
ANNUAL FINANCIAL REPORT MEIGS COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2012



ANNUAL FINANCIAL REPORT
MEIGS COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2012

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

CARL LOWE, CGFM
Audit Manager

MICHAEL FORD, CPA, CGFM
Auditor 4

KATHY CLEMENTS, CGFM
DEVAN MCDOWELL, CFE
JENI PALADENI
State Auditors

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

MEIGS COUNTY, TENNESSEE

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Audit Highlights

Annual Financial Report
Meigs County, Tennessee
For the Year Ended June 30, 2012

Scope

We have audited the financial statements of Meigs County as of and for the year ended June 30, 2012.

Results

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

Our audit resulted in 21 findings and recommendations, which we have reviewed with Meigs County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings and Best Practices

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

OFFICE OF DIRECTOR OF FINANCE

- ◆ Highway/Public Works and General Debt Service funds required material audit adjustments for proper financial statement presentation.
 - ◆ Deficiencies were noted in determining and recording receivables and payables.
 - ◆ The Ambulance Service did not provide a listing of accounts receivable at June 30, 2012.
 - ◆ Payroll liability accounts were not reconciled monthly.
 - ◆ Interfund receivables and payables were not liquidated on a current basis.
 - ◆ Fund balances were not classified properly.
 - ◆ The office had deficiencies in budget operations.
 - ◆ The office had deficiencies in purchasing procedures.
 - ◆ The office did not reconcile Fuelman fuel purchases/usage for various county vehicles.
 - ◆ The office had deficiencies in the administration of payroll records.
 - ◆ Deficiencies were noted in the maintenance of capital asset records.
 - ◆ The office did not maintain adequate records for state and federal grants.
 - ◆ The office did not file a Report on Debt Obligation with the state Comptroller's Office.
 - ◆ The office did not always provide documentation/records for auditors to review on a timely basis.
 - ◆ The Ambulance Service software did not have adequate application controls.
 - ◆ The office did not implement adequate controls to protect its information resources.
-

OFFICE OF TRUSTEE

- ◆ User names and passwords were shared by employees.
-

OFFICES OF TRUSTEE AND CLERK AND MASTER

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

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND CLERK AND MASTER

- ◆ Execution docket trial balances did not reconcile with general ledger controls.
-

OFFICE OF SHERIFF

- ◆ The office had deficiencies in the administration of drug control funds.
-

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

- ◆ Duties were not segregated adequately.
-

BEST PRACTICES

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

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

INTRODUCTORY SECTION

Meigs County Officials

June 30, 2012

Officials

Garland Lankford, County Mayor
Jerry Shoemaker, Highway Superintendent
Donald Roberts, Director of Schools
Carolyn Wattenbarger, Trustee
Wanda Bryant, Assessor of Property
Janie Myers, County Clerk
Darrell Davis, Circuit and General Sessions Courts Clerk
Tim Proffitt , Clerk and Master
Janie Stiner, Register
Jackie Melton, Sheriff
Connie Allen, Interim Director of Finance

Board of County Commissioners

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

Financial Management Committee

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

Board of Education

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

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

February 19, 2013

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Meigs County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Meigs County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Meigs County Emergency Communications District, which represent 5.6 percent and 1.7 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Meigs County Emergency Communications District, is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as

evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County, Tennessee, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

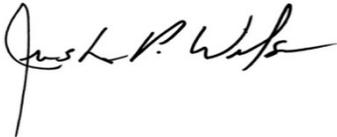
In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2013, on our consideration of Meigs County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 56 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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 of the name.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Meigs County, Tennessee
Statement of Net Assets
June 30, 2012

	Primary Governmental Activities	Component Unit	
		Meigs County School Department	Meigs County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 563	\$ 0	\$ 372,963
Equity in Pooled Cash and Investments	3,564,019	3,313,160	0
Accounts Receivable	284,563	14,066	4,731
Allowance for Uncollectibles	(101,179)	0	0
Due from Other Governments	594,865	157,446	0
Prepaid Item	1,105	0	10,775
Property Taxes Receivable	2,825,494	1,459,427	0
Allowance for Uncollectible Property Taxes	(150,498)	(77,735)	0
Deferred Charges - Debt Issuance Costs	30,028	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	325,905	354,462	0
Construction in Progress	13,556	9,522	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	6,182,898	5,130,075	0
Infrastructure	4,092,102	0	0
Other Capital Assets	756,467	715,704	266,247
Total Assets	<u>\$ 18,419,888</u>	<u>\$ 11,076,127</u>	<u>\$ 654,716</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 297,775	\$ 634	\$ 13,986
Accrued Payroll	0	6,289	0
Payroll Deductions Payable	99	0	0
Accrued Interest Payable	34,140	0	0
Other Current Liabilities	1,927	0	0
Deferred Revenue - Current Property Taxes	2,530,104	1,306,852	0
Noncurrent Liabilities:			
Due Within One Year	666,104	0	0
Due In More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	4,553,331	290,776	0
Total Liabilities	<u>\$ 8,083,480</u>	<u>\$ 1,604,551</u>	<u>\$ 13,986</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 7,551,221	\$ 0	\$ 0
Invested in Capital Assets	0	6,209,763	266,247
Restricted for:			
General Purposes	377,012	39,568	0
Solid Waste/Sanitation	6,474	0	0
Special Purpose	8,425	0	0
Drug Control	40,139	0	0
Highway/Public Works	494,693	0	0
Debt Service	525,115	0	0
Capital Projects	153,456	0	0
School Federal Projects	0	20,000	0
Central Cafeteria	0	254,353	0
Other Education Special Revenue	0	228,028	0
Unrestricted	1,179,873	2,719,864	374,483
Total Net Assets	<u>\$ 10,336,408</u>	<u>\$ 9,471,576</u>	<u>\$ 640,730</u>

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

Exhibit B

Meigs County, Tennessee
Statement of Activities
June 30, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues			Primary Government Total Governmental Activities	Component Units		Meigs County Emergency Communications District
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Meigs County School Department	
Primary Government:							
Governmental Activities:							
General Government	\$ 718,195	\$ 87,868	\$ 18,071	\$ 68,776	\$ (543,480)	\$ 0	\$ 0
Finance	518,863	237,656	0	0	(281,207)	0	0
Administration of Justice	407,281	308,247	9,000	0	(90,034)	0	0
Public Safety	1,810,112	226,100	172,601	121,748	(1,289,663)	0	0
Public Health and Welfare	898,129	333,811	146,565	6,728	(411,025)	0	0
Social, Cultural, and Recreational Services	160,765	0	2,500	45,000	(113,265)	0	0
Agriculture and Natural Resources	88,878	0	0	0	(88,878)	0	0
Other Operations	133,251	13,740	0	0	(119,511)	0	0
Highways/Public Works	1,612,916	4,575	1,273,704	328,850	(5,787)	0	0
Education	0	0	225,000	0	225,000	0	0
Interest on Long-term Debt	228,348	0	0	0	(228,348)	0	0
Other Debt Service	15,946	0	0	0	(15,946)	0	0
Total Governmental Activities	\$ 6,592,683	\$ 1,211,997	\$ 1,847,441	\$ 571,102	\$ (2,962,143)	\$ 0	\$ 0
Total Primary Government	\$ 6,592,683	\$ 1,211,997	\$ 1,847,441	\$ 571,102	\$ (2,962,143)	\$ 0	\$ 0
Component Units:							
Meigs County School Department	\$ 15,306,178	\$ 217,812	\$ 2,165,706	\$ 16,000	\$ 0	\$ (12,906,660)	\$ 0
Meigs County Emergency Communications District	221,937	214,536	0	0	0	0	(7,401)
Total Component Units	\$ 15,528,115	\$ 432,348	\$ 2,165,706	\$ 16,000	\$ 0	\$ (12,906,660)	\$ (7,401)

(Continued)

Exhibit B

Meigs County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total	Component Units	
					Meigs County School Department	Meigs County Emergency Communications District
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes	\$	1,951,120	\$	1,289,560	\$	0
Property Taxes Levied for Debt Service		545,511		0		0
Local Option Sales Taxes		351,570		338,337		0
Hotel/Motel Tax		6,944		0		0
Litigation Tax - General		24,950		0		0
Litigation Tax - Special Purpose		33,495		0		0
Litigation Tax - Jail, Workhouse, or Courthouse		1,160		0		0
Business Tax		34,577		0		0
Wholesale Beer Tax		67,196		51,333		0
Other Local Taxes		24,383		386		0
Grants and Contributions Not Restricted to Specific Programs		1,387,581		11,204,975		34,061
Unrestricted Investment Income		0		13,421		1,108
Miscellaneous		44,481		38,721		9,412
Total General Revenues	\$	4,472,968	\$	12,936,733	\$	44,581
Change in Net Assets	\$	1,510,825	\$	30,073	\$	37,180
Net Assets, July 1, 2011		8,825,583		9,441,503		603,550
Net Assets, June 30, 2012	\$	10,336,408	\$	9,471,576	\$	640,730

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, 2012

	Major Funds			Nonmajor Funds	Total Governmen- tal Funds
	General	Highway /	General	Other	
		Public Works	Debt Service	Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 563	\$ 563
Equity in Pooled Cash and Investments	1,139,708	315,735	1,895,919	212,657	3,564,019
Accounts Receivable	284,563	0	0	0	284,563
Allowance for Uncollectibles	(101,179)	0	0	0	(101,179)
Due from Other Governments	121,091	432,378	35,580	5,816	594,865
Due from Other Funds	563	0	1,940	5,649	8,152
Property Taxes Receivable	2,482,402	0	343,092	0	2,825,494
Allowance for Uncollectible Property Taxes	(125,514)	0	(24,984)	0	(150,498)
Prepaid Items	0	1,105	0	0	1,105
Total Assets	\$ 3,801,634	\$ 749,218	\$ 2,251,547	\$ 224,685	\$ 7,027,084
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 31,123	\$ 251,024	\$ 0	\$ 15,628	\$ 297,775
Payroll Deductions Payable	0	99	0	0	99
Due to Other Funds	0	1,940	5,649	563	8,152
Due to State of Tennessee	0	1,462	0	0	1,462
Matured Interest on Bonds	0	0	465	0	465
Deferred Revenue - Current Property Taxes	2,243,654	0	286,450	0	2,530,104
Deferred Revenue - Delinquent Property Taxes	99,934	0	22,868	0	122,802
Other Deferred Revenues	187,186	117,355	21,689	0	326,230
Total Liabilities	\$ 2,561,897	\$ 371,880	\$ 337,121	\$ 16,191	\$ 3,287,089
<u>Fund Balances</u>					
Nonspendable:					
Prepaid Items	\$ 0	\$ 1,105	\$ 0	\$ 0	\$ 1,105
Restricted:					
Restricted for General Government	192,419	0	0	0	192,419
Restricted for Administration of Justice	159,085	0	0	0	159,085
Restricted for Public Safety	25,508	0	0	3,849	29,357
Restricted for Public Health and Welfare	0	0	0	6,474	6,474
Restricted for Social, Cultural, and Recreational Services	0	0	0	8,425	8,425
Restricted for Highways/Public Works	0	376,233	0	0	376,233
Restricted for Debt Service	0	0	1,914,426	0	1,914,426
Committed:					
Committed for Public Safety	0	0	0	36,290	36,290
Committed for Capital Outlay	0	0	0	153,456	153,456
Unassigned	862,725	0	0	0	862,725
Total Fund Balances	\$ 1,239,737	\$ 377,338	\$ 1,914,426	\$ 208,494	\$ 3,739,995
Total Liabilities and Fund Balances	\$ 3,801,634	\$ 749,218	\$ 2,251,547	\$ 224,685	\$ 7,027,084

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

Exhibit C-2

Meigs County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 3,739,995
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Add: land	\$ 325,905	
Add: construction in progress	13,556	
Add: buildings and improvements net of accumulated depreciation	6,182,898	
Add: infrastructure net of accumulated depreciation	4,092,102	
Add: other capital assets net of accumulated depreciation	<u>756,467</u>	11,370,928
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Add: deferred charges - debt issuance costs	\$ 5,550	
Add: deferred amount on refunding	30,028	
Less: other deferred revenue - premium on debt	(44,179)	
Less: notes payable	(112,019)	
Less: capital leases payable	(15,590)	
Less: bonds payable	(3,248,479)	
Less: other loans payable	(404,990)	
Less: interest accrued on notes, capital leases, and bonds	(34,140)	
Less: interest accreted on bonds	<u>(1,399,728)</u>	(5,223,547)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>449,032</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 10,336,408</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, 2012

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Revenues					
Local Taxes	\$ 2,475,775	\$ 13,796	\$ 809,181	\$ 0	\$ 3,298,752
Licenses and Permits	16,451	0	0	0	16,451
Fines, Forfeitures, and Penalties	148,577	0	0	23,952	172,529
Charges for Current Services	315,361	0	0	2,287	317,648
Other Local Revenues	254,569	6,945	0	4,677	266,191
Fees Received from County Officials	425,704	0	0	0	425,704
State of Tennessee	683,496	1,608,941	8,062	758,495	3,058,994
Federal Government	126,804	0	0	75,620	202,424
Other Governments and Citizens Groups	78,812	0	225,000	0	303,812
Total Revenues	\$ 4,525,549	\$ 1,629,682	\$ 1,042,243	\$ 865,031	\$ 8,062,505
Expenditures					
Current:					
General Government	\$ 677,299	\$ 0	\$ 0	\$ 15,000	\$ 692,299
Finance	505,809	0	0	7,905	513,714
Administration of Justice	401,131	0	0	1,967	403,098
Public Safety	1,658,312	0	0	50,096	1,708,408
Public Health and Welfare	740,637	0	0	124,976	865,613
Social, Cultural, and Recreational Services	79,582	0	0	72,060	151,642
Agriculture and Natural Resources	54,090	0	0	0	54,090
Other Operations	183,454	0	0	21,672	205,126
Highways	0	1,632,790	0	116,899	1,749,689
Debt Service:					
Principal on Debt	0	108,666	790,000	0	898,666
Interest on Debt	0	10,524	49,993	0	60,517
Other Debt Service	0	105	14,305	0	14,410
Capital Projects	108,257	0	0	15,204	123,461
Total Expenditures	\$ 4,408,571	\$ 1,752,085	\$ 854,298	\$ 425,779	\$ 7,440,733
Excess (Deficiency) of Revenues Over Expenditures	\$ 116,978	\$ (122,403)	\$ 187,945	\$ 439,252	\$ 621,772
Other Financing Sources (Uses)					
Notes Issued	\$ 0	\$ 75,000	\$ 0	\$ 0	\$ 75,000
Proceeds from Sale of Capital Assets	0	35,000	0	0	35,000
Insurance Recovery	25,588	0	0	0	25,588
Transfers In	398,734	20,000	200,000	145,000	763,734
Transfers Out	(165,000)	0	0	(598,734)	(763,734)
Total Other Financing Sources (Uses)	\$ 259,322	\$ 130,000	\$ 200,000	\$ (453,734)	\$ 135,588
Net Change in Fund Balances	\$ 376,300	\$ 7,597	\$ 387,945	\$ (14,482)	\$ 757,360
Fund Balance, July 1, 2011	863,437	369,741	1,526,481	222,976	2,982,635
Fund Balance, June 30, 2012	\$ 1,239,737	\$ 377,338	\$ 1,914,426	\$ 208,494	\$ 3,739,995

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, 2012

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)		\$ 757,360
(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	\$ 640,128	
Less: current-year depreciation expense	<u>(495,743)</u>	144,385
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets		(60,634)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2011	\$ (433,617)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>449,032</u>	15,415
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: note proceeds	\$ (75,000)	
Less: deferred amount on refunding	(4,305)	
Less: change in deferred debt issuance costs	(6,435)	
Add: principal payments on notes	70,468	
Add: principal payments on capital leases	38,198	
Add: principal payments on bonds	655,000	
Add: principal payments on other loans	135,000	
Add: change in premium on debt issuance	<u>9,204</u>	822,130
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 345	
Change in accreted interest payable	<u>(168,176)</u>	(167,831)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,510,825</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, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 459,052
Accounts Receivable	1,396
Due from Other Governments	<u>17,405</u>
Total Assets	<u><u>\$ 477,853</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 17,405
Due to Litigants, Heirs, and Others	<u>460,448</u>
Total Liabilities	<u><u>\$ 477,853</u></u>

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

MEIGS COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Meigs County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Meigs County:

A. Reporting Entity

Meigs County is a public municipal corporation governed by an elected 11-member board. As required by GAAP, these financial statements present Meigs County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Meigs County School Department operates the public school system in the county, and the voters of Meigs County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

The 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 Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Meigs County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Meigs County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Meigs County issues all debt for the discretely presented Meigs County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2012.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Meigs County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. However, Meigs County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Meigs County considers grants and similar revenues to be available if they are collected within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary fund financial statements are reported using the economic resources measurement focus (except for agency funds, which have no measurement focus) and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Meigs County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

Additionally, Meigs County reports the following fund types:

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

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

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

D. Assets, Liabilities, and Equity

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all Meigs County and Meigs County School Department funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the School Department's General Purpose School Fund. Meigs County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.88 percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

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

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets, except for land, are defined by the primary government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than three years. Land is capitalized by the primary government no matter what the cost. Capital assets are defined by the School Department as assets with an initial, individual cost of \$5,000 or more and an estimated useful life exceeding five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

5. Compensated Absences

Primary Government

There is no liability for unpaid accumulated vacation leave benefits for employees of the county since those benefits do not vest or accumulate and must be used within the year or lost. There is also no liability for unpaid accumulated sick leave since the county does not have a policy to pay any amounts when employees separate from service with the county.

