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# ANNUAL FINANCIAL REPORT MEIGS COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2011



**ANNUAL FINANCIAL REPORT**  
**MEIGS COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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

*DIVISION OF COUNTY AUDIT*  
*JAMES R. ARNETTE*  
*Director*

*CARL LOWE, CGFM*  
*Audit Manager*

*MICHAEL FORD, CPA, CGFM*  
*Auditor 4*

*TIMOTHY SCOTTON, CGFM*  
*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, 2011

## ***Scope***

We have audited the financial statements of Meigs County as of and for the year ended June 30, 2011.

## ***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 eight findings and recommendations, which we have reviewed with Meigs County management. Detailed findings, recommendations, and management's response are included in the Single Audit section of this report.

## ***Findings and Best Practices***

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

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

- ◆ The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.
- ◆ 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 Solid Waste/Sanitation Fund was not used to account for solid waste transactions.

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### **OFFICES OF TRUSTEE, COUNTY CLERK, CLERK AND MASTER, AND REGISTER**

- ◆ Multiple employees operated from the same cash drawer.
-

**OFFICES OF FINANCE DIRECTOR, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER, SHERIFF, AND THE AMBULANCE SERVICE DEPARTMENT**

- ◆ Duties were not segregated adequately.
- 

**OFFICE OF CLERK AND MASTER**

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

**BEST PRACTICES**

The Division of County Audit strongly believes that the items noted below are best practices that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Meigs County.

- Meigs County should adopt a central system of accounting, budgeting, and purchasing.
- Meigs County should establish an Audit Committee.

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# INTRODUCTORY SECTION

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# Meigs County Officials

## June 30, 2011

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### **Officials**

Garland Lankford, 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  
Jackie Melton, Sheriff  
Randy Baker, Director of Finance

### **Board of County Commissioners**

Pete Jennings, Chairman	Carter Nelson
Bill Allen	Doug O'Daniel
Harrell Bidwell	Billy Ogle
Betty Davis	Stanley Welch
Brad McKenzie	Mark Vance
Dewayne Murphy	

### **Financial Management Committee**

Mark Vance, Chairman  
Garland Lankford, County Mayor  
Tim Jennings, Highway Superintendent  
Pete Jennings  
Brad McKenzie  
Dewayne Murphy  
Carter Nelson

### **Board of Education**

Chris Clark, Chairman	Tessa Perkinson
Ross Irwin	Terri Smith
Rueben McKenzie	

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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 9, 2012

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, 2011, 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, 2011, and the results of operations of the aggregate discretely presented component units, for the year then 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, 2011, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2012, 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. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

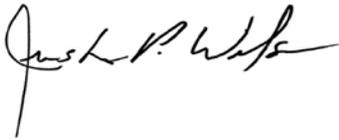
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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,

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

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Meigs County, Tennessee  
Statement of Net Assets  
June 30, 2011

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Meigs County School Department</u>
<u>ASSETS</u>		
Cash	\$ 24,975	\$ 0
Equity in Pooled Cash and Investments	2,623,157	2,684,398
Accounts Receivable	208,354	8,693
Allowance for Uncollectibles	(83,342)	0
Due from Other Governments	548,795	447,574
Property Taxes Receivable	2,799,216	1,445,848
Allowance for Uncollectible Property Taxes	(132,559)	(68,468)
Deferred Charges - Debt Issuance Costs	36,463	0
Capital Assets:		
Assets Not Depreciated:		
Land	325,905	354,462
Construction in Progress	121,482	104,343
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	6,284,392	5,106,980
Infrastructure	3,807,268	0
Other Capital Assets	748,130	872,766
Total Assets	<u>\$ 17,312,236</u>	<u>\$ 10,956,596</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,165	\$ 1,038
Accrued Payroll	0	9,058
Payroll Deductions Payable	39,477	0
Accrued Interest Payable	34,485	0
Other Current Liabilities	5,635	0
Deferred Revenue - Current Property Taxes	2,525,067	1,304,250
Noncurrent Liabilities:		
Due Within One Year	935,685	0
Due In More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	4,944,139	200,747
Total Liabilities	<u>\$ 8,486,653</u>	<u>\$ 1,515,093</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 6,638,905	\$ 0
Invested in Capital Assets	0	6,438,551
Restricted for:		
General Purposes	329,023	32,313
Special Purpose	2,090	0
Drug Control	39,897	0
Highway/Public Works	493,483	0
Debt Service	307,118	0
Capital Projects	180,989	0
School Federal Projects	0	50,069
Central Cafeteria	0	232,765
Other Education Special Revenue	0	215,217
Unrestricted	<u>834,078</u>	<u>2,472,588</u>
Total Net Assets	<u>\$ 8,825,583</u>	<u>\$ 9,441,503</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, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Governmental Activities	Meigs County School Department
<b>Primary Government:</b>						
Governmental Activities:						
General Government	\$ 829,953	\$ 65,654	\$ 24,836	\$ 26,904	\$ (712,559)	\$ 0
Finance	598,923	242,207	0	0	(356,716)	0
Administration of Justice	430,985	307,996	9,000	0	(113,989)	0
Public Safety	1,739,105	186,344	44,314	222,761	(1,285,686)	0
Public Health and Welfare	803,413	319,597	167,336	0	(316,480)	0
Social, Cultural, and Recreational Services	237,561	0	90,653	418,846	271,938	0
Agriculture and Natural Resources	98,110	0	0	0	(98,110)	0
Other Operations	633,275	0	0	0	(633,275)	0
Highways/Public Works	1,445,744	0	1,318,012	536,326	408,594	0
Education	0	0	225,000	0	225,000	0
Interest on Long-term Debt	243,168	0	0	0	(243,168)	0
Other Debt Service	40,285	0	0	0	(40,285)	0
<b>Total Governmental Activities</b>	<b>\$ 7,100,522</b>	<b>\$ 1,121,798</b>	<b>\$ 1,879,151</b>	<b>\$ 1,204,837</b>	<b>\$ (2,894,736)</b>	<b>\$ 0</b>
<b>Total Primary Government</b>	<b>\$ 7,100,522</b>	<b>\$ 1,121,798</b>	<b>\$ 1,879,151</b>	<b>\$ 1,204,837</b>	<b>\$ (2,894,736)</b>	<b>\$ 0</b>
<b>Component Unit:</b>						
Meigs County School Department	\$ 15,264,825	\$ 206,081	\$ 2,288,727	\$ 0	\$ 0	\$ (12,770,017)
<b>Total Component Unit</b>	<b>\$ 15,264,825</b>	<b>\$ 206,081</b>	<b>\$ 2,288,727</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (12,770,017)</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				\$ 1,792,822	\$ 1,184,922
Property Taxes Levied for Debt Service				499,165	0
Local Option Sales Taxes				345,922	325,593
Hotel/Motel Tax				13,672	0
Litigation Tax - General				23,064	0
Litigation Tax - Special Purpose				31,082	0
Litigation Tax - Jail, Workhouse, or Courthouse				3,054	0
Business Tax				22,710	0
Wholesale Beer Tax				30,000	113,190
Other Local Taxes				24,298	0
Grants and Contributions Not Restricted to Specific Programs				1,182,543	11,439,372
Unrestricted Investment Income				0	16,467
Miscellaneous				108,559	44,049
Total General Revenues				\$ 4,076,891	\$ 13,123,593
Change in Net Assets				\$ 1,182,155	\$ 353,576
Net Assets, July 1, 2010				7,643,428	9,087,927
Net Assets, June 30, 2011				\$ 8,825,583	\$ 9,441,503

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

Exhibit C-1

Meigs County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2011

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 24,975	\$ 0	\$ 0	\$ 0	\$ 24,975
Equity in Pooled Cash and Investments	761,905	126,039	1,511,796	223,417	2,623,157
Accounts Receivable	208,354	0	0	0	208,354
Allowance for Uncollectibles	(83,342)	0	0	0	(83,342)
Due from Other Governments	127,845	388,226	32,724	0	548,795
Due from Other Funds	0	0	1,940	3,782	5,722
Property Taxes Receivable	2,187,589	0	611,627	0	2,799,216
Allowance for Uncollectible Property Taxes	(103,593)	0	(28,966)	0	(132,559)
<b>Total Assets</b>	<b>\$ 3,123,733</b>	<b>\$ 514,265</b>	<b>\$ 2,129,121</b>	<b>\$ 227,199</b>	<b>\$ 5,994,318</b>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 407	\$ 1,539	\$ 0	\$ 219	\$ 2,165
Payroll Deductions Payable	23,340	12,133	0	4,004	39,477
Due to Other Funds	0	1,940	3,782	0	5,722
Due to State of Tennessee	0	5,170	0	0	5,170
Matured Interest on Bonds	0	0	465	0	465
Deferred Revenue - Current Property Taxes	1,973,348	0	551,719	0	2,525,067
Deferred Revenue - Delinquent Property Taxes	102,539	0	28,674	0	131,213
Other Deferred Revenues	160,662	123,742	18,000	0	302,404
<b>Total Liabilities</b>	<b>\$ 2,260,296</b>	<b>\$ 144,524</b>	<b>\$ 602,640</b>	<b>\$ 4,223</b>	<b>\$ 3,011,683</b>
<u>Fund Balances</u>					
<u>Restricted:</u>					
Restricted for General Government	\$ 178,153	\$ 0	\$ 0	\$ 0	\$ 178,153
Restricted for Administration of Justice	129,823	0	0	0	129,823
Restricted for Public Safety	21,047	0	0	5,772	26,819
Restricted for Social, Cultural, and Recreational Services	0	0	0	2,090	2,090
Restricted for Highways/Public Works	0	235,706	0	0	235,706
Restricted for Debt Service	0	0	1,526,481	0	1,526,481
<u>Committed:</u>					
Committed for Public Safety	58,555	0	0	34,125	92,680
Committed for Capital Outlay	0	0	0	180,989	180,989
<u>Assigned:</u>					
Assigned for Highways/Public Works	0	134,035	0	0	134,035
Unassigned	475,859	0	0	0	475,859
<b>Total Fund Balances</b>	<b>\$ 863,437</b>	<b>\$ 369,741</b>	<b>\$ 1,526,481</b>	<b>\$ 222,976</b>	<b>\$ 2,982,635</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,123,733</b>	<b>\$ 514,265</b>	<b>\$ 2,129,121</b>	<b>\$ 227,199</b>	<b>\$ 5,994,318</b>

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, 2011

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)		\$ 2,982,635
(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	121,482	
Add: buildings and improvements net of accumulated depreciation	6,284,392	
Add: infrastructure net of accumulated depreciation	3,807,268	
Add: other capital assets net of accumulated depreciation	<u>748,130</u>	11,287,177
(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	\$ 36,463	
Add: deferred amount on refunding	9,855	
Less: other deferred revenue - premium on debt	(53,383)	
Less: notes payable	(107,487)	
Less: capital leases payable	(53,788)	
Less: bonds payable	(3,903,479)	
Less: other loans payable	(539,990)	
Less: interest accrued on notes, capital leases, and bonds	(34,485)	
Less: interest accreted on bonds	<u>(1,231,552)</u>	(5,877,846)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>433,617</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 8,825,583</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, 2011

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 2,603,570	\$ 23,679	\$ 768,412	\$ 528,539	\$ 3,924,200
Licenses and Permits	17,167	0	0	0	17,167
Fines, Forfeitures, and Penalties	150,876	0	0	23,620	174,496
Charges for Current Services	266,243	0	0	0	266,243
Other Local Revenues	94,258	24,787	111	3,678	122,834
Fees Received from County Officials	417,493	0	0	0	417,493
State of Tennessee	414,883	1,841,842	0	0	2,256,725
Federal Government	708,225	0	0	90,653	798,878
Other Governments and Citizens Groups	76,400	0	225,000	0	301,400
<b>Total Revenues</b>	<b>\$ 4,749,115</b>	<b>\$ 1,890,308</b>	<b>\$ 993,523</b>	<b>\$ 646,490</b>	<b>\$ 8,279,436</b>
<u>Expenditures</u>					
Current:					
General Government	\$ 700,592	\$ 0	\$ 0	\$ 0	\$ 700,592
Finance	572,576	0	0	0	572,576
Administration of Justice	415,330	0	0	0	415,330
Public Safety	1,825,316	0	0	51,770	1,877,086
Public Health and Welfare	787,695	0	0	181	787,876
Social, Cultural, and Recreational Services	81,453	0	0	96,210	177,663
Agriculture and Natural Resources	61,559	0	0	0	61,559
Other Operations	821,240	0	0	0	821,240
Highways	0	1,691,840	0	0	1,691,840
Debt Service:					
Principal on Debt	0	78,635	610,360	300,000	988,995
Interest on Debt	0	11,520	82,031	0	93,551
Other Debt Service	0	0	74,541	0	74,541
Capital Projects	0	0	0	120,990	120,990
<b>Total Expenditures</b>	<b>\$ 5,265,761</b>	<b>\$ 1,781,995</b>	<b>\$ 766,932</b>	<b>\$ 569,151</b>	<b>\$ 8,383,839</b>
Excess (Deficiency) of Revenues Over Expenditures					
	\$ (516,646)	\$ 108,313	\$ 226,591	\$ 77,339	\$ (104,403)
<u>Other Financing Sources (Uses)</u>					
Refunding Debt Issued	\$ 0	\$ 0	\$ 2,350,000	\$ 0	\$ 2,350,000
Premiums on Debt Issued	0	0	58,905	0	58,905
Other Loans Issued	0	0	0	131,095	131,095
Transfers In	60,779	20,000	0	8,028	88,807
Transfers Out	(20,000)	0	0	(68,807)	(88,807)
Payments to Refunded Debt Escrow Agent	0	0	(2,361,938)	0	(2,361,938)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 40,779</b>	<b>\$ 20,000</b>	<b>\$ 46,967</b>	<b>\$ 70,316</b>	<b>\$ 178,062</b>
Net Change in Fund Balances					
Fund Balance, July 1, 2010	\$ 1,339,304	\$ 241,428	\$ 1,252,923	\$ 75,321	\$ 2,908,976
Fund Balance, June 30, 2011					
	\$ 863,437	\$ 369,741	\$ 1,526,481	\$ 222,976	\$ 2,982,635

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, 2011

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)		\$ 73,659
(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	\$ 850,236	
Less: current-year depreciation expense	<u>(467,087)</u>	383,149
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2010	\$ (430,376)	
Add: deferred delinquent property taxes and other deferred June 30, 2011	<u>433,617</u>	3,241
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: other loan proceeds	\$ (131,095)	
Less: refunding bond proceeds	(2,350,000)	
Less: change in premium on debt issuance	(53,383)	
Less: deferred amount on refunding	(2,083)	
Add: change in deferred debt issuance costs	30,817	
Add: principal payments on notes	41,909	
Add: principal payments on capital leases	37,086	
Add: principal payments on bonds	610,000	
Add: principal payments on other loans	300,000	
Add: payment to refunding agent	<u>2,361,938</u>	845,189
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 10,236	
Change in accreted interest payable	(159,853)	
Change in compensated absences payable	<u>26,534</u>	(123,083)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,182,155</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, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 429,357
Due from Other Governments	<u>33,397</u>
Total Assets	<u>\$ 462,754</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 33,397
Due to Litigants, Heirs, and Others	<u>429,357</u>
Total Liabilities	<u>\$ 462,754</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, 2011**

**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, 2011.

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

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

Additionally, Meigs County reports the following fund types:

**Capital Projects Funds** – These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**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 funds:

**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.

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

Additionally, the School Department reports the following fund type:

**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.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

**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 2.56 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.

Most payables are disaggregated on the face of the financial statements.

### **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, except for land, are defined by the primary government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than three years. Land is capitalized by the primary government no matter what the cost. 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 - 20
Other Capital Assets	10 - 20

4. **Compensated Absences**

**Primary Government**

Effective July 1, 2010, there is no liability for unpaid accumulated vacation leave benefits for employees of the county 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 county does not have a policy to pay any amounts when employees separate from service with the county.

