ The office did not implement adequate controls to protect its information resources.

AMBULANCE SERVICE DEPARTMENT

- ◆ The Ambulance Service software did not have adequate application controls.

OFFICE OF CLERK AND MASTER

- ◆ The court software did not have adequate application controls.

OTHER FINDING

- ◆ Duties were not segregated adequately among the officials and employees in the Ambulance Service Department and in the Offices of Director of Finance, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.

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INTRODUCTORY SECTION

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Meigs County Officials

June 30, 2009

Officials

Ken Jones, County Mayor
Tim Jennings, Highway Superintendent
Donald Roberts, Director of Schools
Carolyn Wattenbarger, Trustee
Tim Proffitt, Assessor of Property
Janie Myers, County Clerk
Darrell Davis, Circuit and General Sessions Courts Clerk
Jim Mercer, Clerk and Master
Janie Stiner, Register
Walter Hickman, Sheriff
Randy Baker, Director of Finance

Board of County Commissioners

Ken Jones, County Mayor, Chairman	Carter Nelson
Betty Davis	Doug O'Daniel
Lynn King	Billy Ogle
Lisa Ann Knight	Danny Smith
John McHone, Jr.	Laura Smith
Brad McKenzie	Mark Vance

Financial Management Committee

Ken Jones, County Mayor
Tim Jennings, Highway Superintendent
Lisa Ann Knight
Carter Nelson
Billy Ogle
Laura Smith
Mark Vance

Board of Education

Chris Clark, Chairman	Terri Lankford
Jeff Boggess	Tessa Perkinson
Ross Irwin	

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FINANCIAL SECTION

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**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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INDEPENDENT AUDITOR'S REPORT

February 2, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Meigs County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Meigs 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 discretely presented Meigs County Emergency Communications District, which represent 4.47 percent and 1.46 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. These financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Meigs County Emergency Communications District is based on the report of the 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 report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County, Tennessee, as of June 30, 2009, and the respective changes in financial position 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 February 2, 2010, on our consideration of Meigs County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Meigs County has implemented the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. For the first time, the financial statements include the government-wide financial statements. Also, Meigs County has implemented the provisions of Statement No. 49 Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

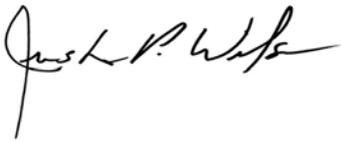
The management of Meigs County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

The budgetary comparison, pension, and other postemployment benefits information on pages 67 through 73 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on it.

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 prominent vertical line extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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BASIC FINANCIAL STATEMENTS

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Exhibit A

Meigs County, Tennessee
Statement of Net Assets
June 30, 2009

	Primary Governmental Activities	Component Units	
		Meigs County School Department	Meigs County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 19,850	\$ 0	\$ 307,763
Equity in Pooled Cash and Investments	2,403,123	2,237,679	0
Accounts Receivable	2,017	0	26,079
Due from Other Governments	501,922	247,110	0
Property Taxes Receivable	2,789,622	1,440,823	0
Allowance for Uncollectible Property Taxes	(90,909)	(46,954)	0
Prepaid Items	0	0	7,205
Accrued Interest Receivable	0	0	246
Capital Assets:			
Assets Not Depreciated:			
Land	298,705	354,462	0
Construction in Progress	1,283,544	561,606	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	4,588,846	4,380,628	0
Infrastructure	3,444,125	0	0
Other Capital Assets	782,655	699,320	121,094
Total Assets	<u>\$ 16,023,500</u>	<u>\$ 9,874,674</u>	<u>\$ 462,387</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 43,253	\$ 2,099	\$ 237
Accrued Payroll	0	1,659	0
Payroll Deductions Payable	1,247	0	0
Accrued Interest Payable	48,978	0	0
Other Current Liabilities	465	0	0
Deferred Revenue - Current Property Taxes	2,501,417	1,291,966	0
Noncurrent Liabilities:			
Due Within One Year	992,895	0	0
Due In More Than One Year	5,673,324	575,264	0
Total Liabilities	<u>\$ 9,261,579</u>	<u>\$ 1,870,988</u>	<u>\$ 237</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 6,081,829	\$ 0	\$ 0
Invested in Capital Assets	0	5,996,016	121,094
Restricted for:			
General Purposes	236,308	38,451	0
Solid Waste/Sanitation	1,090	0	0
Special Purpose	11,255	0	0
Drug Control	64,199	0	0
Highway/Public Works	498,212	0	0
Debt Service	115,466	0	0
School Federal Projects	0	27,118	0
Central Cafeteria	0	205,446	0
Capital Projects	3,273	128,679	0
Unrestricted	(249,711)	1,607,976	341,056
Total Net Assets	<u>\$ 6,761,921</u>	<u>\$ 8,003,686</u>	<u>\$ 462,150</u>

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

Exhibit B

Meigs County, Tennessee
Statement of Activities
For the Year Ended June 30, 2009

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets																			
	Program Revenues					Component Units														
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Meigs County School Department	Meigs County Emergency Communications District													
Primary Government:																				
Governmental Activities:																				
General Government	\$ 837,122	\$ 84,333	\$ 20,633	\$ 0	\$ (732,156)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (318,845)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	553,933	229,599	5,489	0	(318,845)	0	0	0	0	(17,022)	0	0	0	0	0	0	0	0	0	0
Administration of Justice	393,117	367,095	9,000	0	(17,022)	0	0	0	0	(1,420,564)	0	0	0	0	0	0	0	0	0	0
Public Safety	1,804,497	233,404	66,694	83,835	(1,420,564)	0	0	0	0	(276,344)	0	0	0	0	0	0	0	0	0	0
Public Health and Welfare	774,635	260,242	238,049	0	(276,344)	0	0	0	0	554,970	0	0	0	0	0	0	0	0	0	0
Social, Cultural, and Recreational Services	129,226	0	122,892	561,304	554,970	0	0	0	0	(59,259)	0	0	0	0	0	0	0	0	0	0
Agriculture and Natural Resources	59,259	0	0	0	(59,259)	0	0	0	0	(68,976)	0	0	0	0	0	0	0	0	0	0
Other Operations	298,025	0	229,049	0	(68,976)	0	0	0	0	(107,035)	0	0	0	0	0	0	0	0	0	0
Highways/Public Works	1,611,470	43,677	1,251,045	209,713	(107,035)	0	0	0	0	(108,306)	0	0	0	0	0	0	0	0	0	0
Interest on Long-term Debt	333,306	0	225,000	0	(108,306)	0	0	0	0	(13,579)	0	0	0	0	0	0	0	0	0	0
Other Debt Service	13,579	0	0	0	(13,579)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Governmental Activities	\$ 6,808,169	\$ 1,218,350	\$ 2,167,851	\$ 854,852	\$ (2,567,116)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 6,808,169	\$ 1,218,350	\$ 2,167,851	\$ 854,852	\$ (2,567,116)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:																				
Meigs County School Department	\$ 14,401,275	\$ 231,227	\$ 1,918,730	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (12,251,318)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Meigs County Emergency Communications District	174,155	181,857	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,702
Total Component Units	\$ 14,575,430	\$ 413,084	\$ 1,918,730	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (12,251,318)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,702

(Continued)

Exhibit B

Meigs County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Component Units			Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Meigs County		Meigs County Emergency Communications District	
				Primary Governmental Activities	Meigs County School Department		
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 1,833,990	\$ 1,209,088	\$ 0	0
Property Taxes Levied for Debt Service				515,088	0	0	0
Local Option Sales Taxes				348,301	326,643	0	0
Hotel/Motel Tax				11,252	0	0	0
Litigation Tax - General				27,722	0	0	0
Litigation Tax - Special Purpose				40,040	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse				10,492	0	0	0
Business Tax				21,856	0	0	0
Wholesale Beer Tax				30,000	102,682	0	0
Other Local Taxes				1,845	1,684	0	0
Grants and Contributions Not Restricted to Specific Programs				780,146	11,054,315	34,999	34,999
Unrestricted Investment Income				14,013	45,897	4,135	4,135
Miscellaneous				22,814	25,033	0	0
Total General Revenues				\$ 3,657,559	\$ 12,765,342	\$ 39,134	
Change in Net Assets				\$ 1,090,443	\$ 514,024	\$ 46,836	
Prior-period Adjustment				0	353,000	0	
Net Assets, July 1, 2008				5,671,478	7,136,662	415,314	
Net Assets, June 30, 2009				\$ 6,761,921	\$ 8,003,686	\$ 462,150	

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

Exhibit C-1

Meigs County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2009

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds		
Cash	\$ 19,850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	19,850
Equity in Pooled Cash and Investments							
Accounts Receivable	1,137,511	157,007	1,007,318	2,475	98,812	98,812	2,403,123
Due from Other Governments	0	0	1,591	0	426	426	2,017
Due from Other Funds	124,299	347,132	30,491	0	0	0	501,922
Property Taxes Receivable	0	0	1,940	0	0	0	1,940
Allowance for Uncollectible Property Taxes	2,180,008	0	609,614	0	0	0	2,789,622
	(71,043)	0	(19,866)	0	0	0	(90,909)
Total Assets	\$ 3,390,625	\$ 504,139	\$ 1,631,088	\$ 2,475	\$ 99,238	\$ 99,238	\$ 5,627,565

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities							
Accounts Payable	\$ 17,381	\$ 3,976	\$ 0	\$ 0	\$ 21,896	\$ 21,896	43,253
Payroll Deductions Payable	1,236	11	0	0	0	0	1,247
Due to Other Funds	0	1,940	0	0	0	0	1,940
Matured Interest on Bonds	0	0	465	0	0	0	465
Deferred Revenue - Current Property Taxes	1,954,784	0	546,633	0	0	0	2,501,417
Deferred Revenue - Delinquent Property Taxes	142,445	0	39,833	0	0	0	182,278
Other Deferred Revenues	53,050	110,215	16,273	0	0	0	179,538
Total Liabilities	\$ 2,168,896	\$ 116,142	\$ 603,204	\$ 0	\$ 21,896	\$ 21,896	\$ 2,910,138
Fund Balances							
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 30,638	\$ 0	\$ 0	30,638
Reserved for Purchase of Electronic Fingerprint Imaging System	0	0	0	0	27,944	0	27,944
Reserved for Alcohol and Drug Treatment	60,470	0	0	0	0	0	60,470
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	102,179	0	0	0	0	0	102,179
Reserved for Drug Court	4,655	0	0	0	0	0	4,655
Reserved for Sexual Offender Registration	4,550	0	0	0	0	0	4,550

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds		
\$	242	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	242
Reserved for Courtroom Security	34,602	0	0	0	0	0	34,602
Reserved for Courthouse and Jail Maintenance	13,632	0	0	0	0	0	13,632
Reserved for Computer System - Register	1,039	0	0	0	0	0	1,039
Reserved for Automation Purposes - Circuit Court	8,426	0	0	0	0	0	8,426
Reserved for Automation Purposes - General Sessions Court	1,374	0	0	0	0	0	1,374
Reserved for Automation Purposes - Chancery Court	5,139	0	0	0	0	0	5,139
Unreserved, Reported In:							
General Fund	985,421	0	0	0	0	0	985,421
Special Revenue Funds	0	387,997	0	0	0	48,600	436,597
Debt Service Funds	0	0	1,027,884	0	0	0	1,027,884
Capital Projects Funds (Deficit)	0	0	0	(28,163)	798	(27,365)	
Total Fund Balances	\$ 1,221,729	\$ 387,997	\$ 1,027,884	\$ 2,475	\$ 77,342	\$ 2,717,427	
Total Liabilities and Fund Balances	\$ 3,390,625	\$ 504,139	\$ 1,631,088	\$ 2,475	\$ 99,238	\$ 5,627,565	

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)	
Reserved for Courtroom Security	
Reserved for Courthouse and Jail Maintenance	
Reserved for Computer System - Register	
Reserved for Automation Purposes - Circuit Court	
Reserved for Automation Purposes - General Sessions Court	
Reserved for Automation Purposes - Chancery Court	
Unreserved, Reported In:	
General Fund	
Special Revenue Funds	
Debt Service Funds	
Capital Projects Funds (Deficit)	
Total Fund Balances	

Total Liabilities and Fund Balances

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

Exhibit C-2

Meigs County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2009

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)		\$ 2,717,427
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Add: land	\$ 298,705	
Add: construction in progress	1,283,544	
Add: buildings and improvements net of accumulated depreciation	4,588,846	
Add: infrastructure net of accumulated depreciation	3,444,125	
Add: other capital assets net of accumulated depreciation	<u>782,655</u>	10,397,875
(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	\$ (825,664)	
Less: capital leases payable	(126,903)	
Less: bonds payable	(4,768,479)	
Less: compensated absences payable	(25,627)	
Less: interest accrued on notes, capital leases, and bonds	(48,978)	
Less: interest accreted on bonds	<u>(919,546)</u>	(6,715,197)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>361,816</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 6,761,921</u>

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

Exhibit C-3

Meigs County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway /	General	General	Other	Govern- mental	
		Public Works	Debt Service	Capital Projects			
Revenues							
Local Taxes	\$ 2,486,746	\$ 759	\$ 701,703	\$ 0	\$ 0	\$ 0	\$ 3,189,208
Licenses and Permits	20,315	0	0	0	0	0	20,315
Fines, Forfeitures, and Penalties	168,482	0	0	0	16,663	0	185,145
Charges for Current Services	264,107	0	0	0	3,200	0	267,307
Other Local Revenues	47,415	44,639	14,013	52,815	4,626	0	163,508
Fees Received from County Officials	465,731	0	0	0	0	0	465,731
State of Tennessee	678,156	1,458,904	43,872	0	750	0	2,181,682
Federal Government	428,712	0	0	508,489	84,707	0	1,021,908
Other Governments and Citizens Groups	106,376	53	225,000	0	0	0	331,429
Total Revenues	\$ 4,666,040	\$ 1,504,355	\$ 984,588	\$ 561,304	\$ 109,946	\$ 0	\$ 7,826,233
Expenditures							
Current:							
General Government	\$ 679,144	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 679,144
Finance	488,534	0	0	0	0	0	488,534
Administration of Justice	336,781	0	0	0	3,200	0	339,981
Public Safety	1,476,709	0	0	0	20,300	0	1,497,009
Public Health and Welfare	457,187	0	0	0	226,584	0	683,771
Social, Cultural, and Recreational Services	105,495	0	0	0	88,880	0	194,375
Agriculture and Natural Resources	47,792	0	0	0	0	0	47,792
Other Operations	738,749	0	0	0	0	0	738,749
Highways	0	1,355,599	0	0	0	0	1,355,599
Capital Outlay	207,069	0	0	0	0	0	207,069
Debt Service:							
Principal on Debt	0	146,174	607,613	901,431	0	0	1,655,218
Interest on Debt	0	19,942	159,920	14,673	0	0	194,535
Other Debt Service	0	0	13,579	0	0	0	13,579
Capital Projects	0	0	0	679,339	5,445	0	684,784
Total Expenditures	\$ 4,537,460	\$ 1,521,715	\$ 781,112	\$ 1,595,443	\$ 344,409	\$ 0	\$ 8,780,139
Excess (Deficiency) of Revenues Over Expenditures	\$ 128,580	\$ (17,360)	\$ 203,476	\$ (1,034,139)	\$ (234,463)	\$ 0	\$ (953,906)

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other	Governmental Funds	
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 84,606	\$ 0	\$ 684,039	\$ 0	\$ 0	\$ 768,645
Transfers In	12,980	20,000	0	0	230,000	0	262,980
Transfers Out	(250,000)	0	0	0	(12,980)	0	(262,980)
Total Other Financing Sources (Uses)	\$ (237,020)	\$ 104,606	\$ 0	\$ 684,039	\$ 217,020	\$ 768,645	
Net Change in Fund Balances	\$ (108,440)	\$ 87,246	\$ 203,476	\$ (350,100)	\$ (17,443)	\$ (185,261)	
Fund Balance, July 1, 2008	1,330,169	300,751	824,408	352,575	94,785	2,902,688	
Fund Balance, June 30, 2009	\$ 1,221,729	\$ 387,997	\$ 1,027,884	\$ 2,475	\$ 77,342	\$ 2,717,427	

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

Exhibit C-4

Meigs 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, 2009

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)		\$ (185,261)
(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	\$ 884,192	
Less: current year depreciation expense	<u>(427,924)</u>	456,268
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2008	\$ (289,437)	
Add: deferred delinquent property taxes and other deferred June 30, 2009	<u>361,816</u>	72,379
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) 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: note proceeds	\$ (768,645)	
Add: principal payments on notes	1,044,500	
Add: principal payments on capital leases	35,024	
Add: principal payments on bonds	<u>575,694</u>	886,573
(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	\$ 5,860	
Change in accreted interest payable	(144,631)	
Change in compensated absences payable	<u>(745)</u>	(139,516)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,090,443</u>

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

Exhibit D

Meigs County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 426,346
Due from Other Governments	<u>31,591</u>
Total Assets	<u>\$ 457,937</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 31,591
Due to Litigants, Heirs, and Others	<u>426,346</u>
Total Liabilities	<u>\$ 457,937</u>

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

MEIGS COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Meigs 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 Meigs County:

A. Reporting Entity

Meigs County is a public municipal corporation governed by an elected 11-member board. As required by GAAP, these financial statements present Meigs 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 Meigs County School Department operates the public school system in the county, and the voters of Meigs 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 Meigs County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Meigs County, and the Meigs 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 Meigs 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 Meigs County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Meigs County Emergency Communications District
P.O. Box 352
Decatur, TN 37322

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. However, the primary government of Meigs County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Meigs 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.