Discretely Presented Meigs County School Department

There is no liability for unpaid accumulated vacation leave benefits for employees of the School Department since those benefits do not vest or accumulate and must be used within the year or lost. There is also no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the School Department.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

7. Net Assets and Fund Equity

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

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

On the government-wide Statement of Net Assets (Exhibit A), the account Restricted for General Purposes for the primary government consists of various restrictions totaling \$377,012, with the primary restrictions being for: (1) litigation tax - Jail, Workhouse, or Courthouse (\$131,322); (2) computer systems for various offices (\$113,488); (3) courthouse and jail maintenance (\$39,174); (4) alcohol and drug treatment (\$60,470); and (5) drug court (\$18,184). For the discretely presented School Department, the account balance in Restricted for General Purposes totaling \$39,568 consists of restrictions for various programs, primarily career ladder programs (\$30,548).

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 authorized the Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Meigs County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Meigs County School Department

Exhibit I-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees Fund (special revenue fund), which is not budgeted and the Other Capital Projects Fund, which adopts project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances

may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2012, the Meigs County School Department reported the following significant encumbrances:

Funds	Description	Amount
School Department:		
Major Fund:		
General Purpose School	Bus	\$ 92,521
"	Heating and Air Conditioning Systems	179,000

B. Expenditures Exceeded Appropriations

Total expenditures and other uses of the Solid Waste/Sanitation Fund exceeded total appropriations approved by the County Commission by \$7,444. Also, expenditures exceeded appropriations approved by the County Commission in the Other Social, Cultural, and Recreational major appropriations category (the legal level of control) of the General Fund by \$2,258. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the Solid Waste/Sanitation Fund and by appropriations exceeding expenditures in other major appropriations categories in the General Fund.

C. The Office of Director of Finance Did Not File a Report on Debt Obligation With the State Comptroller's Office

The office did not file a Report on Debt Obligation with the state Comptroller's Office for a \$75,000 capital outlay note that was issued during the year. Section 9-21-151, *Tennessee Code Annotated*, requires that within

45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Meigs County and the Meigs County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected in the fund financial statements represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized

rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase. The county had no pooled and nonpooled investments as of June 30, 2012.

B. Capital Assets

Capital assets activity for the year ended June 30, 2012, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets				
Not Depreciated:				
Land	\$ 325,905	\$ 0	\$ 0	\$ 325,905
Construction in Progress	121,482	13,556	(121,482)	13,556
Total Capital Assets				
Not Depreciated	\$ 447,387	\$ 13,556	\$ (121,482)	\$ 339,461
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 7,767,153	\$ 89,680	\$ 0	\$ 7,856,833
Infrastructure	5,235,214	428,200	0	5,663,414
Other Capital Assets	1,759,212	230,174	(84,606)	1,904,780
Total Capital Assets				
Depreciated	\$ 14,761,579	\$ 748,054	\$ (84,606)	\$ 15,425,027
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 1,482,761	\$ 191,174	\$ 0	\$ 1,673,935
Infrastructure	1,427,946	143,366	0	1,571,312
Other Capital Assets	1,011,082	161,203	(23,972)	1,148,313
Total Accumulated				
Depreciation	\$ 3,921,789	\$ 495,743	\$ (23,972)	\$ 4,393,560

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Total Capital Assets Depreciated, Net	\$ 10,839,790	\$ 252,311	\$ (60,634)	\$ 11,031,467
Governmental Activities Capital Assets, Net	\$ 11,287,177	\$ 265,867	\$ (182,116)	\$ 11,370,928

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

Governmental Activities:

General Government	\$ 101,710
Public Safety	111,083
Public Health and Welfare	17,685
Social, Cultural, and Recreational Services	8,479
Agriculture and Natural Resources	34,144
Highways	222,642
Total Depreciation Expense - Governmental Activities	<u>\$ 495,743</u>

Discretely Presented Meigs County School Department**Governmental Activities:**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 354,462	\$ 0	\$ 0	\$ 354,462
Construction in Progress	104,343	9,522	(104,343)	9,522
Total Capital Assets Not Depreciated	\$ 458,805	\$ 9,522	\$ (104,343)	\$ 363,984
Capital Assets Depreciated:				
Buildings and Improvements	\$ 9,920,303	\$ 250,420	\$ 0	\$ 10,170,723
Other Capital Assets	2,116,052	0	(77,700)	2,038,352
Total Capital Assets Depreciated	\$ 12,036,355	\$ 250,420	\$ (77,700)	\$ 12,209,075

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Less Accumulated Depreciation For: Buildings and Improvements	\$ 4,813,323	\$ 227,325	\$ 0	\$ 5,040,648
Other Capital Assets	1,243,286	148,718	(69,356)	1,322,648
Total Accumulated Depreciation	<u>\$ 6,056,609</u>	<u>\$ 376,043</u>	<u>\$ (69,356)</u>	<u>\$ 6,363,296</u>
Total Capital Assets Depreciated, Net	<u>\$ 5,979,746</u>	<u>\$ (125,623)</u>	<u>\$ (8,344)</u>	<u>\$ 5,845,779</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,438,551</u>	<u>\$ (116,101)</u>	<u>\$ (112,687)</u>	<u>\$ 6,209,763</u>

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

Governmental Activities:

Instruction	\$ 184,535
Support Services	177,414
Operation of Non-Instructional Services	<u>14,094</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 376,043</u>

C. Insurance Recoveries

During the year, Meigs County had damage to two Sheriff's Department vehicles and lighting damage to the camera/DVR system at the Sheriff's Department. Insurance recovery of \$25,588 was used to repair the damages.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 563
General Debt Service	Highway/Public Works	1,940
Nonmajor governmental	General Debt Service	5,649

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2012, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In			
	General Fund	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor Governmental Fund
General Fund	\$ 0	\$ 20,000	\$ 0	\$ 145,000
Nonmajor governmental funds	398,734	0	200,000	0
Total	\$ 398,734	\$ 20,000	\$ 200,000	\$ 145,000

Discretely Presented Meigs County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	\$ 30,000

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

E. Capital Leases

On October 1, 2007, Meigs County entered into a five-year lease-purchase agreement for an asphalt zipper. The terms of the agreement require total lease payments of \$77,950 plus interest of five percent. Title to the asphalt zipper transfers to Meigs County at the end of the lease period. The lease payments are being made from the Highway/Public Works Fund.

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 77,950
Less: Accumulated Depreciation	<u>(37,264)</u>
Total Book Value	<u><u>\$ 40,686</u></u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2013	\$ 19,455
Total Minimum Lease Payments	\$ 19,455
Less: Amount Representing Interest	<u>(3,865)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 15,590</u></u>

F. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

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

General obligation bonds, capital outlay notes, the other loan, and capital leases outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation (CAB) Bonds	4.8 to 5.15 %	5-1-26	\$ 2,088,479	\$ 2,088,479
Accreted Interest on (CAB) Bonds	4.8 to 5.15	5-1-26	N/A	1,399,728
General Obligation Bonds - Refunding	2.5	5-1-17	2,350,000	1,160,000
Capital Outlay Notes	4.35	1-17-15	214,191	112,019
Other Loan	Variable	5-25-15	839,990	404,990
Capital Lease	5	10-1-12	77,950	15,590

In prior years, Meigs County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$875,000 available for loan to Meigs County on an as-needed basis for various renovation and construction projects as well as equipment. As of June 30, 2012, Meigs County had borrowed \$839,990 of this loan and does not intend to borrow any more. This loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2012, the variable interest rate was .49 percent, and other fees totaled approximately .25 percent (letter of credit), of the outstanding principal, and .08 percent (remarketing) of the original principal per month, plus \$85 per month (trustee).

During the 2001-02 year, Meigs County issued Capital Appreciation Bonds (CABs) totaling \$2,088,479. These bonds accrete interest that is paid at bond maturity. Maturity dates for these bonds range from 2015 through 2026. As of June 30, 2012, approximately \$1,399,728 of interest had accreted on the bonds.

The annual requirements to amortize all general obligation bonds, notes, and the other loan outstanding as of June 30, 2012, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 450,000	\$ 32,386	\$ 482,386
2014	460,000	18,890	478,890
2015	340,143	144,943	485,086
2016	262,502	223,985	486,487
2017	250,249	235,541	485,790
2018-2022	914,936	1,335,065	2,250,001
2023-2026	570,649	1,229,350	1,799,999
Total	\$ 3,248,479	\$ 3,220,160	\$ 6,468,639

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 58,514	\$ 2,691	\$ 61,205
2014	15,988	2,012	18,000
2015	37,517	852	38,369
Total	\$ 112,019	\$ 5,555	\$ 117,574

Year Ending June 30	Other Loan			
	Principal	Interest	Other Fees	Total
2013	\$ 142,000	\$ 1,926	\$ 2,703	\$ 146,629
2014	149,000	1,228	2,346	152,574
2015	113,990	512	1,838	116,340
Total	\$ 404,990	\$ 3,666	\$ 6,887	\$ 415,543

The Meigs County Board of Education has pledged by resolution \$225,000 per year from its Basic Education Program non-classroom funds to the General Debt Service Fund for school related debt. These funds are pledged annually through 2012.

There is \$1,914,426 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$276, based on the 2010 federal census. Debt per capita, including bonds, notes, the other loan, and capital leases totaled \$322, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Bonds		Accreted Interest on (CAB) Bonds	Other Loan
Balance, July 1, 2011	\$ 3,903,479	\$ 1,231,552	\$ 539,990	
Additions	0	168,176	0	
Reductions	(655,000)	0	(135,000)	
Balance, June 30, 2012	\$ 3,248,479	\$ 1,399,728	\$ 404,990	
Balance Due Within One Year	\$ 450,000	\$ 0	\$ 142,000	

	Capital Leases	Notes
Balance, July 1, 2011	\$ 53,788	\$ 107,487
Additions	0	75,000
Reductions	(38,198)	(70,468)
	<hr/>	<hr/>
Balance, June 30, 2012	\$ 15,590	\$ 112,019
	<hr/> <hr/>	<hr/> <hr/>
Balance Due Within One Year	\$ 15,590	\$ 58,514
	<hr/> <hr/>	<hr/> <hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 5,180,806
Less: Balance Due Within One Year	(666,104)
Less: Deferred Amount on Refunding	(5,550)
Add: Unamortized Premium on Debt	44,179
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,553,331</u>

Discretely Presented Meigs County School Department

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2011	\$ 200,747
Additions	165,506
Reductions	(75,477)
	<hr/>
Balance, June 30, 2012	\$ 290,776
	<hr/> <hr/>
Balance Due Within One Year	<u>\$ 0</u>

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

G. On-Behalf Payments

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, 2012, were \$41,550 and \$7,429 respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

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

Meigs County provides employee health insurance coverage through a commercial insurance company. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Pre-65 age retirees are not allowed to stay on the county insurance after they retire.

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

B. Subsequent Event

Assessor of Property, Wanda Bryant, left office August 31, 2012, and was succeeded by Billy Breeden on September 1, 2012.

C. Contingent Liabilities

The county and school board attorneys advised that they are unaware of any pending or outstanding litigation that would materially affect the financial statements of Meigs County or the discretely presented Meigs County School Department.

D. Changes in Administration

On September 30, 2011, Randy Baker left the Office of Director of Finance and was succeeded by Interim Director of Finance Connie Allen.

On December 31, 2011, Jim Mercer left the Office of Clerk and Master and was succeeded by Tim Proffitt, and Tim Proffitt left the Office of Assessor of Property and was succeeded by Wanda Bryant.

On June 5, 2012, Tim Jennings left the Office of Highway Superintendent and was succeeded by Jerry Shoemaker.

E. Joint Venture

The Ninth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Ninth Judicial District; Roane, Loudon, Meigs, and Morgan counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors, which includes the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Meigs County made no contributions to the DTF for the year ended June 30, 2012, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Ninth Judicial District
P.O. Box 703
Kingston, TN 37763

F. Retirement Commitments

Plan Description

Meigs County withdrew from the Tennessee Consolidated Retirement System (TCRS) effective July 1, 1984. Employees hired after the date of withdrawal

are not eligible to participate in TCRS. Employees active as of the withdrawal date will continue to accrue salary and service credit in TCRS. The employer remains responsible for the pension liability for employees that were active as of the withdrawal date and for retirees of the employer.

Employees of Meigs County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the TCRS. TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with ten years of service, or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after ten years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Meigs County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Funding Policy

Meigs County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate. The rate for the fiscal year ended June 30, 2012, was zero percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2012, the county annual pension cost of \$0 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on

investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), and (d) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was zero years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$0	100%	\$0
6-30-11	0	100	0
6-30-10	0	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 100 percent funded. The actuarial accrued liability for benefits was \$.66 million, and the actuarial value of assets was \$.66 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0. The covered payroll (annual payroll of active employees covered by the plan) was \$0, and the ratio of the UAAL to the covered payroll was zero percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

SCHOOL TEACHERS

Plan Description

The Meigs County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the

member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2012, 2011, and 2010, were \$652,056, \$648,755, and \$449,609, respectively, equal to the required contributions for each year.

G. Other Postemployment Benefits (OPEB)

The Meigs County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated*, for teachers. Prior to reaching the age of 65, all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include

pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. School Department retirees' contributions vary depending on the insurance options they select, ranging from \$258 to \$905 per month for their insurance. During the year, expenditures totaling \$75,477 were recognized by the School Department for postemployment health care premiums.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 166,000
Interest on the NPO	8,030
Adjustment to the ARC	(8,524)
Annual OPEB cost	<hr/> \$ 165,506
Amount of contribution	(75,477)
Increase/decrease in NPO	<hr/> \$ 90,029
Net OPEB obligation, 7-1-11	<hr/> 200,747
Net OPEB obligation, 6-30-12	<hr/> <hr/> \$ 290,776

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Local Education Group	\$ 116,326	73.81 %	\$ 167,530
6-30-11	"	112,398	72.64	200,747
6-30-12	"	165,506	45.60	290,776

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	\$ 1,490,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,490,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 5,808,171
UAAL as a % of covered payroll	25.65%

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

Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.25 percent for fiscal year 2012. The trend rate will decrease to 8.75 percent in fiscal year 2013 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

H. Office of Central Accounting and Budgeting – Primary Government

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

The discretely presented School Department maintains its own records.

I. Purchasing Laws

Offices of County Mayor and Highway Superintendent

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

Office of Director of Schools

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

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

A. General Information

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

B. Summary of Significant Accounting Policies

Basis of Accounting

As a government agency, the district is subject to standards prescribed by the Governmental Accounting Standards Board (GASB). The financial

statements of Meigs County "911" Emergency Communications District are prepared on the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The district applies Financial Accounting Standards Board (FASB) pronouncements issued before November 30, 1989, unless they conflict with or contradict GASB Guidance.

Cash and Cash Equivalents

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets

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

<u>Assets</u>	<u>Years</u>
Communication Equipment	5 - 10
Furniture and Fixtures	5 - 10
Office Equipment	5 - 10
Leasehold Improvements	15

Component Unit

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

Budgets and Budgetary Accounting

The district is required by state statute to adopt annual budgets. As such, the district employs a formal budget integration as a management control device during the year. The district has elected to prepare budgets based upon the cash basis of accounting, which is allowable by state statutes. The budget is legally enacted through passage of an ordinance. Cash basis expenditures may not legally exceed appropriations and any revisions authorized by the board. Appropriations lapse at the end of each fiscal year.

