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# ANNUAL FINANCIAL REPORT MEIGS COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2014



**ANNUAL FINANCIAL REPORT**  
**MEIGS COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT***  
***JAMES R. ARNETTE***  
***Director***

***STEVE REEDER, CPA, CGFM, CFE***  
***Audit Manager***

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

***JESSICA COX, CPA, CGFM***  
***JENI PALADENI, CISA***  
***State Auditors***

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

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## MEIGS COUNTY, TENNESSEE

### TABLE OF CONTENTS

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	Exhibit	Page(s)
Summary of Audit Findings		6-7
<u>INTRODUCTORY SECTION</u>		8
Meigs County Officials		9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	C-5	25-26
Highway/Public Works Fund	C-6	27
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	28
Index and Notes to the Financial Statements		29-62
REQUIRED SUPPLEMENTARY INFORMATION:		63
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Meigs County School Department	E-1	64
Schedule of Funding Progress – Other Postemployment Benefits Plan – Discretely Presented Meigs County School Department	E-2	65
Notes to the Required Supplementary Information		66

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		67
Nonmajor Governmental Funds:		68
Combining Balance Sheet	F-1	69-70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	71
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Solid Waste/Sanitation Fund	F-3	72
Drug Control Fund	F-4	73
Major Governmental Fund:		74
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	75
Fiduciary Funds:		76
Combining Statement of Fiduciary Assets and Liabilities	H-1	77
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	78
Component Unit:		
Discretely Presented Meigs County School Department:		79
Statement of Activities	I-1	80
Balance Sheet – Governmental Funds	I-2	81
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	82
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	83
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	84
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	86
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	87-88
School Federal Projects Fund	I-9	89
Central Cafeteria Fund	I-10	90
Other Education Special Revenue Fund	I-11	91

	Exhibit	Page(s)
Miscellaneous Schedules:		92
Schedule of Changes in Long-term Notes, Bonds, and Other Loans	J-1	93
Schedule of Long-term Debt Requirements by Year	J-2	94
Schedule of Transfers	J-3	95
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Meigs County School Department	J-4	96
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	97-108
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Meigs County School Department	J-6	109-111
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	112-125
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Meigs County School Department	J-8	126-135
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	J-9	136
 <u>SINGLE AUDIT SECTION</u>		 137
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government</i> <i>Auditing Standards</i>		138-139
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133		140-142
Schedule of Expenditures of Federal Awards and State Grants		143-144
Schedule of Audit Findings Not Corrected		145-146
Schedule of Findings and Questioned Costs		147-161
Best Practice		162
Auditee Reporting Responsibilities		163

# ***Summary of Audit Findings***

Annual Financial Report  
Meigs County, Tennessee  
For the Year Ended June 30, 2014

## ***Scope***

We have audited the financial statements of Meigs County as of and for the year ended June 30, 2014.

## ***Results***

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

Our audit resulted in 19 findings and recommendations, which we have reviewed with Meigs County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

## ***Findings***

The following are summaries of the audit findings:

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

- ◆ Fund balances were not classified properly.
- ◆ The office had deficiencies in budget operations.
- ◆ The office had deficiencies in purchasing procedures.
- ◆ The office did not reconcile fuel purchases with usage for various county vehicles.
- ◆ The office had deficiencies in the administration of payroll records.
- ◆ Several capital assets were not included in the capital asset records.
- ◆ The office did not maintain adequate records for state and federal grants.
- ◆ The office did not always provide records for auditors to review on a timely basis.
- ◆ Finance Department employees received unauthorized compensation totaling \$26,604, and detailed time records were not on file to support the payment of \$1,201 for compensatory leave of the former interim finance director.

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### **OFFICE OF COUNTY MAYOR**

- ◆ Some probation funds were not deposited within three days of collection.

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### **OFFICE OF ROAD SUPERVISOR**

- ◆ A summary of changes from the prior year road list was not submitted to the County Commission.
-

## **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ The School Department violated its conflict of interest policy by making purchases from a business owned by a school employee.
- 

## **OFFICE OF CLERK AND MASTER**

- ◆ The accounting records did not adequately reflect the financial activity of the office.
- 

## **OFFICE OF REGISTER OF DEEDS**

- ◆ Usernames and passwords were shared by employees.
- 

## **OFFICE OF SHERIFF**

- ◆ The office had accounting deficiencies.
  - ◆ Arrestee files did not include an acknowledgment from the Tennessee Bureau of Investigation that fingerprints had been received and accepted.
  - ◆ Some collections were not deposited within three days.
- 

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

- ◆ Duties were not segregated adequately.
- 

## **MEIGS COUNTY COMMISSION**

- ◆ The Industrial Development Board of Meigs County and the City of Decatur was not audited.

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# INTRODUCTORY SECTION

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# Meigs County Officials

## June 30, 2014

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### **Officials**

Garland Lankford, County Mayor  
Jerry Shoemaker, Highway Superintendent  
Donald Roberts, Director of Schools  
Carolyn Wattenbarger, Trustee  
Billy Breeden, Assessor of Property  
Janie Myers, County Clerk  
Darrell Davis, Circuit and General Sessions Courts Clerk  
Tim Proffitt, Clerk and Master  
Janie Stiner, Register of Deeds  
Jackie Melton, Sheriff  
Libby McCosh, Director of Finance

### **Board of County Commissioners**

Brad McKenzie, Chairman  
Bill Allen  
Betty Davis  
Dewayne Murphy  
Carter Nelson  
Doug O'Daniel

Billy Ogle  
Rhonda Tucker  
Jim Welch  
Stanley Welch  
Mark Vance

### **Board of Education**

Chris Clark, Chairman  
Andy Andrews  
Ross Irwin

Rueben McKenzie  
Tessa Perkinson

### **Financial Management Committee**

Mark Vance, Chairman  
Garland Lankford, County Mayor  
Jerry Shoemaker, Highway Superintendent  
Brad McKenzie  
Dewayne Murphy  
Carter Nelson  
Jim Welch

### **Audit Committee**

Randy Baker  
Betty Davis  
Lisa Thompson

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## FINANCIAL SECTION

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on the Financial Statements**

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, 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Meigs County Emergency Communications District, which represent 6.59 percent, 7.56 percent, and 1.62 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Meigs County Emergency Communications District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County, Tennessee, as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the General and the Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note V.B., Meigs County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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 schedule of funding progress – pension plan and other postemployment benefits plan on pages 64-66 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.

#### *Supplementary and Other Information*

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.

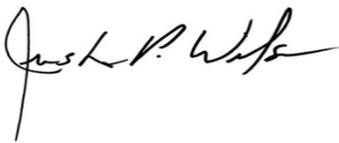
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Meigs County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit and the procedures performed as described above, 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 miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014, on our consideration of Meigs County's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meigs County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

December 12, 2014

JPW/kp

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Meigs County, Tennessee  
Statement of Net Position  
June 30, 2014

	Primary Government Governmental Activities	Component Units	
		Meigs County School Department	Meigs County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 1,390	\$ 0	\$ 465,412
Equity in Pooled Cash and Investments	4,335,841	3,155,821	0
Accounts Receivable	237,437	0	3,353
Allowance for Uncollectibles	(36,950)	0	0
Due from Other Governments	357,055	227,233	0
Prepaid Items	0	0	12,846
Property Taxes Receivable	2,647,354	1,367,413	0
Allowance for Uncollectible Property Taxes	(99,753)	(51,524)	0
Capital Assets:			
Assets Not Depreciated:			
Land	325,905	354,462	0
Construction in Progress	0	186,105	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	6,011,868	5,337,850	0
Infrastructure	4,230,718	0	0
Other Capital Assets	693,295	877,290	326,917
Total Assets	<u>\$ 18,704,160</u>	<u>\$ 11,454,650</u>	<u>\$ 808,528</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 5,354	\$ 2,902
Accrued Payroll	0	3,296	0
Payroll Deductions Payable	3,412	0	0
Accrued Interest Payable	848	0	0
Noncurrent Liabilities:			
Due Within One Year	378,134	0	0
Due in More Than One Year (net of unamortized premium on debt)	3,785,413	371,112	0
Total Liabilities	<u>\$ 4,167,807</u>	<u>\$ 379,762</u>	<u>\$ 2,902</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 2,376,063	\$ 1,227,286	\$ 0
Total Deferred Inflows of Resources	<u>\$ 2,376,063</u>	<u>\$ 1,227,286</u>	<u>\$ 0</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 8,859,545	\$ 6,755,707	\$ 326,917
Restricted for:			
General Government	207,627	0	0
Finance	2,109	0	0
Administration of Justice	175,736	0	0
Public Safety	86,478	0	0
Public Health and Welfare	74,501	0	0
Highways/Public Works	1,378,035	0	0
Education	0	816,464	0
Unrestricted	<u>1,376,259</u>	<u>2,275,431</u>	<u>478,709</u>
Total Net Position	<u>\$ 12,160,290</u>	<u>\$ 9,847,602</u>	<u>\$ 805,626</u>

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

Exhibit B

Meigs County, Tennessee  
Statement of Activities  
June 30, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position																			
	Program Revenues					Component Units														
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Meigs County School Department	Meigs County Emergency Communications District													
Primary Government:																				
Governmental Activities:																				
General Government	\$ 1,828,138	\$ 70,347	\$ 33,164	\$ 263,544	\$ (1,461,083)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	547,659	243,362	0	0	(304,297)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administration of Justice	507,443	330,671	0	0	(176,772)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public Safety	1,928,441	170,082	361,856	18,827	(1,377,676)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public Health and Welfare	744,761	307,029	115,960	0	(321,772)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Social, Cultural, and Recreational Services	241,111	0	200	0	(240,911)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agriculture and Natural Resources	105,003	0	0	0	(105,003)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Highways/Public Works	1,127,511	0	1,287,423	122,056	281,968	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Long-term Debt	206,047	0	0	0	(206,047)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Governmental Activities	\$ 7,236,114	\$ 1,121,491	\$ 1,798,603	\$ 404,427	\$ (3,911,593)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 7,236,114	\$ 1,121,491	\$ 1,798,603	\$ 404,427	\$ (3,911,593)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:																				
Meigs County School Department	\$ 15,106,389	\$ 183,885	\$ 2,709,638	\$ 0	\$ 0	\$ (12,212,866)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Meigs County Emergency Communications District	305,154	197,770	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(107,384)
Total Component Units	\$ 15,411,543	\$ 381,655	\$ 2,709,638	\$ 0	\$ 0	\$ (12,212,866)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (107,384)

(Continued)

Exhibit B

Meigs County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Component Units			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total	Meigs County School Department	Meigs County Emergency Communications District	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes		\$	2,186,133	\$	1,387,038	\$	0	0
Property Taxes Levied for Debt Service			279,025		0		0	0
Local Option Sales Taxes			223,566		430,356		0	0
Hotel/Motel Tax			13,023		0		0	0
Litigation Tax - General			25,599		0		0	0
Litigation Tax - Special Purpose			35,672		0		0	0
Litigation Tax - Jail, Workhouse, or Courthouse			2,674		0		0	0
Business Tax			25,648		0		0	0
Wholesale Beer Tax			76,584		51,056		0	0
Mineral Severance Tax			19,487		0		0	0
Other Local Taxes			11,246		1,187		0	0
Grants and Contributions Not Restricted to Specific Programs			1,374,711		10,453,939		52,837	0
Unrestricted Investment Income			0		16,719		712	0
Miscellaneous			32,410		47,146		115	0
Total General Revenues			4,305,778		12,387,441		53,664	0
Change in Net Position		\$	394,185	\$	174,575	\$	(53,720)	
Net Position, July 1, 2013			11,766,105		9,673,027		859,346	
Net Position, June 30, 2014		\$	12,160,290	\$	9,847,602	\$	805,626	

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, 2014

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service	Other Capital Projects	Other Governmental Funds		
<b>ASSETS</b>							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,390	\$ 1,390	\$ 1,390
Equity in Pooled Cash and Investments	1,542,685	1,132,569	1,411,647	120,815	128,125	4,335,841	4,335,841
Accounts Receivable	231,079	6,358	0	0	0	237,437	237,437
Allowance for Uncollectibles	(36,950)	0	0	0	0	(36,950)	(36,950)
Due from Other Governments	98,655	239,276	16,279	0	2,845	357,055	357,055
Due from Other Funds	1,390	0	0	0	0	1,390	1,390
Property Taxes Receivable	2,197,553	0	299,725	0	150,076	2,647,354	2,647,354
Allowance for Uncollectible Property Taxes	(82,804)	0	(11,294)	0	(5,655)	(99,753)	(99,753)
Total Assets	\$ 3,951,608	\$ 1,378,203	\$ 1,716,357	\$ 120,815	\$ 276,781	\$ 7,443,764	\$ 7,443,764
<b>LIABILITIES</b>							
Payroll Deductions Payable	\$ 3,243	\$ 169	\$ 0	\$ 0	\$ 0	\$ 3,412	\$ 3,412
Due to Other Funds	0	0	0	0	1,390	1,390	1,390
Total Liabilities	\$ 3,243	\$ 169	\$ 0	\$ 0	\$ 1,390	\$ 4,802	\$ 4,802
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Current Property Taxes	\$ 1,972,356	\$ 0	\$ 269,010	\$ 0	\$ 134,697	\$ 2,376,063	\$ 2,376,063
Deferred Delinquent Property Taxes	123,552	0	16,851	0	8,437	148,840	148,840
Other Deferred/Unavailable Revenue	113,303	115,433	7,440	0	950	237,126	237,126
Total Deferred Inflows of Resources	\$ 2,209,211	\$ 115,433	\$ 293,301	\$ 0	\$ 144,084	\$ 2,762,029	\$ 2,762,029

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service	Other Capital Projects	Other Governmental Funds		
<b>FUND BALANCES</b>							
Restricted:							
Restricted for General Government	\$ 207,627	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	207,627
Restricted for Finance	2,109	0	0	0	0	0	2,109
Restricted for Administration of Justice	175,736	0	0	0	0	0	175,736
Restricted for Public Safety	20,285	0	0	0	66,193	66,193	86,478
Restricted for Public Health and Welfare	0	0	0	0	65,114	65,114	65,114
Restricted for Highways/Public Works	0	1,262,601	0	0	0	0	1,262,601
Restricted for Debt Service	0	0	1,423,056	0	0	0	1,423,056
Committed:							
Committed for Public Health and Welfare	190,000	0	0	0	0	0	190,000
Committed for Capital Outlay	0	0	0	120,815	0	0	120,815
Unassigned	1,143,397	0	0	0	0	0	1,143,397
<b>Total Fund Balances</b>	<b>\$ 1,739,154</b>	<b>\$ 1,262,601</b>	<b>\$ 1,423,056</b>	<b>\$ 120,815</b>	<b>\$ 131,307</b>	<b>\$ 0</b>	<b>4,676,933</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,951,608</b>	<b>\$ 1,378,203</b>	<b>\$ 1,716,357</b>	<b>\$ 120,815</b>	<b>\$ 276,781</b>	<b>\$ 0</b>	<b>7,443,764</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 Position  
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 4,676,933
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 325,905	
Add: buildings and improvements net of accumulated depreciation	6,011,868	
Add: infrastructure net of accumulated depreciation	4,230,718	
Add: other capital assets net of accumulated depreciation	<u>693,295</u>	11,261,786
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other deferred revenue - premium on debt	\$ (25,771)	
Less: notes payable	(37,991)	
Less: bonds payable	(2,338,479)	
Less: interest accrued on notes and bonds	(848)	
Less: interest accreted on bonds	<u>(1,761,306)</u>	(4,164,395)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>385,966</u>
Net position of governmental activities (Exhibit A)		<u>\$ 12,160,290</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, 2014

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service	Other Capital Projects	Other Governmental Funds		
<u>Revenues</u>							
Local Taxes	\$ 2,590,235	\$ 19,487	\$ 404,288	\$ 0	\$ 0	\$ 153,275	\$ 3,167,285
Licenses and Permits	19,193	0	0	0	0	0	19,193
Fines, Forfeitures, and Penalties	151,828	0	0	0	0	47,596	199,424
Charges for Current Services	319,917	0	0	0	0	6,581	326,498
Other Local Revenues	91,739	2,123	0	0	0	6,250	100,112
Fees Received from County Officials	420,625	0	0	0	0	0	420,625
State of Tennessee	651,931	1,413,961	3,784	731,857	1,895	1,895	2,803,428
Federal Government	237,483	0	0	221,922	0	0	459,405
Other Governments and Citizens Groups	135,000	0	0	0	0	0	135,000
Total Revenues	\$ 4,617,951	\$ 1,435,571	\$ 408,072	\$ 953,779	\$ 215,597	\$ 215,597	\$ 7,630,970
<u>Expenditures</u>							
Current:							
General Government	\$ 831,448	\$ 0	\$ 0	\$ 165,000	\$ 0	\$ 0	\$ 996,448
Finance	547,659	0	0	0	0	0	547,659
Administration of Justice	500,862	0	0	0	0	6,581	507,443
Public Safety	1,927,061	0	0	0	0	7,115	1,934,176
Public Health and Welfare	572,076	0	0	0	0	155,000	727,076
Social, Cultural, and Recreational Services	233,521	0	0	0	0	0	233,521
Agriculture and Natural Resources	70,860	0	0	0	0	0	70,860
Other Operations	165,843	0	0	0	0	0	165,843
Highways	0	1,073,854	0	0	0	0	1,073,854
Debt Service:							
Principal on Debt	0	38,509	558,928	0	0	0	597,437
Interest on Debt	0	2,714	20,262	0	0	0	22,976
Other Debt Service	0	200	8,181	0	0	0	8,381