**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 \$329,023, with the primary restrictions being for: (1) litigation tax - Jail, Workhouse, or Courthouse (\$121,941); (2) computer systems for various offices (\$84,197); (3) courthouse and jail maintenance (\$38,143); (4) alcohol and drug treatment (\$60,470); and (5) drug court (\$13,425). For the discretely presented School Department, the account balance in Restricted for General Purposes totaling \$32,313 consists of restrictions for various programs, primarily career ladder programs (\$28,837).

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county's Budget/Finance Committee and the Board of Education are authorized bodies to make assignments.

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

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

#### Primary Government

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

### **Discretely Presented 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**

#### **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.

At June 30, 2011, Meigs County and the Meigs County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government:		
Major Fund:		
Highway/Public Works	Bridge Construction	\$ 134,035
School Department:		
Major Fund:		
General Purpose School	Textbooks	58,049
"	Roofing Project	139,535

#### 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, 2011.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2011, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets				
Not Depreciated:				
Land	\$ 325,905	\$ 0	\$ 0	\$ 325,905
Construction in Progress	661,640	121,482	(661,640)	121,482
Total Capital Assets				
Not Depreciated	\$ 987,545	\$ 121,482	\$ (661,640)	\$ 447,387

**Governmental Activities (Cont.):**

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Depreciated:				
Buildings and Improvements	\$ 7,130,258	\$ 636,895	\$ 0	\$ 7,767,153
Infrastructure	4,738,647	496,567	0	5,235,214
Other Capital Assets	1,502,280	256,932	0	1,759,212
Total Capital Assets Depreciated	<u>\$ 13,371,185</u>	<u>\$ 1,390,394</u>	<u>\$ 0</u>	<u>\$ 14,761,579</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,304,861	\$ 177,900	\$ 0	\$ 1,482,761
Infrastructure	1,298,544	129,402	0	1,427,946
Other Capital Assets	851,297	159,785	0	1,011,082
Total Accumulated Depreciation	<u>\$ 3,454,702</u>	<u>\$ 467,087</u>	<u>\$ 0</u>	<u>\$ 3,921,789</u>
Total Capital Assets Depreciated, Net	<u>\$ 9,916,483</u>	<u>\$ 923,307</u>	<u>\$ 0</u>	<u>\$ 10,839,790</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,904,028</u>	<u>\$ 1,044,789</u>	<u>\$ (661,640)</u>	<u>\$ 11,287,177</u>

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

**Governmental Activities:**

General Government	\$ 97,724
Public Safety	100,304
Public Health and Welfare	15,171
Social, Cultural, and Recreational Services	4,310
Agriculture and Natural Resources	34,143
Highways	<u>215,435</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 467,087</u></u>

**Discretely Presented Meigs County School Department**

**Governmental Activities:**

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets				
Not Depreciated:				
Land	\$ 354,462	\$ 0	\$ 0	\$ 354,462
Construction in Progress	218,860	104,343	(218,860)	104,343
Total Capital Assets				
Not Depreciated	<u>\$ 573,322</u>	<u>\$ 104,343</u>	<u>\$ (218,860)</u>	<u>\$ 458,805</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 9,574,949	\$ 345,354	\$ 0	\$ 9,920,303
Other Capital Assets	1,888,273	293,448	(65,669)	2,116,052
Total Capital Assets				
Depreciated	<u>\$ 11,463,222</u>	<u>\$ 638,802</u>	<u>\$ (65,669)</u>	<u>\$ 12,036,355</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,596,593	\$ 216,730	\$ 0	\$ 4,813,323
Other Capital Assets	1,161,506	147,449	(65,669)	1,243,286
Total Accumulated Depreciation	<u>\$ 5,758,099</u>	<u>\$ 364,179</u>	<u>\$ (65,669)</u>	<u>\$ 6,056,609</u>
Total Capital Assets Depreciated, Net	<u>\$ 5,705,123</u>	<u>\$ 274,623</u>	<u>\$ 0</u>	<u>\$ 5,979,746</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,278,445</u>	<u>\$ 378,966</u>	<u>\$ (218,860)</u>	<u>\$ 6,438,551</u>

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

**Governmental Activities:**

Instruction	\$ 175,647
Support Services	175,039
Operation of Non-Instructional Services	<u>13,493</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 364,179</u>

**C. Construction Commitments**

**Primary Government**

At June 30, 2011, Meigs County had uncompleted construction contracts of approximately \$134,035 for construction of a bridge. Funding has been received for these future expenditures.

**Discretely Presented Meigs County School Department**

At June 30, 2011, the School Department had uncompleted construction contracts of approximately \$139,535 for a roofing project at a school. Funding has been received for these future expenditures.

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

The composition of interfund balances as of June 30, 2011, was as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
General Debt Service	Highway/Public Works	\$ 1,940
Other Capital Projects	General Debt Service	3,782

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, 2011, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Fund
General Fund	\$ 0	\$ 20,000	\$ 0
Nonmajor governmental funds	60,779	0	8,028
Total	\$ 60,779	\$ 20,000	\$ 8,028

**Discretely Presented Meigs County School Department**

Transfers Out	Transfers In	
	School Federal Projects Fund	Nonmajor Govern-mental Fund
General Purpose School Fund	\$ 50,000	\$ 0
Nonmajor governmental fund	0	171,375
<b>Total</b>	<b>\$ 50,000</b>	<b>\$ 171,375</b>

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.

The assets acquired through capital leases are as follows:

Assets	Governmental Activities
Machinery and Equipment	\$ 180,406
Less: Accumulated Depreciation	<u>(75,525)</u>
<b>Total Book Value</b>	<b><u>\$ 104,881</u></b>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

Year Ending June 30	Governmental Funds
2012	\$ 43,230
2013	19,456
Total Minimum Lease Payments	\$ 62,686
Less: Amount Representing Interest	<u>(8,898)</u>
Present Value of Minimum Lease Payments	<u>\$ 53,788</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 five 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 will be retired from the General Debt Service Fund, the other loan will be retired from the General Debt Service and Other Capital Projects funds, and all notes will be retired from the Highway/Public Works Fund.

General obligation bonds, capital outlay notes, the other loan, and capital leases outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
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	1,231,552
General Obligation Bonds - Refunding	2.5	2,350,000	1,815,000
Capital Outlay Notes	4.35 to 4.7	223,797	107,487
Other Loan	Variable	839,990	539,990
Capital Leases	5 to 5.17	180,406	53,788

In prior years, 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, 2011, Meigs County had borrowed \$839,990 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, 2011, 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, 2011, approximately \$1,231,552 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, 2011, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 655,000	\$ 45,487	\$ 700,487
2013	450,000	32,386	482,386
2014	460,000	18,890	478,890
2015	340,143	144,943	485,086
2016	262,502	223,985	486,487
2017-2021	1,001,142	1,284,649	2,285,791
2022-2026	734,692	1,515,307	2,249,999
<b>Total</b>	<b>\$ 3,903,479</b>	<b>\$ 3,265,647</b>	<b>\$ 7,169,126</b>

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 107,487	\$ 1,155	\$ 108,642
Total	\$ 107,487	\$ 1,155	\$ 108,642

Year Ending June 30	Other Loan			
	Principal	Interest	Other Fees	Total
2012	\$ 135,000	\$ 2,274	\$ 3,042	\$ 140,316
2013	142,000	1,691	2,703	146,394
2014	149,000	1,077	2,346	152,423
2015	113,990	449	1,838	116,277
Total	\$ 539,990	\$ 5,491	\$ 9,929	\$ 555,410

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 \$1,526,481 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$332, based on the 2010 federal census. Debt per capita, including bonds, notes, the other loan, and capital leases totaled \$392, based on the 2010 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

#### Governmental Activities:

	Bonds	Accreted Interest on (CAB) Bonds	Other Loan
Balance, July 1, 2010	\$ 4,213,479	\$ 1,071,699	\$ 708,895
Additions	2,350,000	159,853	131,095
Debt Refunded	(2,050,000)	0	0
Deductions	(610,000)	0	(300,000)
Balance, June 30, 2011	\$ 3,903,479	\$ 1,231,552	\$ 539,990
Balance Due Within One Year	\$ 655,000	\$ 0	\$ 135,000

	Capital Leases	Notes	Compensated Absences
Balance, July 1, 2010	\$ 90,874	\$ 449,396	\$ 26,534
Debt Refunded	0	(300,000)	0
Deductions	(37,086)	(41,909)	(26,534)
Balance, June 30, 2011	<u>\$ 53,788</u>	<u>\$ 107,487</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 38,197</u>	<u>\$ 107,487</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 5,836,296
Less: Balance Due Within One Year	(935,685)
Less: Deferred Amount on Refunding	(9,855)
Add: Unamortized Premium on Debt	<u>53,383</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,944,139</u>

Advance Refunding

On December 10, 2010, Meigs County advance refunded a capital outlay note and two general obligation bond issues with a separate general obligation bond issue. The county issued \$2,350,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next seven years will be reduced by \$106,078, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$103,129 was obtained.

**Discretely Presented Meigs County School Department**

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2010	\$ 167,530
Additions	121,398
Deductions	<u>(88,181)</u>
Balance, June 30, 2011	<u>\$ 200,747</u>
Balance Due Within One Year	<u>\$ 0</u>

Other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

**G. On-Behalf Payments**

**Primary Government**

The State of Tennessee pays health insurance premiums for retired employee's on-behalf of Meigs County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2011, was \$353. Meigs County has recognized these on-behalf payments as revenues and expenditures in the General Fund.

**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, 2011, were \$44,765 and \$7,207 respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. Short-term Debt**

Meigs County issued revenue anticipation notes of \$120,000 from the General Debt Service Fund in advance of revenue collections and deposited the proceeds in the Highway/Public Works Fund. These notes were necessary because funds were not available to meet obligations coming due before

current tax collections. Short-term debt activity for the year ended June 30, 2011, was as follows:

	Balance 7-1-10	Issued	Paid	Balance 6-30-11
Revenue Anticipation Note	\$ 0	\$ 120,000	\$ (120,000)	\$ 0

**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 Change**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be

spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Meigs County and the Meigs County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

**C. Subsequent Event**

Director of Finance Randy Baker resigned September 30, 2011, and was succeeded by interim Director of Finance Connie Allen effective October 1, 2011.

**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. Changes in Administration**

On August 31, 2010, Ken Jones left the Office of County Mayor and was succeeded by Garland Lankford, and Walter Hickman left the Office of Sheriff and was succeeded by Jackie Melton.

**F. 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, 2011, 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

## **G. Retirement Commitments**

### **Plan Description**

Meigs County withdrew from the Tennessee Consolidated Retirement System (TCRS) effective July 1, 1984. Employees hired after the date of withdrawal are not eligible to participate in TCRS. Employees active as of the withdrawal date will continue to accrue salary and service credit in TCRS. Meigs County remains responsible for the pension liability for employees that were active as of the withdrawal date and for retirees of Meigs County.

Employees of Meigs County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the 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, 2011, 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, 2011, the 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, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected 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 ten-year period. The county’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 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
6-30-11	\$0	100%	\$0
6-30-10	0	100	0
6-30-09	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 zero, and the actuarial value of assets was \$1 million, resulting in an unfunded actuarial accrued liability (UAAL) of zero. 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 annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information

about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

## SCHOOL TEACHERS

### **Plan Description**

The Meigs County 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. Cost of living adjustments (COLA) are provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230, or can be accessed at [www.tn.gov/treasury/tcrs/Schools](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 School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended

June 30, 2011, 2010, and 2009 were \$648,755, \$449,609, and \$438,012, respectively, equal to the required contributions for each year.

#### **H. 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*, for teachers. In previous fiscal years, prior to reaching the age of 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed, and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.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 employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. School Department retirees' contributions vary depending on the insurance options they select, ranging from \$258 to \$330 per month for their insurance. During the year, expenditures totaling \$88,181 were recognized by the School Department for postemployment health care premiums.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 121,000
Interest on the NPO	7,539
Adjustment to the ARC	(7,141)
Annual OPEB cost	<hr/> \$ 121,398
Amount of contribution	(88,181)
Increase/decrease in NPO	<hr/> \$ 33,217
Net OPEB obligation, 7-1-10	<hr/> 167,530 <hr/>
Net OPEB obligation, 6-30-11	<hr/> \$ 200,747 <hr/>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
		<hr/>		
6-30-09	Local Education Group	\$ 121,113	41.64 %	\$ 137,066
6-30-10	"	116,326	73.81	167,530
6-30-11	"	121,398	72.64	200,747

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

	Local Education Group Plan
	<hr/>
Actuarial valuation date	7-1-10
Actuarial accrued liability (AAL)	\$ 1,248,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,248,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 5,627,364
UAAL as a % of covered payroll	22.18%

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, 2010, actuarial valuation for the Local Education Plan, 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) and an annual healthcare cost trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

#### **I. 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.

#### **J. 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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 2,603,570	\$ 0	\$ 2,603,570	\$ 2,642,785	\$ 2,642,785	\$ (39,215)
Licenses and Permits	17,167	0	17,167	11,400	11,400	5,767
Fines, Forfeitures, and Penalties	150,876	0	150,876	145,950	145,950	4,926
Charges for Current Services	266,243	0	266,243	263,100	263,100	3,143
Other Local Revenues	94,258	0	94,258	10,800	20,876	73,382
Fees Received from County Officials	417,493	0	417,493	390,000	390,000	27,493
State of Tennessee	414,883	0	414,883	696,017	714,250	(299,367)
Federal Government	708,225	0	708,225	42,750	601,808	106,417
Other Governments and Citizens Groups	76,400	0	76,400	85,000	86,400	(10,000)
Total Revenues	\$ 4,749,115	\$ 0	\$ 4,749,115	\$ 4,287,802	\$ 4,876,569	\$ (127,454)
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 32,018	\$ 0	\$ 32,018	\$ 43,288	\$ 43,606	\$ 11,588
Board of Equalization	320	0	320	400	400	80
County Mayor/Executive	94,338	0	94,338	96,173	96,681	2,343
County Attorney	14,905	0	14,905	18,351	18,527	3,622
Election Commission	120,468	0	120,468	123,671	130,576	10,108
Register of Deeds	84,001	0	84,001	94,903	104,196	20,195
Planning	29,124	0	29,124	26,579	30,545	1,421
Geographical Information Systems	15,912	0	15,912	22,839	16,779	867
County Buildings	309,153	0	309,153	275,607	320,849	11,696
Other General Administration	353	0	353	75,170	75,523	75,170
<u>Finance</u>						
Accounting and Budgeting	132,477	0	132,477	116,379	137,580	5,103

(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)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b>Expenditures (Cont.)</b>						
<u>Finance (Cont.)</u>						
Property Assessor's Office	\$ 99,415	\$ 0	\$ 99,415	\$ 96,375	\$ 102,808	\$ 3,393
Reappraisal Program	22,365	0	22,365	23,045	23,225	860
County Trustee's Office	116,306	0	116,306	117,327	118,322	2,016
County Clerk's Office	150,170	0	150,170	141,452	150,943	773
Other Finance	51,843	0	51,843	56,200	56,200	4,357
<u>Administration of Justice</u>						
Circuit Court	184,048	0	184,048	168,706	199,218	15,170
General Sessions Court	117,544	0	117,544	111,518	117,999	455
Chancery Court	113,738	0	113,738	104,711	115,778	2,040
<u>Public Safety</u>						
Sheriff's Department	645,538	0	645,538	595,526	654,106	8,568
Drug Enforcement	39,448	0	39,448	39,185	39,448	0
Jail	499,754	0	499,754	529,434	546,204	46,450
Juvenile Services	26,180	0	26,180	25,368	27,716	1,536
Fire Prevention and Control	243,694	(187,500)	56,194	70,690	260,702	204,508
Civil Defense	111,928	0	111,928	79,743	113,175	1,247
Rescue Squad	1,753	0	1,753	7,400	7,400	5,647
County Coroner/Medical Examiner	15,352	0	15,352	14,000	15,522	170
Other Public Safety	241,669	0	241,669	225,780	241,669	0
<u>Public Health and Welfare</u>						
Local Health Center	166,416	0	166,416	173,752	174,693	8,277
Ambulance/Emergency Medical Services	306,950	0	306,950	325,483	336,594	29,644
Crippled Children Services	0	0	0	500	500	500
Other Local Health Services	5,572	0	5,572	13,650	14,202	8,630