C. Cash on Deposit

The treasurer of the district is responsible for receiving, disbursing, depositing and investing the district's funds. The district's policy related to deposits and investment risk is to invest in certificates of deposit usually with a maturity of three years or less. The district's policy is designed to maximize its earnings, while protecting the security and providing maximum liquidity, in accordance with all applicable state laws. All deposits with a bank or other financial institution shall be secured by collateral or in a collateral pool as allowed by state statutes. As of June 30, 2012, all deposits with financial institutions were secured by collateral or by State of Tennessee bank collateral pool. A schedule of cash and investments classified by category of credit risk at June 30, 2012, is as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash, insured by Federal Depository Insurance (FDIC)	\$ 231,131	\$ 293,289
Certificates of Deposit, insured by FDIC	141,832	141,832
Total	<u>\$ 372,963</u>	<u>\$ 435,121</u>

D. Accounts Receivable

The account receivable balance represents amounts due from the telephone companies' subscriber service charges at June 30, 2012.

E. Capital Assets

The following is a schedule of changes to capital assets:

	Balance		Accumulated	
	7-1-11	Increases	6-30-12	Depreciation
				6-30-12
Communications Equipment	\$ 333,220	\$ 9,323	\$ 342,543	\$ 260,620
Furniture and Fixtures	2,071	22,370	24,441	3,104
Leasehold Improvements	21,713	125,873	147,586	12,225
Office Equipment	6,852	0	6,852	5,405
Vehicles	0	31,415	31,415	5,236
Total	\$ 363,856	\$ 188,981	\$ 552,837	\$ 286,590

Provision for depreciation totaled \$41,933 for the year ended June 30, 2012.

F. Risk Management - Claims and Insurance

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

G. Impact Payments

The communications center is located in the Meigs County Jail. The district will make impact payments to the Meigs County per the terms of the 2004 Communications Agreement. Impact payments for the year ended June 30, 2012, totaled \$75,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,475,775	\$ 2,641,271	\$ 2,641,271	\$ (165,496)
Licenses and Permits	16,451	14,300	14,300	2,151
Fines, Forfeitures, and Penalties	148,577	104,200	104,200	44,377
Charges for Current Services	315,361	261,800	261,800	53,561
Other Local Revenues	254,569	8,800	218,494	36,075
Fees Received from County Officials	425,704	392,000	392,000	33,704
State of Tennessee	683,496	546,867	554,751	128,745
Federal Government	126,804	132,008	140,568	(13,764)
Other Governments and Citizens Groups	78,812	75,000	75,000	3,812
Total Revenues	<u>\$ 4,525,549</u>	<u>\$ 4,176,246</u>	<u>\$ 4,402,384</u>	<u>\$ 123,165</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 40,985	\$ 42,698	\$ 50,198	\$ 9,213
Board of Equalization	320	400	400	80
County Mayor/Executive	94,649	93,640	96,011	1,362
County Attorney	13,078	13,080	13,080	2
Election Commission	106,008	126,729	130,438	24,430
Register of Deeds	88,795	89,181	93,681	4,886
Planning	28,050	30,834	30,844	2,794
Geographical Information Systems	19,171	23,009	23,019	3,848
County Buildings	286,243	286,828	298,923	12,680
<u>Finance</u>				
Accounting and Budgeting	86,148	126,320	123,100	36,952
Property Assessor's Office	93,910	99,910	99,948	6,038
Reappraisal Program	20,753	23,225	23,353	2,600
County Trustee's Office	108,656	108,642	108,697	41
County Clerk's Office	141,399	144,165	148,547	7,148
Other Finance	54,943	52,000	55,300	357
<u>Administration of Justice</u>				
Circuit Court	166,714	159,718	180,378	13,664
General Sessions Court	117,511	117,765	117,779	268
Drug Court	4,343	0	4,343	0
Chancery Court	112,563	110,182	116,504	3,941
<u>Public Safety</u>				
Sheriff's Department	633,321	576,797	645,118	11,797
Jail	602,089	585,531	610,835	8,746
Juvenile Services	25,862	30,171	30,171	4,309
Fire Prevention and Control	48,604	70,340	72,172	23,568
Civil Defense	91,680	96,731	96,731	5,051
Rescue Squad	4,449	6,000	6,000	1,551
County Coroner/Medical Examiner	17,133	14,000	19,000	1,867
Other Public Safety	235,174	241,113	241,113	5,939

(Continued)

Exhibit E-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 17,848	\$ 23,447	\$ 23,447	\$ 5,599
Ambulance/Emergency Medical Services	447,836	337,820	472,515	24,679
Crippled Children Services	0	500	500	500
Other Local Health Services	90,536	119,528	119,528	28,992
Appropriation to State	20,830	28,000	28,000	7,170
Sanitation Management	125,743	239,214	125,743	0
Sanitation Education/Information	37,844	46,089	46,089	8,245
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	16,350	19,263	19,263	2,913
Libraries	45,076	38,671	45,399	323
Parks and Fair Boards	2,523	14,090	14,090	11,567
Other Social, Cultural, and Recreational	15,633	12,375	13,375	(2,258)
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	49,373	65,288	65,288	15,915
Soil Conservation	4,717	200	4,717	0
<u>Other Operations</u>				
Tourism	16,532	25,685	25,685	9,153
Other Economic and Community Development	68,776	68,776	68,776	0
Veterans' Services	16,449	17,425	17,425	976
Other Charges	69,287	65,777	69,287	0
Contributions to Other Agencies	9,500	9,500	9,500	0
Employee Benefits	2,910	20,000	20,000	17,090
<u>Capital Projects</u>				
Public Safety Projects	108,257	0	108,257	0
Total Expenditures	\$ 4,408,571	\$ 4,420,657	\$ 4,732,567	\$ 323,996
Excess (Deficiency) of Revenues Over Expenditures	\$ 116,978	\$ (244,411)	\$ (330,183)	\$ 447,161
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 25,588	\$ 0	\$ 23,713	\$ 1,875
Transfers In	398,734	224,990	430,630	(31,896)
Transfers Out	(165,000)	(20,000)	(165,000)	0
Total Other Financing Sources (Uses)	\$ 259,322	\$ 204,990	\$ 289,343	\$ (30,021)
Net Change in Fund Balance	\$ 376,300	\$ (39,421)	\$ (40,840)	\$ 417,140
Fund Balance, July 1, 2011	863,437	726,518	1,151,804	(288,367)
Fund Balance, June 30, 2012	\$ 1,239,737	\$ 687,097	\$ 1,110,964	\$ 128,773

Exhibit E-2

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 13,796	\$ 0	\$ 13,796	\$ 30,000	\$ 30,000	\$ (16,204)
Other Local Revenues	6,945	0	6,945	0	0	6,945
State of Tennessee	1,608,941	0	1,608,941	1,514,721	1,875,837	(266,896)
Total Revenues	\$ 1,629,682	\$ 0	\$ 1,629,682	\$ 1,544,721	\$ 1,905,837	\$ (276,155)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 136,961	\$ 0	\$ 136,961	\$ 138,788	\$ 144,116	\$ 7,155
Highway and Bridge Maintenance	510,472	0	510,472	594,255	598,466	87,994
Operation and Maintenance of Equipment	226,649	0	226,649	222,560	256,265	29,616
Other Charges	77,527	0	77,527	79,757	80,057	2,530
Employee Benefits	80,306	0	80,306	116,000	116,000	35,694
Capital Outlay	600,875	(134,035)	466,840	390,647	799,753	332,913
Principal on Debt						
Highways and Streets	108,666	0	108,666	94,845	128,995	20,329
<u>Interest on Debt</u>						
Highways and Streets	10,524	0	10,524	5,769	11,552	1,028
Other Debt Service						
General Government	105	0	105	0	105	0
Total Expenditures	\$ 1,752,085	\$ (134,035)	\$ 1,618,050	\$ 1,642,621	\$ 2,135,309	\$ 517,259
Excess (Deficiency) of Revenues Over Expenditures	\$ (122,403)	\$ 134,035	\$ 11,632	\$ (97,900)	\$ (229,472)	\$ 241,104

(Continued)

Exhibit E-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 75,000	\$ 0	\$ 75,000	\$ 0	\$ 75,000	\$ 0
Proceeds from Sale of Capital Assets	35,000	0	35,000	0	35,000	0
Transfers In	20,000	0	20,000	20,000	20,000	0
Transfers Out	0	0	0	(20,000)	(20,000)	20,000
Total Other Financing Sources (Uses)	\$ 130,000	\$ 0	\$ 130,000	\$ 0	\$ 110,000	\$ 20,000
<u>Net Change in Fund Balance</u>						
Fund Balance, July 1, 2011	\$ 7,597	\$ 134,035	\$ 141,632	\$ (97,900)	\$ (119,472)	\$ 261,104
	369,741	(134,035)	235,706	119,472	119,472	116,234
Fund Balance, June 30, 2012	\$ 377,338	\$ 0	\$ 377,338	\$ 21,572	\$ 0	\$ 377,338

Exhibit E-3

Meigs County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Meigs County School Department
June 30, 2012

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 660	\$ 660	\$ 0	100 %	\$ 0	0 %
7-1-09	605	605	0	100	0	0
7-1-07	631	631	0	100	0	0

Exhibit E-4

Meigs County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Meigs County School Department
June 30, 2012

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-09	\$ 0	\$ 1,207	\$ 1,207	0 %	\$ 5,405	22.33 %
"	7-1-10	0	1,248	1,248	0	5,627	22.18
"	7-1-11	0	1,490	1,490	0	5,808	25.65

MEIGS COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2012

A. BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Meigs County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the Meigs County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission in the Other Social, Cultural, and Recreational major appropriations category (the legal level of control) of the General Fund \$2,258. Expenditures that exceed appropriations are a violation of state statutes. These overexpenditures were funded by appropriations exceeding expenditures in other major appropriations categories.

C. THE OFFICE OF DIRECTOR OF FINANCE DID NOT FILE A REPORT ON DEBT OBLIGATION WITH THE STATE COMPTROLLER'S OFFICE

The office did not file a Report on Debt Obligation with the state Comptroller's Office for a \$75,000 capital outlay note that was issued during the year. Section 9-21-151, *Tennessee Code Annotated*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

Special Purpose Fund – The Special Purpose Fund is used to account for transactions involving the Retired Senior Volunteer Program.

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

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, and sheriff.

Capital Projects Fund

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.

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

Exhibit F-1

Meigs County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2012

	Special Revenue Funds					Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Other Capital Projects				
\$	0 \$	0 \$	0 \$	563 \$	0 \$	563 \$	0 \$	563	
	21,927	2,609	40,314	0	147,807	64,850	147,807	212,657	
	0	5,816	0	0	0	5,816	0	5,816	
	0	0	0	0	0	0	5,649	5,649	
\$	21,927 \$	8,425 \$	40,314 \$	563 \$	71,229 \$	153,456 \$	0 \$	224,685	

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Due from Other Governments
 Due from Other Funds
 Total Assets

LIABILITIES AND FUND BALANCES

Liabilities
 Accounts Payable
 Due to Other Funds
 Total Liabilities

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

Total Liabilities and Fund Balances

Exhibit F-2

Meigs County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue Funds					Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Total		Other Capital Projects	Total	
<u>Revenues</u>									
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 23,952	\$ 0	\$ 23,952	\$ 0	\$ 23,952		
Charges for Current Services	0	0	0	2,287	2,287	0	2,287		
Other Local Revenues	184	2,775	1,718	0	4,677	0	4,677		
State of Tennessee	0	0	0	0	0	758,495	758,495		
Federal Government	0	75,620	0	0	75,620	0	75,620		
Total Revenues	\$ 184	\$ 78,395	\$ 25,670	\$ 2,287	\$ 106,536	\$ 758,495	\$ 865,031		
<u>Expenditures</u>									
Current:									
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,000	\$ 15,000		
Finance	0	0	0	320	320	7,585	7,905		
Administration of Justice	0	0	0	1,967	1,967	0	1,967		
Public Safety	0	0	25,428	0	25,428	24,668	50,096		
Public Health and Welfare	124,976	0	0	0	124,976	0	124,976		
Social, Cultural, and Recreational Services	0	72,060	0	0	72,060	0	72,060		
Other Operations	0	0	0	0	0	21,672	21,672		
Highways	0	0	0	0	0	116,899	116,899		
Capital Projects	0	0	0	0	0	15,204	15,204		
Total Expenditures	\$ 124,976	\$ 72,060	\$ 25,428	\$ 2,287	\$ 224,751	\$ 201,028	\$ 425,779		
Excess (Deficiency) of Revenues Over Expenditures	\$ (124,792)	\$ 6,335	\$ 242	\$ 0	\$ (118,215)	\$ 557,467	\$ 439,252		
<u>Other Financing Sources (Uses)</u>									
Transfers In	\$ 145,000	\$ 0	\$ 0	\$ 0	\$ 145,000	\$ 0	\$ 145,000		
Transfers Out	(13,734)	0	0	0	(13,734)	(585,000)	(598,734)		
Total Other Financing Sources (Uses)	\$ 131,266	\$ 0	\$ 0	\$ 0	\$ 131,266	\$ (585,000)	\$ (453,734)		
Net Change in Fund Balances	\$ 6,474	\$ 6,335	\$ 242	\$ 0	\$ 13,051	\$ (27,533)	\$ (14,482)		
Fund Balance, July 1, 2011	0	2,090	39,897	0	41,987	180,989	222,976		
Fund Balance, June 30, 2012	\$ 6,474	\$ 8,425	\$ 40,139	\$ 0	\$ 55,038	\$ 153,456	\$ 208,494		

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 184	\$ 0	\$ 0	\$ 184
Total Revenues	\$ 184	\$ 0	\$ 0	\$ 184
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 124,976	\$ 0	\$ 117,532	\$ (7,444)
Total Expenditures	\$ 124,976	\$ 0	\$ 117,532	\$ (7,444)
Excess (Deficiency) of Revenues Over Expenditures	\$ (124,792)	\$ 0	\$ (117,532)	\$ (7,260)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 145,000	\$ 0	\$ 131,266	\$ 13,734
Transfers Out	(13,734)	0	(13,734)	0
Total Other Financing Sources (Uses)	\$ 131,266	\$ 0	\$ 117,532	\$ 13,734
Net Change in Fund Balance	\$ 6,474	\$ 0	\$ 0	\$ 6,474
Fund Balance, July 1, 2011	0	0	0	0
Fund Balance, June 30, 2012	\$ 6,474	\$ 0	\$ 0	\$ 6,474

Exhibit F-4

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 2,775	\$ 2,500	\$ 2,500	\$ 275
Federal Government	75,620	52,349	75,504	116
Total Revenues	<u>\$ 78,395</u>	<u>\$ 54,849</u>	<u>\$ 78,004</u>	<u>\$ 391</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	\$ 72,060	\$ 57,084	\$ 72,983	\$ 923
Total Expenditures	<u>\$ 72,060</u>	<u>\$ 57,084</u>	<u>\$ 72,983</u>	<u>\$ 923</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,335</u>	<u>\$ (2,235)</u>	<u>\$ 5,021</u>	<u>\$ 1,314</u>
Net Change in Fund Balance	\$ 6,335	\$ (2,235)	\$ 5,021	\$ 1,314
Fund Balance, July 1, 2011	<u>2,090</u>	<u>2,235</u>	<u>4,264</u>	<u>(2,174)</u>
Fund Balance, June 30, 2012	<u>\$ 8,425</u>	<u>\$ 0</u>	<u>\$ 9,285</u>	<u>\$ (860)</u>