Meigs County issues all debt for the discretely presented Meigs County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2009.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds 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. 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 Meigs 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. Funds are organized into three major categories: governmental, proprietary, and fiduciary. However, Meigs County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds 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. Meigs County considers grants and similar revenues to be available if they are collected within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Fiduciary fund financial statements are reported using the economic resources measurement focus (except for agency funds, which have no measurement focus) and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is

incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Meigs 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 fund accounts for transactions of the county’s Highway Department.

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.

General Capital Projects Fund – This fund is used to account for the construction of the Cherokee Removal Memorial Park.

Additionally, Meigs County reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Meigs County. 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 Meigs County School Department reports the following major governmental fund:

General Purpose School Fund – This is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the School Department reports the following fund types:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Capital Projects Fund – The Education Capital Projects Fund is used to account for the financial resources used for the acquisition or construction of major capital facilities.

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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and 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 Meigs County and Meigs County School Department 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. Most income from these pooled investments is assigned to the primary government's General Debt Service Fund and the School Department's General Purpose School Fund. Meigs County 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 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 1.83 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 column in the government-wide financial statements. Capital assets are defined by the primary government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than two years. Capital assets are defined by the School Department as assets with an initial, individual cost of \$5,000 or more and an estimated useful life exceeding five 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 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>
Primary Government:	
Building and Improvements	40
Other Capital Assets	5 - 20
Infrastructure	25 - 50
Discretely Presented School Department:	
Buildings and Improvements	40
Vehicles and Equipment	5 - 12
Other Capital Assets	10 - 20

4. **Compensated Absences**

Primary Government

It is the county's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from service. In addition, it is the policy of the Meigs County Highway Department to permit employees to accumulate earned but unused sick leave, which will be paid to employees upon separation from service. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for these vacation benefits, along with sick leave benefits of the Highway Department, is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Discretely Presented Meigs County School Department

There is no liability for unpaid accumulated vacation leave benefits for employees of the School Department since those benefits do not vest or accumulate and must be used within the year or lost. There is also no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the School Department.

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, 2009, Meigs County had \$1,405,000 in outstanding debt for capital purposes for the discretely presented Meigs County School Department. This debt is a liability of Meigs County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Meigs County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

7. Prior-period Adjustments

Net assets for the discretely presented Meigs County School Department were restated \$353,000 from the prior year because the liability for other postemployment benefits on July 1, 2008, was recalculated due to more accurate data obtained by the School Department.

The actuarial accrued liability (AAL) shown on the Schedule of Funding Progress – Other Postemployment Benefits Plan for the School Department on Exhibit E-4 was reduced from \$5,433,000 to \$2,802,000 due to inaccurate data used in the calculation of the AAL for the fiscal year ended June 30, 2008.

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 Meigs County School Department

Exhibit I-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 change in net assets of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Meigs County School Department

Exhibit I-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 Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances

may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, County Attorney, 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 GAAP basis is presented on the face of each budgetary schedule.

B. Fund Deficit

The General Capital Projects Fund had a deficit in unreserved fund balance of \$28,163 at June 30, 2009. This deficit resulted from the unperformed portion of architect's services and construction contracts for the Cherokee Removal Memorial Park being reserved as encumbrances. Funding for future expenditures relating to this project is expected to be received from grants.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Meigs County and the Meigs 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 in the fund financial statements 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 director of Local Finance 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 market value of the securities on the day of purchase.

The county had no pooled and nonpooled investments as of June 30, 2009.

B. Capital Assets

Capital assets activity for the year ended June 30, 2009, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-08	Increases	Balance 6-30-09
Capital Assets			
Not Depreciated:			
Land	\$ 298,705	\$ 0	\$ 298,705
Construction in Progress	529,548	753,996	1,283,544
Total Capital Assets			
Not Depreciated	<u>\$ 828,253</u>	<u>\$ 753,996</u>	<u>\$ 1,582,249</u>
Capital Assets Depreciated:			
Buildings and			
Improvements	\$ 5,730,066	\$ 0	\$ 5,730,066
Infrastructure	4,636,101	0	4,636,101
Other Capital Assets	1,339,584	130,196	1,469,780
Total Capital Assets			
Depreciated	<u>\$ 11,705,751</u>	<u>\$ 130,196</u>	<u>\$ 11,835,947</u>
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 1,002,703	\$ 138,517	\$ 1,141,220
Infrastructure	1,076,072	115,904	1,191,976
Other Capital Assets	513,622	173,503	687,125
Total Accumulated			
Depreciation	<u>\$ 2,592,397</u>	<u>\$ 427,924</u>	<u>\$ 3,020,321</u>
Total Capital Assets			
Depreciated, Net	<u>\$ 9,113,354</u>	<u>\$ (297,728)</u>	<u>\$ 8,815,626</u>
Governmental Activities			
Capital Assets, Net	<u>\$ 9,941,607</u>	<u>\$ 456,268</u>	<u>\$ 10,397,875</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$ 97,724
Public Safety	111,795
Public Health and Welfare	13,375
Social, Cultural, and Recreational Services	1,333
Agriculture and Natural Resources	1,269
Other Operations	2,256
Highways	<u>200,172</u>
Total Depreciation Expense -	
Governmental Activities	<u>\$ 427,924</u>

Discretely Presented Meigs County School Department

Governmental Activities:

	Balance 7-1-08	Increases	Balance 6-30-09
Capital Assets			
Not Depreciated:			
Land	\$ 354,462	\$ 0	\$ 354,462
Construction in Progress	0	561,606	561,606
Total Capital Assets			
Not Depreciated	<u>\$ 354,462</u>	<u>\$ 561,606</u>	<u>\$ 916,068</u>
Capital Assets Depreciated:			
Buildings and			
Improvements	\$ 8,674,610	\$ 101,116	\$ 8,775,726
Other Capital Assets	1,806,315	89,509	1,895,824
Total Capital Assets			
Depreciated	<u>\$ 10,480,925</u>	<u>\$ 190,625</u>	<u>\$ 10,671,550</u>
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 4,213,366	\$ 181,732	\$ 4,395,098
Other Capital Assets	1,044,780	151,724	1,196,504
Total Accumulated			
Depreciation	<u>\$ 5,258,146</u>	<u>\$ 333,456</u>	<u>\$ 5,591,602</u>
Total Capital Assets			
Depreciated, Net	<u>\$ 5,222,779</u>	<u>\$ (142,831)</u>	<u>\$ 5,079,948</u>
Governmental Activities			
Capital Assets, Net	<u>\$ 5,577,241</u>	<u>\$ 418,775</u>	<u>\$ 5,996,016</u>

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

Governmental Activities:

Instruction	\$ 141,082
Support Services	180,858
Operation of Non-Instructional Services	<u>11,516</u>
Total Depreciation Expense -	
Governmental Activities	<u><u>\$ 333,456</u></u>

C. Construction Commitments

At June 30, 2009, Meigs County had uncompleted construction contracts of approximately \$30,638 for construction of the Cherokee Removal Memorial Park. Funding for these future expenditures is expected to be received from federal grants.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Debt Service	Highway/Public Works	\$ 1,940

This balance 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.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2009, consisted of the following amounts:

<u>Transfers Out</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Highway/ Public Works Fund</u>	<u>Nonmajor Governmental Funds</u>
General Fund	\$ 0	\$ 20,000	\$ 230,000
Nonmajor governmental fund	12,980	0	0
Total	<u>\$ 12,980</u>	<u>\$ 20,000</u>	<u>\$ 230,000</u>

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 and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Capital Leases

On December 15, 2006, Meigs County entered into a five-year lease-purchase agreement for two dump trucks. The terms of the agreement require total lease payments of \$102,456 plus interest of 5.17 percent. Title to the trucks

transfers to Meigs County at the end of the lease period. The lease payments are being made from the Highway/Public Works Fund.

On October 1, 2007, Meigs County entered into a five-year lease-purchase agreement for an asphalt zipper. The terms of the agreement require total lease payments of \$77,950 plus interest of five percent. Title to the asphalt zipper transfers to Meigs County at the end of the lease period. The lease payments are being made from the Highway/Public Works Fund.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

Year Ending June 30	Governmental Funds
2010	\$ 43,231
2011	43,231
2012	43,231
2013	19,455
Total Minimum Lease Payments	\$ 149,148
Less: Amount Representing Interest	(22,245)
Present Value of Minimum Lease Payments	<u>\$ 126,903</u>

F. Long-term Debt

Primary Government

General Obligation Bonds and Notes

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds 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 and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes were issued for original terms of up to 24 years for bonds and up to 12 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 will be retired from the General Debt Service Fund, and all notes will be retired from the Highway/Public Works, General Debt Service, and General Capital Projects funds.

General obligation bonds, capital outlay notes, and capital leases outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds	4 to 4.5 %	\$ 1,410,000	\$ 1,275,000
General Obligation Bonds - Refunding	3.9 to 4.3	3,360,000	1,405,000
General Obligation (CAB) Bonds	4.8 to 5.15	2,088,479	2,088,479
Accreted Interest on (CAB) Bonds	4.8 to 5.15	N/A	919,546
Capital Outlay Notes	4.2 to 6.47	1,928,451	825,664
Capital Leases	5 to 5.17	180,406	126,903

During the 2001-02 year, Meigs County issued Capital Appreciation Bonds (CABs) totaling \$2,088,479. These bonds accrete interest that is paid at bond maturity. Maturity dates for these bonds range from 2015 through 2026. As of June 30, 2009, approximately \$919,546 of interest had accreted on the bonds.

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2009, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 555,000	\$ 115,448	\$ 670,448
2011	575,000	92,103	667,103
2012	595,000	67,665	662,665
2013	400,000	42,168	442,168
2014	415,000	24,768	439,768
2015-2019	1,138,481	1,107,822	2,246,303
2020-2024	820,678	1,429,321	2,249,999
2025-2026	269,320	630,677	899,997
Total	\$ 4,768,479	\$ 3,509,972	\$ 8,278,451

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 376,269	\$ 34,137	\$ 410,406
2011	138,340	23,992	162,332
2012	84,321	16,987	101,308
2013	40,553	13,484	54,037
2014	43,257	10,781	54,038
2015-2017	142,924	14,277	157,201
Total	\$ 825,664	\$ 113,658	\$ 939,322

The Meigs County Board of Education has pledged by resolution \$225,000 per year from its Basic Education Program non-classroom funds to the General Debt Service Fund for school related debt. These funds are pledged annually through the year ending 2012.

There is \$1,027,884 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$430, based on the 2000 federal census. Debt per capita, including bonds, notes, and capital leases totaled \$516, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

Governmental Activities:

	Bonds	Accreted Interest on (CAB) Bonds
Balance, July 1, 2008	\$ 5,344,173	\$ 774,915
Additions	0	144,631
Deductions	(575,694)	0
Balance, June 30, 2009	\$ 4,768,479	\$ 919,546
Balance Due Within One Year	\$ 555,000	\$ 0

	Capital Leases	Notes	Compensated Absences
Balance, July 1, 2008	\$ 161,927	\$ 1,101,519	\$ 24,882
Additions	0	768,645	16,103
Deductions	(35,024)	(1,044,500)	(15,358)
Balance, June 30, 2009	<u>\$ 126,903</u>	<u>\$ 825,664</u>	<u>\$ 25,627</u>
Balance Due Within One Year	<u>\$ 36,029</u>	<u>\$ 376,269</u>	<u>\$ 25,627</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 6,666,219
Less: Balance Due Within One Year	<u>(992,895)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 5,673,324</u>

Compensated absences will be paid from the employing funds, primarily the General Fund.

Discretely Presented Meigs County School Department

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2008	\$ 638,350
Prior-period Adjustment	(353,000)
Additions	340,343
Deductions	<u>(50,429)</u>
Balance, June 30, 2009	<u>\$ 575,264</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 575,264
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 575,264</u>

G. On-Behalf Payments – Discretely Presented Meigs County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Meigs 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, 2009, were \$42,614 and \$6,704, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Meigs County and the discretely presented Meigs County School Department participate 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. Meigs County and the School Department pay annual premiums to the TN-RMT for its general liability, property, workers' compensation, and casualty insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

Meigs County provides employee health insurance coverage through a commercial insurance company. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Pre-65 age retirees are not allowed to stay on the county insurance after they retire.

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

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

B. Accounting Changes

At the beginning of the year, Meigs County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. In the prior year, Meigs County had only elected to implement the provisions of Statement No. 34 that related to the fund financial statements.

Provisions of GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Meigs County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Meigs County could have pollution remediation liabilities in subsequent years.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income (loss). GASB Statement No. 52 had no effect on the financial statements of Meigs County for the year ended June 30, 2009, since the county had no endowment real estate investments. However, it is reasonably expected that Meigs County could have endowment real estate investments in subsequent years.

C. Subsequent Events

On August 13, 2009, the County Commission approved other loans of \$875,000 for the construction of two community centers and the renovation of two buildings for use as fire halls. The county drew down \$6,000 on December 23, 2009, and \$256,472 on February 2, 2010.

On September 25, 2009, the county's General Capital Projects Fund received an additional \$30,638 in capital outlay notes for completion of the Cherokee Memorial Park Project. The county retired this \$30,638 along with the June 30, 2009, outstanding balance of \$303,273, on September 28, 2009.

On Tuesday January 19, 2010, county officials discovered that a break-in had occurred at the Meigs County Courthouse over the weekend, and the Office of Trustee had been entered. Cash, checks, and money orders totaling approximately \$15,000 were stolen from the cash drawer. There was approximately \$9,500 in checks for county property tax collections. These taxpayers have been notified by telephone and certified letters that their receipts have been voided and they need to re-issue a check for their taxes. Other miscellaneous receipts were from the School Department, and new checks will be issued for those collections. The trustee is expecting the county's insurance company to reimburse the office approximately \$3,000. A \$500 deductible will be paid from the trustee's budget of the county's General Fund. The Tennessee Bureau of Investigation and the Decatur Police Department are investigating the theft.

D. Contingent Liabilities

The county is involved in several pending lawsuits. Based on a letter from their attorneys, management believes that any potential claims not covered by insurance would not materially affect the financial statements of the county. Management is unaware of any pending litigation or other contingent liability that would affect the financial statements of the discretely presented Meigs County School Department.

E. Joint Venture

The Ninth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Ninth Judicial District; Roane, Loudon, Meigs, and Morgan 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, which includes the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Meigs County made no contributions to the DTF for the year ended June 30, 2009, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Ninth Judicial District
P.O. Box 703
Kingston, TN 37763

F. Retirement Commitments

Employees

Plan Description

Meigs County voluntarily withdrew from TCRS July 1, 1984. At that time current employees were given the choice either to continue or discontinue their membership in the system. Employees hired on or after July 1, 1984, were not eligible to join TCRS. Meigs County is responsible for liabilities resulting from those employees who chose to continue their membership in TCRS.

Employees of Meigs 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 ten 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 ten 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 Meigs 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 www.tn.gov/treasury/tcrs.

Funding Policy

Meigs County requires employees to contribute five percent of earnable compensation. Meigs County is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was zero percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Meigs County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Meigs County's annual pension cost of zero to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), and (c) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Meigs 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, 2007, was zero years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-09	\$0	100%	\$0
6-30-08	0	100	0
6-30-07	0	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 335.64 percent funded. The actuarial accrued liability for benefits was \$.18 million, and the actuarial value of assets was \$.63 million, resulting in an unfunded actuarial accrued liability (UAAL) of (\$.45) million. The covered payroll (annual payroll of active employees covered by the plan) was zero, and the ratio of the UAAL to the covered payroll was zero percent.

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

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

School Teachers

Plan Description

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

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

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 Meigs County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2009, was 6.42 percent of annual covered payroll. The employer contribution requirement for the Meigs County 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, 2009, 2008, and 2007, were \$438,012, \$420,952, and \$395,319, respectively, equal to the required contributions for each year.

G. Other Postemployment Benefits (OPEB) – Discretely Presented Meigs County School Department

Plan Description

The discretely presented Meigs County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, this plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated for teachers. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) 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 provides 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, 2009, the Meigs County School Department contributed \$50,429 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 340,000
Interest on the NPO	12,841
Adjustment to the ARC	(12,498)
Annual OPEB cost	<u>\$ 340,343</u>
Amount of contribution	(50,429)
Increase/decrease in NPO	\$ 289,914
Net OPEB obligation, 7-1-08	<u>285,350</u>
Net OPEB obligation, 6-30-09	<u><u>\$ 575,264</u></u>

Fiscal Year Ended*	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	\$ 340,000	16.07 %	\$ 285,350
6-30-09	"	340,343	14.82	575,264

* Data only available for two years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-07
Actuarial accrued liability (AAL)	\$ 2,802,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,802,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 5,465,177
UAAL as a % of covered payroll	51.3%

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 multiyear 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, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three 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 and Budgeting

Meigs County operates under provisions of The Meigs County Financial Management Act of 2007, Chapter 28, Private Acts of 2007. This act provides for a central system of accounting and budgeting covering all funds administered by the county mayor and highway superintendent. These funds are maintained in the Finance Department under the supervision of a director of finance.

