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# ANNUAL FINANCIAL REPORT MEIGS COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2010



**ANNUAL FINANCIAL REPORT**  
**MEIGS COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2010**

***DEPARTMENT OF AUDIT***  
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***Comptroller of the Treasury***

***DIVISION OF COUNTY AUDIT***  
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***JENI PALADENI***  
***State Auditors***

This financial report is available at [www.tn.gov/comptroller](http://www.tn.gov/comptroller)

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# ***Audit Highlights***

Annual Financial Report  
Meigs County, Tennessee  
For the Year Ended June 30, 2010

## ***Scope***

We have audited the financial statements of Meigs County as of and for the year ended June 30, 2010.

## ***Results***

Our report on the aggregate discretely presented component units is qualified because the financial statements do not include one component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information 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 and Best Practice***

The following are summaries of the audit findings and best practice:

### **OFFICE OF DIRECTOR OF FINANCE**

- ◆ The office had deficiencies in purchasing procedures.
- ◆ The office had deficiencies in the administration of payroll records.
- ◆ The office did not maintain adequate records for state and federal grants.
- ◆ The office had deficiencies in computer system backup procedures.

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### **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ The School Federal Projects Fund had a deficit in unreserved fund balance of \$106,314.

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### **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, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.
- 

## **BEST PRACTICE**

Meigs County does not have an Audit Committee. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted by the governing body to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

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# INTRODUCTORY SECTION

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# Meigs County Officials

## June 30, 2010

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### **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	Doug O'Daniel
Betty Davis	Billy Ogle
Lynn King	Danny Smith
John McHone, Jr.	Laura Smith
Brad McKenzie	Lisa Knight Thompson
Carter Nelson	Mark Vance

### **Financial Management Committee**

Ken Jones, County Mayor  
Tim Jennings, Highway Superintendent  
Carter Nelson  
Billy Ogle  
Laura Smith  
Lisa Knight Thompson  
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. MEIGS STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841**

**INDEPENDENT AUDITOR'S REPORT**

January 21, 2011

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, 2010, 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 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 provides a reasonable basis for our opinions.

The financial statements of the Meigs County Emergency Communications District, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Meigs County Emergency Communications District, which should be included to conform

with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Meigs County Emergency Communications District as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Meigs County, Tennessee, as of June 30, 2010, and the results of operations of the aggregate discretely presented component units, for the year ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Meigs County, Tennessee, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, 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 January 21, 2011, 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 adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

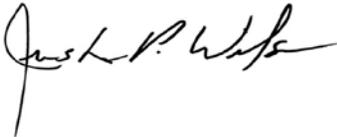
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 55 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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,



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, 2010

	Primary Government Governmental Activities	Component Unit Meigs County School Department
<u>ASSETS</u>		
Cash	\$ 27,757	\$ 0
Equity in Pooled Cash and Investments	2,679,900	2,574,837
Accounts Receivable	107,083	14,479
Allowance for Uncollectibles	(49,258)	0
Due from Other Governments	414,266	276,001
Property Taxes Receivable	2,828,468	1,460,886
Allowance for Uncollectible Property Taxes	(94,066)	(48,585)
Deferred Charges - Debt Issuance Costs	5,646	0
Capital Assets:		
Assets Not Depreciated:		
Land	325,905	354,462
Construction in Progress	661,640	218,860
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	5,825,397	4,978,356
Infrastructure	3,440,103	0
Other Capital Assets	650,983	726,767
Total Assets	<u>\$ 16,823,824</u>	<u>\$ 10,556,063</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 35,043	\$ 455
Accrued Payroll	0	1,307
Payroll Deductions Payable	4,435	0
Accrued Interest Payable	44,721	0
Contracts Payable	20,121	0
Other Current Liabilities	465	0
Deferred Revenue - Current Property Taxes	2,514,734	1,298,844
Noncurrent Liabilities:		
Due Within One Year	905,960	0
Due In More Than One Year	5,654,917	167,530
Total Liabilities	<u>\$ 9,180,396</u>	<u>\$ 1,468,136</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 6,367,030	\$ 0
Invested in Capital Assets	0	6,278,445
Restricted for:		
General Purposes	288,030	33,793
Solid Waste/Sanitation	25,861	0
Special Purpose	4,264	0
Drug Control	57,436	0
Highway/Public Works	352,674	0
Debt Service	198,319	0
School Federal Projects	0	27,825
Central Cafeteria	0	238,183
Capital Projects	0	169,317
Unrestricted	<u>349,814</u>	<u>2,340,364</u>
Total Net Assets	<u>\$ 7,643,428</u>	<u>\$ 9,087,927</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, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total		Meigs County School Department
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 798,958	\$ 62,013	\$ 18,711	\$ 0	\$ (718,234)	\$ 0	
Finance	568,622	239,053	4,430	0	(325,139)	0	
Administration of Justice	399,658	357,072	9,000	0	(33,586)	0	
Public Safety	1,664,350	228,143	89,455	44,287	(1,302,465)	0	
Public Health and Welfare	675,372	336,978	210,730	0	(127,664)	0	
Social, Cultural, and Recreational Services	502,384	1,240	86,361	442,946	28,163	0	
Agriculture and Natural Resources	53,582	0	0	0	(53,582)	0	
Other Operations	446,904	0	252,263	0	(194,641)	0	
Highways/Public Works	1,643,752	0	1,268,608	264,836	(110,308)	0	
Interest on Long-term Debt	307,542	0	225,000	0	(82,542)	0	
Other Debt Service	10,047	0	0	0	(10,047)	0	
<b>Total Governmental Activities</b>	<b>\$ 7,071,169</b>	<b>\$ 1,224,499</b>	<b>\$ 2,164,558</b>	<b>\$ 752,069</b>	<b>\$ (2,930,043)</b>	<b>\$ 0</b>	
<b>Total Primary Government</b>	<b>\$ 7,071,169</b>	<b>\$ 1,224,499</b>	<b>\$ 2,164,558</b>	<b>\$ 752,069</b>	<b>\$ (2,930,043)</b>	<b>\$ 0</b>	
<b>Component Unit:</b>							
Meigs County School Department	\$ 14,794,890	\$ 197,545	\$ 1,959,294	\$ 0	\$ 0	\$ (12,638,051)	
<b>Total Component Unit</b>	<b>\$ 14,794,890</b>	<b>\$ 197,545</b>	<b>\$ 1,959,294</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (12,638,051)</b>	

(Continued)

Exhibit B

Meigs County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
				Governmental Activities	Meigs County School Department
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 1,877,514	\$ 1,245,589
Property Taxes Levied for Debt Service				525,029	0
Local Option Sales Taxes				313,760	329,487
Hotel/Motel Tax				12,049	0
Litigation Tax - General				28,132	0
Litigation Tax - Special Purpose				38,114	0
Litigation Tax - Jail, Workhouse, or Courthouse				358	0
Business Tax				26,628	0
Wholesale Beer Tax				30,000	108,069
Other Local Taxes				15,371	913
Grants and Contributions Not Restricted to Specific Programs				875,564	11,471,343
Unrestricted Investment Income				0	41,156
Miscellaneous				69,031	87,537
<b>Total General Revenues</b>				<b>\$ 3,811,550</b>	<b>\$ 13,284,094</b>
Change in Net Assets				\$ 881,507	\$ 646,043
Prior-period Adjustment				0	438,198
Net Assets, July 1, 2009				6,761,921	8,003,686
Net Assets, June 30, 2010				<b>\$ 7,643,428</b>	<b>\$ 9,087,927</b>

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

Meigs County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2010

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works		General Debt Service		Other Governmental Funds		
		General	Capital Projects	General	Capital Projects			
\$	27,757	0	0	0	0	0	0	27,757
	1,208,786	123,042	1,233,910	5,622	108,540	0	0	2,679,900
	107,083	0	0	0	0	0	0	107,083
	(49,258)	0	0	0	0	0	0	(49,258)
	143,996	236,661	33,609	0	0	0	0	414,266
	0	0	1,940	2,259	0	0	0	4,199
	2,210,365	0	618,103	0	0	0	0	2,828,468
	(73,510)	0	(20,556)	0	0	0	0	(94,066)
\$	3,575,219	359,703	1,867,006	7,881	108,540	0	0	5,918,349

ASSETS

Cash	
Equity in Pooled Cash and Investments	
Accounts Receivable	
Allowance for Uncollectibles	
Due from Other Governments	
Due from Other Funds	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable	
Payroll Deductions Payable	
Contracts Payable	
Due to Other Funds	
Matured Interest on Bonds	
Deferred Revenue - Current Property Taxes	
Deferred Revenue - Delinquent Property Taxes	
Other Deferred Revenues	
Total Liabilities	

Fund Balances

Reserved for Encumbrances	
Reserved for Purchase of Electronic Fingerprint Imaging System	
Reserved for Alcohol and Drug Treatment	
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	

(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		
\$	9,167	0	0	0	0	0	9,167
Reserved for Drug Court	6,400	0	0	0	0	0	6,400
Reserved for Sexual Offender Registration	1,106	0	0	0	0	0	1,106
Reserved for Courtroom Security	34,960	0	0	0	0	0	34,960
Reserved for Courthouse and Jail Maintenance	14,125	0	0	0	0	0	14,125
Reserved for Computer System - Register	2,273	0	0	0	0	0	2,273
Reserved for Automation Purposes - Circuit Court	31,726	0	0	0	0	0	31,726
Reserved for Automation Purposes - General Sessions Court	2,304	0	0	0	0	0	2,304
Reserved for Automation Purposes - Chancery Court	10,224	0	0	0	0	0	10,224
Unreserved, Reported In:							
General Fund	863,774	0	0	0	0	0	863,774
Special Revenue Funds	0	27,164	0	0	0	55,811	82,975
Debt Service Funds	0	0	1,252,923	0	0	0	1,252,923
Capital Projects Funds (Deficit)	0	0	0	(111,195)	0	0	(111,195)
Total Fund Balances	\$ 1,339,304	\$ 241,428	\$ 1,252,923	\$ (12,240)	\$ 87,561	\$ 2,908,976	
Total Liabilities and Fund Balances	\$ 3,575,219	\$ 359,703	\$ 1,867,006	\$ 7,881	\$ 108,540	\$ 5,918,349	

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)  
 Reserved for Drug Court  
 Reserved for Sexual Offender Registration  
 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  
 Reserved for Automation Purposes - Sheriff  
 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, 2010

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)		\$ 2,908,976
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Add: land	\$ 325,905	
Add: construction in progress	661,640	
Add: buildings and improvements net of accumulated depreciation	5,825,397	
Add: infrastructure net of accumulated depreciation	3,440,103	
Add: other capital assets net of accumulated depreciation	<u>650,983</u>	10,904,028
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Add: deferred charges - debt issuance costs	\$ 5,646	
Less: notes payable	(449,396)	
Less: capital leases payable	(90,874)	
Less: bonds payable	(4,213,479)	
Less: other loans payable	(708,895)	
Less: compensated absences payable	(26,534)	
Less: interest accrued on notes, capital leases, and bonds	(44,721)	
Less: interest accreted on bonds	<u>(1,071,699)</u>	(6,599,952)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>430,376</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 7,643,428</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, 2010

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other		
					Governmental Funds	Governmental Funds	
<b>Revenues</b>							
Local Taxes	\$ 2,552,006	\$ 13,785	\$ 729,460	\$ 0	\$ 0	\$ 0	\$ 3,295,251
Licenses and Permits	11,850	0	0	0	0	0	11,850
Fines, Forfeitures, and Penalties	176,491	0	0	0	0	42,339	218,830
Charges for Current Services	295,913	0	0	0	0	0	295,913
Other Local Revenues	70,343	13,484	0	552	4,628	0	89,007
Fees Received from County Officials	410,915	0	0	0	0	0	410,915
State of Tennessee	787,975	1,532,413	45,715	0	0	0	2,366,103
Federal Government	464,226	0	0	302,909	81,302	0	848,437
Other Governments and Citizens Groups	122,810	0	225,000	0	0	0	347,810
<b>Total Revenues</b>	<b>\$ 4,892,529</b>	<b>\$ 1,559,682</b>	<b>\$ 1,000,175</b>	<b>\$ 303,461</b>	<b>\$ 128,269</b>	<b>\$ 0</b>	<b>\$ 7,884,116</b>
<b>Expenditures</b>							
Current:							
General Government	\$ 663,042	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 663,042
Finance	530,614	0	0	0	0	0	530,614
Administration of Justice	368,776	0	0	0	0	0	368,776
Public Safety	1,712,045	0	0	0	14,102	0	1,726,147
Public Health and Welfare	512,273	0	0	0	241,107	0	753,380
Social, Cultural, and Recreational Services	86,168	0	0	0	92,043	0	178,211
Agriculture and Natural Resources	54,319	0	0	0	0	0	54,319
Other Operations	718,942	0	0	0	0	0	718,942
Highways	0	1,633,497	0	0	0	0	1,633,497
Debt Service:							
Principal on Debt	0	78,472	639,210	280,253	0	0	997,935
Interest on Debt	0	14,282	145,364	0	0	0	159,646
Other Debt Service	0	0	15,693	0	0	0	15,693
Capital Projects	85,000	0	0	546,100	798	0	631,898
<b>Total Expenditures</b>	<b>\$ 4,731,179</b>	<b>\$ 1,726,251</b>	<b>\$ 800,267</b>	<b>\$ 826,353</b>	<b>\$ 348,050</b>	<b>\$ 0</b>	<b>\$ 8,432,100</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 161,350</b>	<b>\$ (166,569)</b>	<b>\$ 199,908</b>	<b>\$ (522,892)</b>	<b>\$ (219,781)</b>	<b>\$ 0</b>	<b>\$ (547,984)</b>

(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	\$ 0	\$ 0	\$ 30,638	\$ 0	\$ 0	\$ 30,638
Other Loans Issued	0	0	0	708,895	0	0	708,895
Transfers In	242,000	20,000	25,131	775	265,000		552,906
Transfers Out	(285,775)	0	0	(232,131)	(35,000)		(552,906)
Total Other Financing Sources (Uses)	\$ (43,775)	\$ 20,000	\$ 25,131	\$ 508,177	\$ 230,000	\$	\$ 739,533
Net Change in Fund Balances	\$ 117,575	\$ (146,569)	\$ 225,039	\$ (14,715)	\$ 10,219	\$	\$ 191,549
Fund Balance, July 1, 2009	1,221,729	387,997	1,027,884	2,475	77,342		2,717,427
Fund Balance, June 30, 2010	\$ 1,339,304	\$ 241,428	\$ 1,252,923	\$ (12,240)	\$ 87,561	\$	\$ 2,908,976

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, 2010

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)		\$ 191,549
(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	\$ 979,137	
Less: current year depreciation expense	<u>(444,514)</u>	534,623
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets		(28,470)
(3) 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, 2009	\$ (361,816)	
Add: deferred delinquent property taxes and other deferred June 30, 2010	<u>430,376</u>	68,560
(4) 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	\$ (30,638)	
Less: other loan proceeds	(708,895)	
Add: change in deferred debt issuance costs	5,646	
Add: principal payments on notes	406,906	
Add: principal payments on capital leases	36,029	
Add: principal payments on bonds	<u>555,000</u>	264,048
(5) 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	\$ 4,257	
Change in accreted interest payable	(152,153)	
Change in compensated absences payable	<u>(907)</u>	(148,803)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 881,507</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, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 424,273
Due from Other Governments	<u>32,409</u>
Total Assets	<u>\$ 456,682</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 32,409
Due to Litigants, Heirs, and Others	<u>424,273</u>
Total Liabilities	<u>\$ 456,682</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, 2010**

**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 financial statements of the Meigs County Emergency Communications District were not available from other auditors in time for inclusion in this report.