Exhibit F-5

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 23,952	\$ 17,925	\$ 30,543	\$ (6,591)
Other Local Revenues	1,718	0	1,297	421
Total Revenues	<u>\$ 25,670</u>	<u>\$ 17,925</u>	<u>\$ 31,840</u>	<u>\$ (6,170)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 25,428	\$ 4,411	\$ 26,317	\$ 889
Total Expenditures	<u>\$ 25,428</u>	<u>\$ 4,411</u>	<u>\$ 26,317</u>	<u>\$ 889</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 242</u>	<u>\$ 13,514</u>	<u>\$ 5,523</u>	<u>\$ (5,281)</u>
Net Change in Fund Balance	\$ 242	\$ 13,514	\$ 5,523	\$ (5,281)
Fund Balance, July 1, 2011	<u>39,897</u>	<u>34,800</u>	<u>57,436</u>	<u>(17,539)</u>
Fund Balance, June 30, 2012	<u>\$ 40,139</u>	<u>\$ 48,314</u>	<u>\$ 62,959</u>	<u>\$ (22,820)</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 809,181	\$ 717,169	\$ 717,169	\$ 92,012
State of Tennessee	8,062	39,000	39,000	(30,938)
Other Governments and Citizens Groups	225,000	0	225,000	0
Total Revenues	<u>\$ 1,042,243</u>	<u>\$ 756,169</u>	<u>\$ 981,169</u>	<u>\$ 61,074</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 790,000	\$ 899,428	\$ 1,099,428	\$ 309,428
<u>Interest on Debt</u>				
General Government	49,993	87,545	89,412	39,419
<u>Other Debt Service</u>				
General Government	14,305	14,437	14,837	532
Total Expenditures	<u>\$ 854,298</u>	<u>\$ 1,001,410</u>	<u>\$ 1,203,677</u>	<u>\$ 349,379</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 187,945</u>	<u>\$ (245,241)</u>	<u>\$ (222,508)</u>	<u>\$ 410,453</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 200,000	\$ 225,000	\$ 200,000	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 200,000</u>	<u>\$ 225,000</u>	<u>\$ 200,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 387,945	\$ (20,241)	\$ (22,508)	\$ 410,453
Fund Balance, July 1, 2011	<u>1,526,481</u>	<u>1,484,892</u>	<u>1,484,892</u>	<u>41,589</u>
Fund Balance, June 30, 2012	<u><u>\$ 1,914,426</u></u>	<u><u>\$ 1,464,651</u></u>	<u><u>\$ 1,462,384</u></u>	<u><u>\$ 452,042</u></u>

Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register, 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, 2012

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 459,052	\$ 459,052
Accounts Receivable	0	1,396	1,396
Due from Other Governments	17,405	0	17,405
Total Assets	<u>\$ 17,405</u>	<u>\$ 460,448</u>	<u>\$ 477,853</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 17,405	\$ 0	\$ 17,405
Due to Litigants, Heirs, and Others	0	460,448	460,448
Total Liabilities	<u>\$ 17,405</u>	<u>\$ 460,448</u>	<u>\$ 477,853</u>

Exhibit H-2

Meigs County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 223,404	\$ 223,404	\$ 0
Due from Other Governments	33,397	17,405	33,397	17,405
Total Assets	<u>\$ 33,397</u>	<u>\$ 240,809</u>	<u>\$ 256,801</u>	<u>\$ 17,405</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 33,397	\$ 240,809	\$ 256,801	\$ 17,405
Total Liabilities	<u>\$ 33,397</u>	<u>\$ 240,809</u>	<u>\$ 256,801</u>	<u>\$ 17,405</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 429,357	\$ 2,063,466	\$ 2,033,771	\$ 459,052
Accounts Receivable	0	1,396	0	1,396
Total Assets	<u>\$ 429,357</u>	<u>\$ 2,064,862</u>	<u>\$ 2,033,771</u>	<u>\$ 460,448</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 429,357	\$ 2,064,862	\$ 2,033,771	\$ 460,448
Total Liabilities	<u>\$ 429,357</u>	<u>\$ 2,064,862</u>	<u>\$ 2,033,771</u>	<u>\$ 460,448</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 429,357	\$ 2,063,466	\$ 2,033,771	\$ 459,052
Equity in Pooled Cash and Investments	0	223,404	223,404	0
Accounts Receivable	0	1,396	0	1,396
Due from Other Governments	33,397	17,405	33,397	17,405
Total Assets	<u>\$ 462,754</u>	<u>\$ 2,305,671</u>	<u>\$ 2,290,572</u>	<u>\$ 477,853</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 33,397	\$ 240,809	\$ 256,801	\$ 17,405
Due to Litigants, Heirs, and Others	429,357	2,064,862	2,033,771	460,448
Total Liabilities	<u>\$ 462,754</u>	<u>\$ 2,305,671</u>	<u>\$ 2,290,572</u>	<u>\$ 477,853</u>

Meigs County School Department

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

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

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

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

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

Exhibit I-1

Meigs County, Tennessee
Statement of Activities
Discretely Presented Meigs County School Department
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 9,498,097	\$ 2,175	\$ 1,222,063	\$ 0	\$ (8,273,859)
Support Services	4,139,737	4,800	89,515	0	(4,045,422)
Operation of Non-Instructional Services	1,443,344	210,837	854,128	16,000	(362,379)
Other Debt Service	225,000	0	0	0	(225,000)
Total Governmental Activities	\$ 15,306,178	\$ 217,812	\$ 2,165,706	\$ 16,000	\$ (12,906,660)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,289,560
Local Option Sales Taxes					338,337
Wholesale Beer Tax					51,333
Other Local Taxes					386
Grants and Contributions Not Restricted to Specific Programs					11,204,975
Unrestricted Investment Earnings					13,421
Miscellaneous					38,721
Total General Revenues					\$ 12,936,733
Change in Net Assets					\$ 30,073
Net Assets, July 1, 2011					9,441,503
Net Assets, June 30, 2012					<u>\$ 9,471,576</u>

Exhibit I-2

Meigs County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Meigs County School Department
June 30, 2012

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Federal</u>	<u>Other</u>	
	<u>School</u>	<u>Projects</u>	<u>Governmental</u>	<u>Governmental</u>
			<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 2,821,731	\$ 15,583	\$ 475,846	\$ 3,313,160
Accounts Receivable	14,053	13	0	14,066
Due from Other Governments	146,507	4,404	6,535	157,446
Property Taxes Receivable	1,459,427	0	0	1,459,427
Allowance for Uncollectible Property Taxes	(77,735)	0	0	(77,735)
Total Assets	<u>\$ 4,363,983</u>	<u>\$ 20,000</u>	<u>\$ 482,381</u>	<u>\$ 4,866,364</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 634	\$ 0	\$ 0	\$ 634
Accrued Payroll	6,289	0	0	6,289
Deferred Revenue - Current Property Taxes	1,306,852	0	0	1,306,852
Deferred Revenue - Delinquent Property Taxes	71,121	0	0	71,121
Other Deferred Revenues	38,818	0	0	38,818
Total Liabilities	<u>\$ 1,423,714</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,423,714</u>
<u>Fund Balances</u>				
<u>Restricted:</u>				
Restricted for Education	\$ 39,568	\$ 0	\$ 482,381	\$ 521,949
<u>Committed:</u>				
Committed for Education	0	20,000	0	20,000
<u>Assigned:</u>				
Assigned for Education	340,606	0	0	340,606
Unassigned	2,560,095	0	0	2,560,095
Total Fund Balances	<u>\$ 2,940,269</u>	<u>\$ 20,000</u>	<u>\$ 482,381</u>	<u>\$ 3,442,650</u>
Total Liabilities and Fund Balances	<u>\$ 4,363,983</u>	<u>\$ 20,000</u>	<u>\$ 482,381</u>	<u>\$ 4,866,364</u>

Exhibit I-3

Meigs County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Meigs County School Department
June 30, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 3,442,650
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 354,462	
Add: construction in progress	9,522	
Add: buildings and improvements net of accumulated depreciation	5,130,075	
Add: other capital assets net of accumulated depreciation	<u>715,704</u>	6,209,763
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		(290,776)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
		<u>109,939</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 9,471,576</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, 2012

	Major Funds		Nonmajor	Total
	General	School	Funds	
			Other	
Purpose	Federal	Govern-	Governmental	
School	Projects	mental	Funds	
				Funds
<u>Revenues</u>				
Local Taxes	\$ 2,184,934	\$ 0	\$ 12,833	\$ 2,197,767
Licenses and Permits	532	0	0	532
Charges for Current Services	2,275	0	210,737	213,012
Other Local Revenues	83,697	0	472	84,169
State of Tennessee	10,186,368	0	0	10,186,368
Federal Government	131,956	1,749,738	764,152	2,645,846
Total Revenues	<u>\$ 12,589,762</u>	<u>\$ 1,749,738</u>	<u>\$ 988,194</u>	<u>\$ 15,327,694</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 7,591,096	\$ 1,406,824	\$ 0	\$ 8,997,920
Support Services	3,613,021	342,548	22	3,955,591
Operation of Non-Instructional Services	498,748	435	953,773	1,452,956
Capital Outlay	357,506	0	0	357,506
Debt Service:				
Other Debt Service	225,000	0	0	225,000
Total Expenditures	<u>\$ 12,285,371</u>	<u>\$ 1,749,807</u>	<u>\$ 953,795</u>	<u>\$ 14,988,973</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ 304,391</u>	<u>\$ (69)</u>	<u>\$ 34,399</u>	<u>\$ 338,721</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 30,000	\$ 0	\$ 0	\$ 30,000
Transfers Out	0	(30,000)	0	(30,000)
Total Other Financing Sources (Uses)	<u>\$ 30,000</u>	<u>\$ (30,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 334,391	\$ (30,069)	\$ 34,399	\$ 338,721
Fund Balance, July 1, 2011	2,605,878	50,069	447,982	3,103,929
Fund Balance, June 30, 2012	<u>\$ 2,940,269</u>	<u>\$ 20,000</u>	<u>\$ 482,381</u>	<u>\$ 3,442,650</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, 2012

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)		\$	338,721
(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	\$	155,599	
Less: current-year depreciation expense		<u>(376,043)</u>	(220,444)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets			
Less: loss on disposal of capital assets			(8,344)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2012	\$	109,939	
Less: deferred delinquent property taxes and other deferred June 30, 2011		<u>(99,770)</u>	10,169
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability			<u>(90,029)</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u>30,073</u>

Exhibit I-6

Meigs County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Meigs County School Department
June 30, 2012

	<u>Special Revenue Funds</u>		
	Central Cafeteria	Other Education Special Revenue	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 247,818	\$ 228,028	\$ 475,846
Due from Other Governments	6,535	0	6,535
Total Assets	<u>\$ 254,353</u>	<u>\$ 228,028</u>	<u>\$ 482,381</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	<u>\$ 254,353</u>	<u>\$ 228,028</u>	<u>\$ 482,381</u>
Total Fund Balances	<u>\$ 254,353</u>	<u>\$ 228,028</u>	<u>\$ 482,381</u>

Exhibit I-7

Meigs County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Meigs County School Department
For the Year Ended June 30, 2012

	<u>Special Revenue Funds</u>		
	Central	Other Education Special Revenue	Total Nonmajor Governmental Funds
	Cafeteria		
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 12,833	\$ 12,833
Charges for Current Services	210,737	0	210,737
Other Local Revenues	472	0	472
Federal Government	764,152	0	764,152
Total Revenues	<u>\$ 975,361</u>	<u>\$ 12,833</u>	<u>\$ 988,194</u>
<u>Expenditures</u>			
Current:			
Support Services	\$ 0	\$ 22	\$ 22
Operation of Non-Instructional Services	953,773	0	953,773
Total Expenditures	<u>\$ 953,773</u>	<u>\$ 22</u>	<u>\$ 953,795</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 21,588</u>	<u>\$ 12,811</u>	<u>\$ 34,399</u>
Net Change in Fund Balances	\$ 21,588	\$ 12,811	\$ 34,399
Fund Balance, July 1, 2011	<u>232,765</u>	<u>215,217</u>	<u>447,982</u>
Fund Balance, June 30, 2012	<u>\$ 254,353</u>	<u>\$ 228,028</u>	<u>\$ 482,381</u>

Exhibit I-8

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Meigs County School Department
General Purpose School Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,184,934	\$ 0	\$ 0	\$ 2,184,934	\$ 2,046,000	\$ 2,046,000	\$ 138,934
Licenses and Permits	532	0	0	532	0	0	532
Charges for Current Services	2,275	0	0	2,275	2,000	2,000	275
Other Local Revenues	83,697	0	0	83,697	107,955	133,455	(49,758)
State of Tennessee	10,186,368	0	0	10,186,368	10,116,070	10,179,866	6,502
Federal Government	131,956	0	0	131,956	99,856	134,171	(2,215)
Total Revenues	\$ 12,589,762	\$ 0	\$ 0	\$ 12,589,762	\$ 12,371,881	\$ 12,495,492	\$ 94,270
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 6,296,197	\$ (58,242)	\$ 5,092	\$ 6,243,047	\$ 6,782,125	\$ 6,677,234	\$ 434,187
Alternative Instruction Program	61,621	0	0	61,621	56,760	62,505	884
Special Education Program	876,784	0	0	876,784	882,935	882,935	6,151
Vocational Education Program	299,403	0	0	299,403	275,405	301,695	2,292
Adult Education Program	57,091	(1,512)	459	56,038	42,717	57,717	1,679
<u>Support Services</u>							
Attendance	41,885	0	0	41,885	40,105	42,355	470
Health Services	113,477	(500)	2,218	115,195	95,220	120,220	5,025
Other Student Support	428,162	(17,884)	4,161	414,439	405,535	428,015	13,576
Regular Instruction Program	266,244	0	0	266,244	268,820	276,405	10,161
Alternative Instruction Program	6,239	0	742	6,981	0	40,000	33,019
Special Education Program	86,662	0	0	86,662	88,370	88,370	1,708
Vocational Education Program	58,487	0	0	58,487	59,625	59,865	1,378
Adult Programs	89,460	0	0	89,460	87,324	89,645	185

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Other Programs	\$ 48,979	\$ 0	\$ 0	\$ 48,979	\$ 0	\$ 48,979	\$ 0
Board of Education	205,866	(9,939)	12,407	208,334	216,695	216,695	8,361
Director of Schools	167,381	(660)	521	167,242	161,185	168,500	1,258
Office of the Principal	440,991	0	0	440,991	426,100	444,425	3,434
Fiscal Services	47,377	0	0	47,377	46,355	47,670	293
Operation of Plant	761,570	(185)	3,211	764,596	807,620	812,265	47,669
Maintenance of Plant	150,956	0	800	151,756	143,915	155,725	3,969
Transportation	693,397	(2,181)	95,822	787,038	780,075	804,745	17,707
Central and Other	5,888	(102)	0	5,786	0	10,500	4,714
<u>Operation of Non-Instructional Services</u>							
Community Services	93,184	(4,650)	1,437	89,971	90,000	90,000	29
Early Childhood Education	405,564	(3,978)	7,783	409,369	409,370	409,370	1
<u>Capital Outlay</u>							
Regular Capital Outlay	357,506	(182,785)	205,953	380,674	437,101	423,096	42,422
Principal on Debt	0	0	0	0	225,000	0	0
Education							
<u>Other Debt Service</u>							
Education	225,000	0	0	225,000	0	225,000	0
Total Expenditures	\$ 12,285,371	\$ (282,618)	\$ 340,606	\$ 12,343,359	\$ 12,828,357	\$ 12,983,931	\$ 640,572
Excess (Deficiency) of Revenues Over Expenditures	\$ 304,391	\$ 282,618	\$ (340,606)	\$ 246,403	\$ (456,476)	\$ (488,439)	\$ 734,842

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Other Financing Sources (Uses)							
Transfers In	\$ 30,000	\$ 0	\$ 0	\$ 30,000	\$ 0	\$ 30,000	\$ 0
Total Other Financing Sources (Uses)	\$ 30,000	\$ 0	\$ 0	\$ 30,000	\$ 0	\$ 30,000	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 334,391 2,605,878	\$ 282,618 (282,618)	\$ (340,606) 0	\$ 276,403 2,323,260	\$ (456,476) 2,317,900	\$ (458,439) 2,317,900	\$ 734,842 5,360
Fund Balance, June 30, 2012	\$ 2,940,269	\$ 0	\$ (340,606)	\$ 2,599,663	\$ 1,861,424	\$ 1,859,461	\$ 740,202