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service	Other Capital Projects	Other Governmental Funds		
<u>Expenditures (Cont.)</u>							
Capital Projects	\$ 0 \$	0 \$	0 \$	775,018 \$	0 \$	0 \$	775,018
Total Expenditures	\$ 4,849,330 \$	1,115,277 \$	587,371 \$	940,018 \$	168,696 \$		7,660,692
Excess (Deficiency) of Revenues Over Expenditures	\$ (231,379) \$	320,294 \$	(179,299) \$	13,761 \$	46,901 \$		(29,722)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 264,468 \$	200,000 \$	0 \$	0 \$	0 \$	0 \$	464,468
Transfers Out	0	0	0	(440,000)	(24,468)		(464,468)
Total Other Financing Sources (Uses)	\$ 264,468 \$	200,000 \$	0 \$	(440,000) \$	(24,468) \$		0
Net Change in Fund Balances	\$ 33,089 \$	520,294 \$	(179,299) \$	(426,239) \$	22,433 \$		(29,722)
Fund Balance, July 1, 2013	1,706,065	742,307	1,602,355	547,054	108,874		4,706,655
Fund Balance, June 30, 2014	\$ 1,739,154 \$	1,262,601 \$	1,423,056 \$	120,815 \$	131,307 \$		4,676,933

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, 2014

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)		\$ (29,722)
(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	\$ 493,985	
Less: current-year depreciation expense	<u>(490,492)</u>	3,493
(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, 2013	\$ (386,637)	
Add: deferred delinquent property taxes and other deferred June 30, 2014	<u>385,966</u>	(671)
(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 position. Also, governmental funds report the effect of 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: change in deferred amount on refunding	\$ (2,485)	
Add: principal payments on notes	38,509	
Add: principal payments on bonds	460,000	
Add: principal payments on other loans	98,928	
Add: change in premium on debt issuance	<u>9,204</u>	604,156
(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	\$ 2,300	
Change in accreted interest payable	<u>(185,371)</u>	<u>(183,071)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 394,185</u>

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

Exhibit C-5

Meigs County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 2,590,235	\$ 2,593,105	\$ 2,593,105	\$ (2,870)
Licenses and Permits	19,193	17,925	17,925	1,268
Fines, Forfeitures, and Penalties	151,828	161,600	161,600	(9,772)
Charges for Current Services	319,917	303,100	303,100	16,817
Other Local Revenues	91,739	15,600	15,600	76,139
Fees Received from County Officials	420,625	397,500	397,500	23,125
State of Tennessee	651,931	667,851	682,442	(30,511)
Federal Government	237,483	53,268	91,737	145,746
Other Governments and Citizens Groups	135,000	202,165	202,165	(67,165)
<b>Total Revenues</b>	<b>\$ 4,617,951</b>	<b>\$ 4,412,114</b>	<b>\$ 4,465,174</b>	<b>\$ 152,777</b>
<b>Expenditures</b>				
<u>General Government</u>				
County Commission	\$ 102,354	\$ 50,180	\$ 55,893	\$ (46,461)
Board of Equalization	28	400	400	372
County Mayor/Executive	107,528	98,698	107,683	155
County Attorney	13,098	13,098	13,098	0
Election Commission	141,435	133,686	160,315	18,880
Register of Deeds	95,095	99,227	99,227	4,132
Planning	29,823	30,007	30,007	184
Geographical Information Systems	19,079	23,433	23,433	4,354
County Buildings	323,008	322,767	334,633	11,625
<u>Finance</u>				
Accounting and Budgeting	90,032	130,324	130,324	40,292
Property Assessor's Office	113,280	110,290	120,352	7,072
Reappraisal Program	6,828	23,988	13,926	7,098
County Trustee's Office	117,017	119,737	119,737	2,720
County Clerk's Office	163,032	168,445	171,245	8,213
Other Finance	57,470	65,000	65,000	7,530
<u>Administration of Justice</u>				
Circuit Court	190,909	196,403	197,838	6,929
General Sessions Court	145,389	123,995	147,362	1,973
Drug Court	6,934	0	7,000	66
Chancery Court	157,630	142,136	146,269	(11,361)
<u>Public Safety</u>				
Sheriff's Department	731,023	608,838	673,946	(57,077)
Drug Enforcement	65,044	40,576	65,044	0
Jail	690,127	599,050	682,337	(7,790)
Juvenile Services	827	26,167	2,800	1,973
Fire Prevention and Control	56,986	70,340	71,813	14,827
Civil Defense	182,329	156,221	215,756	33,427
Rescue Squad	4,875	6,000	6,000	1,125
County Coroner/Medical Examiner	19,252	30,000	30,000	10,748
Other Public Safety	176,598	240,992	185,697	9,099
<u>Public Health and Welfare</u>				
Local Health Center	31,114	29,136	62,109	30,995
Ambulance/Emergency Medical Services	327,553	353,759	355,759	28,206
Crippled Children Services	0	500	500	500
Other Local Health Services	93,032	110,527	113,341	20,309

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Appropriation to State	\$ 3,878	\$ 28,000	\$ 28,000	\$ 24,122
Sanitation Management	80,658	59,958	67,449	(13,209)
Sanitation Education/Information	35,841	41,406	41,406	5,565
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	16,728	17,769	18,569	1,841
Libraries	44,622	44,547	44,625	3
Parks and Fair Boards	310	14,090	14,090	13,780
Other Social, Cultural, and Recreational	171,861	9,375	172,597	736
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	70,660	68,293	74,028	3,368
Soil Conservation	200	200	200	0
<u>Other Operations</u>				
Tourism	18,575	20,147	22,747	4,172
Veterans' Services	17,113	17,765	18,746	1,633
Other Charges	102,159	93,981	102,166	7
Contributions to Other Agencies	10,350	14,800	14,800	4,450
Employee Benefits	17,646	20,000	20,000	2,354
Total Expenditures	\$ 4,849,330	\$ 4,574,251	\$ 5,048,267	\$ 198,937
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (231,379)	\$ (162,137)	\$ (583,093)	\$ 351,714
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 264,468	\$ 37,492	\$ 69,450	\$ 195,018
Transfers Out	0	(20,000)	(20,000)	20,000
Total Other Financing Sources	\$ 264,468	\$ 17,492	\$ 49,450	\$ 215,018
Net Change in Fund Balance	\$ 33,089	\$ (144,645)	\$ (533,643)	\$ 566,732
Fund Balance, July 1, 2013	1,706,065	1,677,200	1,677,200	28,865
Fund Balance, June 30, 2014	\$ 1,739,154	\$ 1,532,555	\$ 1,143,557	\$ 595,597

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

Exhibit C-6

Meigs County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 19,487	\$ 15,000	\$ 15,000	\$ 4,487
Other Local Revenues	2,123	0	0	2,123
State of Tennessee	1,413,961	1,504,733	1,626,789	(212,828)
Total Revenues	<u>\$ 1,435,571</u>	<u>\$ 1,519,733</u>	<u>\$ 1,641,789</u>	<u>\$ (206,218)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 143,800	\$ 143,063	\$ 143,063	\$ (737)
Highway and Bridge Maintenance	435,914	539,028	739,028	303,114
Operation and Maintenance of Equipment	203,655	231,008	231,008	27,353
Other Charges	76,204	78,991	78,991	2,787
Employee Benefits	92,225	116,000	116,000	23,775
Capital Outlay	122,056	410,647	532,703	410,647
<u>Principal on Debt</u>				
Highways and Streets	38,509	59,185	58,985	20,476
<u>Interest on Debt</u>				
Highways and Streets	2,714	3,769	3,769	1,055
<u>Other Debt Service</u>				
General Government	200	0	200	0
Total Expenditures	<u>\$ 1,115,277</u>	<u>\$ 1,581,691</u>	<u>\$ 1,903,747</u>	<u>\$ 788,470</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 320,294</u>	<u>\$ (61,958)</u>	<u>\$ (261,958)</u>	<u>\$ 582,252</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 200,000	\$ 20,000	\$ 220,000	\$ (20,000)
Transfers Out	0	(20,000)	(20,000)	20,000
Total Other Financing Sources	<u>\$ 200,000</u>	<u>\$ 0</u>	<u>\$ 200,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 520,294	\$ (61,958)	\$ (61,958)	\$ 582,252
Fund Balance, July 1, 2013	742,307	488,702	488,702	253,605
Fund Balance, June 30, 2014	<u>\$ 1,262,601</u>	<u>\$ 426,744</u>	<u>\$ 426,744</u>	<u>\$ 835,857</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, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 309,509
Due from Other Governments	<u>39,180</u>
Total Assets	<u>\$ 348,689</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 39,180
Due to Litigants, Heirs, and Others	<u>309,509</u>
Total Liabilities	<u>\$ 348,689</u>

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

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**MEIGS COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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Note	Page(s)
<b>I. Summary of Significant Accounting Policies</b>	
A. Reporting Entity	30
B. Government-wide and Fund Financial Statements	31
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	32
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	34
2. Receivables and Payables	35
3. Capital Assets	36
4. Deferred Outflows/Inflows of Resources	36
5. Compensated Absences	37
6. Long-term Obligations	37
7. Net Position and Fund Balance	38
<b>II. Reconciliation of Government-wide and Fund Financial Statements</b>	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	40
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	40
<b>III. Stewardship, Compliance, and Accountability</b>	
A. Budgetary Information	40
B. Cash Shortage	41
C. Conflict of Interest	41
D. Expenditures Exceeded Appropriations	42
E. Appropriations Exceeded Available Funding	42
<b>IV. Detailed Notes on All Funds</b>	
A. Deposits and Investments	42
B. Capital Assets	44
C. Construction Commitments	46
D. Interfund Receivables, Payables, and Transfers	46
E. Long-term Obligations	47
F. On-Behalf Payments	50
<b>V. Other Information</b>	
A. Risk Management	50
B. Accounting Changes	51
C. Subsequent Events	51
D. Contingent Liabilities	51
E. Change in Administration	52
F. Joint Ventures	52
G. Retirement Commitments	53
H. Other Postemployment Benefits (OPEB)	56
I. Office of Central Accounting, Budgeting, and Purchasing	58
J. Purchasing Laws	58
<b>VI. Other Notes - Discretely Presented Meigs County Emergency Communications District</b>	59

**MEIGS COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**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, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

The Meigs County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Meigs County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position 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, 2014.

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

Fund financial statements of 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, deferred outflows or resources, liabilities, deferred inflow of resources, 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.

**Other Capital Projects Fund** – This fund is 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.

Additionally, Meigs County reports the following fund type:

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Meigs County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Meigs County School Department reports the following major governmental fund:

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

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

**Special Revenue Funds** – These funds 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.

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

**D. Assets, Liabilities, Deferred Outflows/Inflows or Resources, and Net Position/Fund Balance**

**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 position 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 are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. 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. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. 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 three percent of total taxes levied.

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 a deferred inflow of resources 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 as a deferred inflow of resources 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. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources,

represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenue, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**5. Compensated Absences**

**Primary Government**

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.

**6. 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 Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of

resources and recognized as a component of interest expense in a systematic and rational manner 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 other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

## **7. Net Position and Fund Balance**

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

- a. Net investment in capital assets – 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 position – Consists of net position 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 position – All other net position that does not meet the definition of restricted or net investment in capital assets.

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

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

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

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

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

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

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

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

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

**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 Position.

**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 Position.

**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 position 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 position of governmental activities reported in the government-wide Statement of Activities.

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees Fund (special revenue fund), which is not budgeted and the Other Capital Projects Fund, which adopts 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, 2014, the Meigs County School Department reported the following significant encumbrances:

Fund	Description	Amount
Major Fund:		
General Purpose School	Textbooks	\$ 38,523
"	Bus	84,566
"	Classroom additions	279,420

**B. Cash Shortage**

On October 23, 2014, our office issued a special report on the Meigs County Finance Department for the period July 1, 2008, through November 30, 2013. This report disclosed that Finance Department employees received unauthorized compensation totaling \$26,604.17, and detailed time records were not on file to support the payment of \$1,201.50 for compensatory leave of the former interim finance director. This report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov).

**C. Conflict of Interest**

On October 23, 2014, our office issued a special report on the Meigs County School Department. This report disclosed that during the period October 1, 2010, through May 28, 2014, the School Department expended \$96,564.44 for supplies from Decatur Plumbing and Electrical Supply, a business owned by a school maintenance employee. The School Department violated its conflict of interest policy by making purchases from a business owned by a school employee. This report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov).

**D. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in the following major appropriations categories (the legal level of control) of the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
County Commission	\$ 46,461
Chancery Court	11,361
Sheriff Department	57,077
Jail	7,790
Sanitation Management	13,209
Highway/Public Works:	
Administration	737

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the General Fund and by available fund balance in the Highway/Public Works Fund.

**E. Appropriations Exceeded Available Funding**

The budget and subsequent amendments approved by the County Commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding by \$9,678.

**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 position as Equity in Pooled Cash and Investments. Cash reflected in the balance sheets or statement of net position 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, 2014.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2014, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	\$ 325,905	\$ 0	\$ 325,905
Total Capital Assets Not Depreciated	\$ 325,905	\$ 0	\$ 325,905
Capital Assets Depreciated:			
Buildings and Improvements	\$ 7,856,833	\$ 218,172	\$ 8,075,005
Infrastructure	5,950,306	157,784	6,108,090
Other Capital Assets	2,007,366	118,029	2,125,395
Total Capital Assets Depreciated	\$ 15,814,505	\$ 493,985	\$ 16,308,490
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 1,867,222	\$ 195,915	\$ 2,063,137
Infrastructure	1,724,997	152,375	1,877,372
Other Capital Assets	1,289,898	142,202	1,432,100
Total Accumulated Depreciation	\$ 4,882,117	\$ 490,492	\$ 5,372,609
Total Capital Assets Depreciated, Net	\$ 10,932,388	\$ 3,493	\$ 10,935,881
Governmental Activities Capital Assets, Net	\$ 11,258,293	\$ 3,493	\$ 11,261,786

There were no decreases in capital assets to report during the year ended June 30, 2014.

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

**Governmental Activities:**

General Government	\$ 107,339
Public Safety	112,294
Public Health and Welfare	17,685
Social, Cultural, and Recreational Services	7,590
Agriculture and Natural Resources	34,143
Highways	<u>211,441</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 490,492</u></u>

**Discretely Presented Meigs County School Department**

**Governmental Activities:**

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets				
Not Depreciated:				
Land	\$ 354,462	\$ 0	\$ 0	\$ 354,462
Construction in Progress	154,565	186,105	(154,565)	186,105
Total Capital Assets Not Depreciated	<u>\$ 509,027</u>	<u>\$ 186,105</u>	<u>\$ (154,565)</u>	<u>\$ 540,567</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 10,324,582	\$ 503,304	\$ 0	\$ 10,827,886
Other Capital Assets	2,214,195	182,871	(67,605)	2,329,461
Total Capital Assets Depreciated	<u>\$ 12,538,777</u>	<u>\$ 686,175</u>	<u>\$ (67,605)</u>	<u>\$ 13,157,347</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,246,327	\$ 243,709	\$ 0	\$ 5,490,036
Other Capital Assets	1,374,369	145,332	(67,530)	1,452,171
Total Accumulated Depreciation	<u>\$ 6,620,696</u>	<u>\$ 389,041</u>	<u>\$ (67,530)</u>	<u>\$ 6,942,207</u>
Total Capital Assets Depreciated, Net	<u>\$ 5,918,081</u>	<u>\$ 297,134</u>	<u>\$ (75)</u>	<u>\$ 6,215,140</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,427,108</u>	<u>\$ 483,239</u>	<u>\$ (154,640)</u>	<u>\$ 6,755,707</u>

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

**Governmental Activities:**

Instruction	\$ 197,015
Support Services	180,909
Operation of Non-instructional Services	<u>11,117</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 389,041</u></u>

**C. Construction Commitments**

At June 30, 2014, the discretely presented Meigs School Department had uncompleted construction contracts of approximately \$279,420 for the construction of four classrooms at an elementary school. Funding has been received for these future expenditures.

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

The composition of interfund balances as of June 30, 2014, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 1,390

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

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

Transfers Out	Transfers In	
	General Fund	Highway/ Public Works Fund
Other Capital Projects Fund	\$ 240,000	\$ 200,000
Nonmajor governmental funds	24,468	0
Total	<u>\$ 264,468</u>	<u>\$ 200,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**E. Long-term Obligations**

**Primary Government**

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

Meigs County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. 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 and capital outlay notes were issued for original terms of up to 24 years for bonds and up to six years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long term debt at June 30, 2014, will be retired from the General Debt Service Fund, and all notes included in long term debt at June 30, 2014, will be retired from the Highway/Public Works Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation (CAB) Bonds	4.8 to 5.15 %	5-1-26	\$ 2,088,479	\$ 2,088,479
Accreted Interest on (CAB) Bonds	4.8 to 5.15	5-1-26	N/A	1,761,306
General Obligation Bonds - Refunding	2.5	5-1-17	2,350,000	250,000
Capital Outlay Notes	4.35	1-17-15	214,191	37,991

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, 2014, approximately \$1,761,306 of interest had accreted on the bonds.

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2014, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2020-2024	820,678	1,429,321	2,249,999
2025-2026	269,320	630,679	899,999
Total	\$ 2,338,479	\$ 3,168,884	\$ 5,507,363

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 37,991	\$ 869	\$ 38,860
Total	\$ 37,991	\$ 869	\$ 38,860

There is \$1,423,056 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and notes totaled \$202, based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Bonds	Accrued Interest on (CAB) Bonds	Other Loan
Balance, July 1, 2013	\$ 2,798,479	\$ 1,575,935	\$ 98,928
Additions	0	185,371	0
Reductions	(460,000)	0	(98,928)
Balance, June 30, 2014	<u>\$ 2,338,479</u>	<u>\$ 1,761,306</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 340,143</u>	<u>\$ 0</u>	<u>\$ 0</u>

	Notes
Balance, July 1, 2013	\$ 76,500
Reductions	<u>(38,509)</u>
Balance, June 30, 2014	<u>\$ 37,991</u>
Balance Due Within One Year	<u>\$ 37,991</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 4,137,776
Less: Balance Due Within One Year	(378,134)
Add: Unamortized Premium on Debt	<u>25,771</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,785,413</u>

**Discretely Presented Meigs County School Department**

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Meigs County School Department for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2013	\$ 378,687
Additions	81,390
Reductions	<u>(88,965)</u>
Balance, June 30, 2014	<u>\$ 371,112</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.

