

ANNUAL FINANCIAL REPORT
MEIGS COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



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FOR THE YEAR ENDED JUNE 30, 2015

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

KATHY CLEMENTS, CGFM
JESSICA COX, CPA, CGFM
JENI PALADENI, CISA
State Auditors

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

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Summary of Audit Findings

Annual Financial Report
Meigs County, Tennessee
For the Year Ended June 30, 2015

Scope

We have audited the financial statements of Meigs County as of and for the year ended June 30, 2015.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF FINANCE

- ◆ Receivables were not properly determined and recorded in the General Fund at June 30, 2015.

OFFICE OF CLERK AND MASTER

- ◆ 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 receipts were not issued at the time of collection.

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.

INTRODUCTORY SECTION

Meigs County Officials

June 30, 2015

Officials

Bill James, County Mayor
Jimmy Nelson, Highway Superintendent
Donald Roberts, Director of Schools
Stacie Hyde, 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
Michelle Horton, Director of Finance

Board of County Commissioners

Stanley Welch, Chairman	Dewayne Murphy
Willis Boles	Donna Nelson
Adam Brady	Doug O'Daniel
Chris Finnell	Mark Vance
Phillip Grubb	Rick Vaughn
Jerry Harris	

Board of Education

Chris Clark, Chairman	Rueben McKenzie
Andy Andrews	Tessa Perkinson
Ross Irwin	

Financial Management Committee

Mark Vance, Chairman
Bill James, County Mayor
Jimmy Nelson, Highway Superintendent
Jerry Harris
Dewayne Murphy
Donna Nelson
Doug O'Daniel

Audit Committee

Randy Baker, Chairman
Robert Green
Lisa Thompson

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. MEIGS 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, 2015, 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 6.64 percent, 9.14 percent, and 1.72 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have 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 reports 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, 2015, and the respective changes in financial position and the respective budgetary comparison for the General and 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. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

Emphasis of Matter

We draw attention to Note I.D.8. to the financial statements, which describes a restatement increasing the beginning Governmental Activities net position by \$515,723 and decreasing the discretely presented Meigs County School Department's net position by \$2,449,560 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to these matters.

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 changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefit plans on pages 74 - 80 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

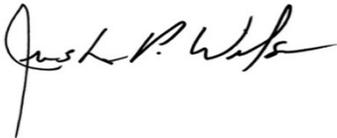
in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental 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 January 22, 2016, 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,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 22, 2016

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Meigs County, Tennessee
Statement of Net Position
June 30, 2015

	Primary Governmental Activities	Component Units	
		Meigs County School Department	Meigs County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 1,908	\$ 0	\$ 541,892
Equity in Pooled Cash and Investments	5,030,828	2,729,035	0
Accounts Receivable	169,369	0	26
Allowance for Uncollectibles	(40,155)	0	0
Due from Other Governments	491,836	288,250	0
Due from Primary Government	0	20,383	0
Prepaid Items	0	0	15,595
Net Pension Asset - Agent Plan	606,535	0	0
Net Pension Asset - Cost-sharing Plan	0	30,211	0
Property Taxes Receivable	2,829,242	1,461,362	0
Allowance for Uncollectible Property Taxes	(233,805)	(120,765)	0
Capital Assets:			
Assets Not Depreciated:			
Land	325,905	387,457	0
Construction in Progress	0	614,354	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	5,814,580	5,547,712	0
Infrastructure	4,078,016	0	0
Other Capital Assets	603,891	847,000	282,540
Total Assets	<u>\$ 19,678,150</u>	<u>\$ 11,804,999</u>	<u>\$ 840,053</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Changes in Experience	\$ 0	\$ 73,344	\$ 0
Pension Contributions After Measurement Date	0	643,883	0
Total Deferred Outflows of Resources	<u>\$ 0</u>	<u>\$ 717,227</u>	<u>\$ 0</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 170	\$ 699
Accrued Payroll	0	4,889	0
Payroll Deductions Payable	7,132	0	0
Accrued Interest Payable	37,281	0	0
Due to Component Unit	20,383	0	0
Noncurrent Liabilities:			
Due Within One Year	262,502	0	0
Due in More Than One Year (net of unamortized premium on debt)	3,406,164	370,288	0
Total Liabilities	<u>\$ 3,733,462</u>	<u>\$ 375,347</u>	<u>\$ 699</u>

(Continued)

Exhibit A

Meigs County, Tennessee
Statement of Net Position (Cont.)

	Primary Governmental Activities	Component Units	
		Meigs County School Department	Meigs County Emergency Communications District
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 2,472,994	\$ 1,277,353	\$ 0
Pension Changes in Investment Earnings	46,446	2,489,172	0
Pension Other Deferrals	0	32,600	0
Total Deferred Inflows of Resources	<u>\$ 2,519,440</u>	<u>\$ 3,799,125</u>	<u>\$ 0</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 8,807,489	\$ 7,396,523	\$ 282,540
Restricted for:			
General Government	188,817	0	0
Finance	3,462	0	0
Administration of Justice	161,037	0	0
Public Safety	77,064	0	0
Public Health and Welfare	106,836	0	0
Social, Cultural, Recreational Services	3,402	0	0
Highways/Public Works	1,843,214	0	0
Education	0	499,188	0
Other Purposes	606,535	0	0
Unrestricted	<u>1,627,392</u>	<u>452,043</u>	<u>556,814</u>
Total Net Position	<u>\$ 13,425,248</u>	<u>\$ 8,347,754</u>	<u>\$ 839,354</u>

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

Exhibit B

Meigs County, Tennessee
Statement of Activities
June 30, 2015

Functions/Programs	Expenses	Program Revenues			Primary Government Total Governmental Activities	Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Component Units	
						Meigs County School Department	Meigs County Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	\$ 1,350,163	\$ 65,338	\$ 15,164	\$ 64,500	\$ (1,205,161)	\$ 0	\$ 0
Finance	602,160	262,560	0	0	(339,600)	0	0
Administration of Justice	498,955	331,128	18,000	0	(149,827)	0	0
Public Safety	1,927,357	193,534	212,315	26,253	(1,495,255)	0	0
Public Health and Welfare	812,235	278,361	145,307	0	(388,567)	0	0
Social, Cultural, and Recreational Services	107,361	0	20,998	7,360	(79,003)	0	0
Agriculture and Natural Resources	115,427	0	0	0	(115,427)	0	0
Highways/Public Works	1,210,835	0	1,317,802	0	106,967	0	0
Interest on Long-term Debt	74,343	0	0	0	(74,343)	0	0
Total Governmental Activities	\$ 6,698,836	\$ 1,130,921	\$ 1,729,586	\$ 98,113	\$ (3,740,216)	\$ 0	\$ 0
Total Primary Government	\$ 6,698,836	\$ 1,130,921	\$ 1,729,586	\$ 98,113	\$ (3,740,216)	\$ 0	\$ 0
Component Units:							
Meigs County School Department	\$ 14,358,792	\$ 97,456	\$ 2,503,730	\$ 0	\$ 0	\$ (11,757,606)	\$ 0
Meigs County Emergency Communications District	234,257	222,318	0	0	0	0	(11,939)
Total Component Units	\$ 14,593,049	\$ 319,774	\$ 2,503,730	\$ 0	\$ 0	\$ (11,757,606)	\$ (11,939)

(Continued)

Exhibit B

Meigs County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Units	
						Meigs County School Department	Meigs County Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 2,241,995	\$ 1,414,551	\$ 0
Property Taxes Levied for Debt Service					286,238	0	0
Local Option Sales Taxes					224,387	503,301	0
Hotel/Motel Tax					13,787	0	0
Litigation Tax - General					24,013	0	0
Litigation Tax - Special Purpose					32,390	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					2,548	0	0
Business Tax					32,017	0	0
Wholesale Beer Tax					86,427	59,298	0
Mineral Severance Tax					30,183	0	0
Other Local Taxes					10,395	1,125	0
Grants and Contributions Not Restricted to Specific Programs					1,445,065	10,629,604	45,007
Unrestricted Investment Income					0	13,562	660
Miscellaneous					15,640	54,534	0
Pension Income					44,366	31,343	0
Total General Revenues					\$ 4,489,451	\$ 12,707,318	\$ 45,667
Change in Net Position					\$ 749,235	\$ 949,712	\$ 33,728
Net Position, July 1, 2014					12,160,290	9,847,602	805,626
Restatement - See Note I. D. 8					515,723	(2,449,560)	0
Net Position, June 30, 2015					\$ 13,425,248	\$ 8,347,754	\$ 839,354

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, 2015

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	1,908	\$ 1,908
Equity in Pooled Cash and Investments	1,542,779	1,604,570	1,340,339	337,589	205,551	5,030,828
Accounts Receivable	169,369	0	0	0	0	169,369
Allowance for Uncollectibles	(40,155)	0	0	0	0	(40,155)
Due from Other Governments	225,935	250,887	13,914	0	1,100	491,836
Due from Other Funds	52,744	0	4,468	0	2,237	59,449
Property Taxes Receivable	2,348,536	0	320,318	0	160,388	2,829,242
Allowance for Uncollectible Property Taxes	(194,080)	0	(26,470)	0	(13,255)	(233,805)
Total Assets	\$ 4,105,128	\$ 1,855,457	\$ 1,652,569	\$ 337,589	\$ 357,929	\$ 8,308,672
<u>LIABILITIES</u>						
Payroll Deductions Payable	\$ 4,178	\$ 2,954	\$ 0	\$ 0	\$ 0	\$ 7,132
Due to Other Funds	6,705	0	0	0	52,744	59,449
Due to Component Units	20,383	0	0	0	0	20,383
Total Liabilities	\$ 31,266	\$ 2,954	\$ 0	\$ 0	\$ 52,744	\$ 86,964
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 2,052,817	\$ 0	\$ 279,985	\$ 0	\$ 140,192	\$ 2,472,994
Deferred Delinquent Property Taxes	88,250	0	12,037	0	6,027	106,314
Other Deferred/Unavailable Revenue	103,478	124,667	8,326	0	1,100	237,571
Total Deferred Inflows of Resources	\$ 2,244,545	\$ 124,667	\$ 300,348	\$ 0	\$ 147,319	\$ 2,816,879

(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 Govern- mental Funds	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 188,817	\$ 0	\$ 0	\$ 0	\$ 0	\$ 188,817
Restricted for Finance	3,462	0	0	0	0	3,462
Restricted for Administration of Justice	161,037	0	0	0	0	161,037
Restricted for Public Safety	18,907	0	0	0	58,157	77,064
Restricted for Public Health and Welfare	0	0	0	0	99,709	99,709
Restricted for Social, Cultural, and Recreational Services	3,402	0	0	0	0	3,402
Restricted for Highways/Public Works	0	1,718,547	0	0	0	1,718,547
Restricted for Debt Service	0	0	1,352,221	0	0	1,352,221
Committed:						
Committed for Public Health and Welfare	225,000	0	0	0	0	225,000
Committed for Capital Outlay	0	0	0	337,589	0	337,589
Assigned:						
Assigned for General Government	1,051	0	0	0	0	1,051
Assigned for Finance	13,243	0	0	0	0	13,243
Assigned for Administration of Justice	100	0	0	0	0	100
Assigned for Public Safety	106	0	0	0	0	106
Assigned for Public Health and Welfare	83	0	0	0	0	83
Assigned for Social, Cultural, and Recreational Services	103	0	0	0	0	103
Assigned for Highways/Public Works	0	9,289	0	0	0	9,289
Unassigned	1,214,006	0	0	0	0	1,214,006
Total Fund Balances	\$ 1,829,317	\$ 1,727,836	\$ 1,352,221	\$ 337,589	\$ 157,866	\$ 5,404,829
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,105,128	\$ 1,855,457	\$ 1,652,569	\$ 337,589	\$ 357,929	\$ 8,308,672

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, 2015

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)		\$ 5,404,829
(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	5,814,580	
Add: infrastructure net of accumulated depreciation	4,078,016	
Add: other capital assets net of accumulated depreciation	<u>603,891</u>	10,822,392
(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	\$ (16,567)	
Less: bonds payable	(1,998,336)	
Less: interest accrued on bonds	(37,281)	
Less: interest accreted on bonds	<u>(1,653,763)</u>	(3,705,947)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Less: deferred inflows of resources related to pensions		(46,446)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		606,535
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>343,885</u>
Net position of governmental activities (Exhibit A)		<u>\$ 13,425,248</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, 2015

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Capital Projects	Other Govern- mental Funds	
Revenues						
Local Taxes	\$ 2,678,204	\$ 30,183	\$ 370,604	\$ 0	\$ 156,566	\$ 3,235,557
Licenses and Permits	17,585	0	0	0	0	17,585
Fines, Forfeitures, and Penalties	136,897	0	0	0	43,615	180,512
Charges for Current Services	321,706	0	0	0	3,339	325,045
Other Local Revenues	104,698	0	0	0	3,331	108,029
Fees Received from County Officials	456,598	0	0	0	0	456,598
State of Tennessee	747,729	1,308,569	51,984	766,666	2,438	2,877,386
Federal Government	153,226	0	0	0	0	153,226
Other Governments and Citizens Groups	85,000	0	0	0	0	85,000
Total Revenues	\$ 4,701,643	\$ 1,338,752	\$ 422,588	\$ 766,666	\$ 209,289	\$ 7,438,938
Expenditures						
Current:						
General Government	\$ 824,971	\$ 0	\$ 0	\$ 272,250	\$ 0	\$ 1,097,221
Finance	602,160	0	0	0	0	602,160
Administration of Justice	495,816	0	0	0	3,139	498,955
Public Safety	1,826,196	0	0	0	2,715	1,828,911
Public Health and Welfare	665,635	0	0	0	128,915	794,550
Social, Cultural, and Recreational Services	100,215	0	0	0	0	100,215
Agriculture and Natural Resources	81,284	0	0	0	0	81,284
Other Operations	136,987	0	0	0	0	136,987
Highways	0	1,038,018	0	0	0	1,038,018
Debt Service:						
Principal on Debt	0	37,991	340,143	0	0	378,134
Interest on Debt	0	508	144,945	0	0	145,453
Other Debt Service	0	0	8,335	0	0	8,335