I. Purchasing Laws

Offices of County Mayor and Highway Superintendent

The Meigs County Financial Management Act of 2007, Chapter 28, Private Acts of 2007, created the Finance Department. The director of the Finance Department is required to make purchases for all county funds and to obtain competitive bids on all purchases of any one class exceeding \$10,000. Purchasing procedures for the Highway Department are also governed by provisions of the Uniform Road Law, Section 54-7-113, Tennessee Code Annotated (TCA).

Office of Director of Schools

Purchasing procedures for the Meigs County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, TCA, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED MEIGS COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. General Information

Public Chapter No. 867 of the 1984 Tennessee Public Acts (“The Emergency Communications District Law”) was enacted to establish local emergency telephone services; to provide for the funding of such services and such district; and to provide for the levying of a telephone service charge.

B. Summary of Significant Accounting Policies

Basis of Accounting

As a government agency, the district is subject to standards prescribed by the Governmental Accounting Standards Board (GASB). The financial statements of Meigs County Emergency Communications District are prepared on the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The district applies Financial Accounting Standards Board (FASB) pronouncements issued before November 30, 1989, unless they conflict with or contradict GASB Guidance.

Cash and Cash Equivalents

Cash and cash equivalents are highly liquid investments, which have original maturities of three months or less.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets

Expenditures for capital assets are recorded at historical cost. Capital assets are depreciated using the straight-line method. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Communication Equipment	5-10
Furniture and Fixtures	5-10
Office Equipment	5-10
Leasehold Improvement	15

Component Unit

The Meigs County Emergency Communications District is a component unit of Meigs County, Tennessee. As such, Meigs County exercises significant influence over the district by having control over the appointment of the district's board. The district must file a budget with Meigs County, and any bonds issued by the district are subject to approval by Meigs County, Tennessee.

Budgets and Budgetary Accounting

The district is required by state statute to adopt annual budgets. As such, the district employs a formal budget integration as a management control device during the year. The district has elected to prepare budgets based upon the cash basis of accounting, which is allowable by state statutes. The budget is legally enacted through passage of an ordinance. Cash basis expenditures may not legally exceed appropriations and any revisions authorized by the board. Appropriations lapse at the end of each fiscal year.

Restatement of Net Assets

During the year ended June 30, 2009, it was noted the prior-year depreciation was overstated by \$9,630. The accumulated depreciation for communications equipment was reduced as a prior-period adjustment and therefore resulted in a restatement of net assets.

C. Cash on Deposit

The treasurer of the district is responsible for receiving, disbursing, depositing, and investing the district's funds. The district's policy related to deposits and investment risk is to invest in certificates of deposit usually with a maturity of three years or less. The district's policy is designed to maximize its earnings, while protecting the security and providing maximum liquidity, in accordance with all applicable state laws. All deposits with a bank or other financial institution shall be secured by collateral or in a collateral pool as allowed by state statutes. As of June 30, 2009, all deposits with financial institutions were secured by collateral or by State of Tennessee bank collateral pool. A schedule of cash and investments classified by category of credit risk at June 30, 2009, is as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash insured by Federal Depository Insurance (FDIC)	\$ 170,616	\$ 170,776
Certificates of deposits insured by FDIC	<u>137,147</u>	<u>137,147</u>
Balance, June 30, 2009	<u>\$ 307,763</u>	<u>\$ 307,923</u>

D. Accounts Receivable

The account receivable balance represents amounts due from the telephone companies' subscriber service charges at June 30, 2009.

E. Capital Assets

The following is a schedule of changes to capital assets:

	Balance 7-1-08	Additions	Balance 6-30-09	Accumulated Depreciation 6-30-09
Communications Equipment	\$ 272,935	\$ 5,426	\$ 278,361	\$ 170,309
Furniture and Fixtures	1,471	600	2,071	858
Office Equipment	18,327	1,114	19,441	9,098
Vehicles	2,500	0	2,500	14,632
Leasehold Improvement	<u>16,118</u>	<u>0</u>	<u>16,118</u>	<u>2,500</u>
Total	<u>\$ 311,351</u>	<u>\$ 7,140</u>	<u>\$ 318,491</u>	<u>\$ 197,397</u>

Provision for depreciation totaled \$32,499 for the year ended June 30, 2009.

F. Risk Management – Claims and Insurance

Significant losses are covered by commercial insurance for property, liability, and employee dishonesty covered by Meigs County government. There have been no significant reductions in insurance coverage, and settlement amounts have not exceeded insurance coverage for the current or the three prior years.

G. Impact Payments

The communications center is located in the Meigs County jail. The district will make impact payments to Meigs County per the terms of the 2004 Communications Agreement. Impact payments for the year ended June 30, 2009, totaled \$85,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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Exhibit E-1

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,486,746	\$ 2,190,521	\$ 2,397,590	\$ 89,156
Licenses and Permits	20,315	22,800	22,800	(2,485)
Fines, Forfeitures, and Penalties	168,482	183,400	183,400	(14,918)
Charges for Current Services	264,107	222,820	222,820	41,287
Other Local Revenues	47,415	11,800	39,014	8,401
Fees Received from County Officials	465,731	391,000	391,000	74,731
State of Tennessee	678,156	738,545	794,774	(116,618)
Federal Government	428,712	42,570	359,956	68,756
Other Governments and Citizens Groups	106,376	75,000	85,075	21,301
Total Revenues	\$ 4,666,040	\$ 3,878,456	\$ 4,496,429	\$ 169,611
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 38,845	\$ 32,026	\$ 49,226	\$ 10,381
Board of Equalization	240	400	400	160
County Mayor/Executive	89,619	88,327	89,641	22
County Attorney	16,391	16,391	16,391	0
Election Commission	106,349	105,756	106,856	507
Register of Deeds	119,630	89,658	120,668	1,038
Planning	25,776	25,780	25,780	4
Geographical Information Systems	18,006	21,000	21,360	3,354
County Buildings	264,288	276,261	280,738	16,450
<u>Finance</u>				
Accounting and Budgeting	100,687	105,106	105,406	4,719
Property Assessor's Office	83,992	86,603	86,603	2,611
Reappraisal Program	20,822	22,018	22,543	1,721
County Trustee's Office	101,987	103,289	103,907	1,920
County Clerk's Office	127,768	131,456	131,456	3,688
Other Finance	53,278	50,000	53,300	22
<u>Administration of Justice</u>				
Circuit Court	141,506	151,168	151,168	9,662
General Sessions Court	99,845	99,522	100,002	157
Chancery Court	95,430	94,908	95,433	3
<u>Public Safety</u>				
Sheriff's Department	513,853	514,577	525,327	11,474
Drug Enforcement	12,980	0	12,980	0
Jail	484,759	482,242	490,865	6,106
Juvenile Services	22,513	23,457	23,457	944
Fire Prevention and Control	72,006	70,690	73,925	1,919
Civil Defense	163,906	69,280	174,728	10,822
Rescue Squad	4,728	7,400	7,400	2,672
County Coroner/Medical Examiner	17,621	14,000	17,621	0
Other Public Safety	184,343	190,476	200,476	16,133

(Continued)

Exhibit E-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 53,050	\$ 63,780	\$ 99,096	\$ 46,046
Ambulance/Emergency Medical Services	280,787	293,360	298,454	17,667
Crippled Children Services	500	500	500	0
Other Local Health Services	46,297	162,500	162,575	116,278
Appropriation to State	28,000	28,000	28,000	0
Sanitation Management	14,399	14,008	14,508	109
Sanitation Education/Information	34,154	34,237	34,237	83
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	19,112	17,910	22,610	3,498
Libraries	35,162	35,320	35,320	158
Parks and Fair Boards	43,879	27,151	59,580	15,701
Other Social, Cultural, and Recreational	7,342	6,650	8,430	1,088
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	43,692	49,003	49,003	5,311
Soil Conservation	4,100	4,100	4,100	0
<u>Other Operations</u>				
Tourism	1,711	4,332	4,332	2,621
Other Economic and Community Development	236,206	0	236,206	0
Veterans' Services	14,448	16,121	16,121	1,673
Other Charges	66,835	63,953	67,218	383
Contributions to Other Agencies	32,215	7,415	32,415	200
Employee Benefits	387,334	385,350	391,528	4,194
<u>Capital Outlay</u>				
Regular Capital Outlay	207,069	0	207,069	0
Total Expenditures	\$ 4,537,460	\$ 4,085,481	\$ 4,858,959	\$ 321,499
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 128,580	\$ (207,025)	\$ (362,530)	\$ 491,110
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 12,980	\$ 0	\$ 12,980	\$ 0
Transfers Out	(250,000)	(240,000)	(250,000)	0
Total Other Financing Sources (Uses)	\$ (237,020)	\$ (240,000)	\$ (237,020)	\$ 0
Net Change in Fund Balance				
Fund Balance, July 1, 2008	\$ 1,330,169	\$ 1,247,443	\$ 1,146,822	\$ 183,347
Fund Balance, June 30, 2009				
	\$ 1,221,729	\$ 800,418	\$ 547,272	\$ 674,457

Exhibit E-2

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 759	\$ 0	\$ 0	\$ 759
Other Local Revenues	44,639	0	70,729	(26,090)
State of Tennessee	1,458,904	1,514,721	1,601,927	(143,023)
Other Governments and Citizens Groups	53	0	0	53
Total Revenues	<u>\$ 1,504,355</u>	<u>\$ 1,514,721</u>	<u>\$ 1,672,656</u>	<u>\$ (168,301)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 131,827	\$ 126,340	\$ 132,420	\$ 593
Highway and Bridge Maintenance	572,871	559,158	606,233	33,362
Operation and Maintenance of Equipment	196,580	197,960	225,140	28,560
Other Charges	78,780	76,011	79,339	559
Employee Benefits	146,566	146,000	151,399	4,833
Capital Outlay	228,975	258,000	376,102	147,127
<u>Principal on Debt</u>				
Highways and Streets	146,174	19,517	146,221	47
<u>Interest on Debt</u>				
Highways and Streets	19,942	49,902	19,998	56
<u>Other Debt Service</u>				
Highways and Streets	0	315	315	315
Total Expenditures	<u>\$ 1,521,715</u>	<u>\$ 1,433,203</u>	<u>\$ 1,737,167</u>	<u>\$ 215,452</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (17,360)</u>	<u>\$ 81,518</u>	<u>\$ (64,511)</u>	<u>\$ 47,151</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 84,606	\$ 0	\$ 84,606	\$ 0
Transfers In	20,000	20,000	20,000	0
Total Other Financing Sources (Uses)	<u>\$ 104,606</u>	<u>\$ 20,000</u>	<u>\$ 104,606</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 87,246	\$ 101,518	\$ 40,095	\$ 47,151
Fund Balance, July 1, 2008	<u>300,751</u>	<u>49,348</u>	<u>49,348</u>	<u>251,403</u>
Fund Balance, June 30, 2009	<u>\$ 387,997</u>	<u>\$ 150,866</u>	<u>\$ 89,443</u>	<u>\$ 298,554</u>

Exhibit E-3

Meigs County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Meigs County School Department
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-09	7-1-07	\$ 631	\$ 188	(443)	335.64 %	\$ 0	0 %
6-30-08	7-1-07	631	188	(443)	335.64	0	0

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the 2007-08 year; therefore, data is only presented for two years.

Exhibit E-4

Meigs County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Meigs County School Department
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended *	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)
6-30-08	7-1-07	\$ 0	2,802 \$	2,802	0 %	5,144	54.47 %
6-30-09	7-1-07	0	2,802	2,802	0	5,144	54.47

*Data available for only two years.

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MEIGS COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2009

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 Meigs 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, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the Meigs 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.

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

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Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Meigs County’s solid waste disposal.

Special Purpose Fund – The Special Purpose Fund is used to account for transactions involving the Retired Senior Volunteer Program.

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

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

Capital Projects Fund

Capital Projects Funds are used to account for financial resources to be used for the acquisition and/or construction of major capital assets.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for the construction of a new Health Department facility.

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Exhibit F-1

Meigs County, Tennessee
 Combining Balance Sheet
Nonmajor Governmental Funds
 June 30, 2009

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation	Special Purpose	Drug Control	Total	Other Capital Projects		
\$ 22,986 \$	11,255 \$	63,773 \$	98,014 \$	798 \$		98,812	
0	426	426	426	0		426	
\$ 22,986 \$	11,255 \$	64,199 \$	98,440 \$	798 \$		99,238	

ASSETS

Equity in Pooled Cash and Investments
 Accounts Receivable
 Total Assets

LIABILITIES AND FUND BALANCES

Liabilities
 Accounts Payable
 Total Liabilities

Fund Balances
 Reserved for Purchase of Electronic Fingerprint Imaging System
 Unreserved
 Total Fund Balances

Total Liabilities and Fund Balances

\$ 21,896 \$	0 \$	0 \$	21,896 \$	0 \$		21,896
\$ 21,896 \$	0 \$	0 \$	21,896 \$	0 \$		21,896
\$ 0 \$	0 \$	27,944 \$	27,944 \$	0 \$		27,944
1,090	11,255	36,255	48,600	798		49,398
\$ 1,090 \$	11,255 \$	64,199 \$	76,544 \$	798 \$		77,342
\$ 22,986 \$	11,255 \$	64,199 \$	98,440 \$	798 \$		99,238

Exhibit F-2

Meigs County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue Funds					Total
	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Other Capital Projects	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 16,663	\$ 0	\$ 0	\$ 16,663
Charges for Current Services	0	0	0	3,200	0	3,200
Other Local Revenues	678	3,773	25	0	150	4,626
State of Tennessee	0	0	750	0	0	750
Federal Government	0	84,707	0	0	0	84,707
Total Revenues	\$ 678	\$ 88,480	\$ 17,438	\$ 3,200	\$ 150	\$ 109,946
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 3,200	\$ 0	\$ 3,200
Public Safety	0	0	20,300	0	0	20,300
Public Health and Welfare	226,584	0	0	0	0	226,584
Social, Cultural, and Recreational Services	0	88,880	0	0	0	88,880
Capital Projects	0	0	0	0	5,445	5,445
Total Expenditures	\$ 226,584	\$ 88,880	\$ 20,300	\$ 3,200	\$ 5,445	\$ 344,409
Excess (Deficiency) of Revenues Over Expenditures	\$ (225,906)	\$ (400)	\$ (2,862)	\$ 0	\$ (5,295)	\$ (234,463)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 230,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 230,000
Transfers Out	0	0	(12,980)	0	0	(12,980)
Total Other Financing Sources (Uses)	\$ 230,000	\$ 0	\$ (12,980)	\$ 0	\$ 0	\$ 217,020
Net Change in Fund Balances	\$ 4,094	\$ (400)	\$ (15,842)	\$ 0	\$ (5,295)	\$ (17,443)
Fund Balance, July 1, 2008	(3,004)	11,655	80,041	0	6,093	94,785
Fund Balance, June 30, 2009	\$ 1,090	\$ 11,255	\$ 64,199	\$ 0	\$ 798	\$ 77,342

Exhibit F-3

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 678	\$ 350	\$ 350	\$ 328
Total Revenues	\$ 678	\$ 350	\$ 350	\$ 328
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 226,584	\$ 219,500	\$ 229,500	\$ 2,916
Total Expenditures	\$ 226,584	\$ 219,500	\$ 229,500	\$ 2,916
Excess (Deficiency) of Revenues Over Expenditures	\$ (225,906)	\$ (219,150)	\$ (229,150)	\$ 3,244
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 230,000	\$ 220,000	\$ 230,000	\$ 0
Total Other Financing Sources (Uses)	\$ 230,000	\$ 220,000	\$ 230,000	\$ 0
Net Change in Fund Balance	\$ 4,094	\$ 850	\$ 850	\$ 3,244
Fund Balance, July 1, 2008	(3,004)	15,420	15,420	(18,424)
Fund Balance, June 30, 2009	\$ 1,090	\$ 16,270	\$ 16,270	\$ (15,180)

Exhibit F-4

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 3,773	\$ 2,740	\$ 2,740	\$ 1,033
Federal Government	84,707	86,213	86,213	(1,506)
Total Revenues	<u>\$ 88,480</u>	<u>\$ 88,953</u>	<u>\$ 88,953</u>	<u>\$ (473)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	\$ 88,880	\$ 88,146	\$ 88,896	\$ 16
Total Expenditures	<u>\$ 88,880</u>	<u>\$ 88,146</u>	<u>\$ 88,896</u>	<u>\$ 16</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (400)</u>	<u>\$ 807</u>	<u>\$ 57</u>	<u>\$ (457)</u>
Net Change in Fund Balance	\$ (400)	\$ 807	\$ 57	\$ (457)
Fund Balance, July 1, 2008	<u>11,655</u>	<u>11,655</u>	<u>10,905</u>	<u>750</u>
Fund Balance, June 30, 2009	<u>\$ 11,255</u>	<u>\$ 12,462</u>	<u>\$ 10,962</u>	<u>\$ 293</u>