Exhibit I-9

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Meigs County School Department
School Federal Projects Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,749,738	\$ 2,064,907	\$ 2,128,279	\$ (378,541)
Total Revenues	\$ 1,749,738	\$ 2,064,907	\$ 2,128,279	\$ (378,541)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,075,246	\$ 1,105,855	\$ 1,168,730	\$ 93,484
Special Education Program	306,749	547,209	515,778	209,029
Vocational Education Program	24,829	26,353	24,829	0
<u>Support Services</u>				
Other Student Support	61,840	62,852	64,375	2,535
Regular Instruction Program	137,746	153,620	154,708	16,962
Alternative Instruction Program	27,600	27,600	27,600	0
Special Education Program	92,112	110,859	140,264	48,152
Vocational Education Program	1,500	1,500	1,500	0
Transportation	21,750	28,623	30,060	8,310
<u>Operation of Non-Instructional Services</u>				
Food Service	435	435	435	0
Total Expenditures	\$ 1,749,807	\$ 2,064,906	\$ 2,128,279	\$ 378,472
Excess (Deficiency) of Revenues Over Expenditures	\$ (69)	\$ 1	\$ 0	\$ (69)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 74,516	\$ 0	\$ 0
Transfers Out	(30,000)	(74,516)	0	(30,000)
Total Other Financing Sources (Uses)	\$ (30,000)	\$ 0	\$ 0	\$ (30,000)
Net Change in Fund Balance	\$ (30,069)	\$ 1	\$ 0	\$ (30,069)
Fund Balance, July 1, 2011	50,069	0	0	50,069
Fund Balance, June 30, 2012	\$ 20,000	\$ 1	\$ 0	\$ 20,000

Exhibit I-10

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Meigs County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 210,737	\$ 196,000	\$ 196,000	\$ 14,737
Other Local Revenues	472	1,500	1,500	(1,028)
Federal Government	764,152	708,150	770,949	(6,797)
Total Revenues	<u>\$ 975,361</u>	<u>\$ 905,650</u>	<u>\$ 968,449</u>	<u>\$ 6,912</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 953,773	\$ 945,650	\$ 1,008,449	\$ 54,676
Total Expenditures	<u>\$ 953,773</u>	<u>\$ 945,650</u>	<u>\$ 1,008,449</u>	<u>\$ 54,676</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 21,588</u>	<u>\$ (40,000)</u>	<u>\$ (40,000)</u>	<u>\$ 61,588</u>
Net Change in Fund Balance	\$ 21,588	\$ (40,000)	\$ (40,000)	\$ 61,588
Fund Balance, July 1, 2011	<u>232,765</u>	<u>232,765</u>	<u>232,765</u>	<u>0</u>
Fund Balance, June 30, 2012	<u>\$ 254,353</u>	<u>\$ 192,765</u>	<u>\$ 192,765</u>	<u>\$ 61,588</u>

Exhibit I-11

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Meigs County School Department
Other Education Special Revenue Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 12,833	\$ 0	\$ 12,833	\$ 0
Total Revenues	<u>\$ 12,833</u>	<u>\$ 0</u>	<u>\$ 12,833</u>	<u>\$ 0</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 22	\$ 0	\$ 22	\$ 0
Total Expenditures	<u>\$ 22</u>	<u>\$ 0</u>	<u>\$ 22</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 12,811</u>	<u>\$ 0</u>	<u>\$ 12,811</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 12,811	\$ 0	\$ 12,811	\$ 0
Fund Balance, July 1, 2011	<u>215,217</u>	<u>215,217</u>	<u>215,217</u>	<u>0</u>
Fund Balance, June 30, 2012	<u>\$ 228,028</u>	<u>\$ 215,217</u>	<u>\$ 228,028</u>	<u>\$ 0</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Meigs County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Bonds, and Other Loans
For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or	
							Matured During Period	Outstanding 6-30-12
NOTES PAYABLE								
<u>Payable through Highway/Public Works Fund</u>								
Graders - Extension of Note Maturity	\$ 139,191	4.35%	6-5-08	5-5-13	\$ 61,145	\$ 0	\$ 17,940	\$ 43,205
Backhoe	84,606	4.7	12-16-08	12-16-11	46,342	0	46,342	0
Grader	75,000	4.35	1-17-12	1-17-15	0	75,000	6,186	68,814
Total Notes Payable					\$ 107,487	\$ 75,000	\$ 70,468	\$ 112,019
CAPITAL LEASES PAYABLE								
<u>Payable through Highway/Public Works Fund</u>								
Dump Trucks	102,456	5.17	12-15-06	12-15-11	\$ 22,608	\$ 0	\$ 22,608	\$ 0
Asphalt Zipper	77,950	5	10-1-07	10-1-12	31,180	0	15,590	15,590
Total Capital Leases Payable					\$ 53,788	\$ 0	\$ 38,198	\$ 15,590
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
General Obligation (CAB) Bonds, Series 2002A - II	(1) 2,088,479	4.8 to 5.15	2-7-02	5-1-26	\$ 2,088,479	\$ 0	\$ 0	\$ 2,088,479
General Obligation Refunding Bonds, Series 2010	2,350,000	2.5	12-10-10	5-1-17	1,815,000	0	655,000	1,160,000
Total Bonds Payable					\$ 3,903,479	\$ 0	\$ 655,000	\$ 3,248,479
OTHER LOANS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Community Centers, Renovations, and Equipment	839,990	Variable	12-23-09	5-25-15	\$ 539,990	\$ 0	\$ 135,000	\$ 404,990
Total Other Loans Payable					\$ 539,990	\$ 0	\$ 135,000	\$ 404,990

(1) These (CAB) bonds accrete interest that is paid at bond maturity. As of June 30, 2012, approximately \$1,399,728 of interest has accreted on the bonds.

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 58,514	\$ 2,691	\$ 61,205
2014	15,988	2,012	18,000
2015	37,517	852	38,369
Total	\$ 112,019	\$ 5,555	\$ 117,574

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2013	\$ 15,590	\$ 3,865	\$ 19,455
Total	\$ 15,590	\$ 3,865	\$ 19,455

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 450,000	\$ 32,386	\$ 482,386
2014	460,000	18,890	478,890
2015	340,143	144,943	485,086
2016	262,502	223,985	486,487
2017	250,249	235,541	485,790
2018	203,459	246,542	450,001
2019	192,128	257,873	450,001
2020	182,871	267,129	450,000
2021	172,435	277,564	449,999
2022	164,043	285,957	450,000
2023	154,458	295,542	450,000
2024	146,871	303,129	450,000
2025	138,082	311,917	449,999
2026	131,238	318,762	450,000
Total	\$ 3,248,479	\$ 3,220,160	\$ 6,468,639

(Continued)

Exhibit J-2

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

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2013	\$ 142,000	\$ 1,926	\$ 2,703	\$ 146,629
2014	149,000	1,228	2,346	152,574
2015	113,990	512	1,838	116,340
Total	\$ 404,990	\$ 3,666	\$ 6,887	\$ 415,543

Exhibit J-3

Meigs County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Meigs County School Department
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Highway/Public Works	Road repairs	\$ 20,000
"	Solid Waste/Sanitation	Open fund	145,000
Solid Waste/Sanitation	General	Reimbursement	13,734
Other Capital Projects	"	"	385,000
"	General Debt Service	Debt repayment	<u>200,000</u>
Total Transfers Primary Government			<u>\$ 763,734</u>
<u>DISCRETELY PRESENTED MEIGS COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Reimbursement	<u>\$ 30,000</u>
Total Transfers Discretely Presented Meigs County School Department			<u>\$ 30,000</u>

Meigs County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Meigs County School Department
For the Year Ended June 30, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 60,350	\$ 25,000	Travelers Casualty and Surety
Highway Superintendent:				
Tim Jennings (7-1-11 through 6-5-12)	Section 8-24-102, TCA	54,713	100,000	"
Jerry Shoemaker (6-6-12 through 6-30-12)	Section 8-24-102, TCA	2,764	(4) (5)	"
Director of Schools	State Board of Education and County Board of Education	102,125 (1)	100,000	Western Surety Company
Trustee	Section 8-24-102, TCA	52,251	532,700	Travelers Casualty and Surety
Assessor of Property:				
Tim Proffitt (7-1-11 through 12-31-11)	Section 8-24-102, TCA	26,125	10,000	"
Wanda Bryant (1-1-12 to 6-30-12)	Section 8-24-102, TCA	26,126	10,000	"
County Clerk	Section 8-24-102, TCA	52,251	25,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	52,251	25,000	"
Clerk and Master:				
Jim Mercer (7-1-11 through 12-31-11)	Section 8-24-102, TCA	26,125 (2)	25,000	"
Tim Proffitt (1-1-12 through 6-30-12)	Section 8-24-102, TCA	26,126	25,000	"
Register	Section 8-24-102, TCA	52,251	15,000	"
Sheriff	Section 8-24-102, TCA	57,477 (3)	25,000	"
Director of Finance:				
Randy Baker (7-1-11 to 9-30-11)	County Commission	12,051	50,000	"
Connie Allen, Interim (10-1-11 through 6-30-12)	County Commission	31,500	(4)	"
Blanket Bond:				
All County Employees			150,000	Tennessee Risk Management Trust
All School Employees			150,000	"

(1) Includes a travel allowance of \$7,655, longevity pay of \$1,400, and \$1,000 for a chief executive officer training supplement. Does not include \$1,000 for career ladder.
(2) Does not include special commissioner fees of \$1,967.
(3) Does not include a law enforcement training supplement of \$600.
(4) Highway superintendent and interim director of finance are covered under the employee blanket bond.
(5) Subsequent to June 30, 2012, the highway superintendent was covered under his own official bond.

Exhibit J-5

Meigs County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2012

	Special Revenue Funds										Total	
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Other Capital Projects	Capital Projects Fund	Debt Service Fund		
<u>Local Taxes</u>												
<u>County Property Taxes</u>												
Current Property Tax	\$ 1,726,186	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 485,421	\$ 0	\$ 2,211,607		
Trustee's Collections - Prior Year	115,336	0	0	0	0	0	0	34,520	0	149,856		
Circuit/Clerk & Master Collections - Prior Years	90,198	0	0	0	0	0	0	25,223	0	115,421		
Interest and Penalty	20,980	0	0	0	0	0	0	5,866	0	26,846		
Pick-up Taxes	1,025	0	0	0	0	0	0	287	0	1,312		
Payments in-Lieu-of Taxes - T.V.A.	1,532	0	0	0	0	0	0	47,376	0	48,908		
Payments in-Lieu-of Taxes - Local Utilities	161,796	0	0	0	0	0	0	45,236	0	207,032		
<u>County Local Option Taxes</u>												
Local Option Sales Tax	169,629	0	0	0	0	0	0	165,252	0	334,881		
Hotel/Motel Tax	6,944	0	0	0	0	0	0	0	0	6,944		
Litigation Tax - General	24,950	0	0	0	0	0	0	0	0	24,950		
Litigation Tax - Special Purpose	33,495	0	0	0	0	0	0	0	0	33,495		
Litigation Tax - Jail, Workhouse, or Courthouse	1,160	0	0	0	0	0	0	0	0	1,160		
Litigation Tax - Courtroom Security	849	0	0	0	0	0	0	0	0	849		
Business Tax	34,577	0	0	0	0	0	0	0	0	34,577		
Mineral Severance Tax	0	0	0	0	0	13,796	0	0	0	13,796		
Other County Local Option Taxes	9,381	0	0	0	0	0	0	0	0	9,381		
<u>Statutory Local Taxes</u>												
Bank Excise Tax	10,184	0	0	0	0	0	0	0	0	10,184		
Wholesale Beer Tax	67,196	0	0	0	0	0	0	0	0	67,196		
Interstate Telecommunications Tax	357	0	0	0	0	0	0	0	0	357		
Total Local Taxes	\$ 2,475,775	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,796	\$ 809,181	\$ 0	\$ 3,298,752			
<u>Licenses and Permits</u>												
<u>Licenses</u>												
Marriage Licenses	\$ 532	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 532		
Cable TV Franchise	4,643	0	0	0	0	0	0	0	0	4,643		
<u>Permits</u>												
Beer Permits	451	0	0	0	0	0	0	0	0	451		
Building Permits	8,890	0	0	0	0	0	0	0	0	8,890		

(Continued)

Exhibit J-5

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

	Special Revenue Funds							Total
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Licenses and Permits (Cont.)</u>								
<u>Permits (Cont.)</u>								
Other Permits	\$ 1,935	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,935
Total Licenses and Permits	\$ 16,451	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,451
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Officers Costs	\$ 2,353	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,353
Data Entry Fee - Circuit Court	49	0	0	0	0	0	0	49
<u>Criminal Court</u>								
Fines	1,732	0	0	0	0	0	0	1,732
Officers Costs	441	0	0	0	0	0	0	441
Drug Control Fines	0	0	0	1,296	0	0	0	1,296
Drug Court Fees	119	0	0	0	0	0	0	119
Data Entry Fee - Criminal Court	376	0	0	0	0	0	0	376
<u>General Sessions Court</u>								
Fines	36,778	0	0	0	0	0	0	36,778
Officers Costs	23,559	0	0	0	0	0	0	23,559
Game and Fish Fines	427	0	0	0	0	0	0	427
Drug Control Fines	0	0	0	9,531	0	0	0	9,531
Drug Court Fees	4,640	0	0	0	0	0	0	4,640
Jail Fees	4,080	0	0	0	0	0	0	4,080
Data Entry Fee - General Sessions Court	21,521	0	0	0	0	0	0	21,521
<u>Chancery Court</u>								
Officers Costs	1,978	0	0	0	0	0	0	1,978
Data Entry Fee - Chancery Court	1,708	0	0	0	0	0	0	1,708
<u>Other Courts - In-county</u>								
Fines	38,316	0	0	0	0	0	0	38,316
Drug Court Fees	83	0	0	0	0	0	0	83
<u>Judicial District Drug Program</u>								
Drug Task Force Forfeitures and Seizures	0	0	0	507	0	0	0	507
Data Entry Fee - Other Courts	9,504	0	0	0	0	0	0	9,504

(Continued)

Exhibit J-5

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

	Special Revenue Funds							Total
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 12,618	\$ 0	\$ 0	\$ 0	\$ 12,618
Other Fines, Forfeitures, and Penalties	913	0	0	0	0	0	0	913
Total Fines, Forfeitures, and Penalties	\$ 148,577	\$ 0	\$ 0	\$ 23,952	\$ 0	\$ 0	\$ 0	\$ 172,529
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Patient Charges	\$ 303,503	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 303,503
Fees								
Copy Fees	641	0	0	0	0	0	0	641
Telephone Commissions	2,551	0	0	0	0	0	0	2,551
Constitutional Officers' Fees and Commissions	0	0	0	0	320	0	0	320
Special Commissioner Fees/Special Master Fees	0	0	0	0	1,967	0	0	1,967
Data Processing Fee - Register	3,726	0	0	0	0	0	0	3,726
Data Processing Fee - Sheriff	1,912	0	0	0	0	0	0	1,912
Sexual Offender Registration Fees - Sheriff	2,550	0	0	0	0	0	0	2,550
Data Processing Fee - County Clerk	478	0	0	0	0	0	0	478
Total Charges for Current Services	\$ 315,361	\$ 0	\$ 0	\$ 0	\$ 2,287	\$ 0	\$ 0	\$ 317,648
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Lease/Rentals	\$ 1,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,800
Commissary Sales	14,542	0	0	0	0	0	0	14,542
Sale of Recycled Materials	658	184	0	59	0	0	0	901
Miscellaneous Refunds	119,742	0	275	1,659	0	2,370	0	124,046
<u>Nonrecurring Items</u>								
Sale of Equipment	4,097	0	0	0	0	4,575	0	8,672
Sale of Property	13,740	0	0	0	0	0	0	13,740
Contributions and Gifts	99,990	0	2,500	0	0	0	0	102,490
Total Other Local Revenues	\$ 254,569	\$ 184	\$ 2,775	\$ 1,718	\$ 0	\$ 6,945	\$ 0	\$ 266,191

(Continued)

