

**ANNUAL FINANCIAL REPORT**  
**MEIGS COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2018**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT**  
**MEIGS COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

***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***  
***Senior Auditor***

***KATHY CLEMENTS, CGFM***  
***JENI PALADENI, CISA***  
***State Auditors***

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

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**MEIGS COUNTY, TENNESSEE**  
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# ***Summary of Audit Findings***

Annual Financial Report  
Meigs County, Tennessee  
For the Year Ended June 30, 2018

## ***Scope***

We have audited the financial statements of Meigs County as of and for the year ended June 30, 2018.

## ***Results***

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

Our audit resulted in no findings.

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# INTRODUCTORY SECTION

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# Meigs County Officials

## June 30, 2018

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### **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  
Donna Eaton, 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**

Tessa Perkinson, Chairman	Rueben McKenzie
Andy Andrews	Vacant
Chris Clark	

### **Financial Management Committee**

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

### **Audit Committee**

Randy Baker, Chairman  
Robert Green  
Lisa Thompson



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## FINANCIAL SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

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, 2018, 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 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, 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, 2018, 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Emphasis of Matter***

We draw attention to Note I.D.8. to the financial statements, which describes restatements reducing the beginning net position of the Governmental Activities and the Discretely Presented Meigs County School Department totaling \$62,779 and \$809,813, respectively, on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedule of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedules of county and school changes in the total OPEB liability and related ratios - other postemployment benefits plans on pages 82-90 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 schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is 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), schedule of expenditures of federal awards, 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. In our opinion, 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), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

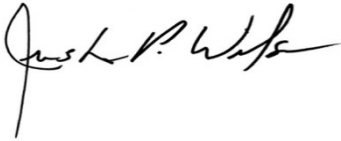
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2018, 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 solely to describe the scope

of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Meigs County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meigs County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

November 14, 2018

JPW/tg

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Meigs County, Tennessee  
Statement of Net Position  
June 30, 2018

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Meigs County School Department</u>
<u>ASSETS</u>		
Equity in Pooled Cash and Investments	\$ 6,196,966	\$ 2,328,585
Accounts Receivable	124,953	2,788
Allowance for Uncollectibles	(24,424)	0
Due from Other Governments	810,491	619,563
Property Taxes Receivable	3,748,345	1,557,506
Allowance for Uncollectible Property Taxes	(125,028)	(51,951)
Net Pension Asset - Agent Plan	687,994	0
Net Pension Asset - Teacher Retirement Plan	0	27,255
Net Pension Asset - Teacher Legacy Retirement Plan	0	64,880
Capital Assets:		
Assets Not Depreciated:		
Land	325,905	387,457
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	5,232,607	6,956,513
Infrastructure	4,308,712	0
Other Capital Assets	1,278,370	1,097,029
Total Assets	<u>\$ 22,564,891</u>	<u>\$ 12,989,625</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 0	\$ 40,070
Pension Changes in Assumptions	0	551,905
Pension Changes on Investment Earnings	45	9,849
Pension Other Deferrals	0	74,065
Pension Contributions After Measurement Date	0	653,306
OPEB Contributions After Measurement Date	521	47,750
Total Deferred Outflows of Resources	<u>\$ 566</u>	<u>\$ 1,376,945</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,052	\$ 1,745
Accrued Payroll	0	5,499
Payroll Deductions Payable	43	0
Accrued Interest Payable	42,979	0
Due to State of Tennessee	79	0
Noncurrent Liabilities:		
Due Within One Year	253,975	0
Due in More Than One Year	2,011,144	1,186,719
Total Liabilities	<u>\$ 2,309,272</u>	<u>\$ 1,193,963</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Meigs County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 3,481,067	\$ 1,446,447
Pension Changes in Experience	0	1,341,551
Pension Changes in Investment Earnings	0	1,467
Pension Other Deferrals	0	16,300
OPEB Changes in Assumptions	5,028	54,464
Total Deferred Inflows of Resources	<u>\$ 3,486,095</u>	<u>\$ 2,860,229</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 9,863,468	\$ 8,440,999
Restricted for:		
General Government	105,643	0
Finance	10,008	0
Administration of Justice	122,508	0
Public Safety	97,172	0
Public Health and Welfare	147,470	0
Social, Cultural, Recreational Services	6,616	0
Highways/Public Works	1,654,451	0
Debt Service	368,391	0
Education	0	470,164
Pensions	687,994	92,135
Unrestricted	<u>3,706,369</u>	<u>1,309,080</u>
Total Net Position	<u>\$ 16,770,090</u>	<u>\$ 10,312,378</u>

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



Exhibit B

Meigs County, Tennessee  
Statement of Activities  
June 30, 2018

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	Component Unit
					Governmental Total Activities	Meigs County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,015,104	\$ 165,509	\$ 32,108	\$ 60,500	\$ (756,987)	\$ 0
Finance	700,076	285,547	0	0	(414,529)	0
Administration of Justice	558,438	272,530	9,725	19,103	(257,080)	0
Public Safety	2,343,261	294,158	184,626	0	(1,864,477)	0
Public Health and Welfare	825,261	257,913	143,129	0	(424,219)	0
Social, Cultural, and Recreational Services	178,230	0	17,275	7,800	(153,155)	0
Agriculture and Natural Resources	210,444	0	3,642	64,700	(142,102)	0
Highways/Public Works	2,031,101	0	1,705,969	551,938	226,806	0
Education	1,500	0	0	0	(1,500)	0
Total Governmental Activities	\$ 7,863,415	\$ 1,275,657	\$ 2,096,474	\$ 704,041	\$ (3,787,243)	\$ 0
Total Primary Government	\$ 7,863,415	\$ 1,275,657	\$ 2,096,474	\$ 704,041	\$ (3,787,243)	\$ 0
Component Unit:						
Meigs County School Department	\$ 15,277,671	\$ 147,833	\$ 2,673,301	\$ 0	\$ 0	\$ (12,456,537)
Total Component Units	\$ 15,277,671	\$ 147,833	\$ 2,673,301	\$ 0	\$ 0	\$ (12,456,537)

(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	Component Unit	
					Primary Government Total Governmental Activities	Meigs County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 2,982,262	\$ 1,472,372
Property Taxes Levied for Debt Service					297,262	0
Local Option Sales Taxes					302,107	524,622
Hotel/Motel Tax					14,896	0
Litigation Tax - General					21,806	0
Litigation Tax - Special Purpose					33,486	0
Litigation Tax - Jail, Workhouse, or Courthouse					3,423	0
Business Tax					31,117	0
Wholesale Beer Tax					68,326	47,818
Mineral Severance Tax					49,187	0
Interstate Telecommunications Tax					5,150	0
Other Local Taxes					8,643	5,117
Grants and Contributions Not Restricted to Specific Programs					1,136,806	11,178,686
Unrestricted Investment Income					0	10,946
Miscellaneous					325	17,935
Total General Revenues					<u>\$ 4,954,796</u>	<u>\$ 13,257,496</u>
Change in Net Position						
Net Position, July 1, 2017					\$ 1,167,553	\$ 800,959
Restatements - See Note I.D.8.					15,665,316	10,321,232
					<u>(62,779)</u>	<u>(809,813)</u>
Net Position, June 30, 2018					<u>\$ 16,770,090</u>	<u>\$ 10,312,378</u>

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, 2018

	Major Funds			Nonmajor	Total
	General	Highway /	General	Funds	
		Public	Debt	Other	
	Works	Service	Governmental	Governmental	
			Funds	Funds	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 3,444,079	\$ 1,092,439	\$ 1,204,633	\$ 455,815	\$ 6,196,966
Accounts Receivable	124,770	183	0	0	124,953
Allowance for Uncollectibles	(24,424)	0	0	0	(24,424)
Due from Other Governments	228,804	561,951	18,074	1,662	810,491
Property Taxes Receivable	3,235,784	0	341,437	171,124	3,748,345
Allowance for Uncollectible Property Taxes	(107,931)	0	(11,389)	(5,708)	(125,028)
Total Assets	<u>\$ 6,901,082</u>	<u>\$ 1,654,573</u>	<u>\$ 1,552,755</u>	<u>\$ 622,893</u>	<u>\$ 10,731,303</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 1,052	\$ 0	\$ 0	\$ 0	\$ 1,052
Payroll Deductions Payable	0	43	0	0	43
Due to State of Tennessee	0	79	0	0	79
Total Liabilities	<u>\$ 1,052</u>	<u>\$ 122</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,174</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 3,005,055	\$ 0	\$ 317,090	\$ 158,922	\$ 3,481,067
Deferred Delinquent Property Taxes	95,355	0	10,062	5,043	110,460
Other Deferred/Unavailable Revenue	100,321	150,707	7,440	0	258,468
Total Deferred Inflows of Resources	<u>\$ 3,200,731</u>	<u>\$ 150,707</u>	<u>\$ 334,592</u>	<u>\$ 163,965</u>	<u>\$ 3,849,995</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 105,643	\$ 0	\$ 0	\$ 0	\$ 105,643

(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 Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>					
Restricted (Cont.):					
Restricted for Finance	\$ 10,008	\$ 0	\$ 0	\$ 0	\$ 10,008
Restricted for Administration of Justice	122,508	0	0	0	122,508
Restricted for Public Safety	31,057	0	0	66,115	97,172
Restricted for Public Health and Welfare	0	0	0	142,427	142,427
Restricted for Social, Cultural, and Recreational Services	6,616	0	0	0	6,616
Restricted for Highways/Public Works	0	1,503,744	0	0	1,503,744
Restricted for Debt Service	0	0	1,218,163	0	1,218,163
Committed:					
Committed for Public Safety	690,043	0	0	0	690,043
Committed for Public Health and Welfare	101,158	0	0	0	101,158
Committed for Capital Outlay	0	0	0	250,386	250,386
Committed for Other Purposes	4,102	0	0	0	4,102
Assigned:					
Assigned for General Government	18,940	0	0	0	18,940
Unassigned	2,609,224	0	0	0	2,609,224
Total Fund Balances	<u>\$ 3,699,299</u>	<u>\$ 1,503,744</u>	<u>\$ 1,218,163</u>	<u>\$ 458,928</u>	<u>\$ 6,880,134</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,901,082</u>	<u>\$ 1,654,573</u>	<u>\$ 1,552,755</u>	<u>\$ 622,893</u>	<u>\$ 10,731,303</u>

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, 2018

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)		\$ 6,880,134
(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	5,232,607	
Add: infrastructure net of accumulated depreciation	4,308,712	
Add: other capital assets net of accumulated depreciation	<u>1,278,370</u>	11,145,594
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (1,282,126)	
Less: interest accrued on bond	(42,979)	
Less: compensated absences payable	(61,847)	
Less: interest accreted on bonds	(824,295)	
Less: OPEB Obligations	<u>(96,851)</u>	(2,308,098)
(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	\$ 45	
Add: deferred outflows of resources related to OPEB	521	
Less: deferred inflows of resources related to OPEB	<u>(5,028)</u>	(4,462)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		687,994
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>368,928</u>
Net position of governmental activities (Exhibit A)		<u>\$ 16,770,090</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, 2018

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 3,483,915	\$ 49,187	\$ 395,738	\$ 160,243	\$ 4,089,083
Licenses and Permits	22,399	0	0	0	22,399
Fines, Forfeitures, and Penalties	99,607	0	0	29,598	129,205
Charges for Current Services	336,159	0	0	555	336,714
Other Local Revenues	113,805	100	0	618	114,523
Fees Received From County Officials	482,828	0	0	0	482,828
State of Tennessee	898,839	2,224,107	50,688	381,747	3,555,381
Federal Government	136,776	0	0	0	136,776
Other Governments and Citizens Groups	120,350	0	0	0	120,350
<b>Total Revenues</b>	<b>\$ 5,694,678</b>	<b>\$ 2,273,394</b>	<b>\$ 446,426</b>	<b>\$ 572,761</b>	<b>\$ 8,987,259</b>
<u>Expenditures</u>					
Current:					
General Government	\$ 749,189	\$ 0	\$ 0	\$ 0	\$ 749,189
Finance	695,159	0	0	0	695,159
Administration of Justice	557,228	0	0	0	557,228
Public Safety	2,455,623	0	0	44,940	2,500,563
Public Health and Welfare	656,130	0	0	154,482	810,612
Social, Cultural, and Recreational Services	100,208	0	0	0	100,208
Agriculture and Natural Resources	82,520	0	0	0	82,520
Other Operations	376,459	0	0	15,000	391,459
Highways	0	2,487,674	0	0	2,487,674
Debt Service:					
Principal on Debt	0	0	203,459	0	203,459
Interest on Debt	0	0	246,541	0	246,541
Other Debt Service	0	0	8,054	0	8,054
<b>Total Expenditures</b>	<b>\$ 5,672,516</b>	<b>\$ 2,487,674</b>	<b>\$ 458,054</b>	<b>\$ 214,422</b>	<b>\$ 8,832,666</b>

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 22,162	\$ (214,280)	\$ (11,628)	\$ 358,339	\$ 154,593
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 747,875	\$ 0	\$ 0	\$ 0	\$ 747,875
Transfers Out	0	0	0	(747,875)	(747,875)
Total Other Financing Sources (Uses)	\$ 747,875	\$ 0	\$ 0	\$ (747,875)	\$ 0
Net Change in Fund Balances	\$ 770,037	\$ (214,280)	\$ (11,628)	\$ (389,536)	\$ 154,593
Fund Balance, July 1, 2017	2,929,262	1,718,024	1,229,791	848,464	6,725,541
Fund Balance, June 30, 2018	\$ 3,699,299	\$ 1,503,744	\$ 1,218,163	\$ 458,928	\$ 6,880,134

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, 2018

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)		\$ 154,593
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 1,020,322	
Less: current-year depreciation expense	<u>(556,930)</u>	463,392
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2018	\$ 368,928	
Less: deferred delinquent property taxes and other deferred June 30, 2017	<u>(325,219)</u>	43,709
<p>(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 effect of these differences in the treatment of long-term debt and related items:</p>		
Add: principal payments on bonds		203,459
<p>(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ (1,889)	
Change in accreted interest payable	289,700	
Change in compensated absences payable	(5,617)	
Change in net pension asset	61,430	
Change in deferred outflows related to pensions	(24,234)	
Change in OPEB liability (net of restatement)	(12,483)	
Change in deferred outflows related to OPEB	521	
Change in deferred inflows related to OPEB	<u>(5,028)</u>	<u>302,400</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,167,553</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, 2018