**F. On-Behalf Payments**

**Discretely Presented Meigs County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Meigs County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were \$26,308 and \$9,990, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

Meigs County and the discretely presented Meigs County School Department participate in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. Meigs County and the School Department pay annual premiums to the TN-RMT for their general liability, property, workers' compensation, and casualty insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

Meigs County provides employee health insurance coverage through a commercial insurance company. Settled claims have not exceeded this

commercial coverage in any of the past three fiscal years. Pre-65 age retirees are not allowed to stay on the county insurance after they retire.

The discretely presented Meigs County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

**B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67, replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70, relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

**C. Subsequent Events**

On August 31, 2014, Garland Lankford left the Office of County Mayor and was succeeded by Bill James, Jerry Shoemaker left the Office of Highway Superintendent and was succeeded by Jimmy Nelson, and Carolyn Wattenbarger left the Office of Trustee and was succeeded by Stacie Hyde.

On October 26, 2014, Libby McCosh left the Office of Meigs County Finance Director and was replaced by interim Finance Director Donna Eaton.

On November 24, 2014, Tim Proffitt, Meigs County Clerk and Master, was indicted by a grand jury for one count of criminal simulation.

**D. Contingent Liabilities**

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

**E. Change in Administration**

Interim Director of Finance Connie Allen left employment on November 22, 2013, and was replaced by Libby McCosh. On February 20, 2014, Ms. McCosh was appointed director of finance.

**F. Joint Ventures**

The Meigs County/Decatur Industrial Development Board is operated through a joint operating agreement approved November 7, 2007, between Meigs County and the City of Decatur. The agreement created a joint board of directors comprised of seven members, three of whom are appointed by the Meigs County Commission, three by the City of Decatur, and one jointly appointed by Meigs County and the City of Decatur. Meigs County and the City of Decatur each gave Meigs County/Decatur Industrial Development Board startup funds of \$25,000. Meigs County contributed \$425,208 to the Meigs County/Decatur Industrial Development Board for the year ended June 30, 2014.

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, 2014.

Meigs County does not have any equity interest in any of the above-noted joint ventures. Financial information for the Meigs County/Decatur Industrial Development Board and the DTF can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Meigs County/Decatur Industrial Development Board  
C/O Meigs County-Decatur Chamber of Commerce  
P.O. Box 1301  
Decatur, Tennessee 37322

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. The employer remains responsible for the pension liability for employees that were active as of the withdrawal date and for retirees of the employer.

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

### **Funding Policy**

Meigs County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was zero percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

## Annual Pension Cost

For the year ended June 30, 2014, Meigs County's annual pension cost of zero to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was one year. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

### Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6-30-14	\$0	100%	\$0
6-30-13	0	100	0
6-30-12	0	100	0

### Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 100 percent funded. The actuarial accrued liability for benefits was \$.68 million, and the actuarial value of assets was \$.68 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.

## **SCHOOL TEACHERS**

### **Plan Description**

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the 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, 2014, was 8.88 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, 2014, 2013, and 2012, were \$647,995, \$648,513, and \$652,056, respectively, equal to the required contributions for each year.

## H. Other Postemployment Benefits (OPEB)

The 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 local education employees. Prior to reaching the age of 65, 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://tn.gov/finance/act/cafr.html>.

### Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. School Department retirees' contributions vary depending on the insurance options they select, ranging from \$190 to \$1,446 per month for their insurance. During the year, expenditures totaling \$88,965 were recognized by the School Department for postemployment health care premiums.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 81,000
Interest on the NOPEBO	15,147
Adjustment to the ARC	(14,757)
Annual OPEB cost	<hr/> \$ 81,390
Amount of contribution	(88,965)
Increase/decrease in NOPEBO	\$ (7,575)
Net OPEB obligation, 7-1-13	<hr/> 378,687
Net OPEB obligation, 6-30-14	<hr/> <hr/> \$ 371,112

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 165,506	45.60 %	\$ 290,776
6-30-13	"	167,285	47.45	378,687
6-30-14	"	81,390	109.31	371,112

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	Local Education Group Plan
	<hr/>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 747,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 747,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 5,873,066
UAAL as a % of covered payroll	12.72%

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, 2013, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.5 percent for fiscal year 2014. The trend rate will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

#### **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.

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

### **A. General Information**

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

### **B. Summary of Significant Accounting Policies**

#### Basis of Accounting

The district is a governmental unit, subject to accounting directives issued by the Governmental Accounting Standards Board (GASB), and anticipates recovering the cost of its services in a manner similar to a private business enterprise. Therefore, the district uses the flow of 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. Operating revenues are those that result from the activities of the district, including telephone service charges, expense reimbursements, and grants for operations. Revenue from other sources is considered nonoperating.

#### Cash and Cash Equivalents

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

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and

disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Capital Assets

Expenditures greater than \$750 for capital assets are recorded at historical cost. Capital assets are depreciated using the straight-line method. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Communication Equipment	2 - 10
Furniture and Fixtures	5 - 7
Office Equipment	2 - 7
Leasehold Improvements	5 - 20
Vehicles	5

### Component Unit

The Meigs County “911” Emergency Communications District is a component of Meigs County, Tennessee. As such, Meigs County exercises significant influence over the district by having control over the appointment of the district’s board. The district must file a budget with Meigs County and any bonds issued by the district are subject to approval by Meigs County, Tennessee.

### Budgets and Budgetary Accounting

The district's board approves an annual budget based upon anticipated revenues and estimated operating expenses. In accordance with the level of control established by the Tennessee Comptroller of the Treasury, operating expenses may not exceed the amount budgeted in each line item. Budgeted expenses may be amended, as needed, to meet changing needs.

### **C. Cash on Deposit**

The treasurer of the district is responsible for receiving, disbursing, depositing and investing the district’s funds. The district’s policy related to deposits and investment risk is to invest in certificates of deposit usually with a maturity of three years or less. The district’s policy is designed to maximize its earnings, while protecting the security and providing maximum liquidity, in accordance with all applicable state laws. All deposits with a

bank or other financial institution shall be secured by collateral or in a collateral pool as allowed by state statutes. As of June 30, 2014 all deposits with financial institutions were secured by collateral or by State of Tennessee Bank collateral pool. A schedule of cash and investments classified by category of credit risk at June 30, 2014, is as follows:

	<u>Carrying</u> <u>Amount</u>	<u>Bank</u> <u>Balance</u>
Cash, Insured by Federal Depository Insurance (FDIC)	\$ 250,000	\$ 250,000
Amount not Insured by FDIC	72,912	73,292
Certificates of Deposits, Insured by FDIC	<u>142,500</u>	<u>142,500</u>
Total	<u>\$ 465,412</u>	<u>\$ 465,792</u>

**D. Accounts Receivable**

The account receivable balance represents amounts due from the telephone companies' subscriber service charges at June 30, 2014.

**E. Capital Assets**

The following is a schedule of changes to capital assets:

	<u>Balance</u> <u>7-1-13</u>	<u>Increases</u>	<u>Balance</u> <u>6-30-14</u>
Capital Assets:			
Communication Equipment	\$ 515,031	\$ 0	\$ 515,031
Furniture and Fixtures	26,937	0	26,937
Leasehold Improvements	148,724	5,000	153,724
Office Equipment	6,851	0	6,851
Vehicles	<u>31,415</u>	<u>0</u>	<u>31,415</u>
Total Capital Assets	<u>\$ 728,958</u>	<u>\$ 5,000</u>	<u>\$ 733,958</u>
Accumulated Depreciation:			
Communication Equipment	\$ 297,583	\$ 45,491	\$ 343,074
Furniture and Fixtures	7,871	5,125	12,996
Leasehold Improvements	18,682	7,635	26,317
Office Equipment	6,307	545	6,852
Vehicles	<u>11,519</u>	<u>6,283</u>	<u>17,802</u>
Total Accumulated Depreciation	<u>\$ 341,962</u>	<u>\$ 65,079</u>	<u>\$ 407,041</u>

Provision for depreciation totaled \$65,079 for the year ended June 30, 2014.

**F. Risk Management - Claims and Insurance**

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

**G. Impact Payments and Facility Memorandum of Understanding**

The communications center is located in the Meigs County Jail complex. The district will make impact payments to Meigs County per the terms of the 2004 Communications Agreement. Impact payments for the year ended June 30, 2014, totaled \$135,000.

The district also has a memorandum of understanding (MOU) with Meigs County to occupy and exercise facility management for the portion of the Meigs County Jail complex, which is used exclusively for public safety communications. The MOU is effective until such a time as either party shall inform the other in writing of the termination of the MOU. Upon termination, Meigs County has agreed to reimburse the district the then-present value of the property, including any improvements.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Meigs County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Meigs County School Department  
June 30, 2014

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) Frozen 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)
7-1-13	\$ 679	\$ 679	\$ 0	100 %	\$ 0	0 %
7-1-11	660	660	0	100	0	0
7-1-09	605	605	0	100	0	0

Exhibit E-2

Meigs County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plan  
Discretely Presented Meigs County School Department  
June 30, 2014

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (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	7-1-10	\$ 0	\$ 1,248	\$ 1,248	0 %	\$ 5,627	22.18 %
"	7-1-11	0	1,490	1,490	0	5,808	25.65
"	7-1-13	0	747	747	0	5,873	12.72

**MEIGS COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2014**

NONE

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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.

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

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

Meigs County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2014

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation	Drug Control	Constitu- tional Officers - Fees		
\$	0	0	1,390	\$	1,390
	61,932	66,193	0		128,125
	2,845	0	0		2,845
	150,076	0	0		150,076
	(5,655)	0	0		(5,655)
\$	209,198	66,193	1,390	\$	276,781

ASSETS

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

Total Assets

LIABILITIES

Due to Other Funds  
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes  
 Deferred Delinquent Property Taxes  
 Other Deferred/Unavailable Revenue  
 Total Deferred Inflows of Resources

FUND BALANCES

Restricted:  
 Restricted for Public Safety

\$	0	66,193	0	\$	66,193
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(Continued)

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

Special Revenue Funds					Total
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Nonmajor Governmental Funds	
\$	65,114	\$ 0	\$ 0	\$ 0	65,114
\$	65,114	\$ 66,193	\$ 0	\$ 0	131,307
\$	209,198	\$ 66,193	\$ 1,390	\$ 0	276,781

FUND BALANCES (Cont.)

Restricted (Cont.):  
 Restricted for Public Health and Welfare  
 Total Fund Balances  
 Total Liabilities, Deferred Inflows of Resources, 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, 2014

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees		
<u>Revenues</u>					
Local Taxes	\$ 153,275	\$ 0	\$ 0	\$ 0	\$ 153,275
Fines, Forfeitures, and Penalties	0	47,596	0	0	47,596
Charges for Current Services	0	0	6,581	0	6,581
Other Local Revenues	893	5,357	0	0	6,250
State of Tennessee	1,895	0	0	0	1,895
Total Revenues	\$ 156,063	\$ 52,953	\$ 6,581	\$ 0	\$ 215,597
<u>Expenditures</u>					
Current:					
Administration of Justice	\$ 0	\$ 0	\$ 6,581	\$ 0	\$ 6,581
Public Safety	0	7,115	0	0	7,115
Public Health and Welfare	155,000	0	0	0	155,000
Total Expenditures	\$ 155,000	\$ 7,115	\$ 6,581	\$ 0	\$ 168,696
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,063	\$ 45,838	\$ 0	\$ 0	\$ 46,901
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ 0	\$ (24,468)	\$ 0	\$ 0	\$ (24,468)
Total Other Financing Sources (Uses)	\$ 0	\$ (24,468)	\$ 0	\$ 0	\$ (24,468)
Net Change in Fund Balances	\$ 1,063	\$ 21,370	\$ 0	\$ 0	\$ 22,433
Fund Balance, July 1, 2013	64,051	44,823	0	0	108,874
Fund Balance, June 30, 2014	\$ 65,114	\$ 66,193	\$ 0	\$ 0	\$ 131,307

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 153,275	\$ 141,817	\$ 141,817	\$ 11,458
Other Local Revenues	893	1,285	1,285	(392)
State of Tennessee	1,895	0	0	1,895
Total Revenues	<u>\$ 156,063</u>	<u>\$ 143,102</u>	<u>\$ 143,102</u>	<u>\$ 12,961</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 155,000	\$ 168,850	\$ 192,241	\$ 37,241
Total Expenditures	<u>\$ 155,000</u>	<u>\$ 168,850</u>	<u>\$ 192,241</u>	<u>\$ 37,241</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,063</u>	<u>\$ (25,748)</u>	<u>\$ (49,139)</u>	<u>\$ 50,202</u>
Net Change in Fund Balance	\$ 1,063	\$ (25,748)	\$ (49,139)	\$ 50,202
Fund Balance, July 1, 2013	64,051	64,343	64,343	(292)
Fund Balance, June 30, 2014	<u>\$ 65,114</u>	<u>\$ 38,595</u>	<u>\$ 15,204</u>	<u>\$ 49,910</u>

Exhibit F-4

Meigs County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 47,596	\$ 26,500	\$ 26,500	\$ 21,096
Other Local Revenues	5,357	0	0	5,357
Total Revenues	<u>\$ 52,953</u>	<u>\$ 26,500</u>	<u>\$ 26,500</u>	<u>\$ 26,453</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 7,115	\$ 8,490	\$ 33,585	\$ 26,470
Total Expenditures	<u>\$ 7,115</u>	<u>\$ 8,490</u>	<u>\$ 33,585</u>	<u>\$ 26,470</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 45,838</u>	<u>\$ 18,010</u>	<u>\$ (7,085)</u>	<u>\$ 52,923</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (24,468)	\$ (37,492)	\$ (37,492)	\$ 13,024
Total Other Financing Sources	<u>\$ (24,468)</u>	<u>\$ (37,492)</u>	<u>\$ (37,492)</u>	<u>\$ 13,024</u>
Net Change in Fund Balance	\$ 21,370	\$ (19,482)	\$ (44,577)	\$ 65,947
Fund Balance, July 1, 2013	44,823	34,899	34,899	9,924
Fund Balance, June 30, 2014	<u>\$ 66,193</u>	<u>\$ 15,417</u>	<u>\$ (9,678)</u>	<u>\$ 75,871</u>

# **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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 404,288	\$ 400,005	\$ 400,005	\$ 4,283
State of Tennessee	3,784	14,500	14,500	(10,716)
Total Revenues	<u>\$ 408,072</u>	<u>\$ 414,505</u>	<u>\$ 414,505</u>	<u>\$ (6,433)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 558,928	\$ 548,328	\$ 558,928	\$ 0
<u>Interest on Debt</u>				
General Government	20,262	33,588	22,812	2,550
<u>Other Debt Service</u>				
General Government	8,181	11,000	11,176	2,995
Total Expenditures	<u>\$ 587,371</u>	<u>\$ 592,916</u>	<u>\$ 592,916</u>	<u>\$ 5,545</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (179,299)</u>	<u>\$ (178,411)</u>	<u>\$ (178,411)</u>	<u>\$ (888)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 20,000	\$ 20,000	\$ (20,000)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ (20,000)</u>
Net Change in Fund Balance	\$ (179,299)	\$ (158,411)	\$ (158,411)	\$ (20,888)
Fund Balance, July 1, 2013	1,602,355	1,556,728	1,556,728	45,627
Fund Balance, June 30, 2014	<u>\$ 1,423,056</u>	<u>\$ 1,398,317</u>	<u>\$ 1,398,317</u>	<u>\$ 24,739</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 of deeds, 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, 2014

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 309,509	\$ 309,509
Due from Other Governments	39,180	0	39,180
Total Assets	<u>\$ 39,180</u>	<u>\$ 309,509</u>	<u>\$ 348,689</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 39,180	\$ 0	\$ 39,180
Due to Litigants, Heirs, and Others	0	309,509	309,509
Total Liabilities	<u>\$ 39,180</u>	<u>\$ 309,509</u>	<u>\$ 348,689</u>

Exhibit H-2

Meigs County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 209,188	\$ 209,188	\$ 0
Due from Other Governments	35,465	39,180	35,465	39,180
Total Assets	\$ 35,465	\$ 248,368	\$ 244,653	\$ 39,180
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 35,465	\$ 248,368	\$ 244,653	\$ 39,180
Total Liabilities	\$ 35,465	\$ 248,368	\$ 244,653	\$ 39,180
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 400,815	\$ 1,886,481	\$ 1,977,787	\$ 309,509
Total Assets	\$ 400,815	\$ 1,886,481	\$ 1,977,787	\$ 309,509
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 400,815	\$ 1,886,481	\$ 1,977,787	\$ 309,509
Total Liabilities	\$ 400,815	\$ 1,886,481	\$ 1,977,787	\$ 309,509
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 400,815	\$ 1,886,481	\$ 1,977,787	\$ 309,509
Equity in Pooled Cash and Investments	0	209,188	209,188	0
Due from Other Governments	35,465	39,180	35,465	39,180
Total Assets	\$ 436,280	\$ 2,134,849	\$ 2,222,440	\$ 348,689
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 35,465	\$ 248,368	\$ 244,653	\$ 39,180
Due to Litigants, Heirs, and Others	400,815	1,886,481	1,977,787	309,509
Total Liabilities	\$ 436,280	\$ 2,134,849	\$ 2,222,440	\$ 348,689

# 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 and three Special Revenue Funds.

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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.