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Capital Projects	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 7,667	\$ 0	\$ 7,667
Total Expenditures	\$ 4,733,264	\$ 1,076,517	\$ 493,423	\$ 279,917	\$ 134,769	\$ 6,717,890
Excess (Deficiency) of Revenues Over Expenditures	\$ (31,621)	\$ 262,235	\$ (70,835)	\$ 486,749	\$ 74,520	\$ 721,048
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 6,848	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,848
Transfers In	117,811	203,000	0	0	2,875	323,686
Transfers Out	(2,875)	0	0	(269,975)	(50,836)	(323,686)
Total Other Financing Sources (Uses)	\$ 121,784	\$ 203,000	\$ 0	\$ (269,975)	\$ (47,961)	\$ 6,848
Net Change in Fund Balances	\$ 90,163	\$ 465,235	\$ (70,835)	\$ 216,774	\$ 26,559	\$ 727,896
Fund Balance, July 1, 2014	1,739,154	1,262,601	1,423,056	120,815	131,307	4,676,933
Fund Balance, June 30, 2015	\$ 1,829,317	\$ 1,727,836	\$ 1,352,221	\$ 337,589	\$ 157,866	\$ 5,404,829

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, 2015

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)		\$ 727,896
(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	\$ 59,974	
Less: current-year depreciation expense	<u>(499,368)</u>	(439,394)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2014	\$ (385,966)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>343,885</u>	(42,081)
(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:		
Add: principal payments on notes	\$ 37,991	
Add: principal payments on bonds	340,143	
Add: change in premium on debt issuance	<u>9,204</u>	387,338
(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	\$ (36,433)	
Change in accreted interest payable	107,543	
Change in net pension liability/asset	90,812	
Change in deferred inflows related to pensions	<u>(46,446)</u>	<u>115,476</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 749,235</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 (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 2,678,204	\$ 0	\$ 2,678,204	\$ 2,557,723	\$ 2,557,823	\$ 120,381
Licenses and Permits	17,585	0	17,585	16,585	16,585	1,000
Fines, Forfeitures, and Penalties	136,897	0	136,897	135,500	135,500	1,397
Charges for Current Services	321,706	0	321,706	243,600	243,600	78,106
Other Local Revenues	104,698	0	104,698	25,100	25,100	79,598
Fees Received from County Officials	456,598	0	456,598	364,000	364,000	92,598
State of Tennessee	747,729	0	747,729	705,329	706,529	41,200
Federal Government	153,226	0	153,226	171,039	171,039	(17,813)
Other Governments and Citizens Groups	85,000	0	85,000	203,872	203,872	(118,872)
Total Revenues	\$ 4,701,643	\$ 0	\$ 4,701,643	\$ 4,422,748	\$ 4,424,048	\$ 277,595
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 65,878	\$ 0	\$ 65,878	\$ 50,180	\$ 69,829	\$ 3,951
Board of Equalization	710	0	710	400	710	0
County Mayor/Executive	108,905	0	108,905	109,578	112,050	3,145
County Attorney	10,000	0	10,000	13,098	10,446	446
Election Commission	152,752	42	152,794	164,921	164,921	12,127
Register of Deeds	101,712	0	101,712	104,133	108,887	7,175
Planning	33,443	0	33,443	33,250	34,416	973
Geographical Information Systems	17,308	284	17,592	23,433	23,433	5,841
County Buildings	334,263	725	334,988	330,779	379,038	44,050
<u>Finance</u>						
Accounting and Budgeting	118,342	1,209	119,551	126,003	126,702	7,151
Property Assessor's Office	106,437	0	106,437	112,588	112,588	6,151
Reappraisal Program	22,120	0	22,120	23,984	23,984	1,864
County Trustee's Office	110,213	12,034	122,247	125,658	125,658	3,411

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
County Clerk's Office	\$ 184,693	\$ 0	\$ 184,693	\$ 188,980	\$ 188,760	\$ 4,067
Other Finance	60,355	0	60,355	57,470	67,207	6,852
<u>Administration of Justice</u>						
Circuit Court	201,164	100	201,264	194,822	206,320	5,056
General Sessions Court	146,981	0	146,981	153,212	153,212	6,231
Drug Court	0	0	0	6,000	6,000	6,000
Chancery Court	147,671	0	147,671	149,172	149,172	1,501
<u>Public Safety</u>						
Sheriff's Department	727,655	106	727,761	739,060	750,731	22,970
Drug Enforcement	50,837	0	50,837	42,160	51,835	998
Jail	659,054	0	659,054	606,407	686,287	27,233
Juvenile Services	2,503	0	2,503	25,766	2,620	117
Fire Prevention and Control	41,765	0	41,765	57,300	76,800	35,035
Civil Defense	95,658	0	95,658	169,426	123,649	27,991
Rescue Squad	2,107	0	2,107	5,500	5,500	3,393
County Coroner/Medical Examiner	21,880	0	21,880	20,000	21,881	1
Other Public Safety	224,737	0	224,737	242,903	244,226	19,489
<u>Public Health and Welfare</u>						
Local Health Center	38,453	0	38,453	46,394	46,394	7,941
Ambulance/Emergency Medical Services	392,643	0	392,643	336,467	405,892	13,249
Other Local Health Services	113,173	50	113,223	109,491	116,602	3,379
Appropriation to State	22,156	0	22,156	28,000	28,000	5,844
Sanitation Management	63,947	0	63,947	70,014	70,014	6,067
Sanitation Education/Information	35,263	33	35,296	41,406	35,763	467

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Social, Cultural, and Recreational Services</u>						
Adult Activities	\$ 824	\$ 0	\$ 824	\$ 11,500	\$ 824	\$ 0
Senior Citizens Assistance	17,936	0	17,936	17,718	19,736	1,800
Libraries	49,639	0	49,639	49,618	49,645	6
Parks and Fair Boards	5,000	0	5,000	5,000	5,000	0
Other Social, Cultural, and Recreational	26,816	103	26,919	9,375	30,735	3,816
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	69,801	0	69,801	72,669	71,919	2,118
Soil Conservation	11,483	0	11,483	7,900	11,483	0
<u>Other Operations</u>						
Tourism	4,540	0	4,540	26,917	6,500	1,960
Other Economic and Community Development	4,974	0	4,974	5,550	5,648	674
Veterans' Services	18,263	0	18,263	17,765	20,816	2,553
Other Charges	104,710	0	104,710	98,267	104,710	0
Contributions to Other Agencies	4,500	0	4,500	11,500	11,500	7,000
Total Expenditures	\$ 4,733,264	\$ 14,686	\$ 4,747,950	\$ 4,841,734	\$ 5,068,043	\$ 320,093
Excess (Deficiency) of Revenues Over Expenditures	\$ (31,621)	\$ (14,686)	\$ (46,307)	\$ (418,986)	\$ (643,995)	\$ 597,688
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 6,848	\$ 0	\$ 6,848	\$ 0	\$ 0	\$ 6,848
Transfers In	117,811	0	117,811	60,000	79,500	38,311
Transfers Out	(2,875)	0	(2,875)	(20,000)	(20,000)	17,125
Total Other Financing Sources	\$ 121,784	\$ 0	\$ 121,784	\$ 40,000	\$ 59,500	\$ 62,284
Net Change in Fund Balance	\$ 90,163	\$ (14,686)	\$ 75,477	\$ (378,986)	\$ (584,495)	\$ 659,972
Fund Balance, July 1, 2014	1,739,154	0	1,739,154	1,798,818	1,798,818	(59,664)
Fund Balance, June 30, 2015	\$ 1,829,317	\$ (14,686)	\$ 1,814,631	\$ 1,419,832	\$ 1,214,323	\$ 600,308

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 (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 30,183	\$ 0	\$ 30,183	\$ 15,000	\$ 15,000	\$ 15,183
State of Tennessee	1,308,569	0	1,308,569	1,502,280	1,502,280	(193,711)
Total Revenues	<u>\$ 1,338,752</u>	<u>\$ 0</u>	<u>\$ 1,338,752</u>	<u>\$ 1,517,280</u>	<u>\$ 1,517,280</u>	<u>\$ (178,528)</u>
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 115,252	\$ 155	\$ 115,407	\$ 149,958	\$ 149,958	\$ 34,551
Highway and Bridge Maintenance	574,983	6,799	581,782	526,155	726,155	144,373
Operation and Maintenance of Equipment	158,802	2,335	161,137	225,088	225,088	63,951
Other Charges	104,874	0	104,874	108,263	108,263	3,389
Employee Benefits	84,107	0	84,107	116,000	116,000	31,893
Capital Outlay	0	0	0	410,647	410,647	410,647
<u>Principal on Debt</u>						
Highways and Streets	37,991	0	37,991	59,185	59,185	21,194
<u>Interest on Debt</u>						
Highways and Streets	508	0	508	3,769	3,769	3,261
Total Expenditures	<u>\$ 1,076,517</u>	<u>\$ 9,289</u>	<u>\$ 1,085,806</u>	<u>\$ 1,599,065</u>	<u>\$ 1,799,065</u>	<u>\$ 713,259</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 262,235</u>	<u>\$ (9,289)</u>	<u>\$ 252,946</u>	<u>\$ (81,785)</u>	<u>\$ (281,785)</u>	<u>\$ 534,731</u>
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 203,000	\$ 0	\$ 203,000	\$ 20,000	\$ 220,000	\$ (17,000)
Total Other Financing Sources	<u>\$ 203,000</u>	<u>\$ 0</u>	<u>\$ 203,000</u>	<u>\$ 20,000</u>	<u>\$ 220,000</u>	<u>\$ (17,000)</u>
Net Change in Fund Balance	\$ 465,235	\$ (9,289)	\$ 455,946	\$ (61,785)	\$ (61,785)	\$ 517,731
Fund Balance, July 1, 2014	1,262,601	0	1,262,601	1,236,096	1,236,096	26,505
Fund Balance, June 30, 2015	<u>\$ 1,727,836</u>	<u>\$ (9,289)</u>	<u>\$ 1,718,547</u>	<u>\$ 1,174,311</u>	<u>\$ 1,174,311</u>	<u>\$ 544,236</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, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 217,414
Due from Other Governments	<u>49,291</u>
Total Assets	<u>\$ 266,705</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 49,291
Due to Litigants, Heirs, and Others	<u>217,414</u>
Total Liabilities	<u>\$ 266,705</u>

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

MEIGS COUNTY, TENNESSEE
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MEIGS COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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, 2015.

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 eight 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. Deferred outflows of resources represent 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 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 items are for pension changes in experience and employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent 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 items are from the following sources: current and delinquent property taxes, pension changes in investment earnings, pension changes in proportionate share of contributions, and various receivables for revenues, 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.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes for the primary government consists of pension obligations.

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.

8. **Restatement**

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement increasing Meigs County's beginning net position by \$515,723 and decreasing the Meigs County School Department's beginning net position by \$2,449,560 has been recognized on the Statement of Activities.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Meigs County and Highway Department's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Meigs County and Highway Department's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Meigs County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

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, 2015, Meigs County and the Meigs County School Department reported the following significant encumbrances:

Fund	Description	Amount
Primary Government:		
Major Fund:		
General	Data processing Supplies	\$ 12,034
Highway/Public Works	Crushed Stone	6,799
School Department:		
Major Fund:		
General Purpose School	Textbooks	\$ 36,184
"	Bus	81,935
"	Classroom additions	177,005

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. In March 2015, the former finance director was indicted on charges of theft over \$10,000, and a trial date of April 19, 2016, has been set for this case.

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, 2015.

B. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 325,905	\$ 0	\$ 0	\$ 325,905
Total Capital Assets Not Depreciated	<u>\$ 325,905</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 325,905</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 8,075,005	\$ 0	\$ 0	\$ 8,075,005
Infrastructure	6,108,090	0	0	6,108,090
Other Capital Assets	2,125,395	59,974	(63,735)	2,121,634
Total Capital Assets Depreciated	<u>\$ 16,308,490</u>	<u>\$ 59,974</u>	<u>\$ (63,735)</u>	<u>\$ 16,304,729</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,063,137	\$ 197,288	\$ 0	\$ 2,260,425
Infrastructure	1,877,372	152,702	0	2,030,074
Other Capital Assets	1,432,100	149,378	(63,735)	1,517,743
Total Accumulated Depreciation	<u>\$ 5,372,609</u>	<u>\$ 499,368</u>	<u>\$ (63,735)</u>	<u>\$ 5,808,242</u>
Total Capital Assets Depreciated, Net	<u>\$ 10,935,881</u>	<u>\$ (439,394)</u>	<u>\$ 0</u>	<u>\$ 10,496,487</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,261,786</u>	<u>\$ (439,394)</u>	<u>\$ 0</u>	<u>\$ 10,822,392</u>

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

Governmental Activities:

General Government	\$ 109,157
Public Safety	128,468
Public Health and Welfare	17,685
Social, Cultural, and Recreational Services	7,146
Agriculture and Natural Resources	34,143
Highways	<u>202,769</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 499,368</u>

Discretely Presented Meigs County School Department

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets				
Not Depreciated:				
Land	\$ 354,462	\$ 32,995	\$ 0	\$ 387,457
Construction in Progress	186,105	614,354	(186,105)	614,354
Total Capital Assets				
Not Depreciated	<u>\$ 540,567</u>	<u>\$ 647,349</u>	<u>\$ (186,105)</u>	<u>\$ 1,001,811</u>
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 10,827,886	\$ 462,179	\$ 0	\$ 11,290,065
Other Capital Assets	2,329,461	113,850	0	2,443,311
Total Capital Assets				
Depreciated	<u>\$ 13,157,347</u>	<u>\$ 576,029</u>	<u>\$ 0</u>	<u>\$ 13,733,376</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 5,490,036	\$ 252,317	\$ 0	\$ 5,742,353
Other Capital Assets	1,452,171	144,140	0	1,596,311
Total Accumulated				
Depreciation	<u>\$ 6,942,207</u>	<u>\$ 396,457</u>	<u>\$ 0</u>	<u>\$ 7,338,664</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 6,215,140</u>	<u>\$ 179,572</u>	<u>\$ 0</u>	<u>\$ 6,394,712</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 6,755,707</u>	<u>\$ 826,921</u>	<u>\$ (186,105)</u>	<u>\$ 7,396,523</u>

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

Governmental Activities:

Instruction	\$ 202,905
Support Services	182,038
Operation of Non-instructional Services	<u>11,514</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 396,457</u>

C. Construction Commitments

At June 30, 2015, the discretely presented Meigs School Department had uncompleted construction contracts of approximately \$177,005 for

construction of eight classrooms at two elementary schools. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 52,744
General Debt Service	General	4,468
Nonmajor governmental	"	2,237