Exhibit F-5

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 16,663	\$ 36,500	\$ 36,500	\$ (19,837)
Other Local Revenues	25	0	0	25
State of Tennessee	750	0	0	750
Total Revenues	<u>\$ 17,438</u>	<u>\$ 36,500</u>	<u>\$ 36,500</u>	<u>\$ (19,062)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 20,300	\$ 8,400	\$ 21,914	\$ 1,614
Total Expenditures	<u>\$ 20,300</u>	<u>\$ 8,400</u>	<u>\$ 21,914</u>	<u>\$ 1,614</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,862)</u>	<u>\$ 28,100</u>	<u>\$ 14,586</u>	<u>\$ (17,448)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (12,980)	\$ 0	\$ (12,980)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (12,980)</u>	<u>\$ 0</u>	<u>\$ (12,980)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (15,842)	\$ 28,100	\$ 1,606	\$ (17,448)
Fund Balance, July 1, 2008	<u>80,041</u>	<u>80,041</u>	<u>53,547</u>	<u>26,494</u>
Fund Balance, June 30, 2009	<u>\$ 64,199</u>	<u>\$ 108,141</u>	<u>\$ 55,153</u>	<u>\$ 9,046</u>

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Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

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Exhibit G

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 701,703	\$ 652,940	\$ 652,940	\$ 48,763
Other Local Revenues	14,013	37,000	37,000	(22,987)
State of Tennessee	43,872	38,000	38,000	5,872
Other Governments and Citizens Groups	225,000	225,000	225,000	0
Total Revenues	<u>\$ 984,588</u>	<u>\$ 952,940</u>	<u>\$ 952,940</u>	<u>\$ 31,648</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 607,613	\$ 561,670	\$ 607,670	\$ 57
<u>Interest on Debt</u>				
General Government	159,920	163,962	163,962	4,042
<u>Other Debt Service</u>				
General Government	13,579	14,200	14,200	621
Total Expenditures	<u>\$ 781,112</u>	<u>\$ 739,832</u>	<u>\$ 785,832</u>	<u>\$ 4,720</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 203,476</u>	<u>\$ 213,108</u>	<u>\$ 167,108</u>	<u>\$ 36,368</u>
Net Change in Fund Balance	\$ 203,476	\$ 213,108	\$ 167,108	\$ 36,368
Fund Balance, July 1, 2008	<u>824,408</u>	<u>805,454</u>	<u>759,760</u>	<u>64,648</u>
Fund Balance, June 30, 2009	<u>\$ 1,027,884</u>	<u>\$ 1,018,562</u>	<u>\$ 926,868</u>	<u>\$ 101,016</u>

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Fiduciary Funds

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

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

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.

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Exhibit H-1

Meigs County, Tennessee

Combining Statement of Fiduciary Assets and Liabilities

Fiduciary Funds

June 30, 2009

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 426,346	\$ 426,346
Due from Other Governments	31,591	0	31,591
Total Assets	<u>\$ 31,591</u>	<u>\$ 426,346</u>	<u>\$ 457,937</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 31,591	\$ 0	\$ 31,591
Due to Litigants, Heirs, and Others	0	426,346	426,346
Total Liabilities	<u>\$ 31,591</u>	<u>\$ 426,346</u>	<u>\$ 457,937</u>

Exhibit H-2

Meigs County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 206,743	\$ 206,743	\$ 0
Due from Other Governments	37,610	31,591	37,610	31,591
Total Assets	<u>\$ 37,610</u>	<u>\$ 238,334</u>	<u>\$ 244,353</u>	<u>\$ 31,591</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 37,610	\$ 238,334	\$ 244,353	\$ 31,591
Total Liabilities	<u>\$ 37,610</u>	<u>\$ 238,334</u>	<u>\$ 244,353</u>	<u>\$ 31,591</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 579,048	\$ 2,204,401	\$ 2,357,103	\$ 426,346
Total Assets	<u>\$ 579,048</u>	<u>\$ 2,204,401</u>	<u>\$ 2,357,103</u>	<u>\$ 426,346</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 579,048	\$ 2,204,401	\$ 2,357,103	\$ 426,346
Total Liabilities	<u>\$ 579,048</u>	<u>\$ 2,204,401</u>	<u>\$ 2,357,103</u>	<u>\$ 426,346</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 579,048	\$ 2,204,401	\$ 2,357,103	\$ 426,346
Equity in Pooled Cash and Investments	0	206,743	206,743	0
Due from Other Governments	37,610	31,591	37,610	31,591
Total Assets	<u>\$ 616,658</u>	<u>\$ 2,442,735</u>	<u>\$ 2,601,456</u>	<u>\$ 457,937</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 37,610	\$ 238,334	\$ 244,353	\$ 31,591
Due to Litigants, Heirs, and Others	579,048	2,204,401	2,357,103	426,346
Total Liabilities	<u>\$ 616,658</u>	<u>\$ 2,442,735</u>	<u>\$ 2,601,456</u>	<u>\$ 457,937</u>

Meigs County School Department

This section presents combining and individual fund financial statements for the Meigs County School Department, a discretely presented component unit. The Meigs County School Department uses 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.

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Exhibit I-1

Meigs County, Tennessee
Statement of Activities
Discretely Presented Meigs County School Department
For the Year Ended June 30, 2009

Functions/Programs	Program Revenues		Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
	Total					
Governmental Activities:						
Instruction	\$ 8,860,044	\$ 1,637	\$ 1,020,679	\$		(7,837,728)
Support Services	3,898,521	6,850	153,161			(3,738,510)
Operation of Non-Instructional Services	1,417,709	222,740	744,890			(450,079)
Other Debt Service	225,000	0	0			(225,000)
Total Governmental Activities	\$ 14,401,275	\$ 231,227	\$ 1,918,730	\$		(12,251,318)
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes						\$ 1,209,088
Local Option Sales Taxes						326,643
Wholesale Beer Tax						102,682
Other Local Taxes						1,684
Grants and Contributions Not Restricted to Specific Programs						11,054,315
Unrestricted Investment Earnings						45,897
Miscellaneous						25,033
Total General Revenues						\$ 12,765,342
Change in Net Assets						\$ 514,024
Prior-period Adjustment						353,000
Net Assets, July 1, 2008						7,136,662
Net Assets, June 30, 2009						\$ 8,003,686

Exhibit I-2

Meigs County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Meigs County School Department
June 30, 2009

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 1,891,867	\$ 345,812	\$ 2,237,679
Due from Other Governments	230,192	16,918	247,110
Property Taxes Receivable	1,440,823	0	1,440,823
Allowance for Uncollectible Property Taxes	(46,954)	0	(46,954)
Total Assets	<u>\$ 3,515,928</u>	<u>\$ 362,730</u>	<u>\$ 3,878,658</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 612	\$ 1,487	\$ 2,099
Accrued Payroll	1,659	0	1,659
Deferred Revenue - Current Property Taxes	1,291,966	0	1,291,966
Deferred Revenue - Delinquent Property Taxes	94,146	0	94,146
Other Deferred Revenues	46,268	0	46,268
Total Liabilities	<u>\$ 1,434,651</u>	<u>\$ 1,487</u>	<u>\$ 1,436,138</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 373,385	\$ 25,524	\$ 398,909
Reserved for Career Ladder - Extended Contract	30,004	0	30,004
Reserved for Career Ladder Program	8,447	0	8,447
Reserved for Title I Grants to Local Education Agencies	0	1,284	1,284
Reserved for Special Education - Grants to States	0	310	310
Unreserved, Reported In:			
General Fund	1,669,441	0	1,669,441
Special Revenue Funds	0	205,446	205,446
Capital Projects Funds	0	128,679	128,679
Total Fund Balances	<u>\$ 2,081,277</u>	<u>\$ 361,243</u>	<u>\$ 2,442,520</u>
Total Liabilities and Fund Balances	<u>\$ 3,515,928</u>	<u>\$ 362,730</u>	<u>\$ 3,878,658</u>

Exhibit I-3

Meigs County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Meigs County School Department
June 30, 2009

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 2,442,520
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 354,462	
Add: construction in progress	561,606	
Add: buildings and improvements net of accumulated depreciation	4,380,628	
Add: other capital assets net of accumulated depreciation	<u>699,320</u>	5,996,016
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		(575,264)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
		<u>140,414</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 8,003,686</u>

Exhibit I-4

Meigs County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Meigs County School Department
For the Year Ended June 30, 2009

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 2,010,078	\$ 35,682	\$ 2,045,760
Licenses and Permits	969	0	969
Charges for Current Services	1,575	222,740	224,315
Other Local Revenues	106,188	1,455	107,643
State of Tennessee	10,405,540	9,982	10,415,522
Federal Government	245,251	1,779,934	2,025,185
Total Revenues	<u>\$ 12,769,601</u>	<u>\$ 2,049,793</u>	<u>\$ 14,819,394</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 7,460,116	\$ 955,080	\$ 8,415,196
Support Services	3,553,506	271,230	3,824,736
Operation of Non-Instructional Services	509,679	824,293	1,333,972
Capital Outlay	666,702	0	666,702
Debt Service:			
Other Debt Service	225,000	0	225,000
Total Expenditures	<u>\$ 12,415,003</u>	<u>\$ 2,050,603</u>	<u>\$ 14,465,606</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 354,598</u>	<u>\$ (810)</u>	<u>\$ 353,788</u>
Net Change in Fund Balances	\$ 354,598	\$ (810)	\$ 353,788
Fund Balance, July 1, 2008	1,726,679	362,053	2,088,732
Fund Balance, June 30, 2009	<u>\$ 2,081,277</u>	<u>\$ 361,243</u>	<u>\$ 2,442,520</u>

Exhibit I-5

Meigs County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Meigs County School Department
For the Year Ended June 30, 2009

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$	353,788
(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	\$	752,231	
Less: current year depreciation expense		<u>(333,456)</u>	418,775
(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, 2009	\$	140,414	
Less: deferred delinquent property taxes and other deferred June 30, 2008		<u>(109,039)</u>	31,375
(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 the governmental funds.			
Change in other postemployment benefits liability (net of prior-period adjustment)			<u>(289,914)</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u>514,024</u>

Exhibit I-6

Meigs County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Meigs County School Department
June 30, 2009

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Total</u>	<u>Education Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	
<u>ASSETS</u>						
Equity in Pooled Cash and Investments	\$ 25,475	\$ 191,658	\$ 217,133	\$ 128,679	\$	345,812
Due from Other Governments	3,000	13,918	16,918	0		16,918
Total Assets	\$ 28,475	\$ 205,576	\$ 234,051	\$ 128,679	\$	362,730
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 1,357	\$ 130	\$ 1,487	\$ 0	\$	1,487
Total Liabilities	\$ 1,357	\$ 130	\$ 1,487	\$ 0	\$	1,487
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 25,524	\$ 0	\$ 25,524	\$ 0	\$	25,524
Reserved for Title I Grants to Local Education Agencies	1,284	0	1,284	0		1,284
Reserved for Special Education - Grants to States	310	0	310	0		310
Unreserved	0	205,446	205,446	128,679		334,125
Total Fund Balances	\$ 27,118	\$ 205,446	\$ 232,564	\$ 128,679	\$	361,243
Total Liabilities and Fund Balances	\$ 28,475	\$ 205,576	\$ 234,051	\$ 128,679	\$	362,730

Exhibit I-7

Meigs County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Meigs County School Department
For the Year Ended June 30, 2009

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects		Central Cafeteria		Education Capital Projects		
				Total			
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,682	\$ 35,682	\$ 35,682
Charges for Current Services	0	222,740	222,740	222,740	0	222,740	222,740
Other Local Revenues	0	1,455	1,455	1,455	0	1,455	1,455
State of Tennessee	0	9,982	9,982	9,982	0	9,982	9,982
Federal Government	1,176,456	603,478	1,779,934	1,779,934	0	1,779,934	1,779,934
Total Revenues	\$ 1,176,456	\$ 837,655	\$ 2,014,111	\$ 2,014,111	\$ 35,682	\$ 2,049,793	\$ 2,049,793
<u>Expenditures</u>							
Current:							
Instruction	\$ 954,723	\$ 0	\$ 954,723	\$ 954,723	\$ 357	\$ 955,080	\$ 955,080
Support Services	271,230	0	271,230	271,230	0	271,230	271,230
Operation of Non-Instructional Services	0	824,293	824,293	824,293	0	824,293	824,293
Total Expenditures	\$ 1,225,953	\$ 824,293	\$ 2,050,246	\$ 2,050,246	\$ 357	\$ 2,050,603	\$ 2,050,603
Excess (Deficiency) of Revenues Over Expenditures	\$ (49,497)	\$ 13,362	\$ (36,135)	\$ (36,135)	\$ 35,325	\$ (810)	\$ (810)
Net Change in Fund Balances, Fund Balance, July 1, 2008	\$ (49,497)	\$ 13,362	\$ (36,135)	\$ (36,135)	\$ 35,325	\$ (810)	\$ (810)
	76,615	192,084	268,699	268,699	93,354	362,053	362,053
Fund Balance, June 30, 2009	\$ 27,118	\$ 205,446	\$ 232,564	\$ 232,564	\$ 128,679	\$ 361,243	\$ 361,243

Exhibit I-8

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Meigs County School Department
General Purpose School Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,010,078	\$ 0	\$ 0	\$ 2,010,078	\$ 1,923,500	\$ 1,962,889	\$ 47,189
Licenses and Permits	969	0	0	969	0	0	969
Charges for Current Services	1,575	0	0	1,575	2,000	2,000	(425)
Other Local Revenues	106,188	0	0	106,188	372,980	99,400	6,788
State of Tennessee	10,405,540	0	0	10,405,540	9,851,425	10,362,582	42,958
Federal Government	245,251	0	0	245,251	242,081	245,648	(397)
Total Revenues	\$ 12,769,601	\$ 0	\$ 0	\$ 12,769,601	\$ 12,391,986	\$ 12,672,519	\$ 97,082

<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 6,291,078	\$ (56,766)	\$ 51,968	\$ 6,286,280	\$ 6,521,515	\$ 6,589,835	\$ 303,555
Alternative Instruction Program	56,978	0	0	56,978	57,280	57,575	597
Special Education Program	758,715	0	0	758,715	746,480	765,140	6,425
Vocational Education Program	244,122	0	0	244,122	255,280	255,280	11,158
Student Body Education Program	61,398	0	3,601	64,999	0	64,999	0
Adult Education Program	47,825	(5,063)	3,176	45,938	42,777	46,344	406
<u>Support Services</u>							
Attendance	48,391	0	0	48,391	61,445	61,815	13,424
Health Services	90,028	(495)	0	89,533	90,265	91,875	2,342
Other Student Support	346,324	(2,353)	7,767	351,738	349,410	354,120	2,382
Regular Instruction Program	243,671	0	2,400	246,071	267,215	276,805	30,734
Alternative Instruction Program	21,639	0	1,861	23,500	23,500	23,500	0
Special Education Program	82,626	0	0	82,626	98,695	90,895	8,269
Vocational Education Program	47,815	0	0	47,815	48,575	49,455	1,640

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2008	Encumbrances 6/30/2009			Original	Final	
<u>Expenditures (Cont.)</u>								
<u>Support Services (Cont.)</u>								
Adult Programs	\$ 88,028	\$ 0	\$ 0	\$ 88,028	\$ 89,234	\$ 89,829	\$ 1,801	
Other Programs	49,318	0	0	49,318	0	49,318	0	
Board of Education	160,540	(6,987)	0	153,553	160,490	164,050	10,497	
Director of Schools	146,475	(109)	1,401	147,767	142,415	149,220	1,453	
Office of the Principal	424,635	0	0	424,635	427,485	431,320	6,685	
Fiscal Services	45,952	0	0	45,952	45,765	46,365	413	
Operation of Plant	774,847	0	0	774,847	725,890	782,290	7,443	
Maintenance of Plant	132,061	(954)	0	131,107	139,850	140,750	9,643	
Transportation	733,372	(3,661)	95	729,806	777,585	778,425	48,619	
Central and Other	117,784	(4,820)	7,035	119,999	120,000	119,999	0	
<u>Operation of Non-Instructional Services</u>								
Community Services	100,324	(6,387)	4,415	98,352	95,000	98,900	548	
Early Childhood Education	409,355	(26,794)	18,676	401,237	401,380	401,380	143	
<u>Capital Outlay</u>								
Regular Capital Outlay	666,702	(144,536)	270,990	793,156	829,455	884,364	91,208	
<u>Principal on Debt</u>								
Education	0	0	0	0	225,000	0	0	
Other Debt Service								
Education	225,000	0	0	225,000	0	225,000	0	
<u>Total Expenditures</u>	<u>\$ 12,415,003</u>	<u>\$ (258,925)</u>	<u>\$ 373,385</u>	<u>\$ 12,529,463</u>	<u>\$ 12,741,986</u>	<u>\$ 13,088,848</u>	<u>\$ 559,385</u>	
<u>Excess (Deficiency) of Revenues</u>								
Over Expenditures	\$ 354,598	\$ 258,925	\$ (373,385)	\$ 240,138	\$ (350,000)	\$ (416,329)	\$ 656,467	
<u>Net Change in Fund Balance</u>	<u>\$ 354,598</u>	<u>\$ 258,925</u>	<u>\$ (373,385)</u>	<u>\$ 240,138</u>	<u>\$ (350,000)</u>	<u>\$ (416,329)</u>	<u>\$ 656,467</u>	
Fund Balance, July 1, 2008	1,726,679	(258,925)	0	1,467,754	1,445,281	1,378,950	88,804	
<u>Fund Balance, June 30, 2009</u>	<u>\$ 2,081,277</u>	<u>\$ 0</u>	<u>\$ (373,385)</u>	<u>\$ 1,707,892</u>	<u>\$ 1,095,281</u>	<u>\$ 962,621</u>	<u>\$ 745,271</u>	