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. Although required by GAAP, the financial statements of the Meigs County Emergency Communications District were not available in time for inclusion, as previously mentioned. 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, 2010.

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 general capital expenditures of the county.

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 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.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.88 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.

On the government-wide Statement of Net Assets (Exhibit A), the account Restricted for General Purposes for the primary government consists of various restrictions totaling \$288,030, with the primary restrictions being for: (1) litigation tax - Jail, Workhouse, or Courthouse (\$115,275); (2) computer systems for various offices (\$60,652); (3) courthouse and jail maintenance (\$34,960); and (4) alcohol and drug treatment (\$60,470). For the discretely presented School Department, the account balance in Restricted for General Purposes totaling \$33,793 consists of restrictions for various programs, primarily career ladder programs (\$29,216).

As of June 30, 2010, Meigs County had \$920,000 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**

**Discretely Presented Meigs County School Department**

Noncurrent liabilities of the discretely presented Meigs County School Department were restated \$438,198 from the prior year because other postemployment benefits were overstated at July 1, 2009.

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 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 Deficits

##### Primary Government

The General Capital Projects Fund had a deficit in unreserved fund balance of \$111,195 at June 30, 2010. This fund deficit resulted from the recognition of contracts payable totaling \$20,121 and the unperformed portion of architects services and construction contracts for various capital projects totaling \$98,955 being reserved as encumbrances. The fund deficit will be liquidated subsequent to June 30, 2010 when additional loan proceeds are received.

##### Discretely Presented Meigs County School Department

The School Federal Projects Fund had a deficit in unreserved fund balance of \$106,314 at June 30, 2010. This deficit resulted from expenditures and encumbrances exceeding available grant funds. This deficit was liquidated subsequent to June 30, 2010, when additional federal grant revenues were requested and received.

#### 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 Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase. The county had no pooled and nonpooled investments as of June 30, 2010.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2010, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets				
Not Depreciated:				
Land	\$ 298,705	\$ 27,200	\$ 0	\$ 325,905
Construction in Progress	1,283,544	661,640	(1,283,544)	661,640
Total Capital Assets Not Depreciated	<u>\$ 1,582,249</u>	<u>\$ 688,840</u>	<u>\$ (1,283,544)</u>	<u>\$ 987,545</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,730,066	\$ 1,400,192	\$ 0	\$ 7,130,258
Infrastructure	4,636,101	141,149	(38,603)	4,738,647
Other Capital Assets	1,469,780	32,500	0	1,502,280
Total Capital Assets Depreciated	<u>\$ 11,835,947</u>	<u>\$ 1,573,841</u>	<u>\$ (38,603)</u>	<u>\$ 13,371,185</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,141,220	\$ 163,641	\$ 0	\$ 1,304,861
Infrastructure	1,191,976	116,701	(10,133)	1,298,544
Other Capital Assets	687,125	164,172	0	851,297
Total Accumulated Depreciation	<u>\$ 3,020,321</u>	<u>\$ 444,514</u>	<u>\$ (10,133)</u>	<u>\$ 3,454,702</u>
Total Capital Assets Depreciated, Net	<u>\$ 8,815,626</u>	<u>\$ 1,129,327</u>	<u>\$ (28,470)</u>	<u>\$ 9,916,483</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,397,875</u>	<u>\$ 1,818,167</u>	<u>\$ (1,312,014)</u>	<u>\$ 10,904,028</u>

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

**Governmental Activities:**

General Government	\$ 97,724
Public Safety	100,214
Public Health and Welfare	13,375
Social, Cultural, and Recreational Services	1,332
Agriculture and Natural Resources	25,925
Other Operations	1,880
Highways	<u>204,064</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 444,514</u></u>

**Discretely Presented Meigs County School Department**

**Governmental Activities:**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets				
Not Depreciated:				
Land	\$ 354,462	\$ 0	\$ 0	\$ 354,462
Construction in Progress	561,606	218,860	(561,606)	218,860
Total Capital Assets Not Depreciated	<u>\$ 916,068</u>	<u>\$ 218,860</u>	<u>\$ (561,606)</u>	<u>\$ 573,322</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 8,775,726	\$ 799,223	\$ 0	\$ 9,574,949
Other Capital Assets	1,895,824	169,255	(176,806)	1,888,273
Total Capital Assets Depreciated	<u>\$ 10,671,550</u>	<u>\$ 968,478</u>	<u>\$ (176,806)</u>	<u>\$ 11,463,222</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,395,098	\$ 201,495	\$ 0	\$ 4,596,593
Other Capital Assets	1,196,504	141,808	(176,806)	1,161,506
Total Accumulated Depreciation	<u>\$ 5,591,602</u>	<u>\$ 343,303</u>	<u>\$ (176,806)</u>	<u>\$ 5,758,099</u>
Total Capital Assets Depreciated, Net	<u>\$ 5,079,948</u>	<u>\$ 625,175</u>	<u>\$ 0</u>	<u>\$ 5,705,123</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 5,996,016</u></u>	<u><u>\$ 844,035</u></u>	<u><u>\$ (561,606)</u></u>	<u><u>\$ 6,278,445</u></u>

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

**Governmental Activities:**

Instruction	\$ 160,570
Support Services	169,621
Operation of Non-Instructional Services	<u>13,112</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 343,303</u></u>

**C. Construction Commitments**

At June 30, 2010, Meigs County had uncompleted construction contracts of approximately \$98,955 for construction of two community centers and renovations to the emergency operations center. Funding for these future expenditures is expected to be received from other loans.

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2010, 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
General Capital Projects	General Debt Service	2,259

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

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

<u>Transfers Out</u>	<u>Transfers In</u>				Nonmajor govern- mental fund
	General Fund	Highway/ Public Works Fund	General Debt Service	General Capital Projects	
General Fund	\$ 0	\$ 20,000	\$ 0	\$ 775	\$ 265,000
General Capital Projects	207,000	0	25,131	0	0
Nonmajor governmental fund	35,000	0	0	0	0
<b>Total</b>	<u><u>\$ 242,000</u></u>	<u><u>\$ 20,000</u></u>	<u><u>\$ 25,131</u></u>	<u><u>\$ 775</u></u>	<u><u>\$ 265,000</u></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, 2010, were as follows:

Year Ending June 30	Governmental Funds
2011	\$ 43,231
2012	43,231
2013	19,455
Total Minimum Lease Payments	<u>\$ 105,917</u>
Less: Amount Representing Interest	<u>(15,043)</u>
 Present Value of Minimum Lease Payments	 <u><u>\$ 90,874</u></u>

**F. Long-term Debt**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loans**

The county issues general obligation bonds and other loans 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, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and the other loan were issued for original terms of up to 24 years for bonds, up to 12 years for notes, and six years for the other loan. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and the other loan will be retired from the General Debt Service Fund, and all notes will be retired from the Highway/Public Works and General Debt Service funds.

General obligation bonds, capital outlay notes, the other loan, and capital leases outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Obligation Bonds	4 to 4.5 %	\$ 1,410,000	\$ 1,205,000
General Obligation Bonds - Refunding	3.9 to 4.3	3,360,000	920,000
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	1,071,699
Capital Outlay Notes	4.35 to 6.47	673,797	449,396
Other Loan	Variable	708,895	708,895
Capital Leases	5 to 5.17	180,406	90,874

During the year, Meigs County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$875,000 available for loan to Meigs County on an as-needed basis for various renovation and construction projects as well as equipment. As of June 30, 2010, Meigs County had borrowed \$708,895 of this loan. This loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2010, the variable interest rate was .43 percent, and other fees totaled approximately .25 percent (letter of credit), of the outstanding principal, and .08 percent (remarketing) of the original principal per month, plus \$85 per month (trustee)).

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, 2010, approximately \$1,071,699 of interest had accreted on the bonds.

The annual requirements to amortize all general obligation bonds, notes, and the other loan outstanding as of June 30, 2010, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2016-2020	1,021,209	1,228,794	2,250,003
2021-2025	775,889	1,474,109	2,249,998
2026	131,238	318,761	449,999
Total	\$ 4,213,479	\$ 3,394,525	\$ 7,608,004

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 138,340	\$ 23,992	\$ 162,332
2012	84,321	16,987	101,308
2013	40,554	13,484	54,038
2014	43,257	10,781	54,038
2015	46,140	7,898	54,038
2016-2017	96,784	6,380	103,164
Total	\$ 449,396	\$ 79,522	\$ 528,918

Year Ending June 30	Other Loan			Total
	Principal	Interest	Other Fees	
2011	\$ 129,000	\$ 3,002	\$ 3,465	\$ 135,467
2012	135,000	2,445	3,142	140,587
2013	142,000	1,862	2,803	146,665
2014	149,000	1,249	2,446	152,695
2015	153,895	607	1,929	156,431
Total	\$ 708,895	\$ 9,165	\$ 13,785	\$ 731,845

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 \$1,252,923 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$380, based on the 2000 federal census. Debt per capita, including bonds, notes, the other loan, and capital leases totaled \$493, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Bonds	Accreted Interest on (CAB) Bonds	Other Loan
Balance, July 1, 2009	\$ 4,768,479	\$ 919,546	\$ 0
Additions	0	152,153	708,895
Deductions	(555,000)	0	0
Balance, June 30, 2010	<u>\$ 4,213,479</u>	<u>\$ 1,071,699</u>	<u>\$ 708,895</u>
Balance Due Within One Year	<u>\$ 575,000</u>	<u>\$ 0</u>	<u>\$ 129,000</u>

	Capital Leases	Notes	Compensated Absences
Balance, July 1, 2009	\$ 126,903	\$ 825,664	\$ 25,627
Additions	0	30,638	34,741
Deductions	(36,029)	(406,906)	(33,834)
Balance, June 30, 2010	<u>\$ 90,874</u>	<u>\$ 449,396</u>	<u>\$ 26,534</u>
Balance Due Within One Year	<u>\$ 37,086</u>	<u>\$ 138,340</u>	<u>\$ 26,534</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 6,560,877
Less: Balance Due Within One Year	<u>(905,960)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 5,654,917</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, 2010, was as follows:

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2009	\$ 575,264
Prior-period Adjustment	(438,198)
Additions	116,326
Deductions	<u>(85,862)</u>
Balance, June 30, 2010	<u>\$ 167,530</u>
Balance Due Within One Year	<u>\$ 0</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, 2010, were \$45,526 and \$7,047, 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 their 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**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance; nonfinancial in nature; and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Meigs County and the School Department had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Meigs County and the School Department may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons,

derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Meigs County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e., effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Meigs County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Meigs County may enter into derivative transactions in subsequent years.

**C. Subsequent Events**

From July 1, 2010, to January 21, 2011, Meigs County received other loan proceeds of \$131,095 under a previously approved \$875,000 loan agreement with the Montgomery County Public Building Authority.

On August 31, 2010, Ken Jones left the Office of County Mayor and was succeeded by Garland Langford.

On November 22, 2010, the county's General Debt Service Fund issued a \$120,000 tax anticipation note to the Highway/Public Works Fund for temporary operating funds.

On December 12, 2010, Meigs County issued \$2,350,000 in general obligation refunding bonds.

**D. Contingent Liabilities**

The county attorney advised that he is unaware of any pending or outstanding litigation. 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, 2010, 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/PS](http://www.tn.gov/treasury/tcrs/PS).

### **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, 2010, 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, 2010, 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, 2009, which established contribution rates effective July 1, 2010.

### **Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$0	100%	\$0
6-30-09	0	100	0
6-30-08	0	100	0

## **Funded Status and Funding Progress**

As of July 1, 2009, the most recent actuarial valuation date, the plan was 337.88 percent funded. The actuarial accrued liability for benefits was \$.18 million, and the actuarial value of assets was \$.6 million, resulting in an unfunded actuarial accrued liability (UAAL) of (\$.43) 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 multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The TCRS uses the frozen entry age cost method to calculate the annual required contribution. Effective July 1, 2009, the TCRS reestablished the unfunded accrued liabilities for all groups.

## **School Teachers**

### **Plan Description**

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the 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/Schools](http://www.tn.gov/treasury/tcrs/Schools).

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Meigs County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2010, 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, 2010, 2009, and 2008, were \$449,609, \$438,012, and \$420,952, respectively, equal to the required contributions for each year.

### **G. Other Postemployment Benefits (OPEB)**

The Meigs County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the 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 (TCA), 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 plan is 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 employer develops its 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. School Department retirees' contributions vary depending on the insurance options they select, ranging from \$241 to \$359 per month for their insurance. During the year, expenditures totaling \$85,862 were recognized by the School Department for postemployment health care premiums.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 116,000
Interest on the NPO	6,168
Adjustment to the ARC	(5,842)
Annual OPEB cost	<hr/> \$ 116,326
Amount of contribution	(85,862)
Increase/decrease in NPO	<hr/> \$ 30,464
Net OPEB obligation, 7-1-09	575,264
Prior-period Adjustment	<hr/> (438,198)
Net OPEB obligation, 6-30-10	<hr/> <hr/> \$ 167,530

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
		<hr/>		
6-30-08	Local Education Group	\$ 121,033	45.15 %	\$ 66,383
6-30-09	"	121,113	41.64	137,066
6-30-10	"	116,326	73.81	167,530

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2009, was as follows:

	Local Education Group Plan
	<hr/>
Actuarial valuation date	7-1-09
Actuarial accrued liability (AAL)	\$ 1,207,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,207,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 5,405,306
UAAL as a % of covered payroll	22.33%

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

#### Actuarial Methods and Assumptions

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

In the July 1, 2009, actuarial valuation, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses). The annual healthcare cost trend rate for the Local Education Plan was four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The rate includes 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 – Primary Government**

The Meigs County primary government 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.

The discretely presented School Department maintains its own records.