(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)	Less: Encumbrances 7/1/2010	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>						
Appropriation to State	\$ 20,900	\$ 0	\$ 20,900	\$ 28,000	\$ 28,000	\$ 7,100
Sanitation Management	256,276	0	256,276	264,034	287,857	31,581
Sanitation Education/Information	31,581	0	31,581	31,073	32,989	1,408
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	20,676	0	20,676	19,728	21,419	743
Libraries	38,709	0	38,709	38,346	38,709	0
Parks and Fair Boards	10,545	0	10,545	22,635	22,635	12,090
Other Social, Cultural, and Recreational	11,523	0	11,523	9,390	12,765	1,242
<u>Agriculture and Natural Resources</u>						
Agriculture Extension Service	52,930	0	52,930	55,193	55,384	2,454
Soil Conservation	8,629	0	8,629	4,100	8,629	0
<u>Other Operations</u>						
Tourism	14,037	0	14,037	22,770	24,354	10,317
Housing and Urban Development	418,846	0	418,846	0	418,846	0
Other Economic and Community Development	26,904	0	26,904	0	26,904	0
Veterans' Services	16,484	0	16,484	17,643	17,828	1,344
Other Charges	74,614	0	74,614	67,024	74,614	0
Contributions to Other Agencies	155,800	0	155,800	9,300	155,800	0
Employee Benefits	114,555	0	114,555	220,000	121,463	6,908
<b>Total Expenditures</b>	<b>\$ 5,265,761</b>	<b>\$ (187,500)</b>	<b>\$ 5,078,261</b>	<b>\$ 4,622,441</b>	<b>\$ 5,639,882</b>	<b>\$ 561,621</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (516,646)	\$ 187,500	\$ (329,146)	\$ (334,639)	\$ (763,313)	\$ 434,167

(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)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0 \$	0 \$	0 \$	0 \$	9,895 \$	(9,895)
Transfers In	60,779	0	60,779	47,000	62,816	(2,037)
Transfers Out	(20,000)	0	(20,000)	(20,000)	(20,000)	0
Total Other Financing Sources (Uses)	\$ 40,779 \$	0 \$	40,779 \$	27,000 \$	52,711 \$	(11,932)
Net Change in Fund Balance	\$ (475,867) \$	187,500 \$	(288,367) \$	(307,639) \$	(710,602) \$	422,235
Fund Balance, July 1, 2010	1,339,304	(187,500)	1,151,804	1,291,224	1,291,224	(139,420)
Fund Balance, June 30, 2011	\$ 863,437 \$	0 \$	863,437 \$	983,585 \$	580,622 \$	282,815

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 23,679	\$ 0	\$ 0	\$ 23,679	\$ 15,000	\$ 15,000	\$ 8,679
Other Local Revenues	24,787	0	0	24,787	0	22,409	2,378
State of Tennessee	1,841,842	0	0	1,841,842	1,514,721	2,062,374	(220,532)
Total Revenues	\$ 1,890,308	\$ 0	\$ 0	\$ 1,890,308	\$ 1,529,721	\$ 2,099,783	\$ (209,475)
<b>Expenditures</b>							
<b>Highways</b>							
Administration	\$ 140,099	\$ 0	\$ 0	\$ 140,099	\$ 138,177	\$ 140,452	\$ 353
Highway and Bridge Maintenance	591,855	0	0	591,855	606,885	616,572	24,717
Operation and Maintenance of Equipment	241,722	0	0	241,722	222,679	249,514	7,792
Other Charges	81,434	0	0	81,434	76,000	83,390	1,956
Employee Benefits	124,443	0	0	124,443	124,750	124,750	307
Capital Outlay	512,287	(214,264)	134,035	432,058	258,000	805,653	373,595
Principal on Debt							
Highways and Streets	78,635	0	0	78,635	146,643	140,498	61,863
Interest on Debt	11,520	0	0	11,520	14,413	20,558	9,038
Highways and Streets	1,781,995	(214,264)	134,035	1,701,766	1,587,547	2,181,387	479,621
Total Expenditures	\$ 1,781,995	\$ (214,264)	\$ 134,035	\$ 1,701,766	\$ 1,587,547	\$ 2,181,387	\$ 479,621
Excess (Deficiency) of Revenues Over Expenditures	\$ 108,313	\$ 214,264	\$ (134,035)	\$ 188,542	\$ (57,826)	\$ (81,604)	\$ 270,146
<b>Other Financing Sources (Uses)</b>							
Transfers In	\$ 20,000	\$ 0	\$ 0	\$ 20,000	\$ 20,000	\$ 20,000	\$ 0
Total Other Financing Sources (Uses)	\$ 20,000	\$ 0	\$ 0	\$ 20,000	\$ 20,000	\$ 20,000	\$ 0
Net Change in Fund Balance	\$ 128,313	\$ 214,264	\$ (134,035)	\$ 208,542	\$ (37,826)	\$ (61,604)	\$ 270,146
Fund Balance, July 1, 2010	241,428	(214,264)	0	27,164	221,256	221,256	(194,092)
Fund Balance, June 30, 2011	\$ 369,741	\$ 0	\$ (134,035)	\$ 235,706	\$ 183,430	\$ 159,652	\$ 76,054

Exhibit E-3

Meigs County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Meigs County School Department  
June 30, 2011

(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 entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the 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, 2011

(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
"	7-1-10	0	1,248	1,248	0	5,627	22.18

**MEIGS COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2011**

**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.

At June 30, 2011, Meigs County reported the following significant encumbrance in the Highway/Public Works Fund, a major special revenue fund:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Highway/Public Works	Bridge Construction	\$ 134,035

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

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Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Meigs County’s solid waste disposal. This fund was closed during the year.

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 and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county. This fund was closed during the year.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for various capital purchases/projects for the county.

Exhibit F-1

Meigs County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2011

Special Purpose	Special Revenue Funds			Capital Projects		Total Nonmajor Governmental Funds
	Drug Control	Total	Other Capital Projects	Fund		
\$ 6,313 \$	39,897 \$	46,210 \$	177,207 \$		223,417	
0	0	0	3,782		3,782	
\$ 6,313 \$	39,897 \$	46,210 \$	180,989 \$		227,199	

ASSETS

Equity in Pooled Cash and Investments  
 Due from Other Funds

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable  
 Payroll Deductions Payable  
 Total Liabilities

Fund Balances

Restricted:  
 Restricted for Public Safety  
 Restricted for Social, Cultural, and Recreational Services  
 Committed:  
 Committed for Public Safety  
 Committed for Capital Outlay  
 Total Fund Balances

Total Liabilities and Fund Balances

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, 2011

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Special Purpose	Drug Control	Total	General Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>								
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 528,539	\$ 528,539	\$ 528,539
Fines, Forfeitures, and Penalties	0	0	23,620	23,620	0	0	0	23,620
Other Local Revenues	99	3,383	0	3,482	196	0	196	3,678
Federal Government	0	90,653	0	90,653	0	0	0	90,653
Total Revenues	\$ 99	\$ 94,036	\$ 23,620	\$ 117,755	\$ 196	\$ 528,539	\$ 528,735	\$ 646,490
<u>Expenditures</u>								
Current:								
Public Safety	\$ 0	\$ 0	\$ 6,159	\$ 6,159	\$ 0	\$ 45,611	\$ 45,611	\$ 51,770
Public Health and Welfare	181	0	0	181	0	0	0	181
Social, Cultural, and Recreational Services	0	96,210	0	96,210	0	0	0	96,210
Debt Service:								
Principal on Debt	0	0	0	0	0	300,000	300,000	300,000
Capital Projects	0	0	0	0	111,023	9,967	120,990	120,990
Total Expenditures	\$ 181	\$ 96,210	\$ 6,159	\$ 102,550	\$ 111,023	\$ 355,578	\$ 466,601	\$ 569,151
Excess (Deficiency) of Revenues Over Expenditures	\$ (82)	\$ (2,174)	\$ 17,461	\$ 15,205	\$ (110,827)	\$ 172,961	\$ 62,134	\$ 77,339
<u>Other Financing Sources (Uses)</u>								
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 131,095	\$ 0	\$ 131,095	\$ 131,095
Transfers In	0	0	0	0	0	8,028	8,028	8,028
Transfers Out	(25,779)	0	(35,000)	(60,779)	(8,028)	0	(8,028)	(68,807)
Total Other Financing Sources (Uses)	\$ (25,779)	\$ 0	\$ (35,000)	\$ (60,779)	\$ 123,067	\$ 8,028	\$ 131,095	\$ 70,316
Net Change in Fund Balances	\$ (25,861)	\$ (2,174)	\$ (17,539)	\$ (45,574)	\$ 12,240	\$ 180,989	\$ 193,229	\$ 147,655
Fund Balance, July 1, 2010	25,861	4,264	57,436	87,561	(12,240)	0	(12,240)	75,321
Fund Balance, June 30, 2011	\$ 0	\$ 2,090	\$ 39,897	\$ 41,987	\$ 0	\$ 180,989	\$ 180,989	\$ 222,976

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 99	\$ 0	\$ 0	\$ 99
Total Revenues	\$ 99	\$ 0	\$ 0	\$ 99
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 181	\$ 0	\$ 181	\$ 0
Total Expenditures	\$ 181	\$ 0	\$ 181	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (82)	\$ 0	\$ (181)	\$ 99
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (25,779)	\$ 0	\$ (25,779)	\$ 0
Total Other Financing Sources (Uses)	\$ (25,779)	\$ 0	\$ (25,779)	\$ 0
Net Change in Fund Balance	\$ (25,861)	\$ 0	\$ (25,960)	\$ 99
Fund Balance, July 1, 2010	25,861	20,757	25,960	(99)
Fund Balance, June 30, 2011	\$ 0	\$ 20,757	\$ 0	\$ 0

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 3,383	\$ 2,500	\$ 3,104	\$ 279
Federal Government	90,653	87,248	88,842	1,811
Total Revenues	<u>\$ 94,036</u>	<u>\$ 89,748</u>	<u>\$ 91,946</u>	<u>\$ 2,090</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	\$ 96,210	\$ 94,012	\$ 96,210	\$ 0
Total Expenditures	<u>\$ 96,210</u>	<u>\$ 94,012</u>	<u>\$ 96,210</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,174)</u>	<u>\$ (4,264)</u>	<u>\$ (4,264)</u>	<u>\$ 2,090</u>
Net Change in Fund Balance	\$ (2,174)	\$ (4,264)	\$ (4,264)	\$ 2,090
Fund Balance, July 1, 2010	<u>4,264</u>	<u>4,264</u>	<u>4,264</u>	<u>0</u>
Fund Balance, June 30, 2011	<u><u>\$ 2,090</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,090</u></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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 23,620	\$ 37,500	\$ 37,500	\$ (13,880)
Total Revenues	\$ 23,620	\$ 37,500	\$ 37,500	\$ (13,880)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 6,159	\$ 8,400	\$ 8,400	\$ 2,241
Total Expenditures	\$ 6,159	\$ 8,400	\$ 8,400	\$ 2,241
Excess (Deficiency) of Revenues Over Expenditures	\$ 17,461	\$ 29,100	\$ 29,100	\$ (11,639)
<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	\$ (17,539)	\$ (5,900)	\$ (5,900)	\$ (11,639)
Fund Balance, July 1, 2010	57,436	58,008	58,008	(572)
Fund Balance, June 30, 2011	\$ 39,897	\$ 52,108	\$ 52,108	\$ (12,211)

# **Major Governmental Fund**

## **General Debt Service Fund**

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The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 768,412	\$ 750,500	\$ 750,500	\$ 17,912
Other Local Revenues	111	0	0	111
State of Tennessee	0	39,000	39,000	(39,000)
Other Governments and Citizens Groups	225,000	0	0	225,000
Total Revenues	<u>\$ 993,523</u>	<u>\$ 789,500</u>	<u>\$ 789,500</u>	<u>\$ 204,023</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 610,360	\$ 650,327	\$ 636,200	\$ 25,840
<u>Interest on Debt</u>				
General Government	82,031	112,610	114,133	32,102
<u>Other Debt Service</u>				
General Government	74,541	14,437	75,420	879
Total Expenditures	<u>\$ 766,932</u>	<u>\$ 777,374</u>	<u>\$ 825,753</u>	<u>\$ 58,821</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 226,591</u>	<u>\$ 12,126</u>	<u>\$ (36,253)</u>	<u>\$ 262,844</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 2,350,000	\$ 0	\$ 2,350,000	\$ 0
Premiums on Debt Issued	58,905	0	58,905	0
Payments to Refunded Debt Escrow Agent	(2,361,938)	0	(2,361,938)	0
Total Other Financing Sources (Uses)	<u>\$ 46,967</u>	<u>\$ 0</u>	<u>\$ 46,967</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 273,558	\$ 12,126	\$ 10,714	\$ 262,844
Fund Balance, July 1, 2010	<u>1,252,923</u>	<u>1,253,477</u>	<u>1,253,477</u>	<u>(554)</u>
Fund Balance, June 30, 2011	<u>\$ 1,526,481</u>	<u>\$ 1,265,603</u>	<u>\$ 1,264,191</u>	<u>\$ 262,290</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, 2011

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 429,357	\$ 429,357
Due from Other Governments	33,397	0	33,397
Total Assets	<u>\$ 33,397</u>	<u>\$ 429,357</u>	<u>\$ 462,754</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 33,397	\$ 0	\$ 33,397
Due to Litigants, Heirs, and Others	0	429,357	429,357
Total Liabilities	<u>\$ 33,397</u>	<u>\$ 429,357</u>	<u>\$ 462,754</u>

Exhibit H-2

Meigs County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 198,760	\$ 198,760	\$ 0
Due from Other Governments	32,409	33,397	32,409	33,397
<b>Total Assets</b>	<b>\$ 32,409</b>	<b>\$ 232,157</b>	<b>\$ 231,169</b>	<b>\$ 33,397</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 32,409	\$ 232,157	\$ 231,169	\$ 33,397
<b>Total Liabilities</b>	<b>\$ 32,409</b>	<b>\$ 232,157</b>	<b>\$ 231,169</b>	<b>\$ 33,397</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 424,273	\$ 1,769,673	\$ 1,764,589	\$ 429,357
<b>Total Assets</b>	<b>\$ 424,273</b>	<b>\$ 1,769,673</b>	<b>\$ 1,764,589</b>	<b>\$ 429,357</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 424,273	\$ 1,769,673	\$ 1,764,589	\$ 429,357
<b>Total Liabilities</b>	<b>\$ 424,273</b>	<b>\$ 1,769,673</b>	<b>\$ 1,764,589</b>	<b>\$ 429,357</b>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 424,273	\$ 1,769,673	\$ 1,764,589	\$ 429,357
Equity in Pooled Cash and Investments	0	198,760	198,760	0
Due from Other Governments	32,409	33,397	32,409	33,397
<b>Total Assets</b>	<b>\$ 456,682</b>	<b>\$ 2,001,830</b>	<b>\$ 1,995,758</b>	<b>\$ 462,754</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 32,409	\$ 232,157	\$ 231,169	\$ 33,397
Due to Litigants, Heirs, and Others	424,273	1,769,673	1,764,589	429,357
<b>Total Liabilities</b>	<b>\$ 456,682</b>	<b>\$ 2,001,830</b>	<b>\$ 1,995,758</b>	<b>\$ 462,754</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, three 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.

Other Education Special Revenue Fund – The Other Education Special Revenue Fund is used to account for various taxes to be used for education operations and/or projects.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department. This fund was closed during the year.