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2015, consisted of the following amounts:

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Highway/ Public Works Fund</u>	<u>Nonmajor Governmental Funds</u>
General Fund	\$ 0	\$ 0	\$ 2,875
Other Capital Projects Fund	66,975	203,000	0
Nonmajor governmental funds	50,836	0	0
Total	<u>\$ 117,811</u>	<u>\$ 203,000</u>	<u>\$ 2,875</u>

Discretely Presented Meigs County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental funds	\$ 200,000

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 and Notes

Meigs County issues general obligation bonds 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 and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes were issued for original terms of up to 24 years for bonds and up to 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, 2015, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation (CAB) Bonds	4.8 to 5.15 %	5-1-26	\$ 2,088,479	\$ 1,928,336
Accreted Interest on (CAB) Bonds	4.8 to 5.15	5-1-26	N/A	1,653,763
General Obligation Bonds - Refunding	2.5	5-1-17	2,350,000	70,000

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, 2015, approximately \$1,653,763 of interest had accreted on the bonds.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2015, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2021-2025	775,889	1,474,109	2,249,998
2026	131,238	318,762	450,000
Total	<u>\$ 1,998,336</u>	<u>\$ 3,023,941</u>	<u>\$ 5,022,277</u>

There is \$1,352,221 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and notes totaled \$170, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities:

	Bonds	Accreted Interest on (CAB) Bonds	Notes
Balance, July 1, 2014	\$ 2,338,479	\$ 1,761,306	\$ 37,991
Reductions	(340,143)	(107,543)	(37,991)
Balance, June 30, 2015	<u>\$ 1,998,336</u>	<u>\$ 1,653,763</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 262,502</u>	<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 3,652,099
Less: Balance Due Within One Year	(262,502)
Add: Unamortized Premium on Debt	<u>16,567</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,406,164</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, 2015, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2014	\$ 371,112
Additions	84,382
Reductions	<u>(85,206)</u>
Balance, June 30, 2015	<u>\$ 370,288</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.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 370,288
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 370,288</u></u>

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, 2015, were \$26,308 and \$9,250, 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. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

C. 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.

D. Changes in Administration

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 Donna Eaton. Donna Eaton served as interim finance director until January 28, 2015, when Michelle Horton was appointed to the position on a permanent basis.

E. 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 made no contributions to the Meigs County/Decatur Industrial Development Board for the year ended June 30, 2015.

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, 2015.

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

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Meigs County and the Highway Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated, (TCA) Title 8, Chapters 34-37*. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	9
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees	0
Total	10

Meigs County and the Highway Department withdrew from the 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 services 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.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are noncontributory. Employers make contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. As noted above, Meigs County and the Highway Department withdrew from TCRS effective July 1, 1984, therefore, for the year ended June 30, 2015, Meigs County and the Highway Department made no contributions.

Net Pension Liability (Asset)

Meigs County and the Highway Department’s net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation

Mortality rates were based on actual experience from the June 30, 2012,

actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
Short-term Securities	0.98	29
	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was

established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Meigs County and the Highway Department will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 134,006	\$ 649,729	\$ (515,723)
Changes for the year:			
Service Cost	\$ 0	\$ 0	\$ 0
Interest	9,288	0	9,288
Differences Between Expected and Actual Experience	5,874	0	5,874
Contributions-Employer	0	0	0
Contributions-Employees	0	0	0
Net Investment Income	0	106,022	(106,022)
Benefit Payments, Including Refunds of Employee Contributions	(20,338)	(20,338)	0
Administrative Expense	0	(48)	48
Other Changes	0	0	0
Net Changes	\$ (5,176)	\$ 85,636	\$ (90,812)
Balance, June 30, 2014	\$ 128,830	\$ 735,365	\$ (606,535)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Meigs County and the Highway Department calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one

percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Meigs County and the Highway Department	6.5%	7.5%	8.5%

Net Pension Liability \$ 599,479 \$ (606,535) \$ (612,884)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Income. For the year ended June 30, 2015, Meigs County and the Highway Department recognized pension income of \$44,366.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Meigs County and the Highway Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	46,446
Contributions Subsequent to the Measurement Date of June 30, 2014	0	N/A
Total	<u>\$ 0</u>	<u>\$ 46,446</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (11,611)
2017	(11,611)
2018	(11,611)
2019	(11,611)
2020	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Meigs County School Department

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Meigs County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement

benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$13,175, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, the Meigs County School Department did not recognize any pension expense at June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ending June 30, 2015, the Meigs County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 13,175	N/A

The Meigs County School Department’s employer contributions of \$13,175 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Meigs County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members

are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Meigs County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$630,708, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Assets. At June 30, 2015, the Meigs County School Department reported an asset of \$30,211 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Meigs County School Department's proportion of the net pension asset was based on the Meigs County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Meigs

County School Department's proportion was .185917 percent. The proportion measured as of June 30, 2013, was .188229 percent.

Pension Income. For the year ended June 30, 2015, the Meigs County School Department recognized a pension income of \$31,343.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Meigs County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 73,344	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,489,172
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions	0	32,600
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>630,708</u>	<u>N/A</u>
Total	<u>\$ 704,052</u>	<u>\$ 2,521,772</u>

The Meigs County School Department's employer contributions of \$630,708 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (615,502)
2017	(615,502)
2018	(615,502)
2019	(615,502)
2020	6,791
Thereafter	6,791

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the

long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents Meigs County School Department’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what

Meigs County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 5,095,381	\$ (30,211)	\$ (4,273,645)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

2. Deferred Compensation

Teachers hired after July 1, 2014, by the discretely presented Meigs County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Meigs County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Meigs County School Department contributed \$16,468 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

G. Other Postemployment Benefits (OPEB)

The Meigs County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated*, 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 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 \$1,144 per month for their insurance. During the year, expenditures totaling \$84,382 were recognized by the School Department for postemployment health care premiums.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<u>Plan</u>
ARC	\$ 84,000
Interest on the NOPEBO	14,844
Adjustment to the ARC	<u>(14,462)</u>
Annual OPEB cost	\$ 84,382
Amount of contribution	<u>(85,206)</u>
Increase/decrease in NOPEBO	\$ (824)
Net OPEB obligation, 7-1-14	<u>371,112</u>
Net OPEB obligation, 6-30-15	<u>\$ 370,288</u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 167,285	47 %	\$ 378,687
6-30-14	"	81,390	109	371,112
6-30-15	"	84,382	101	370,288

Funded Status and Funding Progress

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

	<u>Local Education Group Plan</u>
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	13%

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 health care cost trend rate of seven percent for fiscal year 2015. The trend rate will decrease to 6.5 percent in 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates includes 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.

H. Office of Central Accounting and Budgeting – Primary Government

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

I. Purchasing Laws

Offices of County Mayor and Highway Superintendent

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

Office of Director of Schools

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

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 non-operating.

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:

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 unit of Meigs County, Tennessee. As such, Meigs County exercises significant influence over the district by having control over the appointment of the district’s Board. The district must file a budget with Meigs County and any bonds issued by the district are subject to approval by Meigs County, Tennessee.

Budgets and Budgetary Accounting

The district'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, 2015, all deposits with financial institutions were secured by collateral or by State of TN Bank collateral pool. A schedule of cash and investments classified by category of credit risk at June 30, 2015, 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	149,194	151,976
Certificates of Deposits, Insured by FDIC	<u>142,698</u>	<u>142,698</u>
Total	<u>\$ 541,892</u>	<u>\$ 544,674</u>

D. Capital Assets

The following is a schedule of changes to capital assets:

	Balance			Balance
	7-1-14	Increases	Decreases	6-30-15
Capital Assets Being Depreciated:				
Communication Equipment	\$ 515,031	\$ 11,392	\$ (804)	\$ 525,619
Furniture and Fixtures	26,937	0	0	26,937
Leasehold Improvements	153,724	0	0	153,724
Office Equipment	6,851	848	0	7,699
Vehicles	31,415	0	0	31,415
<hr/>				
Total Capital Assets				
Being Depreciated	\$ 733,958	\$ 12,240	\$ (804)	\$ 745,394
Total Accumulated Depreciation	407,041	56,617	(804)	462,854
<hr/>				
Total Capital Assets Net	\$ 326,917	\$ (44,377)	\$ 0	\$ 282,540
<hr/> <hr/>				

Provision for depreciation totaled \$56,617 for the year ended June 30, 2015.

E. 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.

F. 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 the County of Meigs per the terms of the 2004 Communications Agreement. Impact payments for the year ended June 30, 2015, totaled \$85,000.

The district also has a memorandum of understanding (MOU) with the County of Meigs 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.

G. Subsequent Events

Subsequent events were evaluated through the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Meigs County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	<u>2014</u>
Total Pension Liability (Asset)	
Service Cost	\$ 0
Interest	9,288
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	5,874
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	(20,338)
Net Change in Total Pension Liability (Asset)	\$ (5,176)
Total Pension Liability (Asset), Beginning	<u>134,006</u>
Total Pension Liability (Asset), Ending (a)	<u>\$ 128,830</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 0
Contributions - Employee	0
Net Investment Income	106,022
Benefit Payments, Including Refunds of Employee Contributions	(20,338)
Administrative Expense	(48)
Net Change in Plan Fiduciary Net Position	\$ 85,636
Plan Fiduciary Net Position, Beginning	<u>649,729</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 735,365</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (606,535)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	570.8%
Covered Employee Payroll	\$ 0
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A

Note: ten years of data will be presented when available.

Exhibit E-2

Meigs County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 0	\$ 0
Less Contributions in Relation to the Actuarially Determined Contribution	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 0	\$ 0
Contributions as a Percentage of Covered Employee Payroll	0.0%	0.0%

Note: ten years of data will be presented when available.

Exhibit E-3

Meigs County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Meigs County School Department
For the Fiscal Year Ended June 30

	<u>2015</u>
Actuarially Determined Contribution	\$ 8,234
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(13,175)</u>
Contribution Deficiency (Excess)	<u><u>\$ (4,941)</u></u>
Covered Employee Payroll	\$ 329,368
Contributions as a Percentage of Covered Employee Payroll	4.00%

Note: ten years of data will be presented when available.

Exhibit E-4

Meigs County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Meigs County School Department
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 647,995	\$ 630,708
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(647,995)</u>	<u>(630,708)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 7,297,256	\$ 6,976,864
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.04%

Note: ten years of data will be presented when available.

Exhibit E-5

Meigs County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Meigs County School Department
For the Fiscal Year Ended June 30 *

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.185917%
School Department's Proportionate Share of the Net Pension Asset	\$ 30,211
Covered Employee Payroll	\$ 7,297,256
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit E-6

Meigs County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Meigs County School Department
June 30, 2015

(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 %
"	7-1-11	0	1,490	1,490	0	5,808	26
"	7-1-13	0	747	747	0	5,873	13

MEIGS COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	1 Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement

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

Nonmajor Governmental Funds

Special Revenue Funds

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.

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.

Exhibit F-1

Meigs County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,908	\$ 1,908
Equity in Pooled Cash and Investments	96,558	108,993	0	205,551
Due from Other Governments	1,100	0	0	1,100
Due from Other Funds	2,237	0	0	2,237
Property Taxes Receivable	160,388	0	0	160,388
Allowance for Uncollectible Property Taxes	(13,255)	0	0	(13,255)
Total Assets	<u>\$ 247,028</u>	<u>\$ 108,993</u>	<u>\$ 1,908</u>	<u>\$ 357,929</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$ 0	\$ 50,836	\$ 1,908	\$ 52,744
Total Liabilities	<u>\$ 0</u>	<u>\$ 50,836</u>	<u>\$ 1,908</u>	<u>\$ 52,744</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 140,192	\$ 0	\$ 0	\$ 140,192
Deferred Delinquent Property Taxes	6,027	0	0	6,027
Other Deferred/Unavailable Revenue	1,100	0	0	1,100
Total Deferred Inflows of Resources	<u>\$ 147,319</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 147,319</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 58,157	\$ 0	\$ 58,157
Restricted for Public Health and Welfare	99,709	0	0	99,709
Total Fund Balances	<u>\$ 99,709</u>	<u>\$ 58,157</u>	<u>\$ 0</u>	<u>\$ 157,866</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 247,028</u>	<u>\$ 108,993</u>	<u>\$ 1,908</u>	<u>\$ 357,929</u>

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, 2015

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	
<u>Revenues</u>				
Local Taxes	\$ 156,566	\$ 0	\$ 0	\$ 156,566
Fines, Forfeitures, and Penalties	0	43,615	0	43,615
Charges for Current Services	200	0	3,139	3,339
Other Local Revenues	1,431	1,900	0	3,331
State of Tennessee	2,438	0	0	2,438
Total Revenues	<u>\$ 160,635</u>	<u>\$ 45,515</u>	<u>\$ 3,139</u>	<u>\$ 209,289</u>
<u>Expenditures</u>				
Current:				
Administration of Justice	\$ 0	\$ 0	\$ 3,139	\$ 3,139
Public Safety	0	2,715	0	2,715
Public Health and Welfare	128,915	0	0	128,915
Total Expenditures	<u>\$ 128,915</u>	<u>\$ 2,715</u>	<u>\$ 3,139</u>	<u>\$ 134,769</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 31,720</u>	<u>\$ 42,800</u>	<u>\$ 0</u>	<u>\$ 74,520</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 2,875	\$ 0	\$ 0	\$ 2,875
Transfers Out	0	(50,836)	0	(50,836)
Total Other Financing Sources (Uses)	<u>\$ 2,875</u>	<u>\$ (50,836)</u>	<u>\$ 0</u>	<u>\$ (47,961)</u>
Net Change in Fund Balances	\$ 34,595	\$ (8,036)	\$ 0	\$ 26,559
Fund Balance, July 1, 2014	65,114	66,193	0	131,307
Fund Balance, June 30, 2015	<u>\$ 99,709</u>	<u>\$ 58,157</u>	<u>\$ 0</u>	<u>\$ 157,866</u>