### **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.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Meigs County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 2,552,006	\$ 0	\$ 2,552,006	\$ 2,515,123	\$ 2,515,123	\$ 36,883
Licenses and Permits	11,850	0	11,850	18,500	18,500	(6,650)
Fines, Forfeitures, and Penalties	176,491	0	176,491	152,200	152,200	24,291
Charges for Current Services	295,913	0	295,913	231,550	231,550	64,363
Other Local Revenues	70,343	0	70,343	7,300	37,457	32,886
Fees Received from County Officials	410,915	0	410,915	378,000	386,554	24,361
State of Tennessee	787,975	0	787,975	707,591	731,597	56,378
Federal Government	464,226	0	464,226	42,570	430,577	33,649
Other Governments and Citizens Groups	122,810	0	122,810	75,000	85,000	37,810
<b>Total Revenues</b>	<b>\$ 4,892,529</b>	<b>\$ 0</b>	<b>\$ 4,892,529</b>	<b>\$ 4,127,834</b>	<b>\$ 4,588,558</b>	<b>\$ 303,971</b>
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 38,579	\$ 0	\$ 38,579	\$ 38,556	\$ 38,970	\$ 391
Board of Equalization	240	0	240	400	400	160
County Mayor/Executive	94,295	0	94,295	94,921	94,921	626
County Attorney	17,645	0	17,645	17,646	17,646	1
Election Commission	96,984	0	96,984	105,861	113,361	16,377
Register of Deeds	92,515	0	92,515	93,036	97,286	4,771
Planning	26,438	0	26,438	26,930	26,930	492
Geographical Information Systems	18,238	0	18,238	22,306	22,306	4,068
County Buildings	278,108	0	278,108	279,122	298,912	20,804
<u>Finance</u>						
Accounting and Budgeting	114,187	0	114,187	112,149	117,228	3,041
Property Assessor's Office	89,995	0	89,995	93,555	93,555	3,560

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
Reappraisal Program	\$ 23,052	\$ 0	\$ 23,052	\$ 24,069	\$ 24,069	\$ 1,017
County Trustee's Office	108,518	0	108,518	110,404	112,444	3,926
County Clerk's Office	138,929	0	138,929	140,314	140,314	1,385
Other Finance	55,933	0	55,933	50,000	56,200	267
<u>Administration of Justice</u>						
Circuit Court	157,703	0	157,703	160,829	165,484	7,781
General Sessions Court	109,915	0	109,915	110,925	110,963	1,048
Chancery Court	101,158	0	101,158	102,697	102,697	1,539
<u>Public Safety</u>						
Sheriff's Department	577,634	0	577,634	578,587	599,711	22,077
Drug Enforcement	36,062	0	36,062	37,678	37,678	1,616
Jail	540,828	0	540,828	519,996	550,795	9,967
Juvenile Services	22,352	0	22,352	24,500	24,500	2,148
Fire Prevention and Control	176,317	187,500	363,817	70,690	382,479	18,662
Civil Defense	113,985	0	113,985	72,136	116,426	2,441
Rescue Squad	4,227	0	4,227	7,400	7,400	3,173
County Coroner/Medical Examiner	21,343	0	21,343	14,000	21,600	257
Other Public Safety	219,297	0	219,297	217,446	227,446	8,149
<u>Public Health and Welfare</u>						
Local Health Center	89,190	0	89,190	90,531	103,477	14,287
Ambulance/Emergency Medical Services	284,942	0	284,942	314,239	314,239	29,297
Crippled Children Services	500	0	500	500	500	0
Other Local Health Services	66,707	0	66,707	169,884	166,652	99,945
Appropriation to State	28,000	0	28,000	28,000	28,000	0

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Sanitation Management	\$ 15,135	\$ 0	\$ 15,135	\$ 14,500	\$ 15,609	\$ 474
Sanitation Education/Information	27,799	0	27,799	31,073	31,073	3,274
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	20,127	0	20,127	21,380	21,380	1,253
Libraries	52,256	0	52,256	37,257	52,257	1
Parks and Fair Boards	4,545	0	4,545	27,151	32,704	28,159
Other Social, Cultural, and Recreational	9,240	0	9,240	7,650	9,241	1
<u>Agriculture and Natural Resources</u>						
Agriculture Extension Service	46,150	0	46,150	53,587	53,587	7,437
Soil Conservation	8,169	0	8,169	4,100	8,169	0
<u>Other Operations</u>						
Tourism	13,097	0	13,097	29,239	29,384	16,287
Housing and Urban Development	140,037	0	140,037	0	140,037	0
Other Economic and Community Development	264,644	0	264,644	0	264,644	0
Veterans' Services	15,505	0	15,505	17,096	17,096	1,591
Other Charges	67,024	0	67,024	63,104	67,024	0
Contributions to Other Agencies	8,000	0	8,000	8,000	8,000	0
Employee Benefits	210,635	0	210,635	220,000	237,682	27,047
<u>Capital Projects</u>						
Other General Government Projects	85,000	0	85,000	0	85,000	0
Total Expenditures	\$ 4,731,179	\$ 187,500	\$ 4,918,679	\$ 4,263,444	\$ 5,287,476	\$ 368,797
Excess (Deficiency) of Revenues Over Expenditures	\$ 161,350	\$ (187,500)	\$ (26,150)	\$ (135,610)	\$ (698,918)	\$ 672,768

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 207,000	\$ 0	\$ 0
Transfers In	242,000	0	242,000	47,000	254,000	(12,000)
Transfers Out	(285,775)	0	(285,775)	(257,000)	(285,775)	0
Total Other Financing Sources (Uses)	\$ (43,775)	\$ 0	\$ (43,775)	\$ (3,000)	\$ (31,775)	\$ (12,000)
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 117,575	\$ (187,500)	\$ (69,925)	\$ (138,610)	\$ (730,693)	\$ 660,768
Fund Balance, June 30, 2010	1,221,729	0	1,221,729	1,220,982	1,220,982	747
	\$ 1,339,304	\$ (187,500)	\$ 1,151,804	\$ 1,082,372	\$ 490,289	\$ 661,515

Exhibit E-2

Meigs County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 13,785	\$ 0	\$ 13,785	\$ 12,500	\$ 22,500	\$ (8,715)
Other Local Revenues	13,484	0	13,484	0	12,614	870
State of Tennessee	1,532,413	0	1,532,413	1,493,925	1,881,306	(348,893)
<b>Total Revenues</b>	<b>\$ 1,559,682</b>	<b>\$ 0</b>	<b>\$ 1,559,682</b>	<b>\$ 1,506,425</b>	<b>\$ 1,916,420</b>	<b>\$ (356,738)</b>
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 128,015	\$ 0	\$ 128,015	\$ 127,087	\$ 129,148	\$ 1,133
Highway and Bridge Maintenance	576,690	0	576,690	546,981	581,237	4,547
Operation and Maintenance of Equipment	176,452	0	176,452	191,886	195,210	18,758
Other Charges	77,470	0	77,470	76,000	78,683	1,213
Employee Benefits	152,909	0	152,909	162,750	164,650	11,741
Capital Outlay	521,961	214,264	736,225	258,000	832,062	95,837
Principal on Debt						
Highways and Streets	78,472	0	78,472	82,709	82,516	4,044
Interest on Debt						
Highways and Streets	14,282	0	14,282	14,413	14,606	324
<b>Total Expenditures</b>	<b>\$ 1,726,251</b>	<b>\$ 214,264</b>	<b>\$ 1,940,515</b>	<b>\$ 1,459,826</b>	<b>\$ 2,078,112</b>	<b>\$ 137,597</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (166,569)</b>	<b>\$ (214,264)</b>	<b>\$ (380,833)</b>	<b>\$ 46,599</b>	<b>\$ (161,692)</b>	<b>\$ (219,141)</b>
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 20,000	\$ 0	\$ 20,000	\$ 20,000	\$ 40,000	\$ (20,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 20,000</b>	<b>\$ 0</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 40,000</b>	<b>\$ (20,000)</b>
<b>Net Change in Fund Balance Fund Balance, July 1, 2009</b>	<b>\$ (146,569)</b>	<b>\$ (214,264)</b>	<b>\$ (360,833)</b>	<b>\$ 66,599</b>	<b>\$ (121,692)</b>	<b>\$ (239,141)</b>
	387,997	0	387,997	275,819	275,819	112,178
<b>Fund Balance, June 30, 2010</b>	<b>\$ 241,428</b>	<b>\$ (214,264)</b>	<b>\$ 27,164</b>	<b>\$ 342,418</b>	<b>\$ 154,127</b>	<b>\$ (126,963)</b>

Exhibit E-3

Meigs County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Meigs County School Department  
June 30, 2010

(Dollar amounts in thousands)

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)
7-1-09	\$ 605	\$ 179	(426)	337.88 %	0	0 %
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 frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method went into effect during the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit E-4

Meigs County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plan  
Discretely Presented Meigs County School Department  
June 30, 2010

(Dollar amounts in thousands)

Plan	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)
Local Education Group	7-1-07	\$ 0	\$ 1,249	\$ 1,249	0 %	\$ 5,144	24.28 %
"	7-1-09	0	1,207	1,207	0	5,405	22.33

\* Data for three actuarial valuations will be presented when available.

**MEIGS COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2010**

**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

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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.

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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.

## Capital Projects Fund

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

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Other Capital Projects Fund – The Other Capital Projects Fund is used to account for the construction of a new Health Department facility. This fund was closed during the year.

Exhibit F-1

Meigs County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2010

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>Solid</u>	<u>Special</u>	<u>Drug</u>	<u>Nonmajor</u>
	<u>Waste /</u>	<u>Purpose</u>	<u>Control</u>	<u>Governmental</u>
	<u>Sanitation</u>			<u>Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 46,434	\$ 4,670	\$ 57,436	\$ 108,540
Total Assets	\$ 46,434	\$ 4,670	\$ 57,436	\$ 108,540
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 20,573	\$ 0	\$ 0	\$ 20,573
Payroll Deductions Payable	0	406	0	406
Total Liabilities	\$ 20,573	\$ 406	\$ 0	\$ 20,979
<u>Fund Balances</u>				
Reserved for Purchase of Electronic Fingerprint Imaging System	\$ 0	\$ 0	\$ 31,750	\$ 31,750
Unreserved	25,861	4,264	25,686	55,811
Total Fund Balances	\$ 25,861	\$ 4,264	\$ 57,436	\$ 87,561
Total Liabilities and Fund Balances	\$ 46,434	\$ 4,670	\$ 57,436	\$ 108,540

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, 2010

	Special Revenue Funds					Capital Projects Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Special Purpose	Drug Control	Total	Other Capital Projects	Total		
<u>Revenues</u>								
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 42,339	\$ 42,339	\$ 0	\$ 42,339		
Other Local Revenues	878	3,750	0	4,628	0	4,628		
Federal Government	0	81,302	0	81,302	0	81,302		
Total Revenues	\$ 878	\$ 85,052	\$ 42,339	\$ 128,269	\$ 0	\$ 128,269		
<u>Expenditures</u>								
Current:								
Public Safety	\$ 0	\$ 0	\$ 14,102	\$ 14,102	\$ 0	\$ 14,102		
Public Health and Welfare	241,107	0	0	241,107	0	241,107		
Social, Cultural, and Recreational Services	0	92,043	0	92,043	0	92,043		
Capital Projects	0	0	0	0	798	798		
Total Expenditures	\$ 241,107	\$ 92,043	\$ 14,102	\$ 347,252	\$ 798	\$ 348,050		
Excess (Deficiency) of Revenues Over Expenditures	\$ (240,229)	\$ (6,991)	\$ 28,237	\$ (218,983)	\$ (798)	\$ (219,781)		
<u>Other Financing Sources (Uses)</u>								
Transfers In	\$ 265,000	\$ 0	\$ 0	\$ 265,000	\$ 0	\$ 265,000		
Transfers Out	0	0	(35,000)	(35,000)	0	(35,000)		
Total Other Financing Sources (Uses)	\$ 265,000	\$ 0	\$ (35,000)	\$ 230,000	\$ 0	\$ 230,000		
Net Change in Fund Balances	\$ 24,771	\$ (6,991)	\$ (6,763)	\$ 11,017	\$ (798)	\$ 10,219		
Fund Balance, July 1, 2009	1,090	11,255	64,199	76,544	798	77,342		
Fund Balance, June 30, 2010	\$ 25,861	\$ 4,264	\$ 57,436	\$ 87,561	\$ 0	\$ 87,561		

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 878	\$ 600	\$ 600	\$ 278
Total Revenues	\$ 878	\$ 600	\$ 600	\$ 278
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 241,107	\$ 219,500	\$ 248,400	\$ 7,293
Total Expenditures	\$ 241,107	\$ 219,500	\$ 248,400	\$ 7,293
Excess (Deficiency) of Revenues Over Expenditures	\$ (240,229)	\$ (218,900)	\$ (247,800)	\$ 7,571
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 265,000	\$ 237,000	\$ 265,000	\$ 0
Total Other Financing Sources (Uses)	\$ 265,000	\$ 237,000	\$ 265,000	\$ 0
Net Change in Fund Balance	\$ 24,771	\$ 18,100	\$ 17,200	\$ 7,571
Fund Balance, July 1, 2009	1,090	3,889	3,889	(2,799)
Fund Balance, June 30, 2010	\$ 25,861	\$ 21,989	\$ 21,089	\$ 4,772

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 3,750	\$ 2,740	\$ 2,740	\$ 1,010
Federal Government	81,302	84,707	84,707	(3,405)
Total Revenues	<u>\$ 85,052</u>	<u>\$ 87,447</u>	<u>\$ 87,447</u>	<u>\$ (2,395)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	\$ 92,043	\$ 93,277	\$ 93,277	\$ 1,234
Total Expenditures	<u>\$ 92,043</u>	<u>\$ 93,277</u>	<u>\$ 93,277</u>	<u>\$ 1,234</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (6,991)</u>	<u>\$ (5,830)</u>	<u>\$ (5,830)</u>	<u>\$ (1,161)</u>
Net Change in Fund Balance	\$ (6,991)	\$ (5,830)	\$ (5,830)	(1,161)
Fund Balance, July 1, 2009	<u>11,255</u>	<u>11,255</u>	<u>11,255</u>	<u>0</u>
Fund Balance, June 30, 2010	<u>\$ 4,264</u>	<u>\$ 5,425</u>	<u>\$ 5,425</u>	<u>\$ (1,161)</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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 42,339	\$ 23,000	\$ 23,000	\$ 19,339
Total Revenues	\$ 42,339	\$ 23,000	\$ 23,000	\$ 19,339
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 14,102	\$ 8,400	\$ 14,465	\$ 363
Total Expenditures	\$ 14,102	\$ 8,400	\$ 14,465	\$ 363
Excess (Deficiency) of Revenues Over Expenditures	\$ 28,237	\$ 14,600	\$ 8,535	\$ 19,702
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ 0
Net Change in Fund Balance	\$ (6,763)	\$ (20,400)	\$ (26,465)	\$ 19,702
Fund Balance, July 1, 2009	64,199	64,199	64,199	0
Fund Balance, June 30, 2010	\$ 57,436	\$ 43,799	\$ 37,734	\$ 19,702

# Major Governmental Fund

## General Debt Service Fund

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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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 729,460	\$ 681,160	\$ 681,160	\$ 48,300
Other Local Revenues	0	12,000	12,000	(12,000)
State of Tennessee	45,715	38,000	38,000	7,715
Other Governments and Citizens Groups	225,000	225,000	225,000	0
Total Revenues	<u>\$ 1,000,175</u>	<u>\$ 956,160</u>	<u>\$ 956,160</u>	<u>\$ 44,015</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 639,210	\$ 894,172	\$ 892,075	\$ 252,865
<u>Interest on Debt</u>				
General Government	145,364	141,736	145,364	0
<u>Other Debt Service</u>				
General Government	15,693	14,200	15,720	27
Total Expenditures	<u>\$ 800,267</u>	<u>\$ 1,050,108</u>	<u>\$ 1,053,159</u>	<u>\$ 252,892</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 199,908</u>	<u>\$ (93,948)</u>	<u>\$ (96,999)</u>	<u>\$ 296,907</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 25,131	0	0	\$ 25,131
Total Other Financing Sources (Uses)	<u>\$ 25,131</u>	<u>0</u>	<u>0</u>	<u>\$ 25,131</u>
Net Change in Fund Balance	\$ 225,039	\$ (93,948)	\$ (96,999)	\$ 322,038
Fund Balance, July 1, 2009	1,027,884	1,027,699	1,027,699	185
Fund Balance, June 30, 2010	<u>\$ 1,252,923</u>	<u>\$ 933,751</u>	<u>\$ 930,700</u>	<u>\$ 322,223</u>

# Fiduciary Funds

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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.

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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.