Exhibit J-5

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

	Special Revenue Funds										Total
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Debt Service Fund	Capital Projects Fund	Other Capital Projects	
<u>Fees Received from County Officials</u>											
<u>Fees in-Lieu-of Salary</u>											
County Clerk	\$ 94,204	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 94,204
Circuit Court Clerk	13,788	0	0	0	0	0	0	0	0	0	13,788
General Sessions Court Clerk	73,525	0	0	0	0	0	0	0	0	0	73,525
Clerk and Master	55,244	0	0	0	0	0	0	0	0	0	55,244
Register	39,550	0	0	0	0	0	0	0	0	0	39,550
Sheriff	6,739	0	0	0	0	0	0	0	0	0	6,739
Trustee	142,654	0	0	0	0	0	0	0	0	0	142,654
Total Fees Received from County Officials	\$ 425,704	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 425,704
<u>State of Tennessee</u>											
<u>General Government Grants</u>											
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Aging Programs	16,450	0	0	0	0	0	0	0	0	0	16,450
<u>Public Safety Grants</u>											
Law Enforcement Training Programs	7,800	0	0	0	0	0	0	0	0	0	7,800
Health and Welfare Grants											
Health Department Programs	86,702	0	0	0	0	0	0	0	0	0	86,702
<u>Public Works Grants</u>											
State Aid Program	0	0	0	0	0	328,850	0	0	0	0	328,850
Litter Program	43,413	0	0	0	0	0	0	0	0	0	43,413
<u>Other State Revenues</u>											
Income Tax	13,631	0	0	0	0	0	0	8,062	0	0	21,693
Beer Tax	18,421	0	0	0	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	21,746	0	0	0	0	0	0	0	0	0	21,746
Mixed Drink Tax	348	0	0	0	0	0	0	0	0	0	348
State Revenue Sharing - T.V.A.	314,308	0	0	0	0	0	0	0	758,495	0	1,072,803
Contracted Prisoner Boarding	106,032	0	0	0	0	0	0	0	0	0	106,032
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,271,610	0	0	0	0	1,271,610
Petroleum Special Tax	0	0	0	0	0	8,481	0	0	0	0	8,481
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	0	0	15,164

(Continued)

Exhibit J-5

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

	Special Revenue Funds						Debt Service Fund	Capital Projects Fund	Total
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works			
<u>State of Tennessee (Cont.)</u>									
<u>Other State Revenues (Cont.)</u>									
Other State Revenues	\$ 30,481	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,481
Total State of Tennessee	\$ 683,496	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,608,941	\$ 8,062	\$ 758,495	\$ 3,058,994
<u>Federal Government</u>									
<u>Federal Through State</u>									
USDA - Other	\$ 6,728	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,728
Civil Defense Reimbursement	24,113	0	0	0	0	0	0	0	24,113
Homeland Security Grants	13,490	0	0	0	0	0	0	0	13,490
Other Federal through State	9,716	0	0	0	0	0	0	0	9,716
<u>Direct Federal Revenue</u>									
Energy Grant	68,776	0	0	0	0	0	0	0	68,776
Other Direct Federal Revenue	3,981	0	75,620	0	0	0	0	0	79,601
Total Federal Government	\$ 126,804	\$ 0	\$ 75,620	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 202,424
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 225,000	\$ 0	\$ 225,000
Contracted Services	75,000	0	0	0	0	0	0	0	75,000
<u>Other</u>									
Other	3,812	0	0	0	0	0	0	0	3,812
Total Other Governments and Citizens Groups	\$ 78,812	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 225,000	\$ 0	\$ 303,812
<u>Total</u>	\$ 4,525,549	\$ 184	\$ 78,395	\$ 25,670	\$ 2,287	\$ 1,629,682	\$ 1,042,243	\$ 758,495	\$ 8,062,505

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, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,130,463	\$ 0	\$ 0	\$ 0	\$ 1,130,463
Trustee's Collections - Prior Year	81,588	0	0	0	81,588
Circuit/Clerk & Master Collections - Prior Years	59,614	0	0	0	59,614
Interest and Penalty	13,866	0	0	0	13,866
Pick-up Taxes	678	0	0	0	678
Payments in-Lieu-of Taxes - T.V.A.	426,384	0	0	0	426,384
Payments in-Lieu-of Taxes - Local Utilities	106,936	0	0	0	106,936
<u>County Local Option Taxes</u>					
Local Option Sales Tax	326,519	0	0	0	326,519
<u>Statutory Local Taxes</u>					
Wholesale Beer Tax	38,500	0	0	12,833	51,333
Interstate Telecommunications Tax	386	0	0	0	386
Total Local Taxes	\$ 2,184,934	\$ 0	\$ 0	\$ 12,833	\$ 2,197,767
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 532	\$ 0	\$ 0	\$ 0	\$ 532
Total Licenses and Permits	\$ 532	\$ 0	\$ 0	\$ 0	\$ 532
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	\$ 2,175	\$ 0	\$ 0	\$ 0	\$ 2,175
Receipts from Individual Schools	0	0	199,535	0	199,535
<u>Other Charges for Services</u>					
Other Charges for Services	100	0	11,202	0	11,302
Total Charges for Current Services	\$ 2,275	\$ 0	\$ 210,737	\$ 0	\$ 213,012
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 13,114	\$ 0	\$ 307	\$ 0	\$ 13,421
Lease/Rentals	4,800	0	0	0	4,800
Sale of Materials and Supplies	2,038	0	0	0	2,038
Refund of Telecommunication & Internet Fees (E-Rate)	12,955	0	0	0	12,955
Miscellaneous Refunds	33,932	0	0	0	33,932
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	165	0	165
Contributions and Gifts	16,765	0	0	0	16,765
<u>Other Local Revenues</u>					
Other Local Revenues	93	0	0	0	93
Total Other Local Revenues	\$ 83,697	\$ 0	\$ 472	\$ 0	\$ 84,169
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 48,979	\$ 0	\$ 0	\$ 0	\$ 48,979
<u>State Education Funds</u>					
Basic Education Program	9,470,000	0	0	0	9,470,000
Early Childhood Education	409,368	0	0	0	409,368
Driver Education	6,918	0	0	0	6,918

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Other State Education Funds	\$ 100,676	\$ 0	\$ 0	\$ 0	\$ 100,676
Statewide Student Management System (SSMS) - ARRA	4,627	0	0	0	4,627
Career Ladder Program	72,354	0	0	0	72,354
Career Ladder - Extended Contract	48,300	0	0	0	48,300
<u>Other State Revenues</u>					
Income Tax	19,056	0	0	0	19,056
Contracted Prisoner Boarding	197	0	0	0	197
Other State Grants	1,985	0	0	0	1,985
Other State Revenues	3,908	0	0	0	3,908
Total State of Tennessee	\$ 10,186,368	\$ 0	\$ 0	\$ 0	\$ 10,186,368
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	485,057	\$ 0	\$ 485,057
USDA - Commodities	0	0	38,324	0	38,324
Breakfast	0	0	187,242	0	187,242
USDA - Other	0	0	53,529	0	53,529
Adult Education State Grant Program	113,187	0	0	0	113,187
Vocational Education - Basic Grants to States	0	38,621	0	0	38,621
Other Vocational	2,769	0	0	0	2,769
Title I Grants to Local Education Agencies	0	707,328	0	0	707,328
Special Education - Grants to States	0	428,560	0	0	428,560
Special Education Preschool Grants	0	14,386	0	0	14,386
Rural Education	0	38,406	0	0	38,406
Appalachian Regional Commission	16,000	0	0	0	16,000
Eisenhower Professional Development State Grants	0	93,435	0	0	93,435
Race-to-the-Top - ARRA	0	129,838	0	0	129,838
Other Federal through State	0	299,164	0	0	299,164
Total Federal Government	\$ 131,956	\$ 1,749,738	\$ 764,152	\$ 0	\$ 2,645,846
Total	\$ 12,589,762	\$ 1,749,738	\$ 975,361	\$ 12,833	\$ 15,327,694

Exhibit J-7

Meigs County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Board and Committee Members Fees	\$ 27,060	
Social Security	2,035	
Employee and Dependent Insurance	1,401	
Unemployment Compensation	60	
Audit Services	3,526	
Dues and Memberships	6,130	
Other Supplies and Materials	<u>773</u>	
Total County Commission		\$ 40,985

Board of Equalization

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

County Mayor/Executive

County Official/Administrative Officer	\$ 60,350	
Assistant(s)	20,964	
Other Salaries and Wages	2,472	
Social Security	6,360	
Unemployment Compensation	197	
Travel	1,433	
Data Processing Supplies	1,873	
Office Supplies	<u>1,000</u>	
Total County Mayor/Executive		94,649

County Attorney

Social Security	\$ 918	
Unemployment Compensation	160	
Legal Services	<u>12,000</u>	
Total County Attorney		13,078

Election Commission

County Official/Administrative Officer	\$ 44,188
Part-time Personnel	9,087
Election Commission	4,565
Election Workers	7,320
In-Service Training	3,151
Social Security	4,050
Unemployment Compensation	402
Legal Notices, Recording, and Court Costs	6,281
Maintenance Agreements	2,900

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Printing, Stationery, and Forms	\$ 821	
Travel	1,300	
Other Contracted Services	3,000	
Data Processing Supplies	12,481	
Office Supplies	3,555	
Voting Machines	2,907	
Total Election Commission		\$ 106,008

Register of Deeds

County Official/Administrative Officer	\$ 52,251	
Deputy(ies)	20,964	
Social Security	5,601	
Employee and Dependent Insurance	4,652	
Unemployment Compensation	163	
Data Processing Supplies	4,111	
Office Supplies	1,053	
Total Register of Deeds		88,795

Planning

Part-time Personnel	\$ 13,591	
Social Security	1,040	
Employee and Dependent Insurance	3,404	
Unemployment Compensation	180	
Dues and Memberships	7,750	
Travel	584	
Office Supplies	1,501	
Total Planning		28,050

Geographical Information Systems

Other Salaries and Wages	\$ 12,375	
Social Security	931	
Unemployment Compensation	180	
Licenses	3,000	
Maintenance and Repair Services - Equipment	273	
Office Supplies	2,412	
Total Geographical Information Systems		19,171

County Buildings

Custodial Personnel	\$ 12,064	
Social Security	923	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Unemployment Compensation	\$ 180	
Communication	21,009	
Maintenance Agreements	2,379	
Maintenance and Repair Services - Buildings	10,067	
Maintenance and Repair Services - Equipment	11,779	
Pest Control	1,485	
Postal Charges	18,744	
Custodial Supplies	4,322	
Diesel Fuel	32,567	
Duplicating Supplies	4,079	
Electricity	63,263	
Gasoline	87,163	
Natural Gas	13,090	
Water and Sewer	3,129	
Total County Buildings		\$ 286,243

Finance

Accounting and Budgeting

Supervisor/Director	\$ 43,551	
Accountants/Bookkeepers	7,842	
Clerical Personnel	9,610	
Social Security	4,621	
Employee and Dependent Insurance	7,564	
Unemployment Compensation	320	
Legal Notices, Recording, and Court Costs	861	
Maintenance Agreements	7,145	
Travel	164	
Office Supplies	4,295	
Premiums on Corporate Surety Bonds	175	
Total Accounting and Budgeting		86,148

Property Assessor's Office

County Official/Administrative Officer	\$ 52,251	
Deputy(ies)	20,964	
Social Security	5,600	
Unemployment Compensation	228	
Audit Services	4,056	
Data Processing Services	5,716	
Dues and Memberships	1,000	
Maintenance Agreements	567	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Travel	\$ 1,698	
Office Supplies	900	
Other Supplies and Materials	500	
Data Processing Equipment	430	
Total Property Assessor's Office		\$ 93,910

Reappraisal Program

Clerical Personnel	\$ 18,756	
In-Service Training	25	
Social Security	1,435	
Unemployment Compensation	337	
Office Supplies	200	
Total Reappraisal Program		20,753

County Trustee's Office

County Official/Administrative Officer	\$ 52,251	
Deputy(ies)	20,964	
Part-time Personnel	19,464	
Social Security	7,090	
Unemployment Compensation	462	
Maintenance Agreements	6,625	
Travel	31	
Office Supplies	1,769	
Total County Trustee's Office		108,656

County Clerk's Office

County Official/Administrative Officer	\$ 52,251	
Deputy(ies)	62,816	
Social Security	8,731	
Employee and Dependent Insurance	8,849	
Unemployment Compensation	609	
Legal Notices, Recording, and Court Costs	88	
Travel	134	
Other Contracted Services	7,046	
Office Supplies	875	
Total County Clerk's Office		141,399

Other Finance

Trustee's Commission	\$ 54,943	
Total Other Finance		54,943

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 52,251	
Deputy(ies)	68,296	
Jury and Witness Expense	4,775	
Other Per Diem and Fees	834	
Social Security	9,227	
Employee and Dependent Insurance	15,317	
Unemployment Compensation	671	
Communication	800	
Maintenance Agreements	8,462	
Travel	30	
Data Processing Supplies	3,650	
Office Supplies	2,401	
Total Circuit Court		\$ 166,714

General Sessions Court

Judge(s)	\$ 86,317	
Probation Officer(s)	14,325	
In-Service Training	2,292	
Social Security	7,635	
Employee and Dependent Insurance	4,683	
Unemployment Compensation	59	
Data Processing Supplies	2,200	
Total General Sessions Court		117,511

Drug Court

Remittance of Revenue Collected	\$ 4,343	
Total Drug Court		4,343

Chancery Court

County Official/Administrative Officer	\$ 52,251	
Deputy(ies)	20,964	
Clerical Personnel	16,768	
Social Security	6,857	
Employee and Dependent Insurance	3,997	
Unemployment Compensation	506	
Data Processing Supplies	4,688	
Office Supplies	3,760	
Premiums on Corporate Surety Bonds	100	
Data Processing Equipment	2,672	
Total Chancery Court		112,563

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 57,477	
Deputy(ies)	362,534	
Detective(s)	36,400	
Youth Service Officer(s)	48,990	
Salary Supplements	7,800	
In-Service Training	344	
Social Security	39,273	
Employee and Dependent Insurance	19,877	
Unemployment Compensation	3,162	
Maintenance and Repair Services - Vehicles	25,822	
Printing, Stationery, and Forms	980	
Travel	2,342	
Law Enforcement Supplies	8,202	
Office Supplies	1,984	
Tires and Tubes	3,373	
Uniforms	2,356	
Data Processing Equipment	700	
Motor Vehicles	11,705	
Total Sheriff's Department		\$ 633,321

Jail

Assistant(s)	\$ 28,313
Guards	200,696
Other Salaries and Wages	25,064
In-Service Training	782
Social Security	19,442
Employee and Dependent Insurance	18,728
Unemployment Compensation	1,454
Communication	11,000
Maintenance Agreements	26,899
Maintenance and Repair Services - Buildings	19,912
Medical and Dental Services	79,235
Travel	580
Custodial Supplies	12,389
Data Processing Supplies	3,661
Food Preparation Supplies	3,000
Food Supplies	84,000
Office Supplies	1,995
Uniforms	130
Utilities	59,559

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Supplies and Materials	\$ 2,500	
Data Processing Equipment	2,750	
Total Jail		\$ 602,089

Juvenile Services

Youth Service Officer(s)	\$ 20,964	
Social Security	1,604	
Employee and Dependent Insurance	2,280	
Unemployment Compensation	121	
Other Contracted Services	440	
Office Supplies	203	
Other Supplies and Materials	250	
Total Juvenile Services		25,862

Fire Prevention and Control

Other Per Diem and Fees	\$ 114	
Contributions	1,832	
Maintenance and Repair Services - Equipment	6,273	
Maintenance and Repair Services - Vehicles	24,447	
Uniforms	9,717	
Utilities	6,221	
Total Fire Prevention and Control		48,604

Civil Defense

Supervisor/Director	\$ 38,823	
Social Security	2,970	
Employee and Dependent Insurance	4,683	
Unemployment Compensation	180	
Maintenance and Repair Services - Equipment	13,630	
Maintenance and Repair Services - Vehicles	900	
Travel	125	
Natural Gas	329	
Utilities	16,550	
Other Supplies and Materials	13,490	
Total Civil Defense		91,680

Rescue Squad

Other Per Diem and Fees	\$ 829
Communication	555
Maintenance and Repair Services - Equipment	635

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad (Cont.)

Maintenance and Repair Services - Vehicles	\$ 2,430	
Total Rescue Squad		\$ 4,449

County Coroner/Medical Examiner

Other Contracted Services	\$ 17,133	
Total County Coroner/Medical Examiner		17,133

Other Public Safety

Supervisor/Director	\$ 29,775	
Dispatchers/Radio Operators	171,600	
Social Security	14,635	
Employee and Dependent Insurance	14,050	
Unemployment Compensation	1,283	
Communication	128	
Maintenance and Repair Services - Buildings	739	
Travel	749	
Office Supplies	2,215	
Total Other Public Safety		235,174

Public Health and Welfare

Local Health Center

Custodial Personnel	\$ 5,763	
Social Security	533	
Unemployment Compensation	111	
Maintenance and Repair Services - Buildings	1,055	
Office Supplies	202	
Utilities	10,184	
Total Local Health Center		17,848

Ambulance/Emergency Medical Services

Supervisor/Director	\$ 4,845
Paraprofessionals	224,702
Salary Supplements	1,914
Clerical Personnel	24,344
Social Security	19,423
Employee and Dependent Insurance	9,366
Unemployment Compensation	2,151
Communication	1,726
Licenses	1,000
Maintenance and Repair Services - Equipment	3,302

(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.)