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 156,566	\$ 141,992	\$ 141,992	\$ 14,574
Charges for Current Services	200	0	0	200
Other Local Revenues	1,431	1,000	1,000	431
State of Tennessee	2,438	0	0	2,438
Total Revenues	<u>\$ 160,635</u>	<u>\$ 142,992</u>	<u>\$ 142,992</u>	<u>\$ 17,643</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 128,915	\$ 133,938	\$ 138,238	\$ 9,323
Total Expenditures	<u>\$ 128,915</u>	<u>\$ 133,938</u>	<u>\$ 138,238</u>	<u>\$ 9,323</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 31,720</u>	<u>\$ 9,054</u>	<u>\$ 4,754</u>	<u>\$ 26,966</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 2,875	0	0	2,875
Total Other Financing Sources	<u>\$ 2,875</u>	<u>0</u>	<u>0</u>	<u>2,875</u>
Net Change in Fund Balance	\$ 34,595	\$ 9,054	\$ 4,754	29,841
Fund Balance, July 1, 2014	<u>65,114</u>	<u>58,454</u>	<u>58,454</u>	<u>6,660</u>
Fund Balance, June 30, 2015	<u>\$ 99,709</u>	<u>\$ 67,508</u>	<u>\$ 63,208</u>	<u>\$ 36,501</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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 43,615	\$ 29,900	\$ 29,900	\$ 13,715
Other Local Revenues	1,900	500	500	1,400
Total Revenues	<u>\$ 45,515</u>	<u>\$ 30,400</u>	<u>\$ 30,400</u>	<u>\$ 15,115</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 2,715	\$ 8,440	\$ 8,440	\$ 5,725
Total Expenditures	<u>\$ 2,715</u>	<u>\$ 8,440</u>	<u>\$ 8,440</u>	<u>\$ 5,725</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 42,800</u>	<u>\$ 21,960</u>	<u>\$ 21,960</u>	<u>\$ 20,840</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (50,836)	\$ (24,467)	\$ (50,836)	0
Total Other Financing Sources	<u>\$ (50,836)</u>	<u>\$ (24,467)</u>	<u>\$ (50,836)</u>	<u>0</u>
Net Change in Fund Balance	\$ (8,036)	\$ (2,507)	\$ (28,876)	20,840
Fund Balance, July 1, 2014	<u>66,193</u>	<u>65,443</u>	<u>65,443</u>	<u>750</u>
Fund Balance, June 30, 2015	<u><u>\$ 58,157</u></u>	<u><u>\$ 62,936</u></u>	<u><u>\$ 36,567</u></u>	<u><u>\$ 21,590</u></u>

Major Governmental Fund

General Debt Service Fund

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.

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 370,604	\$ 351,384	\$ 351,384	\$ 19,220
State of Tennessee	51,984	14,500	14,500	37,484
Total Revenues	<u>\$ 422,588</u>	<u>\$ 365,884</u>	<u>\$ 365,884</u>	<u>\$ 56,704</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 340,143	\$ 480,000	\$ 340,143	\$ 0
<u>Interest on Debt</u>				
General Government	144,945	5,088	144,945	0
<u>Other Debt Service</u>				
General Government	8,335	2,500	8,337	2
Total Expenditures	<u>\$ 493,423</u>	<u>\$ 487,588</u>	<u>\$ 493,425</u>	<u>\$ 2</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (70,835)</u>	<u>\$ (121,704)</u>	<u>\$ (127,541)</u>	<u>\$ 56,706</u>
Net Change in Fund Balance	\$ (70,835)	\$ (121,704)	\$ (127,541)	\$ 56,706
Fund Balance, July 1, 2014	<u>1,423,056</u>	<u>1,441,559</u>	<u>1,441,559</u>	<u>(18,503)</u>
Fund Balance, June 30, 2015	<u><u>\$ 1,352,221</u></u>	<u><u>\$ 1,319,855</u></u>	<u><u>\$ 1,314,018</u></u>	<u><u>\$ 38,203</u></u>

Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register 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, 2015

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 217,414	\$ 217,414
Due from Other Governments	49,291	0	49,291
Total Assets	<u>\$ 49,291</u>	<u>\$ 217,414</u>	<u>\$ 266,705</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 49,291	\$ 0	\$ 49,291
Due to Litigants, Heirs, and Others	0	217,414	217,414
Total Liabilities	<u>\$ 49,291</u>	<u>\$ 217,414</u>	<u>\$ 266,705</u>

Exhibit H-2

Meigs County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 262,689	\$ 262,689	\$ 0
Due from Other Governments	39,180	49,291	39,180	49,291
Total Assets	\$ 39,180	\$ 311,980	\$ 301,869	\$ 49,291
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 39,180	\$ 311,980	\$ 301,869	\$ 49,291
Total Liabilities	\$ 39,180	\$ 311,980	\$ 301,869	\$ 49,291
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 309,509	\$ 2,063,305	\$ 2,155,400	\$ 217,414
Total Assets	\$ 309,509	\$ 2,063,305	\$ 2,155,400	\$ 217,414
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 309,509	\$ 2,063,305	\$ 2,155,400	\$ 217,414
Total Liabilities	\$ 309,509	\$ 2,063,305	\$ 2,155,400	\$ 217,414
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 309,509	\$ 2,063,305	\$ 2,155,400	\$ 217,414
Equity in Pooled Cash and Investments	0	262,689	262,689	0
Due from Other Governments	39,180	49,291	39,180	49,291
Total Assets	\$ 348,689	\$ 2,375,285	\$ 2,457,269	\$ 266,705
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 39,180	\$ 311,980	\$ 301,869	\$ 49,291
Due to Litigants, Heirs, and Others	309,509	2,063,305	2,155,400	217,414
Total Liabilities	\$ 348,689	\$ 2,375,285	\$ 2,457,269	\$ 266,705

Meigs County School Department

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

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, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 9,040,173	\$ 3,300	\$ 1,572,719	\$ (7,464,154)
Support Services	3,902,582	18,679	0	(3,883,903)
Operation of Non-instructional Services	1,416,037	75,477	931,011	(409,549)
Total Governmental Activities	<u>\$ 14,358,792</u>	<u>\$ 97,456</u>	<u>\$ 2,503,730</u>	<u>\$ (11,757,606)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,414,551
Local Option Sales Taxes				503,301
Wholesale Beer Tax				59,298
Other Local Taxes				1,125
Grants and Contributions Not Restricted to Specific Programs				10,629,604
Unrestricted Investment Earnings				13,562
Miscellaneous				54,534
Pension Income				31,343
Total General Revenues				<u>\$ 12,707,318</u>
Change in Net Position				\$ 949,712
Net Position, July 1, 2014				9,847,602
Restatement - See Note I. D. 8				(2,449,560)
Net Position, June 30, 2015				<u>\$ 8,347,754</u>

Exhibit I-2

Meigs County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Meigs County School Department
June 30, 2015

	<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	\$ 2,400,998	\$ 328,037	\$ 2,729,035
Due from Other Governments	288,250	0	288,250
Due from Primary Government	20,383	0	20,383
Property Taxes Receivable	1,461,362	0	1,461,362
Allowance for Uncollectible Property Taxes	(120,765)	0	(120,765)
Total Assets	<u>\$ 4,050,228</u>	<u>\$ 328,037</u>	<u>\$ 4,378,265</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 170	\$ 0	\$ 170
Accrued Payroll	4,889	0	4,889
Total Liabilities	<u>\$ 5,059</u>	<u>\$ 0</u>	<u>\$ 5,059</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,277,353	\$ 0	\$ 1,277,353
Deferred Delinquent Property Taxes	54,913	0	54,913
Other Deferred/Unavailable Revenue	59,472	0	59,472
Total Deferred Inflows of Resources	<u>\$ 1,391,738</u>	<u>\$ 0</u>	<u>\$ 1,391,738</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 160,940	\$ 308,037	\$ 468,977
Committed:			
Committed for Education	0	20,000	20,000
Assigned:			
Assigned for Education	1,116,073	0	1,116,073
Unassigned	1,376,418	0	1,376,418
Total Fund Balances	<u>\$ 2,653,431</u>	<u>\$ 328,037</u>	<u>\$ 2,981,468</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,050,228</u>	<u>\$ 328,037</u>	<u>\$ 4,378,265</u>

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, 2015

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)		\$	2,981,468
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	387,457	
Add: construction in progress		614,354	
Add: buildings and improvements net of accumulated depreciation		5,547,712	
Add: other capital assets net of accumulated depreciation		<u>847,000</u>	7,396,523
(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			(370,288)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	717,227	
Less: deferred inflows of resources related to pensions		<u>(2,521,772)</u>	(1,804,545)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension assets - cost-sharing plan			30,211
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>114,385</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>8,347,754</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, 2015

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 2,416,422	\$ 0	\$ 2,416,422
Licenses and Permits	575	0	575
Charges for Current Services	3,300	85,543	88,843
Other Local Revenues	336,795	940	337,735
State of Tennessee	10,164,022	9,166	10,173,188
Federal Government	26,920	2,240,572	2,267,492
Total Revenues	<u>\$ 12,948,034</u>	<u>\$ 2,336,221</u>	<u>\$ 15,284,255</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 8,084,746	\$ 1,034,946	\$ 9,119,692
Support Services	3,842,094	285,461	4,127,555
Operation of Non-instructional Services	424,242	996,189	1,420,431
Capital Outlay	976,637	0	976,637
Total Expenditures	<u>\$ 13,327,719</u>	<u>\$ 2,316,596</u>	<u>\$ 15,644,315</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (379,685)</u>	<u>\$ 19,625</u>	<u>\$ (360,060)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 200,000	\$ 0	\$ 200,000
Transfers Out	0	(200,000)	(200,000)
Total Other Financing Sources (Uses)	<u>\$ 200,000</u>	<u>\$ (200,000)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (179,685)	\$ (180,375)	\$ (360,060)
Fund Balance, July 1, 2014	2,833,116	508,412	3,341,528
Fund Balance, June 30, 2015	<u>\$ 2,653,431</u>	<u>\$ 328,037</u>	<u>\$ 2,981,468</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, 2015

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)		\$ (360,060)
(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	\$ 1,037,273	
Less: current-year depreciation expense	<u>(396,457)</u>	640,816
(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 114,385	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(121,479)</u>	(7,094)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability	\$ 824	
Change in net pension liability/asset	2,479,771	
Change in deferred outflows related to pensions	717,227	
Change in deferred inflows related to pensions	<u>(2,521,772)</u>	<u>676,050</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 949,712</u>

Exhibit I-6

Meigs County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Meigs County School Department
June 30, 2015

	<u>Special Revenue Funds</u>			
	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 20,000	\$ 256,917	\$ 51,120	\$ 328,037
Total Assets	<u>\$ 20,000</u>	<u>\$ 256,917</u>	<u>\$ 51,120</u>	<u>\$ 328,037</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 0	\$ 256,917	\$ 51,120	\$ 308,037
Committed:				
Committed for Education	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
Total Fund Balances	<u>\$ 20,000</u>	<u>\$ 256,917</u>	<u>\$ 51,120</u>	<u>\$ 328,037</u>

Exhibit I-7

Meigs County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Meigs County School Department
For the Year Ended June 30, 2015

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Other Education Special Revenue	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 85,543	\$ 0	\$ 85,543
Other Local Revenues	0	940	0	940
State of Tennessee	0	9,166	0	9,166
Federal Government	1,318,727	921,845	0	2,240,572
Total Revenues	\$ 1,318,727	\$ 1,017,494	\$ 0	\$ 2,336,221
<u>Expenditures</u>				
Current:				
Instruction	\$ 1,034,946	\$ 0	\$ 0	\$ 1,034,946
Support Services	283,781	0	1,680	285,461
Operation of Non-instructional Services	0	996,189	0	996,189
Total Expenditures	\$ 1,318,727	\$ 996,189	\$ 1,680	\$ 2,316,596
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 21,305	\$ (1,680)	\$ 19,625
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ 0	\$ (200,000)	\$ (200,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ (200,000)	\$ (200,000)
Net Change in Fund Balances	\$ 0	\$ 21,305	\$ (201,680)	\$ (180,375)
Fund Balance, July 1, 2014	20,000	235,612	252,800	508,412
Fund Balance, June 30, 2015	\$ 20,000	\$ 256,917	\$ 51,120	\$ 328,037

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,416,422	\$ 0	\$ 0	\$ 2,416,422	\$ 2,236,000	\$ 2,251,000	\$ 165,422
Licenses and Permits	575	0	0	575	0	0	575
Charges for Current Services	3,300	0	0	3,300	2,000	2,000	1,300
Other Local Revenues	336,795	0	0	336,795	83,000	340,250	(3,455)
State of Tennessee	10,164,022	0	0	10,164,022	10,110,665	10,151,403	12,619
Federal Government	26,920	0	0	26,920	0	42,920	(16,000)
Total Revenues	\$ 12,948,034	\$ 0	\$ 0	\$ 12,948,034	\$ 12,431,665	\$ 12,787,573	\$ 160,461
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 6,666,753	\$ (39,093)	\$ 37,608	\$ 6,665,268	\$ 7,137,570	\$ 6,958,570	\$ 293,302
Alternative Instruction Program	74,116	0	0	74,116	65,690	74,395	279
Special Education Program	924,159	0	0	924,159	910,170	929,745	5,586
Vocational Education Program	340,044	0	0	340,044	296,720	341,790	1,746
Student Body Education Program	79,674	0	4,990	84,664	84,996	84,996	332
<u>Support Services</u>							
Attendance	34,904	0	0	34,904	34,390	37,130	2,226
Health Services	212,143	(2,045)	0	210,098	215,195	215,195	5,097
Other Student Support	403,468	(4,500)	0	398,968	374,665	405,540	6,572
Regular Instruction Program	301,647	(563)	0	301,084	306,775	316,070	14,986
Alternative Instruction Program	45,971	0	0	45,971	31,847	74,767	28,796
Special Education Program	96,687	0	0	96,687	104,920	97,620	933
Vocational Education Program	61,916	0	0	61,916	60,270	62,700	784
Other Programs	35,558	0	0	35,558	0	35,558	0
Board of Education	207,452	(10,363)	13,724	210,813	225,730	226,730	15,917
Director of Schools	180,957	(1,411)	0	179,546	167,400	181,625	2,079
Office of the Principal	478,244	0	0	478,244	440,425	486,345	8,101
Fiscal Services	50,136	0	0	50,136	45,840	50,345	209
Operation of Plant	864,317	(1,518)	0	862,799	842,195	887,110	24,311
Maintenance of Plant	171,004	0	792	171,796	166,650	191,985	20,189