Exhibit I-9

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Meigs County School Department
School Federal Projects Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 1,176,456	\$ 0	\$ 0	\$ 1,176,456	\$ 1,265,717	\$ 1,279,333	\$ (102,877)
Total Revenues	\$ 1,176,456	\$ 0	\$ 0	\$ 1,176,456	\$ 1,265,717	\$ 1,279,333	\$ (102,877)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 579,602	\$ (12,807)	\$ 1,689	\$ 568,484	\$ 613,634	\$ 617,935	\$ 49,451
Special Education Program	349,499	(15,689)	677	334,487	316,609	358,088	23,601
Vocational Education Program	25,622	(15,623)	17,251	27,250	29,082	27,633	383
<u>Support Services</u>							
Health Services	21,999	0	0	21,999	22,333	22,272	273
Other Student Support	65,840	(6,330)	3,442	62,952	69,930	63,684	732
Regular Instruction Program	78,597	0	1,582	80,179	156,644	93,598	13,419
Special Education Program	89,299	(2,559)	883	87,623	131,204	104,232	16,609
Vocational Education Program	1,757	0	0	1,757	1,800	1,757	0
Transportation	13,738	0	0	13,738	28,028	13,745	7
Total Expenditures	\$ 1,225,953	\$ (53,008)	\$ 25,524	\$ 1,198,469	\$ 1,369,264	\$ 1,302,944	\$ 104,475
Excess (Deficiency) of Revenues Over Expenditures	\$ (49,497)	\$ 53,008	\$ (25,524)	\$ (22,013)	\$ (103,547)	\$ (23,611)	\$ 1,598
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 79,941	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 79,941	\$ 0	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (49,497)	\$ 53,008	\$ (25,524)	\$ (22,013)	\$ (23,606)	\$ (23,611)	\$ 1,598
	76,615	(53,008)	0	23,607	23,700	23,700	(93)
Fund Balance, June 30, 2009	\$ 27,118	\$ 0	\$ (25,524)	\$ 1,594	\$ 94	\$ 89	\$ 1,505

Exhibit I-10

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Meigs County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 222,740	\$ 264,500	\$ 264,500	\$ (41,760)
Other Local Revenues	1,455	2,000	2,000	(545)
State of Tennessee	9,982	10,000	10,000	(18)
Federal Government	603,478	603,000	603,000	478
Total Revenues	<u>\$ 837,655</u>	<u>\$ 879,500</u>	<u>\$ 879,500</u>	<u>\$ (41,845)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 824,293	\$ 904,500	\$ 904,500	\$ 80,207
Total Expenditures	<u>\$ 824,293</u>	<u>\$ 904,500</u>	<u>\$ 904,500</u>	<u>\$ 80,207</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 13,362</u>	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$ 38,362</u>
Net Change in Fund Balance	\$ 13,362	\$ (25,000)	\$ (25,000)	\$ 38,362
Fund Balance, July 1, 2008	<u>192,084</u>	<u>192,043</u>	<u>192,043</u>	<u>41</u>
Fund Balance, June 30, 2009	<u>\$ 205,446</u>	<u>\$ 167,043</u>	<u>\$ 167,043</u>	<u>\$ 38,403</u>

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MISCELLANEOUS SCHEDULES

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Exhibit J-1

Meigs County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
For the Year Ended June 30, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-09
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Courthouse	\$ 450,000	6.47%	5-2-05	5-2-17	\$ 362,831	\$ 0	\$ 31,919	\$ 330,912
Total Payable through General Debt Service Fund					\$ 362,831	\$ 0	\$ 31,919	\$ 330,912
<u>Payable through Highway/Public Works Fund</u>								
Backhoe	62,000	6.15	12-1-05	12-1-08	\$ 38,832	\$ 0	\$ 38,832	\$ 0
Paving	250,000	4.85	3-5-02	3-1-09	40,000	0	40,000	0
Graders - Extension of Note Maturity	139,191	4.35	6-5-08	5-5-11	139,191	0	25,265	113,926
Backhoe	84,606	4.7	12-16-08	12-16-11	0	84,606	7,053	77,553
Total Payable through Highway/Public Works Fund					\$ 218,023	\$ 84,606	\$ 111,150	\$ 191,479
<u>Payable through General Capital Projects Fund</u>								
Cherokee Memorial Park Project	(1)	4.2	4-1-08	9-28-09	\$ 520,665	\$ 684,039	\$ 901,431	\$ 303,273
Total Payable through General Capital Projects Fund					\$ 520,665	\$ 684,039	\$ 901,431	\$ 303,273
Total Notes Payable					\$ 1,101,519	\$ 768,645	\$ 1,044,500	\$ 825,664
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through Highway/Public Works Fund</u>								
Dump Trucks	102,456	5.17	12-15-06	12-15-11	\$ 83,977	\$ 0	\$ 19,434	\$ 64,543
Asphalt Zipper	77,950	5	10-1-07	10-1-12	77,950	0	15,590	62,360
Total Capital Leases Payable					\$ 161,927	\$ 0	\$ 35,024	\$ 126,903
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
FmHA Issue - Industrial Park	80,000	5	1-15-1982	8-31-08	\$ 45,694	\$ 0	\$ 45,694	\$ 0
School Refunding, Series 1999	3,360,000	3.9 to 4.3	3-4-1999	5-1-12	1,870,000	0	465,000	1,405,000
General Obligation Bonds, Series 2002A - I	1,410,000	4 to 4.5	2-7-02	5-1-15	1,340,000	0	65,000	1,275,000
General Obligation (CAB) Bonds, Series 2002A - II	(2)	4.8 to 5.15	2-7-02	5-1-26	2,088,479	0	0	2,088,479
Total Bonds Payable					\$ 5,344,173	\$ 0	\$ 575,694	\$ 4,768,479

(1) An outstanding balance of up to \$1,000,000 is available if needed.

(2) These (CAB) bonds accrete interest that is paid at bond maturity. As of June 30, 2009, approximately \$919,546 of interest has accreted on the bonds.

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 376,269	\$ 34,137	\$ 410,406
2011	138,340	23,992	162,332
2012	84,321	16,987	101,308
2013	40,553	13,484	54,037
2014	43,257	10,781	54,038
2015	46,140	7,898	54,038
2016	49,203	4,834	54,037
2017	47,581	1,545	49,126
Total	\$ 825,664	\$ 113,658	\$ 939,322

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2010	\$ 36,029	\$ 7,202	\$ 43,231
2011	37,086	6,145	43,231
2012	38,197	5,034	43,231
2013	15,591	3,864	19,455
Total	\$ 126,903	\$ 22,245	\$ 149,148

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 555,000	\$ 115,448	\$ 670,448
2011	575,000	92,103	667,103
2012	595,000	67,665	662,665
2013	400,000	42,168	442,168
2014	415,000	24,768	439,768
2015	300,143	146,157	446,300
2016	227,502	222,498	450,000
2017	215,249	234,752	450,001
2018	203,459	246,542	450,001
2019	192,128	257,873	450,001

(Continued)

Exhibit J-2

Meigs County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30 (Cont.)	Bonds		Total
	Principal	Interest	
2020	\$ 182,871	\$ 267,129	\$ 450,000
2021	172,435	277,564	449,999
2022	164,043	285,957	450,000
2023	154,458	295,542	450,000
2024	146,871	303,129	450,000
2025	138,082	311,916	449,998
2026	131,238	318,761	449,999
Total	\$ 4,768,479	\$ 3,509,972	\$ 8,278,451

Exhibit J-3

Meigs County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2009

From Fund	To Fund	Purpose	Amount
General	Solid Waste/Sanitation	Operations	\$ 230,000
General	Highway/Public Works	Road repairs	20,000
Drug Control	General	Reimbursement	12,980
Total Transfers			<u>\$ 262,980</u>

Exhibit J-4

Meigs County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Meigs County School Department
For the Year Ended June 30, 2009

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 60,350	\$ 25,000	Travelers Casualty and Surety
Highway Superintendent	Section 8-24-102, <u>TCA</u>	57,477	100,000	"
Director of Schools	State Board of Education and County Board of Education	92,050 (1)	100,000	Western Surety Company
Trustee	Section 8-24-102, <u>TCA</u>	52,251	461,000	Travelers Casualty and Surety
Assessor of Property	Section 8-24-102, <u>TCA</u>	52,251	10,000	"
County Clerk	Section 8-24-102, <u>TCA</u>	52,251	25,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <u>TCA</u>	52,251	25,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u>	52,251 (2)	25,000	"
Register	Section 8-24-102, <u>TCA</u>	52,251	15,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	57,477 (3)	25,000	"
Director of Finance	County Commission	46,350	50,000	"
Blanket Bond:				
All County Employees			150,000	Tennessee Risk Management Trust
All School Employees			150,000	"

(1) Does not include a chief executive officer training supplement of \$1,000.

(2) Does not include special commissioner fees of \$3,200.

(3) Does not include a law enforcement training supplement of \$600.

Exhibit J-5

Meigs County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2009

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,626,605	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	99,097	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	39,839	0	0	0	0	0
Interest and Penalty	17,637	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	243,889	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	115,974	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	176,385	0	0	0	0	0
Hotel/Motel Tax	11,252	0	0	0	0	0
Litigation Tax - General	27,722	0	0	0	0	0
Litigation Tax - Special Purpose	40,040	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	10,492	0	0	0	0	0
Litigation Tax - Courtroom Security	242	0	0	0	0	0
Business Tax	21,856	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	759
Other County Local Option Taxes	878	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	23,937	0	0	0	0	0
Wholesale Beer Tax	30,000	0	0	0	0	0
Interstate Telecommunications Tax	901	0	0	0	0	0
Total Local Taxes	\$ 2,486,746	\$ 0	\$ 0	\$ 0	\$ 0	\$ 759
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 893	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	7,340	0	0	0	0	0
<u>Permits</u>						
Beer Permits	677	0	0	0	0	0
Building Permits	11,195	0	0	0	0	0
Other Permits	210	0	0	0	0	0
Total Licenses and Permits	\$ 20,315	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 4,902	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	3,701	0	0	0	0	0
DUI Treatment Fines	48	0	0	0	0	0
Data Entry Fee - Circuit Court	1,039	0	0	0	0	0
<u>Criminal Court</u>						
Officers Costs	176	0	0	0	0	0
Drug Control Fines	0	0	0	3,043	0	0
DUI Treatment Fines	408	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	50,748	0	0	0	0	0
Fines for Littering	375	0	0	0	0	0
Officers Costs	29,359	0	0	0	0	0
Game and Fish Fines	346	0	0	0	0	0
Drug Control Fines	0	0	0	12,494	0	0
Drug Court Fees	4,655	0	0	0	0	0
Jail Fees	4,652	0	0	0	0	0
DUI Treatment Fines	5,129	0	0	0	0	0
Data Entry Fee - General Sessions Court	5,274	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,574	0	0	0	0	0
Data Entry Fee - Chancery Court	758	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	55,309	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	1,126	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	29	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 168,482	\$ 0	\$ 0	\$ 16,663	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 250,398	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fees						
Copy Fees	1,562	0	0	0	0	0
Telephone Commissions	1,814	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	3,200	0
Data Processing Fee - Register	5,148	0	0	0	0	0
Data Processing Fee - Sheriff	2,303	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,250	0	0	0	0	0
Data Processing Fee - County Clerk	462	0	0	0	0	0
<u>Education Charges</u>						
TBI Criminal Background Fees	1,170	0	0	0	0	0
Total Charges for Current Services	\$ 264,107	\$ 0	\$ 0	\$ 0	\$ 3,200	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	1,800	0	0	0	0	0
Commissary Sales	6,679	0	0	0	0	0
Sale of Maps	3,010	0	0	0	0	0
Sale of Recycled Materials	0	678	0	0	0	0
Miscellaneous Refunds	17,185	0	429	25	0	962
Expenditure Credits	4,063	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	9,166	0	0	0	0	43,677
Damages Recovered from Individuals	100	0	0	0	0	0
Contributions and Gifts	5,412	0	3,344	0	0	0
Total Other Local Revenues	\$ 47,415	\$ 678	\$ 3,773	\$ 25	\$ 0	\$ 44,639

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 97,874	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	15,124	0	0	0	0	0
Criminal Court Clerk	116,208	0	0	0	0	0
Clerk and Master	46,540	0	0	0	0	0
Register	56,401	0	0	0	0	0
Sheriff	5,331	0	0	0	0	0
Trustee	128,253	0	0	0	0	0
Total Fees Received from County Officials	\$ 465,731	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	20,002	0	0	0	0	0
State Reappraisal Grant	5,489	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	5,400	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	70,830	0	0	0	0	0
Other Health and Welfare Grants	30,133	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	209,660
Litter Program	32,655	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	20,311	0	0	0	0	0
Beer Tax	18,701	0	0	0	0	0
Alcoholic Beverage Tax	19,450	0	0	0	0	0
Mixed Drink Tax	3,986	0	0	0	0	0
State Revenue Sharing - T.V.A.	254,611	0	0	0	0	0
Contracted Prisoner Boarding	129,757	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,240,341

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Petroleum Special Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,903
Registrar's Salary Supplement	14,912	0	0	0	0	0
Other State Grants	39,199	0	0	0	0	0
Other State Revenues	3,720	0	0	750	0	0
Total State of Tennessee	\$ 678,156	\$ 0	\$ 0	\$ 750	\$ 0	\$ 1,458,904
<u>Federal Government</u>						
<u>Federal Through State</u>						
Appalachian Regional Commission	\$ 63,759	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Community Development	222,824	0	0	0	0	0
Civil Defense Reimbursement	58,294	0	0	0	0	0
Homeland Security Grants	83,835	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0
Direct Federal Revenue	0	0	84,707	0	0	0
Other Direct Federal Revenue	428,712	0	84,707	0	0	0
Total Federal Government	\$ 428,712	\$ 0	\$ 84,707	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 15,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	91,225	0	0	0	0	53
Other	151	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 106,376	\$ 0	\$ 0	\$ 0	\$ 0	\$ 53
Total	\$ 4,666,040	\$ 678	\$ 88,480	\$ 17,438	\$ 3,200	\$ 1,504,355

(Continued)

Exhibit J-5

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

	Debt Service Fund		Capital Projects Funds			Total
	General Debt Service		General Capital Projects	Other Capital Projects		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 454,850	\$ 0	\$ 0	\$ 0	\$ 2,081,455	
Trustee's Collections - Prior Year	27,712	0	0	0	126,809	
Circuit/Clerk & Master Collections - Prior Years	11,130	0	0	0	50,969	
Interest and Penalty	7,187	0	0	0	24,824	
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	243,889	
Payments in-Lieu-of Taxes - Local Utilities	32,431	0	0	0	148,405	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	168,393	0	0	0	344,778	
Hotel/Motel Tax	0	0	0	0	11,252	
Litigation Tax - General	0	0	0	0	27,722	
Litigation Tax - Special Purpose	0	0	0	0	40,040	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	10,492	
Litigation Tax - Courtroom Security	0	0	0	0	242	
Business Tax	0	0	0	0	21,856	
Mineral Severance Tax	0	0	0	0	759	
Other County Local Option Taxes	0	0	0	0	878	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	23,937	
Wholesale Beer Tax	0	0	0	0	30,000	
Interstate Telecommunications Tax	0	0	0	0	901	
Total Local Taxes	\$ 701,703	\$ 0	\$ 0	\$ 0	\$ 3,189,208	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 893	
Cable TV Franchise	0	0	0	0	7,340	
<u>Permits</u>						
Beer Permits	0	0	0	0	677	
Building Permits	0	0	0	0	11,195	
Other Permits	0	0	0	0	210	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,315	

(Continued)