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 3,483,915	\$ 0	\$ 3,483,915	\$ 3,601,681	\$ 3,609,181	\$ (125,266)
Licenses and Permits	22,399	0	22,399	17,275	17,275	5,124
Fines, Forfeitures, and Penalties	99,607	0	99,607	111,750	111,750	(12,143)
Charges for Current Services	336,159	0	336,159	326,000	329,540	6,619
Other Local Revenues	113,805	0	113,805	28,800	57,864	55,941
Fees Received From County Officials	482,828	0	482,828	491,000	491,000	(8,172)
State of Tennessee	898,839	0	898,839	798,264	802,955	95,884
Federal Government	136,776	0	136,776	603,658	603,658	(466,882)
Other Governments and Citizens Groups	120,350	0	120,350	133,000	133,000	(12,650)
<b>Total Revenues</b>	<b>\$ 5,694,678</b>	<b>\$ 0</b>	<b>\$ 5,694,678</b>	<b>\$ 6,111,428</b>	<b>\$ 6,156,223</b>	<b>\$ (461,545)</b>
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 52,743	\$ 0	\$ 52,743	\$ 56,420	\$ 58,868	\$ 6,125
Board of Equalization	1,203	0	1,203	735	1,435	232
County Mayor/Executive	118,028	0	118,028	120,105	120,105	2,077
County Attorney	12,000	0	12,000	13,000	13,000	1,000
Election Commission	148,820	0	148,820	175,916	179,121	30,301
Register of Deeds	116,151	0	116,151	118,591	122,001	5,850
Planning	19,984	0	19,984	30,576	30,576	10,592
Geographical Information Systems	17,253	0	17,253	21,753	21,753	4,500
County Buildings	263,007	18,940	281,947	257,109	297,330	15,383
<u>Finance</u>						
Accounting and Budgeting	132,429	0	132,429	137,923	142,267	9,838
Property Assessor's Office	115,898	0	115,898	126,811	126,822	10,924
Reappraisal Program	31,993	0	31,993	34,606	35,784	3,791

(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 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
County Trustee's Office	\$ 130,505	\$ 0	\$ 130,505	\$ 132,341	\$ 132,341	\$ 1,836
County Clerk's Office	210,374	0	210,374	222,325	222,325	11,951
Other Finance	73,960	0	73,960	75,000	75,000	1,040
<u>Administration of Justice</u>						
Circuit Court	243,887	0	243,887	210,135	247,784	3,897
General Sessions Court	154,596	0	154,596	157,819	157,819	3,223
Chancery Court	158,745	0	158,745	158,890	161,290	2,545
<u>Public Safety</u>						
Sheriff's Department	872,303	0	872,303	888,328	918,997	46,694
Drug Enforcement	45,603	0	45,603	47,515	47,515	1,912
Jail	816,007	0	816,007	876,045	876,495	60,488
Juvenile Services	1,221	0	1,221	3,320	3,320	2,099
Fire Prevention and Control	368,328	0	368,328	55,500	372,440	4,112
Civil Defense	110,747	0	110,747	114,055	114,055	3,308
Rescue Squad	3,805	0	3,805	6,300	6,300	2,495
County Coroner/Medical Examiner	21,521	0	21,521	20,000	26,475	4,954
Other Public Safety	216,088	0	216,088	255,164	255,164	39,076
<u>Public Health and Welfare</u>						
Local Health Center	32,391	0	32,391	60,369	58,738	26,347
Ambulance/Emergency Medical Services	383,469	0	383,469	394,162	417,464	33,995
Other Local Health Services	104,003	0	104,003	119,946	134,628	30,625
Appropriation to State	28,418	0	28,418	28,500	28,500	82
Sanitation Management	76,125	0	76,125	74,683	79,083	2,958
Sanitation Education/Information	31,724	0	31,724	46,579	46,579	14,855

(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 6/30/2018	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>						
Senior Citizens Assistance	\$ 20,626	\$ 0	\$ 20,626	\$ 19,810	\$ 21,111	\$ 485
Libraries	52,909	0	52,909	53,163	53,163	254
Parks and Fair Boards	5,000	0	5,000	5,000	5,000	0
Other Social, Cultural, and Recreational	21,673	0	21,673	28,662	28,662	6,989
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	67,205	0	67,205	76,725	76,776	9,571
Soil Conservation	15,315	0	15,315	24,920	24,920	9,605
<u>Other Operations</u>						
Tourism	19,239	0	19,239	21,000	21,000	1,761
Other Economic and Community Development	95,050	0	95,050	553,000	553,000	457,950
Veterans' Services	16,468	0	16,468	19,134	19,134	2,666
Other Charges	209,502	0	209,502	222,000	222,000	12,498
Contributions to Other Agencies	36,200	0	36,200	17,200	37,200	1,000
Total Expenditures	<u>\$ 5,672,516</u>	<u>\$ 18,940</u>	<u>\$ 5,691,456</u>	<u>\$ 6,081,135</u>	<u>\$ 6,593,340</u>	<u>\$ 901,884</u>
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 22,162	\$ (18,940)	\$ 3,222	\$ 30,293	\$ (437,117)	\$ 440,339
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 747,875	\$ 0	\$ 747,875	\$ 0	\$ 747,875	\$ 0
Total Other Financing Sources	<u>\$ 747,875</u>	<u>\$ 0</u>	<u>\$ 747,875</u>	<u>\$ 0</u>	<u>\$ 747,875</u>	<u>\$ 0</u>

(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 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 770,037	\$ (18,940)	\$ 751,097	\$ 30,293	\$ 310,758	\$ 440,339
Fund Balance, July 1, 2017	2,929,262	0	2,929,262	2,969,625	2,969,625	(40,363)
Fund Balance, June 30, 2018	<u>\$ 3,699,299</u>	<u>\$ (18,940)</u>	<u>\$ 3,680,359</u>	<u>\$ 2,999,918</u>	<u>\$ 3,280,383</u>	<u>\$ 399,976</u>

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

Exhibit C-6

Meigs County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 49,187	\$ 40,000	\$ 40,000	\$ 9,187
Other Local Revenues	100	0	0	100
State of Tennessee	2,224,107	2,640,123	2,677,047	(452,940)
Total Revenues	<u>\$ 2,273,394</u>	<u>\$ 2,680,123</u>	<u>\$ 2,717,047</u>	<u>\$ (443,653)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 137,401	\$ 171,548	\$ 173,548	\$ 36,147
Highway and Bridge Maintenance	1,273,743	1,351,750	1,501,750	228,007
Operation and Maintenance of Equipment	212,680	249,290	273,790	61,110
Other Charges	224,445	251,601	253,601	29,156
Employee Benefits	92,221	125,000	125,000	32,779
Capital Outlay	547,184	1,063,331	1,100,255	553,071
Total Expenditures	<u>\$ 2,487,674</u>	<u>\$ 3,212,520</u>	<u>\$ 3,427,944</u>	<u>\$ 940,270</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (214,280)</u>	<u>\$ (532,397)</u>	<u>\$ (710,897)</u>	<u>\$ 496,617</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 20,000	\$ 20,000	\$ (20,000)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ (20,000)</u>
Net Change in Fund Balance	\$ (214,280)	\$ (512,397)	\$ (690,897)	\$ 476,617
Fund Balance, July 1, 2017	<u>1,718,024</u>	<u>1,727,227</u>	<u>1,727,227</u>	<u>(9,203)</u>
Fund Balance, June 30, 2018	<u>\$ 1,503,744</u>	<u>\$ 1,214,830</u>	<u>\$ 1,036,330</u>	<u>\$ 467,414</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, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 279,371
Accounts Receivable	36
Due from Other Governments	<u>38,285</u>
Total Assets	<u>\$ 317,692</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 38,285
Due to Litigants, Heirs, and Others	<u>279,407</u>
Total Liabilities	<u>\$ 317,692</u>

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

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

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**MEIGS COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**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 financial statements of the Meigs County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omission did not affect the independent auditor's opinion thereon. 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 financial statements of the Meigs County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Meigs County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of



the School Department are included in this report as listed in the table of contents. 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, 2018.

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.

Additionally, Meigs County reports the following fund types:

**Capital Projects Fund** – The Other Capital Projects 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.

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

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

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

**Central Cafeteria Fund** – This special revenue fund is used to account for the cafeteria operations in each of the schools. USDA School

Lunch and Breakfast Programs and payments received from the sale of meals are the foundational revenues of this fund.

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 amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## 2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.77 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 acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Primary Government:	
Building and Improvements	40
Other Capital Assets	5 - 20
Infrastructure	25 - 50
Discretely Presented School Department:	
Buildings and Improvements	40
Vehicles and Equipment	5 - 20
Other Capital Assets	10 - 20

**4. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has 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, pension changes in assumptions, pension changes in investment earnings, pension changes in proportionate share of

contributions, and employer contributions made to the pension plan after the measurement date for pensions and OPEB.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, pension changes in investment earnings, pension changes in proportionate share of contributions, OPEB changes in assumptions, 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**

Employees of Meigs County, other than the Sheriff's Department and Ambulance Service, receive one day of vacation leave a month. The employees of the Highway Department, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, and Register must use all leave by June 30. The remaining employees can carry up to 40 hours of vacation leave to the next fiscal year.

It is the policy of the Ambulance Service to permit its employees to accumulate the following hours of vacation leave based on length of employment:

<u>Years of Service</u>	<u>Hours</u>
One to Two	40
Three to Four	80
Five through Nine	120
Ten and Over	160

Earned but unused vacation leave will be paid to the employee upon retirement, resignation, or termination. No accumulated vacation leave can be carried past June 30.

It is the policy of the Meigs County Sheriff's Department to permit its employees to accumulate the following hours of vacation leave based on length of employment:

<u>Years of Service</u>	<u>Hours</u>
One	40
Two	80
Three through Nine	120
Ten and Over	160

Earned but unused vacation leave will be paid to the employee upon retirement, resignation, or termination. On each employee's anniversary date, all accumulated vacation leave will be lost. All vacation leave is accrued when incurred in the government-wide statements for the general county government.

There is no liability for unpaid accumulated vacation leave benefits for all other 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 are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from



the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

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

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

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

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

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

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

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

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

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

## 8. **Restatements**

In prior years, the government was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Meigs County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Restatements reducing the beginning net position of the Governmental Activities of the Primary Government and the Discretely Presented Meigs County School Department totaling \$62,779 and \$809,813, respectively, have been recognized to account for the transitional requirements.

## 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 the

Meigs County Highway Department's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the county and the 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**

### **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.

## **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, 2018.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2018, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-17	Increases	Balance 6-30-18
Capital Assets Not Depreciated:			
Land	\$ 325,905	\$ 0	\$ 325,905
Total Capital Assets Not Depreciated	\$ 325,905	\$ 0	\$ 325,905
Capital Assets Depreciated:			
Buildings and Improvements	\$ 8,075,005	\$ 0	\$ 8,075,005
Infrastructure	6,266,297	546,851	6,813,148
Other Capital Assets	2,741,802	473,471	3,215,273
Total Capital Assets Depreciated	\$ 17,083,104	\$ 1,020,322	\$ 18,103,426
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 2,648,601	\$ 193,797	\$ 2,842,398
Infrastructure	2,347,779	156,657	2,504,436
Other Capital Assets	1,730,427	206,476	1,936,903
Total Accumulated Depreciation	\$ 6,726,807	\$ 556,930	\$ 7,283,737
Total Capital Assets Depreciated, Net	\$ 10,356,297	\$ 463,392	\$ 10,819,689
Governmental Activities Capital Assets, Net	\$ 10,682,202	\$ 463,392	\$ 11,145,594

There were no decreases in capital assets to report during the year ended June 30, 2018.

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

**Governmental Activities:**

General Government	\$ 106,935
Public Safety	179,369
Public Health and Welfare	17,685
Social, Cultural, and Recreational Services	7,146
Agriculture and Natural Resources	32,874
Highways	212,921
Total Depreciation Expense - Governmental Activities	<u>\$ 556,930</u>

**Discretely Presented Meigs County School Department**

**Governmental Activities:**

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets				
Not Depreciated:				
Land	\$ 387,457	\$ 0	\$ 0	\$ 387,457
Construction in Progress	521,067	512,220	(1,033,287)	0
Total Capital Assets Not Depreciated	<u>\$ 908,524</u>	<u>\$ 512,220</u>	<u>\$ (1,033,287)</u>	<u>\$ 387,457</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,300,133	\$ 1,267,547	\$ 0	\$ 13,567,680
Other Capital Assets	2,726,263	309,247	(124,886)	2,910,624
Total Capital Assets Depreciated	<u>\$ 15,026,396</u>	<u>\$ 1,576,794</u>	<u>\$ (124,886)</u>	<u>\$ 16,478,304</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,307,536	\$ 303,631	\$ 0	\$ 6,611,167
Other Capital Assets	1,778,302	160,179	(124,886)	1,813,595
Total Accumulated Depreciation	<u>\$ 8,085,838</u>	<u>\$ 463,810</u>	<u>\$ (124,886)</u>	<u>\$ 8,424,762</u>
Total Capital Assets Depreciated, Net	<u>\$ 6,940,558</u>	<u>\$ 1,112,984</u>	<u>\$ 0</u>	<u>\$ 8,053,542</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,849,082</u>	<u>\$ 1,625,204</u>	<u>\$ (1,033,287)</u>	<u>\$ 8,440,999</u>

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

**Governmental Activities:**

Instruction	\$ 243,864
Support Services	200,931
Operation of Non-instructional Services	<u>19,015</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 463,810</u></u>

**C. Interfund Transfers**

Interfund transfers for the year ended June 30, 2018, consisted of the following amounts:

**Primary Government**

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Purpose</u>
	General Fund	
Nonmajor governmental fund	\$ 18,892	Renovations to Agricultural Center
"	690,043	Committed for Future Jail
"	18,940	Ease Bluff Ferry Boat Ramp Project
"	<u>20,000</u>	Boys and Girls Club
Total	<u><u>\$ 747,875</u></u>	

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

**D. Long-term Obligations**

**Primary Government**

**General Obligation Bonds**

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.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds were issued for original



terms of up to 24 years. 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, 2018, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2018, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-18
General Obligation (CAB) Bonds	4.8 to 5.15 %	5-1-26	\$ 2,088,479	\$ 1,282,126
Accreted Interest on (CAB) Bonds	4.8 to 5.15	5-1-26	N/A	824,295

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 2017 through 2026. As of June 30, 2018, approximately \$824,295 of interest had accreted on the bonds.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2018, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 192,128	\$ 257,872	\$ 450,000
2020	182,871	267,129	450,000
2021	172,435	277,565	450,000
2022	164,043	285,957	450,000
2023	154,458	295,542	450,000
2024-2026	416,191	933,809	1,350,000
Total	\$ 1,282,126	\$ 2,317,874	\$ 3,600,000

There is \$1,218,163 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$109, based on the 2010 federal census. Total debt per capita, including bonds and accreted interest on (CAB) bonds totaled \$179, based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2018, was as follows:

Governmental Activities:

	Bonds	Accreted Interest on (CAB) Bonds
Balance, July 1, 2017	\$ 1,485,585	\$ 1,113,995
Reductions	(203,459)	(289,700)
Balance, June 30, 2018	<u>\$ 1,282,126</u>	<u>\$ 824,295</u>
Balance Due Within One Year	<u>\$ 192,128</u>	<u>\$ 0</u>

	Compensated Absences	Other Post- employment Benefits *
Balance, July 1, 2017	\$ 56,230	\$ 84,368
Additions	79,583	17,511
Reductions	(73,966)	(5,028)
Balance, June 30, 2018	<u>\$ 61,847</u>	<u>\$ 96,851</u>
Balance Due Within One Year	<u>\$ 61,847</u>	<u>\$ 0</u>

\* Restated beginning balance – See Note I.D.8.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 2,265,119
Less: Balance Due Within One Year	<u>(253,975)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,011,144</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, 2018, was as follows:

Governmental Activities:

	Other Postemployment Benefits *	Net Pension Liability - Cost-sharing Plan #
Balance, July 1, 2017	\$ 1,173,671	\$ 1,211,404
Additions	67,512	(1,295,007)
Reductions	(54,464)	18,723
Balance, June 30, 2018	<u>\$ 1,186,719</u>	<u>\$ (64,880)</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

\* Restated beginning balance – See Note I.D.8.