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 693,168	\$ (96,503)	\$ 81,935	\$ 678,600	\$ 786,280	\$ 788,280	\$ 109,680
Central and Other	4,522	(3,643)	0	879	957	957	78
<u>Operation of Non-Instructional Services</u>							
Community Services	5,476	(5,476)	0	0	0	0	0
Early Childhood Education	418,766	(3,525)	0	415,241	415,240	415,241	0
<u>Capital Outlay</u>							
Regular Capital Outlay	976,637	(282,931)	277,024	970,730	720,000	1,017,250	46,520
Total Expenditures	\$ 13,327,719	\$ (451,571)	\$ 416,073	\$ 13,292,221	\$ 13,433,925	\$ 13,879,944	\$ 587,723
Excess (Deficiency) of Revenues Over Expenditures	\$ (379,685)	\$ 451,571	\$ (416,073)	\$ (344,187)	\$ (1,002,260)	\$ (1,092,371)	\$ 748,184
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 200,000	\$ 0	\$ 0	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0
Total Other Financing Sources	\$ 200,000	\$ 0	\$ 0	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0
Net Change in Fund Balance	\$ (179,685)	\$ 451,571	\$ (416,073)	\$ (144,187)	\$ (802,260)	\$ (892,371)	\$ 748,184
Fund Balance, July 1, 2014	2,833,116	(451,571)	0	2,381,545	2,809,110	2,809,110	(427,565)
Fund Balance, June 30, 2015	\$ 2,653,431	\$ 0	\$ (416,073)	\$ 2,237,358	\$ 2,006,850	\$ 1,916,739	\$ 320,619

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,318,727	\$ 1,521,234	\$ 1,524,632	\$ (205,905)
Total Revenues	\$ 1,318,727	\$ 1,521,234	\$ 1,524,632	\$ (205,905)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 649,823	\$ 737,444	\$ 739,561	\$ 89,738
Special Education Program	366,641	412,358	414,439	47,798
Vocational Education Program	18,482	17,008	18,482	0
<u>Support Services</u>				
Other Student Support	29,804	31,703	29,805	1
Regular Instruction Program	80,212	80,213	80,213	1
Special Education Program	157,778	220,832	220,832	63,054
Vocational Education Program	975	1,350	975	0
Transportation	15,012	20,325	20,325	5,313
Total Expenditures	\$ 1,318,727	\$ 1,521,233	\$ 1,524,632	\$ 205,905
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 1	\$ 0	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 71,713	\$ 0	\$ 0
Transfers Out	0	(71,713)	0	0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 1	\$ 0	\$ 0
Fund Balance, July 1, 2014	20,000	0	0	20,000
Fund Balance, June 30, 2015	\$ 20,000	\$ 1	\$ 0	\$ 20,000

Exhibit I-10

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Meigs County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 85,543	\$ 93,080	\$ 93,080	\$ (7,537)
Other Local Revenues	940	500	500	440
State of Tennessee	9,166	10,000	16,342	(7,176)
Federal Government	921,845	761,260	832,129	89,716
Total Revenues	<u>\$ 1,017,494</u>	<u>\$ 864,840</u>	<u>\$ 942,051</u>	<u>\$ 75,443</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 996,189	\$ 924,840	\$ 1,002,050	\$ 5,861
Total Expenditures	<u>\$ 996,189</u>	<u>\$ 924,840</u>	<u>\$ 1,002,050</u>	<u>\$ 5,861</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 21,305</u>	<u>\$ (60,000)</u>	<u>\$ (59,999)</u>	<u>\$ 81,304</u>
Net Change in Fund Balance	\$ 21,305	\$ (60,000)	\$ (59,999)	\$ 81,304
Fund Balance, July 1, 2014	<u>235,612</u>	<u>235,612</u>	<u>235,612</u>	<u>0</u>
Fund Balance, June 30, 2015	<u>\$ 256,917</u>	<u>\$ 175,612</u>	<u>\$ 175,613</u>	<u>\$ 81,304</u>

Exhibit I-11

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Meigs County School Department
Other Education Special Revenue Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 15,000	\$ 15,000	\$ (15,000)
Total Revenues	\$ 0	\$ 15,000	\$ 15,000	\$ (15,000)
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 1,680	\$ 0	\$ 1,680	\$ 0
Total Expenditures	\$ 1,680	\$ 0	\$ 1,680	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,680)	\$ 15,000	\$ 13,320	\$ (15,000)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ 0
Total Other Financing Sources	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ 0
Net Change in Fund Balance	\$ (201,680)	\$ (185,000)	\$ (186,680)	\$ (15,000)
Fund Balance, July 1, 2014	252,800	252,800	252,800	0
Fund Balance, June 30, 2015	\$ 51,120	\$ 67,800	\$ 66,120	\$ (15,000)

MISCELLANEOUS SCHEDULES

Exhibit J-1

Meigs County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Paid and/or Matured During Period	Outstanding 6-30-15
<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	\$ 1,825	\$ 1,825	\$ 0
Grader	75,000	4.35	1-17-12	1-17-15	36,166	36,166	0
Total Notes Payable					<u>\$ 37,991</u>	<u>\$ 37,991</u>	<u>\$ 0</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	\$ 160,143	\$ 1,928,336
General Obligation Refunding Bonds, Series 2010	2,350,000	2.5	12-10-10	5-1-17	250,000	180,000	70,000
Total Bonds Payable					<u>\$ 2,338,479</u>	<u>\$ 340,143</u>	<u>\$ 1,998,336</u>

(1) These (CAB) bonds accrete interest that is paid at bond maturity. As of June 30, 2015, approximately \$1,653,763 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	Bonds		
	Principal	Interest	Total
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	<u>\$ 1,998,336</u>	<u>\$ 3,023,941</u>	<u>\$ 5,022,277</u>

Exhibit J-3

Meigs County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Meigs County School Department
For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Solid Waste/Sanitation	Reimbursement	\$ 2,875
Drug Control	General	"	50,836
Other Capital Projects	"	"	66,975
"	Highway/Public Works	Road repairs	<u>203,000</u>
Total Transfers Primary Government			<u>\$ 323,686</u>
<u>DISCRETELY PRESENTED MEIGS</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
Other Education Special Revenue	General Purpose School	Construction	<u>\$ 200,000</u>
Total Transfers Discretely Presented Meigs County School Department			<u>\$ 200,000</u>

Exhibit J-4

Meigs County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Meigs County School Department
For the Year Ended June 30, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Garland Lankford (July 1, 2014 through August 31, 2014)	Section 8-24-102, <i>TCA</i>	\$ 11,306	\$ 25,000	Travelers Casualty and Surety
Bill James (September 1, 2014 through June 30, 2015)	Section 8-24-102, <i>TCA</i>	56,080	100,000	Cincinnati Insurance Company
Highway Superintendent:				
Jerry Shoemaker (July 1, 2014 through August 31, 2014)	Section 8-24-102, <i>TCA</i>	11,090	100,000	Travelers Casualty and Surety
Jimmy Nelson (September 1, 2014 through June 30, 2015)	Section 8-24-102, <i>TCA</i>	53,088	100,000	Cincinnati Insurance Company
Director of Schools	State Board of Education and County Board of Education	106,880 (1)	100,000	Western Surety Company
Trustee:				
Carolyn Wattenbarger (July 1, 2014 through August 31, 2014)	Section 8-24-102, <i>TCA</i>	9,724	532,700	Travelers Casualty and Surety
Stacie Hyde (September 1, 2014 through June 30, 2015)	Section 8-24-102, <i>TCA</i>	48,619	532,840	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	58,343	50,000	Travelers Casualty and Surety
County Clerk	Section 8-24-102, <i>TCA</i>	58,343	100,000	Cincinnati Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	58,343	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	58,343 (2)	50,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	58,343	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	64,178	100,000	"
Director of Finance:				
Libby McCosh (July 1, 2014 through October 26, 2014)	County Commission	15,816	100,000	"
Donna Eaton, Interim (November 1, 2014 through January 27, 2015)	County Commission	11,635	100,000	"
Michelle Horton (January 28, 2015 through June 30, 2015)	County Commission	18,384	100,000	"
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, chief executive officer training supplement of \$1,000, and career ladder payment of \$1,000.

(2) Does not include special commissioner fees of \$1,931.

Exhibit J-5

Meigs County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2015

	Special Revenue Funds					Debt Service
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,940,520	\$ 132,524	\$ 0	\$ 0	\$ 0	\$ 264,667
Trustee's Collections - Prior Year	115,172	7,865	0	0	0	15,708
Circuit/Clerk and Master Collections - Prior Years	57,654	3,937	0	0	0	7,864
Interest and Penalty	20,626	1,409	0	0	0	2,813
Payments in-Lieu-of Taxes - T.V.A.	1,485	0	0	0	0	24,041
Payments in-Lieu-of Taxes - Local Utilities	174,634	10,831	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	166,533	0	0	0	0	55,511
Hotel/Motel Tax	13,787	0	0	0	0	0
Litigation Tax - General	24,013	0	0	0	0	0
Litigation Tax - Special Purpose	32,390	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	2,548	0	0	0	0	0
Litigation Tax - Courthouse Security	850	0	0	0	0	0
Business Tax	32,017	0	0	0	0	0
Mixed Drink Tax	3	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	30,183	0
Other County Local Option Taxes	8,538	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Wholesale Beer Tax	86,427	0	0	0	0	0
Interstate Telecommunications Tax	1,007	0	0	0	0	0
Total Local Taxes	\$ 2,678,204	\$ 156,566	\$ 0	\$ 0	\$ 30,183	\$ 370,604
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 622	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	3,748	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
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 712	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	12,008	0	0	0	0	0
Other Permits	495	0	0	0	0	0
Total Licenses and Permits	<u>\$ 17,585</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Officers Costs	\$ 3,786	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Criminal Court</u>						
Fines	2,402	0	0	0	0	0
Drug Control Fines	0	0	5,024	0	0	0
Drug Court Fees	88	0	0	0	0	0
DUI Treatment Fines	856	0	0	0	0	0
Data Entry Fee - Criminal Court	298	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	35,543	0	0	0	0	0
Fines for Littering	48	0	0	0	0	0
Officers Costs	24,270	0	0	0	0	0
Game and Fish Fines	1,078	0	0	0	0	0
Drug Control Fines	920	0	21,432	0	0	0
Drug Court Fees	162	0	0	0	0	0
Jail Fees	2,532	0	0	0	0	0
Data Entry Fee - General Sessions Court	7,492	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	2,015	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
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court (Cont.)</u>						
Data Entry Fee - Chancery Court	\$ 2,218	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	13	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	42,347	0	0	0	0	0
Drug Court Fees	10	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	9,045	0	0	0
Data Entry Fee - Other Courts	10,049	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	8,114	0	0	0
Other Fines, Forfeitures, and Penalties	770	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 136,897	\$ 0	\$ 43,615	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 200	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	298,287	0	0	0	0	0
<u>Fees</u>						
Copy Fees	358	0	0	0	0	0
Telephone Commissions	14,750	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	1,208	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	1,931	0	0
Data Processing Fee - Register	3,756	0	0	0	0	0
Data Processing Fee - Sheriff	1,865	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,250	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	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - County Clerk	\$ 440	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 321,706	\$ 200	\$ 0	\$ 3,139	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Lease/Rentals	\$ 3,900	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Commissary Sales	18,743	0	0	0	0	0
Sale of Recycled Materials	988	1,431	0	0	0	0
Miscellaneous Refunds	6,127	0	0	0	0	0
<u>Nonrecurring Items</u>						
Contributions and Gifts	62,600	0	1,900	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	12,340	0	0	0	0	0
Total Other Local Revenues	\$ 104,698	\$ 1,431	\$ 1,900	\$ 0	\$ 0	\$ 0
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 113,738	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	17,206	0	0	0	0	0
General Sessions Court Clerk	81,617	0	0	0	0	0
Clerk and Master	49,862	0	0	0	0	0
Register	40,856	0	0	0	0	0
Sheriff	7,241	0	0	0	0	0
Trustee	146,078	0	0	0	0	0
Total Fees Received from County Officials	\$ 456,598	\$ 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	General Debt Service
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 18,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	7,360	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	9,000	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	105,765	0	0	0	0	0
Other Health and Welfare Grants	19,207	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	20,335	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	42,346	2,237	0	0	0	4,468
Beer Tax	18,055	0	0	0	0	0
Vehicle Certificate of Title Fees	914	0	0	0	0	0
Alcoholic Beverage Tax	24,595	0	0	0	0	0
State Revenue Sharing - T.V.A.	316,774	0	0	0	0	47,516
Contracted Prisoner Boarding	148,245	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	1,300,089	0
Petroleum Special Tax	0	0	0	0	8,480	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Revenues	1,969	201	0	0	0	0
Total State of Tennessee	\$ 747,729	\$ 2,438	\$ 0	\$ 0	\$ 1,308,569	\$ 51,984
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 118,315	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Homeland Security Grants	\$ 5,189	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	21,064	0	0	0	0	0
Other Federal through State	8,658	0	0	0	0	0
Total Federal Government	<u>\$ 153,226</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contracted Services	\$ 85,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	<u>\$ 85,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 4,701,643</u>	<u>\$ 160,635</u>	<u>\$ 45,515</u>	<u>\$ 3,139</u>	<u>\$ 1,338,752</u>	<u>\$ 422,588</u>

(Continued)

Exhibit J-5

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

	<u>Capital</u> <u>Projects Fund</u> Other Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 2,337,711
Trustee's Collections - Prior Year	0	138,745
Circuit/Clerk and Master Collections - Prior Years	0	69,455
Interest and Penalty	0	24,848
Payments in-Lieu-of Taxes - T.V.A.	0	25,526
Payments in-Lieu-of Taxes - Local Utilities	0	185,465
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	222,044
Hotel/Motel Tax	0	13,787
Litigation Tax - General	0	24,013
Litigation Tax - Special Purpose	0	32,390
Litigation Tax - Jail, Workhouse, or Courthouse	0	2,548
Litigation Tax - Courthouse Security	0	850
Business Tax	0	32,017
Mixed Drink Tax	0	3
Mineral Severance Tax	0	30,183
Other County Local Option Taxes	0	8,538
<u>Statutory Local Taxes</u>		
Wholesale Beer Tax	0	86,427
Interstate Telecommunications Tax	0	1,007
Total Local Taxes	<u>\$ 0</u>	<u>\$ 3,235,557</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	\$ 0	\$ 622
Cable TV Franchise	0	3,748