Exhibit I-1

Meigs County, Tennessee  
Statement of Activities  
Discretely Presented Meigs County School Department  
For the Year Ended June 30, 2011

Functions/Programs	Program Revenues		Expenses	Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions		
Governmental Activities:				
Instruction	\$ 9,554,906	\$ 1,875	\$ 1,519,488	\$ (8,033,543)
Support Services	4,065,334	11,661	76,643	(3,977,030)
Operation of Non-Instructional Services	1,419,585	192,545	692,596	(534,444)
Other Debt Service	225,000	0	0	(225,000)
<b>Total Governmental Activities</b>	<b>\$ 15,264,825</b>	<b>\$ 206,081</b>	<b>\$ 2,288,727</b>	<b>\$ (12,770,017)</b>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,184,922
Local Option Sales Taxes				325,593
Wholesale Beer Tax				113,190
Grants and Contributions Not Restricted to Specific Programs				11,439,372
Unrestricted Investment Earnings				16,467
Miscellaneous				44,049
<b>Total General Revenues</b>				<b>\$ 13,123,593</b>
Change in Net Assets				\$ 353,576
Net Assets, July 1, 2010				9,087,927
Net Assets, June 30, 2011				<u>\$ 9,441,503</u>

Exhibit I-2

Meigs County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Meigs County School Department  
June 30, 2011

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
			<u>Other</u>	
	<u>Purpose</u>	<u>Federal</u>	<u>Govern-</u>	<u>Govern-</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>mental</u>
			<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 2,222,068	\$ 14,348	\$ 447,982	\$ 2,684,398
Accounts Receivable	8,693	0	0	8,693
Due from Other Governments	411,853	35,721	0	447,574
Property Taxes Receivable	1,445,848	0	0	1,445,848
Allowance for Uncollectible Property Taxes	(68,468)	0	0	(68,468)
<b>Total Assets</b>	<b>\$ 4,019,994</b>	<b>\$ 50,069</b>	<b>\$ 447,982</b>	<b>\$ 4,518,045</b>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 1,038	\$ 0	\$ 0	\$ 1,038
Accrued Payroll	9,058	0	0	9,058
Deferred Revenue - Current Property Taxes	1,304,250	0	0	1,304,250
Deferred Revenue - Delinquent Property Taxes	67,770	0	0	67,770
Other Deferred Revenues	32,000	0	0	32,000
<b>Total Liabilities</b>	<b>\$ 1,414,116</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,414,116</b>
<u>Fund Balances</u>				
<u>Restricted:</u>				
Restricted for Education	\$ 32,313	\$ 69	\$ 447,982	\$ 480,364
<u>Committed:</u>				
Committed for Education	0	50,000	0	50,000
<u>Assigned:</u>				
Assigned for Education	282,618	0	0	282,618
Unassigned	2,290,947	0	0	2,290,947
<b>Total Fund Balances</b>	<b>\$ 2,605,878</b>	<b>\$ 50,069</b>	<b>\$ 447,982</b>	<b>\$ 3,103,929</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,019,994</b>	<b>\$ 50,069</b>	<b>\$ 447,982</b>	<b>\$ 4,518,045</b>

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, 2011

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)		\$	3,103,929
(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		104,343	
Add: buildings and improvements net of accumulated depreciation		5,106,980	
Add: other capital assets net of accumulated depreciation		<u>872,766</u>	6,438,551
(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			(200,747)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>99,770</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>9,441,503</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, 2011

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Federal</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	
<u>Revenues</u>				
Local Taxes	\$ 2,111,490	\$ 0	\$ 46,190	\$ 2,157,680
Licenses and Permits	508	0	0	508
Charges for Current Services	1,965	0	192,455	194,420
Other Local Revenues	86,216	0	430	86,646
State of Tennessee	10,317,871	0	0	10,317,871
Federal Government	241,872	1,970,106	692,596	2,904,574
<b>Total Revenues</b>	<b>\$ 12,759,922</b>	<b>\$ 1,970,106</b>	<b>\$ 931,671</b>	<b>\$ 15,661,699</b>
<u>Expenditures</u>				
Current:				
Instruction	\$ 7,608,925	\$ 1,499,285	\$ 0	\$ 9,108,210
Support Services	3,723,565	498,211	290	4,222,066
Operation of Non-Instructional Services	506,727	366	890,899	1,397,992
Capital Outlay	443,829	0	0	443,829
Debt Service:				
Other Debt Service	225,000	0	0	225,000
<b>Total Expenditures</b>	<b>\$ 12,508,046</b>	<b>\$ 1,997,862</b>	<b>\$ 891,189</b>	<b>\$ 15,397,097</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 251,876	\$ (27,756)	\$ 40,482	\$ 264,602
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 50,000	\$ 171,375	\$ 221,375
Transfers Out	(50,000)	0	(171,375)	(221,375)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (50,000)</b>	<b>\$ 50,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
Net Change in Fund Balances	\$ 201,876	\$ 22,244	\$ 40,482	\$ 264,602
Fund Balance, July 1, 2010	2,404,002	27,825	407,500	2,839,327
<b>Fund Balance, June 30, 2011</b>	<b>\$ 2,605,878</b>	<b>\$ 50,069</b>	<b>\$ 447,982</b>	<b>\$ 3,103,929</b>

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, 2011

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)		\$ 264,602
<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	\$ 524,285	
Less: current-year depreciation expense	<u>(364,179)</u>	160,106
<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, 2011	\$ 99,770	
Less: deferred delinquent property taxes and other deferred June 30, 2010	<u>(137,685)</u>	(37,915)
<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>(33,217)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 353,576</u>

Exhibit I-6

Meigs County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Meigs County School Department  
June 30, 2011

	<u>Special Revenue Funds</u>		Total
	Central	Other Education Special Revenue	Nonmajor Governmental Funds
	Cafeteria		
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 232,765	\$ 215,217	\$ 447,982
Total Assets	<u>\$ 232,765</u>	<u>\$ 215,217</u>	<u>\$ 447,982</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 232,765	\$ 215,217	\$ 447,982
Total Fund Balances	<u>\$ 232,765</u>	<u>\$ 215,217</u>	<u>\$ 447,982</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, 2011

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>Central</u> <u>Cafeteria</u>	<u>Other</u> <u>Education</u> <u>Special</u> <u>Revenue</u>	<u>Total</u>	<u>Education</u> <u>Capital</u> <u>Projects</u>	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 44,132	\$ 44,132	\$ 2,058	\$ 46,190
Charges for Current Services	192,455	0	192,455	0	192,455
Other Local Revenues	430	0	430	0	430
Federal Government	692,596	0	692,596	0	692,596
<b>Total Revenues</b>	<b>\$ 885,481</b>	<b>\$ 44,132</b>	<b>\$ 929,613</b>	<b>\$ 2,058</b>	<b>\$ 931,671</b>
<u>Expenditures</u>					
Current:					
Support Services	\$ 0	\$ 290	\$ 290	\$ 0	\$ 290
Operation of Non-Instructional Services	890,899	0	890,899	0	890,899
<b>Total Expenditures</b>	<b>\$ 890,899</b>	<b>\$ 290</b>	<b>\$ 891,189</b>	<b>\$ 0</b>	<b>\$ 891,189</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,418)	\$ 43,842	\$ 38,424	\$ 2,058	\$ 40,482
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 171,375	\$ 171,375	\$ 0	\$ 171,375
Transfers Out	0	0	0	(171,375)	(171,375)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 0</b>	<b>\$ 171,375</b>	<b>\$ 171,375</b>	<b>\$ (171,375)</b>	<b>\$ 0</b>
Net Change in Fund Balances	\$ (5,418)	\$ 215,217	\$ 209,799	\$ (169,317)	\$ 40,482
Fund Balance, July 1, 2010	238,183	0	238,183	169,317	407,500
<b>Fund Balance, June 30, 2011</b>	<b>\$ 232,765</b>	<b>\$ 215,217</b>	<b>\$ 447,982</b>	<b>\$ 0</b>	<b>\$ 447,982</b>

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,111,490	\$ 0	\$ 0	\$ 2,111,490	\$ 2,037,500	\$ 2,037,500	\$ 73,990
Licenses and Permits	508	0	0	508	0	0	508
Charges for Current Services	1,965	0	0	1,965	2,000	2,000	(35)
Other Local Revenues	86,216	0	0	86,216	443,770	208,210	(121,994)
State of Tennessee	10,317,871	0	0	10,317,871	10,141,658	10,201,630	116,241
Federal Government	241,872	0	0	241,872	219,207	241,904	(32)
<u>Total Revenues</u>	<u>\$ 12,759,922</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,759,922</u>	<u>\$ 12,844,135</u>	<u>\$ 12,691,244</u>	<u>\$ 68,678</u>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 6,492,940	\$ (14,470)	\$ 58,242	\$ 6,536,712	\$ 6,777,635	\$ 6,799,932	\$ 263,220
Alternative Instruction Program	54,882	0	0	54,882	55,610	55,610	728
Special Education Program	753,640	0	0	753,640	774,905	774,905	21,265
Vocational Education Program	259,656	0	0	259,656	266,760	266,760	7,104
Adult Education Program	47,807	(5,834)	1,512	43,485	41,733	43,534	49
<u>Support Services</u>							
Attendance	39,262	0	0	39,262	39,805	39,805	543
Health Services	89,338	(1,010)	500	88,828	92,095	92,095	3,267
Other Student Support	394,056	(4,539)	17,884	407,401	392,737	413,967	6,566
Regular Instruction Program	252,921	0	0	252,921	263,340	263,340	10,419
Alternative Instruction Program	774	(774)	0	0	0	0	0
Special Education Program	66,845	0	0	66,845	82,590	82,590	15,745
Vocational Education Program	48,063	0	0	48,063	48,835	48,835	772
Adult Programs	86,238	0	0	86,238	86,414	86,414	176

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Other Programs	\$ 51,972	\$ 0	\$ 0	\$ 51,972	\$ 0	\$ 51,972	\$ 0
Board of Education	186,023	(7,927)	9,939	188,035	196,055	196,055	8,020
Director of Schools	157,493	(112)	660	158,041	158,345	158,345	304
Office of the Principal	429,082	0	0	429,082	433,570	433,570	4,488
Fiscal Services	44,810	0	0	44,810	45,020	45,020	210
Operation of Plant	788,443	(872)	185	787,756	794,920	791,520	3,764
Maintenance of Plant	138,395	0	0	138,395	140,350	140,350	1,955
Transportation	823,071	(2,840)	2,181	822,412	854,720	854,720	32,308
Central and Other	126,779	(6,841)	102	120,040	120,000	120,040	0
<u>Operation of Non-Instructional Services</u>							
Community Services	85,448	0	4,650	90,098	90,000	90,100	2
Early Childhood Education	421,279	(6,457)	3,978	418,800	418,673	418,801	1
<u>Capital Outlay</u>							
Regular Capital Outlay	443,829	(193,175)	182,785	433,439	773,975	527,085	93,646
Other Debt Service							
Education	225,000	0	0	225,000	225,000	225,000	0
Total Expenditures	\$ 12,508,046	\$ (244,851)	\$ 282,618	\$ 12,545,813	\$ 13,173,087	\$ 13,020,365	\$ 474,552
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 251,876	\$ 244,851	\$ (282,618)	\$ 214,109	\$ (328,952)	\$ (329,121)	\$ 543,230
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (50,000)	\$ 0	\$ 0	\$ (50,000)	\$ 0	\$ (50,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (50,000)	\$ 0	\$ 0	\$ (50,000)	\$ 0	\$ (50,000)	\$ 0

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 201,876	\$ 244,851	\$ (282,618)	\$ 164,109	\$ (328,952)	\$ (379,121)	\$ 543,230
Fund Balance, July 1, 2010	2,404,002	(244,851)	0	2,159,151	1,621,835	1,621,835	537,316
Fund Balance, June 30, 2011	\$ 2,605,878	\$ 0	\$ (282,618)	\$ 2,323,260	\$ 1,292,883	\$ 1,242,714	\$ 1,080,546

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 1,970,106	0	\$ 1,970,106	\$ 2,674,009	\$ 2,661,057	\$ (690,951)
Total Revenues	\$ 1,970,106	0	\$ 1,970,106	\$ 2,674,009	\$ 2,661,057	\$ (690,951)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,061,847	(29,812)	\$ 1,032,035	\$ 1,530,497	\$ 1,474,507	\$ 442,472
Special Education Program	397,840	(1,086)	396,754	516,872	594,355	197,601
Vocational Education Program	39,598	(7,979)	31,619	24,116	31,620	1
<u>Support Services</u>						
Other Student Support	57,897	(1,687)	56,210	81,733	58,877	2,667
Regular Instruction Program	172,307	(3,855)	168,452	114,153	172,577	4,125
Alternative Instruction Program	27,600	0	27,600	27,600	27,600	0
Special Education Program	127,087	0	127,087	232,893	157,605	30,518
Vocational Education Program	1,298	0	1,298	2,000	1,298	0
Transportation	112,022	(89,720)	22,302	37,241	35,575	13,273
<u>Operation of Non-Instructional Services</u>						
Food Service	366	0	366	592	731	365
Total Expenditures	\$ 1,997,862	(134,139)	\$ 1,863,723	\$ 2,567,697	\$ 2,554,745	\$ 691,022
Excess (Deficiency) of Revenues Over Expenditures	\$ (27,756)	\$ 134,139	\$ 106,383	\$ 106,312	\$ 106,312	\$ 71
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 50,000	0	\$ 50,000	\$ 74,250	\$ 0	\$ 50,000

(Continued)

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 (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Other Financing Sources (Uses) (Cont.)						
Transfers Out	\$ 0	\$ 0	\$ 0	\$ (74,250)	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 50,000	\$ 0	\$ 50,000	\$ 0	\$ 0	\$ 50,000
Net Change in Fund Balance	\$ 22,244	\$ 134,139	\$ 156,383	\$ 106,312	\$ 106,312	\$ 50,071
Fund Balance, July 1, 2010	27,825	(134,139)	(106,314)	0	0	(106,314)
Fund Balance, June 30, 2011	\$ 50,069	\$ 0	\$ 50,069	\$ 106,312	\$ 106,312	\$ (56,243)

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 192,455	\$ 195,000	\$ 195,000	\$ (2,545)
Other Local Revenues	430	1,500	1,500	(1,070)
Federal Government	692,596	685,500	744,067	(51,471)
Total Revenues	<u>\$ 885,481</u>	<u>\$ 882,000</u>	<u>\$ 940,567</u>	<u>\$ (55,086)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 890,899	\$ 882,000	\$ 947,567	\$ 56,668
Total Expenditures	<u>\$ 890,899</u>	<u>\$ 882,000</u>	<u>\$ 947,567</u>	<u>\$ 56,668</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (5,418)</u>	<u>\$ 0</u>	<u>\$ (7,000)</u>	<u>\$ 1,582</u>
Net Change in Fund Balance	\$ (5,418)	\$ 0	\$ (7,000)	\$ 1,582
Fund Balance, July 1, 2010	<u>238,183</u>	<u>206,877</u>	<u>206,877</u>	<u>31,306</u>
Fund Balance, June 30, 2011	<u>\$ 232,765</u>	<u>\$ 206,877</u>	<u>\$ 199,877</u>	<u>\$ 32,888</u>

Exhibit I-11

Meigs County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Meigs County School Department  
Other Education Special Revenue Fund  
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 44,132	\$ 0	\$ 44,132	\$ 0
Total Revenues	\$ 44,132	\$ 0	\$ 44,132	\$ 0
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 290	\$ 0	\$ 290	\$ 0
Total Expenditures	\$ 290	\$ 0	\$ 290	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 43,842	\$ 0	\$ 43,842	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 171,375	\$ 0	\$ 171,375	\$ 0
Total Other Financing Sources (Uses)	\$ 171,375	\$ 0	\$ 171,375	\$ 0
Net Change in Fund Balance	\$ 215,217	\$ 0	\$ 215,217	\$ 0
Fund Balance, July 1, 2010	0	0	0	0
Fund Balance, June 30, 2011	\$ 215,217	\$ 0	\$ 215,217	\$ 0