Exhibit H-1

Meigs County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2010

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 424,273	\$ 424,273
Due from Other Governments	32,409	0	32,409
Total Assets	<u>\$ 32,409</u>	<u>\$ 424,273</u>	<u>\$ 456,682</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 32,409	\$ 0	\$ 32,409
Due to Litigants, Heirs, and Others	0	424,273	424,273
Total Liabilities	<u>\$ 32,409</u>	<u>\$ 424,273</u>	<u>\$ 456,682</u>

Exhibit H-2

Meigs County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 191,757	\$ 191,757	\$ 0
Due from Other Governments	31,591	32,409	31,591	32,409
<b>Total Assets</b>	<b>\$ 31,591</b>	<b>\$ 224,166</b>	<b>\$ 223,348</b>	<b>\$ 32,409</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 31,591	\$ 224,166	\$ 223,348	\$ 32,409
<b>Total Liabilities</b>	<b>\$ 31,591</b>	<b>\$ 224,166</b>	<b>\$ 223,348</b>	<b>\$ 32,409</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 426,346	\$ 2,038,447	\$ 2,040,520	\$ 424,273
<b>Total Assets</b>	<b>\$ 426,346</b>	<b>\$ 2,038,447</b>	<b>\$ 2,040,520</b>	<b>\$ 424,273</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 426,346	\$ 2,038,447	\$ 2,040,520	\$ 424,273
<b>Total Liabilities</b>	<b>\$ 426,346</b>	<b>\$ 2,038,447</b>	<b>\$ 2,040,520</b>	<b>\$ 424,273</b>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 426,346	\$ 2,038,447	\$ 2,040,520	\$ 424,273
Equity in Pooled Cash and Investments	0	191,757	191,757	0
Due from Other Governments	31,591	32,409	31,591	32,409
<b>Total Assets</b>	<b>\$ 457,937</b>	<b>\$ 2,262,613</b>	<b>\$ 2,263,868</b>	<b>\$ 456,682</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 31,591	\$ 224,166	\$ 223,348	\$ 32,409
Due to Litigants, Heirs, and Others	426,346	2,038,447	2,040,520	424,273
<b>Total Liabilities</b>	<b>\$ 457,937</b>	<b>\$ 2,262,613</b>	<b>\$ 2,263,868</b>	<b>\$ 456,682</b>

# Meigs County School Department

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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.

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

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

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

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

Exhibit I-1

Meigs County, Tennessee  
Statement of Activities  
Discretely Presented Meigs County School Department  
For the Year Ended June 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 9,201,974	\$ 890	\$ 1,185,882	\$ (8,015,202)
Support Services	3,964,736	6,100	22,000	(3,936,636)
Operation of Non-Instructional Services	1,403,180	190,555	751,412	(461,213)
Other Debt Service	225,000	0	0	(225,000)
Total Governmental Activities	\$ 14,794,890	\$ 197,545	\$ 1,959,294	\$ (12,638,051)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,245,589
Local Option Sales Taxes				329,487
Wholesale Beer Tax				108,069
Other Local Taxes				913
Grants and Contributions Not Restricted to Specific Programs				11,471,343
Unrestricted Investment Earnings				41,156
Miscellaneous				87,537
Total General Revenues				\$ 13,284,094
Change in Net Assets				\$ 646,043
Prior-period Adjustment				438,198
Net Assets, July 1, 2009				8,003,686
Net Assets, June 30, 2010				\$ 9,087,927

Exhibit I-2

Meigs County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Meigs County School Department  
June 30, 2010

	<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	\$ 2,143,384	\$ 431,453	\$ 2,574,837
Accounts Receivable	14,461	18	14,479
Due from Other Governments	272,147	3,854	276,001
Property Taxes Receivable	1,460,886	0	1,460,886
Allowance for Uncollectible Property Taxes	(48,585)	0	(48,585)
Total Assets	<u>\$ 3,842,293</u>	<u>\$ 435,325</u>	<u>\$ 4,277,618</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 455	\$ 0	\$ 455
Accrued Payroll	1,307	0	1,307
Deferred Revenue - Current Property Taxes	1,298,844	0	1,298,844
Deferred Revenue - Delinquent Property Taxes	108,285	0	108,285
Other Deferred Revenues	29,400	0	29,400
Total Liabilities	<u>\$ 1,438,291</u>	<u>\$ 0</u>	<u>\$ 1,438,291</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 244,851	\$ 134,139	\$ 378,990
Reserved for Career Ladder - Extended Contract	28,837	0	28,837
Reserved for Career Ladder Program	379	0	379
Other State Education Reserves	4,577	0	4,577
Unreserved, Reported In:			
General Fund	2,125,358	0	2,125,358
Special Revenue Funds	0	131,869	131,869
Capital Projects Funds	0	169,317	169,317
Total Fund Balances	<u>\$ 2,404,002</u>	<u>\$ 435,325</u>	<u>\$ 2,839,327</u>
Total Liabilities and Fund Balances	<u>\$ 3,842,293</u>	<u>\$ 435,325</u>	<u>\$ 4,277,618</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, 2010

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)		\$ 2,839,327
(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	218,860	
Add: buildings and improvements net of accumulated depreciation	4,978,356	
Add: other capital assets net of accumulated depreciation	<u>726,767</u>	6,278,445
(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		(167,530)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
		<u>137,685</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 9,087,927</u></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, 2010

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 2,124,026	\$ 41,069	\$ 2,165,095
Licenses and Permits	869	0	869
Charges for Current Services	890	190,555	191,445
Other Local Revenues	153,478	1,821	155,299
State of Tennessee	10,425,214	9,417	10,434,631
Federal Government	276,418	2,226,385	2,502,803
<b>Total Revenues</b>	<b>\$ 12,980,895</b>	<b>\$ 2,469,247</b>	<b>\$ 15,450,142</b>
<u>Expenditures</u>			
Current:			
Instruction	\$ 7,596,070	\$ 1,155,126	\$ 8,751,196
Support Services	3,675,394	328,396	4,003,790
Operation of Non-Instructional Services	509,866	911,643	1,421,509
Capital Outlay	651,840	0	651,840
Debt Service:			
Other Debt Service	225,000	0	225,000
<b>Total Expenditures</b>	<b>\$ 12,658,170</b>	<b>\$ 2,395,165</b>	<b>\$ 15,053,335</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 322,725	\$ 74,082	\$ 396,807
Net Change in Fund Balances	\$ 322,725	\$ 74,082	\$ 396,807
Fund Balance, July 1, 2009	2,081,277	361,243	2,442,520
Fund Balance, June 30, 2010	\$ 2,404,002	\$ 435,325	\$ 2,839,327

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, 2010

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)		\$ 396,807
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 625,732	
Less: current year depreciation expense	<u>(343,303)</u>	282,429
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$ 137,685	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(140,414)</u>	(2,729)
<p>(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.</p>		
Change in other postemployment benefits liability		<u>(30,464)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 646,043</u>

Exhibit I-6

Meigs County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Meigs County School Department  
June 30, 2010

	<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>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 23,953	\$ 238,183	\$ 262,136	\$ 169,317	\$ 431,453
Accounts Receivable	18	0	18	0	18
Due from Other Governments	3,854	0	3,854	0	3,854
Total Assets	<u>\$ 27,825</u>	<u>\$ 238,183</u>	<u>\$ 266,008</u>	<u>\$ 169,317</u>	<u>\$ 435,325</u>
<u>FUND BALANCES</u>					
Reserved for Encumbrances	\$ 134,139	\$ 0	\$ 134,139	\$ 0	\$ 134,139
Unreserved (Deficit)	(106,314)	238,183	131,869	169,317	301,186
Total Fund Balances	<u>\$ 27,825</u>	<u>\$ 238,183</u>	<u>\$ 266,008</u>	<u>\$ 169,317</u>	<u>\$ 435,325</u>

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, 2010

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 41,069	\$ 41,069
Charges for Current Services	0	190,555	190,555	0	190,555
Other Local Revenues	0	1,821	1,821	0	1,821
State of Tennessee	0	9,417	9,417	0	9,417
Federal Government	1,484,390	741,995	2,226,385	0	2,226,385
Total Revenues	<u>\$ 1,484,390</u>	<u>\$ 943,788</u>	<u>\$ 2,428,178</u>	<u>\$ 41,069</u>	<u>\$ 2,469,247</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 1,155,126	\$ 0	\$ 1,155,126	\$ 0	\$ 1,155,126
Support Services	327,965	0	327,965	431	328,396
Operation of Non-Instructional Services	592	911,051	911,643	0	911,643
Total Expenditures	<u>\$ 1,483,683</u>	<u>\$ 911,051</u>	<u>\$ 2,394,734</u>	<u>\$ 431</u>	<u>\$ 2,395,165</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 707</u>	<u>\$ 32,737</u>	<u>\$ 33,444</u>	<u>\$ 40,638</u>	<u>\$ 74,082</u>
Net Change in Fund Balances	\$ 707	\$ 32,737	\$ 33,444	\$ 40,638	\$ 74,082
Fund Balance, July 1, 2009	27,118	205,446	232,564	128,679	361,243
Fund Balance, June 30, 2010	<u>\$ 27,825</u>	<u>\$ 238,183</u>	<u>\$ 266,008</u>	<u>\$ 169,317</u>	<u>\$ 435,325</u>

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 2,124,026	\$ 0	\$ 0	\$ 2,124,026	\$ 1,997,500	\$ 2,019,207	\$ 104,819
Licenses and Permits	869	0	0	869	0	0	869
Charges for Current Services	890	0	0	890	2,000	2,000	(1,110)
Other Local Revenues	153,478	0	0	153,478	440,915	134,944	18,534
State of Tennessee	10,425,214	0	0	10,425,214	9,921,810	10,425,449	(235)
Federal Government	276,418	0	0	276,418	241,546	276,543	(125)
<b>Total Revenues</b>	<b>\$ 12,980,895</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12,980,895</b>	<b>\$ 12,603,771</b>	<b>\$ 12,858,143</b>	<b>\$ 122,752</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Regular Instruction Program	\$ 6,516,724	\$ (51,968)	\$ 14,470	\$ 6,479,226	\$ 6,632,435	\$ 6,671,531	\$ 192,305
Alternative Instruction Program	56,371	0	0	56,371	56,730	56,730	359
Special Education Program	736,683	0	0	736,683	744,655	745,745	9,062
Vocational Education Program	242,539	0	0	242,539	246,790	246,790	4,251
Student Body Education Program	3,601	(3,601)	0	0	0	0	0
Adult Education Program	40,152	(3,176)	5,834	42,810	40,841	42,841	31
<b>Support Services</b>							
Attendance	32,947	0	0	32,947	34,525	39,103	6,156
Health Services	86,512	0	1,010	87,522	90,930	90,930	3,408
Other Student Support	386,978	(7,767)	4,539	383,750	383,895	395,855	12,105
Regular Instruction Program	247,090	(2,400)	0	244,690	264,940	267,940	23,250
Alternative Instruction Program	26,087	(1,861)	774	25,000	25,000	25,000	0
Special Education Program	80,200	0	0	80,200	80,465	81,021	821
Vocational Education Program	47,798	0	0	47,798	48,585	48,585	787

(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: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Adult Programs	\$ 83,828	\$ 0	\$ 0	\$ 83,828	\$ 84,005	\$ 84,005	\$ 177
Other Programs	52,573	0	0	52,573	0	52,573	0
Board of Education	180,610	0	7,927	188,537	191,490	200,000	11,463
Director of Schools	145,508	(1,401)	112	144,219	142,415	144,605	386
Office of the Principal	418,048	0	0	418,048	420,030	421,030	2,982
Fiscal Services	45,382	0	0	45,382	45,765	45,765	383
Operation of Plant	752,671	0	872	753,543	793,820	793,820	40,277
Maintenance of Plant	141,927	0	0	141,927	140,350	148,650	6,723
Transportation	791,182	(95)	2,840	793,927	855,735	855,735	61,808
Central and Other	156,053	(7,035)	6,841	155,859	120,000	155,996	137
<u>Operation of Non-Instructional Services</u>							
Community Services	94,301	(4,415)	0	89,886	90,000	90,000	114
Early Childhood Education	415,565	(18,676)	6,457	403,346	403,480	403,480	134
<u>Capital Outlay</u>							
Regular Capital Outlay	651,840	(270,990)	193,175	574,025	781,890	895,416	321,391
Other Debt Service							
Education	225,000	0	0	225,000	225,000	225,000	0
Total Expenditures	\$ 12,658,170	\$ (373,385)	\$ 244,851	\$ 12,529,636	\$ 12,943,771	\$ 13,228,146	\$ 698,510
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 322,725	\$ 373,385	\$ (244,851)	\$ 451,259	\$ (340,000)	\$ (370,003)	\$ 821,262
<u>Net Change in Fund Balance</u>	\$ 322,725	\$ 373,385	\$ (244,851)	\$ 451,259	\$ (340,000)	\$ (370,003)	\$ 821,262
Fund Balance, July 1, 2009	2,081,277	(373,385)	0	1,707,892	1,991,838	1,991,838	(283,946)
Fund Balance, June 30, 2010	\$ 2,404,002	\$ 0	\$ (244,851)	\$ 2,159,151	\$ 1,651,838	\$ 1,621,835	\$ 537,316

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Federal Government	\$ 1,484,390	\$ 0	\$ 0	\$ 1,484,390	\$ 2,187,892	\$ 2,201,580	\$ (717,190)
Total Revenues	\$ 1,484,390	\$ 0	\$ 0	\$ 1,484,390	\$ 2,187,892	\$ 2,201,580	\$ (717,190)
<b>Expenditures</b>							
<u>Instruction</u>							
Regular Instruction Program	\$ 737,196	\$ (1,689)	\$ 29,812	\$ 765,319	\$ 862,325	\$ 864,076	\$ 98,757
Special Education Program	374,132	(677)	1,086	374,541	537,875	543,796	169,255
Vocational Education Program	43,798	(17,251)	7,979	34,526	25,476	34,526	0
<u>Support Services</u>							
Health Services	22,350	0	0	22,350	22,623	22,350	0
Other Student Support	40,753	(3,442)	1,687	38,998	46,053	38,998	0
Regular Instruction Program	135,970	(1,582)	3,855	138,243	325,220	335,499	197,256
Special Education Program	107,919	(883)	0	107,036	246,572	240,929	133,893
Vocational Education Program	1,664	0	0	1,664	2,000	1,664	0
Transportation	19,309	0	89,720	109,029	120,752	120,745	11,716
<u>Operation of Non-Instructional Services</u>							
Food Service	592	0	0	592	592	592	0
Total Expenditures	\$ 1,483,683	\$ (25,524)	\$ 134,139	\$ 1,592,298	\$ 2,189,488	\$ 2,203,175	\$ 610,877
Excess (Deficiency) of Revenues Over Expenditures	\$ 707	\$ 25,524	\$ (134,139)	\$ (107,908)	\$ (1,596)	\$ (1,595)	\$ (106,313)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 86,537	\$ 0	\$ 0
Transfers Out	0	0	0	0	(86,537)	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 707	\$ 25,524	\$ (134,139)	\$ (107,908)	\$ (1,596)	\$ (1,595)	\$ (106,313)
Fund Balance, July 1, 2009	27,118	(25,524)	0	1,594	27,000	27,000	(25,406)
Fund Balance, June 30, 2010	\$ 27,825	\$ 0	\$ (134,139)	\$ (106,314)	\$ 25,404	\$ 25,405	\$ (131,719)