# The plan had a net pension asset at June 30, 2018

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 1,186,719
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,186,719</u>

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

**E. 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, 2018, were \$26,604 and \$11,550, 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.

#### Employee Health Insurance

##### Primary Government

Meigs County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF 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. The state statute provides for the LGGIF to be self-sustaining through member premiums.

##### Discretely Presented Meigs County School Department

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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 81, *Irrevocable Split-Interest Agreements*; Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues* became effective for the year ended June 30, 2018.

GASB Statement No. 75, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 45 and No. 57. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 81, establishes accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary.

GASB Statement No. 85, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

**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. 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, 2018.

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, 2018.

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

**E. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Certain former 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](http://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. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	8
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	1
Active Employees	0
 Total	 <hr/> <hr/> <u>9</u>

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. There were no active employees on June 30, 2017. 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. There are no active employees; therefore, there were no employee contributions. Meigs County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions are required to be paid. The employer’s actuarially determined contributions (ADC), if any are required, and member contributions, if any are required are

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. For the year ended June 30, 2018, the employer contribution was not required for Meigs County.

**Net Pension Liability (Asset)**

Meigs County’s net pension liability (asset) was measured as of June 30, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income Real Estate	5.79	20
	2.01	20
	4.32	10
Short-term Securities	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 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 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	Plan	Net Pension
	Pension Liability (a)	Fiduciary Net Position (b)	Liability (Asset) (a)-(b)
Balance, July 1, 2016	\$ 112,375	\$ 738,939	\$ (626,564)
Changes for the Year:			
Service Cost	\$ 0	\$ 0	\$ 0
Interest	7,743	0	7,743
Differences Between Expected and Actual Experience	5,980	0	5,980
Changes in Assumptions	7,539	0	7,539
Contributions-Employer	0	0	0
Contributions-Employees	0	0	0
Net Investment Income	0	82,692	(82,692)
Benefit Payments, Including Refunds of Employee Contributions	(18,274)	(18,274)	0
Administrative Expense	0	0	0
Other Changes	0	0	0
Net Changes	\$ 2,988	\$ 64,418	\$ (61,430)
Balance, June 30, 2017	\$ 115,363	\$ 803,357	\$ (687,994)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Meigs County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ (681,714)	\$ (687,994)	\$ (693,645)

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

*Pension Expense or Negative Pension Expense.* For the year ended June 30, 2018, Meigs County recognized negative pension expense of (\$37,196).

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, Meigs County 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
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	45	0
Changes in Assumptions	0	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	0	N/A
Total	<u>\$ 45</u>	<u>\$ 0</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2019	\$ (3,723)
2020	7,888
2021	1,475
2022	(5,591)
2023	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**

**Certified Employees**

**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 publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://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 with an unreduced benefit 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. 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 60 or pursuant to the rule of 80. 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 percent and one percent. Members who leave 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 or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. 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, 2018, to the Teacher Retirement Plan were \$30,011, which is four percent of covered 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 (Assets).* At June 30, 2018, the School Department reported a liability (asset) of (\$27,254) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was .103306 percent. The proportion as of June 30, 2016, was .115198 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$12,548.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the 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
Difference Between Expected and Actual Experience	\$ 955	\$ 2,050
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,467
Changes in Assumptions	2,395	0
Changes in Proportion of Net Pension Liability (Asset)	2,376	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	30,011	N/A
Total	<u>\$ 35,737</u>	<u>\$ 3,517</u>

- (1) The School Department's employer contributions of \$30,011, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2019.

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
2019	\$ 54
2020	54
2021	(30)
2022	(407)
2023	284
Thereafter	2,250

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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market				
International Equity	5.29		14	
Emerging Market				
International Equity	6.36		4	
Private Equity and				
Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		10	
Short-term Securities	0.00		1	
			100	%
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 the School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 5,438	\$ (27,254)	\$ (51,237)

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

### **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 publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://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. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs 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 are required to contribute five percent of their salaries. 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, 2018, to the Teacher Legacy Pension Plan were \$623,295, which is 9.08 percent of covered 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 Liability (Assets).* At June 30, 2018, the School Department reported a liability (asset) of (\$64,880) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to

calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was .198304 percent. The proportion measured at June 30, 2016, was .193842 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$18,723.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the 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
	<u>                    </u>	<u>                    </u>
Difference Between Expected and Actual Experience	\$ 39,115	\$ 1,339,502
Changes in Assumptions	549,510	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	9,849	0
Changes in Proportion of Net Pension Liability (Asset)	71,689	16,300
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	<u>623,295</u>	<u>N/A</u>
Total	<u>\$ 1,293,458</u>	<u>\$ 1,355,802</u>

(1) The School Department's employer contributions of \$623,295 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2019.

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
2019	\$ (446,289)
2020	217,463
2021	(149,236)
2022	(307,574)
2023	0
Thereafter	0

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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation

Mortality rates are based actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income Real Estate	5.79	20
	2.01	20
	4.32	10
Short-term Securities	0.00	1
		100
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 the School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%

Net Pension Liability	\$ 5,821,737	\$ (64,880)	\$ (4,930,560)
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*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 School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the School Department contributed \$30,011 and teachers contributed \$37,514 to this deferred compensation pension plan.

**F. Other Postemployment Benefits (OPEB)**

Meigs County and the discretely presented Meigs County School Department provide OPEB benefits to its retirees under various OPEB plans. These include OPEB provided through state administered public entity risk pools and commercial health insurance plans. For reporting purposes, the plans are considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

## OPEB Provided through State Administered Public Entity Risk Pools

### Primary Government

Retirees of Meigs County are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The primary government's LGPs are combined for presentation purposes.

The county's total OPEB liability for each plan was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2017, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2017, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.56%
Healthcare Cost Trend Rates	LGP - Based on the Getzen Model, with trend starting at 7.5% for the 2018 calendar year, and gradually decreasing over a 33-year period to an ultimate trend rate of 3.53% with .18% added to approximate the effect of the excise tax
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.56 percent, based on the daily rate of Fidelity's 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2017, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2017, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after

retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

*Changes in Assumptions.* The discount rate changed from 2.92 percent as of the beginning of the measurement period to 3.56 percent as of the measurement date of June 30, 2017.

### **Closed Local Government OPEB Plan (Primary Government)**

*Plan Description.* Employees of Meigs County who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits Provided.* Meigs County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Meigs County does not provide a direct subsidy and is only subject to the implicit subsidy.

#### **Employees Covered by Benefit Terms**

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:



	<u>Meigs County</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	0
Total	<u><u>0</u></u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2018, the county paid \$521 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2016	<u>\$ 84,368</u>
Changes for the Year:	
Service Cost	\$ 15,140
Interest	2,906
Changes in Benefit Terms	0
Difference between Expected and Actuarial Experience	0
Changes in Assumption and Other Inputs	(5,563)
Benefit Payments	<u>0</u>
Net Changes	<u>\$ 12,483</u>
Balance June 30, 2017	<u><u>\$ 96,851</u></u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the county recognized OPEB expense of \$17,511. At June 30, 2018, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	5,028
Net Difference Between Projected and Benefits paid after the measurement date	<u>521</u>	<u>0</u>
Total	<u>\$ 521</u>	<u>\$ 5,028</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2019	\$ (535)
2020	(535)
2021	(535)
2022	(535)
2023	(535)
Thereafter	(2,353)

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

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
County	<u>\$ 105,470</u>	<u>\$ 96,851</u>	<u>\$ 88,536</u>
Total OPEB Liability	<u>\$ 105,470</u>	<u>\$ 96,851</u>	<u>\$ 88,536</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 6 to 3.77%	Current Trend Rates 7 to 4.77%	1% Increase 8 to 5.77%
County	\$ 83,354	\$ 96,851	\$ 113,088
Total OPEB Liability	<u>\$ 83,354</u>	<u>\$ 96,851</u>	<u>\$ 113,088</u>

**Closed Local Education (LEP) OPEB Plan (Discretely Presented School Department)**

*Plan Description.* Employees of the Meigs County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits Provided.* The Meigs County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Meigs County does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	8
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	224
Total	<u><u>232</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the School Department paid \$47,750 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Meigs County School Department 64.18%</u>	<u>State of TN 35.82%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2016	\$ 1,173,671	\$ 655,078	\$ 1,828,749
Changes for the Year:			
Service Cost	\$ 79,260	\$ 44,239	\$ 123,499
Interest	35,968	20,075	56,043
Changes in			
Benefit Terms	0	0	0
Difference between			
Expected and Actuarial			
Experience	0	0	0
Changes in Assumption			
and Other Inputs	(59,856)	(33,409)	(93,265)
Benefit Payments	(42,324)	(23,623)	(65,947)
Net Changes	\$ 13,048	\$ 7,282	\$ 20,330
Balance June 30, 2017	\$ 1,186,719	\$ 662,360	\$ 1,849,079

The Meigs County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Meigs County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$61,304 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Meigs County School Department's proportionate share of the collective OPEB liability was 64.18% and the State of Tennessee's share was 35.82%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the School Department recognized OPEB expense of \$171,140, including the state's share of the expense. At June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	54,464
Benefits Paid After the Measurement Date	47,750	0
<b>Total</b>	<b>\$ 47,750</b>	<b>\$ 54,464</b>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	School Department
2019	\$ (5,392)
2020	(5,392)
2021	(5,392)
2022	(5,392)
2023	(5,392)
Thereafter	(27,504)

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

*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.56%	3.56%	4.56%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,280,752	\$ 1,186,719	\$ 1,096,941
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*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the School

Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Curent Rates	1% Increase
	6.5 to 2.71%	7.5 to 3.71%	8.5 to 4.71%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,036,062	\$ 1,186,719	\$ 1,367,403
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**G. 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.

**H. 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 \$25,000. 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.

**I. Subsequent Events**

Director of Schools Don Roberts retired June 30, 2018, and was succeeded by Clinton Baker.



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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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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

	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service Cost	\$ 0	\$ 0	\$ 0	\$ 0
Interest	9,288	8,919	8,082	7,743
Changes in Benefit Terms	0	0	0	0
Differences Between Actual and Expected Experience	5,874	(1,024)	5,664	5,980
Changes in Assumptions	0	0	0	7,539
Benefit Payments, Including Refunds of Employee Contributions	(20,338)	(19,822)	(18,274)	(18,274)
Net Change in Total Pension Liability	\$ (5,176)	\$ (11,927)	\$ (4,528)	\$ 2,988
Total Pension Liability, Beginning	134,006	128,830	116,903	112,375
Total Pension Liability, Ending (a)	\$ 128,830	\$ 116,903	\$ 112,375	\$ 115,363
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 0	\$ 0	\$ 0	\$ 0
Contributions - Employee	0	0	0	0
Net Investment Income	106,022	22,343	19,327	82,692
Benefit Payments, Including Refunds of Employee Contributions	(20,338)	(19,822)	(18,274)	(18,274)
Administrative Expense	(48)	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 85,636	\$ 2,521	\$ 1,053	\$ 64,418
Plan Fiduciary Net Position, Beginning	649,729	735,365	737,886	738,939
Plan Fiduciary Net Position, Ending (b)	\$ 735,365	\$ 737,886	\$ 738,939	\$ 803,357
Net Pension Liability (Asset), Ending (a - b)	\$ (606,535)	\$ (620,983)	\$ (626,564)	\$ (687,994)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	570.80%	631.20%	657.57%	696.37%
Covered Payroll	\$ 0	\$ 0	\$ 0	\$ 0
Net Pension Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	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

	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Less Contributions in Relation to the Actuarially Determined Contribution	0	0	0	0	0
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

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  
Pension Plan of TCRS  
Discretely Presented Meigs County School Department  
For the Fiscal Year Ended June 30

	2015	2016	2017	2018
Contractually Required Contribution	\$ 13,269	\$ 20,275	\$ 27,122	\$ 30,011
Less Contributions in Relation to the Contractually Required Contribution	(13,269)	(20,275)	(27,122)	(30,011)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 331,737	\$ 506,877	\$ 678,044	\$ 750,282
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	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

	2014	2015	2016	2017	2018
Contractually Required Contribution	\$ 647,995	\$ 630,495	\$ 632,556	\$ 633,699	\$ 623,295
Less Contributions in Relation to the Contractually Required Contribution	(647,995)	(630,495)	(632,556)	(633,699)	(623,295)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 7,297,256	\$ 6,974,496	\$ 6,997,289	\$ 7,009,935	\$ 6,864,484
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%

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 Pension Plan of TCRS  
Discretely Presented Meigs County School Department  
For the Fiscal Year Ended June 30 \*

	2016	2017	2018
School Department's Proportion of the Net Pension Asset	0.156367%	0.151980%	0.103306%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (6,423)	\$ (11,992)	\$ (27,254)
Covered Payroll	\$ 331,737	\$ 506,877	\$ 678,044
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%

\* 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 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 \*

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Asset	0.185917%	0.186309%	0.193842%	0.198304%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (30,211) \$	76,319 \$	1,211,404 \$	(64,880)
Covered Payroll	\$ 7,297,256 \$	6,974,496 \$	6,997,289 \$	7,009,935
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

\* 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-7

Meigs County, Tennessee  
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plan  
Primary Government  
For the Fiscal Year Ended June 30 \*

	<u>2017</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 15,140
Interest	2,906
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(5,563)
Benefit Payments	<u>0</u>
Net Change in Total OPEB Liability	\$ 12,483
Total OPEB Liability, Beginning	<u>84,368</u>
Total OPEB Liability, Ending	<u><u>\$ 96,851</u></u>
Covered Employee Payroll	\$ 3,549,916
Net OPEB Liability as a Percentage of Covered Employee Payroll	2.73%

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2016	2.92%
2017	3.56%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.