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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, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Debt Refunded	Paid and/or Matured	
								During Period	Outstanding 6-30-11
<b>NOTES PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Courthouse	\$ 450,000	6.47%	5-2-05	12-10-10	\$ 300,360	\$ 0	\$ 300,000	\$ 360	\$ 0
Total Payable through General Debt Service Fund					\$ 300,360	\$ 0	\$ 300,000	\$ 360	\$ 0
<u>Payable through Highway/Public Works Fund</u>									
Graders - Extension of Note Maturity	139,191	4.35	6-5-08	5-5-12	\$ 86,750	\$ 0	\$ 0	\$ 25,605	\$ 61,145
Backhoe	84,606	4.7	12-16-08	12-16-11	62,286	0	0	15,944	46,342
Total Payable through Highway/Public Works Fund					\$ 149,036	\$ 0	\$ 0	\$ 41,549	\$ 107,487
Total Notes Payable					\$ 449,396	\$ 0	\$ 300,000	\$ 41,909	\$ 107,487
<b>CAPITAL LEASES PAYABLE</b>									
<u>Payable through Highway/Public Works Fund</u>									
Dump Trucks	102,456	5.17	12-15-06	12-15-11	\$ 44,104	\$ 0	\$ 0	\$ 21,496	\$ 22,608
Asphalt Zipper	77,950	5	10-1-07	10-1-12	46,770	0	0	15,590	31,180
Total Capital Leases Payable					\$ 90,874	\$ 0	\$ 0	\$ 37,086	\$ 53,788
<b>BONDS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
School Refunding, Series 1999	3,360,000	3.9 to 4.3	3-4-1999	12-10-10	\$ 920,000	\$ 0	\$ 920,000	\$ 0	\$ 0
General Obligation Bonds, Series 2002A - I	1,410,000	4 to 4.5	2-7-02	12-10-10	1,205,000	0	1,130,000	75,000	0
General Obligation (CAB) Bonds, Series 2002A - II	(1) 2,088,479	4.8 to 5.15	2-7-02	5-1-26	2,088,479	0	0	0	2,088,479
General Obligation Refunding Bonds, Series 2010	2,350,000	2.5	12-10-10	5-1-17	0	2,350,000	0	535,000	1,815,000
Total Bonds Payable					\$ 4,213,479	\$ 2,350,000	\$ 2,050,000	\$ 610,000	\$ 3,903,479

(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 7-1-10	Issued During Period	Debt Refunded	Paid and/or Matured During Period	Outstanding 6-30-11
<u>OTHER LOANS PAYABLE</u>									
<u>Payable through General Debt Service Fund and Other Capital Projects Fund</u>									
Community Centers, Renovations, and Equipment	(2)	Variable	12-23-09	5-25-15	\$ 708,895	\$ 131,095	\$ 0	\$ 300,000	\$ 539,990
Total Other Loans Payable					\$ 708,895	\$ 131,095	\$ 0	\$ 300,000	\$ 539,990

(1) These (CAB) bonds accrete interest that is paid at bond maturity. As of June 30, 2011, approximately \$1,231,552 of interest has accreted on the bonds.

(2) Total amount authorized was \$875,000, of which, \$35,010 remains available for draws as of June 30, 2011.

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 107,487	\$ 1,155	\$ 108,642
Total	\$ 107,487	\$ 1,155	\$ 108,642

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2012	\$ 38,197	\$ 5,033	\$ 43,230
2013	15,591	3,865	19,456
Total	\$ 53,788	\$ 8,898	\$ 62,686

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 655,000	\$ 45,487	\$ 700,487
2013	450,000	32,386	482,386
2014	460,000	18,890	478,890
2015	340,143	144,943	485,086
2016	262,502	223,985	486,487
2017	250,249	235,541	485,790
2018	203,459	246,542	450,001
2019	192,128	257,873	450,001
2020	182,871	267,129	450,000
2021	172,435	277,564	449,999
2022	164,043	285,957	450,000
2023	154,458	295,542	450,000
2024	146,871	303,129	450,000
2025	138,082	311,917	449,999
2026	131,238	318,762	450,000
Total	\$ 3,903,479	\$ 3,265,647	\$ 7,169,126

(Continued)

Exhibit J-2

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

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2012	\$ 135,000	\$ 2,274	\$ 3,042	\$ 140,316
2013	142,000	1,691	2,703	146,394
2014	149,000	1,077	2,346	152,423
2015	113,990	449	1,838	116,277
Total	<u>\$ 539,990</u>	<u>\$ 5,491</u>	<u>\$ 9,929</u>	<u>\$ 555,410</u>

Exhibit J-3

Meigs County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Meigs County School Department  
For the Year Ended June 30, 2011

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Highway/Public Works	Road repairs	\$ 20,000
Drug Control	General	Reimbursement	35,000
Solid Waste/Sanitation	General	Close fund	25,779
General Capital Projects	Other Capital Projects	Close fund	8,028
Total Transfers Primary Government			<u>\$ 88,807</u>
<u>DISCRETELY PRESENTED MEIGS COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow	\$ 50,000
Education Capital Projects	Other Education Special Revenue	Close fund	171,375
Total Transfers Discretely Presented Meigs County School Department			<u>\$ 221,375</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, 2011

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
<b>County Mayor:</b>				
Ken Jones (7-1-10 through 8-31-10)	Section 8-24-102, TCA	\$ 10,058	\$ 25,000	Travelers Casualty and Surety
Garland Lankford (9-1-10 through 6-30-11)	Section 8-24-102, TCA	50,292	25,000	"
Highway Superintendent	Section 8-24-102, TCA	57,477	100,000	"
Director of Schools	State Board of Education and County Board of Education	94,000 (1)	(2)	
Trustee	Section 8-24-102, TCA	52,251	532,700	"
Assessor of Property	Section 8-24-102, TCA	52,251	10,000	"
County Clerk	Section 8-24-102, TCA	52,251	25,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	52,251	25,000	"
Clerk and Master	Section 8-24-102, TCA	52,251	25,000	"
Register	Section 8-24-102, TCA	52,251	15,000	"
Sheriff:				
Walter Hickman (7-1-10 through 8-31-10)	Section 8-24-102, TCA	9,579	25,000	"
Jackie Melton (9-1-10 through 6-30-11)	Section 8-24-102, TCA	47,898 (3)	25,000	"
Director of Finance	County Commission	48,204	50,000	"
<b>Blanket Bond:</b>				
All County Employees			150,000	Tennessee Risk Management Trust
All School Employees			150,000	"

(1) Does not include a travel allowance of \$7,655. Includes longevity pay of \$1,400 and \$1,000 for a chief executive officer training supplement.

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

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

Exhibit J-5

Meigs County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2011

	Special Revenue Funds					Debt Service Fund		Capital Projects Funds			Total
	General	Waste / Sanitation	Special Purpose	Drug Control	Highway / Public Works	General	Debt Service	General	Capital Projects	Other Capital Projects	
<b>Local Taxes</b>											
<b>County Property Taxes</b>											
Current Property Tax	\$ 1,703,818	\$ 0	\$ 0	\$ 0	\$ 0	\$ 474,276	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,178,094
Trustee's Collections - Prior Year	101,371	0	0	0	0	28,347	0	0	0	0	129,718
Circuit/Clerk & Master Collections - Prior Years	30,681	0	0	0	0	8,580	0	0	0	0	38,261
Interest and Penalty	16,818	0	0	0	0	4,703	0	0	0	0	21,521
Pick-up Taxes	1,434	0	0	0	0	401	0	0	0	0	1,835
Payments in-Lieu-of-Taxes - T.V.A.	298,077	0	0	0	0	44,712	0	528,539	0	0	871,328
Payments in-Lieu-of-Taxes - Local Utilities	139,284	0	0	0	0	38,949	0	0	0	0	178,233
<b>County Local Option Taxes</b>											
Local Option Sales Tax	178,478	0	0	0	0	168,444	0	0	0	0	346,922
Hotel/Motel Tax	13,672	0	0	0	0	0	0	0	0	0	13,672
Litigation Tax - General	23,064	0	0	0	0	0	0	0	0	0	23,064
Litigation Tax - Special Purpose	31,082	0	0	0	0	0	0	0	0	0	31,082
Litigation Tax - Jail, Workhouse, or Courthouse	3,054	0	0	0	0	0	0	0	0	0	3,054
Litigation Tax - Courtroom Security	619	0	0	0	0	0	0	0	0	0	619
Business Tax	22,710	0	0	0	0	0	0	0	0	0	22,710
Mineral Severance Tax	0	0	0	0	23,679	0	0	0	0	0	23,679
Other County Local Option Taxes	6,666	0	0	0	0	0	0	0	0	0	6,666
<b>Statutory Local Taxes</b>											
Bank Excise Tax	2,742	0	0	0	0	0	0	0	0	0	2,742
Wholesale Beer Tax	30,000	0	0	0	0	0	0	0	0	0	30,000
<b>Total Local Taxes</b>	<b>\$ 2,603,570</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 23,679</b>	<b>\$ 768,412</b>	<b>\$ 0</b>	<b>\$ 528,539</b>	<b>\$ 0</b>	<b>\$ 3,924,200</b>	
<b>Licenses and Permits</b>											
<b>Licenses</b>											
Marriage Licenses	\$ 508	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 508
Cable TV Franchise	4,643	0	0	0	0	0	0	0	0	0	4,643
<b>Permits</b>											
Beer Permits	451	0	0	0	0	0	0	0	0	0	451
Building Permits	10,635	0	0	0	0	0	0	0	0	0	10,635
Other Permits	930	0	0	0	0	0	0	0	0	0	930
<b>Total Licenses and Permits</b>	<b>\$ 17,167</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>\$ 17,167</b>

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total	
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Highway / Public Works	Fund		General	Capital Projects		Other Capital Projects
						General	Debt Service				
<u>Fines, Forfeitures, and Penalties</u>											
<u>Circuit Court</u>											
Officers Costs											
Data Entry Fee - Circuit Court	2,606	0	0	0	0	0	0	0	0	2,606	
<u>Criminal Court</u>	4	0	0	0	0	0	0	0	0	4	
Fines	3,093	0	0	0	0	0	0	0	0	3,093	
Officers Costs	1,052	0	0	0	0	0	0	0	0	1,052	
Game and Fish Fines	112	0	0	0	0	0	0	0	0	112	
Drug Control Fines	0	0	0	2,997	0	0	0	0	0	2,997	
Drug Court Fees	1,568	0	0	0	0	0	0	0	0	1,568	
Data Entry Fee - Criminal Court	344	0	0	0	0	0	0	0	0	344	
<u>General Sessions Court</u>											
Fines	28,757	0	0	0	0	0	0	0	0	28,757	
Fines for Littering	95	0	0	0	0	0	0	0	0	95	
Officers Costs	19,347	0	0	0	0	0	0	0	0	19,347	
Game and Fish Fines	860	0	0	0	0	0	0	0	0	860	
Drug Control Fines	0	0	0	8,876	0	0	0	0	0	8,876	
Drug Court Fees	2,690	0	0	0	0	0	0	0	0	2,690	
Jail Fees	3,387	0	0	0	0	0	0	0	0	3,387	
Data Entry Fee - General Sessions Court	16,995	0	0	0	0	0	0	0	0	16,995	
<u>Juvenile Court</u>											
Fines	157	0	0	0	0	0	0	0	0	157	
<u>Chancery Court</u>											
Officers Costs	1,007	0	0	0	0	0	0	0	0	1,007	
Data Entry Fee - Chancery Court	558	0	0	0	0	0	0	0	0	558	
<u>Other Courts - In-county</u>											
Fines	40,580	0	0	0	0	0	0	0	0	40,580	
Drug Court Fees	1,111	0	0	0	0	0	0	0	0	1,111	
<u>Judicial District Drug Program</u>											
Drug Task Force Forfeitures and Seizures	932	0	0	11,747	0	0	0	0	0	12,679	
Data Entry Fee - Other Courts	8,773	0	0	0	0	0	0	0	0	8,773	

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total	
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Highway / Public Works	Debt Service Fund		General	Capital Projects		Other Capital Projects
						General	Debt Service				
<u>Fines, Forfeitures, and Penalties (Cont.)</u>											
<u>Other Fines, Forfeitures, and Penalties</u>											
Proceeds from Confiscated Property	\$ 15,011	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,011	
Other Fines, Forfeitures, and Penalties	1,837	0	0	0	0	0	0	0	0	1,837	
Total Fines, Forfeitures, and Penalties	\$ 150,876	\$ 0	\$ 0	\$ 23,620	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 174,496	
<u>Charges for Current Services</u>											
<u>General Service Charges</u>											
Patient Charges	\$ 252,410	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 252,410	
Fees											
Copy Fees	700	0	0	0	0	0	0	0	0	700	
Telephone Commissions	3,260	0	0	0	0	0	0	0	0	3,260	
Data Processing Fee - Register	4,072	0	0	0	0	0	0	0	0	4,072	
Data Processing Fee - Sheriff	1,573	0	0	0	0	0	0	0	0	1,573	
Sexual Offender Registration Fees - Sheriff	2,850	0	0	0	0	0	0	0	0	2,850	
Data Processing Fee - County Clerk	550	0	0	0	0	0	0	0	0	550	
<u>Education Charges</u>											
TBI Criminal Background Fees	828	0	0	0	0	0	0	0	0	828	
Total Charges for Current Services	\$ 266,243	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 266,243	
<u>Other Local Revenues</u>											
<u>Recurring Items</u>											
Lease/Rentals	\$ 1,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,800	
Sale of Materials and Supplies	477	0	0	0	4,509	0	0	0	0	4,986	
Commissary Sales	8,213	0	0	0	0	0	0	0	0	8,213	
Sale of Maps	635	0	0	0	0	0	0	0	0	635	
Sale of Recycled Materials	728	99	0	0	0	0	0	0	0	827	
Miscellaneous Refunds	82,205	0	783	0	16,277	111	196	0	0	99,572	
<u>Nonrecurring Items</u>											
Sale of Equipment	0	0	0	0	4,001	0	0	0	0	4,001	
Contributions and Gifts	200	0	2,600	0	0	0	0	0	0	2,800	
Total Other Local Revenues	\$ 94,258	\$ 99	\$ 3,383	\$ 0	\$ 24,787	\$ 111	\$ 196	\$ 0	\$ 0	\$ 122,834	

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total	
	General	Waste / Sanitation	Special Purpose	Drug Control	Highway / Public Works	General	Debt Service	General	Capital Projects		Other Capital Projects
<u>Fees Received from County Officials</u>											
<u>Fees in-Lieu-of Salary</u>											
County Clerk	\$ 104,735	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 104,735	
Circuit Court Clerk	23,171	0	0	0	0	0	0	0	0	23,171	
General Sessions Court Clerk	74,455	0	0	0	0	0	0	0	0	74,455	
Clerk and Master	29,208	0	0	0	0	0	0	0	0	29,208	
Register	42,526	0	0	0	0	0	0	0	0	42,526	
Sheriff	7,111	0	0	0	0	0	0	0	0	7,111	
Trustee	136,287	0	0	0	0	0	0	0	0	136,287	
<b>Total Fees Received from County Officials</b>	<b>\$ 417,493</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>\$ 417,493</b>	
<u>State of Tennessee</u>											
<u>General Government Grants</u>											
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000	
Aging Programs	16,791	0	0	0	0	0	0	0	0	16,791	
On-Behalf Contributions for OPEB	353	0	0	0	0	0	0	0	0	353	
<u>Public Safety Grants</u>											
Law Enforcement Training Programs	6,600	0	0	0	0	0	0	0	0	6,600	
Health and Welfare Grants											
Health Department Programs	131,921	0	0	0	0	0	0	0	0	131,921	
<u>Public Works Grants</u>											
Bridge Program	0	0	0	0	392,352	0	0	0	0	392,352	
State Aid Program	0	0	0	0	143,974	0	0	0	0	143,974	
Litter Program	18,624	0	0	0	0	0	0	0	0	18,624	
<u>Other State Revenues</u>											
Income Tax	25,209	0	0	0	0	0	0	0	0	25,209	
Beer Tax	18,724	0	0	0	0	0	0	0	0	18,724	
Alcoholic Beverage Tax	20,923	0	0	0	0	0	0	0	0	20,923	
Mixed Drink Tax	1,645	0	0	0	0	0	0	0	0	1,645	
State Revenue Sharing - T.V.A.	56,148	0	0	0	0	0	0	0	0	56,148	
Contracted Prisoner Boarding	87,509	0	0	0	0	0	0	0	0	87,509	
Gasoline and Motor Fuel Tax	0	0	0	0	1,297,355	0	0	0	0	1,297,355	