Exhibit I-1

Meigs County, Tennessee  
Statement of Activities  
Discretely Presented Meigs County School Department  
For the Year Ended June 30, 2014

Functions/Programs	Program Revenues		Expenses	Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions		Total Governmental Activities	
Governmental Activities:					
Instruction	\$ 9,532,422	\$ 16,445	\$ 1,979,093	\$ (7,536,884)	
Support Services	4,164,974	15,316	0	(4,149,658)	
Operation of Non-instructional Services	1,408,993	152,124	730,545	(526,324)	
Total Governmental Activities	\$ 15,106,389	\$ 183,885	\$ 2,709,638	\$ (12,212,866)	
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 1,387,038	
Local Option Sales Taxes				430,356	
Wholesale Beer Tax				51,056	
Other Local Taxes				1,187	
Grants and Contributions Not Restricted to Specific Programs				10,453,939	
Unrestricted Investment Earnings				16,719	
Miscellaneous				47,146	
Total General Revenues				\$ 12,387,441	
Change in Net Position				\$ 174,575	
Net Position, July 1, 2013				9,673,027	
Net Position, June 30, 2014				\$ 9,847,602	

Exhibit I-2

Meigs County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Meigs County School Department  
June 30, 2014

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 2,647,472	\$ 508,349	\$ 3,155,821
Due from Other Governments	227,170	63	227,233
Property Taxes Receivable	1,367,413	0	1,367,413
Allowance for Uncollectible Property Taxes	(51,524)	0	(51,524)
<b>Total Assets</b>	<b>\$ 4,190,531</b>	<b>\$ 508,412</b>	<b>\$ 4,698,943</b>
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,354	\$ 0	\$ 5,354
Accrued Payroll	3,296	0	3,296
<b>Total Liabilities</b>	<b>\$ 8,650</b>	<b>\$ 0</b>	<b>\$ 8,650</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,227,286	\$ 0	\$ 1,227,286
Deferred Delinquent Property Taxes	76,879	0	76,879
Other Deferred/Unavailable Revenue	44,600	0	44,600
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,348,765</b>	<b>\$ 0</b>	<b>\$ 1,348,765</b>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 328,052	\$ 488,412	\$ 816,464
Committed:			
Committed for Education	0	20,000	20,000
Assigned:			
Assigned for Education	1,151,571	0	1,151,571
Unassigned	1,353,493	0	1,353,493
<b>Total Fund Balances</b>	<b>\$ 2,833,116</b>	<b>\$ 508,412</b>	<b>\$ 3,341,528</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 4,190,531</b>	<b>\$ 508,412</b>	<b>\$ 4,698,943</b>

Exhibit I-3

Meigs County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
Discretely Presented Meigs County School Department  
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 3,341,528
(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	186,105	
Add: buildings and improvements net of accumulated depreciation	5,337,850	
Add: other capital assets net of accumulated depreciation	<u>877,290</u>	6,755,707
(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		(371,112)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>121,479</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 9,847,602</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, 2014

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 2,270,904	\$ 12,764	\$ 2,283,668
Licenses and Permits	408	0	408
Charges for Current Services	2,525	162,788	165,313
Other Local Revenues	234,074	362	234,436
State of Tennessee	10,277,034	9,117	10,286,151
Federal Government	207,451	2,107,226	2,314,677
Total Revenues	<u>\$ 12,992,396</u>	<u>\$ 2,292,257</u>	<u>\$ 15,284,653</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 8,108,304	\$ 1,101,790	\$ 9,210,094
Support Services	3,880,407	284,021	4,164,428
Operation of Non-instructional Services	498,498	899,378	1,397,876
Capital Outlay	675,332	0	675,332
Total Expenditures	<u>\$ 13,162,541</u>	<u>\$ 2,285,189</u>	<u>\$ 15,447,730</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (170,145)</u>	<u>\$ 7,068</u>	<u>\$ (163,077)</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Capital Assets	\$ 5,167	\$ 0	\$ 5,167
Total Other Financing Sources (Uses)	<u>\$ 5,167</u>	<u>\$ 0</u>	<u>\$ 5,167</u>
Net Change in Fund Balances	\$ (164,978)	\$ 7,068	\$ (157,910)
Fund Balance, July 1, 2013	2,998,094	501,344	3,499,438
Fund Balance, June 30, 2014	<u>\$ 2,833,116</u>	<u>\$ 508,412</u>	<u>\$ 3,341,528</u>

Exhibit I-5

Meigs County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Meigs County School Department  
For the Year Ended June 30, 2014

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)		\$ (157,910)
<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	\$ 717,715	
Less: current-year depreciation expense	<u>(389,041)</u>	328,674
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position</p>		
Less: book value of capital assets disposed		(75)
<p>(3) 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, 2014	\$ 121,479	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(125,168)</u>	(3,689)
<p>(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.</p>		
Change in other postemployment benefits liability		<u>7,575</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 174,575</u>

Meigs County, Tennessee  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 Discretely Presented Meigs County School Department  
 June 30, 2014

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Education Special Revenue	Other	
\$	19,937 \$	235,612 \$	252,800 \$	0	508,349
	63	0	0	0	63
\$	20,000 \$	235,612 \$	252,800 \$	0	508,412
<hr/>					
\$	0 \$	235,612 \$	252,800 \$	0	488,412
	20,000	0	0	0	20,000
\$	20,000 \$	235,612 \$	252,800 \$	0	508,412

ASSETS

Equity in Pooled Cash and Investments  
 Due from Other Governments

Total Assets

FUND BALANCES

Restricted:  
 Restricted for Education  
 Committed:  
 Committed for Education

Total Fund Balances

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, 2014

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Education Special Revenue	Other	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 12,764	\$ 12,764	\$ 12,764
Charges for Current Services	0	162,788	0	0	162,788
Other Local Revenues	0	362	0	0	362
State of Tennessee	0	9,117	0	0	9,117
Federal Government	1,385,798	721,428	0	0	2,107,226
Total Revenues	\$ 1,385,798	\$ 893,695	\$ 12,764	\$ 12,764	\$ 2,292,257
<u>Expenditures</u>					
Current:					
Instruction	\$ 1,101,790	\$ 0	\$ 0	\$ 0	\$ 1,101,790
Support Services	284,008	0	13	0	284,021
Operation of Non-instructional Services	0	899,378	0	0	899,378
Total Expenditures	\$ 1,385,798	\$ 899,378	\$ 13	\$ 13	\$ 2,285,189
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (5,683)	\$ 12,751	\$ 7,068	\$ 7,068
Net Change in Fund Balances Fund Balance, July 1, 2013	\$ 20,000	\$ (5,683)	\$ 240,049	\$ 240,049	\$ 501,344
Fund Balance, June 30, 2014	\$ 20,000	\$ 235,612	\$ 252,800	\$ 508,412	\$ 508,412

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 2,270,904	\$ 0	\$ 0	\$ 2,270,904	\$ 2,177,000	\$ 2,177,000	\$ 93,904
Licenses and Permits	408	0	0	408	0	0	408
Charges for Current Services	2,525	0	0	2,525	2,000	2,000	525
Other Local Revenues	234,074	0	0	234,074	141,910	241,910	(7,836)
State of Tennessee	10,277,034	0	0	10,277,034	10,214,925	10,274,190	2,844
Federal Government	207,451	0	0	207,451	135,840	207,940	(489)
<b>Total Revenues</b>	<b>\$ 12,992,396</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12,992,396</b>	<b>\$ 12,671,675</b>	<b>\$ 12,903,040</b>	<b>\$ 89,356</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Regular Instruction Program	\$ 6,708,573	\$ (11,619)	\$ 39,093	\$ 6,736,047	\$ 7,135,008	\$ 6,991,248	\$ 255,201
Alternative Instruction Program	68,989	0	0	68,989	60,160	69,865	876
Special Education Program	929,727	0	0	929,727	920,775	934,875	5,148
Vocational Education Program	331,551	0	0	331,551	292,250	334,180	2,629
Student Body Education Program	69,406	0	0	69,406	154,402	154,402	84,996
Adult Education Program	58	(58)	0	0	0	0	0
<b>Support Services</b>							
Attendance	49,755	0	0	49,755	34,295	50,230	475
Health Services	119,269	(2,285)	2,045	119,029	122,705	122,705	3,676
Other Student Support	395,140	(3,878)	4,500	395,762	356,600	398,990	3,228
Regular Instruction Program	270,557	0	563	271,120	272,235	282,205	11,085
Alternative Instruction Program	30,103	0	0	30,103	19,849	61,949	31,846
Special Education Program	100,621	0	0	100,621	104,800	101,600	979
Vocational Education Program	60,637	0	0	60,637	60,190	61,500	863
Other Programs	36,298	0	0	36,298	0	36,298	0
Board of Education	206,540	(10,145)	10,363	206,758	225,705	225,705	18,947
Director of Schools	181,285	(951)	1,411	181,745	166,600	183,665	1,920
Office of the Principal	473,973	0	0	473,973	442,845	476,625	2,652
Fiscal Services	47,802	0	0	47,802	45,250	48,135	333
Operation of Plant	825,673	(2,372)	1,518	824,819	826,045	860,945	36,126

(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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 193,780	\$ 0	\$ 0	\$ 193,780	\$ 166,645	\$ 210,045	\$ 16,265
Transportation	842,425	(168,272)	96,503	770,656	797,525	800,235	29,579
Central and Other	46,549	(634)	3,643	49,558	40,000	50,187	629
<u>Operation of Non-instructional Services</u>							
Community Services	85,821	0	5,476	91,297	92,940	94,640	3,343
Early Childhood Education	412,677	(964)	3,525	415,238	415,240	415,238	0
Capital Outlay							
Regular Capital Outlay	675,332	(371,014)	282,931	587,249	470,800	729,386	142,137
Total Expenditures	\$ 13,162,541	\$ (572,192)	\$ 451,571	\$ 13,041,920	\$ 13,222,864	\$ 13,694,853	\$ 652,933
Excess (Deficiency) of Revenues Over Expenditures	\$ (170,145)	\$ 572,192	\$ (451,571)	\$ (49,524)	\$ (551,189)	\$ (791,813)	\$ 742,289
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 5,167	\$ 0	\$ 0	\$ 5,167	\$ 0	\$ 0	\$ 5,167
Total Other Financing Sources	\$ 5,167	\$ 0	\$ 0	\$ 5,167	\$ 0	\$ 0	\$ 5,167
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (164,978)	\$ 572,192	\$ (451,571)	\$ (44,357)	\$ (551,189)	\$ (791,813)	\$ 747,456
Fund Balance, July 1, 2013	2,998,094	(572,192)	0	2,425,902	2,364,825	2,364,825	61,077
Fund Balance, June 30, 2014	\$ 2,833,116	\$ 0	\$ (451,571)	\$ 2,381,545	\$ 1,813,636	\$ 1,573,012	\$ 808,533

Exhibit I-9

Meigs County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Meigs County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,385,798	\$ 1,660,790	\$ 1,735,024	\$ (349,226)
Total Revenues	\$ 1,385,798	\$ 1,660,790	\$ 1,735,024	\$ (349,226)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 774,684	\$ 815,312	\$ 867,565	\$ 92,881
Special Education Program	308,756	432,731	455,630	146,874
Vocational Education Program	18,350	17,518	18,350	0
<u>Support Services</u>				
Other Student Support	50,212	56,479	50,961	749
Regular Instruction Program	67,738	69,740	94,707	26,969
Special Education Program	149,854	244,278	223,078	73,224
Vocational Education Program	1,300	1,300	1,300	0
Transportation	14,904	23,432	23,432	8,528
Total Expenditures	\$ 1,385,798	\$ 1,660,790	\$ 1,735,023	\$ 349,225
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 1	\$ (1)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 50,912	\$ 0	\$ 0
Transfers Out	0	(50,912)	0	0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 1	\$ (1)
Fund Balance, July 1, 2013	20,000	20,000	20,000	0
Fund Balance, June 30, 2014	\$ 20,000	\$ 20,000	\$ 20,001	\$ (1)

Exhibit I-10

Meigs County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Meigs County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 162,788 \$	0 \$	162,788 \$	212,000 \$	212,000 \$	(49,212)
Other Local Revenues	362	0	362	1,000	1,000	(638)
State of Tennessee	9,117	0	9,117	10,000	10,000	(883)
Federal Government	721,428	0	721,428	690,000	723,184	(1,756)
Total Revenues	\$ 893,695 \$	0 \$	893,695 \$	913,000 \$	946,184 \$	(52,489)
<u>Expenditures</u>						
<u>Operation of Non-instructional Services</u>						
Food Service	\$ 899,378 \$	(964) \$	898,414 \$	963,000 \$	996,184 \$	97,770
Total Expenditures	\$ 899,378 \$	(964) \$	898,414 \$	963,000 \$	996,184 \$	97,770
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,683) \$	964 \$	(4,719) \$	(50,000) \$	(50,000) \$	45,281
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (5,683) \$	964 \$	(4,719) \$	(50,000) \$	(50,000) \$	45,281
	241,295	(964)	240,331	240,331	240,331	0
Fund Balance, June 30, 2014	\$ 235,612 \$	0 \$	235,612 \$	190,331 \$	190,331 \$	45,281

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 12,764	\$ 15,000	\$ 15,000	\$ (2,236)
Total Revenues	\$ 12,764	\$ 15,000	\$ 15,000	\$ (2,236)
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 13	\$ 15,000	\$ 15,000	\$ 14,987
Total Expenditures	\$ 13	\$ 15,000	\$ 15,000	\$ 14,987
Excess (Deficiency) of Revenues Over Expenditures	\$ 12,751	\$ 0	\$ 0	\$ 12,751
Net Change in Fund Balance	\$ 12,751	\$ 0	\$ 0	\$ 12,751
Fund Balance, July 1, 2013	240,049	240,049	240,049	0
Fund Balance, June 30, 2014	\$ 252,800	\$ 240,049	\$ 240,049	\$ 12,751

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Meigs County, Tennessee  
Schedule of Changes in Long-term Notes, Bonds, and Other Loans  
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Paid and/or Matured	
						During Period	Outstanding 6-30-14
<u>NOTES PAYABLE</u>							
<u>Payable through Highway/Public Works Fund</u>							
Graders - Extension of Note Maturity	\$ 139,191	4.35%	6-5-08	7-25-14	\$ 22,976	\$ 21,151	\$ 1,825
Grader	75,000	4.35	1-17-12	1-17-15	53,524	17,358	36,166
Total Notes Payable					<u>\$ 76,500</u>	<u>\$ 38,509</u>	<u>\$ 37,991</u>
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
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	\$ 2,088,479
General Obligation Refunding Bonds, Series 2010	2,350,000	2.5	12-10-10	5-1-17	710,000	460,000	250,000
Total Bonds Payable					<u>\$ 2,798,479</u>	<u>\$ 460,000</u>	<u>\$ 2,338,479</u>
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Community Centers, Renovations, and Equipment	839,990	Variable	12-23-09	10-25-13	\$ 98,928	\$ 98,928	\$ 0
Total Other Loans Payable					<u>\$ 98,928</u>	<u>\$ 98,928</u>	<u>\$ 0</u>

(1) These (CAB) bonds accrete interest that is paid at bond maturity. As of June 30, 2014, approximately \$1,761,306 of interest has accreted on the bonds.

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 37,991	\$ 869	\$ 38,860
Total	\$ 37,991	\$ 869	\$ 38,860

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	\$ 2,338,479	\$ 3,168,884	\$ 5,507,363

Exhibit J-3

Meigs County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Drug Control	General	Reimbursement	\$ 24,468
Other Capital Projects	"	"	240,000
"	Highway/Public Works	Road repairs	<u>200,000</u>
Total Transfers			<u>\$ 464,468</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, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 64,832	\$ 25,000	Travelers Casualty and Surety
Highway Superintendent	Section 8-24-102, TCA	61,745	100,000	"
Director of Schools	State Board of Education and County Board of Education	105,880 (1)	100,000	Western Surety Company
Trustee	Section 8-24-102, TCA	56,132	532,700	Travelers Casualty and Surety
Assessor of Property	Section 8-24-102, TCA	56,132	50,000	"
County Clerk	Section 8-24-102, TCA	56,132	25,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	56,132	25,000	"
Clerk and Master	Section 8-24-102, TCA	56,132	25,000	"
Register of Deeds	Section 8-24-102, TCA	56,132	15,000	"
Sheriff	Section 8-24-102, TCA	61,745 (2)	25,000	"
Director of Finance:				
Connie Allen (July 1, 2013 through November 22, 2013)	County Commission	18,025 (3)	(4)	
Vacant (November 23, 2013 through February 19, 2014)		0		
Libby McCosh (February 20, 2014 through June 30, 2014)	County Commission	16,427	50,000	"
Blanket Bond:				
All County Employees			150,000	Tennessee Risk Management Trust
All School Employees			150,000	"

- (1) Includes travel allowance of \$7,655, longevity pay of \$1,400, and chief executive officer training supplement of \$1,000. Does not include career ladder payment of \$1,000.
- (2) Does not include a law enforcement training supplement of \$600.
- (3) Does not include \$2,000, which was paid from the Local Health Center - Other Salaries and Wages expenditure line.
- (4) The director of finance was covered under the employee dishonesty blanket bond.