Exhibit E-8

Meigs County, Tennessee  
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan  
Discretely Presented Meigs County School Department  
For the Fiscal Year Ended June 30 \*

	<u>2017</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 123,499
Interest	56,043
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(93,265)
Benefit Payments	<u>(65,947)</u>
Net Change in Total OPEB Liability	\$ 20,330
Total OPEB Liability, Beginning	<u>1,828,749</u>
 Total OPEB Liability, Ending	 <u>\$ 1,849,079</u>
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 662,360
Employer Proportionate Share of the Total OPEB Liability	1,186,719
 Covered Employee Payroll	 \$ 7,614,766
Net OPEB Liability as a Percentage of Covered Employee Payroll	24.28%

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2016	2.92%
2017	3.56%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**MEIGS COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2018**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal year 2017 were calculated based on the June 30, 2016, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by 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
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
Cost of Living Adjustments	2.5%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

## Capital Projects Fund

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

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Other Capital Projects Fund – The Other Capital Projects Fund is used to account for and report financial resources that are to be used for by the county for various capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Exhibit F-1

Meigs County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2018

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>	
	<u>Solid</u>	<u>Drug</u>	<u>Total</u>	<u>Projects Fund</u>		
	<u>Waste /</u>	<u>Control</u>		<u>Other</u>	<u>Nonmajor</u>	
	<u>Sanitation</u>			<u>Capital</u>	<u>Governmental</u>	
				<u>Projects</u>	<u>Funds</u>	
<u>ASSETS</u>						
Equity in Pooled Cash and Investments	\$ 139,314	\$ 66,115	\$ 205,429	\$ 250,386	\$ 455,815	
Due from Other Governments	1,662	0	1,662	0	1,662	
Property Taxes Receivable	171,124	0	171,124	0	171,124	
Allowance for Uncollectible Property Taxes	(5,708)	0	(5,708)	0	(5,708)	
Total Assets	<u>\$ 306,392</u>	<u>\$ 66,115</u>	<u>\$ 372,507</u>	<u>\$ 250,386</u>	<u>\$ 622,893</u>	
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 158,922	\$ 0	\$ 158,922	\$ 0	\$ 158,922	
Deferred Delinquent Property Taxes	5,043	0	5,043	0	5,043	
Total Deferred Inflows of Resources	<u>\$ 163,965</u>	<u>\$ 0</u>	<u>\$ 163,965</u>	<u>\$ 0</u>	<u>\$ 163,965</u>	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 66,115	\$ 66,115	\$ 0	\$ 66,115	
Restricted for Public Health and Welfare	142,427	0	142,427	0	142,427	
Committed:						
Committed for Capital Outlay	0	0	0	250,386	250,386	
Total Fund Balances	<u>\$ 142,427</u>	<u>\$ 66,115</u>	<u>\$ 208,542</u>	<u>\$ 250,386</u>	<u>\$ 458,928</u>	
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 306,392</u>	<u>\$ 66,115</u>	<u>\$ 372,507</u>	<u>\$ 250,386</u>	<u>\$ 622,893</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, 2018

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Total	Other Capital Projects	
<u>Revenues</u>					
Local Taxes	\$ 160,243	\$ 0	\$ 160,243	\$ 0	\$ 160,243
Fines, Forfeitures, and Penalties	0	29,598	29,598	0	29,598
Charges for Current Services	555	0	555	0	555
Other Local Revenues	118	500	618	0	618
State of Tennessee	1,662	0	1,662	380,085	381,747
Total Revenues	<u>\$ 162,578</u>	<u>\$ 30,098</u>	<u>\$ 192,676</u>	<u>\$ 380,085</u>	<u>\$ 572,761</u>
<u>Expenditures</u>					
Current:					
Public Safety	\$ 0	\$ 44,940	\$ 44,940	\$ 0	\$ 44,940
Public Health and Welfare	154,482	0	154,482	0	154,482
Other Operations	0	0	0	15,000	15,000
Total Expenditures	<u>\$ 154,482</u>	<u>\$ 44,940</u>	<u>\$ 199,422</u>	<u>\$ 15,000</u>	<u>\$ 214,422</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 8,094</u>	<u>\$ (14,842)</u>	<u>\$ (6,748)</u>	<u>\$ 365,085</u>	<u>\$ 358,337</u>
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ 0	\$ 0	\$ 0	\$ (747,875)	\$ (747,875)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (747,875)</u>	<u>\$ (747,875)</u>
Net Change in Fund Balances	\$ 8,094	\$ (14,842)	\$ (6,748)	\$ (382,790)	\$ (389,538)
Fund Balance, July 1, 2017	134,331	80,957	215,290	633,176	848,464
Fund Balance, June 30, 2018	<u>\$ 142,427</u>	<u>\$ 66,115</u>	<u>\$ 208,542</u>	<u>\$ 250,386</u>	<u>\$ 458,928</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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 160,243	\$ 170,146	\$ 170,146	\$ (9,903)
Charges for Current Services	555	500	500	55
Other Local Revenues	118	750	832	(714)
State of Tennessee	1,662	2,000	2,000	(338)
Total Revenues	<u>\$ 162,578</u>	<u>\$ 173,396</u>	<u>\$ 173,478</u>	<u>\$ (10,900)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 154,482	\$ 157,600	\$ 157,682	\$ 3,200
Total Expenditures	<u>\$ 154,482</u>	<u>\$ 157,600</u>	<u>\$ 157,682</u>	<u>\$ 3,200</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 8,094</u>	<u>\$ 15,796</u>	<u>\$ 15,796</u>	<u>\$ (7,702)</u>
Net Change in Fund Balance	\$ 8,094	\$ 15,796	\$ 15,796	(7,702)
Fund Balance, July 1, 2017	<u>134,331</u>	<u>80,966</u>	<u>80,966</u>	<u>53,365</u>
Fund Balance, June 30, 2018	<u>\$ 142,427</u>	<u>\$ 96,762</u>	<u>\$ 96,762</u>	<u>\$ 45,665</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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 29,598	\$ 56,200	\$ 56,200	\$ (26,602)
Other Local Revenues	500	0	0	500
Total Revenues	\$ 30,098	\$ 56,200	\$ 56,200	\$ (26,102)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 44,940	\$ 48,675	\$ 48,675	\$ 3,735
Total Expenditures	\$ 44,940	\$ 48,675	\$ 48,675	\$ 3,735
Excess (Deficiency) of Revenues Over Expenditures	\$ (14,842)	\$ 7,525	\$ 7,525	\$ (22,367)
Net Change in Fund Balance	\$ (14,842)	\$ 7,525	\$ 7,525	\$ (22,367)
Fund Balance, July 1, 2017	80,957	80,966	80,966	(9)
Fund Balance, June 30, 2018	\$ 66,115	\$ 88,491	\$ 88,491	\$ (22,376)



# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit G

Meigs County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 395,738	\$ 403,465	\$ 403,465	\$ (7,727)
State of Tennessee	50,688	41,500	41,500	9,188
Total Revenues	\$ 446,426	\$ 444,965	\$ 444,965	\$ 1,461
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 203,459	\$ 408,074	\$ 203,459	\$ 0
<u>Interest on Debt</u>				
General Government	246,541	41,927	246,542	1
<u>Other Debt Service</u>				
General Government	8,054	9,500	9,500	1,446
Total Expenditures	\$ 458,054	\$ 459,501	\$ 459,501	\$ 1,447
Excess (Deficiency) of Revenues Over Expenditures	\$ (11,628)	\$ (14,536)	\$ (14,536)	\$ 2,908
Net Change in Fund Balance	\$ (11,628)	\$ (14,536)	\$ (14,536)	\$ 2,908
Fund Balance, July 1, 2017	1,229,791	1,225,519	1,225,519	4,272
Fund Balance, June 30, 2018	\$ 1,218,163	\$ 1,210,983	\$ 1,210,983	\$ 7,180

# Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit H-1

Meigs County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2018

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 279,371	\$ 279,371
Accounts Receivable	0	36	36
Due from Other Governments	38,285	0	38,285
Total Assets	<u>\$ 38,285</u>	<u>\$ 279,407</u>	<u>\$ 317,692</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 38,285	\$ 0	\$ 38,285
Due to Litigants, Heirs, and Others	0	279,407	279,407
Total Liabilities	<u>\$ 38,285</u>	<u>\$ 279,407</u>	<u>\$ 317,692</u>

Exhibit H-2

Meigs County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 217,705	\$ 217,705	\$ 0
Due from Other Governments	38,035	38,285	38,035	38,285
Total Assets	\$ 38,035	\$ 255,990	\$ 255,740	\$ 38,285
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 38,035	\$ 255,990	\$ 255,740	\$ 38,285
Total Liabilities	\$ 38,035	\$ 255,990	\$ 255,740	\$ 38,285
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 195,785	\$ 2,488,225	\$ 2,404,639	\$ 279,371
Accounts Receivable	48	36	48	36
Total Assets	\$ 195,833	\$ 2,488,261	\$ 2,404,687	\$ 279,407
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 195,833	\$ 2,488,261	\$ 2,404,687	\$ 279,407
Total Liabilities	\$ 195,833	\$ 2,488,261	\$ 2,404,687	\$ 279,407
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 195,785	\$ 2,488,225	\$ 2,404,639	\$ 279,371
Equity in Pooled Cash and Investments	0	217,705	217,705	0
Accounts Receivable	48	36	48	36
Due from Other Governments	38,035	38,285	38,035	38,285
Total Assets	\$ 233,868	\$ 2,744,251	\$ 2,660,427	\$ 317,692
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 38,035	\$ 255,990	\$ 255,740	\$ 38,285
Due to Litigants, Heirs, and Others	195,833	2,488,261	2,404,687	279,407
Total Liabilities	\$ 233,868	\$ 2,744,251	\$ 2,660,427	\$ 317,692

# Meigs County School Department

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

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

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

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

Exhibit I-1

Meigs County, Tennessee  
Statement of Activities  
Discretely Presented Meigs County School Department  
For the Year Ended June 30, 2018

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	\$ 9,324,692	\$ 0	\$ 1,634,182	\$ (7,690,510)
Support Services	4,446,555	82,313	10,450	(4,353,792)
Operation of Non-instructional Services	1,506,424	65,520	1,028,669	(412,235)
Total Governmental Activities	\$ 15,277,671	\$ 147,833	\$ 2,673,301	\$ (12,456,537)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,472,372
Local Option Sales Taxes				524,622
Wholesale Beer Tax				47,818
Other Local Taxes				5,117
Grants and Contributions Not Restricted to Specific Programs				11,178,686
Unrestricted Investment Earnings				10,946
Miscellaneous				16,332
Sale of Equipment				1,603
Total General Revenues				\$ 13,257,496
Change in Net Position				\$ 800,959
Net Position, July 1, 2017				10,321,232
Restatement - See Note I.D.8.				(809,813)
Net Position, June 30, 2018				\$ 10,312,378

Exhibit I-2

Meigs County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Meigs County School Department  
June 30, 2018

	Major Funds		Nonmajor	Total Governmental Funds
	General Purpose School	Central Cafeteria	Fund School Federal Projects	
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 1,851,642	\$ 457,590	\$ 19,353	\$ 2,328,585
Accounts Receivable	2,788	0	0	2,788
Due from Other Governments	618,872	0	691	619,563
Property Taxes Receivable	1,557,506	0	0	1,557,506
Allowance for Uncollectible Property Taxes	(51,951)	0	0	(51,951)
Total Assets	<u>\$ 3,978,857</u>	<u>\$ 457,590</u>	<u>\$ 20,044</u>	<u>\$ 4,456,491</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,701	\$ 0	\$ 44	\$ 1,745
Accrued Payroll	5,499	0	0	5,499
Total Liabilities	<u>\$ 7,200</u>	<u>\$ 0</u>	<u>\$ 44</u>	<u>\$ 7,244</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 1,446,447	\$ 0	\$ 0	\$ 1,446,447
Deferred Delinquent Property Taxes	45,898	0	0	45,898
Other Deferred/Unavailable Revenue	45,000	0	0	45,000
Total Deferred Inflows of Resources	<u>\$ 1,537,345</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,537,345</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 12,575	\$ 457,590	\$ 0	\$ 470,165
Committed:				
Committed for Education	0	0	20,000	20,000

(Continued)



Exhibit I-2

Meigs County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Meigs County School Department (Cont.)

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Central</u>	<u>Fund</u>	
	<u>Purpose</u>	<u>Cafeteria</u>	<u>School</u>	<u>Governmental</u>
	<u>School</u>		<u>Federal</u>	<u>Funds</u>
			<u>Projects</u>	
<u>FUND BALANCES (Cont.)</u>				
Assigned:				
Assigned for Education	\$ 181,858	\$ 0	\$ 0	\$ 181,858
Assigned for Instruction	40,500	0	0	40,500
Assigned for Support Services	200,000	0	0	200,000
Assigned for Capital Outlay	279,221	0	0	279,221
Unassigned	1,720,158	0	0	1,720,158
Total Fund Balances	<u>\$ 2,434,312</u>	<u>\$ 457,590</u>	<u>\$ 20,000</u>	<u>\$ 2,911,902</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,978,857</u>	<u>\$ 457,590</u>	<u>\$ 20,044</u>	<u>\$ 4,456,491</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, 2018

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)		\$	2,911,902
(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: buildings and improvements net of accumulated depreciation		6,956,513	
Add: other capital assets net of accumulated depreciation		<u>1,097,029</u>	8,440,999
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: OPEB Obligation (net of restatement)			(1,186,719)
(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	\$	1,329,195	
Less: deferred inflows of resources related to pensions		(1,359,318)	
Add: deferred outflows of resources related to OPEB		47,750	
Less: deferred inflows of resources related to OPEB		<u>(54,464)</u>	(36,837)
(4) Net pension assets of the teacher retirement plan are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension assets - teacher retirement plan	\$	27,255	
Add: net pension assets - teacher legacy plan		<u>64,880</u>	92,135
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>90,898</u>
Net position of governmental activities (Exhibit A)			<u><u>\$ 10,312,378</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, 2018

	Major Funds		Nonmajor Fund	Total Governmental Funds
	General Purpose School	Central Cafeteria	School Federal Projects	
<u>Revenues</u>				
Local Taxes	\$ 2,462,890	\$ 0	\$ 0	\$ 2,462,890
Licenses and Permits	508	0	0	508
Charges for Current Services	0	78,464	0	78,464
Other Local Revenues	99,060	468	0	99,528
State of Tennessee	11,205,421	9,907	0	11,215,328
Federal Government	16,242	1,018,762	1,172,333	2,207,337
Total Revenues	<u>\$ 13,784,121</u>	<u>\$ 1,107,601</u>	<u>\$ 1,172,333</u>	<u>\$ 16,064,055</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 8,603,966	\$ 0	\$ 867,624	\$ 9,471,590
Support Services	4,249,081	0	303,675	4,552,756
Operation of Non-Instructional Services	450,357	1,066,220	1,034	1,517,611
Capital Outlay	936,839	0	0	936,839
Total Expenditures	<u>\$ 14,240,243</u>	<u>\$ 1,066,220</u>	<u>\$ 1,172,333</u>	<u>\$ 16,478,796</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (456,122)</u>	<u>\$ 41,381</u>	<u>\$ 0</u>	<u>\$ (414,741)</u>
Net Change in Fund Balances	\$ (456,122)	\$ 41,381	\$ 0	\$ (414,741)
Fund Balance, July 1, 2017	2,890,434	416,209	20,000	3,326,643
Fund Balance, June 30, 2018	<u>\$ 2,434,312</u>	<u>\$ 457,590</u>	<u>\$ 20,000</u>	<u>\$ 2,911,902</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, 2018