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

	Debt Service Fund				Capital Projects Funds			Total
	General Debt Service	General Capital Projects	Other Capital Projects	Capital Projects Funds		Total		
				General Capital Projects	Other Capital Projects			
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	4,902
Officers Costs		0	0	0	0	0	0	3,701
DUI Treatment Fines		0	0	0	0	0	0	48
Data Entry Fee - Circuit Court		0	0	0	0	0	0	1,039
<u>Criminal Court</u>								
Officers Costs		0	0	0	0	0	0	176
Drug Control Fines		0	0	0	0	0	0	3,043
DUI Treatment Fines		0	0	0	0	0	0	408
<u>General Sessions Court</u>								
Fines		0	0	0	0	0	0	50,748
Fines for Littering		0	0	0	0	0	0	375
Officers Costs		0	0	0	0	0	0	29,359
Game and Fish Fines		0	0	0	0	0	0	346
Drug Control Fines		0	0	0	0	0	0	12,494
Drug Court Fees		0	0	0	0	0	0	4,655
Jail Fees		0	0	0	0	0	0	4,652
DUI Treatment Fines		0	0	0	0	0	0	5,129
Data Entry Fee - General Sessions Court		0	0	0	0	0	0	5,274
<u>Chancery Court</u>								
Officers Costs		0	0	0	0	0	0	1,574
Data Entry Fee - Chancery Court		0	0	0	0	0	0	758
<u>Other Courts - In-county</u>								
Fines		0	0	0	0	0	0	55,309
<u>Judicial District Drug Program</u>								
Drug Task Force Forfeitures and Seizures		0	0	0	0	0	0	1,126
<u>Other Fines, Forfeitures, and Penalties</u>								
Other Fines, Forfeitures, and Penalties		0	0	0	0	0	0	29
Total Fines, Forfeitures, and Penalties	\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	185,145

(Continued)

Exhibit J-5

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

	Debt Service Fund		Capital Projects Funds		Total
	General Debt Service	Other Capital Projects	General Capital Projects	Other Capital Projects	
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	250,398
<u>Fees</u>					
Copy Fees	0	0	0	0	1,562
Telephone Commissions	0	0	0	0	1,814
Constitutional Officers' Fees and Commissions	0	0	0	0	3,200
Data Processing Fee - Register	0	0	0	0	5,148
Data Processing Fee - Sheriff	0	0	0	0	2,303
Sexual Offender Registration Fees - Sheriff	0	0	0	0	1,250
Data Processing Fee - County Clerk	0	0	0	0	462
<u>Education Charges</u>					
TBI Criminal Background Fees	0	0	0	0	1,170
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	267,307
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 14,013	\$ 0	\$ 0	\$ 0	14,013
Lease/Rentals	0	0	0	0	1,800
Commissary Sales	0	0	0	0	6,679
Sale of Maps	0	0	0	0	3,010
Sale of Recycled Materials	0	0	0	0	678
Miscellaneous Refunds	0	0	0	150	18,751
Expenditure Credits	0	0	0	0	4,063
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	52,843
Damages Recovered from Individuals	0	0	0	0	100
Contributions and Gifts	0	52,815	0	0	61,571
Total Other Local Revenues	\$ 14,013	\$ 52,815	\$ 150	\$ 0	163,508

(Continued)

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

	Debt Service Fund				Capital Projects Funds				Total
	General Debt Service	General Capital Projects	Other Capital Projects	Total	General Capital Projects	Other Capital Projects	Total		
<u>Fees Received from County Officials</u>									
<u>Fees in-Lieu-of Salary</u>	\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	97,874
County Clerk		0	0	0	0	0	0	0	15,124
Circuit Court Clerk		0	0	0	0	0	0	0	116,208
Criminal Court Clerk		0	0	0	0	0	0	0	46,540
Clerk and Master		0	0	0	0	0	0	0	56,401
Register		0	0	0	0	0	0	0	5,331
Sheriff		0	0	0	0	0	0	0	128,253
Trustee		0	0	0	0	0	0	0	465,731
<u>Total Fees Received from County Officials</u>	\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	978,774
<u>State of Tennessee</u>									
<u>General Government Grants</u>	\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	9,000
Juvenile Services Program		0	0	0	0	0	0	0	20,002
Aging Programs		0	0	0	0	0	0	0	5,489
State Reappraisal Grant		0	0	0	0	0	0	0	5,400
<u>Public Safety Grants</u>									
Law Enforcement Training Programs		0	0	0	0	0	0	0	5,400
<u>Health and Welfare Grants</u>									
Health Department Programs		0	0	0	0	0	0	0	70,830
Other Health and Welfare Grants		0	0	0	0	0	0	0	30,133
<u>Public Works Grants</u>									
State Aid Program		0	0	0	0	0	0	0	209,660
Litter Program		0	0	0	0	0	0	0	32,655
<u>Other State Revenues</u>									
Income Tax		5,680	0	0	0	0	0	0	25,991
Beer Tax		0	0	0	0	0	0	0	18,701
Alcoholic Beverage Tax		0	0	0	0	0	0	0	19,450
Mixed Drink Tax		0	0	0	0	0	0	0	3,986
State Revenue Sharing - T.V.A.		38,192	0	0	0	0	0	0	292,803
Contracted Prisoner Boarding		0	0	0	0	0	0	0	129,757
Gasoline and Motor Fuel Tax		0	0	0	0	0	0	0	1,240,341

(Continued)

Exhibit J-5

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

	Debt Service Funds				Capital Projects Funds		Total
	General Debt Service	General Capital Projects	Other Capital Projects	Capital Projects Funds			
				General Capital Projects	Other Capital Projects		
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues (Cont.)</u>							
Petroleum Special Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,903	
Registrar's Salary Supplement	0	0	0	0	0	14,912	
Other State Grants	0	0	0	0	0	39,199	
Other State Revenues	0	0	0	0	0	4,470	
Total State of Tennessee	\$ 43,872	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,181,682	
<u>Federal Government</u>							
<u>Federal Through State</u>							
Appalachian Regional Commission	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	63,759	
Community Development	0	0	0	0	0	222,824	
Civil Defense Reimbursement	0	0	0	0	0	58,294	
Homeland Security Grants	0	0	0	0	0	83,835	
Other Federal through State	0	0	508,489	0	0	508,489	
Direct Federal Revenue	0	0	0	0	0	84,707	
Other Direct Federal Revenue	0	0	508,489	\$ 0	\$ 0	\$ 1,021,908	
Total Federal Government	\$ 0	\$ 0	\$ 508,489	\$ 0	\$ 0	\$ 1,021,908	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 225,000	\$ 0	\$ 0	\$ 0	\$ 0	240,000	
Contracted Services	0	0	0	0	0	91,278	
Other	0	0	0	0	0	151	
Total Other Governments and Citizens Groups	\$ 225,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 331,429	
Total	\$ 984,588	\$ 561,304	\$ 150	\$ 7,826,233			

Exhibit J-6

Meigs County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Meigs County School Department
For the Year Ended June 30, 2009

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,075,065	\$ 0	\$ 0	\$ 0	\$ 1,075,065
Trustee's Collections - Prior Year	65,496	0	0	0	65,496
Circuit/Clerk & Master Collections - Prior Years	23,286	0	0	0	23,286
Interest and Penalty	11,657	0	0	0	11,657
Payments in-Lieu-of Taxes - T.V.A.	360,389	0	0	0	360,389
Payments in-Lieu-of Taxes - Local Utilities	76,650	0	0	0	76,650
<u>County Local Option Taxes</u>					
Local Option Sales Tax	328,851	0	0	0	328,851
<u>Statutory Local Taxes</u>					
Wholesale Beer Tax	67,000	0	0	35,682	102,682
Interstate Telecommunications Tax	1,684	0	0	0	1,684
Total Local Taxes	\$ 2,010,078	\$ 0	\$ 0	\$ 35,682	\$ 2,045,760
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 969	\$ 0	\$ 0	\$ 0	\$ 969
Total Licenses and Permits	\$ 969	\$ 0	\$ 0	\$ 0	\$ 969
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	\$ 1,575	\$ 0	\$ 0	\$ 0	\$ 1,575
Receipts from Individual Schools	0	0	211,157	0	211,157
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	11,583	0	11,583
Total Charges for Current Services	\$ 1,575	\$ 0	\$ 222,740	\$ 0	\$ 224,315
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 45,000	\$ 0	\$ 897	\$ 0	\$ 45,897
Lease/Rentals	6,850	0	0	0	6,850
Sale of Materials and Supplies	997	0	0	0	997
Miscellaneous Refunds	23,478	0	558	0	24,036
<u>Nonrecurring Items</u>					
Contributions and Gifts	29,801	0	0	0	29,801
<u>Other Local Revenues</u>					
Other Local Revenues	62	0	0	0	62
Total Other Local Revenues	\$ 106,188	\$ 0	\$ 1,455	\$ 0	\$ 107,643
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 49,318	\$ 0	\$ 0	\$ 0	\$ 49,318
<u>State Education Funds</u>					
Basic Education Program	9,183,000	0	0	0	9,183,000
Early Childhood Education	401,237	0	0	0	401,237
School Food Service	0	0	9,982	0	9,982
Driver Education	7,158	0	0	0	7,158
Other State Education Funds	164,579	0	0	0	164,579
Career Ladder Program	82,223	0	0	0	82,223

(Continued)

Exhibit J-6

Meigs County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Meigs 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>					
Career Ladder - Extended Contract	\$ 67,800	\$ 0	\$ 0	\$ 0	\$ 67,800
<u>Other State Revenues</u>					
Income Tax	13,424	0	0	0	13,424
State Revenue Sharing - T.V.A.	343,725	0	0	0	343,725
Other State Grants	66,000	0	0	0	66,000
Other State Revenues	27,076	0	0	0	27,076
Total State of Tennessee	\$ 10,405,540	\$ 0	\$ 9,982	\$ 0	\$ 10,415,522
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 444,142	\$ 0	\$ 444,142
Breakfast	0	0	159,336	0	159,336
Adult Education State Grant Program	101,751	0	0	0	101,751
Vocational Education - Basic Grants to States	0	40,082	0	0	40,082
Title I Grants to Local Education Agencies	0	513,788	0	0	513,788
Special Education - Grants to States	0	428,302	0	0	428,302
Special Education Preschool Grants	0	15,373	0	0	15,373
Safe and Drug-free Schools - State Grants	0	7,738	0	0	7,738
Rural Education	0	48,309	0	0	48,309
Eisenhower Professional Development State Grants	0	122,864	0	0	122,864
Other Federal through State	143,500	0	0	0	143,500
Total Federal Government	\$ 245,251	\$ 1,176,456	\$ 603,478	\$ 0	\$ 2,025,185
Total	\$ 12,769,601	\$ 1,176,456	\$ 837,655	\$ 35,682	\$ 14,819,394

Exhibit J-7

Meigs County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2009

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	19,920	
Audit Services		3,326	
Dues and Memberships		14,399	
Other Supplies and Materials		1,200	
Total County Commission			\$ 38,845

Board of Equalization

Board and Committee Members Fees	\$	240	
Total Board of Equalization			240

County Mayor/Executive

County Official/Administrative Officer	\$	60,350	
Assistant(s)		20,157	
Other Salaries and Wages		3,720	
Communication		600	
Travel		3,763	
Office Supplies		1,029	
Total County Mayor/Executive			89,619

County Attorney

Legal Services	\$	16,391	
Total County Attorney			16,391

Election Commission

County Official/Administrative Officer	\$	47,481	
Part-time Personnel		2,400	
Election Commission		4,485	
Election Workers		14,005	
In-Service Training		1,508	
Legal Notices, Recording, and Court Costs		5,881	
Maintenance Agreements		8,400	
Printing, Stationery, and Forms		3,914	
Travel		4,442	
Other Contracted Services		3,000	
Data Processing Supplies		8,550	
Office Supplies		1,183	
Voting Machines		1,100	
Total Election Commission			106,349

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		20,157	
Part-time Personnel		10,029	
Travel		135	
Data Processing Supplies		30,630	
Office Supplies		6,428	
Total Register of Deeds			\$ 119,630

Planning

Clerical Personnel	\$	1,962	
Part-time Personnel		13,068	
Dues and Memberships		7,750	
Travel		2,218	
Office Supplies		778	
Total Planning			25,776

Geographical Information Systems

Other Salaries and Wages	\$	11,077	
Licenses		3,000	
Maintenance and Repair Services - Equipment		1,850	
Office Supplies		2,079	
Total Geographical Information Systems			18,006

County Buildings

Custodial Personnel	\$	11,599	
Communication		17,117	
Maintenance Agreements		1,860	
Maintenance and Repair Services - Buildings		17,180	
Maintenance and Repair Services - Equipment		4,545	
Pest Control		1,520	
Postal Charges		15,469	
Custodial Supplies		3,082	
Diesel Fuel		22,466	
Duplicating Supplies		5,304	
Electricity		61,276	
Gasoline		74,224	
Natural Gas		25,977	
Water and Sewer		2,669	
Total County Buildings			264,288

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance

Accounting and Budgeting

Supervisor/Director	\$	46,350	
Accountants/Bookkeepers		30,163	
Clerical Personnel		4,001	
Legal Notices, Recording, and Court Costs		1,013	
Maintenance Agreements		5,252	
Travel		1,065	
Data Processing Supplies		7,414	
Office Supplies		5,254	
Premiums on Corporate Surety Bonds		175	
Total Accounting and Budgeting			\$ 100,687

Property Assessor's Office

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		20,157	
Audit Services		1,805	
Maintenance Agreements		5,979	
Travel		2,621	
Office Supplies		429	
Other Supplies and Materials		425	
Premiums on Corporate Surety Bonds		325	
Total Property Assessor's Office			83,992

Reappraisal Program

Clerical Personnel	\$	17,890	
Data Processing Services		1,534	
Travel		1,206	
Office Supplies		192	
Total Reappraisal Program			20,822

County Trustee's Office

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		20,157	
Part-time Personnel		20,568	
Maintenance Agreements		5,480	
Travel		1,040	
Office Supplies		2,491	
Total County Trustee's Office			101,987

County Clerk's Office

County Official/Administrative Officer	\$	52,251	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Deputy(ies)	\$	68,296	
Legal Notices, Recording, and Court Costs		84	
Travel		130	
Other Contracted Services		6,465	
Office Supplies		542	
Total County Clerk's Office			\$ 127,768

Other Finance

Trustee's Commission	\$	53,278	
Total Other Finance			53,278

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		74,054	
Jury and Witness Fees		2,491	
Other Per Diem and Fees		381	
Communication		600	
Maintenance Agreements		8,065	
Travel		312	
Data Processing Supplies		1,381	
Office Supplies		1,971	
Total Circuit Court			141,506

General Sessions Court

Judge(s)	\$	81,848	
Probation Officer(s)		13,774	
In-Service Training		863	
Data Processing Supplies		2,860	
Office Supplies		500	
Total General Sessions Court			99,845

Chancery Court

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		20,157	
Clerical Personnel		18,540	
Office Supplies		4,482	
Total Chancery Court			95,430

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	57,477	
Deputy(ies)		340,939	
Detective(s)		35,030	
Salary Supplements		5,400	
Guards		25,783	
In-Service Training		415	
Maintenance and Repair Services - Vehicles		25,422	
Printing, Stationery, and Forms		832	
Travel		662	
Law Enforcement Supplies		3,161	
Office Supplies		518	
Tires and Tubes		6,880	
Uniforms		6,203	
Data Processing Equipment		531	
Motor Vehicles		4,600	
Total Sheriff's Department			\$ 513,853

Drug Enforcement

Detective(s)	\$	12,980	
Total Drug Enforcement			12,980

Jail

Assistant(s)	\$	26,055	
Guards		163,696	
Other Salaries and Wages		21,381	
In-Service Training		1,333	
Communication		8,847	
Maintenance Agreements		10,412	
Maintenance and Repair Services - Buildings		17,326	
Medical and Dental Services		82,069	
Travel		5,300	
Custodial Supplies		11,319	
Food Preparation Supplies		1,341	
Food Supplies		75,478	
Office Supplies		1,815	
Uniforms		1,460	
Utilities		53,088	
Other Supplies and Materials		1,075	
Criminal Investigation of Applicants - TBI		465	
Data Processing Equipment		2,299	
Total Jail			484,759

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services

Youth Service Officer(s)	\$	20,158	
In-Service Training		1,000	
Other Contracted Services		450	
Office Supplies		274	
Other Supplies and Materials		100	
Office Equipment		531	
Total Juvenile Services			\$ 22,513

Fire Prevention and Control

Other Per Diem and Fees	\$	997	
Contributions		500	
Maintenance and Repair Services - Buildings		520	
Maintenance and Repair Services - Equipment		6,689	
Maintenance and Repair Services - Vehicles		29,598	
Uniforms		10,096	
Utilities		13,606	
Motor Vehicles		10,000	
Total Fire Prevention and Control			72,006

Civil Defense

Supervisor/Director	\$	37,330	
Maintenance and Repair Services - Buildings		136	
Maintenance and Repair Services - Equipment		44,136	
Maintenance and Repair Services - Vehicles		842	
Travel		85	
Natural Gas		697	
Utilities		13,163	
Other Supplies and Materials		67,517	
Total Civil Defense			163,906