Exhibit J-5

Meigs County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2014

	Special Revenue Funds						Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 1,867,272	\$ 127,522	\$ 0	\$ 0	\$ 0	\$ 0	254,677
Trustee's Collections - Prior Year	114,949	8,763	0	0	0	0	15,794
Circuit/Clerk and Master Collections - Prior Years	46,882	3,886	0	0	0	0	6,482
Interest and Penalty	17,939	1,266	0	0	0	0	2,372
Payments in-Lieu-of-Taxes - T.V.A.	1,485	0	0	0	0	0	45,605
Payments in-Lieu-of-Taxes - Local Utilities	173,336	11,838	0	0	0	0	23,642
<u>County Local Option Taxes</u>							
Local Option Sales Tax	167,148	0	0	0	0	0	55,716
Hotel/Motel Tax	13,023	0	0	0	0	0	0
Litigation Tax - General	25,599	0	0	0	0	0	0
Litigation Tax - Special Purpose	35,672	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	2,674	0	0	0	0	0	0
Litigation Tax - Courthouse Security	725	0	0	0	0	0	0
Business Tax	25,648	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0
Other County Local Option Taxes	9,408	0	0	0	19,487	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	10,778	0	0	0	0	0	0
Wholesale Beer Tax	76,584	0	0	0	0	0	0
Interstate Telecommunications Tax	1,113	0	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 2,590,235</b>	<b>\$ 153,275</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 19,487</b>	<b>\$ 0</b>	<b>404,288</b>
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 428	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	4,139	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	701 \$	0 \$	0 \$	0 \$	0 \$	0
Building Permits	11,600	0	0	0	0	0
Other Permits	2,325	0	0	0	0	0
Total Licenses and Permits	\$ 19,193 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Officers Costs	3,111 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Criminal Court</u>						
Fines	6,156	0	0	0	0	0
Officers Costs	993	0	0	0	0	0
Drug Control Fines	0	0	3,908	0	0	0
Drug Court Fees	457	0	0	0	0	0
DUI Treatment Fines	902	0	0	0	0	0
Data Entry Fee - Criminal Court	328	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	38,749	0	0	0	0	0
Officers Costs	22,926	0	0	0	0	0
Game and Fish Fines	466	0	0	0	0	0
Drug Control Fines	0	0	26,282	0	0	0
Drug Court Fees	5,232	0	0	0	0	0
Jail Fees	3,073	0	0	0	0	0
Data Entry Fee - General Sessions Court	10,749	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,269	0	0	0	0	0
Data Entry Fee - Chancery Court	1,484	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Courts - In-county</u>						
Fines	\$ 44,837	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Judicial District Drug Program						
Drug Task Force Forfeitures and Seizures	0	0	3,496	0	0	0
Data Entry Fee - Other Courts	10,506	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	13,910	0	0	0
Other Fines, Forfeitures, and Penalties	590	0	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 151,828</b>	<b>\$ 0</b>	<b>\$ 47,596</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 299,280	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees</u>						
Copy Fees	1,232	0	0	0	0	0
Telephone Commissions	10,590	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	6,581	0	0
Data Processing Fee - Register	3,658	0	0	0	0	0
Data Processing Fee - Sheriff	1,603	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,457	0	0	0	0	0
Data Processing Fee - County Clerk	632	0	0	0	0	0
<u>Education Charges</u>						
TBI Criminal Background Fee	465	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 319,917</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,581</b>	<b>\$ 0</b>	<b>\$ 0</b>

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Lease/Rentals	3,900 \$	0 \$	0 \$	0 \$	0 \$	0
Commissary Sales	13,597	0	0	0	0	0
Sale of Recycled Materials	0	893	0	0	0	0
Miscellaneous Refunds	15,370	0	501	0	2,123	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	4,106	0	0	0
Contributions and Gifts	58,872	0	750	0	0	0
<b>Total Other Local Revenues</b>	<b>91,739 \$</b>	<b>893 \$</b>	<b>5,357 \$</b>	<b>0 \$</b>	<b>2,123 \$</b>	<b>0</b>
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	105,265 \$	0 \$	0 \$	0 \$	0 \$	0
Circuit Court Clerk	14,741	0	0	0	0	0
General Sessions Court Clerk	87,793	0	0	0	0	0
Clerk and Master	22,132	0	0	0	0	0
Register	45,117	0	0	0	0	0
Sheriff	7,908	0	0	0	0	0
Trustee	137,669	0	0	0	0	0
<b>Total Fees Received from County Officials</b>	<b>420,625 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0</b>
<u>State of Tennessee</u>						
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	8,400 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Health and Welfare Grants</u>						
Health Department Programs	50,561	0	0	0	0	0
Other Health and Welfare Grants	28,870	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 122,056	\$ 0
Litter Program	27,754	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	27,746	1,895	0	0	0	3,784
Beer Tax	17,806	0	0	0	0	0
Alcoholic Beverage Tax	23,444	0	0	0	0	0
Mixed Drink Tax	50	0	0	0	0	0
State Revenue Sharing - T.V.A.	302,546	0	0	0	0	0
Contracted Prisoner Boarding	132,830	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	1,283,425	0
Petroleum Special Tax	0	0	0	0	8,480	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	8,775	0	0	0	0	0
Other State Revenues	7,985	0	0	0	0	0
Total State of Tennessee	\$ 651,931	\$ 1,895	\$ 0	\$ 0	\$ 1,413,961	\$ 3,784
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Appalachian Regional Commission	0	0	0	0	0	0
Civil Defense Reimbursement	52,878	0	0	0	0	0
Homeland Security Grants	3,512	0	0	0	0	0
Law Enforcement Grants	15,315	0	0	0	0	0
Other Federal through State	165,578	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 237,483	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	85,000	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 135,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 4,617,951	\$ 156,063	\$ 52,953	\$ 6,581	\$ 1,435,571	\$ 408,072

(Continued)

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

	Capital Projects Fund	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	0 \$	2,249,471
Trustee's Collections - Prior Year	0	139,506
Circuit/Clerk and Master Collections - Prior Years	0	57,250
Interest and Penalty	0	21,577
Payments in-Lieu-of Taxes - T.V.A.	0	47,090
Payments in-Lieu-of Taxes - Local Utilities	0	208,816
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	222,864
Hotel/Motel Tax	0	13,023
Litigation Tax - General	0	25,599
Litigation Tax - Special Purpose	0	35,672
Litigation Tax - Jail, Workhouse, or Courthouse	0	2,674
Litigation Tax - Courthouse Security	0	725
Business Tax	0	25,648
Mineral Severance Tax	0	19,487
Other County Local Option Taxes	0	9,408
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	10,778
Wholesale Beer Tax	0	76,584
Interstate Telecommunications Tax	0	1,113
Total Local Taxes	0 \$	3,167,285
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	0 \$	428
Cable TV Franchise	0	4,139

(Continued)

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

	Capital Projects Fund	Total
	Other Capital Projects	
<u>Licenses and Permits (Cont.)</u>		
<u>Permits</u>		
Beer Permits	0 \$	701
Building Permits	0	11,600
Other Permits	0	2,325
Total Licenses and Permits	<u>0 \$</u>	<u>19,193</u>
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Officers Costs	0 \$	3,111
<u>Criminal Court</u>		
Fines	0	6,156
Officers Costs	0	993
Drug Control Fines	0	3,908
Drug Court Fees	0	457
DUI Treatment Fines	0	902
Data Entry Fee - Criminal Court	0	328
<u>General Sessions Court</u>		
Fines	0	38,749
Officers Costs	0	22,926
Game and Fish Fines	0	466
Drug Control Fines	0	26,282
Drug Court Fees	0	5,232
Jail Fees	0	3,073
Data Entry Fee - General Sessions Court	0	10,749
<u>Chancery Court</u>		
Officers Costs	0	1,269
Data Entry Fee - Chancery Court	0	1,484

(Continued)

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

	Capital Projects Fund	Other Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>Other Courts - In-county</u>			
Fines	0 \$		44,837
Judicial District Drug Program			
Drug Task Force Forfeitures and Seizures	0		3,496
Data Entry Fee - Other Courts	0		10,506
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0		13,910
Other Fines, Forfeitures, and Penalties	0		590
<u>Total Fines, Forfeitures, and Penalties</u>	<u>0 \$</u>		<u>199,424</u>
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Patient Charges	0 \$		299,280
<u>Fees</u>			
Copy Fees	0		1,232
Telephone Commissions	0		10,590
Constitutional Officers' Fees and Commissions	0		6,581
Data Processing Fee - Register	0		3,658
Data Processing Fee - Sheriff	0		1,603
Sexual Offender Registration Fee - Sheriff	0		2,457
Data Processing Fee - County Clerk	0		632
<u>Education Charges</u>			
TBI Criminal Background Fee	0		465
<u>Total Charges for Current Services</u>	<u>0 \$</u>		<u>326,498</u>

(Continued)

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

	Capital Projects Fund	Other Capital Projects	Total
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Lease/Rentals	0 \$		3,900
Commissary Sales	0		13,597
Sale of Recycled Materials	0		893
Miscellaneous Refunds	0		17,994
<u>Nonrecurring Items</u>			
Sale of Equipment	0		4,106
Contributions and Gifts	0		59,622
Total Other Local Revenues	<u>0 \$</u>		<u>100,112</u>
<u>Fees Received from County Officials</u>			
<u>Fees in-Lieu-of Salary</u>			
County Clerk	0 \$		105,265
Circuit Court Clerk	0		14,741
General Sessions Court Clerk	0		87,793
Clerk and Master	0		22,132
Register	0		45,117
Sheriff	0		7,908
Trustee	0		137,669
Total Fees Received from County Officials	<u>0 \$</u>		<u>420,625</u>
<u>State of Tennessee</u>			
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0 \$		8,400
Health and Welfare Grants			
Health Department Programs	0		50,561
Other Health and Welfare Grants	0		28,870

(Continued)

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

	Capital Projects Fund	Total
	Other Capital Projects	Total
<u>State of Tennessee (Cont.)</u>		
<u>Public Works Grants</u>		
State Aid Program	0 \$	122,056
Litter Program	0	27,754
<u>Other State Revenues</u>		
Income Tax	0	33,425
Beer Tax	0	17,806
Alcoholic Beverage Tax	0	23,444
Mixed Drink Tax	0	50
State Revenue Sharing - T.V.A.	731,857	1,034,403
Contracted Prisoner Boarding	0	132,830
Gasoline and Motor Fuel Tax	0	1,283,425
Petroleum Special Tax	0	8,480
Registrar's Salary Supplement	0	15,164
Other State Grants	0	8,775
Other State Revenues	0	7,985
Total State of Tennessee	<u>\$ 731,857 \$</u>	<u>2,803,428</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
USDA - Other	18,000 \$	18,000
Appalachian Regional Commission	203,922	203,922
Civil Defense Reimbursement	0	52,878
Homeland Security Grants	0	3,512
Law Enforcement Grants	0	15,315
Other Federal through State	0	165,578

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	Other Capital Projects	Total
<u>Federal Government (Cont.)</u>		
<u>Direct Federal Revenue</u>		
Other Direct Federal Revenue	0 \$	200
Total Federal Government	<u>221,922 \$</u>	<u>459,405</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	0 \$	50,000
Contracted Services	0	85,000
Total Other Governments and Citizens Groups	<u>0 \$</u>	<u>135,000</u>
Total	<u>953,779 \$</u>	<u>7,630,970</u>

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, 2014

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Special	Other Revenue	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,161,900	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,161,900
Trustee's Collections - Prior Year	72,057	0	0	0	0	72,057
Circuit/Clerk and Master Collections - Prior Years	35,404	0	0	0	0	35,404
Interest and Penalty	11,186	0	0	0	0	11,186
Payments in-Lieu-of Taxes - T.V.A.	410,442	0	0	0	0	410,442
Payments in-Lieu-of Taxes - Local Utilities	107,858	0	0	0	0	107,858
<u>County Local Option Taxes</u>						
Local Option Sales Tax	432,578	0	0	0	0	432,578
<u>Statutory Local Taxes</u>						
Wholesale Beer Tax	38,292	0	0	12,764	0	51,056
Interstate Telecommunications Tax	1,187	0	0	0	0	1,187
Total Local Taxes	\$ 2,270,904	\$ 0	\$ 0	\$ 12,764	\$ 0	\$ 2,283,668
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 408	\$ 0	\$ 0	\$ 0	\$ 0	\$ 408
Total Licenses and Permits	\$ 408	\$ 0	\$ 0	\$ 0	\$ 0	\$ 408
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Regular Day Students	\$ 2,475	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,475
Receipts from Individual Schools	0	0	152,124	0	0	152,124
<u>Other Charges for Services</u>						
Other Charges for Services	50	0	10,664	0	0	10,714
Total Charges for Current Services	\$ 2,525	\$ 0	\$ 162,788	\$ 0	\$ 0	\$ 165,313

(Continued)

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

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Special Revenue	Other	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 16,357	\$ 0	\$ 362	\$ 0	\$ 0	16,719
Lease/Rentals	3,500	0	0	0	0	3,500
Sale of Materials and Supplies	1,102	0	0	0	0	1,102
E-Rate Funding	13,970	0	0	0	0	13,970
Miscellaneous Refunds	32,708	0	0	0	0	32,708
<u>Nonrecurring Items</u>						
Contributions and Gifts	166,344	0	0	0	0	166,344
<u>Other Local Revenues</u>						
Other Local Revenues	93	0	0	0	0	93
Total Other Local Revenues	\$ 234,074	\$ 0	\$ 362	\$ 0	\$ 0	234,436
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 36,298	\$ 0	\$ 0	\$ 0	\$ 0	36,298
<u>State Education Funds</u>						
Basic Education Program	9,436,000	0	0	0	0	9,436,000
Early Childhood Education	415,240	0	0	0	0	415,240
School Food Service	0	0	9,117	0	0	9,117
Driver Education	6,460	0	0	0	0	6,460
Other State Education Funds	154,076	0	0	0	0	154,076
Coordinated School Health	89,953	0	0	0	0	89,953
Statewide Student Management System (SSMS)	4,640	0	0	0	0	4,640
Career Ladder Program	58,772	0	0	0	0	58,772
Career Ladder - Extended Contract	24,145	0	0	0	0	24,145

(Continued)

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

	Special Revenue Funds						Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Special Revenue	Other		
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues</u>							
Income Tax	\$ 17,264	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,264	
Mixed Drink Tax	51	0	0	0	0	51	
Other State Grants	8,290	0	0	0	0	8,290	
Safe Schools	11,500	0	0	0	0	11,500	
Other State Revenues	14,345	0	0	0	0	14,345	
Total State of Tennessee	\$ 10,277,034	\$ 0	\$ 9,117	\$ 0	\$ 0	\$ 10,286,151	
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA School Lunch Program	\$ 0	\$ 0	\$ 474,964	\$ 0	\$ 0	\$ 474,964	
USDA - Commodities	0	0	33,184	0	0	33,184	
Breakfast	0	0	213,280	0	0	213,280	
Adult Education State Grant Program	79,346	0	0	0	0	79,346	
Vocational Education - Basic Grants to States	0	27,814	0	0	0	27,814	
Title I Grants to Local Education Agencies	0	616,223	0	0	0	616,223	
Special Education - Grants to States	0	458,843	0	0	0	458,843	
Special Education Preschool Grants	0	14,671	0	0	0	14,671	
Rural Education	0	32,297	0	0	0	32,297	
Appalachian Regional Commission	58,100	0	0	0	0	58,100	
Eisenhower Professional Development State Grants	0	93,820	0	0	0	93,820	
Race-to-the-Top - ARRA	0	142,130	0	0	0	142,130	
Other Federal through State	70,005	0	0	0	0	70,005	
Total Federal Government	\$ 207,451	\$ 1,385,798	\$ 721,428	\$ 0	\$ 0	\$ 2,314,677	
Total	\$ 12,992,396	\$ 1,385,798	\$ 893,695	\$ 12,764	\$ 15,284,653		

Exhibit J-7

Meigs County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	31,882	
Social Security		2,439	
Employee and Dependent Insurance		39,554	
Unemployment Compensation		152	
Audit Services		4,126	
Dues and Memberships		12,044	
Legal Services		1,856	
Travel		57	
Other Supplies and Materials		644	
Other Charges		9,600	
Total County Commission			\$ 102,354

Board of Equalization

Board and Committee Members Fees	\$	28	
Total Board of Equalization			28

County Mayor/Executive

County Official/Administrative Officer	\$	64,832	
Assistant(s)		21,594	
Other Salaries and Wages		2,012	
Social Security		6,685	
Employee and Dependent Insurance		4,604	
Unemployment Compensation		239	
Travel		1,919	
Data Processing Supplies		45	
Office Supplies		4,058	
Data Processing Equipment		1,540	
Total County Mayor/Executive			107,528

County Attorney

Social Security	\$	918	
Unemployment Compensation		180	
Legal Services		12,000	
Total County Attorney			13,098

Election Commission

County Official/Administrative Officer	\$	50,518	
Part-time Personnel		14,524	
Election Commission		7,140	
Election Workers		7,590	
In-service Training		1,336	
Social Security		4,965	
Unemployment Compensation		398	
Legal Notices, Recording, and Court Costs		7,530	
Maintenance Agreements		2,900	
Printing, Stationery, and Forms		301	
Travel		2,163	

(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.)