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Highway /		Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Highway / Public Works	General	Debt Service	General	Capital Projects	Other	Capital Projects	
<u>State of Tennessee (Cont.)</u>												
<u>Other State Revenues (Cont.)</u>												
Petroleum Special Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,161	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,161
Registrar's Salary Supplement	11,373	0	0	0	0	0	0	0	0	0	0	11,373
Other State Revenues	10,063	0	0	0	0	0	0	0	0	0	0	10,063
Total State of Tennessee	\$ 414,883	\$ 0	\$ 0	\$ 0	\$ 1,841,842	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,256,725
<u>Federal Government</u>												
<u>Federal Through State</u>												
Civil Defense Reimbursement	\$ 37,714	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,714
Homeland Security Grants	39,636	0	0	0	0	0	0	0	0	0	0	39,636
Other Federal through State	425,846	0	0	0	0	0	0	0	0	0	0	425,846
<u>Direct Federal Revenue</u>												
Energy Grant	26,904	0	0	0	0	0	0	0	0	0	0	26,904
Other Direct Federal Revenue	178,125	0	90,653	0	0	0	0	0	0	0	0	268,778
Total Federal Government	\$ 708,225	\$ 0	\$ 90,653	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 798,878
<u>Other Governments and Citizens Groups</u>												
<u>Other Governments</u>												
Contributions	\$ 1,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 225,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 226,400
Contracted Services	75,000	0	0	0	0	0	0	0	0	0	0	75,000
Total Other Governments and Citizens Groups	\$ 76,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 225,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 301,400
Total	\$ 4,749,115	\$ 99	\$ 94,036	\$ 23,620	\$ 1,890,308	\$ 993,523	\$ 196	\$ 528,539	\$ 8,279,436			

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, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	Other			Total
				Education Special Revenue	Education Capital Projects		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 1,126,098	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,126,098
Trustee's Collections - Prior Year	66,998	0	0	0	0	0	66,998
Circuit/Clerk & Master Collections - Prior Years	20,278	0	0	0	0	0	20,278
Interest and Penalty	11,115	0	0	0	0	0	11,115
Pick-up Taxes	948	0	0	0	0	0	948
Payments in-Lieu-of Taxes - T.V.A.	402,404	0	0	0	0	0	402,404
Payments in-Lieu-of Taxes - Local Utilities	92,056	0	0	0	0	0	92,056
<u>County Local Option Taxes</u>							
Local Option Sales Tax	324,593	0	0	0	0	0	324,593
Statutory Local Taxes	67,000	0	0	44,132	2,058	113,190	
Wholesale Beer Tax	2,111,490	0	0	44,132	2,058	2,157,680	
<u>Total Local Taxes</u>	\$ 2,111,490	\$ 0	\$ 0	\$ 44,132	\$ 2,058	\$ 2,157,680	
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	508	0	0	0	0	0	508
<u>Total Licenses and Permits</u>	\$ 508	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 508
<u>Charges for Current Services</u>							
<u>Education Charges</u>							
Tuition - Regular Day Students	1,875	0	0	0	0	0	1,875
Receipts from Individual Schools	0	0	181,895	0	0	0	181,895
Other Charges for Services	90	0	10,560	0	0	0	10,650
<u>Total Charges for Current Services</u>	\$ 1,965	\$ 0	\$ 192,455	\$ 0	\$ 0	\$ 0	\$ 194,420
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	16,037	0	430	0	0	0	16,467
Lease/Rentals	6,100	0	0	0	0	0	6,100
Sale of Materials and Supplies	5,557	0	0	0	0	0	5,557
Sale of Maps	4	0	0	0	0	0	4
Refund of Telecommunication & Internet Fees (E-Rate)	8,380	0	0	0	0	0	8,380

(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	Other Education Special Revenue	Education Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Miscellaneous Refunds	\$ 46,076	\$ 0	\$ 0	\$ 0	\$ 0	46,076
<u>Nonrecurring Items</u>						
Contributions and Gifts	1,600	0	0	0	0	1,600
<u>Other Local Revenues</u>						
Other Local Revenues	2,462	0	0	0	0	2,462
Total Other Local Revenues	\$ 86,216	\$ 0	\$ 430	\$ 0	\$ 0	\$ 86,646
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-Behalf Contributions for OPEB	\$ 51,972	\$ 0	\$ 0	\$ 0	\$ 0	51,972
<u>State Education Funds</u>						
Basic Education Program	8,454,215	0	0	0	0	8,454,215
Basic Education Program - ARRA	1,028,785	0	0	0	0	1,028,785
Early Childhood Education	418,671	0	0	0	0	418,671
Driver Education	6,758	0	0	0	0	6,758
Other State Education Funds	2,018	0	0	0	0	2,018
Coordinated School Health - ARRA	89,995	0	0	0	0	89,995
Statewide Student Management System (SSMS) - ARRA	4,667	0	0	0	0	4,667
Career Ladder Program	76,643	0	0	0	0	76,643
Career Ladder - Extended Contract	48,223	0	0	0	0	48,223
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	123,230	0	0	0	0	123,230
Contracted Prisoner Boarding	894	0	0	0	0	894
Safe Schools - ARRA	11,800	0	0	0	0	11,800
Total State of Tennessee	\$ 10,317,871	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,317,871
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 454,117	\$ 0	\$ 0	454,117
USDA - Commodities	0	0	58,567	0	0	58,567
Breakfast	0	0	170,274	0	0	170,274
USDA - Other	0	0	9,638	0	0	9,638
Adult Education State Grant Program	100,975	0	0	0	0	100,975

(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	Other Education		Education Capital Projects	Total
				Special Revenue	Projects		
Federal Government (Cont.)							
Federal Through State (Cont.)							
Vocational Education - Basic Grants to States	\$ 0	\$ 41,616	\$ 0	\$ 0	\$ 0	\$ 0	\$ 41,616
Title I Grants to Local Education Agencies	0	761,289	0	0	0	0	761,289
Special Education - Grants to States	0	627,676	0	0	0	0	627,676
Special Education Preschool Grants	0	31,419	0	0	0	0	31,419
Rural Education	0	45,997	0	0	0	0	45,997
Eisenhower Professional Development State Grants	0	118,728	0	0	0	0	118,728
Race to the Top - ARRA	0	127,402	0	0	0	0	127,402
Other Federal through State	140,897	215,979	0	0	0	0	356,876
Total Federal Government	\$ 241,872	\$ 1,970,106	\$ 692,596	\$ 0	\$ 0	\$ 0	\$ 2,904,574
Total	\$ 12,759,922	\$ 1,970,106	\$ 885,481	\$ 44,132	\$ 2,058	\$ 15,661,699	

Exhibit J-7

Meigs County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2011

General Fund

General Government

County Commission

Board and Committee Members Fees	\$ 20,700	
Social Security	1,578	
Employee and Dependent Insurance	265	
Unemployment Compensation	53	
Audit Services	4,451	
Dues and Memberships	4,946	
Legal Services	25	
Total County Commission		\$ 32,018

Board of Equalization

Board and Committee Members Fees	\$ 320	
Total Board of Equalization		320

County Mayor/Executive

County Official/Administrative Officer	\$ 60,350	
Assistant(s)	20,964	
Other Salaries and Wages	2,526	
Social Security	6,357	
Unemployment Compensation	326	
Communication	713	
Travel	1,784	
Office Supplies	993	
Premiums on Corporate Surety Bonds	325	
Total County Mayor/Executive		94,338

County Attorney

Social Security	\$ 1,047	
Unemployment Compensation	176	
Legal Services	13,682	
Total County Attorney		14,905

Election Commission

County Official/Administrative Officer	\$ 46,394
Part-time Personnel	9,283
Election Commission	5,910
Election Workers	14,725
In-Service Training	2,622
Social Security	4,177
Employee and Dependent Insurance	4,519
Unemployment Compensation	385

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Legal Notices, Recording, and Court Costs	\$	2,798	
Maintenance Agreements		2,900	
Printing, Stationery, and Forms		2,749	
Travel		1,238	
Other Contracted Services		6,000	
Data Processing Supplies		14,156	
Office Supplies		612	
Voting Machines		2,000	
Total Election Commission			\$ 120,468

Register of Deeds

County Official/Administrative Officer	\$	52,251	
Deputy(ies)		13,292	
Part-time Personnel		3,852	
Social Security		5,309	
Employee and Dependent Insurance		3,861	
Unemployment Compensation		257	
Data Processing Supplies		3,612	
Office Supplies		1,242	
Premiums on Corporate Surety Bonds		325	
Total Register of Deeds			84,001

Planning

Clerical Personnel	\$	327	
Part-time Personnel		13,591	
Social Security		1,065	
Employee and Dependent Insurance		3,781	
Unemployment Compensation		185	
Dues and Memberships		7,750	
Travel		1,039	
Office Supplies		1,386	
Total Planning			29,124

Geographical Information Systems

Other Salaries and Wages	\$	11,077	
Social Security		847	
Unemployment Compensation		180	
Licenses		3,000	
Maintenance and Repair Services - Equipment		109	
Office Supplies		699	
Total Geographical Information Systems			15,912

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Custodial Personnel	\$ 12,064	
Social Security	923	
Unemployment Compensation	241	
Communication	14,165	
Maintenance Agreements	2,178	
Maintenance and Repair Services - Buildings	48,041	
Maintenance and Repair Services - Equipment	7,810	
Pest Control	1,620	
Postal Charges	16,451	
Custodial Supplies	4,093	
Diesel Fuel	27,584	
Duplicating Supplies	3,983	
Electricity	66,556	
Gasoline	80,298	
Natural Gas	19,816	
Water and Sewer	3,330	
Total County Buildings		\$ 309,153

Other General Administration

On-Behalf Payments to OPEB	\$ 353	
Total Other General Administration		353

Finance

Accounting and Budgeting

Supervisor/Director	\$ 48,204	
Accountants/Bookkeepers	31,370	
Clerical Personnel	9,028	
Social Security	7,033	
Employee and Dependent Insurance	10,814	
Unemployment Compensation	492	
Legal Notices, Recording, and Court Costs	1,185	
Maintenance Agreements	5,861	
Travel	881	
Other Contracted Services	9,895	
Data Processing Supplies	2,131	
Office Supplies	5,408	
Premiums on Corporate Surety Bonds	175	
Total Accounting and Budgeting		132,477

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

County Official/Administrative Officer	\$ 52,251	
Deputy(ies)	20,964	
Social Security	5,651	
Unemployment Compensation	193	
Audit Services	5,700	
Data Processing Services	9,370	
Dues and Memberships	915	
Maintenance Agreements	1,362	
Travel	2,218	
Office Supplies	412	
Other Supplies and Materials	188	
Data Processing Equipment	191	
Total Property Assessor's Office		\$ 99,415

Reappraisal Program

Clerical Personnel	\$ 18,756	
Social Security	1,435	
Unemployment Compensation	180	
Travel	1,944	
Office Supplies	50	
Total Reappraisal Program		22,365

County Trustee's Office

County Official/Administrative Officer	\$ 52,251	
Deputy(ies)	20,964	
Part-time Personnel	21,420	
Social Security	7,240	
Unemployment Compensation	495	
Legal Notices, Recording, and Court Costs	548	
Maintenance Agreements	6,098	
Travel	670	
Office Supplies	1,820	
Premiums on Corporate Surety Bonds	4,800	
Total County Trustee's Office		116,306

County Clerk's Office

County Official/Administrative Officer	\$ 52,251
Deputy(ies)	70,107
Social Security	9,360
Employee and Dependent Insurance	8,584

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Unemployment Compensation	\$ 725	
Legal Notices, Recording, and Court Costs	84	
Travel	129	
Other Contracted Services	8,198	
Office Supplies	407	
Premiums on Corporate Surety Bonds	325	
Total County Clerk's Office		\$ 150,170

Other Finance

Trustee's Commission	\$ 51,843	
Total Other Finance		51,843

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 52,251	
Deputy(ies)	73,894	
Jury and Witness Expense	6,136	
Other Per Diem and Fees	696	
Social Security	9,650	
Employee and Dependent Insurance	12,800	
Unemployment Compensation	704	
Communication	514	
Maintenance Agreements	8,124	
Remittance of Revenue Collected	4,512	
Data Processing Supplies	11,775	
Office Supplies	2,667	
Premiums on Corporate Surety Bonds	325	
Total Circuit Court		184,048

General Sessions Court

Judge(s)	\$ 84,958	
Probation Officer(s)	14,325	
In-Service Training	1,305	
Social Security	7,866	
Employee and Dependent Insurance	6,391	
Unemployment Compensation	59	
Data Processing Supplies	2,640	
Total General Sessions Court		117,544

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$ 52,251	
Deputy(ies)	20,964	
Clerical Personnel	18,940	
Social Security	7,011	
Employee and Dependent Insurance	10,687	
Unemployment Compensation	380	
Office Supplies	3,505	
Total Chancery Court		\$ 113,738

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 57,477	
Deputy(ies)	382,386	
Detective(s)	33,570	
Salary Supplements	6,600	
Guards	25,170	
In-Service Training	1,287	
Social Security	38,489	
Employee and Dependent Insurance	24,394	
Unemployment Compensation	3,386	
Maintenance and Repair Services - Vehicles	17,256	
Printing, Stationery, and Forms	730	
Travel	3,764	
Law Enforcement Supplies	9,832	
Office Supplies	1,869	
Tires and Tubes	4,195	
Uniforms	5,670	
Premiums on Corporate Surety Bonds	325	
Data Processing Equipment	65	
Motor Vehicles	29,073	
Total Sheriff's Department		645,538

Drug Enforcement

Detective(s)	\$ 36,636	
Social Security	2,803	
Unemployment Compensation	9	
Total Drug Enforcement		39,448

Jail

Assistant(s)	\$ 30,475	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Guards	\$ 142,920	
Other Salaries and Wages	25,114	
In-Service Training	3,035	
Social Security	15,155	
Employee and Dependent Insurance	9,492	
Unemployment Compensation	1,454	
Communication	10,464	
Maintenance Agreements	11,344	
Maintenance and Repair Services - Buildings	21,054	
Medical and Dental Services	65,530	
Travel	1,699	
Custodial Supplies	7,520	
Food Preparation Supplies	3,000	
Food Supplies	74,843	
Office Supplies	5,695	
Uniforms	103	
Utilities	59,760	
Other Supplies and Materials	3,442	
Criminal Investigation of Applicants - TBI	450	
Data Processing Equipment	7,205	
Total Jail		\$ 499,754

Juvenile Services

Youth Service Officer(s)	\$ 20,964	
Social Security	1,212	
Employee and Dependent Insurance	2,227	
Unemployment Compensation	121	
Office Supplies	616	
Other Supplies and Materials	749	
Office Equipment	291	
Total Juvenile Services		26,180

Fire Prevention and Control

Other Per Diem and Fees	\$ 800	
Contributions	3,000	
Maintenance and Repair Services - Equipment	7,689	
Maintenance and Repair Services - Vehicles	23,046	
Uniforms	9,334	
Utilities	12,325	
Motor Vehicles	187,500	
Total Fire Prevention and Control		243,694

(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	\$ 43,668	
Social Security	3,341	
Employee and Dependent Insurance	4,318	
Unemployment Compensation	180	
Communication	43	
Maintenance and Repair Services - Equipment	13,120	
Maintenance and Repair Services - Vehicles	748	
Travel	325	
Natural Gas	800	
Utilities	16,452	
Other Supplies and Materials	28,933	
Total Civil Defense		\$ 111,928

Rescue Squad

Other Per Diem and Fees	\$ 322	
Communication	830	
Maintenance and Repair Services - Vehicles	574	
Utilities	27	
Total Rescue Squad		1,753

County Coroner/Medical Examiner

Other Contracted Services	\$ 15,352	
Total County Coroner/Medical Examiner		15,352

Other Public Safety

Supervisor/Director	\$ 25,125	
Dispatchers/Radio Operators	179,564	
Social Security	15,323	
Employee and Dependent Insurance	13,647	
Unemployment Compensation	1,283	
Communication	2,550	
Maintenance and Repair Services - Buildings	938	
Travel	721	
Office Supplies	2,518	
Total Other Public Safety		241,669

Public Health and Welfare

Local Health Center

Medical Personnel	\$ 42,036	
Clerical Personnel	54,536	

(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.)