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)		\$ (414,741)
(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	\$ 1,055,727	
Less: current-year depreciation expense	<u>(463,810)</u>	591,917
(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, 2018	\$ 90,898	
Less: deferred delinquent property taxes and other deferred June 30, 2017	<u>(75,045)</u>	15,853
(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 net pension asset - teacher retirement plan	\$ 15,263	
Change in net pension asset - teacher legacy retirement plan	1,276,284	
Change in deferred outflows related to pensions	(794,262)	
Change in deferred inflows related to pensions	130,407	
Change in OPEB liability (net of restatement)	(13,048)	
Change in deferred outflows related to OPEB	47,750	
Change in deferred inflows related to OPEB	<u>(54,464)</u>	<u>607,930</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 800,959</u>

Exhibit I-6

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,462,890	\$ 0	\$ 0	\$ 2,462,890	\$ 2,455,000	\$ 2,455,000	\$ 7,890
Licenses and Permits	508	0	0	508	0	0	508
Other Local Revenues	99,060	0	0	99,060	65,000	81,576	17,484
State of Tennessee	11,205,421	0	0	11,205,421	10,855,535	11,195,244	10,177
Federal Government	16,242	0	0	16,242	0	110,786	(94,544)
<b>Total Revenues</b>	<b>\$ 13,784,121</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,784,121</b>	<b>\$ 13,375,535</b>	<b>\$ 13,842,606</b>	<b>\$ (58,485)</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 7,041,474	\$ (112,365)	\$ 44,400	\$ 6,973,509	\$ 7,448,540	\$ 7,327,150	\$ 353,641
Alternative Instruction Program	77,696	0	0	77,696	69,595	78,015	319
Special Education Program	953,790	0	0	953,790	963,625	962,405	8,615
Career and Technical Education Program	531,006	0	0	531,006	305,630	538,116	7,110
<u>Support Services</u>							
Attendance	35,019	0	0	35,019	33,245	36,465	1,446
Health Services	242,476	0	1,033	243,509	232,950	246,835	3,326
Other Student Support	403,469	(6,296)	1,951	399,124	383,505	403,358	4,234
Regular Instruction Program	301,100	(1,062)	2,118	302,156	306,755	325,915	23,759
Special Education Program	103,385	0	0	103,385	110,965	105,465	2,080
Career and Technical Education Program	55,509	0	0	55,509	67,265	67,265	11,756
Technology	166,813	(4,400)	1,766	164,179	158,075	171,105	6,926
Other Programs	38,154	0	0	38,154	0	38,154	0
Board of Education	258,539	(9,352)	11,228	260,415	270,070	270,070	9,655
Director of Schools	209,636	0	404	210,040	192,270	211,100	1,060
Office of the Principal	511,011	(261)	329	511,079	464,800	515,360	4,281
Fiscal Services	64,079	0	0	64,079	58,775	64,315	236
Operation of Plant	921,614	(860)	1,167	921,921	889,125	947,295	25,374
Maintenance of Plant	201,332	(186)	891	202,037	172,045	217,375	15,338
Transportation	735,239	(6,611)	18,463	747,091	847,515	861,320	114,229

(Continued)

Exhibit I-6

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 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Central and Other	\$ 1,706	\$ 0	\$ 951	\$ 2,657	\$ 0	\$ 96,250	\$ 93,593
<u>Operation of Non-Instructional Services</u>							
Community Services	37,423	0	0	37,423	0	49,999	12,576
Early Childhood Education	412,934	(9,013)	11,319	415,240	415,240	415,240	0
<u>Capital Outlay</u>							
Regular Capital Outlay	936,839	(725,649)	5,838	217,028	285,000	336,576	119,548
Total Expenditures	\$ 14,240,243	\$ (876,055)	\$ 101,858	\$ 13,466,046	\$ 13,674,990	\$ 14,285,148	\$ 819,102
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (456,122)	\$ 876,055	\$ (101,858)	\$ 318,075	\$ (299,455)	\$ (442,542)	\$ 760,617
Net Change in Fund Balance							
Fund Balance, July 1, 2017	\$ 2,890,434	(876,055)	0	2,014,379	2,725,424	2,725,424	(711,045)
Fund Balance, June 30, 2018	\$ 2,434,312	\$ 0	\$ (101,858)	\$ 2,332,454	\$ 2,425,969	\$ 2,282,882	\$ 49,572

Exhibit I-7

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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,172,333	\$ 1,238,545	\$ 1,284,060	\$ (111,727)
Total Revenues	\$ 1,172,333	\$ 1,238,545	\$ 1,284,060	\$ (111,727)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 541,079	\$ 522,667	\$ 546,617	\$ 5,538
Special Education Program	310,350	318,796	325,071	14,721
Career and Technical Education Program	16,195	18,477	16,195	0
<u>Support Services</u>				
Other Student Support	48,292	115,683	118,874	70,582
Regular Instruction Program	86,625	84,201	86,763	138
Special Education Program	131,940	157,596	152,688	20,748
Career and Technical Education Program	1,400	1,400	1,400	0
Technology	17,850	3,587	17,850	0
Board of Education	196	0	196	0
Transportation	17,372	16,138	17,372	0
<u>Operation of Non-Instructional Services</u>				
Food Service	1,034	0	1,034	0
Total Expenditures	\$ 1,172,333	\$ 1,238,545	\$ 1,284,060	\$ 111,727
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 76,600	\$ 0	\$ 0
Transfers Out	0	(76,600)	0	0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2017	20,000	0	0	20,000
Fund Balance, June 30, 2018	\$ 20,000	\$ 0	\$ 0	\$ 20,000

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  
Central Cafeteria Fund  
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 78,464	\$ 0	\$ 78,464	\$ 82,500	\$ 82,500	\$ (4,036)
Other Local Revenues	468	0	468	500	500	(32)
State of Tennessee	9,907	0	9,907	0	9,907	0
Federal Government	1,018,762	0	1,018,762	990,000	1,023,717	(4,955)
Total Revenues	<u>\$ 1,107,601</u>	<u>\$ 0</u>	<u>\$ 1,107,601</u>	<u>\$ 1,073,000</u>	<u>\$ 1,116,624</u>	<u>\$ (9,023)</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 1,066,220	\$ (36,068)	\$ 1,030,152	\$ 1,114,735	\$ 1,158,358	\$ 128,206
Total Expenditures	<u>\$ 1,066,220</u>	<u>\$ (36,068)</u>	<u>\$ 1,030,152</u>	<u>\$ 1,114,735</u>	<u>\$ 1,158,358</u>	<u>\$ 128,206</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 41,381	\$ 36,068	\$ 77,449	\$ (41,735)	\$ (41,734)	\$ 119,183
Net Change in Fund Balance	\$ 41,381	\$ 36,068	\$ 77,449	\$ (41,735)	\$ (41,734)	\$ 119,183
Fund Balance, July 1, 2017	416,209	(36,068)	380,141	222,539	222,539	157,602
Fund Balance, June 30, 2018	<u>\$ 457,590</u>	<u>\$ 0</u>	<u>\$ 457,590</u>	<u>\$ 180,804</u>	<u>\$ 180,805</u>	<u>\$ 276,785</u>



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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Meigs County, Tennessee  
Schedule of Changes in Long-term Bonds  
For the Year Ended June 30, 2018

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Paid and/or Matured During Period	Outstanding 6-30-18
<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	\$ 1,485,585	\$ 203,459	\$ 1,282,126
Total Bonds Payable					<u>\$ 1,485,585</u>	<u>\$ 203,459</u>	<u>\$ 1,282,126</u>

(1) These (CAB) bonds accrete interest that is paid at bond maturity. As of June 30, 2018, approximately \$824,295 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
2019	\$ 192,128	\$ 257,872	\$ 450,000
2020	182,871	267,129	450,000
2021	172,435	277,565	450,000
2022	164,043	285,957	450,000
2023	154,458	295,542	450,000
2024	146,871	303,129	450,000
2025	138,082	311,918	450,000
2026	131,238	318,762	450,000
Total	<u>\$ 1,282,126</u>	<u>\$ 2,317,874</u>	<u>\$ 3,600,000</u>

Exhibit J-3

Meigs County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2018

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Other Capital Projects	General	Renovations to Agricultural Center	\$ 18,892
"	"	Committed for Future Jail	690,043
"	"	Ease Bluff Ferry Boat Ramp Project	18,940
"	"	Boys and Girls Club	<u>20,000</u>
Total Transfers Primary Government			<u>\$ 747,875</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, 2018

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 72,974	\$ (3)	Tennessee Risk Management Trust
Highway Superintendent	Section 8-24-102, TCA	69,500	(3)	"
Director of Schools	State Board of Education and County Board of Education	119,755 (1)	100,000	Western Surety Company
Trustee	Section 8-24-102, TCA	63,182	(3)	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, TCA	63,182	(3)	Tennessee Risk Management Trust
County Clerk	Section 8-24-102, TCA	63,182	(3)	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	63,182	(3)	"
Clerk and Master	Section 8-24-102, TCA	63,182	(3)	"
Register of Deeds	Section 8-24-102, TCA	63,182	(3)	"
Sheriff	Section 8-24-102, TCA	69,500 (2)	(3)	"
Director of Finance	County Commission	58,000	(3)	"
Blanket Bonds:				
Employee Fidelity - County Employees			400,000	Tennessee Risk Management Trust
Employee Fidelity - School Employees			400,000	"

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

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

Exhibit J-5

Meigs County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2018

	Special Revenue Funds				Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 2,635,644	\$ 139,475	\$ 0	\$ 0	\$ 276,396
Trustee's Collections - Prior Year	94,803	4,133	0	0	10,015
Circuit Clerk/Clerk and Master Collections - Prior Years	57,011	3,012	0	0	6,015
Interest and Penalty	16,218	791	0	0	1,712
Pickup Taxes	828	44	0	0	87
Payments in-Lieu-of Taxes - T.V.A.	1,826	0	0	0	274
Payments in-Lieu-of Taxes - Local Utilities	241,811	12,788	0	0	25,516
<u>County Local Option Taxes</u>					
Local Option Sales Tax	227,170	0	0	0	75,723
Hotel/Motel Tax	14,896	0	0	0	0
Litigation Tax - General	21,806	0	0	0	0
Litigation Tax - Special Purpose	33,486	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	2,576	0	0	0	0
Litigation Tax - Courthouse Security	847	0	0	0	0
Business Tax	31,117	0	0	0	0
Mixed Drink Tax	3,712	0	0	0	0
Mineral Severance Tax	0	0	0	49,187	0
Other County Local Option Taxes	8,643	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	18,045	0	0	0	0
Wholesale Beer Tax	68,326	0	0	0	0
Interstate Telecommunications Tax	5,150	0	0	0	0
Total Local Taxes	\$ 3,483,915	\$ 160,243	\$ 0	\$ 49,187	\$ 395,738

(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	Highway / Public Works	Fund General Debt Service
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 537	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	9,609	0	0	0	0
<u>Permits</u>					
Beer Permits	238	0	0	0	0
Building Permits	11,790	0	0	0	0
Other Permits	225	0	0	0	0
Total Licenses and Permits	<u>\$ 22,399</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	\$ 3,395	\$ 0	\$ 0	\$ 0	\$ 0
<u>Criminal Court</u>					
Fines	3,420	0	0	0	0
Drug Control Fines	0	0	5,567	0	0
Drug Court Fees	459	0	0	0	0
DUI Treatment Fines	855	0	0	0	0
Data Entry Fee - Criminal Court	538	0	0	0	0
<u>General Sessions Court</u>					
Fines	16,954	0	0	0	0
Fines for Littering	48	0	0	0	0
Officers Costs	25,410	0	0	0	0
Game and Fish Fines	358	0	0	0	0
Drug Control Fines	0	0	13,451	0	0
Drug Court Fees	2,593	0	0	0	0
Jail Fees	1,977	0	0	0	0
Data Entry Fee - General Sessions Court	9,594	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	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 214	\$ 0	\$ 0	\$ 0	\$ 0
<u>Chancery Court</u>					
Officers Costs	1,691	0	0	0	0
Data Entry Fee - Chancery Court	1,830	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	23,698	0	0	0	0
Drug Court Fees	16	0	0	0	0
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	9,580	0	0
Data Entry Fee - Other Courts	6,225	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	1,000	0	0
Other Fines, Forfeitures, and Penalties	332	0	0	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 99,607</u>	<u>\$ 0</u>	<u>\$ 29,598</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 555	\$ 0	\$ 0	\$ 0
Patient Charges	268,969	0	0	0	0
Other General Service Charges	41,774	0	0	0	0
<u>Fees</u>					
Copy Fees	770	0	0	0	0
Telephone Commissions	15,984	0	0	0	0
Data Processing Fee - Register	3,680	0	0	0	0
Data Processing Fee - Sheriff	1,568	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	Highway / Public Works	Fund
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Sexual Offender Registration Fee - Sheriff	\$ 2,850	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - County Clerk	504	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	60	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 336,159</b>	<b>\$ 555</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Lease/Rentals	\$ 2,600	\$ 0	\$ 0	\$ 0	\$ 0
Commissary Sales	20,177	0	0	0	0
Sale of Recycled Materials	0	34	0	0	0
Miscellaneous Refunds	30,927	84	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	100	0
Contributions and Gifts	60,000	0	500	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	101	0	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 113,805</b>	<b>\$ 118</b>	<b>\$ 500</b>	<b>\$ 100</b>	<b>\$ 0</b>
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 128,091	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	23,240	0	0	0	0
General Sessions Court Clerk	79,299	0	0	0	0
Clerk and Master	40,786	0	0	0	0
Register	46,218	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	Highway / Public Works	General Debt Service
<u>Fees Received From County Officials (Cont.)</u>					
<u>Fees In-Lieu-of Salary (Cont.)</u>					
Sheriff	\$ 9,760	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	155,434	0	0	0	0
Total Fees Received From County Officials	<u>\$ 482,828</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	7,800	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	20,374	0	0	0	0
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	109,226	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	551,938	0
Litter Program	33,903	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	31,421	1,662	0	0	3,316
Beer Tax	17,839	0	0	0	0
Vehicle Certificate of Title Fees	1,485	0	0	0	0
Alcoholic Beverage Tax	28,561	0	0	0	0
State Revenue Sharing - T.V.A.	315,814	0	0	0	47,372
State Revenue Sharing - Telecommunications	6,764	0	0	0	0
Contracted Prisoner Boarding	243,255	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	1,663,689	0
Petroleum Special Tax	0	0	0	8,480	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	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Registrar's Salary Supplement	\$ 15,164	\$ 0	\$ 0	\$ 0	\$ 0
Other State Grants	19,361	0	0	0	0
Other State Revenues	38,872	0	0	0	0
Total State of Tennessee	<u>\$ 898,839</u>	<u>\$ 1,662</u>	<u>\$ 0</u>	<u>\$ 2,224,107</u>	<u>\$ 50,688</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 63,191	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	8,885	0	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	64,700	0	0	0	0
Total Federal Government	<u>\$ 136,776</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	\$ 109,350	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other</u>					
Other	11,000	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 120,350</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 5,694,678</u>	<u>\$ 162,578</u>	<u>\$ 30,098</u>	<u>\$ 2,273,394</u>	<u>\$ 446,426</u>