Other Contracted Services	\$	3,432	
Data Processing Supplies		14,852	
Office Supplies		2,540	
Voting Machines		21,246	
Total Election Commission			\$ 141,435

Register of Deeds

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		23,925	
Part-time Personnel		1,535	
Social Security		6,242	
Employee and Dependent Insurance		65	
Unemployment Compensation		463	
Data Processing Supplies		4,351	
Office Supplies		2,382	
Total Register of Deeds			95,095

Planning

Part-time Personnel	\$	13,999	
Social Security		1,071	
Employee and Dependent Insurance		4,413	
Unemployment Compensation		184	
Dues and Memberships		7,750	
Travel		1,264	
Office Supplies		1,142	
Total Planning			29,823

Geographical Information Systems

Other Salaries and Wages	\$	11,409	
Social Security		873	
Unemployment Compensation		183	
Licenses		3,000	
Maintenance and Repair Services - Equipment		3,000	
Office Supplies		614	
Total Geographical Information Systems			19,079

County Buildings

Custodial Personnel	\$	13,662	
Social Security		1,045	
Unemployment Compensation		188	
Bank Charges		110	
Communication		25,633	
Maintenance Agreements		2,397	
Maintenance and Repair Services - Buildings		12,796	
Maintenance and Repair Services - Equipment		9,251	
Pest Control		810	
Postal Charges		22,214	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Custodial Supplies	\$	2,689	
Diesel Fuel		33,502	
Duplicating Supplies		8,216	
Electricity		72,314	
Gasoline		102,120	
Natural Gas		11,675	
Utilities		249	
Water and Sewer		4,137	
Total County Buildings			\$ 323,008

Finance

Accounting and Budgeting

Supervisor/Director	\$	34,452	
Accountants/Bookkeepers		16,094	
Clerical Personnel		10,380	
Social Security		4,469	
Employee and Dependent Insurance		6,373	
Unemployment Compensation		358	
Legal Notices, Recording, and Court Costs		407	
Maintenance Agreements		7,574	
Travel		1,095	
Data Processing Supplies		1,877	
Office Supplies		6,778	
Premiums on Corporate Surety Bonds		175	
Total Accounting and Budgeting			90,032

Property Assessor's Office

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		31,939	
Social Security		6,590	
Employee and Dependent Insurance		5,066	
Unemployment Compensation		387	
Data Processing Services		6,853	
Dues and Memberships		2,111	
Maintenance Agreements		343	
Travel		2,965	
Office Supplies		894	
Total Property Assessor's Office			113,280

Reappraisal Program

Clerical Personnel	\$	5,989	
Social Security		458	
Unemployment Compensation		83	
Travel		298	
Total Reappraisal Program			6,828

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		22,093	
Part-time Personnel		19,731	
Social Security		7,436	
Unemployment Compensation		369	
Maintenance Agreements		7,820	
Travel		1,048	
Office Supplies		2,388	
Total County Trustee's Office			\$ 117,017

County Clerk's Office

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		63,230	
Part-time Personnel		5,418	
Social Security		9,457	
Employee and Dependent Insurance		9,254	
Unemployment Compensation		648	
Legal Notices, Recording, and Court Costs		145	
Maintenance Agreements		8,251	
Travel		314	
Other Contracted Services		5,794	
Office Supplies		955	
Office Equipment		3,434	
Total County Clerk's Office			163,032

Other Finance

Trustee's Commission	\$	57,470	
Total Other Finance			57,470

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		80,892	
Jury and Witness Expense		3,523	
Other Per Diem and Fees		890	
Social Security		10,322	
Employee and Dependent Insurance		15,975	
Unemployment Compensation		916	
Communication		955	
Maintenance Agreements		9,343	
Travel		992	
Data Processing Supplies		8,208	
Office Supplies		2,761	
Total Circuit Court			190,909

General Sessions Court

Judge(s)	\$	90,951	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Probation Officer(s)	\$	36,348	
In-service Training		1,068	
Social Security		9,738	
Employee and Dependent Insurance		5,124	
Unemployment Compensation		180	
Data Processing Supplies		1,980	
Total General Sessions Court			\$ 145,389

Drug Court

Remittance of Revenue Collected	\$	6,934	
Total Drug Court			6,934

Chancery Court

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		25,913	
Clerical Personnel		44,357	
Social Security		9,400	
Employee and Dependent Insurance		5,066	
Unemployment Compensation		612	
Maintenance Agreements		5,040	
Maintenance and Repair Services - Equipment		135	
Travel		1,911	
Data Processing Supplies		1,842	
Office Supplies		4,672	
Furniture and Fixtures		2,550	
Total Chancery Court			157,630

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	61,745	
Deputy(ies)		419,103	
Detective(s)		39,951	
Salary Supplements		7,801	
Dispatchers/Radio Operators		7,650	
In-service Training		1,685	
Social Security		40,772	
Employee and Dependent Insurance		14,687	
Unemployment Compensation		2,656	
Maintenance and Repair Services - Vehicles		20,941	
Printing, Stationery, and Forms		230	
Travel		1,487	
Instructional Supplies and Materials		4,803	
Law Enforcement Supplies		9,184	
Office Supplies		2,131	
Tires and Tubes		8,452	
Uniforms		3,581	
Other Supplies and Materials		670	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Data Processing Equipment	\$	1,794	
Motor Vehicles		81,700	
Total Sheriff's Department			\$ 731,023

Drug Enforcement

Detective(s)	\$	54,991	
Social Security		4,207	
Employee and Dependent Insurance		4,237	
Unemployment Compensation		310	
Other Supplies and Materials		1,299	
Total Drug Enforcement			65,044

Jail

Assistant(s)	\$	30,915	
Deputy(ies)		23,628	
Guards		223,371	
Other Salaries and Wages		24,861	
In-service Training		167	
Social Security		22,749	
Employee and Dependent Insurance		31,734	
Unemployment Compensation		2,527	
Communication		9,848	
Maintenance Agreements		23,494	
Maintenance and Repair Services - Buildings		34,913	
Maintenance and Repair Services - Vehicles		2,234	
Medical and Dental Services		89,581	
Travel		1,574	
Custodial Supplies		3,457	
Food Preparation Supplies		8,481	
Food Supplies		81,644	
Office Supplies		2,399	
Uniforms		43	
Utilities		68,349	
Other Supplies and Materials		3,278	
Data Processing Equipment		880	
Total Jail			690,127

Juvenile Services

Other Contracted Services	\$	370	
Office Supplies		97	
Other Supplies and Materials		360	
Total Juvenile Services			827

Fire Prevention and Control

Other Per Diem and Fees	\$	476	
Contributions		500	
Maintenance and Repair Services - Equipment		4,298	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Maintenance and Repair Services - Vehicles	\$	26,839	
Uniforms		10,974	
Utilities		3,899	
Motor Vehicles		10,000	
Total Fire Prevention and Control			\$ 56,986

Civil Defense

Supervisor/Director	\$	43,249	
Social Security		3,281	
Employee and Dependent Insurance		5,131	
Unemployment Compensation		180	
Maintenance and Repair Services - Equipment		13,697	
Maintenance and Repair Services - Vehicles		591	
Travel		175	
Natural Gas		18	
Utilities		31,282	
Other Supplies and Materials		53,510	
Motor Vehicles		31,215	
Total Civil Defense			182,329

Rescue Squad

Other Per Diem and Fees	\$	738	
Communication		637	
Contributions		500	
Maintenance and Repair Services - Equipment		1,000	
Maintenance and Repair Services - Vehicles		2,000	
Total Rescue Squad			4,875

County Coroner/Medical Examiner

Other Contracted Services	\$	19,252	
Total County Coroner/Medical Examiner			19,252

Other Public Safety

Supervisor/Director	\$	24,878	
Dispatchers/Radio Operators		128,228	
Social Security		11,654	
Employee and Dependent Insurance		7,094	
Unemployment Compensation		1,093	
Communication		1,721	
Maintenance and Repair Services - Buildings		886	
Travel		174	
Office Supplies		870	
Total Other Public Safety			176,598

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	6,032	
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(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.)

Other Salaries and Wages	\$	2,000	
Social Security		673	
Employee and Dependent Insurance		146	
Unemployment Compensation		127	
Communication		165	
Maintenance and Repair Services - Buildings		3,030	
Travel		2,986	
Office Supplies		251	
Utilities		12,374	
Other Supplies and Materials		3,330	
Total Local Health Center			\$ 31,114

Ambulance/Emergency Medical Services

Supervisor/Director	\$	4,990	
Paraprofessionals		223,844	
Salary Supplements		1,755	
Clerical Personnel		25,827	
Social Security		19,049	
Employee and Dependent Insurance		16,121	
Unemployment Compensation		1,757	
Communication		156	
Licenses		1,000	
Maintenance and Repair Services - Equipment		782	
Maintenance and Repair Services - Vehicles		15,222	
Printing, Stationery, and Forms		1,086	
Custodial Supplies		1,095	
Drugs and Medical Supplies		8,988	
Office Supplies		868	
Uniforms		1,713	
Other Supplies and Materials		3,300	
Total Ambulance/Emergency Medical Services			327,553

Other Local Health Services

Medical Personnel	\$	35,226	
Clerical Personnel		33,959	
Other Salaries and Wages		3,755	
Social Security		5,498	
Employee and Dependent Insurance		10,034	
Unemployment Compensation		597	
Travel		3,418	
Other Contracted Services		130	
Office Supplies		415	
Total Other Local Health Services			93,032

Appropriation to State

Contracts with Government Agencies	\$	3,878	
Total Appropriation to State			3,878

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management

Part-time Personnel	\$	64,342	
Social Security		4,922	
Unemployment Compensation		864	
Communication		172	
Maintenance and Repair Services - Buildings		180	
Other Contracted Services		9,816	
Electricity		362	
Total Sanitation Management			\$ 80,658

Sanitation Education/Information

Guards	\$	26,000	
Social Security		1,989	
Unemployment Compensation		180	
Travel		308	
Instructional Supplies and Materials		4,350	
Other Supplies and Materials		3,014	
Total Sanitation Education/Information			35,841

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	11,955	
Social Security		885	
Unemployment Compensation		208	
Communication		1,112	
Travel		458	
Custodial Supplies		1,099	
Other Supplies and Materials		1,011	
Total Senior Citizens Assistance			16,728

Libraries

Assistant(s)	\$	8,437	
Librarians		18,756	
Social Security		2,080	
Unemployment Compensation		349	
Contributions		15,000	
Total Libraries			44,622

Parks and Fair Boards

Site Development	\$	310	
Total Parks and Fair Boards			310

Other Social, Cultural, and Recreational

Communication	\$	550	
Other Contracted Services		167,275	
Electricity		3,069	
Water and Sewer		967	
Total Other Social, Cultural, and Recreational			171,861

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	10,272	
Supervisor/Director		22,321	
Secretary(ies)		10,685	
Other Salaries and Wages		12,360	
Social Security		4,198	
State Retirement		2,306	
Unemployment Compensation		184	
Other Fringe Benefits		4,622	
Communication		453	
Travel		208	
Office Supplies		3,051	
Total Agricultural Extension Service			\$ 70,660

Soil Conservation

Dues and Memberships	\$	200	
Total Soil Conservation			200

Other Operations

Tourism

Part-time Personnel	\$	12,492	
Social Security		902	
Employee and Dependent Insurance		2,508	
Unemployment Compensation		206	
Contributions		2,000	
Other Supplies and Materials		467	
Total Tourism			18,575

Veterans' Services

Other Salaries and Wages	\$	13,637	
Social Security		1,042	
Unemployment Compensation		185	
Communication		97	
Maintenance and Repair Services - Vehicles		1,548	
Travel		281	
Office Supplies		323	
Total Veterans' Services			17,113

Other Charges

Unemployment Compensation	\$	81	
Liability Insurance		59,019	
Workers' Compensation Insurance		43,059	
Total Other Charges			102,159

Contributions to Other Agencies

Contributions	\$	10,350	
Total Contributions to Other Agencies			10,350

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

Employee and Dependent Insurance	\$ 17,646	
Total Employee Benefits		<u>\$ 17,646</u>

Total General Fund \$ 4,849,330

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Communication	\$ 1,462	
Maintenance and Repair Services - Buildings	7,065	
Other Contracted Services	125,500	
Electricity	1,860	
Water and Sewer	271	
Trustee's Commission	2,942	
Solid Waste Equipment	<u>15,900</u>	
Total Sanitation Management		<u>\$ 155,000</u>

Total Solid Waste/Sanitation Fund 155,000

Drug Control Fund

Public Safety

Drug Enforcement

Contributions	\$ 150	
Confidential Drug Enforcement Payments	1,000	
Towing Services	2,450	
Other Supplies and Materials	1,486	
Refunds	1,727	
Trustee's Commission	<u>302</u>	
Total Drug Enforcement		<u>\$ 7,115</u>

Total Drug Control Fund 7,115

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 6,581	
Total Chancery Court		<u>\$ 6,581</u>

Total Constitutional Officers - Fees Fund 6,581

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 61,745	
Assistant(s)	40,290	
Secretary(ies)	26,000	
Social Security	9,795	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Unemployment Compensation	\$	856	
Dues and Memberships		2,037	
Evaluation and Testing		150	
Legal Notices, Recording, and Court Costs		111	
Drugs and Medical Supplies		205	
Office Supplies		1,768	
Data Processing Equipment		843	
Total Administration			\$ 143,800

Highway and Bridge Maintenance

Equipment Operators	\$	168,834	
Truck Drivers		26,096	
Laborers		44,135	
Social Security		17,426	
Unemployment Compensation		2,660	
Rentals		7,888	
Asphalt - Hot Mix		34,315	
Asphalt - Liquid		59,237	
Crushed Stone		54,019	
Other Road Materials		10,125	
Pipe		9,324	
Road Signs		1,855	
Total Highway and Bridge Maintenance			435,914

Operation and Maintenance of Equipment

Mechanic(s)	\$	52,832	
Social Security		3,814	
Unemployment Compensation		540	
Maintenance and Repair Services - Buildings		698	
Custodial Supplies		252	
Diesel Fuel		46,321	
Equipment and Machinery Parts		48,670	
Garage Supplies		3,406	
Gasoline		29,068	
Lubricants		3,017	
Tires and Tubes		15,037	
Total Operation and Maintenance of Equipment			203,655

Other Charges

Communication	\$	1,474	
Other Contracted Services		9,218	
Electricity		4,201	
Water and Sewer		602	
Liability Insurance		29,770	
Trustee's Commission		13,056	
Workers' Compensation Insurance		17,883	
Total Other Charges			76,204

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Employee and Dependent Insurance	\$ 92,225	
Total Employee Benefits		\$ 92,225

Capital Outlay

Highway Construction	\$ 122,056	
Total Capital Outlay		122,056

Principal on Debt

Highways and Streets

Principal on Notes	\$ 38,509	
Total Highways and Streets		38,509

Interest on Debt

Highways and Streets

Interest on Notes	\$ 2,714	
Total Highways and Streets		2,714

Other Debt Service

General Government

Bank Charges	\$ 200	
Total General Government		200

Total Highway/Public Works Fund		\$ 1,115,277
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General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 460,000	
Principal on Other Loans	98,928	
Total General Government		\$ 558,928

Interest on Debt

General Government

Interest on Bonds	\$ 18,890	
Interest on Other Loans	1,372	
Total General Government		20,262

Other Debt Service

General Government

Bank Charges	\$ 1,229	
Trustee's Commission	6,952	
Total General Government		8,181

Total General Debt Service Fund		587,371
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(Continued)

Exhibit J-7

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

<u>Other Capital Projects Fund</u>		
<u>General Government</u>		
<u>County Mayor/Executive</u>		
Contributions	\$ 165,000	
Total County Mayor/Executive		\$ 165,000
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Contributions	\$ 425,208	
Engineering Services	324,794	
Total General Administration Projects		750,002
<u>Public Safety Projects</u>		
Law Enforcement Equipment	\$ 17,697	
Total Public Safety Projects		17,697
<u>Other General Government Projects</u>		
Trustee's Commission	\$ 7,319	
Total Other General Government Projects		7,319
Total Other Capital Projects Fund		\$ 940,018
Total Governmental Funds - Primary Government		\$ 7,660,692

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, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 4,665,860	
Career Ladder Program	29,000	
Career Ladder Extended Contracts	17,911	
Clerical Personnel	33,260	
Educational Assistants	100,815	
Bonus Payments	10,000	
Other Salaries and Wages	31,297	
Certified Substitute Teachers	22,425	
Non-certified Substitute Teachers	46,640	
Social Security	288,341	
State Retirement	416,490	
Life Insurance	8,442	
Medical Insurance	606,325	
Employer Medicare	67,484	
Other Fringe Benefits	3,612	
Contributions	6,000	
Tuition	4,020	
Other Contracted Services	11,434	
Instructional Supplies and Materials	108,610	
Textbooks	96,540	
Other Supplies and Materials	7,363	
Fee Waivers	9,090	
Regular Instruction Equipment	117,614	
Total Regular Instruction Program		\$ 6,708,573

Alternative Instruction Program

Teachers	\$ 51,228	
Social Security	2,843	
State Retirement	4,549	
Medical Insurance	9,704	
Employer Medicare	665	
Total Alternative Instruction Program		68,989

Special Education Program

Teachers	\$ 636,719	
Career Ladder Program	7,000	
Educational Assistants	72,235	
Certified Substitute Teachers	102	
Non-certified Substitute Teachers	3,698	
Social Security	41,357	
State Retirement	57,162	
Medical Insurance	97,582	
Employer Medicare	9,672	
Instructional Supplies and Materials	4,200	
Total Special Education Program		929,727

(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.)

Vocational Education Program

Teachers	\$	246,970	
Non-certified Substitute Teachers		1,454	
Social Security		14,196	
State Retirement		21,931	
Medical Insurance		41,930	
Employer Medicare		3,320	
Instructional Supplies and Materials		1,750	
Total Vocational Education Program	\$		331,551

Student Body Education Program

Other Contracted Services	\$	1,103	
Other Supplies and Materials		4,410	
Other Equipment		63,893	
Total Student Body Education Program			69,406

Adult Education Program

Instructional Supplies and Materials	\$	58	
Total Adult Education Program			58

Support Services

Attendance

Supervisor/Director	\$	22,381	
Career Ladder Program		2,000	
Social Security		1,420	
State Retirement		2,165	
Medical Insurance		2,633	
Employer Medicare		332	
Travel		924	
Other Contracted Services		17,900	
Total Attendance			49,755

Health Services

Medical Personnel	\$	103,695	
Social Security		6,337	
State Retirement		3,615	
Employer Medicare		1,482	
Other Fringe Benefits		515	
Other Contracted Services		1,846	
Drugs and Medical Supplies		1,779	
Total Health Services			119,269

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		232,740	
Social Security		14,914	
State Retirement		20,756	

(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.)