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 190,555	\$ 223,000	\$ 223,000	\$ (32,445)
Other Local Revenues	1,821	1,500	1,500	321
State of Tennessee	9,417	10,000	10,000	(583)
Federal Government	741,995	653,450	732,881	9,114
Total Revenues	<u>\$ 943,788</u>	<u>\$ 887,950</u>	<u>\$ 967,381</u>	<u>\$ (23,593)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 911,051	\$ 887,950	\$ 967,381	\$ 56,330
Total Expenditures	<u>\$ 911,051</u>	<u>\$ 887,950</u>	<u>\$ 967,381</u>	<u>\$ 56,330</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 32,737</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,737</u>
Net Change in Fund Balance	\$ 32,737	\$ 0	\$ 0	\$ 32,737
Fund Balance, July 1, 2009	<u>205,446</u>	<u>206,877</u>	<u>206,877</u>	<u>(1,431)</u>
Fund Balance, June 30, 2010	<u>\$ 238,183</u>	<u>\$ 206,877</u>	<u>\$ 206,877</u>	<u>\$ 31,306</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, Bonds, and Other Loans  
For the Year Ended June 30, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-10
<u>NOTES PAYABLE</u>								
Payable through <u>General Debt Service Fund</u>								
Courthouse	\$ 450,000	6.47%	5-2-05	5-2-17	\$ 330,912	\$ 0	\$ 30,552	\$ 300,360
Total Payable through General Debt Service Fund					\$ 330,912	\$ 0	\$ 30,552	\$ 300,360
Payable through <u>Highway/Public Works Fund</u>								
Graders - Extension of Note Maturity	139,191	4.35	6-5-08	5-5-11	\$ 113,926	\$ 0	\$ 27,176	\$ 86,750
Backhoe	84,606	4.7	12-16-08	12-16-11	77,553	0	15,267	62,286
Total Payable through Highway/Public Works Fund					\$ 191,479	\$ 0	\$ 42,443	\$ 149,036
Payable through <u>General Capital Projects Fund and General Debt Service Fund</u>								
Cherokee Memorial Park Project	(1)	4.2	4-1-08	9-28-09	\$ 303,273	\$ 30,638	\$ 333,911	\$ 0
Total Payable through General Capital Projects Fund and General Debt Service Fund					\$ 303,273	\$ 30,638	\$ 333,911	\$ 0
Total Notes Payable					\$ 825,664	\$ 30,638	\$ 406,906	\$ 449,396
<u>CAPITAL LEASES PAYABLE</u>								
Payable through <u>Highway/Public Works Fund</u>								
Dump Trucks	102,456	5.17	12-15-06	12-15-11	\$ 64,543	\$ 0	\$ 20,439	\$ 44,104
Asphalt Zipper	77,950	5	10-1-07	10-1-12	62,360	0	15,590	46,770
Total Capital Leases Payable					\$ 126,903	\$ 0	\$ 36,029	\$ 90,874
<u>BONDS PAYABLE</u>								
Payable through <u>General Debt Service Fund</u>								
School Refunding, Series 1999	3,360,000	3.9 to 4.3	3-4-1999	5-1-12	\$ 1,405,000	\$ 0	\$ 485,000	\$ 920,000
General Obligation Bonds, Series 2002A - I	1,410,000	4 to 4.5	2-7-02	5-1-15	1,275,000	0	70,000	1,205,000
General Obligation (CAB) Bonds, Series 2002A - II	(2) 2,088,479	4.8 to 5.15	2-7-02	5-1-26	2,088,479	0	0	2,088,479
Total Bonds Payable					\$ 4,768,479	\$ 0	\$ 555,000	\$ 4,213,479

(Continued)

Exhibit J-1

Meigs County, Tennessee  
Schedule of Changes in Long-term Notes, Capital Leases, Bonds, and Other Loans (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or	
							Matured During Period	Outstanding 6-30-10
<b>OTHER LOANS PAYABLE</b>								
Payable through General Debt Service Fund								
Community Centers, Renovations, and Equipment	(3)	Variable	12-23-09	5-25-15	\$ 0	\$ 708,895	\$ 0	\$ 708,895
Total Other Loans Payable					\$ 0	\$ 708,895	\$ 0	\$ 708,895

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

(2) These (CAB) bonds accrete interest that is paid at bond maturity. As of June 30, 2010, approximately \$1,071,699 of interest has accreted on the bonds.

(3) Total amount authorized was \$875,000, of which, \$166,105 remains available for draws as of June 30, 2010.

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 138,340	\$ 23,992	\$ 162,332
2012	84,321	16,987	101,308
2013	40,554	13,484	54,038
2014	43,257	10,781	54,038
2015	46,140	7,898	54,038
2016	49,203	4,835	54,038
2017	47,581	1,545	49,126
Total	\$ 449,396	\$ 79,522	\$ 528,918

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2011	\$ 37,086	\$ 6,145	\$ 43,231
2012	38,197	5,034	43,231
2013	15,591	3,864	19,455
Total	\$ 90,874	\$ 15,043	\$ 105,917

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2020	182,871	267,129	450,000

(Continued)

Exhibit J-2

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

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
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	311,917	449,999
2026	131,238	318,761	449,999
Total	\$ 4,213,479	\$ 3,394,525	\$ 7,608,004

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2011	\$ 129,000	\$ 3,002	\$ 3,465	\$ 135,467
2012	135,000	2,445	3,142	140,587
2013	142,000	1,862	2,803	146,665
2014	149,000	1,249	2,446	152,695
2015	153,895	607	1,929	156,431
Total	\$ 708,895	\$ 9,165	\$ 13,785	\$ 731,845

Exhibit J-3

Meigs County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2010

From Fund	To Fund	Purpose	Amount
General	Solid Waste/Sanitation	Operations	\$ 265,000
General	Highway/Public Works	Road repairs	20,000
General	General Capital Projects	Reimbursement	775
Drug Control	General	Reimbursement	35,000
General Capital Projects	General	Reimbursement	207,000
General Capital Projects	General Debt Service	Debt retirement	25,131
Total Transfers			<u>\$ 552,906</u>

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, 2010

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)	(3)	"
Trustee	Section 8-24-102, <u>TCA</u>	52,251	461,000	"
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	25,000	"
Register	Section 8-24-102, <u>TCA</u>	52,251	15,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	57,477 (2)	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 a law enforcement training supplement of \$600.

(3) The director of schools is covered under the employee dishonesty bond.

Exhibit J-5

Meigs County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2010

	Special Revenue Funds							Debt Service Fund	Capital Projects Fund	Total
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Highway/ Public Works	Debt Service				
						General	Debt			
<b>Local Taxes</b>										
<u>County Property Taxes</u>										
Current Property Tax	\$ 1,680,726	\$ 0	\$ 0	\$ 0	\$ 0	\$ 469,998	\$ 0	\$ 2,150,724		
Trustee's Collections - Prior Year	122,645	0	0	0	0	34,306	0	156,951		
Circuit/Clerk & Master Collections - Prior Years	29,389	0	0	0	0	8,209	0	37,598		
Interest and Penalty	22,008	0	0	0	0	6,155	0	28,163		
Pick-up Taxes	1,352	0	0	0	0	378	0	1,730		
Payments in-Lieu-of Taxes - T.V.A.	278,590	0	0	0	0	535	0	279,125		
Payments in-Lieu-of Taxes - Local Utilities	121,288	0	0	0	0	33,917	0	155,205		
<u>County Local Option Taxes</u>										
Local Option Sales Tax	137,071	0	0	0	0	175,962	0	313,033		
Hotel/Motel Tax	12,049	0	0	0	0	0	0	12,049		
Litigation Tax - General	28,132	0	0	0	0	0	0	28,132		
Litigation Tax - Special Purpose	38,114	0	0	0	0	0	0	38,114		
Litigation Tax - Jail, Workhouse, or Courthouse	358	0	0	0	0	0	0	358		
Litigation Tax - Courtroom Security	864	0	0	0	0	0	0	864		
Business Tax	26,628	0	0	0	0	0	0	26,628		
Mineral Severance Tax	0	0	0	0	13,785	0	0	13,785		
Other County Local Option Taxes	11,075	0	0	0	0	0	0	11,075		
<u>Statutory Local Taxes</u>										
Bank Excise Tax	10,983	0	0	0	0	0	0	10,983		
Wholesale Beer Tax	30,000	0	0	0	0	0	0	30,000		
Interstate Telecommunications Tax	734	0	0	0	0	0	0	734		
<b>Total Local Taxes</b>	<b>\$ 2,552,006</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,785</b>	<b>\$ 729,460</b>	<b>\$ 0</b>	<b>\$ 3,295,251</b>		
<b>Licenses and Permits</b>										
<u>Licenses</u>										
Marriage Licenses	\$ 841	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 841		
Cable TV Franchise	5,038	0	0	0	0	0	0	5,038		
<u>Permits</u>										
Beer Permits	451	0	0	0	0	0	0	451		
Building Permits	5,520	0	0	0	0	0	0	5,520		
<b>Total Licenses and Permits</b>	<b>\$ 11,850</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 11,850</b>		

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds					Debt Service Fund		Capital Projects Fund		Total
		Solid Waste / Sanitation	Special Purpose	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Capital Projects Fund			
								General	Capital Projects		
<u>Fines, Forfeitures, and Penalties</u>											
<u>Circuit Court</u>											
Officers Costs	2,296	0	0	0	0	0	0	0	0	2,296	
<u>Criminal Court</u>											
Fines	7,323	0	0	0	0	0	0	0	0	7,323	
Officers Costs	720	0	0	0	0	0	0	0	0	720	
Drug Control Fines	0	0	5,227	0	0	0	0	0	0	5,227	
Drug Court Fees	399	0	75	0	0	0	0	0	0	474	
Data Entry Fee - Criminal Court	1,234	0	0	0	0	0	0	0	0	1,234	
<u>General Sessions Court</u>											
Fines	50,012	0	0	0	0	0	0	0	0	50,012	
Fines for Littering	48	0	0	0	0	0	0	0	0	48	
Officers Costs	29,883	0	0	0	0	0	0	0	0	29,883	
Game and Fish Fines	1,007	0	0	0	0	0	0	0	0	1,007	
Drug Control Fines	0	0	13,656	0	0	0	0	0	0	13,656	
Drug Court Fees	4,113	0	0	0	0	0	0	0	0	4,113	
Jail Fees	4,486	0	0	0	0	0	0	0	0	4,486	
Data Entry Fee - General Sessions Court	23,300	0	0	0	0	0	0	0	0	23,300	
<u>Juvenile Court</u>											
Game and Fish Fines	266	0	0	0	0	0	0	0	0	266	
<u>Chancery Court</u>											
Officers Costs	1,878	0	0	0	0	0	0	0	0	1,878	
Data Entry Fee - Chancery Court	930	0	0	0	0	0	0	0	0	930	
<u>Other Courts - In-county</u>											
Fines	46,110	0	0	0	0	0	0	0	0	46,110	
<u>Judicial District Drug Program</u>											
Drug Task Force Forfeitures and Seizures	0	0	23,381	0	0	0	0	0	0	23,381	
<u>Other Fines, Forfeitures, and Penalties</u>											
Other Fines, Forfeitures, and Penalties	2,486	0	0	0	0	0	0	0	0	2,486	
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 176,491</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 42,339</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 218,830</b>	

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds					Debt Service Fund		Capital Projects Fund		Total
		Solid Waste / Sanitation	Special Purpose	Drug Control	Highway / Public Works	General	Debt Service	General	Capital Projects		
										General	
<b>Charges for Current Services</b>											
<u>General Service Charges</u>											
<u>Fees</u>											
Copy Fees	1,671	0	0	0	0	0	0	0	0	1,671	
Telephone Commissions	3,167	0	0	0	0	0	0	0	0	3,167	
Data Processing Fee - Register	4,544	0	0	0	0	0	0	0	0	4,544	
Data Processing Fee - Sheriff	5,085	0	0	0	0	0	0	0	0	5,085	
Sexual Offender Registration Fees - Sheriff	1,850	0	0	0	0	0	0	0	0	1,850	
Data Processing Fee - County Clerk	406	0	0	0	0	0	0	0	0	406	
<u>Education Charges</u>											
TBI Criminal Background Fees	915	0	0	0	0	0	0	0	0	915	
<b>Total Charges for Current Services</b>	<b>\$ 295,913</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 295,913</b>	
<u>Other Local Revenues</u>											
<u>Recurring Items</u>											
Lease/Rentals	1,650	0	0	0	0	0	0	0	0	1,650	
Sale of Materials and Supplies	0	0	0	0	387	0	0	0	0	387	
Commissary Sales	9,120	0	0	0	0	0	0	0	0	9,120	
Sale of Maps	3,185	0	0	0	0	0	0	0	0	3,185	
Sale of Recycled Materials	0	878	0	0	0	0	0	0	0	878	
Miscellaneous Refunds	40,520	0	800	0	7,722	0	0	552	0	49,594	
Expenditure Credits	4,725	0	0	0	0	0	0	0	0	4,725	
<u>Nonrecurring Items</u>											
Sale of Equipment	8,950	0	0	0	5,375	0	0	0	0	14,325	
Damages Recovered from Individuals	84	0	0	0	0	0	0	0	0	84	
Contributions and Gifts	2,109	0	2,950	0	0	0	0	0	0	5,059	
<b>Total Other Local Revenues</b>	<b>\$ 70,343</b>	<b>\$ 878</b>	<b>\$ 3,750</b>	<b>\$ 0</b>	<b>\$ 13,484</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 552</b>	<b>\$ 0</b>	<b>\$ 89,007</b>	
<u>Fees Received from County Officials</u>											
<u>Fees in-Lieu-of Salary</u>											
County Clerk	99,875	0	0	0	0	0	0	0	0	99,875	

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds						Debt Service Fund		Capital Projects Fund		Total
		Solid Waste / Sanitation	Special Purpose	Drug Control	Highway / Public Works	General	Debt Service	General	Capital Projects			
										General	Capital Projects	
<u>Fees Received from County Officials (Cont.)</u>												
<u>Fees in-Lieu-of Salary (Cont.)</u>												
Circuit Court Clerk	\$ 18,531	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,531	
General Sessions Court Clerk	70,606	0	0	0	0	0	0	0	0	0	70,606	
Clerk and Master	38,030	0	0	0	0	0	0	0	0	0	38,030	
Register	43,139	0	0	0	0	0	0	0	0	0	43,139	
Sheriff	5,147	0	0	0	0	0	0	0	0	0	5,147	
Trustee	135,587	0	0	0	0	0	0	0	0	0	135,587	
<b>Total Fees Received from County Officials</b>	<b>\$ 410,915</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 410,915</b>	
<u>State of Tennessee</u>												
<u>General Government Grants</u>												
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000	
Aging Programs	17,514	0	0	0	0	0	0	0	0	0	17,514	
State Reappraisal Grant	4,430	0	0	0	0	0	0	0	0	0	4,430	
<u>Public Safety Grants</u>												
Law Enforcement Training Programs	6,600	0	0	0	0	0	0	0	0	0	6,600	
<u>Health and Welfare Grants</u>												
Health Department Programs	46,252	0	0	0	0	0	0	0	0	0	46,252	
Other Health and Welfare Grants	118,052	0	0	0	0	0	0	0	0	0	118,052	
<u>Public Works Grants</u>												
Bridge Program	0	0	0	0	264,836	0	0	0	0	0	264,836	
Litter Program	28,912	0	0	0	0	0	0	0	0	0	28,912	
<u>Other State Revenues</u>												
Income Tax	23,112	0	0	0	0	0	0	6,463	0	0	29,575	
Beer Tax	17,778	0	0	0	0	0	0	0	0	0	17,778	
Alcoholic Beverage Tax	20,065	0	0	0	0	0	0	0	0	0	20,065	
Mixed Drink Tax	2,323	0	0	0	0	0	0	0	0	0	2,323	
State Revenue Sharing - T.V.A.	338,805	0	0	0	0	0	0	39,252	0	0	378,057	
Emergency Hospital - Prisoners	17,406	0	0	0	0	0	0	0	0	0	17,406	
Contracted Prisoner Boarding	117,775	0	0	0	0	0	0	0	0	0	117,775	
Gasoline and Motor Fuel Tax	0	0	0	0	1,258,674	0	0	0	0	0	1,258,674	