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	
	Other Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 3,051,515
Trustee's Collections - Prior Year	0	108,951
Circuit Clerk/Clerk and Master Collections - Prior Years	0	66,038
Interest and Penalty	0	18,721
Pickup Taxes	0	959
Payments in-Lieu-of Taxes - T.V.A.	0	2,100
Payments in-Lieu-of Taxes - Local Utilities	0	280,115
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	302,893
Hotel/Motel Tax	0	14,896
Litigation Tax - General	0	21,806
Litigation Tax - Special Purpose	0	33,486
Litigation Tax - Jail, Workhouse, or Courthouse	0	2,576
Litigation Tax - Courthouse Security	0	847
Business Tax	0	31,117
Mixed Drink Tax	0	3,712
Mineral Severance Tax	0	49,187
Other County Local Option Taxes	0	8,643
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	18,045
Wholesale Beer Tax	0	68,326
Interstate Telecommunications Tax	0	5,150
Total Local Taxes	<u>\$ 0</u>	<u>\$ 4,089,083</u>

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	
	Other Capital Projects	Total
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	\$ 0	\$ 537
Cable TV Franchise	0	9,609
<u>Permits</u>		
Beer Permits	0	238
Building Permits	0	11,790
Other Permits	0	225
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 22,399</u>
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Officers Costs	\$ 0	\$ 3,395
<u>Criminal Court</u>		
Fines	0	3,420
Drug Control Fines	0	5,567
Drug Court Fees	0	459
DUI Treatment Fines	0	855
Data Entry Fee - Criminal Court	0	538
<u>General Sessions Court</u>		
Fines	0	16,954
Fines for Littering	0	48
Officers Costs	0	25,410
Game and Fish Fines	0	358
Drug Control Fines	0	13,451
Drug Court Fees	0	2,593
Jail Fees	0	1,977
Data Entry Fee - General Sessions Court	0	9,594

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	
	Other Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>Juvenile Court</u>		
Fines	\$ 0	\$ 214
<u>Chancery Court</u>		
Officers Costs	0	1,691
Data Entry Fee - Chancery Court	0	1,830
<u>Other Courts - In-county</u>		
Fines	0	23,698
Drug Court Fees	0	16
<u>Judicial District Drug Program</u>		
Drug Task Force Forfeitures and Seizures	0	9,580
Data Entry Fee - Other Courts	0	6,225
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	0	1,000
Other Fines, Forfeitures, and Penalties	0	332
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 129,205</u>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Surcharge - Waste Tire Disposal	\$ 0	\$ 555
Patient Charges	0	268,969
Other General Service Charges	0	41,774
<u>Fees</u>		
Copy Fees	0	770
Telephone Commissions	0	15,984
Data Processing Fee - Register	0	3,680
Data Processing Fee - Sheriff	0	1,568

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	
	Other Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>		
<u>Fees (Cont.)</u>		
Sexual Offender Registration Fee - Sheriff	\$ 0	\$ 2,850
Data Processing Fee - County Clerk	0	504
Vehicle Insurance Coverage and Reinstatement Fees	0	60
<b>Total Charges for Current Services</b>	<b>\$ 0</b>	<b>\$ 336,714</b>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Lease/Rentals	\$ 0	\$ 2,600
Commissary Sales	0	20,177
Sale of Recycled Materials	0	34
Miscellaneous Refunds	0	31,011
<u>Nonrecurring Items</u>		
Sale of Equipment	0	100
Contributions and Gifts	0	60,500
<u>Other Local Revenues</u>		
Other Local Revenues	0	101
<b>Total Other Local Revenues</b>	<b>\$ 0</b>	<b>\$ 114,523</b>
<u>Fees Received From County Officials</u>		
<u>Fees In-Lieu-of Salary</u>		
County Clerk	\$ 0	\$ 128,091
Circuit Court Clerk	0	23,240
General Sessions Court Clerk	0	79,299
Clerk and Master	0	40,786
Register	0	46,218

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	
	Other Capital Projects	Total
<hr/>		
<u>Fees Received From County Officials (Cont.)</u>		
<u>Fees In-Lieu-of Salary (Cont.)</u>		
Sheriff	\$ 0	\$ 9,760
Trustee	0	155,434
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 482,828</u>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 9,000
Aging Programs	0	7,800
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	20,374
<u>Health and Welfare Grants</u>		
Other Health and Welfare Grants	0	109,226
<u>Public Works Grants</u>		
Bridge Program	0	551,938
Litter Program	0	33,903
<u>Other State Revenues</u>		
Income Tax	0	36,399
Beer Tax	0	17,839
Vehicle Certificate of Title Fees	0	1,485
Alcoholic Beverage Tax	0	28,561
State Revenue Sharing - T.V.A.	380,085	743,271
State Revenue Sharing - Telecommunications	0	6,764
Contracted Prisoner Boarding	0	243,255
Gasoline and Motor Fuel Tax	0	1,663,689
Petroleum Special Tax	0	8,480

(Continued)



Exhibit J-5

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

	<u>Capital Projects Fund</u>	
	Other Capital Projects	Total
<u>State of Tennessee (Cont.)</u>		
<u>Other State Revenues (Cont.)</u>		
Registrar's Salary Supplement	\$ 0	\$ 15,164
Other State Grants	0	19,361
Other State Revenues	0	38,872
Total State of Tennessee	<u>\$ 380,085</u>	<u>\$ 3,555,381</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
Civil Defense Reimbursement	\$ 0	\$ 63,191
Other Federal through State	0	8,885
<u>Direct Federal Revenue</u>		
Other Direct Federal Revenue	0	64,700
Total Federal Government	<u>\$ 0</u>	<u>\$ 136,776</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contracted Services	\$ 0	\$ 109,350
<u>Other</u>		
Other	0	11,000
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 120,350</u>
Total	<u>\$ 380,085</u>	<u>\$ 8,987,259</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, 2018

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,260,798	\$ 0	\$ 0	\$ 1,260,798
Trustee's Collections - Prior Year	45,682	0	0	45,682
Circuit Clerk/Clerk and Master Collections - Prior Years	27,443	0	0	27,443
Interest and Penalty	7,805	0	0	7,805
Pickup Taxes	398	0	0	398
Payments in-Lieu-of Taxes - T.V.A.	428,814	0	0	428,814
Payments in-Lieu-of Taxes - Local Utilities	116,393	0	0	116,393
<u>County Local Option Taxes</u>				
Local Option Sales Tax	522,622	0	0	522,622
<u>Statutory Local Taxes</u>				
Wholesale Beer Tax	47,818	0	0	47,818
Interstate Telecommunications Tax	5,117	0	0	5,117
Total Local Taxes	<u>\$ 2,462,890</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,462,890</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 508	\$ 0	\$ 0	\$ 508
Total Licenses and Permits	<u>\$ 508</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 508</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Receipts from Individual Schools	\$ 0	\$ 0	\$ 65,520	\$ 65,520
Other Charges for Services	0	0	12,944	12,944
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 78,464</u>	<u>\$ 78,464</u>

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria		
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 10,519	\$ 0	\$ 427	\$	10,946
Lease/Rentals	11,381	0	0		11,381
Sale of Materials and Supplies	765	0	0		765
Miscellaneous Refunds	59,634	0	0		59,634
<u>Nonrecurring Items</u>					
Sale of Equipment	1,603	0	0		1,603
Contributions and Gifts	15,000	0	0		15,000
<u>Other Local Revenues</u>					
Other Local Revenues	158	0	41		199
Total Other Local Revenues	<u>\$ 99,060</u>	<u>\$ 0</u>	<u>\$ 468</u>	<u>\$</u>	<u>99,528</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 38,154	\$ 0	\$ 0	\$	38,154
<u>State Education Funds</u>					
Basic Education Program	10,319,000	0	0		10,319,000
Early Childhood Education	415,240	0	0		415,240
School Food Service	0	0	9,907		9,907
Driver Education	8,696	0	0		8,696
Other State Education Funds	50,000	0	0		50,000
Coordinated School Health	90,000	0	0		90,000
Career Ladder Program	33,193	0	0		33,193
Vocational Equipment	185,091	0	0		185,091

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues</u>				
Income Tax	\$ 15,124	\$ 0	\$ 0	\$ 15,124
Other State Grants	10,000	0	0	10,000
Safe Schools	10,450	0	0	10,450
Other State Revenues	30,473	0	0	30,473
Total State of Tennessee	<u>\$ 11,205,421</u>	<u>\$ 0</u>	<u>\$ 9,907</u>	<u>\$ 11,215,328</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 610,305	\$ 610,305
USDA - Commodities	0	0	49,965	49,965
Breakfast	0	0	315,159	315,159
USDA - Other	0	0	43,333	43,333
Vocational Education - Basic Grants to States	0	30,458	0	30,458
Title I Grants to Local Education Agencies	0	528,601	0	528,601
Special Education - Grants to States	0	440,366	0	440,366
Special Education Preschool Grants	0	14,454	0	14,454
Rural Education	0	28,577	0	28,577
Eisenhower Professional Development State Grants	0	64,942	0	64,942
Other Federal through State	16,242	64,935	0	81,177
Total Federal Government	<u>\$ 16,242</u>	<u>\$ 1,172,333</u>	<u>\$ 1,018,762</u>	<u>\$ 2,207,337</u>
Total	<u>\$ 13,784,121</u>	<u>\$ 1,172,333</u>	<u>\$ 1,107,601</u>	<u>\$ 16,064,055</u>

Exhibit J-7

Meigs County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2018

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	28,600	
Social Security		2,105	
Employee and Dependent Insurance		4,310	
Audit Services		9,232	
Dues and Memberships		2,183	
Other Contracted Services		5,766	
Other Supplies and Materials		547	
Total County Commission			\$ 52,743

Board of Equalization

Board and Committee Members Fees	\$	1,000	
Legal Notices, Recording, and Court Costs		80	
Travel		123	
Total Board of Equalization			1,203

County Mayor/Executive

County Official/Administrative Officer	\$	72,974	
Assistant(s)		27,419	
Part-time Personnel		1,599	
Social Security		7,720	
Employee and Dependent Insurance		4,310	
Unemployment Compensation		119	
Travel		1,489	
Office Supplies		2,398	
Total County Mayor/Executive			118,028

County Attorney

Legal Services	\$	12,000	
Total County Attorney			12,000

Election Commission

County Official/Administrative Officer	\$	56,436	
Clerical Personnel		27,196	
Part-time Personnel		1,645	
Election Commission		7,305	
Election Workers		8,505	
In-service Training		1,300	
Social Security		7,203	
Employee and Dependent Insurance		2,947	
Unemployment Compensation		433	
Legal Notices, Recording, and Court Costs		4,192	
Maintenance Agreements		3,392	
Printing, Stationery, and Forms		430	
Travel		4,006	
Other Contracted Services		3,380	
Data Processing Supplies		16,529	
Office Supplies		3,921	
Total Election Commission			148,820

(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	\$	63,182	
Deputy(ies)		27,492	
Part-time Personnel		4,515	
Social Security		7,199	
Employee and Dependent Insurance		4,376	
Unemployment Compensation		167	
Dues and Memberships		437	
Maintenance Agreements		2,034	
Travel		426	
Data Processing Supplies		3,834	
Office Supplies		2,489	
Total Register of Deeds			\$ 116,151

Planning

Part-time Personnel	\$	15,621	
Social Security		1,195	
Unemployment Compensation		101	
Travel		1,913	
Office Supplies		1,154	
Total Planning			19,984

Geographical Information Systems

Other Salaries and Wages	\$	14,253	
Licenses		3,000	
Total Geographical Information Systems			17,253

County Buildings

Custodial Personnel	\$	14,474	
Part-time Personnel		4,088	
Social Security		1,420	
Unemployment Compensation		158	
Communication		32,930	
Maintenance Agreements		16,977	
Maintenance and Repair Services - Buildings		46,462	
Maintenance and Repair Services - Equipment		15,850	
Pest Control		1,884	
Postal Charges		9,981	
Other Contracted Services		8,552	
Custodial Supplies		5,700	
Duplicating Supplies		2,798	
Electricity		75,524	
Natural Gas		21,356	
Water and Sewer		4,853	
Total County Buildings			263,007

(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	\$	58,000	
Accountants/Bookkeepers		31,000	
Clerical Personnel		14,015	
Social Security		7,808	
Employee and Dependent Insurance		3,398	
Unemployment Compensation		307	
Legal Notices, Recording, and Court Costs		307	
Maintenance Agreements		10,661	
Travel		2,621	
Other Contracted Services		581	
Data Processing Supplies		1,393	
Office Supplies		2,338	
Total Accounting and Budgeting	\$		132,429

Property Assessor's Office

County Official/Administrative Officer	\$	63,182	
Deputy(ies)		27,492	
Social Security		6,854	
Employee and Dependent Insurance		4,470	
Unemployment Compensation		106	
Audit Services		1,200	
Data Processing Services		5,222	
Dues and Memberships		1,400	
Maintenance Agreements		328	
Printing, Stationery, and Forms		2,053	
Travel		2,484	
Office Supplies		657	
Other Supplies and Materials		450	
Total Property Assessor's Office			115,898

Reappraisal Program

Clerical Personnel	\$	24,594	
In-service Training		265	
Social Security		1,867	
Employee and Dependent Insurance		1,133	
Unemployment Compensation		167	
Data Processing Services		1,779	
Travel		1,821	
Office Supplies		367	
Total Reappraisal Program			31,993

County Trustee's Office

County Official/Administrative Officer	\$	63,182	
Deputy(ies)		27,492	
Clerical Personnel		11,301	
Social Security		7,719	
Employee and Dependent Insurance		4,310	

(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.)