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>		<u>Other Capital Projects</u>	<u>Total</u>
<u>Licenses and Permits (Cont.)</u>				
<u>Permits</u>				
Beer Permits	\$	0	\$	712
Building Permits		0		12,008
Other Permits		0		495
Total Licenses and Permits	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>17,585</u>
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Officers Costs	\$	0	\$	3,786
<u>Criminal Court</u>				
Fines		0		2,402
Drug Control Fines		0		5,024
Drug Court Fees		0		88
DUI Treatment Fines		0		856
Data Entry Fee - Criminal Court		0		298
<u>General Sessions Court</u>				
Fines		0		35,543
Fines for Littering		0		48
Officers Costs		0		24,270
Game and Fish Fines		0		1,078
Drug Control Fines		0		22,352
Drug Court Fees		0		162
Jail Fees		0		2,532
Data Entry Fee - General Sessions Court		0		7,492
<u>Chancery Court</u>				
Officers Costs		0		2,015

(Continued)

Exhibit J-5

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

	Capital Projects Fund		Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Chancery Court (Cont.)</u>				
Data Entry Fee - Chancery Court	\$	0	\$	2,218
Courtroom Security Fee		0		13
<u>Other Courts - In-county</u>				
Fines		0		42,347
Drug Court Fees		0		10
<u>Judicial District Drug Program</u>				
Drug Task Force Forfeitures and Seizures		0		9,045
Data Entry Fee - Other Courts		0		10,049
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property		0		8,114
Other Fines, Forfeitures, and Penalties		0		770
Total Fines, Forfeitures, and Penalties	\$	0	\$	180,512
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Surcharge - Waste Tire Disposal	\$	0	\$	200
Patient Charges		0		298,287
<u>Fees</u>				
Copy Fees		0		358
Telephone Commissions		0		14,750
Constitutional Officers' Fees and Commissions		0		1,208
Special Commissioner Fees/Special Master Fees		0		1,931
Data Processing Fee - Register		0		3,756
Data Processing Fee - Sheriff		0		1,865
Sexual Offender Registration Fee - Sheriff		0		2,250

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>		<u>Other Capital Projects</u>	<u>Total</u>
<hr/>				
<u>Charges for Current Services (Cont.)</u>				
<u>Fees (Cont.)</u>				
Data Processing Fee - County Clerk	\$	0	\$	440
Total Charges for Current Services	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>325,045</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Lease/Rentals	\$	0	\$	3,900
Commissary Sales		0		18,743
Sale of Recycled Materials		0		2,419
Miscellaneous Refunds		0		6,127
<u>Nonrecurring Items</u>				
Contributions and Gifts		0		64,500
<u>Other Local Revenues</u>				
Other Local Revenues		0		12,340
Total Other Local Revenues	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>108,029</u>
<u>Fees Received from County Officials</u>				
<u>Fees in-Lieu-of Salary</u>				
County Clerk	\$	0	\$	113,738
Circuit Court Clerk		0		17,206
General Sessions Court Clerk		0		81,617
Clerk and Master		0		49,862
Register		0		40,856
Sheriff		0		7,241
Trustee		0		146,078
Total Fees Received from County Officials	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>456,598</u>

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>		<u>Other Capital Projects</u>	<u>Total</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$	0	\$	18,000
Aging Programs		0		7,360
<u>Public Safety Grants</u>				
Law Enforcement Training Programs		0		9,000
<u>Health and Welfare Grants</u>				
Health Department Programs		0		105,765
Other Health and Welfare Grants		0		19,207
<u>Public Works Grants</u>				
Litter Program		0		20,335
<u>Other State Revenues</u>				
Income Tax		0		49,051
Beer Tax		0		18,055
Vehicle Certificate of Title Fees		0		914
Alcoholic Beverage Tax		0		24,595
State Revenue Sharing - T.V.A.		766,666		1,130,956
Contracted Prisoner Boarding		0		148,245
Gasoline and Motor Fuel Tax		0		1,300,089
Petroleum Special Tax		0		8,480
Registrar's Salary Supplement		0		15,164
Other State Revenues		0		2,170
Total State of Tennessee	<u>\$</u>	<u>766,666</u>	<u>\$</u>	<u>2,877,386</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
Civil Defense Reimbursement	\$	0	\$	118,315

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>		<u>Other Capital Projects</u>	<u>Total</u>
<hr/>				
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Homeland Security Grants	\$	0	\$	5,189
Law Enforcement Grants		0		21,064
Other Federal through State		0		8,658
Total Federal Government	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>153,226</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contracted Services	\$	0	\$	85,000
Total Other Governments and Citizens Groups	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>85,000</u>
Total	<u>\$</u>	<u>766,666</u>	<u>\$</u>	<u>7,438,938</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, 2015

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,207,478	\$ 0	\$ 0	\$ 1,207,478
Trustee's Collections - Prior Year	71,665	0	0	71,665
Circuit/Clerk and Master Collections - Prior Years	35,875	0	0	35,875
Interest and Penalty	12,834	0	0	12,834
Payments in-Lieu-of Taxes - T.V.A.	429,650	0	0	429,650
Payments in-Lieu-of Taxes - Local Utilities	108,665	0	0	108,665
<u>County Local Option Taxes</u>				
Local Option Sales Tax	489,829	0	0	489,829
Mixed Drink Tax	3	0	0	3
<u>Statutory Local Taxes</u>				
Wholesale Beer Tax	59,298	0	0	59,298
Interstate Telecommunications Tax	1,125	0	0	1,125
Total Local Taxes	<u>\$ 2,416,422</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,416,422</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 575	\$ 0	\$ 0	\$ 575
Total Licenses and Permits	<u>\$ 575</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 575</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Regular Day Students	\$ 3,300	\$ 0	\$ 0	\$ 3,300
Receipts from Individual Schools	0	0	75,477	75,477

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Charges for Current Services (Cont.)</u>				
<u>Other Charges for Services</u>				
Other Charges for Services	\$ 0	\$ 0	\$ 10,066	\$ 10,066
Total Charges for Current Services	\$ 3,300	\$ 0	\$ 85,543	\$ 88,843
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 13,255	\$ 0	\$ 307	\$ 13,562
Lease/Rentals	5,900	0	0	5,900
Sale of Materials and Supplies	2,713	0	0	2,713
Miscellaneous Refunds	42,554	0	0	42,554
<u>Nonrecurring Items</u>				
Sale of Equipment	0	0	633	633
Contributions and Gifts	272,280	0	0	272,280
<u>Other Local Revenues</u>				
Other Local Revenues	93	0	0	93
Total Other Local Revenues	\$ 336,795	\$ 0	\$ 940	\$ 337,735
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 35,558	\$ 0	\$ 0	\$ 35,558
<u>State Education Funds</u>				
Basic Education Program	9,485,000	0	0	9,485,000
Early Childhood Education	415,240	0	0	415,240
School Food Service	0	0	9,166	9,166
Driver Education	12,690	0	0	12,690

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Coordinated School Health	\$ 91,700	\$ 0	\$ 0	\$ 91,700
Career Ladder Program	51,849	0	0	51,849
Career Ladder - Extended Contract	24,145	0	0	24,145
<u>Other State Revenues</u>				
Income Tax	20,383	0	0	20,383
Other State Grants	5,073	0	0	5,073
Safe Schools	11,130	0	0	11,130
Other State Revenues	11,254	0	0	11,254
Total State of Tennessee	<u>\$ 10,164,022</u>	<u>\$ 0</u>	<u>\$ 9,166</u>	<u>\$ 10,173,188</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 580,576	\$ 580,576
USDA - Commodities	0	0	54,961	54,961
Breakfast	0	0	268,743	268,743
USDA - Other	0	0	1,657	1,657
USDA Food Service Equipment Grant	0	0	15,908	15,908
Vocational Education - Basic Grants to States	0	29,316	0	29,316
Title I Grants to Local Education Agencies	0	600,375	0	600,375
Special Education - Grants to States	0	523,981	0	523,981
Special Education Preschool Grants	0	15,448	0	15,448
Rural Education	0	33,341	0	33,341
Appalachian Regional Commission	26,920	0	0	26,920
Eisenhower Professional Development State Grants	0	87,521	0	87,521

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Race to the Top - ARRA	\$ 0	\$ 28,745	\$ 0	\$ 28,745
Total Federal Government	\$ 26,920	\$ 1,318,727	\$ 921,845	\$ 2,267,492
 Total	 \$ 12,948,034	 \$ 1,318,727	 \$ 1,017,494	 \$ 15,284,255

Exhibit J-7

Meigs County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2015

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	34,000	
Social Security		2,621	
Unemployment Compensation		278	
Audit Services		400	
Dues and Memberships		4,091	
Legal Services		190	
Travel		1,257	
Other Contracted Services		21,500	
Other Supplies and Materials		1,541	
Total County Commission			\$ 65,878

Board of Equalization

Board and Committee Members Fees	\$	710	
Total Board of Equalization			710

County Mayor/Executive

County Official/Administrative Officer	\$	67,386	
Assistant(s)		21,782	
Other Salaries and Wages		2,637	
Social Security		7,322	
Employee and Dependent Insurance		6,202	
Unemployment Compensation		362	
Travel		1,321	
Office Supplies		1,194	
Premiums on Corporate Surety Bonds		699	
Total County Mayor/Executive			108,905

County Attorney

Legal Services	\$	10,000	
Total County Attorney			10,000

Election Commission

County Official/Administrative Officer	\$	52,509	
Part-time Personnel		16,968	
Election Commission		10,335	
Election Workers		15,550	
In-service Training		2,839	
Social Security		5,316	
Unemployment Compensation		358	
Communication		305	
Legal Notices, Recording, and Court Costs		7,181	
Maintenance Agreements		2,900	
Printing, Stationery, and Forms		710	
Travel		3,332	
Other Contracted Services		6,720	
Data Processing Supplies		22,000	
Office Supplies		5,729	
Total Election Commission			152,752

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	58,343	
Deputy(ies)		24,202	
Part-time Personnel		4,098	
Social Security		6,628	
Employee and Dependent Insurance		59	
Unemployment Compensation		256	
Travel		519	
Data Processing Supplies		4,409	
Office Supplies		2,499	
Premiums on Corporate Surety Bonds		699	
Total Register of Deeds			\$ 101,712

Planning

Part-time Personnel	\$	15,165	
Social Security		1,127	
Employee and Dependent Insurance		6,158	
Unemployment Compensation		192	
Dues and Memberships		7,750	
Travel		1,746	
Office Supplies		1,305	
Total Planning			33,443

Geographical Information Systems

Other Salaries and Wages	\$	12,155	
Social Security		677	
Unemployment Compensation		126	
Licenses		3,000	
Office Supplies		1,350	
Total Geographical Information Systems			17,308

County Buildings

Custodial Personnel	\$	16,062	
Social Security		1,206	
Unemployment Compensation		241	
Communication		28,980	
Maintenance Agreements		4,086	
Maintenance and Repair Services - Buildings		21,617	
Maintenance and Repair Services - Equipment		39,968	
Pest Control		1,052	
Postal Charges		10,231	
Custodial Supplies		3,784	
Diesel Fuel		21,967	
Duplicating Supplies		5,499	
Electricity		64,499	
Gasoline		101,650	
Natural Gas		8,466	
Water and Sewer		4,955	
Total County Buildings			334,263

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance

Accounting and Budgeting

Supervisor/Director	\$	45,835	
Accountants/Bookkeepers		16,798	
Clerical Personnel		14,153	
Social Security		5,832	
Employee and Dependent Insurance		4,528	
Unemployment Compensation		438	
Legal Notices, Recording, and Court Costs		482	
Maintenance Agreements		8,139	
Travel		1,543	
Other Contracted Services		4,740	
Data Processing Supplies		7,531	
Office Supplies		6,750	
Premiums on Corporate Surety Bonds		1,573	
Total Accounting and Budgeting			\$ 118,342

Property Assessor's Office

County Official/Administrative Officer	\$	58,343	
Deputy(ies)		21,594	
Social Security		6,008	
Employee and Dependent Insurance		6,233	
Unemployment Compensation		180	
Audit Services		3,625	
Data Processing Services		4,362	
Dues and Memberships		1,409	
Maintenance Agreements		567	
Travel		2,911	
Office Supplies		805	
Other Supplies and Materials		400	
Total Property Assessor's Office			106,437

Reappraisal Program

Clerical Personnel	\$	19,619	
Social Security		1,501	
Unemployment Compensation		186	
Travel		685	
Office Supplies		129	
Total Reappraisal Program			22,120

County Trustee's Office

County Official/Administrative Officer	\$	58,343	
Deputy(ies)		24,006	
Part-time Personnel		5,673	
Social Security		5,520	
Employee and Dependent Insurance		60	
Unemployment Compensation		218	
Maintenance Agreements		8,932	
Travel		1,510	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Office Supplies	\$	2,419	
Premiums on Corporate Surety Bonds		3,532	
Total County Trustee's Office			\$ 110,213

County Clerk's Office

County Official/Administrative Officer	\$	58,343	
Deputy(ies)		60,229	
Part-time Personnel		10,874	
Social Security		9,650	
Employee and Dependent Insurance		23,653	
Unemployment Compensation		747	
Legal Notices, Recording, and Court Costs		297	
Travel		484	
Other Contracted Services		7,484	
Office Supplies		3,848	
Premiums on Corporate Surety Bonds		699	
Office Equipment		8,385	
Total County Clerk's Office			184,693

Other Finance

Trustee's Commission	\$	60,355	
Total Other Finance			60,355

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	58,343	
Deputy(ies)		83,050	
Jury and Witness Expense		2,412	
Other Per Diem and Fees		811	
Social Security		11,443	
Employee and Dependent Insurance		18,543	
Unemployment Compensation		953	
Communication		677	
Maintenance Agreements		10,238	
Travel		28	
Data Processing Supplies		11,788	
Office Supplies		2,179	
Premiums on Corporate Surety Bonds		699	
Total Circuit Court			201,164

General Sessions Court

Judge(s)	\$	95,498	
Probation Officer(s)		36,348	
In-service Training		764	
Social Security		10,053	
Employee and Dependent Insurance		2,514	
Unemployment Compensation		240	
Data Processing Supplies		1,564	
Total General Sessions Court			146,981