(Continued)

Exhibit J-5

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

	Special Revenue Funds						Debt Service Fund		Capital Projects Fund		Total
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Highway / Public Works	General	Debt Service	General	Capital Projects		
<u>State of Tennessee (Cont.)</u>											
<u>Other State Revenues (Cont.)</u>											
Petroleum Special Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,903	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,903	
Registrar's Salary Supplement	16,380	0	0	0	0	0	0	0	0	16,380	
Other State Revenues	3,571	0	0	0	0	0	0	0	0	3,571	
<b>Total State of Tennessee</b>	<b>\$ 787,975</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,532,413</b>	<b>\$ 45,715</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,366,103</b>	
<u>Federal Government</u>											
<u>Federal Through State</u>											
Community Development	\$ 252,263	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 252,263	
Civil Defense Reimbursement	27,639	0	0	0	0	0	0	0	0	27,639	
Homeland Security Grants	44,287	0	0	0	0	0	0	0	0	44,287	
Other Federal through State	140,037	0	0	0	0	0	0	302,909	0	442,946	
<u>Direct Federal Revenue</u>											
Other Direct Federal Revenue	0	0	81,302	0	0	0	0	0	0	81,302	
<b>Total Federal Government</b>	<b>\$ 464,226</b>	<b>\$ 0</b>	<b>\$ 81,302</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 302,909</b>	<b>\$ 0</b>	<b>\$ 848,437</b>	
<u>Other Governments and Citizens Groups</u>											
<u>Other Governments</u>											
Contributions	\$ 37,810	\$ 0	\$ 0	\$ 0	\$ 0	\$ 225,000	\$ 0	\$ 0	\$ 0	\$ 262,810	
Contracted Services	85,000	0	0	0	0	0	0	0	0	85,000	
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 122,810</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 225,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 347,810</b>	
<b>Total</b>	<b>\$ 4,892,529</b>	<b>\$ 878</b>	<b>\$ 85,052</b>	<b>\$ 42,339</b>	<b>\$ 1,559,682</b>	<b>\$ 1,000,175</b>	<b>\$ 303,461</b>	<b>\$ 7,884,116</b>			

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, 2010

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,110,835	\$ 0	\$ 0	\$ 0	\$ 1,110,835
Trustee's Collections - Prior Year	81,059	0	0	0	81,059
Circuit/Clerk & Master Collections - Prior Years	24,116	0	0	0	24,116
Interest and Penalty	14,546	0	0	0	14,546
Pick-up Taxes	894	0	0	0	894
Payments in-Lieu-of Taxes - T.V.A.	415,014	0	0	0	415,014
Payments in-Lieu-of Taxes - Local Utilities	80,162	0	0	0	80,162
<u>County Local Option Taxes</u>					
Local Option Sales Tax	329,487	0	0	0	329,487
<u>Statutory Local Taxes</u>					
Wholesale Beer Tax	67,000	0	0	41,069	108,069
Interstate Telecommunications Tax	913	0	0	0	913
<b>Total Local Taxes</b>	<b>\$ 2,124,026</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 41,069</b>	<b>\$ 2,165,095</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 869	\$ 0	\$ 0	\$ 0	\$ 869
<b>Total Licenses and Permits</b>	<b>\$ 869</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 869</b>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	\$ 890	\$ 0	\$ 0	\$ 0	\$ 890
Receipts from Individual Schools	0	0	180,875	0	180,875
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	9,680	0	9,680
<b>Total Charges for Current Services</b>	<b>\$ 890</b>	<b>\$ 0</b>	<b>\$ 190,555</b>	<b>\$ 0</b>	<b>\$ 191,445</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 40,415	\$ 0	\$ 741	\$ 0	\$ 41,156
Lease/Rentals	6,100	0	0	0	6,100
Sale of Materials and Supplies	10,636	0	0	0	10,636
Refund of Telecommunication and Internet Fees (E-Rate)	10,526	0	0	0	10,526
Miscellaneous Refunds	74,943	0	20	0	74,963
<u>Nonrecurring Items</u>					
Contributions and Gifts	3,500	0	0	0	3,500
<u>Other Local Revenues</u>					
Other Local Revenues	7,358	0	1,060	0	8,418
<b>Total Other Local Revenues</b>	<b>\$ 153,478</b>	<b>\$ 0</b>	<b>\$ 1,821</b>	<b>\$ 0</b>	<b>\$ 155,299</b>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 52,573	\$ 0	\$ 0	\$ 0	\$ 52,573
<u>State Education Funds</u>					
Basic Education Program	8,953,000	0	0	0	8,953,000
Basic Education Program - ARRA	335,000	0	0	0	335,000
Early Childhood Education	403,473	0	0	0	403,473
School Food Service	0	0	9,417	0	9,417

(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>					
Driver Education	\$ 5,651	\$ 0	\$ 0	\$ 0	\$ 5,651
Other State Education Funds	1,910	0	0	0	1,910
Coordinated School Health - ARRA	89,941	0	0	0	89,941
Statewide Student Management System (SSMS) - ARRA	4,577	0	0	0	4,577
Career Ladder Program	69,614	0	0	0	69,614
Career Ladder - Extended Contract - ARRA	48,300	0	0	0	48,300
<u>Other State Revenues</u>					
Income Tax	15,274	0	0	0	15,274
State Revenue Sharing - T.V.A.	393,307	0	0	0	393,307
Safe Schools - ARRA	12,300	0	0	0	12,300
Other State Revenues	40,294	0	0	0	40,294
Total State of Tennessee	\$ 10,425,214	\$ 0	\$ 9,417	\$ 0	\$ 10,434,631
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 482,181	\$ 0	\$ 482,181
USDA - Commodities	0	0	54,956	0	54,956
Breakfast	0	0	180,875	0	180,875
USDA - Other	0	0	1,153	0	1,153
USDA Food Service Equipment Grant - ARRA	0	0	22,830	0	22,830
Adult Education State Grant Program	96,424	0	0	0	96,424
Vocational Education - Basic Grants to States	0	42,204	0	0	42,204
Title I Grants to Local Education Agencies	0	732,995	0	0	732,995
Special Education - Grants to States	0	512,425	0	0	512,425
Special Education Preschool Grants	0	4,642	0	0	4,642
Safe and Drug-free Schools - State Grants	0	7,606	0	0	7,606
Rural Education	0	46,129	0	0	46,129
Eisenhower Professional Development State Grants	0	120,757	0	0	120,757
Other Federal through State	179,994	17,632	0	0	197,626
Total Federal Government	\$ 276,418	\$ 1,484,390	\$ 741,995	\$ 0	\$ 2,502,803
Total	\$ 12,980,895	\$ 1,484,390	\$ 943,788	\$ 41,069	\$ 15,450,142

Exhibit J-7

Meigs County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2010

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	21,330	
Social Security		1,620	
Audit Services		3,826	
Dues and Memberships		11,718	
Legal Services		85	
Total County Commission			\$ 38,579

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)		20,159	
Other Salaries and Wages		3,720	
Social Security		6,443	
Communication		750	
Travel		2,487	
Office Supplies		386	
Total County Mayor/Executive			94,295

County Attorney

Social Security	\$	1,254	
Legal Services		16,391	
Total County Attorney			17,645

Election Commission

County Official/Administrative Officer	\$	46,607	
Part-time Personnel		8,156	
Election Commission		3,745	
Election Workers		7,660	
In-Service Training		950	
Social Security		4,144	
Legal Notices, Recording, and Court Costs		3,378	
Maintenance Agreements		7,740	
Printing, Stationery, and Forms		2,378	
Travel		1,333	
Other Contracted Services		3,000	
Data Processing Supplies		6,728	
Office Supplies		1,165	
Total Election Commission			96,984

(Continued)

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		7,226	
Social Security		6,092	
Data Processing Supplies		4,051	
Office Supplies		2,738	
Total Register of Deeds			\$ 92,515

Planning

Clerical Personnel	\$	1,962	
Part-time Personnel		13,068	
Social Security		1,150	
Dues and Memberships		7,750	
Travel		1,533	
Office Supplies		975	
Total Planning			26,438

Geographical Information Systems

Other Salaries and Wages	\$	11,077	
Social Security		847	
Licenses		3,000	
Maintenance and Repair Services - Equipment		1,359	
Office Supplies		1,955	
Total Geographical Information Systems			18,238

County Buildings

Custodial Personnel	\$	11,599	
Social Security		873	
Communication		29,130	
Maintenance Agreements		2,036	
Maintenance and Repair Services - Buildings		27,182	
Maintenance and Repair Services - Equipment		15,201	
Pest Control		1,485	
Postal Charges		18,780	
Custodial Supplies		2,500	
Diesel Fuel		19,215	
Duplicating Supplies		5,839	
Electricity		56,020	
Gasoline		65,545	
Natural Gas		20,217	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Water and Sewer	\$ 2,486	
Total County Buildings		\$ 278,108

Finance

Accounting and Budgeting

Supervisor/Director	\$ 46,350	
Accountants/Bookkeepers	30,163	
Clerical Personnel	10,299	
Social Security	6,564	
Legal Notices, Recording, and Court Costs	976	
Maintenance Agreements	4,526	
Travel	1,260	
Other Contracted Services	5,079	
Data Processing Supplies	4,008	
Office Supplies	4,787	
Premiums on Corporate Surety Bonds	175	
Total Accounting and Budgeting		114,187

Property Assessor's Office

County Official/Administrative Officer	\$ 52,251	
Deputy(ies)	20,157	
Social Security	5,539	
Audit Services	1,805	
Dues and Memberships	895	
Maintenance Agreements	5,981	
Travel	2,500	
Office Supplies	450	
Other Supplies and Materials	417	
Total Property Assessor's Office		89,995

Reappraisal Program

Clerical Personnel	\$ 18,035	
Social Security	1,380	
Data Processing Services	1,747	
Travel	1,815	
Office Supplies	75	
Total Reappraisal Program		23,052

County Trustee'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 Trustee's Office (Cont.)

Deputy(ies)	\$	20,157	
Part-time Personnel		19,061	
Social Security		6,992	
Legal Notices, Recording, and Court Costs		201	
Maintenance Agreements		5,480	
Travel		97	
Office Supplies		4,279	
Total County Trustee's Office			\$ 108,518

County Clerk's Office

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		68,927	
Social Security		9,270	
Legal Notices, Recording, and Court Costs		81	
Travel		129	
Other Contracted Services		7,210	
Office Supplies		929	
Office Equipment		132	
Total County Clerk's Office			138,929

Other Finance

Trustee's Commission	\$	55,933	
Total Other Finance			55,933

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		74,055	
Jury and Witness Expense		3,597	
Other Per Diem and Fees		418	
Social Security		9,662	
Communication		600	
Maintenance Agreements		8,065	
Travel		390	
Remittance of Revenue Collected		4,655	
Data Processing Supplies		574	
Office Supplies		3,436	
Total Circuit Court			157,703

(Continued)

## Exhibit J-7

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

General Fund (Cont.)Administration of Justice (Cont.)General Sessions Court

Judge(s)	\$	84,958	
Probation Officer(s)		13,774	
In-Service Training		1,321	
Social Security		7,442	
Data Processing Supplies		2,420	
Total General Sessions Court			\$ 109,915

Chancery Court

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		20,157	
Clerical Personnel		18,540	
Social Security		6,858	
Legal Notices, Recording, and Court Costs		279	
Office Supplies		3,073	
Total Chancery Court			101,158

Public SafetySheriff's Department

County Official/Administrative Officer	\$	57,477	
Deputy(ies)		374,872	
Detective(s)		34,000	
Salary Supplements		6,600	
Guards		22,919	
In-Service Training		3,000	
Social Security		37,944	
Maintenance and Repair Services - Vehicles		20,770	
Printing, Stationery, and Forms		384	
Tow-in Services		730	
Travel		763	
Law Enforcement Supplies		7,309	
Tires and Tubes		2,919	
Uniforms		6,054	
Data Processing Equipment		1,893	
Total Sheriff's Department			577,634

Drug Enforcement

Detective(s)	\$	33,731	
Social Security		2,331	
Total Drug Enforcement			36,062

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Assistant(s)	\$	27,224	
Guards		170,606	
Other Salaries and Wages		27,559	
In-Service Training		1,294	
Social Security		16,376	
Communication		9,586	
Maintenance Agreements		11,573	
Maintenance and Repair Services - Buildings		12,659	
Medical and Dental Services		94,052	
Travel		2,680	
Custodial Supplies		15,505	
Food Preparation Supplies		1,344	
Food Supplies		77,025	
Office Supplies		3,001	
Uniforms		922	
Utilities		58,582	
Other Supplies and Materials		7,398	
Criminal Investigation of Applicants - TBI		550	
Data Processing Equipment		2,892	
Total Jail			\$ 540,828

Juvenile Services

Youth Service Officer(s)	\$	20,157	
Social Security		1,543	
Other Contracted Services		150	
Office Supplies		298	
Other Supplies and Materials		104	
Office Equipment		100	
Total Juvenile Services			22,352

Fire Prevention and Control

Other Per Diem and Fees	\$	582	
Contributions		2,500	
Maintenance and Repair Services - Equipment		7,061	
Maintenance and Repair Services - Vehicles		16,539	
Uniforms		5,029	
Utilities		11,756	
Land		27,200	
Motor Vehicles		20,000	
Building Purchases		85,650	
Total Fire Prevention and Control			176,317

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Supervisor/Director	\$	37,330	
Social Security		2,856	
Maintenance and Repair Services - Equipment		12,402	
Maintenance and Repair Services - Vehicles		586	
Travel		180	
Natural Gas		589	
Utilities		15,755	
Other Supplies and Materials		44,287	
Total Civil Defense			\$ 113,985

Rescue Squad

Other Per Diem and Fees	\$	538	
Communication		1,101	
Maintenance and Repair Services - Equipment		796	
Maintenance and Repair Services - Vehicles		1,792	
Total Rescue Squad			4,227

County Coroner/Medical Examiner

Other Contracted Services	\$	21,343	
Total County Coroner/Medical Examiner			21,343

Other Public Safety

Supervisor/Director	\$	26,776	
Dispatchers/Radio Operators		170,636	
Social Security		14,252	
Communication		2,680	
Maintenance and Repair Services - Buildings		956	
Travel		953	
Office Supplies		2,400	
Uniforms		644	
Total Other Public Safety			219,297

Public Health and Welfare

Local Health Center

Data Processing Personnel	\$	981	
Clerical Personnel		31,100	
Custodial Personnel		5,705	
Other Salaries and Wages		14,979	
In-Service Training		250	
Social Security		5,327	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Communication	\$	461	
Maintenance and Repair Services - Buildings		8,691	
Transportation - Other than Students		2,391	
Travel		6,620	
Office Supplies		2,068	
Utilities		10,170	
Other Supplies and Materials		447	
Total Local Health Center			\$ 89,190

Ambulance/Emergency Medical Services

Supervisor/Director	\$	4,659	
Paraprofessionals		213,576	
Salary Supplements		1,900	
Clerical Personnel		23,408	
Social Security		18,234	
Unemployment Compensation		24	
Communication		902	
Licenses		1,000	
Maintenance and Repair Services - Equipment		459	
Maintenance and Repair Services - Vehicles		4,172	
Printing, Stationery, and Forms		544	
Custodial Supplies		1,001	
Drugs and Medical Supplies		9,982	
Office Supplies		1,011	
Uniforms		1,662	
Other Supplies and Materials		2,408	
Total Ambulance/Emergency Medical Services			284,942

Crippled Children Services

Contributions	\$	500	
Total Crippled Children Services			500

Other Local Health Services

County Official/Administrative Officer	\$	3,150	
Data Processing Personnel		3,528	
Temporary Personnel		100	
Other Salaries and Wages		48,618	
Social Security		3,045	
Legal Notices, Recording, and Court Costs		200	
Travel		1,524	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Other Contracted Services	\$ 6,542	
Total Other Local Health Services		\$ 66,707

Appropriation to State

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

Sanitation Management

Part-time Personnel	\$ 14,059	
Social Security	1,076	
Total Sanitation Management		15,135

Sanitation Education/Information

Guards	\$ 21,754	
Social Security	1,664	
Instructional Supplies and Materials	3,584	
Other Supplies and Materials	797	
Total Sanitation Education/Information		27,799

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$ 13,104	
Social Security	961	
Communication	1,380	
Travel	1,189	
Custodial Supplies	1,135	
Other Supplies and Materials	2,358	
Total Senior Citizens Assistance		20,127

Libraries

Assistant(s)	\$ 7,809	
Librarians	17,510	
Social Security	1,937	
Contributions	25,000	
Total Libraries		52,256

Parks and Fair Boards

Other Contracted Services	\$ 1,080	
Site Development	3,465	
Total Parks and Fair Boards		4,545

(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.)