Unemployment Compensation	\$	265	
Dues and Memberships		639	
Maintenance Agreements		11,962	
Travel		755	
Data Processing Supplies		925	
Office Supplies		1,955	
Total County Trustee's Office			\$ 130,505

County Clerk's Office

County Official/Administrative Officer	\$	63,182	
Deputy(ies)		101,274	
Social Security		11,592	
Employee and Dependent Insurance		13,086	
Unemployment Compensation		392	
Dues and Memberships		437	
Legal Notices, Recording, and Court Costs		257	
Maintenance and Repair Services - Equipment		4,401	
Travel		258	
Other Contracted Services		9,358	
Office Supplies		1,942	
Office Equipment		4,195	
Total County Clerk's Office			210,374

Other Finance

Trustee's Commission	\$	73,960	
Total Other Finance			73,960

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,182	
Deputy(ies)		100,801	
Jury and Witness Expense		7,050	
Other Per Diem and Fees		894	
Social Security		11,748	
Employee and Dependent Insurance		16,941	
Unemployment Compensation		412	
Communication		462	
Dues and Memberships		497	
Maintenance and Repair Services - Equipment		17,753	
Travel		1,648	
Data Processing Supplies		19,621	
Office Supplies		2,878	
Total Circuit Court			243,887

General Sessions Court

Judge(s)	\$	98,387	
Probation Officer(s)		37,558	

(Continued)



Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

In-service Training	\$	1,097	
Social Security		10,317	
Employee and Dependent Insurance		4,349	
Unemployment Compensation		98	
Dues and Memberships		150	
Data Processing Supplies		2,640	
Total General Sessions Court			\$ 154,596

Chancery Court

County Official/Administrative Officer	\$	63,182	
Deputy(ies)		24,594	
Accountants/Bookkeepers		27,492	
Clerical Personnel		13,655	
Part-time Personnel		534	
In-service Training		560	
Social Security		9,535	
Employee and Dependent Insurance		6,653	
Unemployment Compensation		337	
Dues and Memberships		537	
Licenses		4,692	
Maintenance Agreements		360	
Postal Charges		56	
Travel		1,379	
Data Processing Supplies		1,822	
Office Supplies		3,357	
Total Chancery Court			158,745

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	69,500	
Deputy(ies)		555,266	
Detective(s)		40,370	
Salary Supplements		10,200	
In-service Training		2,596	
Social Security		50,318	
Employee and Dependent Insurance		45,866	
Unemployment Compensation		1,499	
Dues and Memberships		1,500	
Maintenance and Repair Services - Vehicles		34,148	
Printing, Stationery, and Forms		868	
Travel		1,305	
Law Enforcement Supplies		1,499	
Office Supplies		503	
Tires and Tubes		7,398	
Uniforms		4,811	
Other Supplies and Materials		6,575	
Data Processing Equipment		7,865	
Motor Vehicles		30,216	
Total Sheriff's Department			872,303

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement

Detective(s)	\$	39,338	
Social Security		2,966	
Unemployment Compensation		90	
Other Supplies and Materials		3,209	
Total Drug Enforcement			\$ 45,603

Jail

Assistant(s)	\$	33,949	
Guards		333,909	
Other Salaries and Wages		29,463	
Social Security		29,240	
Employee and Dependent Insurance		40,736	
Unemployment Compensation		1,852	
Communication		10,976	
Maintenance Agreements		17,122	
Maintenance and Repair Services - Buildings		14,170	
Maintenance and Repair Services - Vehicles		20	
Medical and Dental Services		107,749	
Travel		1,793	
Custodial Supplies		14,876	
Food Preparation Supplies		3,499	
Food Supplies		89,849	
Office Supplies		2,508	
Uniforms		2,418	
Utilities		69,018	
Other Supplies and Materials		9,947	
Data Processing Equipment		2,913	
Total Jail			816,007

Juvenile Services

In-service Training	\$	300	
Other Contracted Services		100	
Office Supplies		452	
Other Supplies and Materials		369	
Total Juvenile Services			1,221

Fire Prevention and Control

Contributions	\$	1,253	
Maintenance and Repair Services - Equipment		4,880	
Maintenance and Repair Services - Vehicles		24,226	
Uniforms		9,782	
Utilities		2,989	
Motor Vehicles		325,198	
Total Fire Prevention and Control			368,328

Civil Defense

Supervisor/Director	\$	45,884	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Deputy(ies)	\$	7,265	
Part-time Personnel		410	
Social Security		3,971	
Unemployment Compensation		213	
Maintenance and Repair Services - Equipment		19,554	
Maintenance and Repair Services - Vehicles		663	
Travel		235	
Utilities		27,049	
Other Supplies and Materials		5,503	
Total Civil Defense			\$ 110,747

Rescue Squad

Communication	\$	731	
Contributions		480	
Maintenance and Repair Services - Equipment		750	
Maintenance and Repair Services - Vehicles		1,844	
Total Rescue Squad			3,805

County Coroner/Medical Examiner

Other Contracted Services	\$	21,521	
Total County Coroner/Medical Examiner			21,521

Other Public Safety

Supervisor/Director	\$	33,949	
Dispatchers/Radio Operators		147,134	
Social Security		13,523	
Employee and Dependent Insurance		17,319	
Unemployment Compensation		599	
Communication		1,518	
Office Supplies		2,046	
Total Other Public Safety			216,088

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	4,710	
Social Security		360	
Unemployment Compensation		57	
Dues and Memberships		92	
Maintenance and Repair Services - Buildings		8,188	
Other Contracted Services		1,007	
Office Supplies		207	
Utilities		12,000	
Other Supplies and Materials		5,770	
Total Local Health Center			32,391

Ambulance/Emergency Medical Services

Supervisor/Director	\$	5,294	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Paraprofessionals	\$	251,415	
Salary Supplements		2,085	
Clerical Personnel		27,492	
Social Security		21,347	
Employee and Dependent Insurance		20,976	
Unemployment Compensation		1,113	
Licenses		1,000	
Maintenance and Repair Services - Equipment		2,464	
Maintenance and Repair Services - Vehicles		29,117	
Printing, Stationery, and Forms		507	
Custodial Supplies		911	
Drugs and Medical Supplies		8,417	
Office Supplies		1,108	
Uniforms		1,592	
Other Supplies and Materials		3,258	
Medical Claims		5,373	
Total Ambulance/Emergency Medical Services			\$ 383,469

Other Local Health Services

Medical Personnel	\$	34,959	
Clerical Personnel		50,660	
Other Salaries and Wages		2,454	
Social Security		6,626	
Employee and Dependent Insurance		5,898	
Unemployment Compensation		338	
Communication		77	
Travel		2,574	
Other Contracted Services		318	
Other Supplies and Materials		99	
Total Other Local Health Services			104,003

Appropriation to State

Contracts with Government Agencies	\$	28,418	
Total Appropriation to State			28,418

Sanitation Management

Part-time Personnel	\$	68,182	
Social Security		5,175	
Employee and Dependent Insurance		2,118	
Unemployment Compensation		650	
Total Sanitation Management			76,125

Sanitation Education/Information

Guards	\$	29,000	
Social Security		2,139	
Unemployment Compensation		95	
Other Supplies and Materials		490	
Total Sanitation Education/Information			31,724

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	13,905	
Social Security		1,064	
Unemployment Compensation		97	
Communication		960	
Travel		566	
Custodial Supplies		1,054	
Other Supplies and Materials		2,980	
Total Senior Citizens Assistance			\$ 20,626

Libraries

Assistant(s)	\$	11,187	
Librarians		19,899	
Social Security		2,296	
Employee and Dependent Insurance		4,310	
Unemployment Compensation		217	
Contributions		15,000	
Total Libraries			52,909

Parks and Fair Boards

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

Other Social, Cultural, and Recreational

Part-time Personnel	\$	14,269	
Social Security		1,062	
Employee and Dependent Insurance		1,363	
Unemployment Compensation		111	
Other Contracted Services		1,394	
Electricity		2,579	
Water and Sewer		505	
Other Supplies and Materials		390	
Total Other Social, Cultural, and Recreational			21,673

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	10,580	
Supervisor/Director		28,493	
Secretary(ies)		7,092	
Other Salaries and Wages		4,944	
Social Security		4,515	
Pensions		2,355	
Unemployment Compensation		100	
Other Fringe Benefits		4,971	
Communication		1,263	
Travel		892	
Office Supplies		2,000	
Total Agricultural Extension Service			67,205

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Assistant(s)	\$	14,146	
Social Security		1,082	
Unemployment Compensation		87	
Total Soil Conservation			\$ 15,315

Other Operations

Tourism

Advertising	\$	3,000	
Printing, Stationery, and Forms		16,239	
Total Tourism			19,239

Other Economic and Community Development

Other Contracted Services	\$	95,050	
Total Other Economic and Community Development			95,050

Veterans' Services

Other Salaries and Wages	\$	14,514	
Social Security		1,110	
Unemployment Compensation		111	
Travel		353	
Office Supplies		380	
Total Veterans' Services			16,468

Other Charges

Fuel Oil	\$	96,697	
Liability Insurance		62,447	
Workers' Compensation Insurance		47,000	
Other Charges		3,358	
Total Other Charges			209,502

Contributions to Other Agencies

Contributions	\$	36,200	
Total Contributions to Other Agencies			36,200

Total General Fund \$ 5,672,516

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Communication	\$	846	
Other Contracted Services		145,876	
Electricity		2,550	
Water and Sewer		318	
Other Supplies and Materials		1,774	
Trustee's Commission		3,118	
Total Sanitation Management			\$ 154,482

Total Solid Waste/Sanitation Fund 154,482

(Continued)

Exhibit J-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Detective(s)	\$	38,193	
Social Security		2,922	
Unemployment Compensation		90	
Confidential Drug Enforcement Payments		3,000	
Other Supplies and Materials		570	
Trustee's Commission		165	
Total Drug Enforcement			\$ 44,940

Total Drug Control Fund \$ 44,940

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	69,500	
Assistant(s)		17,219	
Secretary(ies)		28,631	
Social Security		8,766	
Unemployment Compensation		727	
Dues and Memberships		2,107	
Evaluation and Testing		350	
Legal Notices, Recording, and Court Costs		68	
Other Contracted Services		8,730	
Office Supplies		1,303	
Total Administration			\$ 137,401

Highway and Bridge Maintenance

Equipment Operators	\$	223,914	
Truck Drivers		82,160	
Laborers		55,360	
Social Security		26,360	
Unemployment Compensation		2,797	
Rentals		385	
Asphalt - Cold Mix		50,000	
Asphalt - Liquid		550,000	
Crushed Stone		251,655	
Other Road Materials		10,692	
Pipe		15,000	
Road Signs		5,420	
Total Highway and Bridge Maintenance			1,273,743

Operation and Maintenance of Equipment

Mechanic(s)	\$	56,992	
Social Security		4,055	
Unemployment Compensation		420	
Maintenance and Repair Services - Buildings		1,318	
Maintenance and Repair Services - Office Equipment		334	
Custodial Supplies		200	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Diesel Fuel	\$	50,866	
Equipment and Machinery Parts		64,631	
Garage Supplies		7,502	
Gasoline		9,139	
Lubricants		3,950	
Tires and Tubes		13,273	
Total Operation and Maintenance of Equipment			\$ 212,680

Other Charges

Communication	\$	3,617	
Other Contracted Services		2,101	
Electricity		5,640	
Water and Sewer		800	
Liability Insurance		36,000	
Trustee's Commission		16,807	
Workers' Compensation Insurance		31,835	
Highway Equipment		73,113	
Motor Vehicles		54,532	
Total Other Charges			224,445

Employee Benefits

Employee and Dependent Insurance	\$	92,221	
Total Employee Benefits			92,221

Capital Outlay

Bridge Construction	\$	547,184	
Total Capital Outlay			547,184

Total Highway/Public Works Fund \$ 2,487,674

General Debt Service Fund

Principal on Debt

<u>General Government</u>			
Principal on Bonds	\$	203,459	
Total General Government			\$ 203,459

Interest on Debt

<u>General Government</u>			
Interest on Bonds	\$	246,541	
Total General Government			246,541

Other Debt Service

<u>General Government</u>			
Bank Charges	\$	622	
Trustee's Commission		7,432	
Total General Government			8,054

Total General Debt Service Fund 458,054

(Continued)



Exhibit J-7

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

<u>Other Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Contributions to Other Agencies</u>			
Contributions	\$	<u>15,000</u>	
Total Contributions to Other Agencies			<u>\$ 15,000</u>
Total Other Capital Projects Fund			<u>\$ 15,000</u>
Total Governmental Funds - Primary Government			<u><u>\$ 8,832,666</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, 2018

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	4,989,778	
Career Ladder Program		15,000	
Career Ladder Extended Contracts		20,828	
Clerical Personnel		37,915	
Educational Assistants		126,567	
Other Salaries and Wages		33,210	
Certified Substitute Teachers		15,020	
Non-certified Substitute Teachers		43,834	
Social Security		300,691	
Pensions		453,622	
Life Insurance		8,262	
Medical Insurance		731,985	
Unemployment Compensation		21	
Employer Medicare		70,616	
Other Fringe Benefits		6,728	
Tuition		7,890	
Other Contracted Services		24,738	
Instructional Supplies and Materials		78,162	
Textbooks - Bound		64,205	
Other Supplies and Materials		12,402	
Total Regular Instruction Program			\$ 7,041,474

Alternative Instruction Program

Teachers	\$	59,620	
Social Security		3,442	
Pensions		5,413	
Medical Insurance		8,416	
Employer Medicare		805	
Total Alternative Instruction Program			77,696

Special Education Program

Teachers	\$	675,600	
Career Ladder Program		7,000	
Educational Assistants		42,431	
Non-certified Substitute Teachers		2,193	
Social Security		42,262	
Pensions		61,943	
Medical Insurance		111,227	
Employer Medicare		9,884	
Instructional Supplies and Materials		1,250	
Total Special Education Program			953,790

Career and Technical Education Program

Teachers	\$	256,460	
Non-certified Substitute Teachers		2,932	
Social Security		14,550	

(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.)

Career and Technical Education Program (Cont.)

Pensions	\$	23,251	
Medical Insurance		43,569	
Employer Medicare		3,403	
Instructional Supplies and Materials		1,750	
Vocational Instruction Equipment		185,091	
Total Career and Technical Education Program			\$ 531,006

Support Services

Attendance

Supervisor/Director	\$	23,347	
Social Security		1,451	
Pensions		2,301	
Medical Insurance		3,218	
Employer Medicare		339	
Travel		1,125	
Other Contracted Services		3,238	
Total Attendance			35,019

Health Services

Supervisor/Director	\$	58,100	
Medical Personnel		121,645	
Other Salaries and Wages		1,929	
Social Security		10,553	
Pensions		9,821	
Medical Insurance		22,298	
Employer Medicare		2,468	
Other Fringe Benefits		325	
Travel		5,842	
Other Contracted Services		1,365	
Drugs and Medical Supplies		1,610	
Other Supplies and Materials		5,270	
Other Charges		1,250	
Total Health Services			242,476

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		235,600	
Social Security		15,470	
Pensions		17,846	
Medical Insurance		16,746	
Employer Medicare		3,618	
Contracts with Government Agencies		53,600	
Evaluation and Testing		9,966	
Travel		1,118	
Other Supplies and Materials		8,328	
Other Charges		40,177	
Total Other Student Support			403,469

(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.)