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	58,343	
Deputy(ies)		25,914	
Clerical Personnel		36,858	
Social Security		9,130	
Employee and Dependent Insurance		6,214	
Unemployment Compensation		520	
Legal Notices, Recording, and Court Costs		324	
Maintenance Agreements		4,080	
Travel		1,647	
Data Processing Supplies		1,694	
Office Supplies		2,947	
Total Chancery Court			\$ 147,671

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	64,178	
Deputy(ies)		450,864	
Detective(s)		40,108	
In-service Training		2,917	
Social Security		43,036	
Employee and Dependent Insurance		34,251	
Unemployment Compensation		2,870	
Dues and Memberships		1,500	
Maintenance and Repair Services - Vehicles		18,922	
Printing, Stationery, and Forms		259	
Travel		1,438	
Tuition		2,516	
Law Enforcement Supplies		3,000	
Office Supplies		923	
Tires and Tubes		6,177	
Uniforms		6,130	
Utilities		2,263	
Other Supplies and Materials		596	
Premiums on Corporate Surety Bonds		699	
Data Processing Equipment		4,127	
Motor Vehicles		40,881	
Total Sheriff's Department			727,655

Drug Enforcement

Detective(s)	\$	44,951	
Social Security		3,439	
Employee and Dependent Insurance		1,247	
Unemployment Compensation		174	
Other Supplies and Materials		1,026	
Total Drug Enforcement			50,837

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Assistant(s)	\$	32,600	
Guards		248,006	
Other Salaries and Wages		27,177	
In-service Training		145	
Social Security		22,476	
Employee and Dependent Insurance		47,796	
Unemployment Compensation		2,498	
Communication		6,462	
Maintenance Agreements		15,930	
Maintenance and Repair Services - Buildings		14,938	
Medical and Dental Services		63,703	
Travel		1,538	
Custodial Supplies		10,639	
Food Preparation Supplies		5,563	
Food Supplies		75,458	
Office Supplies		2,197	
Uniforms		492	
Utilities		74,179	
Other Supplies and Materials		2,455	
Data Processing Equipment		4,802	
Total Jail			\$ 659,054

Juvenile Services

Other Contracted Services	\$	1,320	
Office Supplies		894	
Other Supplies and Materials		289	
Total Juvenile Services			2,503

Fire Prevention and Control

Other Per Diem and Fees	\$	473	
Maintenance and Repair Services - Equipment		5,079	
Maintenance and Repair Services - Vehicles		21,543	
Uniforms		10,866	
Utilities		3,804	
Total Fire Prevention and Control			41,765

Civil Defense

Supervisor/Director	\$	43,249	
Social Security		3,227	
Employee and Dependent Insurance		5,045	
Unemployment Compensation		277	
Maintenance and Repair Services - Equipment		11,354	
Maintenance and Repair Services - Vehicles		536	
Travel		240	
Utilities		25,778	
Other Supplies and Materials		5,952	
Total Civil Defense			95,658

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad

Communication	\$	463	
Maintenance and Repair Services - Vehicles		1,644	
Total Rescue Squad			\$ 2,107

County Coroner/Medical Examiner

Other Contracted Services	\$	21,880	
Total County Coroner/Medical Examiner			21,880

Other Public Safety

Supervisor/Director	\$	28,131	
Dispatchers/Radio Operators		165,036	
Social Security		13,371	
Employee and Dependent Insurance		13,535	
Unemployment Compensation		1,408	
Communication		1,403	
Travel		52	
Office Supplies		1,801	
Total Other Public Safety			224,737

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	5,113	
Social Security		683	
Unemployment Compensation		126	
Maintenance and Repair Services - Buildings		954	
Travel		523	
Office Supplies		596	
Utilities		11,972	
Other Supplies and Materials		18,486	
Total Local Health Center			38,453

Ambulance/Emergency Medical Services

Supervisor/Director	\$	4,990	
Paraprofessionals		243,244	
Salary Supplements		2,260	
Clerical Personnel		25,827	
Social Security		20,565	
Employee and Dependent Insurance		28,254	
Unemployment Compensation		1,788	
Licenses		1,000	
Maintenance and Repair Services - Equipment		4,531	
Maintenance and Repair Services - Vehicles		6,354	
Printing, Stationery, and Forms		950	
Custodial Supplies		976	
Drugs and Medical Supplies		48,427	
Office Supplies		876	
Uniforms		1,430	
Other Supplies and Materials		1,171	
Total Ambulance/Emergency Medical Services			392,643

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Medical Personnel	\$	40,968	
Clerical Personnel		45,604	
Other Salaries and Wages		3,921	
Social Security		6,814	
Employee and Dependent Insurance		11,323	
Unemployment Compensation		802	
Travel		3,591	
Office Supplies		150	
Total Other Local Health Services			\$ 113,173

Appropriation to State

Contracts with Government Agencies	\$	22,156	
Total Appropriation to State			22,156

Sanitation Management

Part-time Personnel	\$	58,751	
Social Security		4,494	
Unemployment Compensation		702	
Total Sanitation Management			63,947

Sanitation Education/Information

Guards	\$	27,000	
Social Security		2,032	
Unemployment Compensation		180	
Instructional Supplies and Materials		5,535	
Other Supplies and Materials		516	
Total Sanitation Education/Information			35,263

Social, Cultural, and Recreational Services

Adult Activities

Travel	\$	824	
Total Adult Activities			824

Senior Citizens Assistance

Supervisor/Director	\$	13,942	
Social Security		1,067	
Unemployment Compensation		135	
Communication		785	
Travel		478	
Custodial Supplies		530	
Other Supplies and Materials		999	
Total Senior Citizens Assistance			17,936

Libraries

Assistant(s)	\$	8,437	
Librarians		18,751	
Social Security		2,047	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Employee and Dependent Insurance	\$	1,602	
Unemployment Compensation		349	
Contributions		15,000	
Maintenance and Repair Services - Buildings		3,453	
Total Libraries	\$		49,639

Parks and Fair Boards

Other Contracted Services	\$	5,000	
Total Parks and Fair Boards			5,000

Other Social, Cultural, and Recreational

Part-time Personnel	\$	13,333	
Social Security		913	
Employee and Dependent Insurance		6,196	
Unemployment Compensation		173	
Other Contracted Services		2,491	
Electricity		2,558	
Water and Sewer		904	
Other Supplies and Materials		248	
Total Other Social, Cultural, and Recreational			26,816

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	10,272	
Supervisor/Director		27,614	
Secretary(ies)		5,392	
Other Salaries and Wages		11,601	
Social Security		3,997	
Pensions		2,354	
Unemployment Compensation		162	
Other Fringe Benefits		4,842	
Communication		886	
Maintenance and Repair Services - Buildings		45	
Travel		150	
Office Supplies		2,486	
Total Agricultural Extension Service			69,801

Soil Conservation

Assistant(s)	\$	10,500	
Social Security		803	
Unemployment Compensation		180	
Total Soil Conservation			11,483

Other Operations

Tourism

Advertising	\$	540	
Contributions		4,000	
Total Tourism			4,540

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

Other Salaries and Wages	\$	1,526	
Social Security		97	
Other Contracted Services		3,351	
Total Other Economic and Community Development	\$		4,974

Veterans' Services

Other Salaries and Wages	\$	14,773	
Social Security		1,130	
Unemployment Compensation		191	
Communication		136	
Maintenance Agreements		399	
Maintenance and Repair Services - Vehicles		897	
Travel		208	
Office Supplies		529	
Total Veterans' Services			18,263

Other Charges

Liability Insurance	\$	61,245	
Workers' Compensation Insurance		43,465	
Total Other Charges			104,710

Contributions to Other Agencies

Contributions	\$	4,500	
Total Contributions to Other Agencies			4,500

Total General Fund \$ 4,733,264

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Communication	\$	1,454	
Maintenance and Repair Services - Buildings		3,848	
Other Contracted Services		118,403	
Electricity		1,826	
Water and Sewer		300	
Trustee's Commission		3,084	
Total Sanitation Management	\$		128,915

Total Solid Waste/Sanitation Fund 128,915

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	2,000	
Towing Services		450	
Trustee's Commission		265	
Total Drug Enforcement	\$		2,715

Total Drug Control Fund 2,715

(Continued)

Exhibit J-7

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

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	1,931	
Constitutional Officers' Operating Expenses		1,208	
Total Chancery Court			\$ 3,139

Total Constitutional Officers - Fees Fund \$ 3,139

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	64,178	
Assistant(s)		7,020	
Secretary(ies)		29,348	
Other Salaries and Wages		270	
Social Security		7,711	
Unemployment Compensation		270	
Dues and Memberships		2,116	
Evaluation and Testing		200	
Legal Notices, Recording, and Court Costs		164	
Travel		272	
Other Contracted Services		509	
Office Supplies		906	
Premiums on Corporate Surety Bonds		699	
Data Processing Equipment		1,589	
Total Administration			\$ 115,252

Highway and Bridge Maintenance

Equipment Operators	\$	191,140	
Truck Drivers		28,282	
Laborers		27,276	
Social Security		17,984	
Unemployment Compensation		2,467	
Rentals		510	
Asphalt - Liquid		60,793	
Crushed Stone		41,500	
Pipe		4,317	
Road Signs		2,618	
Other Supplies and Materials		198,096	
Total Highway and Bridge Maintenance			574,983

Operation and Maintenance of Equipment

Mechanic(s)	\$	54,552	
Social Security		3,924	
Unemployment Compensation		540	
Custodial Supplies		191	
Diesel Fuel		39,838	
Equipment and Machinery Parts		34,233	
Garage Supplies		5,038	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Gasoline	\$	10,890	
Lubricants		1,893	
Tires and Tubes		7,703	
Total Operation and Maintenance of Equipment	\$		158,802

Other Charges

Communication	\$	1,484	
Other Contracted Services		8,011	
Electricity		3,831	
Water and Sewer		579	
Liability Insurance		29,770	
Trustee's Commission		13,364	
Workers' Compensation Insurance		17,883	
Motor Vehicles		29,952	
Total Other Charges			104,874

Employee Benefits

Employee and Dependent Insurance	\$	82,772	
Unemployment Compensation		1,335	
Total Employee Benefits			84,107

Principal on Debt

Highways and Streets

Principal on Notes	\$	37,991	
Total Highways and Streets			37,991

Interest on Debt

Highways and Streets

Interest on Notes	\$	508	
Total Highways and Streets			508

Total Highway/Public Works Fund \$ 1,076,517

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	340,143	
Total General Government	\$		340,143

Interest on Debt

General Government

Interest on Bonds	\$	144,945	
Total General Government			144,945

Other Debt Service

General Government

Bank Charges	\$	1,150	
Trustee's Commission		7,185	
Total General Government			8,335

Total General Debt Service Fund 493,423

(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	\$ 272,250	
Total County Mayor/Executive		\$ 272,250
 <u>Capital Projects</u>		
<u>Other General Government Projects</u>		
Trustee's Commission	\$ 7,667	
Total Other General Government Projects		<u>7,667</u>
 Total Other Capital Projects Fund		 <u>\$ 279,917</u>
 Total Governmental Funds - Primary Government		 <u><u>\$ 6,717,890</u></u>

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, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 4,625,697	
Career Ladder Program	24,000	
Career Ladder Extended Contracts	25,300	
Clerical Personnel	33,260	
Educational Assistants	108,600	
Other Salaries and Wages	32,099	
Certified Substitute Teachers	1,020	
Non-certified Substitute Teachers	45,008	
Social Security	283,511	
Pensions	422,421	
Life Insurance	8,424	
Medical Insurance	626,885	
Unemployment Compensation	17,536	
Employer Medicare	66,305	
Other Fringe Benefits	2,473	
Contributions	6,000	
Tuition	7,415	
Other Contracted Services	14,480	
Instructional Supplies and Materials	118,584	
Textbooks	88,542	
Other Supplies and Materials	6,672	
Fee Waivers	6,500	
Regular Instruction Equipment	96,021	
Total Regular Instruction Program		\$ 6,666,753

Alternative Instruction Program

Teachers	\$ 56,280	
Social Security	3,278	
Pensions	5,088	
Medical Insurance	8,703	
Employer Medicare	767	
Total Alternative Instruction Program		74,116

Special Education Program

Teachers	\$ 626,702	
Career Ladder Program	7,000	
Educational Assistants	70,630	
Non-certified Substitute Teachers	3,902	
Social Security	40,779	
Pensions	57,287	
Medical Insurance	105,172	
Employer Medicare	9,537	
Instructional Supplies and Materials	3,150	
Total Special Education Program		924,159

(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	\$	250,465	
Non-certified Substitute Teachers		2,422	
Social Security		14,341	
Pensions		22,642	
Medical Insurance		45,070	
Employer Medicare		3,354	
Instructional Supplies and Materials		1,750	
Total Vocational Education Program			\$ 340,044

Student Body Education Program

Other Contracted Services	\$	3,800	
Other Supplies and Materials		6,414	
Other Equipment		69,460	
Total Student Body Education Program			79,674

Support Services

Attendance

Supervisor/Director	\$	22,381	
Career Ladder Program		2,000	
Social Security		1,415	
Pensions		2,204	
Medical Insurance		2,655	
Employer Medicare		331	
Travel		556	
Other Contracted Services		3,362	
Total Attendance			34,904

Health Services

Medical Personnel	\$	104,320	
Other Salaries and Wages		56,813	
Social Security		9,671	
Pensions		8,678	
Medical Insurance		8,034	
Employer Medicare		2,262	
Other Fringe Benefits		850	
Travel		3,423	
Other Contracted Services		2,598	
Drugs and Medical Supplies		1,800	
Other Supplies and Materials		12,691	
Other Charges		1,003	
Total Health Services			212,143

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		234,007	
Social Security		14,837	

(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.)