Other Social, Cultural, and Recreational

Communication	\$	1,135	
Other Contracted Services		1,580	
Electricity		2,672	
Water and Sewer		3,853	
Total Other Social, Cultural, and Recreational			\$ 9,240

Agriculture and Natural Resources

Agriculture Extension Service

Assistant(s)	\$	8,820	
Supervisor/Director		11,429	
Secretary(ies)		5,040	
Other Salaries and Wages		10,434	
Social Security		2,848	
State Retirement		1,978	
Other Fringe Benefits		1,621	
Communication		1,098	
Maintenance and Repair Services - Buildings		108	
Travel		864	
Office Supplies		1,134	
Other Supplies and Materials		776	
Total Agriculture Extension Service			46,150

Soil Conservation

Assistant(s)	\$	3,780	
Social Security		289	
Contributions		3,900	
Dues and Memberships		200	
Total Soil Conservation			8,169

Other Operations

Tourism

Part-time Personnel	\$	9,512	
Social Security		728	
Advertising		1,692	
Printing, Stationery, and Forms		1,165	
Total Tourism			13,097

Housing and Urban Development

Other Contracted Services	\$	140,037	
Total Housing and Urban Development			140,037

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

Other Contracted Services	\$ 264,644	
Total Other Economic and Community Development		\$ 264,644

Veterans' Services

Other Salaries and Wages	\$ 12,731	
Social Security	1,016	
Communication	490	
Maintenance and Repair Services - Vehicles	734	
Travel	253	
Office Supplies	281	
Total Veterans' Services		15,505

Other Charges

Liability Insurance	\$ 38,744	
Workers' Compensation Insurance	28,280	
Total Other Charges		67,024

Contributions to Other Agencies

Contributions	\$ 8,000	
Total Contributions to Other Agencies		8,000

Employee Benefits

Social Security	\$ 1,365	
Employee and Dependent Insurance	204,304	
Unemployment Compensation	4,966	
Total Employee Benefits		210,635

Capital Projects

Other General Government Projects

Other Supplies and Materials	\$ 85,000	
Total Other General Government Projects		85,000

Total General Fund		\$ 4,731,179
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Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Communication	\$ 1,979	
Maintenance and Repair Services - Buildings	638	
Maintenance and Repair Services - Equipment	220	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Other Contracted Services	\$	235,036	
Electricity		1,987	
Water and Sewer		1,247	
Total Sanitation Management			\$ 241,107

Total Solid Waste/Sanitation Fund \$ 241,107

Special Purpose Fund

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$	36,616	
Accountants/Bookkeepers		18,311	
Bus Drivers		7,810	
Social Security		5,188	
Employee and Dependent Insurance		1,484	
Medical Insurance		5,512	
Unemployment Compensation		100	
Communication		3,774	
Dues and Memberships		325	
Maintenance and Repair Services - Vehicles		92	
Postal Charges		132	
Transportation - Other than Students		337	
Travel		5,268	
Office Supplies		1,898	
Other Charges		5,196	
Total Adult Activities			\$ 92,043

Total Special Purpose Fund 92,043

Drug Control Fund

Public Safety

Drug Enforcement

Other Supplies and Materials	\$	13,924	
Trustee's Commission		178	
Total Drug Enforcement			\$ 14,102

Total Drug Control Fund 14,102

(Continued)

Exhibit J-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	57,477	
Assistant(s)		41,798	
Secretary(ies)		21,616	
Dues and Memberships		2,381	
Evaluation and Testing		575	
Legal Notices, Recording, and Court Costs		532	
Travel		494	
Other Contracted Services		795	
Drugs and Medical Supplies		50	
Office Supplies		1,358	
Data Processing Equipment		939	
Total Administration			\$ 128,015

Highway and Bridge Maintenance

Equipment Operators	\$	206,769	
Truck Drivers		65,016	
Laborers		60,601	
Rentals		2,081	
Asphalt - Liquid		127,048	
Crushed Stone		100,699	
Pipe		11,603	
Road Signs		2,282	
Structural Steel		66	
Other Supplies and Materials		525	
Total Highway and Bridge Maintenance			576,690

Operation and Maintenance of Equipment

Mechanic(s)	\$	40,566	
Maintenance and Repair Services - Buildings		140	
Other Contracted Services		4,522	
Custodial Supplies		154	
Diesel Fuel		28,559	
Equipment and Machinery Parts		44,431	
Garage Supplies		8,066	
Gasoline		32,269	
Lubricants		3,593	
Tires and Tubes		14,152	
Total Operation and Maintenance of Equipment			176,452

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	3,955	
Other Contracted Services		11,182	
Electricity		3,341	
Water and Sewer		594	
Liability Insurance		26,967	
Trustee's Commission		12,704	
Workers' Compensation Insurance		18,727	
Total Other Charges			\$ 77,470

Employee Benefits

Social Security	\$	37,514	
Employee and Dependent Insurance		109,829	
Unemployment Compensation		5,566	
Total Employee Benefits			152,909

Capital Outlay

Bridge Construction	\$	305,235	
Highway Construction		152,566	
Highway Equipment		64,160	
Total Capital Outlay			521,961

Principal on Debt

Highways and Streets

Principal on Notes	\$	42,443	
Principal on Capital Leases		36,029	
Total Highways and Streets			78,472

Interest on Debt

Highways and Streets

Interest on Notes	\$	7,467	
Interest on Capital Leases		6,815	
Total Highways and Streets			14,282

Total Highway/Public Works Fund \$ 1,726,251

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	555,000	
Principal on Notes		84,210	
Total General Government			\$ 639,210

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 115,448	
Interest on Notes	28,950	
Interest on Other Loans	966	
Total General Government		\$ 145,364

Other Debt Service

General Government

Bank Charges	\$ 1,327	
Trustee's Commission	13,073	
Other Debt Service	1,293	
Total General Government		15,693

Total General Debt Service Fund \$ 800,267

General Capital Projects Fund

Principal on Debt

General Government

Principal on Notes	\$ 280,253	
Total General Government		\$ 280,253

Capital Projects

General Administration Projects

Architects	\$ 27,365	
Other Debt Issuance Charges	6,125	
Building Construction	480,507	
Total General Administration Projects		513,997

Social, Cultural, and Recreation Projects

Architects	\$ 8,114	
Other Contracted Services	23,989	
Total Social, Cultural, and Recreation Projects		32,103

Total General Capital Projects Fund 826,353

Other Capital Projects Fund

Capital Projects

Public Health and Welfare Projects

Other Supplies and Materials	\$ 798	
Total Public Health and Welfare Projects		\$ 798

Total Other Capital Projects Fund 798

Total Governmental Funds - Primary Government \$ 8,432,100

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, 2010

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 4,337,442	
Career Ladder Program	37,100	
Career Ladder Extended Contracts	43,342	
Clerical Personnel	30,875	
Educational Assistants	138,440	
Other Salaries and Wages	36,856	
Certified Substitute Teachers	4,539	
Non-certified Substitute Teachers	50,949	
Social Security	272,245	
State Retirement	279,195	
Life Insurance	8,748	
Medical Insurance	773,599	
Unemployment Compensation	191	
Employer Medicare	64,355	
Other Fringe Benefits	1,888	
Tuition	3,250	
Other Contracted Services	13,408	
Instructional Supplies and Materials	114,156	
Textbooks	186,483	
Other Supplies and Materials	5,546	
Fee Waivers	9,090	
Regular Instruction Equipment	105,027	
Total Regular Instruction Program		\$ 6,516,724

Alternative Instruction Program

Teachers	\$ 48,710	
Career Ladder Program	1,000	
Social Security	2,812	
State Retirement	3,191	
Employer Medicare	658	
Total Alternative Instruction Program		56,371

Special Education Program

Teachers	\$ 570,034
Career Ladder Program	8,000
Homebound Teachers	945
Educational Assistants	63,250
Certified Substitute Teachers	1,377
Non-certified Substitute Teachers	4,080

(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	\$	38,473	
State Retirement		37,324	
Employer Medicare		9,000	
Instructional Supplies and Materials		4,200	
Total Special Education Program			\$ 736,683

Vocational Education Program

Teachers	\$	211,992	
Non-certified Substitute Teachers		1,497	
Social Security		12,410	
State Retirement		13,738	
Employer Medicare		2,902	
Total Vocational Education Program			242,539

Student Body Education Program

Other Supplies and Materials	\$	3,601	
Total Student Body Education Program			3,601

Adult Education Program

Teachers	\$	19,104	
Clerical Personnel		6,336	
Social Security		296	
Employer Medicare		340	
Instructional Supplies and Materials		12,907	
Other Charges		1,169	
Total Adult Education Program			40,152

Support Services

Attendance

Supervisor/Director	\$	21,355	
Career Ladder Program		2,000	
Clerical Personnel		5,450	
Social Security		1,661	
State Retirement		1,499	
Employer Medicare		388	
Travel		594	
Total Attendance			32,947

(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.)

Health Services

Medical Personnel	\$	74,781	
Social Security		4,636	
State Retirement		2,315	
Employer Medicare		1,084	
Other Fringe Benefits		665	
Other Contracted Services		2,005	
Drugs and Medical Supplies		1,026	
Total Health Services			\$ 86,512

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		256,635	
School Resource Officer		43,430	
In-Service Training		1,824	
Social Security		14,901	
State Retirement		16,604	
Employer Medicare		3,485	
Evaluation and Testing		8,544	
Other Supplies and Materials		2,114	
Other Charges		27,905	
Other Equipment		9,536	
Total Other Student Support			386,978

Regular Instruction Program

Supervisor/Director	\$	104,950	
Career Ladder Program		5,000	
Librarians		94,746	
In-Service Training		730	
Social Security		12,268	
State Retirement		13,141	
Employer Medicare		2,869	
Travel		10,446	
In Service/Staff Development		2,940	
Total Regular Instruction Program			247,090

Alternative Instruction Program

Other Salaries and Wages	\$	18,000	
Employer Medicare		261	
Travel		1,257	

(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 (Cont.)

Other Contracted Services	\$	1,350	
Other Supplies and Materials		3,849	
Other Charges		1,370	
Total Alternative Instruction Program			\$ 26,087

Special Education Program

Supervisor/Director	\$	28,470	
Career Ladder Program		2,000	
Assessment Personnel		38,985	
Social Security		4,139	
State Retirement		4,402	
Employer Medicare		939	
Travel		709	
Other Supplies and Materials		556	
Total Special Education Program			80,200

Vocational Education Program

Clerical Personnel	\$	5,500	
Other Salaries and Wages		10,146	
Social Security		934	
Employer Medicare		218	
Other Charges		31,000	
Total Vocational Education Program			47,798

Adult Programs

Supervisor/Director	\$	69,435	
Career Ladder Program		3,000	
Other Salaries and Wages		800	
Social Security		4,411	
State Retirement		4,650	
Employer Medicare		1,032	
Travel		500	
Total Adult Programs			83,828

Other Programs

On-Behalf Payments to OPEB	\$	52,573	
Total Other Programs			52,573

(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	\$	10,690	
Social Security		663	
Life Insurance		510	
Employer Medicare		155	
Audit Services		375	
Dues and Memberships		9,267	
Legal Services		108	
Travel		6,359	
Other Contracted Services		8,682	
Liability Insurance		16,000	
Trustee's Commission		51,730	
Workers' Compensation Insurance		54,000	
Criminal Investigation of Applicants - TBI		624	
Refund to Applicant for Criminal Investigation		576	
Other Charges		20,871	
Total Board of Education			\$ 180,610

Director of Schools

County Official/Administrative Officer	\$	92,050	
Career Ladder Program		1,000	
Secretary(ies)		26,867	
Social Security		7,325	
State Retirement		5,974	
Employer Medicare		1,713	
Communication		5,085	
Postal Charges		3,109	
Office Supplies		2,385	
Total Director of Schools			145,508

Office of the Principal

Principals	\$	269,440	
Career Ladder Program		7,000	
Secretary(ies)		89,928	
Social Security		21,961	
State Retirement		17,747	
Employer Medicare		5,136	
Communication		4,000	
Travel		2,836	
Total Office of the Principal			418,048

(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	\$	31,300	
Secretary(ies)		11,200	
Social Security		2,336	
Employer Medicare		546	
Total Fiscal Services			\$ 45,382

Operation of Plant

Supervisor/Director	\$	30,475	
Custodial Personnel		244,085	
Other Salaries and Wages		8,413	
Social Security		16,944	
Employer Medicare		3,963	
Disposal Fees		5,148	
Other Contracted Services		2,650	
Electricity		334,151	
Natural Gas		15,992	
Water and Sewer		15,868	
Other Supplies and Materials		56,599	
Building and Contents Insurance		18,383	
Total Operation of Plant			752,671

Maintenance of Plant

Maintenance Personnel	\$	54,450	
Other Salaries and Wages		2,915	
Social Security		3,346	
Employer Medicare		783	
Communication		4,558	
Maintenance and Repair Services - Buildings		50,507	
Other Contracted Services		23,908	
Other Charges		1,460	
Total Maintenance of Plant			141,927

Transportation

Supervisor/Director	\$	30,475
Mechanic(s)		27,173
Bus Drivers		314,762
Other Salaries and Wages		15,708
Social Security		23,853
Employer Medicare		5,578