Rescue Squad

Other Per Diem and Fees	\$	1,000	
Communication		1,018	
Contributions		500	
Maintenance and Repair Services - Equipment		255	
Maintenance and Repair Services - Vehicles		1,955	
Total Rescue Squad			4,728

County Coroner/Medical Examiner

Other Contracted Services	\$	17,621	
Total County Coroner/Medical Examiner			17,621

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

Supervisor/Director	\$	23,855	
Dispatchers/Radio Operators		152,507	
Communication		1,463	
Maintenance and Repair Services - Buildings		1,557	
Travel		1,106	
Office Supplies		3,369	
Uniforms		486	
Total Other Public Safety			\$ 184,343

Public Health and Welfare

Local Health Center

Clerical Personnel	\$	25,128	
Custodial Personnel		5,741	
In-Service Training		200	
Communication		59	
Maintenance and Repair Services - Buildings		3,813	
Transportation - Other than Students		3,070	
Travel		1,997	
Office Supplies		1,923	
Utilities		10,925	
Other Supplies and Materials		194	
Total Local Health Center			53,050

Ambulance/Emergency Medical Services

Supervisor/Director	\$	4,659	
Paraprofessionals		220,325	
Salary Supplements		2,040	
Clerical Personnel		24,110	
Communication		1,293	
Licenses		1,000	
Maintenance and Repair Services - Equipment		613	
Maintenance and Repair Services - Vehicles		9,478	
Printing, Stationery, and Forms		861	
Tuition		2,202	
Custodial Supplies		970	
Drugs and Medical Supplies		9,915	
Office Supplies		736	
Uniforms		947	
Other Supplies and Materials		1,638	
Total Ambulance/Emergency Medical Services			280,787

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Crippled Children Services

Contributions	\$ 500	
Total Crippled Children Services		\$ 500

Other Local Health Services

Temporary Personnel	\$ 1,000	
Other Salaries and Wages	24,697	
Employee and Dependent Insurance	7,298	
Legal Notices, Recording, and Court Costs	2,000	
Travel	1,737	
Other Contracted Services	5,175	
Office Supplies	4,390	
Total Other Local Health Services		46,297

Appropriation to State

Contracts with Government Agencies	\$ 28,000	
Total Appropriation to State		28,000

Sanitation Management

Part-time Personnel	\$ 14,399	
Total Sanitation Management		14,399

Sanitation Education/Information

Guards	\$ 23,990	
Instructional Supplies and Materials	8,164	
Road Signs	500	
Other Supplies and Materials	1,500	
Total Sanitation Education/Information		34,154

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$ 13,104	
Communication	1,785	
Travel	1,290	
Custodial Supplies	982	
Other Supplies and Materials	1,951	
Total Senior Citizens Assistance		19,112

Libraries

Assistant(s)	\$ 7,811	
Librarians	17,351	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Contributions	\$	10,000	
Total Libraries			\$ 35,162

Parks and Fair Boards

Other Contracted Services	\$	29,429	
Site Development		14,450	
Total Parks and Fair Boards			43,879

Other Social, Cultural, and Recreational

Communication	\$	714	
Other Contracted Services		200	
Electricity		1,765	
Water and Sewer		4,663	
Total Other Social, Cultural, and Recreational			7,342

Agriculture and Natural Resources

Agriculture Extension Service

Assistant(s)	\$	8,400	
Supervisor/Director		9,417	
Secretary(ies)		4,800	
Other Salaries and Wages		13,320	
Social Security		460	
State Retirement		430	
Other Fringe Benefits		441	
Communication		2,366	
Maintenance and Repair Services - Buildings		273	
Travel		2,000	
Office Supplies		1,077	
Other Supplies and Materials		708	
Total Agriculture Extension Service			43,692

Soil Conservation

Contributions	\$	3,900	
Dues and Memberships		200	
Total Soil Conservation			4,100

Other Operations

Tourism

Advertising	\$	729	
Dues and Memberships		42	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Tourism (Cont.)

Printing, Stationery, and Forms	\$	495	
Liability Insurance		445	
Total Tourism			\$ 1,711

Other Economic and Community Development

Other Contracted Services	\$	236,206	
Total Other Economic and Community Development			236,206

Veterans' Services

Other Salaries and Wages	\$	12,731	
Communication		679	
Maintenance and Repair Services - Vehicles		501	
Travel		231	
Office Supplies		306	
Total Veterans' Services			14,448

Other Charges

Liability Insurance	\$	42,930	
Workers' Compensation Insurance		23,905	
Total Other Charges			66,835

Contributions to Other Agencies

Contributions	\$	32,215	
Total Contributions to Other Agencies			32,215

Employee Benefits

Social Security	\$	179,178	
Handling Charges and Administrative Costs		472	
State Retirement		905	
Employee and Dependent Insurance		201,897	
Unemployment Compensation		3,764	
Other Fringe Benefits		1,118	
Total Employee Benefits			387,334

Capital Outlay

Regular Capital Outlay

Asphalt - Hot Mix	\$	140,305	
Motor Vehicles		66,764	
Total Regular Capital Outlay			207,069

Total General Fund \$ 4,537,460

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Communication	\$	2,029	
Maintenance and Repair Services - Buildings		145	
Other Contracted Services		222,037	
Electricity		2,142	
Water and Sewer		231	
Total Sanitation Management			\$ 226,584

Total Solid Waste/Sanitation Fund \$ 226,584

Special Purpose Fund

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$	35,549	
Accountants/Bookkeepers		19,425	
Bus Drivers		7,810	
Social Security		4,404	
Employee and Dependent Insurance		972	
Medical Insurance		3,600	
Unemployment Compensation		463	
Communication		3,642	
Dues and Memberships		285	
Maintenance and Repair Services - Vehicles		151	
Postal Charges		44	
Transportation - Other than Students		257	
Travel		4,861	
Gasoline		111	
Office Supplies		1,243	
Other Charges		6,063	
Total Adult Activities			\$ 88,880

Total Special Purpose Fund 88,880

Drug Control Fund

Public Safety

Drug Enforcement

Maintenance and Repair Services - Vehicles	\$	860	
Other Supplies and Materials		13,132	
Trustee's Commission		154	
Other Charges		6,154	
Total Drug Enforcement			\$ 20,300

Total Drug Control Fund 20,300

(Continued)

Exhibit J-7

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

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	3,200	
Total Chancery Court			\$ 3,200

Total Constitutional Officers - Fees Fund \$ 3,200

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	57,477	
Assistant(s)		39,433	
Secretary(ies)		22,472	
Dues and Memberships		2,122	
Legal Notices, Recording, and Court Costs		1,124	
Travel		1,538	
Other Contracted Services		4,568	
Drugs and Medical Supplies		34	
Office Supplies		1,189	
Data Processing Equipment		1,870	
Total Administration			\$ 131,827

Highway and Bridge Maintenance

Equipment Operators	\$	177,643	
Truck Drivers		56,746	
Laborers		53,958	
Rentals		946	
Asphalt - Hot Mix		121,623	
Asphalt - Liquid		100,147	
Crushed Stone		53,373	
Other Road Supplies		165	
Pipe		2,749	
Road Signs		4,492	
Structural Steel		291	
Other Supplies and Materials		738	
Total Highway and Bridge Maintenance			572,871

Operation and Maintenance of Equipment

Mechanic(s)	\$	25,971	
Licenses		90	
Maintenance and Repair Services - Buildings		500	
Rentals		3,000	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Diesel Fuel	\$	57,164	
Equipment and Machinery Parts		37,451	
Garage Supplies		10,301	
Gasoline		42,486	
Lubricants		4,178	
Tires and Tubes		15,439	
Total Operation and Maintenance of Equipment			\$ 196,580

Other Charges

Communication	\$	3,709	
Other Contracted Services		12,227	
Electricity		3,564	
Water and Sewer		480	
Liability Insurance		29,000	
Trustee's Commission		12,489	
Workers' Compensation Insurance		17,311	
Total Other Charges			78,780

Employee Benefits

Social Security	\$	32,541	
Employee and Dependent Insurance		110,399	
Unemployment Compensation		3,626	
Total Employee Benefits			146,566

Capital Outlay

Bridge Construction	\$	19,042	
Highway Construction		99,080	
Highway Equipment		110,853	
Total Capital Outlay			228,975

Principal on Debt

Highways and Streets

Principal on Notes	\$	111,150	
Principal on Capital Leases		35,024	
Total Highways and Streets			146,174

Interest on Debt

Highways and Streets

Interest on Notes	\$	11,735	
Interest on Capital Leases		8,207	
Total Highways and Streets			19,942

Total Highway/Public Works Fund \$ 1,521,715

(Continued)

Exhibit J-7

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 575,694	
Principal on Notes	31,919	
Total General Government	<u>607,613</u>	\$ 607,613

Interest on Debt

General Government

Interest on Bonds	\$ 137,801	
Interest on Notes	22,119	
Total General Government	<u>159,920</u>	159,920

Other Debt Service

General Government

Bank Charges	\$ 1,141	
Trustee's Commission	12,438	
Total General Government	<u>13,579</u>	13,579

Total General Debt Service Fund \$ 781,112

General Capital Projects Fund

Principal on Debt

General Government

Principal on Notes	\$ 901,431	
Total General Government	<u>901,431</u>	\$ 901,431

Interest on Debt

General Government

Interest on Notes	\$ 14,673	
Total General Government	<u>14,673</u>	14,673

Capital Projects

Social, Cultural, and Recreation Projects

Architects	\$ 141,208	
Other Contracted Services	3,612	
Other Construction	534,519	
Total Social, Cultural, and Recreation Projects	<u>679,339</u>	679,339

Total General Capital Projects Fund 1,595,443

(Continued)

Exhibit J-7

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

Other Capital Projects Fund

Capital Projects

General Administration Projects

Other Contracted Services	\$	749	
Other Supplies and Materials		<u>456</u>	
Total General Administration Projects	\$		1,205

Public Health and Welfare Projects

Other Supplies and Materials	\$	<u>4,065</u>	
Total Public Health and Welfare Projects			4,065

Other General Government Projects

Other Contracted Services	\$	<u>175</u>	
Total Other General Government Projects			<u>175</u>

Total Other Capital Projects Fund \$ 5,445

Total Governmental Funds - Primary Government \$ 8,780,139

Exhibit J-8

Meigs County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Meigs County School Department
For the Year Ended June 30, 2009

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 4,223,529	
Career Ladder Program	38,000	
Career Ladder Extended Contracts	27,976	
Clerical Personnel	31,725	
Educational Assistants	125,207	
Other Salaries and Wages	34,835	
Certified Substitute Teachers	8,648	
Non-certified Substitute Teachers	44,620	
Social Security	264,207	
State Retirement	270,888	
Life Insurance	8,499	
Medical Insurance	678,697	
Unemployment Compensation	250	
Employer Medicare	62,474	
Other Fringe Benefits	30,785	
Tuition	6,350	
Other Contracted Services	8,420	
Instructional Supplies and Materials	146,934	
Textbooks	128,385	
Other Supplies and Materials	4,447	
Fee Waivers	6,500	
Regular Instruction Equipment	139,702	
Total Regular Instruction Program		\$ 6,291,078

Alternative Instruction Program

Teachers	\$ 49,305	
Career Ladder Program	1,000	
Social Security	2,816	
State Retirement	3,198	
Employer Medicare	659	
Total Alternative Instruction Program		56,978

Special Education Program

Teachers	\$ 581,889
Career Ladder Program	8,000
Homebound Teachers	1,872
Educational Assistants	69,472
Certified Substitute Teachers	800
Non-certified Substitute Teachers	2,946

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Social Security	\$	39,657	
State Retirement		37,649	
Employer Medicare		9,280	
Instructional Supplies and Materials		7,150	
Total Special Education Program			\$ 758,715

Vocational Education Program

Teachers	\$	212,076	
Non-certified Substitute Teachers		1,518	
Social Security		12,289	
State Retirement		13,615	
Employer Medicare		2,874	
Instructional Supplies and Materials		1,750	
Total Vocational Education Program			244,122

Student Body Education Program

Other Salaries and Wages	\$	40,176	
Social Security		2,400	
Medical Insurance		690	
Employer Medicare		561	
Other Supplies and Materials		15,683	
Other Charges		1,888	
Total Student Body Education Program			61,398

Adult Education Program

Teachers	\$	24,210	
Clerical Personnel		7,117	
Social Security		591	
Employer Medicare		454	
Instructional Supplies and Materials		12,645	
Other Charges		2,808	
Total Adult Education Program			47,825

Support Services

Attendance

Supervisor/Director	\$	21,355	
Career Ladder Program		2,000	
Clerical Personnel		4,820	
Other Salaries and Wages		15,424	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Social Security	\$	2,494	
State Retirement		1,499	
Employer Medicare		583	
Other Supplies and Materials		216	
Total Attendance			\$ 48,391

Health Services

Medical Personnel	\$	75,905	
Social Security		4,706	
State Retirement		2,350	
Employer Medicare		1,101	
Other Fringe Benefits		670	
Other Contracted Services		3,496	
Drugs and Medical Supplies		1,800	
Total Health Services			90,028

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		251,366	
School Resource Officer		25,405	
Social Security		14,876	
State Retirement		16,266	
Employer Medicare		3,479	
Evaluation and Testing		3,549	
Other Supplies and Materials		3,166	
Other Charges		26,217	
Total Other Student Support			346,324

Regular Instruction Program

Supervisor/Director	\$	106,140	
Career Ladder Program		5,000	
Career Ladder Extended Contracts		714	
Librarians		86,248	
In-Service Training		1,823	
Social Security		11,826	
State Retirement		12,718	
Employer Medicare		2,766	
Travel		13,122	
In Service/Staff Development		3,314	
Total Regular Instruction Program			243,671

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program

Other Contracted Services	\$	18,261	
Other Supplies and Materials		2,748	
Other Charges		630	
Total Alternative Instruction Program			\$ 21,639

Special Education Program

Supervisor/Director	\$	29,065	
Career Ladder Program		2,000	
Career Ladder Extended Contracts		714	
Assessment Personnel		39,306	
Social Security		4,170	
State Retirement		4,564	
Employer Medicare		975	
Travel		1,832	
Total Special Education Program			82,626

Vocational Education Program

Clerical Personnel	\$	5,520	
Other Salaries and Wages		10,146	
Social Security		931	
Employer Medicare		218	
Other Charges		31,000	
Total Vocational Education Program			47,815

Adult Programs

Supervisor/Director	\$	70,030	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		3,000	
Other Salaries and Wages		800	
Social Security		4,633	
State Retirement		4,881	
Employer Medicare		1,084	
Travel		600	
Total Adult Programs			88,028

Other Programs

On-Behalf Payments to OPEB	\$	49,318	
Total Other Programs			49,318

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Board and Committee Members Fees	\$	8,120	
Social Security		503	
Life Insurance		510	
Employer Medicare		118	
Audit Services		12,375	
Dues and Memberships		6,251	
Legal Services		2,384	
Travel		6,805	
Other Contracted Services		4,551	
Liability Insurance		16,000	
Trustee's Commission		47,471	
Workers' Compensation Insurance		51,273	
Criminal Investigation of Applicants - TBI		1,104	
Refund to Applicant for Criminal Investigation		240	
Other Charges		2,835	
Total Board of Education			\$ 160,540

Director of Schools

County Official/Administrative Officer	\$	92,050	
Career Ladder Program		1,000	
Secretary(ies)		29,604	
Social Security		7,520	
State Retirement		5,974	
Employer Medicare		1,759	
Communication		4,309	
Postal Charges		1,523	
Office Supplies		2,736	
Total Director of Schools			146,475

Office of the Principal

Principals	\$	270,925	
Career Ladder Program		7,000	
Career Ladder Extended Contracts		729	
Secretary(ies)		91,328	
Social Security		22,202	
State Retirement		17,890	
Employer Medicare		5,192	
Communication		4,000	
Travel		5,369	
Total Office of the Principal			424,635

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Accountants/Bookkeepers	\$	31,560	
Secretary(ies)		11,480	
Social Security		2,360	
Employer Medicare		552	
Total Fiscal Services			\$ 45,952

Operation of Plant

Supervisor/Director	\$	30,755	
Custodial Personnel		243,226	
Other Salaries and Wages		8,373	
Social Security		16,774	
Employer Medicare		3,923	
Disposal Fees		4,673	
Other Contracted Services		2,650	
Electricity		359,229	
Natural Gas		15,726	
Water and Sewer		19,188	
Other Supplies and Materials		51,905	
Building and Contents Insurance		18,425	
Total Operation of Plant			774,847

Maintenance of Plant

Maintenance Personnel	\$	55,010	
Other Salaries and Wages		405	
Social Security		3,183	
Employer Medicare		744	
Communication		8,074	
Maintenance and Repair Services - Buildings		43,019	
Other Contracted Services		19,626	
Other Charges		2,000	
Total Maintenance of Plant			132,061

Transportation

Supervisor/Director	\$	30,755
Mechanic(s)		27,505
Bus Drivers		319,842
Other Salaries and Wages		12,448
Social Security		24,003
Employer Medicare		5,614