Other Student Support (Cont.)

Medical Insurance	\$	30,173	
Employer Medicare		3,488	
Contributions		49,332	
Evaluation and Testing		4,470	
Travel		225	
Other Supplies and Materials		3,282	
Other Charges		34,760	
Total Other Student Support			\$ 395,140

Regular Instruction Program

Supervisor/Director	\$	96,510	
Career Ladder Program		4,500	
Librarians		103,394	
Social Security		10,971	
State Retirement		16,162	
Medical Insurance		9,967	
Employer Medicare		2,887	
Travel		22,963	
Other Supplies and Materials		1,801	
In Service/Staff Development		1,402	
Total Regular Instruction Program			270,557

Alternative Instruction Program

Other Salaries and Wages	\$	3,179	
Social Security		175	
Employer Medicare		41	
Travel		873	
Other Contracted Services		6,655	
Other Supplies and Materials		18,664	
Other Charges		516	
Total Alternative Instruction Program			30,103

Special Education Program

Supervisor/Director	\$	29,849	
Career Ladder Program		2,000	
Assessment Personnel		48,770	
Social Security		4,796	
State Retirement		7,181	
Medical Insurance		6,738	
Employer Medicare		1,122	
Travel		165	
Total Special Education Program			100,621

Vocational Education Program

Clerical Personnel	\$	6,160	
Other Salaries and Wages		11,006	

(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.)

Vocational Education Program (Cont.)

Social Security	\$	996	
Medical Insurance		1,304	
Employer Medicare		233	
Other Charges		40,938	
Total Vocational Education Program			\$ 60,637

Other Programs

On-behalf Payments to OPEB	\$	36,298	
Total Other Programs			36,298

Board of Education

Other Salaries and Wages	\$	850	
Board and Committee Members Fees		10,730	
Social Security		720	
Life Insurance		558	
Employer Medicare		168	
Audit Services		8,500	
Dues and Memberships		8,327	
Legal Services		180	
Travel		8,126	
Other Contracted Services		6,000	
Liability Insurance		19,990	
Trustee's Commission		50,422	
Workers' Compensation Insurance		66,924	
Criminal Investigation of Applicants - TBI		546	
Refund to Applicant for Criminal Investigation		336	
Other Charges		24,163	
Total Board of Education			206,540

Director of Schools

County Official/Administrative Officer	\$	105,880	
Career Ladder Program		1,000	
Secretary(ies)		29,280	
Social Security		8,333	
State Retirement		9,491	
Medical Insurance		17,063	
Employer Medicare		1,949	
Communication		4,500	
Postal Charges		490	
Office Supplies		3,299	
Total Director of Schools			181,285

Office of the Principal

Principals	\$	278,220	
Career Ladder Program		4,000	
Secretary(ies)		96,733	

(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.)

Office of the Principal (Cont.)

Social Security	\$	21,950	
State Retirement		25,061	
Medical Insurance		34,636	
Employer Medicare		5,133	
Communication		4,000	
Travel		4,240	
Total Office of the Principal			\$ 473,973

Fiscal Services

Accountants/Bookkeepers	\$	34,885	
Secretary(ies)		7,125	
Social Security		2,360	
Medical Insurance		2,880	
Employer Medicare		552	
Total Fiscal Services			47,802

Operation of Plant

Supervisor/Director	\$	32,745	
Custodial Personnel		256,061	
Other Salaries and Wages		1,474	
Social Security		16,281	
Medical Insurance		24,894	
Employer Medicare		3,808	
Disposal Fees		4,655	
Other Contracted Services		5,026	
Electricity		381,639	
Natural Gas		14,592	
Water and Sewer		19,071	
Other Supplies and Materials		45,522	
Building and Contents Insurance		19,905	
Total Operation of Plant			825,673

Maintenance of Plant

Maintenance Personnel	\$	58,620	
Other Salaries and Wages		954	
Social Security		3,435	
Medical Insurance		3,396	
Employer Medicare		803	
Communication		8,503	
Maintenance and Repair Services - Buildings		56,772	
Other Contracted Services		59,067	
Other Charges		2,230	
Total Maintenance of Plant			193,780

Transportation

Supervisor/Director	\$	32,745	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Mechanic(s)	\$	21,390	
Bus Drivers		307,270	
Other Salaries and Wages		10,164	
Social Security		22,939	
Medical Insurance		1,626	
Employer Medicare		5,365	
Communication		1,252	
Maintenance and Repair Services - Vehicles		103,467	
Medical and Dental Services		3,275	
Travel		445	
Gasoline		141,788	
Tires and Tubes		10,809	
Vehicle and Equipment Insurance		12,000	
In Service/Staff Development		292	
Other Charges		326	
Transportation Equipment		167,272	
Total Transportation	\$		842,425

Central and Other

Supervisor/Director	\$	9,159	
Other Salaries and Wages		2,861	
Social Security		709	
State Retirement		813	
Employer Medicare		166	
Travel		5,879	
Other Contracted Services		420	
Other Supplies and Materials		6,349	
Other Charges		20,193	
Total Central and Other			46,549

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	54,110	
Other Salaries and Wages		1,662	
Social Security		3,225	
State Retirement		4,805	
Medical Insurance		7,970	
Employer Medicare		754	
Travel		4,043	
Other Contracted Services		440	
Other Supplies and Materials		7,924	
Other Charges		888	
Total Community Services			85,821

Early Childhood Education

Supervisor/Director	\$	30,890	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Early Childhood Education (Cont.)

Teachers	\$	183,325	
Educational Assistants		91,436	
Other Salaries and Wages		2,000	
Non-certified Substitute Teachers		1,912	
Social Security		18,119	
State Retirement		19,000	
Medical Insurance		30,127	
Employer Medicare		4,237	
Maintenance and Repair Services - Equipment		2,000	
Travel		2,396	
Other Contracted Services		600	
Instructional Supplies and Materials		7,467	
Other Supplies and Materials		5,165	
In Service/Staff Development		600	
Other Charges		1,083	
Other Equipment		12,320	
Total Early Childhood Education	\$		412,677

Capital Outlay

Regular Capital Outlay

Architects	\$	16,531	
Building Improvements		475,063	
Other Capital Outlay		183,738	
Total Regular Capital Outlay			675,332

Total General Purpose School Fund \$ 13,162,541

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	412,853	
Educational Assistants		143,065	
Other Salaries and Wages		8,200	
Non-certified Substitute Teachers		3,048	
Social Security		35,133	
State Retirement		37,033	
Medical Insurance		59,832	
Employer Medicare		8,215	
Other Contracted Services		31,180	
Instructional Supplies and Materials		24,693	
Other Supplies and Materials		10,432	
Other Charges		1,000	
Total Regular Instruction Program	\$		774,684

Special Education Program

Educational Assistants	\$	192,157	
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(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Salaries and Wages	\$	3,513	
Social Security		11,544	
Medical Insurance		11,257	
Employer Medicare		2,700	
Maintenance and Repair Services - Equipment		1,000	
Other Contracted Services		39,591	
Instructional Supplies and Materials		17,142	
Textbooks		331	
Other Supplies and Materials		9,033	
Special Education Equipment		20,488	
Total Special Education Program			\$ 308,756

Vocational Education Program

Other Supplies and Materials	\$	7,500	
Vocational Instruction Equipment		10,850	
Total Vocational Education Program			18,350

Support Services

Other Student Support

Other Salaries and Wages	\$	11,628	
Social Security		708	
State Retirement		877	
Employer Medicare		166	
Travel		7,868	
Other Contracted Services		9,540	
Other Supplies and Materials		500	
In Service/Staff Development		3,206	
Other Charges		15,719	
Total Other Student Support			50,212

Regular Instruction Program

Supervisor/Director	\$	27,560	
Secretary(ies)		13,862	
Other Salaries and Wages		7,510	
Social Security		1,239	
State Retirement		614	
Medical Insurance		1,865	
Employer Medicare		689	
Travel		5,183	
Other Supplies and Materials		550	
In Service/Staff Development		8,666	
Total Regular Instruction Program			67,738

Special Education Program

Supervisor/Director	\$	22,385	
Secretary(ies)		30,576	

(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.)

Social Security	\$	3,127	
State Retirement		1,988	
Medical Insurance		4,437	
Employer Medicare		731	
Maintenance and Repair Services - Equipment		1,000	
Travel		7,702	
Other Contracted Services		63,429	
Other Supplies and Materials		5,441	
In Service/Staff Development		7,038	
Other Equipment		2,000	
Total Special Education Program			\$ 149,854

Vocational Education Program

In Service/Staff Development	\$	1,300	
Total Vocational Education Program			1,300

Transportation

Bus Drivers	\$	13,845	
Social Security		858	
Employer Medicare		201	
Total Transportation			14,904

Total School Federal Projects Fund \$ 1,385,798

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	21,370	
Clerical Personnel		23,445	
Cafeteria Personnel		307,680	
Other Salaries and Wages		11,522	
Social Security		21,881	
Life Insurance		936	
Medical Insurance		11,568	
Employer Medicare		5,117	
Other Fringe Benefits		8,000	
Maintenance and Repair Services - Equipment		8,132	
Transportation - Other than Students		1,891	
Travel		833	
Other Contracted Services		6,125	
Food Supplies		356,582	
Utilities		43,576	
USDA - Commodities		33,184	
Other Supplies and Materials		31,515	
In Service/Staff Development		1,414	

(Continued)

Exhibit J-8

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
Other Charges	\$	2,138
Food Service Equipment		<u>2,469</u>
Total Food Service		<u>\$ 899,378</u>
Total Central Cafeteria Fund		\$ 899,378
<u>Other Education Special Revenue Fund</u>		
<u>Support Services</u>		
<u>Board of Education</u>		
Trustee's Commission	\$	<u>13</u>
Total Board of Education		<u>\$ 13</u>
Total Other Education Special Revenue Fund		<u>\$ 13</u>
Total Governmental Funds - Meigs County School Department		<u><u>\$ 15,447,730</u></u>

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, 2014

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 209,188
Total Cash Receipts	<u>\$ 209,188</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 207,096
Trustee's Commission	<u>2,092</u>
Total Cash Disbursements	<u>\$ 209,188</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2013	<u>0</u>
 Cash Balance, June 30, 2014	 <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 LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841

**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance With *Government Auditing Standards***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2014, and the related notes to the financial statements, which collectively comprise Meigs County's basic financial statements, and have issued our report thereon dated December 12, 2014. Our report includes a reference to other auditors who audited the financial statements of the Meigs County Emergency Communications District, as described in our report on Meigs County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Meigs County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Meigs County's internal control.

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 a 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. 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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2014-002(B), 2014-003, 2014-004, 2014-005, 2014-007, 2014-008, 2014-009, 2014-013, 2014-014, 2014-015(A), and 2014-018.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Meigs County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2014-001, 2014-002(A,C,D), 2014-006, 2014-010, 2014-011, 2014-012, 2014-015(B), 2014-016, 2014-017, and 2014-019.

### **Meigs County's Responses to Findings**

Meigs County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Meigs County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meigs County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

December 12, 2014

JPW/kp



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

**Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Meigs County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Meigs County's major federal programs for the year ended June 30, 2014. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Meigs County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Meigs County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Meigs County's complied, in all material respects, with the types of compliance 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, 2014.

### **Report on Internal Control Over Compliance**

Management of Meigs County's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Meigs County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

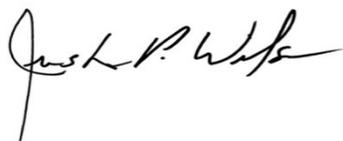
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

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, 2014, and the related notes to the financial statements, which collectively comprise Meigs County's basic financial statements. We issued our report thereon dated December 12, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

December 12, 2014

JPW/kp

Meigs County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2014

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	\$ 33,184 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	213,280
National School Lunch Program	10.555	N/A	474,964 (3)
Passed-through State Department of Economic and Community Development:			
Rural Business Enterprise Grants	10.769	N/A	18,000
Total U.S. Department of Agriculture			\$ 739,428
U.S. Department of the Interior:			
Passed-through State Wildlife Resource Agency:			
Sport Fish Restoration Program	15.605	(2)	\$ 5,000
Total U.S. Department of the Interior			\$ 5,000
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	(4)	\$ 122,186
Alcohol Open Container Requirements	20.607	(2)	15,315
Total U.S. Department of Transportation			\$ 137,501
Appalachian Regional Commission:			
Passed-through Tennessee Valley Authority:			
Appalachian Area Development	23.002	(2)	\$ 203,922
Passed-through Marshall University:			
Appalachian Research, Technical Assistance, and Demonstration Projects	23.011	(2)	58,100
Total Appalachian Regional Commission:			\$ 262,022
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 616,223
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	458,843
Special Education - Preschool Grants	84.173	N/A	14,671
Career and Technical Education - Basic Grants to States	84.048	N/A	27,814
Rural Education	84.358	N/A	32,297
Improving Teacher Quality State Grants	84.367	N/A	93,820
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	212,135
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	N/A	79,346
Total U.S. Department of Education			\$ 1,535,149
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	N/A	\$ 22,786
Total U.S. Election Assistance Commission			\$ 22,786

(Continued)

Meigs County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Commission on Aging and Disability:			
Special Program for Aging - Title III, Part C - Nutrition Services	93.045	N/A	\$ 15,606
Total U.S. Department of Health and Human Services			<u>\$ 15,606</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	N/A	\$ 52,878
Homeland Security Grant Program	97.067	N/A	3,512
Total U.S. Department of Homeland Security			<u>\$ 56,390</u>
Total Expenditures of Federal Awards			<u>\$ 2,773,882</u>
<u>Contract</u>			
<u>Number</u>			
<u>State Grants</u>			
Rural Local Health Services - State Department of Health	N/A	(2)	\$ 50,561
Litter Program - State Department of Transportation	N/A	(2)	27,754
Tobacco Settlement - State Department of Health	N/A	(2)	21,341
Early Childhood Education - Pilot/State - State Department of Education	N/A	(2)	415,240
Driver's Education - State Department of Education	N/A	(2)	6,460
Technology Upgrade Grant - State Department of Education	N/A	(2)	154,076
Safe and Supportive Schools Climate Grant - State Department of Education	N/A	(2)	8,290
Coordinated School Health - State Department of Education	N/A	(2)	89,953
Statewide Student Management System - State Department of Education	N/A	(2)	4,640
Safe Schools Act - State Department of Education	N/A	(2)	<u>11,500</u>
Total State Grants			<u>\$ 789,815</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Number not available.

(3) Total for CFDA No. 10.555 is \$508,148.

(4) HPP-6100(19): \$21,602; HPP-6100(20): \$100,584.

Meigs County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2014

*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, 2013, which have not been corrected.

**OFFICE OF DIRECTOR OF FINANCE**

Finding Number	Page Number	Subject
2013-005	135	Fund balances were not classified properly
2013-007(A,B,C,D)	137	The office had deficiencies in purchasing procedures
2013-008	138	The office did not reconcile fuel purchases/usage for various county vehicles
2013-009(A)	138	The office had deficiencies in the administration of payroll records
2013-010	139	A deficiency was noted in the maintenance of capital asset records
2013-011	139	The office did not maintain adequate records for state and federal grants
2013-012	140	The office did not always provide documentation/records for auditors to review on a timely basis

**OFFICE OF ROAD SUPERVISOR**

Finding Number	Page Number	Subject
2013-014	141	A summary of changes from the prior year road list was not submitted to the County Commission

**OFFICE OF CLERK AND MASTER**

Finding Number	Page Number	Subject
2013-018(B)	143	The accounting records did not adequately reflect the financial activity of the office

**OFFICE OF SHERIFF**

<b>Finding Number</b>	<b>Page Number</b>	<b>Subject</b>
2013-019	144	Some collections were not deposited within three days

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

<b>Finding Number</b>	<b>Page Number</b>	<b>Subject</b>
2013-020	144	Duties were not segregated adequately

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**MEIGS COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2014**

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

1. Our report on the financial statements of Meigs County is unmodified.
2. The audit of the financial statements of Meigs County disclosed significant deficiencies in internal control. These deficiencies were not considered to be material weaknesses.
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 unmodified 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 Appalachian Area Development (CFDA No. 23.002), the Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) 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 current county mayor and the current interim director of finance provided written responses on certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

### OFFICE OF DIRECTOR OF FINANCE

#### FINDING 2014-001                      **FUND BALANCES WERE NOT CLASSIFIED PROPERLY** (Noncompliance Under *Government Auditing Standards*)

The office did not attempt to analyze revenues and expenditures for fund balance classifications as required by Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. An analysis of fund balance classifications is necessary to determine the ranking based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Fund balance classifications at June 30, 2014, were determined by alternative auditing procedures. The failure to properly classify fund equity was the result of a lack of knowledge of generally accepted accounting principles and management's failure to correct the finding noted in the prior-year audit report.

### RECOMMENDATION

County officials should determine the fund balance classifications each June 30.

### MANAGEMENT'S RESPONSE – CURRENT COUNTY MAYOR AND CURRENT INTERIM DIRECTOR OF FINANCE

A monthly spreadsheet for the fund balances needs to be prepared. This will help ensure accurate figures for the fund balances at the end of the year.

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#### FINDING 2014-002                      **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS** (A., C., and D. – Noncompliance Under *Government Auditing Standards*; B. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

We noted the following deficiencies in the budget operations of the office:

- A.        The budget and subsequent amendments approved by the County Commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding by \$9,678. Sound budgetary principles dictate that appropriations be held within estimated available funding. This deficiency was the result of a lack of management oversight.