(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	\$	820	
Maintenance and Repair Services - Vehicles		86,278	
Medical and Dental Services		2,809	
Travel		458	
Gasoline		107,106	
Tires and Tubes		12,032	
Vehicle and Equipment Insurance		10,000	
In Service/Staff Development		233	
Transportation Equipment		153,897	
Total Transportation			\$ 791,182

Central and Other

Supervisor/Director	\$	53,105	
Other Salaries and Wages		6,507	
Social Security		3,237	
State Retirement		3,409	
Medical Insurance		10,099	
Employer Medicare		804	
Maintenance and Repair Services - Equipment		4,680	
Travel		14,241	
Other Contracted Services		5,752	
Office Supplies		811	
Other Supplies and Materials		51,235	
In Service/Staff Development		895	
Other Charges		937	
Administration Equipment		341	
Total Central and Other			156,053

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	50,925
Other Salaries and Wages		1,749
Social Security		3,020
State Retirement		3,269
Medical Insurance		9,564
Employer Medicare		706
Travel		4,492
Other Contracted Services		1,000
Other Supplies and Materials		18,231

(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	\$ 1,345	
Total Community Services		\$ 94,301

Early Childhood Education

Supervisor/Director	\$ 30,000	
Teachers	166,175	
Educational Assistants	99,413	
Other Salaries and Wages	1,500	
Non-certified Substitute Teachers	4,029	
Social Security	17,604	
State Retirement	12,602	
Medical Insurance	35,793	
Employer Medicare	4,117	
Maintenance and Repair Services - Equipment	2,500	
Travel	2,550	
Other Contracted Services	4,619	
Instructional Supplies and Materials	6,987	
Other Supplies and Materials	5,816	
In Service/Staff Development	4,423	
Other Charges	4,817	
Other Equipment	12,620	
Total Early Childhood Education		415,565

Capital Outlay

Regular Capital Outlay

Architects	\$ 21,556	
Building Improvements	381,701	
Other Capital Outlay	248,583	
Total Regular Capital Outlay		651,840

Other Debt Service

Education

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

Total General Purpose School Fund		\$ 12,658,170
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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	\$	368,851	
Educational Assistants		110,416	
Non-certified Substitute Teachers		1,122	
Social Security		28,205	
State Retirement		23,680	
Medical Insurance		60,001	
Employer Medicare		6,586	
Tuition		784	
Other Contracted Services		21,037	
Instructional Supplies and Materials		56,915	
Other Supplies and Materials		8,204	
Other Charges		119	
Regular Instruction Equipment		51,061	
Other Equipment		215	
Total Regular Instruction Program			\$ 737,196

Special Education Program

Teachers	\$	5,646	
Educational Assistants		188,574	
Speech Pathologist		37,175	
Other Salaries and Wages		1,999	
Social Security		13,600	
State Retirement		2,749	
Medical Insurance		9,643	
Employer Medicare		3,178	
Contracts with Private Agencies		27,544	
Maintenance and Repair Services - Equipment		4,437	
Other Contracted Services		31,201	
Instructional Supplies and Materials		28,789	
Textbooks		76	
Other Supplies and Materials		19,521	
Total Special Education Program			374,132

Vocational Education Program

Instructional Supplies and Materials	\$	4,585	
Other Supplies and Materials		9,567	
Vocational Instruction Equipment		29,646	
Total Vocational Education Program			43,798

(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

Health Services

Medical Personnel	\$	19,360	
Social Security		1,205	
Employer Medicare		285	
Travel		500	
Drugs and Medical Supplies		1,000	
Total Health Services			\$ 22,350

Other Student Support

Travel	\$	6,014	
Other Contracted Services		15,220	
In Service/Staff Development		3,442	
Other Charges		16,077	
Total Other Student Support			40,753

Regular Instruction Program

Supervisor/Director	\$	42,740	
Secretary(ies)		12,421	
Other Salaries and Wages		3,750	
Social Security		3,584	
State Retirement		2,744	
Medical Insurance		1,213	
Employer Medicare		838	
Postal Charges		200	
Travel		7,475	
Library Books/Media		8,164	
Other Supplies and Materials		3,130	
In Service/Staff Development		34,403	
Other Equipment		15,308	
Total Regular Instruction Program			135,970

Special Education Program

Supervisor/Director	\$	21,950	
Secretary(ies)		23,857	
Social Security		2,740	
State Retirement		1,409	
Medical Insurance		1,098	
Employer Medicare		641	
Maintenance and Repair Services - Equipment		5,498	
Travel		7,213	

(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.)

Special Education Program (Cont.)

Other Contracted Services	\$	10,836	
Other Supplies and Materials		13,498	
In Service/Staff Development		5,006	
Other Equipment		14,173	
Total Special Education Program			\$ 107,919

Vocational Education Program

In Service/Staff Development	\$	1,664	
Total Vocational Education Program			1,664

Transportation

Bus Drivers	\$	17,925	
Social Security		1,114	
Employer Medicare		270	
Total Transportation			19,309

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	550	
Social Security		34	
Employer Medicare		8	
Total Food Service			592

Total School Federal Projects Fund \$ 1,483,683

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	21,080	
Clerical Personnel		21,618	
Cafeteria Personnel		302,578	
Other Salaries and Wages		13,085	
Social Security		21,567	
Life Insurance		936	
Medical Insurance		14,362	
Unemployment Compensation		181	
Employer Medicare		5,044	
Other Fringe Benefits		13,346	
Maintenance and Repair Services - Equipment		4,763	

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Transportation - Other than Students	\$	4,497	
Travel		2,405	
Other Contracted Services		6,632	
Food Supplies		330,224	
Utilities		38,460	
USDA - Commodities		54,956	
Other Supplies and Materials		24,048	
In Service/Staff Development		125	
Other Charges		1,235	
Food Service Equipment		29,909	
Total Food Service		<u>911,051</u>	\$ 911,051

Total Central Cafeteria Fund \$ 911,051

Education Capital Projects Fund

Support Services

Board of Education

Trustee's Commission	\$	431	
Total Board of Education		<u>431</u>	\$ 431

Total Education Capital Projects Fund 431

Total Governmental Funds - Meigs County School Department \$ 15,053,335

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, 2010

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 191,757
Total Cash Receipts	<u>\$ 191,757</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 189,852
Trustee's Commission	1,905
Total Cash Disbursements	<u>\$ 191,757</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2009	<u>0</u>
 Cash Balance, June 30, 2010	 <u><u>\$ 0</u></u>

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## **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. MEIGS 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

January 21, 2011

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, 2010, which collectively comprise Meigs County's basic financial statements and have issued our report thereon dated January 21, 2011. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Meigs County Emergency Communications District, which were not available from other auditors as of the date of this report. 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.

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.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 10.01, 10.02, 10.03, 10.05, 10.06, and 10.07. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

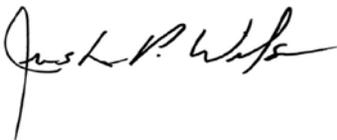
#### Compliance and Other Matters

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 one instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and is described in the accompanying Schedule of Findings and Questioned Costs as item 10.04.

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, County Commission, highway superintendent, director of schools, 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,



Justin P. Wilson  
Comptroller of the Treasury

JPW/sb



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 COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 21, 2011

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, 2010. 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, 2010.

#### 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Meigs County's internal control over compliance.

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

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

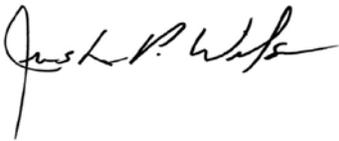
#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the 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, 2010, and have issued our report thereon dated January 21, 2011. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Meigs County Emergency Communications District, which were not available from other auditors as of the date of this report. 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, County Commission, highway superintendent, director of schools, 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 on the left side.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

Meigs County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2010

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	\$ 54,956 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	180,875
National School Lunch Program	10.555	N/A	483,334 (3)
Child Nutrition Discretionary Grants Limited Availability - ARRA	10.579	N/A	22,830
Total U.S. Department of Agriculture			<u>\$ 741,995</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	\$ 252,263
Home Investment Partnerships Program	14.239	HN-08-33	140,037
Total U.S. Department of Housing and Urban Development			<u>\$ 392,300</u>
U.S. Department of Transportation Federal Highway Administration:			
Passed-through State Department of Transportation:			
Recreational Trails Program	20.219	GG-09-27679-00	\$ 25,131
Total U.S. Department of Transportation Federal Highway Administration			<u>\$ 25,131</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 570,882
Title I Grants to Local Educational Agencies, Recovery Act	84.389	S389A090042	149,904
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	457,883
Special Education - Preschool Grants	84.173	N/A	2,890
Special Education - Grants to States, Recovery Act	84.391	H39A090052	80,544
Special Education - Preschool Grants, Recovery Act	84.392	H392A090095	2,430
Career and Technical Education - Basic Grants to States	84.048	N/A	51,476
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	9,080
Education Technology Cluster:			
Education Technology State Grants	84.318	(2)	5,425
Education Technology State Grants, Recovery Act	84.386	S386A090042	12,095
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	GG-08-21822-00	154,994
Rural Education	84.358	N/A	46,687
Improving Teacher Quality State Grants	84.367	N/A	119,275
Education for Homeless Children and Youth, Recovery Act	84.387	N/A	112
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	S394A090043	335,000
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	150,541
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-10-218532-00	72,318
Total U.S. Department of Education			<u>\$ 2,221,536</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. Corporation for National and Community Service:			
Direct Program:			
Retired and Senior Volunteer Program	94.002	N/A	\$ 81,302
Total U.S. Corporation for National and Community Service			<u>\$ 81,302</u>
U.S. Department of Health and Human Services:			
Passed-through State Commission on Aging:			
Special Program for Aging - Title III, Part C - Nutrition Services	93.045	N/A	\$ 17,514
Total U.S. Department of Health and Human Services			<u>\$ 17,514</u>
U.S. Department of Homeland Security:			
Passed-through Tennessee Valley Authority:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	GG-06-121-82-00	\$ 27,639
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	2008-GE-T8-0048	44,287
Total U.S. Department of Homeland Security			<u>\$ 71,926</u>
Total Expenditures of Federal Awards			<u>\$ 3,551,704</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
Juvenile Services Program - State Children's Services Commission	N/A	(2)	\$ 9,000
Litter Program - State Department of Transportation	N/A	Z-10-220361-00	28,912
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	4,430
Health Department Diabetes Grant - State Department of Health	N/A	GG-09-26259	46,252
Local Health Services - State Department of Health	N/A	Z-10-219836	112,382
Dental Transport Health Access - State Department of Health	N/A	(2)	5,670
ABC Arts Grant - Tennessee Arts Commission	N/A	(2)	1,080
Adult Education - State Department of Education	N/A	Z-10-218532-00	24,106
Early Childhood Education - Pilot/State - Lottery Commission	N/A	(2)	403,473
Driver's Education - State Department of Education	N/A	(2)	5,651
Energy Efficient Schools Initiative - State Department of Education	N/A	GZ8/AAX9	40,294
Total State Grants			<u>\$ 681,250</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 \$538,290.

Meigs County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2010

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, 2009, which have not been corrected.

**OFFICE OF DIRECTOR OF FINANCE**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.01(A,C)	168	The office had deficiencies in purchasing procedures
09.02(A,B)	169	The office had deficiencies in the administration of payroll records
09.03(A)	169	The office had deficiencies in computer backup procedures

**OFFICE OF CLERK AND MASTER**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.06	171	The court software did not have adequate application controls

**OTHER FINDING**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.07	171	Duties were not segregated adequately in the Ambulance Service Department and in the Offices of Director of Finance, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff

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**MEIGS COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2010**

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

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information 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: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, and Recovery Act, Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); and the State Fiscal Stabilization Cluster: State Fiscal Stabilization Funds (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Funds (SFSF) – Governmental Services, Recovery Act (CFDA Nos. 84.394 and 84.397) 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 10.01      **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. Purchase orders issued did not have an authorizing signature. Sound business practices dictate supervisory review evidenced by an authorized signature.
- B. 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 something that was never received.
- C. The county's travel policy was not always followed. In some instances, different mileage reimbursement rates were paid to employees.

### RECOMMENDATION

Purchase orders should be evidenced by an authorizing signature. The office should maintain documentation that goods have been received or services have been rendered before invoices are paid. The county's travel policy should be followed when reimbursing employees.

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#### FINDING 10.02      **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 can be attributed to the failure of management to adequately monitor payroll procedures and the failure 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 has its own leave policy and maintains leave records for their respective employees or allows their employees to maintain their own leave. Therefore, records documenting accrued leave balances at June 30, 2010, were not centrally filed with the Finance Department.

RECOMMENDATION

Time and attendance records should be maintained for all employees and should be centrally filed in the Finance Department 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.

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FINDING 10.03      **THE OFFICE DID NOT MAINTAIN ADEQUATE RECORDS FOR STATE AND FEDERAL GRANTS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The office did not maintain adequate records for state and federal grants received by the county. The office could not provide auditors with a list of the federal awards and their Catalog of Federal Domestic Assistance (CFDA) numbers. We obtained the grant information for the Schedule of Expenditures of Federal Awards and State Grants from revenue transmittals, direct deposit information maintained by the county trustee, and state pass-through agencies.

RECOMMENDATION

The Finance Department should maintain a list of federal grants received and each grant's corresponding CFDA number.

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FINDING 10.04      **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**  
(Noncompliance Under Government Auditing Standards)

System backups were not continually stored off-site. Although system backups were stored off-site each evening, the backups were returned to the office the next morning. Section 10-7-121, Tennessee Code Annotated, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and

stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. 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. Proper backup procedures were implemented in September 2010.

RECOMMENDATION

Management should ensure backups are rotated off-site on a routine basis.

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OFFICE OF DIRECTOR OF SCHOOLS

FINDING 10.05      **THE SCHOOL FEDERAL PROJECTS FUND HAD A DEFICIT  
IN UNRESERVED FUND BALANCE**  
(Internal Control – Significant Deficiency Under Government Auditing  
Standards)

The School Federal Projects Fund had a deficit in unreserved fund balance of \$106,314 at June 30, 2010. This deficit resulted from expenditures and encumbrances exceeding available grant funds. At June 30, 2010, the School Department had ordered and issued purchase orders for various items, including a school bus; however, these items were not received and the county was not billed for these items until after June 30, 2010. Federal grant regulations for the School Federal Projects Fund does not permit counties to request reimbursement for funds until the invoice has been paid. Therefore, the fund deficit resulted because accounting standards require the recognition of the expenditure at the time the funds are obligated, but the county could not recognize a receivable from the federal government until they had actually expended the funds. This deficit was liquidated subsequent to June 30, 2010, when additional federal grant revenues were requested and received.

RECOMMENDATION

School officials should monitor the financial activity of the School Federal Projects Fund to ensure the expenditures/encumbrances do not exceed available funds.

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**OFFICE OF CLERK AND MASTER**

**FINDING 10.06**      **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.

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**OTHER FINDING AND RECOMMENDATION**

**FINDING10.07**      **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE AMBULANCE SERVICE DEPARTMENT AND IN THE OFFICES OF DIRECTOR OF FINANCE, 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, 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.

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## **BEST PRACTICE**

### **AN AUDIT COMMITTEE HAS NOT BEEN ESTABLISHED**

Meigs County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee would significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

**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, 2010**

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