Custodial Personnel	\$ 4,907	
Other Salaries and Wages	18,750	
In-Service Training	200	
Social Security	8,643	
Employee and Dependent Insurance	6,211	
Unemployment Compensation	941	
Communication	150	
Maintenance and Repair Services - Buildings	4,146	
Transportation - Other than Students	6,317	
Travel	7,122	
Office Supplies	1,997	
Utilities	10,460	
Total Local Health Center		\$ 166,416

Ambulance/Emergency Medical Services

Paraprofessionals	\$ 223,784	
Salary Supplements	2,334	
Clerical Personnel	25,075	
Social Security	19,038	
Employee and Dependent Insurance	9,537	
Unemployment Compensation	2,071	
Communication	966	
Licenses	1,000	
Maintenance and Repair Services - Equipment	607	
Maintenance and Repair Services - Vehicles	6,751	
Printing, Stationery, and Forms	545	
Custodial Supplies	945	
Drugs and Medical Supplies	9,910	
Office Supplies	770	
Uniforms	1,728	
Other Supplies and Materials	1,889	
Total Ambulance/Emergency Medical Services		306,950

Other Local Health Services

County Official/Administrative Officer	\$ 4,500	
Social Security	520	
Employee and Dependent Insurance	482	
Unemployment Compensation	70	
Total Other Local Health Services		5,572

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Appropriation to State

Contracts with Government Agencies	\$ 20,900	
Total Appropriation to State		\$ 20,900

Sanitation Management

Part-time Personnel	\$ 14,852	
Social Security	1,136	
Unemployment Compensation	187	
Communication	1,422	
Maintenance and Repair Services - Buildings	614	
Maintenance and Repair Services - Equipment	305	
Other Contracted Services	235,607	
Electricity	1,903	
Water and Sewer	250	
Total Sanitation Management		256,276

Sanitation Education/Information

Guards	\$ 23,136	
Social Security	1,770	
Employee and Dependent Insurance	1,737	
Unemployment Compensation	179	
Instructional Supplies and Materials	4,255	
Other Supplies and Materials	504	
Total Sanitation Education/Information		31,581

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$ 13,622	
Social Security	1,042	
Unemployment Compensation	185	
Communication	1,675	
Travel	1,451	
Custodial Supplies	746	
Other Supplies and Materials	1,955	
Total Senior Citizens Assistance		20,676

Libraries

Assistant(s)	\$ 8,121	
Librarians	18,246	
Social Security	2,017	
Unemployment Compensation	325	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Contributions	\$ 10,000	
Total Libraries		\$ 38,709

Parks and Fair Boards

Other Contracted Services	\$ 4,161	
Site Development	6,384	
Total Parks and Fair Boards		10,545

Other Social, Cultural, and Recreational

Communication	\$ 2,135	
Other Contracted Services	3,675	
Electricity	2,362	
Water and Sewer	3,351	
Total Other Social, Cultural, and Recreational		11,523

Agriculture and Natural Resources

Agriculture Extension Service

Assistant(s)	\$ 9,173	
Supervisor/Director	11,886	
Secretary(ies)	5,242	
Other Salaries and Wages	12,000	
Social Security	2,930	
State Retirement	1,667	
Unemployment Compensation	191	
Other Fringe Benefits	2,076	
Communication	1,564	
Maintenance and Repair Services - Buildings	1,507	
Travel	3,268	
Other Supplies and Materials	1,426	
Total Agriculture Extension Service		52,930

Soil Conservation

Assistant(s)	\$ 4,130	
Social Security	316	
Unemployment Compensation	83	
Contributions	3,900	
Dues and Memberships	200	
Total Soil Conservation		8,629

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations

Tourism

Part-time Personnel	\$ 9,664	
Social Security	739	
Unemployment Compensation	184	
Advertising	1,277	
Printing, Stationery, and Forms	773	
Other Supplies and Materials	1,400	
Total Tourism		\$ 14,037

Housing and Urban Development

Other Contracted Services	\$ 418,846	
Total Housing and Urban Development		418,846

Other Economic and Community Development

Other Contracted Services	\$ 26,904	
Total Other Economic and Community Development		26,904

Veterans' Services

Other Salaries and Wages	\$ 13,240	
Social Security	1,013	
Unemployment Compensation	185	
Communication	792	
Maintenance and Repair Services - Vehicles	720	
Travel	253	
Office Supplies	281	
Total Veterans' Services		16,484

Other Charges

Liability Insurance	\$ 68,747	
Workers' Compensation Insurance	5,867	
Total Other Charges		74,614

Contributions to Other Agencies

Contributions	\$ 155,800	
Total Contributions to Other Agencies		155,800

Employee Benefits

Employee and Dependent Insurance	\$ 114,555	
Total Employee Benefits		114,555

Total General Fund \$ 5,265,761

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Communication	\$	58	
Electricity		85	
Water and Sewer		38	
Total Sanitation Management		<u>181</u>	\$ 181

Total Solid Waste/Sanitation Fund \$ 181

Special Purpose Fund

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$	38,288	
Accountants/Bookkeepers		20,616	
Bus Drivers		7,810	
Social Security		5,104	
Employee and Dependent Insurance		4,677	
Medical Insurance		3,322	
Unemployment Compensation		156	
Communication		3,979	
Dues and Memberships		275	
Maintenance and Repair Services - Vehicles		117	
Postal Charges		242	
Travel		4,380	
Office Supplies		2,561	
Other Charges		4,683	
Total Adult Activities		<u>96,210</u>	\$ 96,210

Total Special Purpose Fund 96,210

Drug Control Fund

Public Safety

Drug Enforcement

Maintenance and Repair Services - Vehicles	\$	1,159	
Other Supplies and Materials		4,885	
Trustee's Commission		115	
Total Drug Enforcement		<u>6,159</u>	\$ 6,159

Total Drug Control Fund 6,159

(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)	41,635	
Secretary(ies)	22,386	
Social Security	9,295	
Unemployment Compensation	569	
Dues and Memberships	2,241	
Evaluation and Testing	225	
Legal Notices, Recording, and Court Costs	462	
Travel	1,910	
Other Contracted Services	625	
Office Supplies	518	
Premiums on Corporate Surety Bonds	614	
Data Processing Equipment	2,142	
Total Administration		\$ 140,099

Highway and Bridge Maintenance

Equipment Operators	\$ 212,888	
Truck Drivers	33,007	
Laborers	79,995	
Social Security	24,636	
Unemployment Compensation	3,870	
Rentals	774	
Asphalt - Hot Mix	50,306	
Asphalt - Liquid	115,586	
Crushed Stone	62,893	
Pipe	4,655	
Road Signs	2,845	
Other Supplies and Materials	400	
Total Highway and Bridge Maintenance		591,855

Operation and Maintenance of Equipment

Mechanic(s)	\$ 68,471	
Social Security	5,139	
Employee and Dependent Insurance	6	
Unemployment Compensation	731	
Other Contracted Services	6,847	
Custodial Supplies	247	
Diesel Fuel	55,251	
Equipment and Machinery Parts	53,662	
Garage Supplies	5,931	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Gasoline	\$ 30,475	
Lubricants	3,943	
Tires and Tubes	11,019	
Total Operation and Maintenance of Equipment		\$ 241,722

Other Charges

Communication	\$ 4,937	
Other Contracted Services	10,157	
Electricity	3,773	
Water and Sewer	568	
Liability Insurance	44,961	
Trustee's Commission	13,228	
Motor Vehicles	3,810	
Total Other Charges		81,434

Employee Benefits

Employee and Dependent Insurance	\$ 118,808	
Unemployment Compensation	5,635	
Total Employee Benefits		124,443

Capital Outlay

Bridge Construction	\$ 307,573	
Highway Construction	204,714	
Total Capital Outlay		512,287

Principal on Debt

Highways and Streets

Principal on Notes	\$ 41,549	
Principal on Capital Leases	37,086	
Total Highways and Streets		78,635

Interest on Debt

Highways and Streets

Interest on Notes	\$ 5,375	
Interest on Capital Leases	6,145	
Total Highways and Streets		11,520

Total Highway/Public Works Fund \$ 1,781,995

(Continued)

Exhibit J-7

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 610,000	
Principal on Notes	360	
Total General Government	<u>610,360</u>	\$ 610,360

Interest on Debt

General Government

Interest on Bonds	\$ 68,008	
Interest on Notes	10,241	
Interest on Other Loans	3,782	
Total General Government	<u>82,031</u>	82,031

Other Debt Service

General Government

Bank Charges	\$ 846	
Trustee's Commission	12,961	
Underwriter's Discount	11,906	
Other Debt Issuance Charges	35,061	
Other Debt Service	13,767	
Total General Government	<u>74,541</u>	74,541

Total General Debt Service Fund \$ 766,932

General Capital Projects Fund

Capital Projects

General Administration Projects

Other Charges	\$ 111,023	
Total General Administration Projects	<u>111,023</u>	\$ 111,023

Total General Capital Projects Fund 111,023

Other Capital Projects Fund

Public Safety

Sheriff's Department

Motor Vehicles	\$ 45,611	
Total Sheriff's Department	<u>45,611</u>	\$ 45,611

Principal on Debt

General Government

Principal on Other Loans	\$ 300,000	
Total General Government	<u>300,000</u>	300,000

(Continued)

Exhibit J-7

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

Other Capital Projects Fund (Cont.)

Capital Projects

General Administration Projects

Trustee's Commission	<u>\$ 7,079</u>	
Total General Administration Projects		\$ 7,079

Highway and Street Capital Projects

Other Charges	<u>\$ 2,888</u>	
Total Highway and Street Capital Projects		<u>2,888</u>

Total Other Capital Projects Fund		<u>\$ 355,578</u>
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Total Governmental Funds - Primary Government		<u>\$ 8,383,839</u>
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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, 2011

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 4,277,885	
Career Ladder Program	36,000	
Career Ladder Extended Contracts	41,400	
Clerical Personnel	30,063	
Educational Assistants	128,484	
Other Salaries and Wages	38,255	
Certified Substitute Teachers	6,823	
Non-certified Substitute Teachers	51,000	
Social Security	270,351	
State Retirement	393,945	
Life Insurance	8,658	
Medical Insurance	790,362	
Unemployment Compensation	3,114	
Employer Medicare	63,230	
Other Fringe Benefits	2,562	
Tuition	6,450	
Other Contracted Services	17,785	
Instructional Supplies and Materials	113,484	
Textbooks	81,292	
Other Supplies and Materials	28,452	
Fee Waivers	6,500	
Regular Instruction Equipment	96,845	
Total Regular Instruction Program		\$ 6,492,940

Alternative Instruction Program

Teachers	\$ 47,212	
Social Security	2,753	
State Retirement	4,273	
Employer Medicare	644	
Total Alternative Instruction Program		54,882

Special Education Program

Teachers	\$ 577,674
Career Ladder Program	8,000
Homebound Teachers	378
Educational Assistants	63,594
Non-certified Substitute Teachers	3,646
Social Security	38,343
State Retirement	53,038

(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.)

Employer Medicare	\$ 8,967	
Total Special Education Program		\$ 753,640

Vocational Education Program

Teachers	\$ 220,290	
Non-certified Substitute Teachers	1,912	
Social Security	12,779	
State Retirement	19,936	
Employer Medicare	2,989	
Instructional Supplies and Materials	1,750	
Total Vocational Education Program		259,656

Adult Education Program

Teachers	\$ 22,221	
Clerical Personnel	7,271	
Social Security	435	
State Retirement	201	
Employer Medicare	426	
Instructional Supplies and Materials	13,450	
Other Charges	3,803	
Total Adult Education Program		47,807

Support Services

Attendance

Supervisor/Director	\$ 21,355	
Career Ladder Program	2,000	
Clerical Personnel	6,952	
Social Security	1,762	
State Retirement	2,114	
Employer Medicare	412	
Other Contracted Services	4,667	
Total Attendance		39,262

Health Services

Medical Personnel	\$ 74,874	
Social Security	4,642	
State Retirement	3,272	
Employer Medicare	1,086	
Other Fringe Benefits	880	

(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 (Cont.)

Other Contracted Services	\$ 2,570	
Drugs and Medical Supplies	2,014	
Total Health Services		\$ 89,338

Other Student Support

Career Ladder Program	\$ 2,000	
Guidance Personnel	258,304	
School Resource Officer	34,431	
In-Service Training	2,534	
Social Security	15,486	
State Retirement	23,557	
Employer Medicare	3,626	
Evaluation and Testing	5,891	
Travel	272	
Other Supplies and Materials	5,385	
Other Charges	33,239	
Other Equipment	9,331	
Total Other Student Support		394,056

Regular Instruction Program

Supervisor/Director	\$ 105,670	
Career Ladder Program	5,000	
Librarians	95,675	
In-Service Training	1,223	
Social Security	12,369	
State Retirement	18,674	
Employer Medicare	2,893	
Travel	10,425	
In Service/Staff Development	992	
Total Regular Instruction Program		252,921

Alternative Instruction Program

Other Contracted Services	\$ 650	
Other Supplies and Materials	124	
Total Alternative Instruction Program		774

Special Education Program

Supervisor/Director	\$ 26,301	
Career Ladder Program	2,000	

(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.)

Special Education Program (Cont.)

Assessment Personnel	\$	29,150	
Social Security		3,364	
State Retirement		5,199	
Employer Medicare		787	
Travel		44	
Total Special Education Program			\$ 66,845

Vocational Education Program

Clerical Personnel	\$	5,750	
Other Salaries and Wages		10,146	
Social Security		946	
Employer Medicare		221	
Other Charges		31,000	
Total Vocational Education Program			48,063

Adult Programs

Supervisor/Director	\$	69,435	
Career Ladder Program		3,000	
Other Salaries and Wages		800	
Social Security		4,415	
State Retirement		6,555	
Employer Medicare		1,033	
Travel		1,000	
Total Adult Programs			86,238

Other Programs

On-Behalf Payments to OPEB	\$	51,972	
Total Other Programs			51,972

Board of Education

Other Salaries and Wages	\$	800	
Board and Committee Members Fees		12,275	
Social Security		776	
Life Insurance		510	
Employer Medicare		181	
Audit Services		7,125	
Dues and Memberships		6,938	
Legal Services		410	
Travel		7,951	

(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 (Cont.)

Other Contracted Services	\$	3,999	
Liability Insurance		15,997	
Trustee's Commission		49,004	
Workers' Compensation Insurance		54,000	
Criminal Investigation of Applicants - TBI		480	
Refund to Applicant for Criminal Investigation		384	
Other Charges		25,193	
Total Board of Education			\$ 186,023

Director of Schools

County Official/Administrative Officer	\$	100,655	
Career Ladder Program		1,000	
Secretary(ies)		27,117	
Social Security		7,870	
State Retirement		9,200	
Employer Medicare		1,841	
Communication		4,500	
Postal Charges		1,881	
Office Supplies		3,429	
Total Director of Schools			157,493

Office of the Principal

Principals	\$	271,000	
Career Ladder Program		7,000	
Secretary(ies)		91,468	
Social Security		21,922	
State Retirement		25,159	
Employer Medicare		5,127	
Communication		4,000	
Travel		3,406	
Total Office of the Principal			429,082

Fiscal Services

Accountants/Bookkeepers	\$	32,550	
Secretary(ies)		9,260	
Social Security		2,431	
Employer Medicare		569	
Total Fiscal Services			44,810

(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.)