- B. Several budget amendments approved by the County Commission for the General Fund were not posted to the official records. Also, several budget amendments were posted to the official records for the General Fund that were not approved by the County Commission. Accurate budgetary statements are necessary to provide officials with available spending limits. We have recognized only those budget amendments approved by the County Commission in the financial statements of this report. This deficiency was the result of a lack of management oversight.
- C. Expenditures exceeded appropriations in the following funds' major appropriation categories (the legal level of control):

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
County Commission	\$ 46,461
Chancery Court	11,361
Sheriff Department	57,077
Jail	7,790
Sanitation Management	13,209
Highway/Public Works:	
Administration	737

- D. The Other Capital Projects Fund transferred \$140,000 to the General Fund, which was not approved by the County Commission. Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies."

Deficiencies exist in Part C. and D. because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

### RECOMMENDATION

Appropriations that exceed estimated available funding should not be submitted to the County Commission, and the County Commission should not approve such appropriations. Budget amendments should be accurately posted to the accounting records after approval by the County Commission. Expenditures should be held within appropriations approved by the County Commission.

MANAGEMENT'S RESPONSE – CURRENT COUNTY MAYOR AND CURRENT INTERIM DIRECTOR OF FINANCE

- A. An expenditure report for the Drug Control Fund will help with this finding to ensure the appropriations will be held within the available funding.
  - B. Procedures to request budget amendments from the County Commission are in place and should be followed. Once the commission approves the amendments, the amendments should then be entered into the system. If these procedures are followed, this deficiency should be corrected.
  - C. With a monthly expenditure report presented to each department, there should not be a problem with over spending.
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FINDING 2014-003

**THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 70 disbursements totaling \$587,678 from a population of 2,392 vendor checks totaling \$4,397,737. Our examination revealed the following deficiencies, which were the result of a lack of management oversight and managements failure to correct the deficiencies noted in the prior-year audit report.

- A. Our sample revealed that purchase orders were not issued in 14 of 52 applicable purchases. Purchase orders are necessary to control who has purchasing authority for the county and to document purchase commitments. This deficiency could result in unapproved purchases, purchases made without an adequate appropriation, and undocumented purchasing commitments.
- B. In one of 52 applicable instances, purchase orders issued did not have an authorizing signature. Sound business practices dictate supervisory review evidenced by an authorized signature.
- C. In 26 of 52 applicable instances, purchase orders were issued after the purchases were made. This practice defeats the purpose of the purchase order and makes it an approval of payment rather than an approval of the purchase.
- D. Invoices were paid without documentation that goods had been received and/or services had been rendered in 43 of 56 applicable purchases. This practice weakens controls over the purchasing process and increases the risks of paying for something that was never received.
- E. In five of 70 applicable instances, invoices were not on file to support the total amount of purchases. Sound business practices dictate that invoices should be on file to support all purchases. The absence of invoices increases the risks

of fraud and unauthorized purchases. We extended our audit procedures and determined that these disbursements were for the benefit of the county.

### RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders evidenced by an authorizing signature for all applicable purchases before purchases are made. Documentation should be maintained that goods have been received or services have been rendered before invoices are paid. Invoices should be on file for all purchases.

### MANAGEMENT'S RESPONSE – CURRENT COUNTY MAYOR AND CURRENT INTERIM DIRECTOR OF FINANCE

- A. Purchasing procedures should be followed. Each department head has been informed that a purchase order must be obtained before the purchase.
- B. Each purchase order is required to have signatures, and we are working to solve this problem. With the training that is in place at this time, this weakness should be considerably better next year.
- C. Each department has been made aware that purchase orders are required before purchases are made. This office will strive to correct this problem.
- D., E. Invoices are required to be present at the time of payment. The training in place at this time has a strong emphasis on purchasing policies and procedures.

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### FINDING 2014-004

### **THE OFFICE DID NOT RECONCILE FUEL PURCHASES WITH USAGE FOR VARIOUS COUNTY VEHICLES**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The office uses the Fuelman fuel system to dispense gasoline and diesel into various vehicles used by the county. Officials did not reconcile monthly statements provided by Fuelman for fuel purchases with usage. During our examination of the Fuelman system, we noted that one employee's fuel card was being used to fuel several vehicles, and one car was filled more than once a day. This deficiency can be attributed to the failure of management to adequately monitor Fuelman transactions and the failure to correct the finding noted in the prior-year audit report. Without proper review, the Fuelman system could be abused.

### RECOMMENDATION

Officials should reconcile Fuelman statements for fuel purchases with usage monthly. Significant variances should be investigated. Management should review the propriety of the above-noted employee's use of his fuel card to fuel several vehicles.

MANAGEMENT'S RESPONSE – CURRENT COUNTY MAYOR AND CURRENT INTERIM DIRECTOR OF FINANCE

We have started using another fuel company. Each department head has been made aware of the fact and signed a statement to the fact that each use of the card must be documented by a signed receipt. The Finance Department intends to reconcile the account each month with the receipts when the invoice is received.

FINDING 2014-005

**THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF PAYROLL RECORDS**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

We noted the following deficiencies related to the administration of payroll records, which can be attributed to the failure of management to adequately monitor payroll procedures:

- A. Each county office/department has its own leave policy and either 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, 2014, were not centrally filed with the Finance Department. This deficiency resulted from the failure of management to correct the finding reported in the prior-year audit report.
- B. Time sheets utilized by the county provide for the employee and a supervisor to sign and date the time sheet as evidence of its accuracy and of supervisory review and approval. We noted several time sheets that were not signed by a supervisor.
- C. We noted that the Highway Department provided the Finance Department a summary of the employee's time worked; however, there were no time sheets on hand at the Highway Department to support the hours listed on the summary report. Sound business practices dictate that time sheets should be maintained and signed by the employee and supervisor as documentation that the time reported is accurate and has been reviewed by a supervisor. If time sheets are not used and reviewed for accuracy, risks increase that time will be reported and paid incorrectly.

RECOMMENDATION

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. All required signatures should be reflected on the time sheets as documentation that the time reported is accurate and has been reviewed properly. The office should develop procedures and controls to ensure that all employees use time sheets to document time worked.

MANAGEMENT'S RESPONSE – CURRENT COUNTY MAYOR AND CURRENT INTERIM DIRECTOR OF FINANCE

- A. The Finance Department has been made aware of the leave function in the Flex Gen computer program. Using this function can help the Finance Department keep all county offices and departments accrued leave information. As soon as we are able, I would like to start using this feature in Flex Gen to keep up with the leave time for all county employees.
- B. At this time, we are making a great effort to have the department head sign all time sheets.
- C. The Highway Department is now complying with the recommendation in the finding.

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FINDING 2014-006

**SEVERAL CAPITAL ASSETS WERE NOT INCLUDED IN THE CAPITAL ASSET RECORDS**

(Noncompliance Under *Government Auditing Standards*)

During the year, the county completed construction of a Cherokee Memorial Wall for \$218,173 and a road for \$157,784, plus the county purchased four vehicles for \$118,029. These assets were not included in the capital asset records. The capital assets policy adopted by Meigs County requires capital assets with an initial individual cost of \$10,000 or more and an estimated useful life of more than three years to be capitalized. Generally accepted accounting principles require accountability for all county owned assets, such as buildings, roads, and vehicles. These deficiencies can be attributed to a lack of management oversight and the failure of management to correct the finding reported in the prior-year audit report. We provided management with audit adjustments that they accepted to properly present capital assets in the financial statements of this report. Without accurate capital asset records, Meigs County cannot adequately control its assets.

RECOMMENDATION

The office should maintain accurate capital asset records for all county-owned assets as required by the county's capital asset policy and generally accepted accounting principles.

MANAGEMENT'S RESPONSE – CURRENT COUNTY MAYOR AND CURRENT INTERIM DIRECTOR OF FINANCE

The information for the capital assets was compiled; however, I am not sure why the information was not passed along. I am aware of the capital asset policy that all items costing over \$10,000 need to be reported. This finding should be corrected next year.

FINDING 2014-007

**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.

MANAGEMENT'S RESPONSE – CURRENT COUNTY MAYOR AND CURRENT INTERIM DIRECTOR OF FINANCE

All department heads have been made aware of the fact that the Finance Department must have copies of all grants. The Trustee's Office will inform this office when the grant revenues are received. There will be files for each grant, and better records will be maintained.

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FINDING 2014-008

**THE OFFICE DID NOT ALWAYS PROVIDE RECORDS FOR AUDITORS TO REVIEW ON A TIMELY BASIS**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The office did not always provide records for auditors to review on a timely basis, resulting in unnecessary delays in the audit process. In some instances, the records had to be obtained from banks and/or other departments. The director of finance seemed unable and/or unwilling to assist in providing these records. It should also be noted that the director of finance left employment with the county during our examination, leaving Finance Department employees to search for the records. This deficiency can be attributed to the failure of management to correct the finding reported in the prior-year audit report.

RECOMMENDATION

Records should be provided to auditors on a timely basis. County employees should assist in document retrieval to avoid unnecessary delays in the performance of the audit.

MANAGEMENT'S RESPONSE – CURRENT COUNTY MAYOR AND CURRENT INTERIM DIRECTOR OF FINANCE

In the future, the Finance Office will provide the auditors all records requested on a timely basis. All effort will be given to assist the auditors in any way possible. This should never be a finding.

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FINDING 2014-009

**FINANCE DEPARTMENT EMPLOYEES RECEIVED UNAUTHORIZED COMPENSATION TOTALING \$26,604, AND DETAILED TIME RECORDS WERE NOT ON FILE TO SUPPORT THE PAYMENT OF \$1,201 FOR COMPENSATORY LEAVE OF THE FORMER INTERIM FINANCE DIRECTOR**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

On October 23, 2014, our office issued a special report on the Meigs County Finance Department for the period July 1, 2008, through November 30, 2013. This report disclosed that Finance Department employees received unauthorized compensation totaling \$26,604.17 and that detailed time records were not on file to support the payment of \$1,201.50 for compensatory leave of the former interim finance director. This report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov).

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OFFICE OF COUNTY MAYOR

FINDING 2014-010

**SOME PROBATION FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION**

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we determined that the Probation Office collected funds every day except Wednesday, but only deposited these funds with the county trustee on Friday of each week. This deficiency was the result of a lack of management oversight. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

All funds should be deposited within three days of collection as required by state statute.

MANAGEMENT'S RESPONSE – CURRENT COUNTY MAYOR AND CURRENT INTERIM DIRECTOR OF FINANCE

The County Commission will speak to the judge over the Probation Office regarding this matter. He will in turn be able to let his probation officer know that the funds have to be deposited within three days of collection. A deposit made one day a week is not sufficient.

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**OFFICE OF ROAD SUPERVISOR**

**FINDING 2014-011**            **A SUMMARY OF CHANGES FROM THE PRIOR YEAR ROAD LIST WAS NOT SUBMITTED TO THE COUNTY COMMISSION**  
(Noncompliance Under *Government Auditing Standards*)

The road supervisor submitted the required list of county roads to the County Commission; however, this list did not include a summary of changes from the prior year. Section 54-10-103, *Tennessee Code Annotated*, requires the road supervisor to submit a list of county roads to the County Commission for its approval at the January session each year. The list must include the classification, width, and distance of each county-maintained road, and a summary of all changes from the prior year's road list. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

**RECOMMENDATION**

The road supervisor should submit to the County Commission a list of county roads that includes the classification, width and distance of each road, and a summary of changes as required by state statute.

MANAGEMENT'S RESPONSE – CURRENT COUNTY MAYOR AND CURRENT INTERIM DIRECTOR OF FINANCE

The new road superintendent has been made aware of this deficiency and will make every effort to correct the finding. He has been made aware that if there are no changes, then he needs to supply a letter stating that fact.

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**OFFICE OF DIRECTOR OF SCHOOLS**

**FINDING 2014-012**            **THE SCHOOL DEPARTMENT VIOLATED ITS CONFLICT OF INTEREST POLICY BY MAKING PURCHASES FROM A BUSINESS OWNED BY A SCHOOL EMPLOYEE**  
(Noncompliance Under *Government Auditing Standards*)

On October 23, 2014, our office issued a special report on the Meigs County School Department for the period July 1, 2013, through May 28, 2014. This report disclosed that

during the period October 1, 2010, through May 28, 2014, the School Department expended \$96,564.44 for supplies from Decatur Plumbing and Electrical Supply, a business owned by a school maintenance employee. The School Department violated its conflict of interest policy by making purchases from a business owned by a school employee. This report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov).

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## **OFFICE OF CLERK AND MASTER**

**FINDING 2014-013**

**THE ACCOUNTING RECORDS DID NOT ADEQUATELY REFLECT THE FINANCIAL ACTIVITY OF THE OFFICE**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The office did not properly reconcile short-term investment account activity with the general ledger. As a result, the general ledger short-term investment accounts reflected on the accounting records were overstated by \$27,458 on June 30, 2014. Sound business practices dictate that accounting records accurately reflect account and bank statement activity. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. Inaccurate accounting records increase the risk of misstatements and errors in the presentation of financial information. Management corrected these errors in August 2014. The account balances are properly reflected in the financial statements of this report.

## **RECOMMENDATION**

The office should ensure that the short-term investment accounts are reconciled monthly with the general ledger, and any errors that are detected should be corrected promptly. Management should have appropriate processes in place to ensure that the general ledgers are correct.

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## **OFFICE OF REGISTER OF DEEDS**

**FINDING 2014-014**

**USERNAMES AND PASSWORDS WERE SHARED BY EMPLOYEES**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Although each employee had been assigned a unique username and password for accessing the office's accounting software, this information was shared with other employees. If inappropriate activity were to occur, the employee responsible for this activity would not be easily identified because employees had access to each other's username and password. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was corrected when brought to the attention of management.

## RECOMMENDATION

Employees should not have access to other employees' usernames and passwords to ensure transactions are properly identified to the employee recording the transaction.

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## OFFICE OF SHERIFF

### FINDING 2014-015

### **THE OFFICE HAD ACCOUNTING DEFICIENCIES**

(A. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. – Noncompliance Under *Government Auditing Standards*)

The following deficiencies were noted during our examination of the accounting records:

- A. The office attempted to reconcile the commissary bank statements with the general ledger. However, the reconciliation did not identify all variances between the bank statements and the general ledger balances. The reconciliation of bank statements with the general ledger is a necessary procedure to ensure that all cash collections and disbursements are recorded accurately.
- B. The office did not prepare an annual financial report. Section 5-8-505, *Tennessee Code Annotated*, provides that "All appointive or elective county public officials, official county boards, committees and commissions ... having in their charge and custody public funds or moneys are required to file with the county executive and with the county clerk ... an annual financial report ..."

These deficiencies are the result of a lack of management oversight and a lack of understanding of internal controls, generally accepting accounting principles, and sound business practices.

## RECOMMENDATION

Bank statements should be reconciled with general ledger accounts monthly. The office should prepare an annual financial report as required by state statute.

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### FINDING 2014-016

### **ARRESTEE FILES DID NOT INCLUDE AN ACKNOWLEDGMENT FROM THE TENNESSEE BUREAU OF INVESTIGATION THAT FINGERPRINTS HAD BEEN RECEIVED AND ACCEPTED**

(Noncompliance Under *Government Auditing Standards*)

The Sheriff's Department uses an electronic imaging machine to fingerprint arrestees at the time of their arrest. This machine is designed to electronically store the fingerprint

images, generate records of the images taken, and transmit the images to the Tennessee Bureau of Investigation (TBI). Section 8-4-115, *Tennessee Code Annotated*, provides that if fingerprints are transmitted to the TBI electronically, the booking agency shall maintain one hard copy of the fingerprints along with an acknowledgment from the TBI that a copy of the fingerprints has been received and accepted. During our examination of arrestee files, we noted that in four of nine files examined, the department did not maintain the acknowledgment from the TBI that the fingerprints had been received and accepted. This calculates to a 44 percent rate of noncompliance. This deficiency can be attributed to a lack of management oversight.

#### RECOMMENDATION

The sheriff should ensure that the fingerprints of all persons arrested are properly submitted to and accepted by the TBI as required by state statute.

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#### FINDING 2014-017

#### **SOME COLLECTIONS WERE NOT DEPOSITED WITHIN THREE DAYS**

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited to the bank account within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected the month of May to examine receipts and deposits. The office did not deposit some funds to the bank account within three days of collection in four of 16 deposits made during this month. This deficiency was the result of a lack of management oversight and the failure of management to correct the finding noted in the prior-year audit report. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

#### RECOMMENDATION

All funds should be deposited within three days of collection as required by state statute.

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

#### FINDING 2014-018

#### **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, Register of Deeds, Sheriff, and the Ambulance Service Department. 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.

**MANAGEMENT'S RESPONSE – CURRENT COUNTY MAYOR AND CURRENT INTERIM DIRECTOR OF FINANCE**

In an office of less than three employees, it will be hard to segregate duties. After a finance director is appointed and this office is fully staffed, the office should be able to segregate the duties to the best of our abilities. The Ambulance Service Department office has only one full-time employee keeping the records along with the department head.

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**MEIGS COUNTY COMMISSION**

**FINDING 2014-019**

**THE INDUSTRIAL DEVELOPMENT BOARD OF MEIGS COUNTY AND THE CITY OF DECATUR WAS NOT AUDITED**

(Noncompliance Under *Government Auditing Standards*)

An annual audit was not performed on the Industrial Development Board of Meigs County and the City of Decatur, a Joint Venture of Meigs County and the City of Decatur. Section 9-3-211, *Tennessee Code Annotated*, requires an annual audit of each entity charged with the care and control of public funds. This deficiency was the result of a lack of management oversight.

**RECOMMENDATION**

An annual audit of the Industrial Development Board of Meigs County and the City of Decatur should be performed as required by state statute.

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

There were no findings and questioned costs for federal awards.

## **BEST PRACTICE**

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice 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 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 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. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Meigs County. Therefore, 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.

**MEIGS COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2014**

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