Regular Instruction Program

Supervisor/Director	\$	106,300	
Career Ladder Program		3,000	
Librarians		113,213	
Other Salaries and Wages		1,178	
In-service Training		400	
Social Security		13,252	
Pensions		20,332	
Medical Insurance		18,298	
Employer Medicare		3,099	
Travel		13,516	
Other Supplies and Materials		1,008	
In Service/Staff Development		7,504	
Total Regular Instruction Program			\$ 301,100

Special Education Program

Supervisor/Director	\$	31,138	
Career Ladder Program		4,000	
Assessment Personnel		50,205	
Social Security		4,939	
Pensions		7,569	
Medical Insurance		4,292	
Employer Medicare		1,155	
Travel		87	
Total Special Education Program			103,385

Career and Technical Education Program

Travel	\$	320	
Other Contracted Services		14,112	
In Service/Staff Development		77	
Other Charges		41,000	
Total Career and Technical Education Program			55,509

Technology

Internet Connectivity	\$	50,013	
Other Contracted Services		86,972	
Other Supplies and Materials		25,712	
Other Equipment		4,116	
Total Technology			166,813

Other Programs

On-behalf Payments to OPEB	\$	38,154	
Total Other Programs			38,154

Board of Education

Other Salaries and Wages	\$	1,535	
Board and Committee Members Fees		14,900	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Social Security	\$	1,008	
Life Insurance		569	
Employer Medicare		236	
Audit Services		9,400	
Dues and Memberships		8,385	
Legal Services		520	
Travel		9,298	
Other Contracted Services		7,519	
Liability Insurance		32,000	
Trustee's Commission		51,861	
Workers' Compensation Insurance		90,999	
Criminal Investigation of Applicants - TBI		520	
Refund to Applicant for Criminal Investigation		33	
Other Charges		29,756	
Total Board of Education			\$ 258,539

Director of Schools

County Official/Administrative Officer	\$	119,755	
Career Ladder Program		1,000	
Secretary(ies)		37,884	
Social Security		9,650	
Pensions		10,965	
Medical Insurance		18,826	
Employer Medicare		2,257	
Communication		3,366	
Postal Charges		545	
Office Supplies		5,388	
Total Director of Schools			209,636

Office of the Principal

Principals	\$	294,570	
Career Ladder Program		2,000	
Secretary(ies)		105,590	
Social Security		23,556	
Pensions		26,929	
Medical Insurance		50,555	
Employer Medicare		5,509	
Travel		2,302	
Total Office of the Principal			511,011

Fiscal Services

Accountants/Bookkeepers	\$	46,695	
Secretary(ies)		7,898	
Social Security		3,200	
Medical Insurance		5,538	
Employer Medicare		748	
Total Fiscal Services			64,079

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Supervisor/Director	\$	38,850	
Custodial Personnel		279,709	
Other Salaries and Wages		8,361	
Social Security		18,509	
Medical Insurance		58,147	
Employer Medicare		4,329	
Disposal Fees		5,934	
Other Contracted Services		3,000	
Electricity		362,978	
Natural Gas		15,527	
Water and Sewer		28,040	
Other Supplies and Materials		74,230	
Building and Contents Insurance		24,000	
Total Operation of Plant			\$ 921,614

Maintenance of Plant

Maintenance Personnel	\$	60,080	
Other Salaries and Wages		1,375	
Social Security		3,425	
Medical Insurance		15,350	
Employer Medicare		801	
Communication		15,230	
Maintenance and Repair Services - Buildings		43,450	
Other Contracted Services		58,736	
Other Charges		2,885	
Total Maintenance of Plant			201,332

Transportation

Supervisor/Director	\$	37,300	
Mechanic(s)		27,185	
Bus Drivers		315,878	
Other Salaries and Wages		13,890	
Social Security		23,958	
Medical Insurance		13,805	
Employer Medicare		5,603	
Maintenance and Repair Services - Vehicles		85,299	
Medical and Dental Services		2,386	
Travel		1,357	
Other Contracted Services		9,175	
Gasoline		78,481	
Tires and Tubes		15,150	
Vehicle and Equipment Insurance		21,998	
In Service/Staff Development		1,111	
Other Charges		770	
Transportation Equipment		81,893	
Total Transportation			735,239

(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.)

Central and Other

Travel	\$ 1,706	
Total Central and Other		\$ 1,706

Operation of Non-Instructional Services

Community Services

Teachers	\$ 5,830	
Other Salaries and Wages	10,865	
Social Security	977	
Employer Medicare	228	
Travel	1,463	
Other Supplies and Materials	10,849	
Other Charges	7,211	
Total Community Services		37,423

Early Childhood Education

Supervisor/Director	\$ 36,925	
Teachers	174,980	
Educational Assistants	88,263	
Other Salaries and Wages	3,000	
Non-certified Substitute Teachers	5,891	
Social Security	17,548	
Pensions	19,179	
Medical Insurance	41,478	
Employer Medicare	4,104	
Other Fringe Benefits	228	
Maintenance and Repair Services - Equipment	2,000	
Travel	148	
Instructional Supplies and Materials	8,749	
Other Supplies and Materials	8,145	
In Service/Staff Development	300	
Other Equipment	1,996	
Total Early Childhood Education		412,934

Capital Outlay

Regular Capital Outlay

Architects	\$ 14,980	
Building Construction	688,601	
Building Improvements	142,794	
Other Capital Outlay	90,464	
Total Regular Capital Outlay		936,839

Total General Purpose School Fund \$ 14,240,243

(Continued)

Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	300,980	
Educational Assistants		89,555	
Non-certified Substitute Teachers		1,708	
Social Security		22,456	
Pensions		26,542	
Medical Insurance		53,704	
Employer Medicare		5,252	
Other Contracted Services		11,120	
Instructional Supplies and Materials		25,648	
Other Supplies and Materials		2,400	
Other Charges		1,714	
Total Regular Instruction Program			\$ 541,079

Special Education Program

Educational Assistants	\$	202,501	
Social Security		10,886	
Medical Insurance		49,137	
Employer Medicare		2,543	
Maintenance and Repair Services - Equipment		610	
Other Contracted Services		35,100	
Instructional Supplies and Materials		5,253	
Other Supplies and Materials		4,320	
Total Special Education Program			310,350

Career and Technical Education Program

Instructional Supplies and Materials	\$	4,752	
Other Supplies and Materials		955	
Vocational Instruction Equipment		10,488	
Total Career and Technical Education Program			16,195

Support Services

Other Student Support

Bus Drivers	\$	490	
Social Security		30	
Employer Medicare		7	
Travel		4,611	
Other Contracted Services		6,400	
Other Supplies and Materials		1,440	
In Service/Staff Development		16,146	
Other Charges		19,168	
Total Other Student Support			48,292

Regular Instruction Program

Supervisor/Director	\$	45,600	
Secretary(ies)		15,835	
Clerical Personnel		600	

(Continued)



Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Social Security	\$	3,730	
Pensions		4,140	
Medical Insurance		4,150	
Employer Medicare		872	
Other Supplies and Materials		488	
In Service/Staff Development		9,930	
Other Equipment		1,280	
Total Regular Instruction Program			\$ 86,625

Special Education Program

Supervisor/Director	\$	26,605	
Secretary(ies)		25,320	
Social Security		3,034	
Pensions		2,416	
Medical Insurance		6,523	
Employer Medicare		709	
Travel		3,435	
Other Contracted Services		54,470	
Other Supplies and Materials		3,214	
In Service/Staff Development		5,714	
Other Equipment		500	
Total Special Education Program			131,940

Career and Technical Education Program

In Service/Staff Development	\$	1,400	
Total Career and Technical Education Program			1,400

Technology

In-service Training	\$	2,000	
Other Equipment		15,850	
Total Technology			17,850

Board of Education

Criminal Investigation of Applicants - TBI	\$	196	
Total Board of Education			196

Transportation

Bus Drivers	\$	16,160	
Social Security		980	
Employer Medicare		232	
Total Transportation			17,372

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	960	
Social Security		60	

(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.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Employer Medicare	\$ 14	
Total Food Service		\$ 1,034

Total School Federal Projects Fund \$ 1,172,333

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 23,695	
Clerical Personnel	28,802	
Cafeteria Personnel	307,014	
Other Salaries and Wages	30,935	
Social Security	23,607	
Life Insurance	846	
Medical Insurance	20,141	
Employer Medicare	5,521	
Other Fringe Benefits	8,000	
Maintenance and Repair Services - Equipment	16,759	
Transportation - Other than Students	2,789	
Travel	2,508	
Other Contracted Services	6,797	
Food Supplies	395,650	
Utilities	44,490	
USDA - Commodities	49,965	
Other Supplies and Materials	30,583	
In Service/Staff Development	269	
Other Charges	4,723	
Food Service Equipment	63,126	
Total Food Service		\$ 1,066,220

Total Central Cafeteria Fund 1,066,220

Total Governmental Funds - Meigs County School Department \$ 16,478,796

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, 2018

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 217,705
Total Cash Receipts	<u>\$ 217,705</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 215,528
Trustee's Commission	<u>2,177</u>
Total Cash Disbursements	<u>\$ 217,705</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2017	<u>0</u>
 Cash Balance, June 30, 2018	 <u><u>\$ 0</u></u>

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## SINGLE AUDIT SECTION

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JUSTIN P. WILSON  
Comptroller

JASON E. MUMPOWER  
Chief of Staff

**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, 2018, and the related notes to the financial statements, which collectively comprise Meigs County's basic financial statements, and have issued our report thereon dated November 14, 2018.

**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. However, material weaknesses may exist that have not been identified.

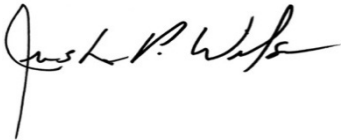
### **Compliance and Other Matters**

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 result 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

November 14, 2018

JPW/tg



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

**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 the Uniform Guidance**

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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance.) Those standards and the Uniform Guidance 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, 2018.

### **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 the Uniform Guidance, 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

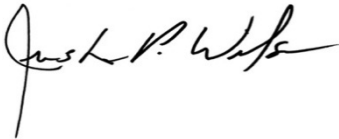


requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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, 2018, and the related notes to the financial statements, which collectively comprise Meigs County's basic financial statements. We issued our report thereon dated November 14, 2018, 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 the Uniform Guidance 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 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. 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

November 14, 2018

JPW/tg

Meigs County, Tennessee, and the Meigs County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2)  
For the Year Ended June 30, 2018

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 Education:			
Child Nutrition Cluster (4):			
School Breakfast Program	10.553	N/A	\$ 315,159
National School Lunch Program	10.555	N/A	611,865 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster (4):			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	49,965 (5)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	38,649
Total U.S. Department of Agriculture			<u>\$ 1,015,638</u>
U.S. Department of Housing and Urban Development			
Direct:			
Community Development Block Grants/State's Program	14.228	N/A	\$ 64,700
Total U.S. Department of Housing and Urban Development			<u>\$ 64,700</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z18THS203	\$ 1,061
Total U.S. Department of Transportation			<u>\$ 1,061</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 528,601
Special Education Cluster (4):			
Special Education - Grants to States	84.027	N/A	444,174
Special Education - Preschool Grants	84.173	N/A	14,454
Career and Technical Education - Basic Grants to States	84.048	N/A	48,097
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	1,706
Rural Education	84.358	N/A	28,577
Supporting Effective Instruction State Grant	84.367	N/A	64,942
Support and Academic Enrichment Program	84.424	N/A	13,919
Total U.S. Department of Education			<u>\$ 1,144,470</u>
U.S. Department of Health and Human Services:			
Passed-through State Commission on Aging and Disability:			
Aging Cluster:			
Special Program for Aging - Title III, Part C - Nutrition Services	93.045	N/A	\$ 7,824
Passed-through State Department of Education:			
CCDF Cluster:			
Child Care and Development Block Grant	93.575	N/A	47,208
Total U.S. Department of Health and Human Services			<u>\$ 55,032</u>
U.S. Department of Homeland Security:			
Direct Program:			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	N/A	\$ 38,784
Total U.S. Department of Homeland Security			<u>\$ 38,784</u>
Total Expenditures of Federal Awards			<u>\$ 2,319,685</u>

(Continued)

Meigs County, Tennessee, and the Meigs County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Local Health Services - State Department of Health	N/A	GG-18-55385-03	\$ 109,226
Physical Activity for After School Care - State Department of Health	N/A	(3)	37,425
Litter Program - State Department of Transportation	N/A	(3)	33,903
Tourism Grant - State Department of Agriculture and Commerce	N/A	(3)	17,818
Forestry Grant - State Department of Agriculture and Commerce	N/A	(3)	1,542
Juvenile Service Program - State Commission on Children and Youth	N/A	(3)	9,000
Senior Center - Southeast Tennessee Development District	N/A	(3)	7,800
Early Childhood Education - Pilot/State - State Department of Education	N/A	(3)	415,240
Driver's Education - State Department of Education	N/A	(3)	8,696
Read to Be Ready - State Department of Education	N/A	(3)	10,000
Coordinated School Health - State Department of Education	N/A	(3)	90,000
ConnecTN - Sate Department of Education	N/A	(3)	4,393
Safe Schools Act - State Department of Education	N/A	(3)	10,450
Career and Technical Education - State Department of Education	N/A	(3)	185,091
Courtroom Security - Finance and Administration	N/A	(3)	<u>19,103</u>
 Total State Grants			 <u>\$ 959,687</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) Meigs County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$976,989; Special Education Cluster total \$458,628.
- (5) Total for CFDA No. 10.555 is \$661,830.

Meigs County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2018

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings, along with their current status from the Annual Financial Report for Meigs County, Tennessee, for the year ended June 30, 2018.

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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**OFFICE OF SHERIFF**

2017	158	2017-001	The Bank Statements were not Accurately Reconciled with the General Ledger	N/A	Corrected
2017	158	2017-002	Duties were not Segregated Adequately	N/A	Corrected

***Prior-year Federal Awards Findings***

There were no prior-year federal award findings to report.

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**MEIGS COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2018**

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

**Financial Statements:**

1. Our report on the financial statements of Meigs County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NO**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Numbers 10.553 and 10.555 Child Nutrition Cluster:  
School Breakfast Program  
National School Lunch Program
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

There were no findings and recommendations, as a result of our audit of the financial statements of Meigs County, Tennessee, for the year ended June 30, 2018.

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

There were no findings and questioned costs related to federal awards for the year ended June 30, 2018.

**Meigs County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2018**

The audit of Meigs County did not report any findings and recommendations. Therefore, no management responses are required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).



## **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.