Operation of Plant

Supervisor/Director	\$	30,475	
Custodial Personnel		234,715	
Other Salaries and Wages		6,210	
Social Security		16,097	
Employer Medicare		3,795	
Disposal Fees		5,375	
Other Contracted Services		2,650	
Electricity		363,718	
Natural Gas		19,501	
Water and Sewer		16,617	
Other Supplies and Materials		70,865	
Building and Contents Insurance		18,425	
Total Operation of Plant			\$ 788,443

Maintenance of Plant

Maintenance Personnel	\$	54,450	
Other Salaries and Wages		2,250	
Social Security		3,472	
Employer Medicare		781	
Communication		5,305	
Maintenance and Repair Services - Buildings		50,388	
Other Contracted Services		20,024	
Other Charges		1,725	
Total Maintenance of Plant			138,395

Transportation

Supervisor/Director	\$	30,475
Mechanic(s)		27,225
Bus Drivers		308,157
Other Salaries and Wages		14,663
Social Security		23,354
Employer Medicare		5,462
Communication		897
Maintenance and Repair Services - Vehicles		82,091
Medical and Dental Services		3,496
Travel		632
Gasoline		128,718
Tires and Tubes		16,956
Vehicle and Equipment Insurance		10,000

(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.)

In Service/Staff Development	\$	146	
Other Charges		227	
Transportation Equipment		170,572	
Total Transportation			\$ 823,071

Central and Other

Supervisor/Director	\$	53,340	
Other Salaries and Wages		4,363	
Social Security		3,141	
State Retirement		4,827	
Medical Insurance		10,422	
Employer Medicare		777	
Maintenance and Repair Services - Equipment		4,680	
Travel		4,895	
Other Contracted Services		4,572	
Office Supplies		868	
Other Supplies and Materials		29,696	
In Service/Staff Development		1,640	
Other Charges		3,200	
Administration Equipment		358	
Total Central and Other			126,779

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	51,200	
Other Salaries and Wages		1,802	
Social Security		3,008	
State Retirement		4,634	
Medical Insurance		10,287	
Employer Medicare		704	
Travel		3,880	
Other Supplies and Materials		8,433	
Other Charges		1,500	
Total Community Services			85,448

Early Childhood Education

Supervisor/Director	\$	32,119	
Teachers		169,510	
Educational Assistants		83,860	

(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.)

Early Childhood Education (Cont.)

Other Salaries and Wages	\$	2,460	
Non-certified Substitute Teachers		5,712	
Social Security		17,162	
State Retirement		18,247	
Medical Insurance		33,272	
Employer Medicare		4,014	
Other Fringe Benefits		130	
Maintenance and Repair Services - Equipment		2,000	
Travel		2,302	
Other Contracted Services		2,276	
Instructional Supplies and Materials		12,567	
Other Supplies and Materials		16,500	
In Service/Staff Development		2,416	
Other Charges		3,729	
Other Equipment		13,003	
Total Early Childhood Education			\$ 421,279

Capital Outlay

Regular Capital Outlay

Architects	\$	13,448	
Building Improvements		153,629	
Other Capital Outlay		276,752	
Total Regular Capital Outlay			443,829

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	225,000	
Total Education			<u>225,000</u>

Total General Purpose School Fund \$ 12,508,046

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	488,765	
Educational Assistants		108,891	
Other Salaries and Wages		64,900	
Non-certified Substitute Teachers		3,213	
Social Security		39,414	

(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.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

State Retirement	\$	43,999	
Medical Insurance		64,439	
Employer Medicare		9,218	
Tuition		500	
Other Contracted Services		29,006	
Instructional Supplies and Materials		160,130	
Other Supplies and Materials		25,892	
Other Charges		4,672	
Regular Instruction Equipment		18,808	
Total Regular Instruction Program			\$ 1,061,847

Special Education Program

Teachers	\$	42,148	
Homebound Teachers		990	
Educational Assistants		204,875	
Speech Pathologist		2,255	
Other Salaries and Wages		463	
Social Security		14,648	
State Retirement		4,108	
Medical Insurance		11,626	
Employer Medicare		3,426	
Maintenance and Repair Services - Equipment		1,560	
Other Contracted Services		62,006	
Instructional Supplies and Materials		33,517	
Textbooks		5,210	
Other Supplies and Materials		11,008	
Total Special Education Program			397,840

Vocational Education Program

Other Supplies and Materials	\$	14,983	
Vocational Instruction Equipment		24,615	
Total Vocational Education Program			39,598

Support Services

Other Student Support

Other Salaries and Wages	\$	7,140	
Social Security		443	
State Retirement		646	
Employer Medicare		104	

(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.)

Other Student Support (Cont.)

Travel	\$ 8,535	
Other Contracted Services	18,665	
In Service/Staff Development	1,421	
Other Charges	20,943	
Total Other Student Support		\$ 57,897

Regular Instruction Program

Supervisor/Director	\$ 42,145	
Secretary(ies)	12,906	
Other Salaries and Wages	8,520	
Social Security	3,861	
State Retirement	4,460	
Medical Insurance	1,275	
Employer Medicare	902	
Postal Charges	200	
Travel	18,171	
Library Books/Media	13,053	
Other Supplies and Materials	2,632	
In Service/Staff Development	63,182	
Other Charges	1,000	
Total Regular Instruction Program		172,307

Alternative Instruction Program

Other Salaries and Wages	\$ 19,800	
Employer Medicare	296	
Travel	1,000	
Other Contracted Services	3,500	
Other Supplies and Materials	3,004	
Total Alternative Instruction Program		27,600

Special Education Program

Supervisor/Director	\$ 23,524	
Psychological Personnel	3,239	
Assessment Personnel	6,478	
Secretary(ies)	26,393	
In-Service Training	114	
Social Security	3,535	
State Retirement	3,008	
Medical Insurance	3,600	

(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.)

Employer Medicare	\$	827	
Maintenance and Repair Services - Equipment		195	
Travel		7,468	
Other Contracted Services		5,238	
Other Supplies and Materials		25,137	
In Service/Staff Development		8,331	
Other Equipment		10,000	
Total Special Education Program			\$ 127,087

Vocational Education Program

In Service/Staff Development	\$	1,298	
Total Vocational Education Program			1,298

Transportation

Bus Drivers	\$	20,717	
Social Security		1,284	
Employer Medicare		301	
Transportation Equipment		89,720	
Total Transportation			112,022

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	340	
Social Security		21	
Employer Medicare		5	
Total Food Service			366

Total School Federal Projects Fund \$ 1,997,862

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	17,195	
Clerical Personnel		21,931	
Cafeteria Personnel		292,696	
Other Salaries and Wages		9,013	
Social Security		20,431	
Life Insurance		936	
Medical Insurance		14,814	

(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.)

Employer Medicare	\$	4,778	
Other Fringe Benefits		8,000	
Maintenance and Repair Services - Equipment		10,197	
Transportation - Other than Students		3,298	
Travel		1,834	
Other Contracted Services		5,542	
Food Supplies		360,552	
Utilities		37,690	
USDA - Commodities		58,567	
Other Supplies and Materials		21,298	
In Service/Staff Development		725	
Other Charges		1,075	
Food Service Equipment		327	
Total Food Service			\$ 890,899

Total Central Cafeteria Fund \$ 890,899

Other Education Special Revenue Fund

Support Services

Board of Education

Trustee's Commission	\$	290	
Total Board of Education			\$ 290

Total Other Education Special Revenue Fund 290

Total Governmental Funds - Meigs County School Department \$ 15,397,097

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, 2011

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 198,760
Total Cash Receipts	<u>\$ 198,760</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 196,772
Trustee's Commission	1,988
Total Cash Disbursements	<u>\$ 198,760</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2010	<u>0</u>
 Cash Balance, June 30, 2011	 <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 9, 2012

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, 2011, which collectively comprise Meigs County's basic financial statements and have issued our report thereon dated January 9, 2012. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 11.01.

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. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 11.02, 11.03, 11.04, 11.06, 11.07, and 11.08.

#### Compliance and Other Matters

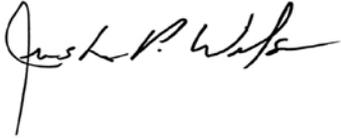
As part of obtaining reasonable assurance about whether Meigs County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 11.05.

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

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

This report is intended solely for the information and use of management, the county mayor, County Commission, director of finance, 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,

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

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu



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  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 9, 2012

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, 2011. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

#### 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

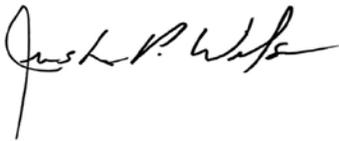
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County as of and for the year ended June 30, 2011, and have issued our report thereon dated January 9, 2012. 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 as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility

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

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

This report is intended solely for the information and use of management, the county mayor, County Commission, director of finance, 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 long vertical stroke extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

Meigs County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2011

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	\$ 58,567 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	170,274
National School Lunch Program	10.555	N/A	463,755 (3)
Total U.S. Department of Agriculture			<u>\$ 692,596</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Home Investment Partnerships Program	14.239	HN-08-33	\$ 418,846
Total U.S. Department of Housing and Urban Development			<u>\$ 418,846</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	(2)	\$ 5,000
Total U.S. Department of Transportation			<u>\$ 5,000</u>
U.S. Department of Energy:			
Passed-through State Department of Economic and Community Development:			
Recovery Act - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	(2)	\$ 26,904
Total U.S. Department of Energy			<u>\$ 26,904</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	\$ 621,465
Title I Grants to Local Educational Agencies, Recovery Act	84.389	S389A090042	156,929
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	289,130
Special Education - Preschool Grants	84.173	N/A	26,225
Special Education - Grants to States, Recovery Act	84.391	H39A090052	338,736
Special Education - Preschool Grants, Recovery Act	84.392	H392A090095	5,194
Career and Technical Education - Basic Grants to States	84.048	N/A	49,595
Education Technology Cluster:			
Education Technology State Grants	84.318	(2)	2,025
Education Technology State Grants, Recovery Act	84.386	S386A090042	1,248
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(2)	120,000
Rural Education	84.358	N/A	46,997
Improving Teacher Quality State Grants	84.367	N/A	120,210
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	S394A090043	1,028,785
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	S397A090044	111,039
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	S395A100032	127,402
Recovery Act - Education Jobs Fund	84.410	S410A10003	212,706
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-10-218532-00	75,730
Total U.S. Department of Education			<u>\$ 3,333,416</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. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	N/A	\$ 2,000
Total U.S. Election Assistance Commission			<u>\$ 2,000</u>
U.S. Corporation for National and Community Service:			
Direct Program:			
Retired and Senior Volunteer Program	94.002	N/A	\$ 90,653
Total U.S. Corporation for National and Community Service			<u>\$ 90,653</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	\$ 16,791
Passed-through State Department of Education:			
Recovery Act - Temporary Assistance for Needy Families	93.558	N/A	20,897
Total U.S. Department of Health and Human Services			<u>\$ 37,688</u>
U.S. Department of Homeland Security:			
Direct Programs:			
Assistance to Firefighters Grant	97.044	EMW-2009-FV-03412	\$ 178,125
Passed-through Tennessee Valley Authority:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	GG-06-121-82-00	37,714
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	2008-GE-T8-0048	39,636
Total U.S. Department of Homeland Security			<u>\$ 255,475</u>
Total Expenditures of Federal Awards			<u>\$ 4,862,578</u>
<u>Contract</u>			
<u>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	18,624
Local Health Services - State Department of Health	N/A	GG-11-32194-00	131,921
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	25,245
Early Childhood Education - Pilot/State - Lottery Commission	N/A	(2)	418,671
Driver's Education - State Department of Education	N/A	(2)	6,758
Total State Grants			<u>\$ 610,219</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 \$522,322.

Meigs County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2011

*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, 2010, which have not been corrected.

**OFFICE OF DIRECTOR OF FINANCE**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.01	139	The office had deficiencies in purchasing procedures
10.02	139	The office had deficiencies in the administration of payroll records
10.03	140	The office did not maintain adequate records for state and federal grants

**OFFICE OF CLERK AND MASTER**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.06	142	The court software did not have adequate application controls

**OTHER FINDING**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.07	142	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, 2011**

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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. One 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 Home Investment Partnership Program (CFDA No. 14.239); 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, 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. The Highway Superintendent provided a written response on a finding, which is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

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

#### **FINDING 11.01      **THE HIGHWAY/PUBLIC WORKS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION****

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2011, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Meigs County to have adequate internal controls over the maintenance of its accounting records. This material audit adjustment was required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency can be attributed to the failure of management to adequately monitor and reconcile their general ledger accounts. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

#### **RECOMMENDATION**

Meigs County should have appropriate processes in place to ensure that its general ledgers are materially correct.

#### **MANAGEMENT'S RESPONSE – HIGHWAY SUPERINTENDENT**

We agree there was a material weakness in our year-end closing process. We have been a beta site for Local Government Data Processing Corporation's (LGDPC) new software, Nexgen. LGDPC closed our year for us and asked the finance director to verify fund balance totals. After the year-end closing, a journal entry that had not been recorded was discovered and correctly posted at that time. Although the error could not be corrected by June 30, 2011, management and the county legislative body were aware of this error. We are working toward taking measures to prevent this from happening again.

**FINDING 11.02      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, sufficient invoice documentation was not on file to support purchases. We extended our audit procedures and determined that these disbursements were for the benefit of the county.
- C. In some instances, invoices were paid without documentation that goods had been received or services rendered. The practice of paying invoices without documentation that goods were received and services rendered increases the risk of paying for something that was never received.
- D. The county's travel policy was not always followed. In some instances, different mileage reimbursement rates were used to calculate reimbursements paid to employees.

**RECOMMENDATION**

Purchase orders should be evidenced by an authorized signature. The office should maintain sufficient invoice documentation to support all purchases. Documentation should be on file to support that goods have been received and/or services rendered before invoices are paid. The county's travel policy should be followed for calculating employee reimbursements.

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**FINDING 11.03      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, 2011, 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 11.04      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. This deficiency can be attributed to the failure of management to correct the finding reported in the prior-year audit report.

#### RECOMMENDATION

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

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**FINDING 11.05      THE SOLID WASTE/SANITATION FUND WAS NOT USED TO ACCOUNT FOR SOLID WASTE TRANSACTIONS**  
(Noncompliance Under *Government Auditing Standards*)

Management closed the Solid Waste/Sanitation Fund into the General Fund effective August 2010; therefore, the office did not account for financial transactions related to the management of solid waste in either a special revenue fund or enterprise fund established expressly for that purpose. Instead, these transactions were accounted for through the county's General Fund. Section 68-211-874(a), *Tennessee Code Annotated*, provides for counties to establish either a special revenue fund or an enterprise fund to account for

financial transactions related to the management of solid waste. This deficiency can be attributed to management's misunderstanding of the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

**RECOMMENDATION**

Financial transactions related to the management of solid waste should be accounted for in either a special revenue fund or enterprise fund established expressly for that purpose as required by state statute.

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**OFFICES OF TRUSTEE, COUNTY CLERK, CLERK AND MASTER, AND REGISTER**

**FINDING 11.06**      **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees operated from the same cash drawer in the Offices of Trustee, County Clerk, Clerk and Master, and Register. Sound internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of each day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision resulting in a loss of control over assets.

**RECOMMENDATION**

Management should assign each employee their own cash drawer.

---

**OFFICES OF FINANCE DIRECTOR, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER, SHERIFF, AND THE AMBULANCE SERVICE DEPARTMENT**

**FINDING 11.07**      **DUTIES WERE NOT SEGREGATED ADEQUATELY**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees in the Offices of Finance Director, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and

Master, Register, Sheriff, and the Ambulance Service Department. 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.

---

**OFFICE OF CLERK AND MASTER**

**FINDING 11.08**      **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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**BEST PRACTICES**

The Division of County Audit strongly believes that the items noted below are best practices that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Meigs County.

**ITEM 1. MEIGS COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Meigs County does not have a central system of accounting, budgeting, and purchasing for all departments. Meigs County operates under the 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, but excludes the School Department. Sound business practices dictate that establishing a central system of accounting, budgeting, and purchasing for all departments would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

**ITEM 2. MEIGS COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

Meigs County does not have an Audit Committee. An Audit Committee can 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. County officials should establish an Audit Committee as a best practice.

**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, 2011**

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