Pensions	\$	21,245	
Medical Insurance		30,441	
Employer Medicare		3,470	
Contributions		53,600	
Evaluation and Testing		4,142	
Travel		580	
Other Supplies and Materials		7,089	
Other Charges		33,057	
Total Other Student Support			\$ 403,468

Regular Instruction Program

Supervisor/Director	\$	98,855	
Career Ladder Program		4,000	
Librarians		102,708	
Other Salaries and Wages		1,263	
Social Security		12,455	
Pensions		18,583	
Medical Insurance		9,294	
Employer Medicare		2,913	
Consultants		9,000	
Travel		19,830	
Other Contracted Services		20,000	
Other Supplies and Materials		1,318	
In Service/Staff Development		1,428	
Total Regular Instruction Program			301,647

Alternative Instruction Program

Travel	\$	554	
Other Contracted Services		7,439	
Other Supplies and Materials		15,172	
Other Charges		2,566	
Other Equipment		20,240	
Total Alternative Instruction Program			45,971

Special Education Program

Supervisor/Director	\$	29,849	
Career Ladder Program		2,000	
Assessment Personnel		44,670	
Social Security		4,787	
Pensions		7,310	
Medical Insurance		6,807	
Employer Medicare		1,119	
Travel		145	
Total Special Education Program			96,687

(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

Clerical Personnel	\$	6,231	
Other Salaries and Wages		11,006	
Social Security		1,015	
Medical Insurance		2,427	
Employer Medicare		237	
Other Charges		41,000	
Total Vocational Education Program			\$ 61,916

Other Programs

On-behalf Payments to OPEB	\$	35,558	
Total Other Programs			35,558

Board of Education

Other Salaries and Wages	\$	750	
Board and Committee Members Fees		10,535	
Social Security		694	
Life Insurance		538	
Employer Medicare		162	
Audit Services		8,650	
Dues and Memberships		6,456	
Legal Services		820	
Travel		9,307	
Other Contracted Services		6,000	
Liability Insurance		20,000	
Trustee's Commission		51,600	
Workers' Compensation Insurance		66,998	
Criminal Investigation of Applicants - TBI		538	
Refund to Applicant for Criminal Investigation		378	
Other Charges		24,026	
Total Board of Education			207,452

Director of Schools

County Official/Administrative Officer	\$	105,880	
Career Ladder Program		1,000	
Secretary(ies)		29,863	
Social Security		8,384	
Pensions		9,662	
Medical Insurance		14,222	
Employer Medicare		1,961	
Communication		4,920	
Postal Charges		2,362	
Office Supplies		2,703	
Total Director of Schools			180,957

Office of the Principal

Principals	\$	275,307	
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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.)

Office of the Principal (Cont.)

Career Ladder Program	\$	2,000	
Secretary(ies)		96,010	
Social Security		21,953	
Pensions		25,068	
Medical Insurance		46,693	
Employer Medicare		5,134	
Travel		2,899	
Other Charges		3,180	
Total Office of the Principal			\$ 478,244

Fiscal Services

Accountants/Bookkeepers	\$	35,314	
Secretary(ies)		7,250	
Social Security		2,488	
Medical Insurance		4,502	
Employer Medicare		582	
Total Fiscal Services			50,136

Operation of Plant

Supervisor/Director	\$	32,745	
Custodial Personnel		259,404	
Other Salaries and Wages		938	
Social Security		16,992	
Medical Insurance		44,304	
Employer Medicare		3,974	
Disposal Fees		4,414	
Other Contracted Services		4,500	
Electricity		377,077	
Natural Gas		17,335	
Water and Sewer		22,701	
Other Supplies and Materials		59,933	
Building and Contents Insurance		20,000	
Total Operation of Plant			864,317

Maintenance of Plant

Maintenance Personnel	\$	55,013	
Other Salaries and Wages		300	
Social Security		3,339	
Medical Insurance		5,335	
Employer Medicare		781	
Communication		9,754	
Maintenance and Repair Services - Buildings		40,646	
Other Contracted Services		53,236	
Other Charges		2,600	
Total Maintenance of Plant			171,004

(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

Supervisor/Director	\$	32,745	
Mechanic(s)		23,719	
Bus Drivers		279,783	
Other Salaries and Wages		12,416	
Social Security		21,600	
Medical Insurance		551	
Employer Medicare		5,052	
Communication		1,493	
Maintenance and Repair Services - Vehicles		91,653	
Medical and Dental Services		3,010	
Travel		617	
Other Contracted Services		192	
Gasoline		110,121	
Tires and Tubes		12,953	
Vehicle and Equipment Insurance		10,987	
In Service/Staff Development		322	
Other Charges		188	
Transportation Equipment		85,766	
Total Transportation			\$ 693,168

Central and Other

Other Supplies and Materials	\$	1,786	
Other Charges		2,736	
Total Central and Other			4,522

Operation of Non-Instructional Services

Community Services

Other Supplies and Materials	\$	5,476	
Total Community Services			5,476

Early Childhood Education

Supervisor/Director	\$	34,990	
Teachers		178,980	
Educational Assistants		86,477	
Other Salaries and Wages		2,996	
Non-certified Substitute Teachers		1,862	
Social Security		17,764	
Pensions		18,950	
Medical Insurance		22,764	
Employer Medicare		4,155	
Other Fringe Benefits		225	
Maintenance and Repair Services - Equipment		2,000	
Travel		2,609	
Other Contracted Services		900	
Instructional Supplies and Materials		15,401	
Textbooks		12,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Other Supplies and Materials	\$	2,353	
In Service/Staff Development		4,250	
Other Charges		3,475	
Other Equipment		6,615	
Total Early Childhood Education			\$ 418,766

Capital Outlay

Regular Capital Outlay

Architects	\$	44,566	
Building Construction		540,066	
Building Improvements		324,904	
Other Capital Outlay		67,101	
Total Regular Capital Outlay			<u>976,637</u>

Total General Purpose School Fund \$ 13,327,719

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	343,854	
Educational Assistants		110,852	
Other Salaries and Wages		11,140	
Non-certified Substitute Teachers		2,040	
Social Security		27,369	
Pensions		31,279	
Medical Insurance		51,977	
Employer Medicare		6,401	
Other Contracted Services		34,298	
Instructional Supplies and Materials		30,613	
Total Regular Instruction Program			\$ 649,823

Special Education Program

Teachers	\$	46,250	
Homebound Teachers		846	
Educational Assistants		199,189	
Social Security		14,189	
Pensions		4,258	
Medical Insurance		34,109	
Employer Medicare		3,319	
Maintenance and Repair Services - Equipment		215	
Other Contracted Services		39,404	
Instructional Supplies and Materials		13,307	
Textbooks		1,000	
Other Supplies and Materials		10,555	
Total Special Education Program			366,641

(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.)

Vocational Education Program

Other Supplies and Materials	\$	4,754	
Vocational Instruction Equipment		13,728	
Total Vocational Education Program			\$ 18,482

Support Services

Other Student Support

Other Salaries and Wages	\$	600	
Social Security		37	
Employer Medicare		9	
Travel		9,713	
Other Contracted Services		6,400	
In Service/Staff Development		3,546	
Other Charges		9,499	
Total Other Student Support			29,804

Regular Instruction Program

Supervisor/Director	\$	41,040	
Secretary(ies)		14,071	
Social Security		3,370	
Pensions		3,710	
Medical Insurance		2,167	
Employer Medicare		788	
Travel		4,557	
Other Supplies and Materials		2,009	
In Service/Staff Development		8,500	
Total Regular Instruction Program			80,212

Special Education Program

Supervisor/Director	\$	22,385	
Secretary(ies)		41,236	
Social Security		3,825	
Pensions		2,024	
Medical Insurance		5,265	
Employer Medicare		894	
Maintenance and Repair Services - Equipment		381	
Travel		8,227	
Other Contracted Services		58,836	
Other Supplies and Materials		4,582	
In Service/Staff Development		3,115	
Other Equipment		7,008	
Total Special Education Program			157,778

Vocational Education Program

In Service/Staff Development	\$	975	
Total Vocational Education Program			975

(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.)

Transportation

Bus Drivers	\$	13,945	
Social Security		865	
Employer Medicare		202	
Total Transportation			\$ 15,012

Total School Federal Projects Fund \$ 1,318,727

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	21,745	
Clerical Personnel		23,311	
Cafeteria Personnel		304,500	
Other Salaries and Wages		15,168	
Social Security		22,212	
Life Insurance		900	
Medical Insurance		19,232	
Unemployment Compensation		1,774	
Employer Medicare		5,195	
Other Fringe Benefits		1,184	
Maintenance and Repair Services - Equipment		7,802	
Transportation - Other than Students		689	
Travel		1,075	
Other Contracted Services		6,518	
Food Supplies		415,905	
Utilities		44,061	
USDA - Commodities		54,961	
Other Supplies and Materials		28,371	
In Service/Staff Development		755	
Other Charges		3,315	
Food Service Equipment		17,516	
Total Food Service			\$ 996,189

Total Central Cafeteria Fund 996,189

Other Education Special Revenue Fund

Support Services

Board of Education

Other Charges	\$	1,680	
Total Board of Education			\$ 1,680

Total Other Education Special Revenue Fund 1,680

Total Governmental Funds - Meigs County School Department \$ 15,644,315

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, 2015

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 262,689
Total Cash Receipts	<u>\$ 262,689</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 260,062
Trustee's Commission	2,627
Total Cash Disbursements	<u>\$ 262,689</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2014	<u>0</u>
 Cash Balance, June 30, 2015	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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, 2015, and the related notes to the financial statements, which collectively comprise Meigs County's basic financial statements, and have issued our report thereon dated January 22, 2016. 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: 2015-001, 2015-002, 2015-003(A), 2015-005, and 2015-006.

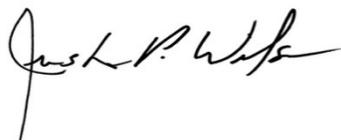
Compliance and Other Matters

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: 2015-003(B) and 2015-004.

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

January 22, 2016

JPW/yu



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 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, 2015. 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 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, 2015.

Report on Internal Control Over Compliance

Management of Meigs County 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.

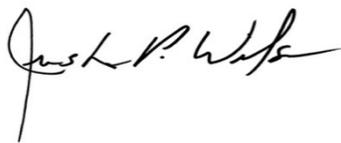
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2015, and the related notes to the financial statements, which collectively comprise Meigs County's basic financial statements. We issued our report thereon dated January 22, 2016, 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

January 22, 2016

JPW/yu

Meigs County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2015

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 54,961 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	268,743
National School Lunch Program	10.555	N/A	582,233 (3)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	15,908
Total U.S. Department of Agriculture			<u>\$ 921,845</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z-15GHS231	\$ 21,064
Total U.S. Department of Transportation			<u>\$ 21,064</u>
Appalachian Regional Commission:			
Passed-through Marshall University:			
Appalachian Research, Technical Assistance, and Demonstration Projects	23.011	(2)	\$ 26,920
Total Appalachian Regional Commission:			<u>\$ 26,920</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 600,375
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	523,981
Special Education - Preschool Grants	84.173	N/A	15,448
Career and Technical Education - Basic Grants to States	84.048	N/A	29,316
Rural Education	84.358	N/A	33,341
Improving Teacher Quality State Grants	84.367	N/A	87,521
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	28,745
Total U.S. Department of Education			<u>\$ 1,318,727</u>
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	\$ 8,658
Total U.S. Department of Health and Human Services			<u>\$ 8,658</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	N/A	\$ 5,189
Total U.S. Department of Homeland Security			<u>\$ 5,189</u>
Total Expenditures of Federal Awards			<u>\$ 2,302,403</u>

(Continued)

Meigs County, Tennessee

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

	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Local Health Services - State Department of Health	N/A	(2)	\$ 105,765
Litter Program - State Department of Transportation	N/A	(2)	20,335
Tobacco Settlement - State Department of Health	N/A	(2)	19,207
Juvenile Service Program - State Commission on Children and Youth	N/A	(2)	18,000
Student Ticket Subsidy - State Arts Commission	N/A	(2)	3,180
Senior Center - Southeast Tennessee Development District	N/A	(2)	7,360
Early Childhood Education - Pilot/State - State Department of Education	N/A	(2)	415,240
Driver's Education - State Department of Education	N/A	(2)	12,690
Safe and Supportive Schools Climate Grant - State Department of Education	N/A	(2)	1,893
Coordinated School Health - State Department of Education	N/A	(2)	91,700
Safe Schools Act - State Department of Education	N/A	(2)	<u>11,130</u>
 Total State Grants			 <u>\$ 706,500</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 \$637,194.

Meigs County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2015

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, 2014, which have not been corrected.

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-015	158	The office had accounting deficiencies
2014-016	158	Arrestee files did not include an acknowledgment from the Tennessee Bureau of Investigation that fingerprints had been received and accepted

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-018	159	Duties were not segregated adequately

MEIGS COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

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. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Meigs County.
4. The audit reported 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) and the Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Meigs County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response; however, management did not provide responses for inclusion in this report.

OFFICE OF DIRECTOR OF FINANCE

FINDING 2015-001

RECEIVABLES WERE NOT PROPERLY DETERMINED AND RECORDED IN THE GENERAL FUND AT JUNE 30, 2015

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

Accounts receivable due from other governments and due from other funds totaling \$168,989 were not recorded in the accounting records of the General Fund at June 30, 2015. Sound business practices dictate that all receivables should be determined and posted to the accounting records prior to closing the records at year-end. Additional audit procedures were performed to properly determine receivables at June 30, 2015. This deficiency can be attributed to the failure of management to adequately monitor and review financial transactions. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Receivables should be properly determined and recorded in the accounting records during year-end closing.

OFFICE OF CLERK AND MASTER

FINDING 2015-002

USERNAMES AND PASSWORDS WERE SHARED BY EMPLOYEES

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

The username and password assigned to a former employee were also known by other employees of the office. If inappropriate activity were to occur using this account, the individual responsible for this activity would not be easily identified because of the shared 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 in March 2015.

RECOMMENDATION

Management should ensure that each employee access the application using his or her unique username and password to ensure that transactions are properly identified to that employee.

Usernames and passwords should remain confidential and should not be shared by employees.

OFFICE OF SHERIFF

FINDING 2015-003

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, and the failure of management to correct the findings noted in the prior-year audit report.

RECOMMENDATION

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

FINDING 2015-004

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, and the failure of management to correct the finding noted in the prior-year audit report.

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.

FINDING 2015-005

SOME RECEIPTS WERE NOT ISSUED AT THE TIME OF COLLECTION

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

In some instances, receipts were not issued at the time of collection at the Sheriff's Department. The practice of issuing receipts subsequent to the actual collection increases the risk that officials will not properly account for funds. This deficiency can be attributed to a lack of management oversight.

RECOMMENDATION

Officials should ensure that receipts are issued for all collections at the time of collection.

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

FINDING 2015-006

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. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Sound business practices provide that management is responsible for designing internal controls to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized

transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

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

There were no findings and questioned costs for federal awards.

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, 2015**

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