Maintenance and Repair Services - Vehicles	\$ 11,205	
Printing, Stationery, and Forms	864	
Custodial Supplies	951	
Drugs and Medical Supplies	16,562	
Office Supplies	732	
Uniforms	1,557	
Other Supplies and Materials	1,497	
Motor Vehicles	<u>121,695</u>	
Total Ambulance/Emergency Medical Services		\$ 447,836

Other Local Health Services

County Official/Administrative Officer	\$ 7,860	
Medical Personnel	33,842	
Clerical Personnel	28,443	
Other Salaries and Wages	5,143	
Social Security	5,602	
Employee and Dependent Insurance	4,683	
Unemployment Compensation	908	
Travel	<u>4,055</u>	
Total Other Local Health Services		90,536

Appropriation to State

Contracts with Government Agencies	\$ 20,830	
Total Appropriation to State		20,830

Sanitation Management

Part-time Personnel	\$ 14,764	
Social Security	1,129	
Unemployment Compensation	180	
Communication	888	
Other Contracted Services	107,590	
Electricity	996	
Water and Sewer	<u>196</u>	
Total Sanitation Management		125,743

Sanitation Education/Information

Guards	\$ 22,124	
Social Security	1,692	
Employee and Dependent Insurance	1,890	
Unemployment Compensation	180	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Instructional Supplies and Materials	\$ 6,000	
Other Supplies and Materials	5,958	
Total Sanitation Education/Information		\$ 37,844

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$ 12,487	
Social Security	955	
Unemployment Compensation	175	
Communication	811	
Travel	716	
Custodial Supplies	1,164	
Other Supplies and Materials	42	
Total Senior Citizens Assistance		16,350

Libraries

Assistant(s)	\$ 7,811	
Librarians	18,210	
Social Security	1,991	
Unemployment Compensation	336	
Contributions	10,000	
Other Supplies and Materials	6,728	
Total Libraries		45,076

Parks and Fair Boards

Site Development	\$ 2,523	
Total Parks and Fair Boards		2,523

Other Social, Cultural, and Recreational

Communication	\$ 661	
Other Contracted Services	11,440	
Electricity	1,909	
Water and Sewer	1,623	
Total Other Social, Cultural, and Recreational		15,633

Agriculture and Natural Resources

Agriculture Extension Service

Assistant(s)	\$ 9,173	
Supervisor/Director	11,886	
Secretary(ies)	5,242	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Other Salaries and Wages	\$ 12,000	
Social Security	2,930	
State Retirement	1,746	
Unemployment Compensation	180	
Other Fringe Benefits	2,329	
Communication	1,300	
Travel	1,645	
Office Supplies	942	
Total Agriculture Extension Service		\$ 49,373

Soil Conservation

Assistant(s)	\$ 4,120	
Social Security	315	
Unemployment Compensation	82	
Dues and Memberships	200	
Total Soil Conservation		4,717

Other Operations

Tourism

Part-time Personnel	\$ 11,169	
Social Security	854	
Unemployment Compensation	192	
Advertising	617	
Contributions	3,700	
Total Tourism		16,532

Other Economic and Community Development

Other Contracted Services	\$ 68,776	
Total Other Economic and Community Development		68,776

Veterans' Services

Other Salaries and Wages	\$ 13,240	
Social Security	1,013	
Unemployment Compensation	180	
Communication	86	
Maintenance and Repair Services - Vehicles	1,468	
Travel	238	
Office Supplies	224	
Total Veterans' Services		16,449

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Liability Insurance	\$ 40,018	
Workers' Compensation Insurance	<u>29,269</u>	
Total Other Charges		\$ 69,287

Contributions to Other Agencies

Contributions	<u>\$ 9,500</u>	
Total Contributions to Other Agencies		9,500

Employee Benefits

Employee and Dependent Insurance	<u>\$ 2,910</u>	
Total Employee Benefits		2,910

Capital Projects

Public Safety Projects

Building Construction	<u>\$ 108,257</u>	
Total Public Safety Projects		<u>108,257</u>

Total General Fund \$ 4,408,571

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Communication	\$ 504	
Maintenance and Repair Services - Buildings	8,024	
Other Contracted Services	115,618	
Electricity	542	
Water and Sewer	<u>288</u>	
Total Sanitation Management		<u>\$ 124,976</u>

Total Solid Waste/Sanitation Fund 124,976

Special Purpose Fund

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$ 38,288
Accountants/Bookkeepers	20,616
Social Security	4,521
Employee and Dependent Insurance	263
Communication	2,173
Dues and Memberships	285

(Continued)

Exhibit J-7

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

Special Purpose Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Adult Activities (Cont.)

Postal Charges	\$	264	
Travel		2,749	
Office Supplies		884	
Other Charges		<u>2,017</u>	
Total Adult Activities			<u>\$ 72,060</u>

Total Special Purpose Fund \$ 72,060

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	1,000	
Other Supplies and Materials		3,428	
Trustee's Commission		124	
Other Charges		1,275	
Motor Vehicles		<u>19,601</u>	
Total Drug Enforcement			<u>\$ 25,428</u>

Total Drug Control Fund 25,428

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	<u>232</u>	
Total County Trustee's Office			\$ 232

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	<u>88</u>	
Total County Clerk's Office			88

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	<u>1,967</u>	
Total Chancery Court			<u>1,967</u>

Total Constitutional Officers - Fees Fund 2,287

(Continued)

Exhibit J-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 57,477	
Assistant(s)	38,832	
Secretary(ies)	22,694	
Social Security	9,189	
Unemployment Compensation	571	
Dues and Memberships	2,201	
Evaluation and Testing	412	
Legal Notices, Recording, and Court Costs	55	
Travel	658	
Other Contracted Services	925	
Office Supplies	693	
Data Processing Equipment	3,254	
Total Administration		\$ 136,961

Highway and Bridge Maintenance

Equipment Operators	\$ 208,712	
Truck Drivers	24,624	
Laborers	86,671	
Social Security	23,753	
Unemployment Compensation	3,506	
Rentals	1,055	
Asphalt - Hot Mix	54,416	
Asphalt - Liquid	40,406	
Crushed Stone	50,635	
Pipe	13,027	
Road Signs	3,667	
Total Highway and Bridge Maintenance		510,472

Operation and Maintenance of Equipment

Mechanic(s)	\$ 52,352	
Social Security	3,760	
Unemployment Compensation	540	
Custodial Supplies	154	
Diesel Fuel	72,756	
Equipment and Machinery Parts	36,255	
Garage Supplies	5,344	
Gasoline	36,547	
Lubricants	3,668	
Tires and Tubes	15,273	
Total Operation and Maintenance of Equipment		226,649

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$ 2,960	
Other Contracted Services	9,784	
Electricity	3,690	
Water and Sewer	366	
Liability Insurance	28,103	
Trustee's Commission	13,095	
Workers' Compensation Insurance	<u>19,529</u>	
Total Other Charges		\$ 77,527

Employee Benefits

Employee and Dependent Insurance	<u>\$ 80,306</u>	
Total Employee Benefits		80,306

Capital Outlay

Bridge Construction	\$ 157,363	
Highway Construction	363,256	
Highway Equipment	<u>80,256</u>	
Total Capital Outlay		600,875

Principal on Debt

Highways and Streets

Principal on Notes	\$ 70,468	
Principal on Capital Leases	<u>38,198</u>	
Total Highways and Streets		108,666

Interest on Debt

Highways and Streets

Interest on Notes	\$ 5,491	
Interest on Capital Leases	<u>5,033</u>	
Total Highways and Streets		10,524

Other Debt Service

General Government

Bank Charges	<u>\$ 105</u>	
Total General Government		<u>105</u>

Total Highway/Public Works Fund \$ 1,752,085

(Continued)

Exhibit J-7

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 655,000	
Principal on Other Loans	<u>135,000</u>	
Total General Government		\$ 790,000

Interest on Debt

General Government

Interest on Bonds	\$ 45,488	
Interest on Other Loans	<u>4,505</u>	
Total General Government		49,993

Other Debt Service

General Government

Bank Charges	\$ 655	
Trustee's Commission	<u>13,650</u>	
Total General Government		<u>14,305</u>

Total General Debt Service Fund \$ 854,298

Other Capital Projects Fund

General Government

County Mayor/Executive

Contributions	\$ 15,000	
Total County Mayor/Executive		\$ 15,000

Finance

Other Finance

Trustee's Commission	\$ 7,585	
Total Other Finance		7,585

Public Safety

Sheriff's Department

Motor Vehicles	\$ 5,735	
Total Sheriff's Department		5,735

Jail

Maintenance and Repair Services - Buildings	\$ 18,933	
Total Jail		18,933

(Continued)

Exhibit J-7

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

Other Capital Projects Fund (Cont.)

Other Operations

Industrial Development

Other Contracted Services	\$ 19,242	
Site Development	<u>2,430</u>	
Total Industrial Development		\$ 21,672

Highways

Administration

Other Contracted Services	\$ 7,924	
Total Administration		7,924

Highway and Bridge Maintenance

Asphalt - Hot Mix	\$ 94,887	
Crushed Stone	<u>6,499</u>	
Total Highway and Bridge Maintenance		101,386

Operation and Maintenance of Equipment

Garage Supplies	\$ 7,589	
Total Operation and Maintenance of Equipment		7,589

Capital Projects

Highway and Street Capital Projects

Building Construction	\$ 15,204	
Total Highway and Street Capital Projects		<u>15,204</u>

Total Other Capital Projects Fund \$ 201,028

Total Governmental Funds - Primary Government \$ 7,440,733

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, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 4,261,425	
Career Ladder Program	35,000	
Career Ladder Extended Contracts	40,000	
Clerical Personnel	30,410	
Educational Assistants	106,745	
Other Salaries and Wages	34,276	
Certified Substitute Teachers	5,406	
Non-certified Substitute Teachers	47,558	
Social Security	265,274	
State Retirement	388,020	
Life Insurance	8,663	
Medical Insurance	571,029	
Unemployment Compensation	9,556	
Employer Medicare	62,046	
Contributions	6,000	
Tuition	5,193	
Other Contracted Services	9,785	
Instructional Supplies and Materials	119,545	
Textbooks	180,274	
Other Supplies and Materials	7,974	
Fee Waivers	6,500	
Regular Instruction Equipment	95,518	
Total Regular Instruction Program		\$ 6,296,197

Alternative Instruction Program

Teachers	\$ 48,124	
Social Security	2,754	
State Retirement	4,355	
Medical Insurance	5,744	
Employer Medicare	644	
Total Alternative Instruction Program		61,621

Special Education Program

Teachers	\$ 611,884
Career Ladder Program	8,000
Educational Assistants	66,490
Non-certified Substitute Teachers	3,468
Social Security	40,443
State Retirement	56,118

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	80,146	
Employer Medicare		9,459	
Instructional Supplies and Materials		776	
Total Special Education Program			\$ 876,784

Vocational Education Program

Teachers	\$	234,538	
Certified Substitute Teachers		153	
Non-certified Substitute Teachers		1,912	
Social Security		13,663	
State Retirement		21,226	
Medical Insurance		22,966	
Employer Medicare		3,195	
Instructional Supplies and Materials		1,750	
Total Vocational Education Program			299,403

Adult Education Program

Teachers	\$	20,846	
Clerical Personnel		8,500	
Social Security		431	
State Retirement		250	
Employer Medicare		424	
Instructional Supplies and Materials		23,825	
Other Charges		2,815	
Total Adult Education Program			57,091

Support Services

Attendance

Supervisor/Director	\$	21,640	
Career Ladder Program		2,000	
Clerical Personnel		6,156	
Social Security		1,743	
State Retirement		2,140	
Medical Insurance		2,247	
Employer Medicare		408	
Travel		924	
Other Contracted Services		4,627	
Total Attendance			41,885

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Medical Personnel	\$	98,570	
Social Security		5,487	
State Retirement		3,433	
Employer Medicare		1,283	
Other Fringe Benefits		1,230	
Other Contracted Services		1,722	
Drugs and Medical Supplies		1,752	
Total Health Services			\$ 113,477

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		264,632	
In-Service Training		310	
Social Security		16,656	
State Retirement		24,130	
Medical Insurance		20,211	
Employer Medicare		3,895	
Contributions		43,124	
Evaluation and Testing		4,343	
Other Charges		29,590	
Other Equipment		19,271	
Total Other Student Support			428,162

Regular Instruction Program

Supervisor/Director	\$	107,110	
Career Ladder Program		5,000	
Librarians		96,627	
In-Service Training		258	
Social Security		12,506	
State Retirement		18,652	
Medical Insurance		7,585	
Employer Medicare		2,925	
Travel		13,978	
In Service/Staff Development		1,603	
Total Regular Instruction Program			266,244

Alternative Instruction Program

Travel	\$	376	
Other Contracted Services		612	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program (Cont.)

Other Supplies and Materials	\$ 5,251	
Total Alternative Instruction Program		\$ 6,239

Special Education Program

Supervisor/Director	\$ 28,855	
Career Ladder Program	2,000	
Assessment Personnel	39,970	
Social Security	4,196	
State Retirement	6,415	
Medical Insurance	4,195	
Employer Medicare	981	
Travel	50	
Total Special Education Program		86,662

Vocational Education Program

Clerical Personnel	\$ 5,987	
Other Salaries and Wages	10,599	
Social Security	988	
Medical Insurance	235	
Employer Medicare	231	
Other Charges	40,447	
Total Vocational Education Program		58,487

Adult Programs

Supervisor/Director	\$ 70,490	
Career Ladder Program	3,000	
Other Salaries and Wages	800	
Social Security	4,480	
State Retirement	6,651	
Medical Insurance	2,316	
Employer Medicare	1,048	
Travel	675	
Total Adult Programs		89,460

Other Programs

On-Behalf Payments to OPEB	\$ 48,979	
Total Other Programs		48,979

(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

Other Salaries and Wages	\$	900	
Board and Committee Members Fees		12,545	
Social Security		830	
Life Insurance		508	
Employer Medicare		194	
Audit Services		7,675	
Dues and Memberships		7,026	
Legal Services		39	
Travel		7,824	
Other Contracted Services		5,868	
Liability Insurance		18,642	
Trustee's Commission		51,233	
Workers' Compensation Insurance		64,440	
Criminal Investigation of Applicants - TBI		432	
Refund to Applicant for Criminal Investigation		432	
Other Charges		27,278	
Total Board of Education			\$ 205,866

Director of Schools

County Official/Administrative Officer	\$	102,125	
Career Ladder Program		1,000	
Secretary(ies)		28,145	
Social Security		8,025	
State Retirement		9,333	
Medical Insurance		7,315	
Employer Medicare		1,877	
Communication		4,500	
Postal Charges		1,804	
Office Supplies		3,257	
Total Director of Schools			167,381

Office of the Principal

Principals	\$	266,805	
Career Ladder Program		4,000	
Secretary(ies)		93,473	
Social Security		21,481	
State Retirement		24,508	
Medical Insurance		18,325	
Employer Medicare		5,024	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Communication	\$ 3,840	
Travel	3,535	
Total Office of the Principal		\$ 440,991

Fiscal Services

Accountants/Bookkeepers	\$ 33,443	
Secretary(ies)	9,585	
Social Security	2,461	
Medical Insurance	1,313	
Employer Medicare	575	
Total Fiscal Services		47,377

Operation of Plant

Supervisor/Director	\$ 31,475	
Custodial Personnel	244,988	
Other Salaries and Wages	7,401	
Social Security	17,005	
Medical Insurance	4,644	
Employer Medicare	3,977	
Disposal Fees	5,042	
Other Contracted Services	2,650	
Electricity	343,273	
Natural Gas	14,321	
Water and Sewer	14,350	
Other Supplies and Materials	54,019	
Building and Contents Insurance	18,425	
Total Operation of Plant		761,570

Maintenance of Plant

Maintenance Personnel	\$ 56,340	
Other Salaries and Wages	2,168	
Social Security	3,452	
Medical Insurance	1,548	
Employer Medicare	807	
Communication	10,026	
Maintenance and Repair Services - Buildings	45,698	
Other Contracted Services	28,987	
Other Charges	1,930	
Total Maintenance of Plant		150,956