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Communication	\$	681	
Maintenance and Repair Services - Vehicles		99,880	
Medical and Dental Services		2,957	
Travel		842	
Gasoline		111,023	
Tires and Tubes		11,558	
Vehicle and Equipment Insurance		10,000	
In Service/Staff Development		469	
Transportation Equipment		75,795	
Total Transportation			\$ 733,372

Central and Other

Supervisor/Director	\$	51,970	
Other Salaries and Wages		5,536	
Social Security		3,239	
State Retirement		3,336	
Medical Insurance		9,687	
Employer Medicare		774	
Maintenance and Repair Services - Equipment		4,680	
Travel		5,404	
Other Contracted Services		6,030	
Office Supplies		717	
Other Supplies and Materials		21,727	
In Service/Staff Development		933	
Other Charges		3,629	
Administration Equipment		122	
Total Central and Other			117,784

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	51,110
Other Salaries and Wages		1,396
Social Security		3,008
State Retirement		3,281
Medical Insurance		9,169
Employer Medicare		703
Travel		4,426
Other Contracted Services		112
Other Supplies and Materials		25,249

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Other Charges	\$ 1,870	
Total Community Services		\$ 100,324

Early Childhood Education

Supervisor/Director	\$ 29,999	
Teachers	162,735	
Educational Assistants	89,148	
Other Salaries and Wages	35	
Non-certified Substitute Teachers	4,209	
Social Security	16,959	
State Retirement	12,374	
Medical Insurance	25,385	
Employer Medicare	3,966	
Maintenance and Repair Services - Equipment	2,000	
Travel	1,564	
Other Contracted Services	1,605	
Instructional Supplies and Materials	8,849	
Other Supplies and Materials	15,990	
In Service/Staff Development	4,439	
Other Charges	3,913	
Other Equipment	26,185	
Total Early Childhood Education		409,355

Capital Outlay

Regular Capital Outlay

Architects	\$ 44,515	
Building Improvements	258,649	
Other Capital Outlay	363,538	
Total Regular Capital Outlay		666,702

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 225,000	
Total Education		225,000

Total General Purpose School Fund		\$ 12,415,003
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(Continued)

Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	312,368	
Educational Assistants		91,439	
Other Salaries and Wages		3,416	
Non-certified Substitute Teachers		529	
Social Security		23,942	
State Retirement		20,159	
Medical Insurance		55,622	
Employer Medicare		5,596	
Tuition		2,232	
Instructional Supplies and Materials		9,000	
Other Supplies and Materials		19,165	
Other Charges		13,981	
Regular Instruction Equipment		22,153	
Total Regular Instruction Program			\$ 579,602

Special Education Program

Homebound Teachers	\$	2,718	
Educational Assistants		188,775	
Speech Pathologist		41,030	
Social Security		13,503	
State Retirement		2,732	
Medical Insurance		8,298	
Employer Medicare		3,173	
Contracts with Private Agencies		4,883	
Maintenance and Repair Services - Equipment		2,390	
Other Contracted Services		38,998	
Instructional Supplies and Materials		17,798	
Textbooks		4,043	
Other Supplies and Materials		21,158	
Total Special Education Program			349,499

Vocational Education Program

Instructional Supplies and Materials	\$	2,345	
Vocational Instruction Equipment		23,277	
Total Vocational Education Program			25,622

Support Services

Health Services

Medical Personnel	\$	19,640	
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(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Social Security	\$	1,218	
Employer Medicare		285	
Travel		259	
Drugs and Medical Supplies		597	
Total Health Services			\$ 21,999

Other Student Support

Other Salaries and Wages	\$	10,595	
Travel		6,596	
In Service/Staff Development		24,647	
Other Charges		24,002	
Total Other Student Support			65,840

Regular Instruction Program

Supervisor/Director	\$	42,145	
Secretary(ies)		12,421	
Social Security		3,211	
State Retirement		2,601	
Medical Insurance		920	
Employer Medicare		755	
Travel		2,929	
Other Supplies and Materials		7,656	
In Service/Staff Development		5,959	
Total Regular Instruction Program			78,597

Special Education Program

Supervisor/Director	\$	21,355	
Secretary(ies)		21,306	
Social Security		2,734	
State Retirement		1,371	
Medical Insurance		1,166	
Employer Medicare		639	
Maintenance and Repair Services - Equipment		692	
Travel		3,902	
Other Contracted Services		27,946	
Other Supplies and Materials		5,411	
In Service/Staff Development		2,777	
Total Special Education Program			89,299

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

In Service/Staff Development	\$ 1,757	
Total Vocational Education Program		\$ 1,757

Transportation

Bus Drivers	\$ 12,762	
Social Security	791	
Employer Medicare	185	
Total Transportation		<u>13,738</u>

Total School Federal Projects Fund		\$ 1,225,953
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Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 20,800	
Clerical Personnel	21,880	
Cafeteria Personnel	303,475	
Other Salaries and Wages	10,013	
Social Security	21,536	
Life Insurance	972	
Medical Insurance	13,800	
Unemployment Compensation	1,487	
Employer Medicare	5,037	
Other Fringe Benefits	8,000	
Maintenance and Repair Services - Equipment	5,567	
Transportation - Other than Students	4,087	
Travel	1,278	
Other Contracted Services	6,376	
Food Supplies	332,152	
Utilities	37,950	
Other Supplies and Materials	24,538	
In Service/Staff Development	1,551	
Other Charges	2,362	
Food Service Equipment	1,432	
Total Food Service		<u>\$ 824,293</u>

Total Central Cafeteria Fund		824,293
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Education Capital Projects Fund

Instruction

Other

Trustee's Commission	\$ 357	
Total Other		<u>\$ 357</u>

Total Education Capital Projects Fund		<u>357</u>
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Total Governmental Funds - Meigs County School Department		<u>\$ 14,465,606</u>
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Exhibit J-9

Meigs County, Tennessee
Schedule of Detailed Receipts, Disbursements
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2009

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 206,743
Total Cash Receipts	<u>\$ 206,743</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 204,676
Trustee's Commission	<u>2,067</u>
Total Cash Disbursements	<u>\$ 206,743</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2008	<u>0</u>
 Cash Balance, June 30, 2009	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION

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

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

February 2, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Meigs County's basic financial statements and have issued our report thereon dated February 2, 2010. Our report was modified to include 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 Meigs County Emergency Communications District as described in our report on Meigs County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Meigs 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 Meigs County's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 09.01, 09.02, 09.03, 09.04, 09.05, 09.06, and 09.07.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Meigs County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

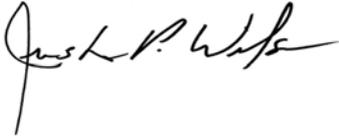
Compliance and Other Matters

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

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

This report is intended solely for the information and use of management, the county mayor, highway superintendent, director of schools, Board of County Commissioners, Board of Education, others within Meigs 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 prominent vertical line extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

February 2, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Meigs County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Meigs 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 Meigs County's management. Our responsibility is to express an opinion on Meigs 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 Meigs 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 Meigs County's compliance with those requirements.

In our opinion, Meigs County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Meigs 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 Meigs County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Meigs County's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

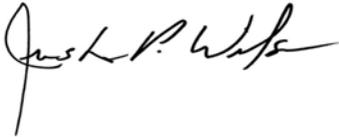
Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County as of and for the year ended June 30, 2009, and have issued our report thereon dated February 2, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Meigs County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is

not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the county mayor, highway superintendent, director of schools, Board of County Commissioners, Board of Education, others within Meigs 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.

Yours very truly,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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Meigs County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2009

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 64,530 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	159,336
National School Lunch Program	10.555	N/A	444,142 (3)
Total U.S. Department of Agriculture			<u>\$ 668,008</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant Program	14.219	GG-0825606-00	<u>\$ 222,824</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 222,824</u>
U.S. Department of Transportation Federal Highway Administration:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	TN139	\$ 364,909
Recreational Trails Program	20.219	GG-09-27679-00	<u>277,778</u>
Total U.S. Department of Transportation Federal Highway Administration			<u>\$ 642,687</u>
Appalachian Regional Commission:			
Passed-through Tennessee Valley Authority:			
Appalachian Regional Development	23.001	1001593	<u>\$ 63,759</u>
Total Appalachian Regional Commission			<u>\$ 63,759</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Adult Education - State Grant Program	84.002	(4)	\$ 76,313
Title I Grants to Local Educational Agencies	84.010	N/A	527,148
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	482,275
Special Education - Preschool Grants	84.173	N/A	15,761
Career and Technical Education - Basic Grants to States	84.048	N/A	38,071
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	8,571
State Grants for Innovative Programs	84.298	N/A	383
Education Technology State Grants	84.318	(2)	5,016
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	GG-08-21822-00	120,000
Rural Education	84.358	N/A	47,134
Improving Teacher Quality State Grants	84.367	N/A	<u>125,094</u>
Total U.S. Department of Education			<u>\$ 1,445,766</u>
U.S. Corporation for National and Community Service:			
Direct Program:			
Retired and Senior Volunteer Program	94.002	N/A	<u>\$ 84,707</u>
Total U.S. Corporation for National and Community Service			<u>\$ 84,707</u>

(Continued)

Meigs 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 Tennessee Valley Authority:			
Disaster Grants - Public Assistance	97.036	GG-06-12182-00	\$ 58,294
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(5)	83,835
Total U.S. Department of Homeland Security			<u>\$ 142,129</u>
Total Expenditures of Federal Awards			<u>\$ 3,269,880</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
Juvenile Services Program - State Children's Services Commission	N/A	(2)	\$ 9,000
Aging Grant - State Commission on Aging	N/A	(2)	20,002
Litter Program - State Department of Transportation	N/A	Z-08-021026-00	32,655
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	5,489
Health Department Diabetes Grant - State Department of Health	N/A	(6)	70,830
Health Promotions Grant - State Department of Health	N/A	(2)	30,133
Dental Transport Health Access - State Department of Health	N/A	(2)	5,670
Boat Dock and Pavilion - State Wildlife Resource Agency	N/A	GG-08-23838-00	29,429
Fire Services - State Forestry Services	N/A	(2)	3,000
Certified Voting Equipment - Tennessee Secretary of State	N/A	(2)	1,100
Adult Education - State Department of Education	N/A	(7)	25,438
Early Childhood Education - Voluntary Lottery - Lottery Commission	N/A	(2)	200,655
Early Childhood Education - Pilot/State - Lottery Commission	N/A	(2)	200,582
Driver's Education - State Department of Education	N/A	(2)	7,158
Coordinated School Health Improvement Grant - State Department of Education	N/A	GZ8/AAX9	94,364
Safe Schools Act of 2003 - State Department of Education	N/A	(2)	12,300
Smoking Prevention - Higher Education Commission	N/A	GG-09-247707-00	65,000
National Archery School Program - Wildlife Resource Agency	N/A	(2)	<u>1,000</u>
Total State Grants			<u>\$ 813,805</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) Number not available.
- (3) Total for CFDA No. 10.555 is \$508,672.
- (4) Z-09-216886-00: \$2,675; Z-09-213489-00: \$73,638.
- (5) GG-07-21340-00: \$20,204; GG-08-24122-00: \$63,631.
- (6) Z-08-22984-00: \$11,217; Z-09-26259-00: \$59,613.
- (7) Z-09-216886-00: \$892; Z-09-213489-00: \$24,546.

Meigs County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2009

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Meigs County, Tennessee, for the year ended June 30, 2008, which have not been corrected.

OFFICE OF DIRECTOR OF FINANCE

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.04(A,B,C,D)	203	The office had deficiencies in purchasing procedures
08.07	205	The office had deficiencies in the administration of payroll records
08.08	206	The office had deficiencies in computer backup procedures
08.09	206	The office did not implement adequate controls to protect its information resources

AMBULANCE SERVICE DEPARTMENT

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.10	207	The Ambulance Service software did not have adequate application controls

OFFICE OF CLERK AND MASTER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.15	209	The court software did not have adequate application controls

OTHER FINDING

Finding Number	Page Number	Subject
08.16	210	Duties were not segregated adequately in the Ambulance Service Department and in the Offices of Director of Finance, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff

MEIGS COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Meigs County is unqualified.
2. The audit of the financial statements of Meigs County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Meigs 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: the School Breakfast Program and the National School Lunch Program (CFDA Nos. 10.553 and 10.555), Highway Planning and Construction (CFDA No. 20.205), Title I Grants to Local Education Agencies (CFDA No. 84.010), and the Special Education Cluster: Special Education Grants to States and Special Education Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Meigs County did not 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; however, management did not provide responses for inclusion in this report.

OFFICE OF DIRECTOR OF FINANCE

FINDING 09.01 THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES (Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination of purchasing procedures revealed the following deficiencies. These deficiencies can be attributed to the failure of management to adequately monitor purchasing procedures and the failure to correct the findings reported in the prior-year audit report.

- A. In some instances, purchase orders were issued after purchases were made. This practice defeats the purpose of the purchase order and makes it an approval of payment rather than an approval of the purchase. Furthermore, purchase orders issued did not have an authorizing signature. Sound business practices dictate supervisory review evidenced by an authorized signature.
- B. In some instances, requisitions were issued without an authorizing signature, and several requisitions were issued after the date of the invoice. The failure to issue a requisition prior to the purchase and without an authorizing signature defeats the purpose for the requisition system.
- C. In some instances, invoices were paid without documentation that goods had been received or services rendered. The practice of paying invoices without documentation that goods were received and services rendered increases the risk of paying for goods or services that were never received.
- D. In some instances, travel claims filed by employees were not approved by their supervisor. The practice of paying travel claims without supervisory approval increases the risk of fraud and abuse.

RECOMMENDATION

The office should issue purchase orders for all applicable purchases before purchases are made, and approval should be evidenced by an authorizing signature. Purchase requisitions should have an authorizing signature and should be issued before purchases are made. The office should maintain documentation that goods have been received or services rendered before invoices are paid. Employees' travel claims should be signed by their supervisor as evidence of supervisory review and approval.

FINDING 09.02 THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF PAYROLL RECORDS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination of payroll procedures revealed the following deficiencies. These deficiencies exist because management failed to correct the findings reported in the prior-year audit report.

- A. Management did not require time and attendance records to be submitted to the Finance Department to support payroll disbursements on some salaried employees. The failure to submit time and attendance records could result in improper payroll payments.
- B. Each county office/department provides its own leave policy, maintains leave records for respective employees, or allows employees to keep up with their own leave. Therefore, records documenting accrued leave balances at June 30, 2009, were not properly maintained or centrally filed. Accounting standards require Meigs County to account for the dollar value of accrued leave since the county guarantees payment for accrued leave when employees separate from service with the government.

RECOMMENDATION

Time and attendance records should be maintained for all employees and should be centrally filed in the Finance Office to support payroll disbursements and leave balances. The Finance Department should maintain summary accrued leave information by account function for all county offices and departments. These records should reflect the dollar value of the leave at the beginning of the year, amount earned, amount used, and the value of the leave at year-end.

FINDING 09.03 THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination disclosed the following weaknesses in computer system backup procedures:

- A. System backups were not stored off-site on a regular basis. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.
- B. Daily backups were not performed on a routine basis. These backups would ensure the restoration of system data if problems occurred.

- C. Backups were not tested to ensure reliability. If backup integrity is not periodically tested, accurate backup data may not be available in the event of a disaster.

Sound business practices dictate that proper backup procedures be implemented. Inadequate backup procedures could result in the loss of data in the event of a hardware or software failure. Without current system backups, the cost of re-creating data could be substantial. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. Proper system backup procedures are now in place.

FINDING 09.04 THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), Tennessee Code Annotated. Sound business practices dictate that proper controls be implemented. Without these controls, unauthorized system activity could occur. The vulnerabilities noted were corrected after they were brought to the official's attention.

AMBULANCE SERVICE DEPARTMENT

FINDING 09.05 THE AMBULANCE SERVICE SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Users could delete or alter patient charges and payments without leaving an audit trail. Users also had the ability to delete a payment from the deposit listing. These deletions and alterations were recorded in an audit log; however, the log could be turned on and off by the user. Sound business practices dictates that proper application controls be implemented. When these application weaknesses were brought to the attention of management, the vendor was contacted, and the ability to turn off the audit log was removed.

OFFICE OF CLERK AND MASTER

FINDING 09.06 **THE COURT SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

Previously entered financial transactions could be deleted or changed in the office's computer system, and the application did not maintain a record of these deletions or changes. Sound business practices dictate that proper application controls be implemented. Because this software was designed using an off-the-shelf software package, management could not alter the software program to implement the appropriate controls. Therefore, inappropriate system activity could occur. This deficiency exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should implement an accounting system that provides an audit trail for all financial transactions.

OTHER FINDING AND RECOMMENDATION

FINDING 09.07 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE AMBULANCE SERVICE DEPARTMENT AND IN THE OFFICES OF DIRECTOR OF FINANCE, DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Ambulance Service Department and in the Offices of Director of Finance, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff. The officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

**MEIGS COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2009**

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