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	31,475	
Mechanic(s)		27,315	
Bus Drivers		315,934	
Other Salaries and Wages		8,517	
Social Security		23,487	
Medical Insurance		2,536	
Employer Medicare		5,493	
Communication		827	
Maintenance and Repair Services - Vehicles		93,872	
Medical and Dental Services		2,890	
Travel		504	
Gasoline		150,377	
Tires and Tubes		19,335	
Vehicle and Equipment Insurance		10,000	
In Service/Staff Development		335	
Other Charges		500	
Total Transportation			\$ 693,397

Central and Other

Other Salaries and Wages	\$	1,394	
Social Security		83	
Employer Medicare		19	
Travel		268	
Other Supplies and Materials		324	
Other Charges		3,800	
Total Central and Other			5,888

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	52,020	
Other Salaries and Wages		544	
Social Security		3,040	
State Retirement		4,708	
Medical Insurance		7,861	
Employer Medicare		711	
Travel		4,292	
Other Contracted Services		1,800	
Other Supplies and Materials		16,976	
Other Charges		1,232	
Total Community Services			93,184

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Supervisor/Director	\$	30,480	
Teachers		172,975	
Educational Assistants		89,054	
Other Salaries and Wages		2,070	
Non-certified Substitute Teachers		2,984	
Social Security		17,602	
State Retirement		18,407	
Medical Insurance		26,317	
Employer Medicare		4,117	
Other Fringe Benefits		195	
Maintenance and Repair Services - Equipment		2,000	
Travel		2,663	
Other Contracted Services		1,500	
Instructional Supplies and Materials		9,680	
Other Supplies and Materials		12,305	
In Service/Staff Development		5,000	
Other Charges		1,589	
Other Equipment		6,626	
Total Early Childhood Education			\$ 405,564

Capital Outlay

Regular Capital Outlay

Architects	\$	11,196	
Building Improvements		293,398	
Other Capital Outlay		52,912	
Total Regular Capital Outlay			357,506

Other Debt Service

Education

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

Total General Purpose School Fund \$ 12,285,371

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	609,541	
Educational Assistants		126,657	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Other Salaries and Wages	\$	8,000	
Non-certified Substitute Teachers		3,213	
Social Security		43,269	
State Retirement		55,354	
Medical Insurance		109,803	
Employer Medicare		10,115	
Other Contracted Services		38,240	
Instructional Supplies and Materials		34,662	
Other Supplies and Materials		14,727	
Other Charges		2,000	
Regular Instruction Equipment		19,665	
Total Regular Instruction Program			\$ 1,075,246

Special Education Program

Homebound Teachers	\$	744	
Educational Assistants		165,667	
Social Security		10,952	
State Retirement		67	
Medical Insurance		13,920	
Employer Medicare		2,561	
Contracts with Private Agencies		54,830	
Maintenance and Repair Services - Equipment		1,575	
Other Contracted Services		36,621	
Instructional Supplies and Materials		16,211	
Other Supplies and Materials		811	
Special Education Equipment		2,790	
Total Special Education Program			306,749

Vocational Education Program

Other Supplies and Materials	\$	10,276	
Vocational Instruction Equipment		14,553	
Total Vocational Education Program			24,829

Support Services

Other Student Support

Other Salaries and Wages	\$	16,374	
Social Security		969	
State Retirement		1,370	
Employer Medicare		227	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Contributions	\$	5,866	
Travel		10,015	
Other Contracted Services		1,000	
In Service/Staff Development		9,981	
Other Charges		16,038	
Total Other Student Support			\$ 61,840

Regular Instruction Program

Supervisor/Director	\$	42,725	
Secretary(ies)		13,325	
Other Salaries and Wages		7,140	
Social Security		3,846	
State Retirement		4,513	
Medical Insurance		1,255	
Employer Medicare		899	
Travel		12,183	
Library Books/Media		11,919	
Other Supplies and Materials		5,056	
In Service/Staff Development		34,885	
Total Regular Instruction Program			137,746

Alternative Instruction Program

Other Salaries and Wages	\$	19,800	
Employer Medicare		287	
Travel		1,000	
Other Contracted Services		3,500	
Other Supplies and Materials		3,013	
Total Alternative Instruction Program			27,600

Special Education Program

Supervisor/Director	\$	21,650	
Assessment Personnel		4,568	
Secretary(ies)		28,806	
Social Security		3,222	
State Retirement		2,373	
Medical Insurance		4,820	
Employer Medicare		754	
Maintenance and Repair Services - Equipment		543	
Travel		12,325	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Other Contracted Services	\$	3,147	
Other Supplies and Materials		5,459	
In Service/Staff Development		3,445	
Special Education Equipment		1,000	
Total Special Education Program			\$ 92,112

Vocational Education Program

In Service/Staff Development	\$	1,500	
Total Vocational Education Program			1,500

Transportation

Bus Drivers	\$	20,201	
Social Security		1,252	
Employer Medicare		297	
Total Transportation			21,750

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	276	
Social Security		17	
Employer Medicare		4	
Travel		138	
Total Food Service			435

Total School Federal Projects Fund \$ 1,749,807

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	17,805	
Clerical Personnel		22,370	
Cafeteria Personnel		313,437	
Other Salaries and Wages		8,918	
Social Security		21,963	
Life Insurance		972	
Medical Insurance		15,480	
Unemployment Compensation		490	
Employer Medicare		5,079	
Other Fringe Benefits		8,000	

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Maintenance and Repair Services - Equipment	\$	5,705	
Transportation - Other than Students		2,145	
Travel		812	
Other Contracted Services		6,336	
Food Supplies		396,658	
Utilities		38,582	
USDA - Commodities		38,324	
Other Supplies and Materials		23,749	
In Service/Staff Development		564	
Other Charges		1,612	
Food Service Equipment		<u>24,772</u>	
Total Food Service			<u>\$ 953,773</u>

Total Central Cafeteria Fund \$ 953,773

Other Education Special Revenue Fund

Support Services

Board of Education

Trustee's Commission	\$	<u>22</u>	
Total Board of Education			<u>\$ 22</u>

Total Other Education Special Revenue Fund 22

Total Governmental Funds - Meigs County School Department \$ 14,988,973

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, 2012

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 223,404
Total Cash Receipts	<u>\$ 223,404</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 221,170
Trustee's Commission	<u>2,234</u>
Total Cash Disbursements	<u>\$ 223,404</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2011	<u>0</u>
 Cash Balance, June 30, 2012	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

February 19, 2013

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Meigs County's basic financial statements and have issued our report thereon dated February 19, 2013. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of The Meigs County Emergency Communications District as described in our report on Meigs County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

The management of Meigs County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Meigs County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Meigs

County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Meigs County's internal control over financial reporting.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 12.01 and 12.02.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 12.03, 12.04, 12.05, 12.08(A,B,C), 12.09, 12.10, 12.11, 12.12, 12.14, 12.15, 12.16, 12.17, 12.18, and 12.21.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meigs County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 12.06, 12.07, 12.08(D), 12.13, 12.19, and 12.20.

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

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

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

schools, Board of Education, others within Meigs County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



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

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

Independent Auditor's Report

February 19, 2013

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Meigs County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Meigs County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Meigs County's management. Our responsibility is to express an opinion on Meigs County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with

the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Meigs County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Meigs County's compliance with those requirements.

In our opinion, Meigs County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Meigs County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Meigs County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Meigs County's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County as of and for the year ended June 30, 2012, and have issued our report thereon dated February 19, 2013. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly

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

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

This report is intended solely for the information and use of management, the county mayor, County Commission, director of finance, highway superintendent, director of schools, Board of Education, others within Meigs County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Meigs County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2012

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 38,324 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	187,242
National School Lunch Program	10.555	N/A	485,057 (3)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	23,706
Fresh Fruit and Vegetable Program	10.582	N/A	20,826
Total U.S. Department of Agriculture			\$ 755,155
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants	14.228	GG-12-38494-00	\$ 6,728
Total U.S. Department of Housing and Urban Development			\$ 6,728
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	\$ 4,977
Total U.S. Department of Transportation			\$ 4,977
Appalachian Regional Commission:			
Passed-through Marshall University:			
Appalachian Research, Technical Assistance, and Demonstration Projects	23.011	(2)	\$ 6,980
			\$ 6,980
U.S. Department of Energy:			
Passed-through State Department of Economic and Community Development:			
Recovery Act - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	(2)	\$ 68,776
Total U.S. Department of Energy			\$ 68,776
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 643,922
Title I Grants to Local Educational Agencies, Recovery Act	84.389	S389A090042	63,475
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	428,560
Special Education - Preschool Grants	84.173	N/A	14,386
Career and Technical Education - Basic Grants to States	84.048	N/A	38,621 (4)
Education Technology Cluster:			
Education Technology State Grants	84.318	(2)	457
Education Technology State Grants, Recovery Act	84.386	S386A090042	645
Rural Education	84.358	N/A	38,406
Improving Teacher Quality State Grants	84.367	N/A	93,435
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	S397A090044	4,627
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	S395A100032	129,838
Education Jobs Fund	84.410	S410A10003	298,062
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-10-218532-00	113,187
Passed-through Polk County:			
Career and Technical Education - Basic Grants to States	84.048	N/A	2,769 (4)
Total U.S. Department of Education			\$ 1,870,390

(Continued)

Meigs County, Tennessee

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	N/A	\$ 2,907
Total U.S. Election Assistance Commission			<u>\$ 2,907</u>
U.S. Corporation for National and Community Service:			
Direct Program:			
Retired and Senior Volunteer Program	94.002	N/A	\$ 75,620
Total U.S. Corporation for National and Community Service			<u>\$ 75,620</u>
U.S. Department of Health and Human Services:			
Passed-through State Commission on Aging:			
Special Program for Aging - Title III, Part C - Nutrition Services	93.045	N/A	\$ 16,450
Total U.S. Department of Health and Human Services			<u>\$ 16,450</u>
U.S. Department of Homeland Security:			
Passed-through Tennessee Valley Authority:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	GG-06-121-82-00	\$ 24,113
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	2008-GE-T8-0048	13,490
Total U.S. Department of Homeland Security			<u>\$ 37,603</u>
Total Expenditures of Federal Awards			<u>\$ 2,845,586</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
Juvenile Services Program - State Children's Services Commission	N/A	(2)	\$ 9,000
Litter Program - State Department of Transportation	N/A	(2)	43,413
Local Health Services - State Department of Health	N/A	GG-12-32194-00	86,702
Early Childhood Education - Pilot/State - Lottery Commission	N/A	(2)	409,368
Safe and Supportive Schools Climate Grant - State Department of Education	N/A	(2)	1,985
Coordinated School Health - State Department of Education	N/A	(2)	89,976
Safe Schools Act - State Department of Education	N/A	(2)	10,700
Driver's Education - State Department of Education	N/A	(2)	<u>6,918</u>
Total State Grants			<u>\$ 658,062</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Number not available.
- (3) Total for CFDA No. 10.555 is \$523,381.
- (4) Total for CFDA No. 84.048 is \$41,390.

Meigs County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2012

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Meigs County, Tennessee, for the year ended June 30, 2011, which have not been corrected.

OFFICE OF DIRECTOR OF FINANCE

Finding Number	Page Number	Subject
11.01	146	The Highway/Public Work fund required material audit adjustments for proper financial statement presentation
11.02(A,C,D)	147	The office had deficiencies in purchasing procedures
11.03	147	The office had deficiencies in the administration of payroll records
11.04	148	The office did not maintain adequate records for state and federal grants

OFFICE OF TRUSTEE AND CLERK AND MASTER

Finding Number	Page Number	Subject
11.06	149	Multiple employees operated from the same cash drawer

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

Finding Number	Page Number	Subject
11.07	149	Duties were not segregated adequately

MEIGS COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Meigs County is unqualified.
2. The audit of the financial statements of Meigs County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Meigs County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389), and the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Meigs County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The circuit and general sessions courts clerk provided written responses on certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF DIRECTOR OF FINANCE

FINDING 12.01 **HIGHWAY/PUBLIC WORKS AND GENERAL DEBT SERVICE FUNDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2012, certain general ledger account balances in the Highway/Public Works and General Debt Service funds were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Meigs County to have adequate internal controls over the maintenance of its accounting records. The material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency can be attributed to the failure of management to adequately monitor and reconcile its general ledger accounts and management's failure to correct the finding reported in the prior-year audit report. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

FINDING 12.02 **DEFICIENCIES WERE NOTED IN DETERMINING AND RECORDING RECEIVABLES AND PAYABLES**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in determining and recording receivables and payables. These deficiencies can be attributed to the failure of management to adequately monitor and review financial transactions. Additional audit procedures were performed to properly determine receivables and payables at June 30, 2012.

- A. Receivables and payables were not determined and recorded in the Highway/Public Works Fund at June 30, 2012. In addition, prior year receivables were not posted correctly to the accounting records when they were received. Audit adjustments for receivables (\$315,022) and payables (\$219,661) were presented to management for their consideration and posting to the financial records of the Highway/Public Works Fund.
- B. Receivables and payables were not determined and recorded in the General Debt Service Fund at June 30, 2012. Audit adjustments for receivables (\$106,109) and payables (\$3,390) were presented to management for their consideration and posting to the financial records of the General Debt Service Fund.
- C. Some receivables and payables posted to the General Fund were not correct. Audit adjustments for receivables (\$25,247) and payables (\$42,704) were presented to management for their consideration and posting to the financial records of the General Fund.

RECOMMENDATION

Receivables and payables should be properly determined and recorded on the accounting records each June 30. Also, prior year receivables should be properly posted to the accounting records when received.

FINDING 12.03 THE AMBULANCE SERVICE DID NOT PROVIDE A LISTING OF ACCOUNTS RECEIVABLE AT JUNE 30, 2012
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The computerized billing system utilized by the Ambulance Service provides a report of the accounts receivable balance; however, this report can only be generated for the date it is printed. Auditors were not provided a listing of accounts receivable at June 30, 2012, but were provided a listing on the day the report was requested. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting. The patients' accounts receivable reflected in the financial statements of this report is the amount that we determined through additional auditing procedures, and management agrees with this amount. This deficiency in accounts receivable is the result of management's failure to ensure reports were printed correctly at year-end and is a significant deficiency in internal controls that increases the risk of material misstatement in the financial statements.

RECOMMENDATION

Officials should ensure accounts receivable reports are printed each June 30.

FINDING 12.04 PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED MONTHLY

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

General ledger payroll liability accounts for employee deductions in the General, Highway/Public Works, and Special Purpose funds were not reconciled monthly with invoices and payments. We extended our audit procedures and presented adjustments to management to correct any errors discovered. Sound business practices dictate that these reconciliations be performed monthly. The failure to regularly reconcile general ledger payroll liability accounts with payments and invoices allows errors to remain undiscovered and uncorrected.

RECOMMENDATION

Payroll liability accounts should be reconciled monthly with invoices and payments, and any errors discovered should be corrected promptly.

FINDING 12.05 INTERFUND RECEIVABLES AND PAYABLES WERE NOT LIQUIDATED ON A CURRENT BASIS

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

Management did not liquidate interfund balances in a timely manner. Financial statements dated June 30, 2011, reflect \$3,782 due to the Other Capital Projects Fund from the General Debt Service Fund and \$1,940 due to the General Debt Service Fund from the Highway/Public Works Fund. These interfund balances still existed at June 30, 2012, and have not been liquidated as of the date of this report. These interfund balances are the result of management oversight.

RECOMMENDATION

All interfund receivables and payables should be liquidated on a current basis.

FINDING 12.06 FUND BALANCES WERE NOT CLASSIFIED PROPERLY

(Noncompliance Under *Government Auditing Standards*)

The office did not attempt to analyze revenues and expenditures for fund balance classifications as required by Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. An analysis of fund balance classifications is necessary to determine the ranking based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Fund balance classifications at June 30, 2012,

were determined by alternative auditing procedures. The failure to properly classify fund balances was the result of a lack of knowledge of generally accepted accounting principles.

RECOMMENDATION

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

FINDING 12.07 **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**
(Noncompliance Under *Government Auditing Standards*)

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

- A. Total expenditures and other uses of the Solid Waste/Sanitation Fund exceeded total appropriations approved by the County Commission by \$7,444.
- B. General Fund expenditures exceeded appropriations approved by the County Commission in the Other Social, Cultural, and Recreational major appropriation category (the legal level of control) by \$2,258.
- C. Salaries exceeded line-item appropriations in the Highway/Public Works Fund by amounts ranging from \$1,269 to \$15,671.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

FINDING 12.08

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

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

Our examination of purchasing procedures revealed the following deficiencies. These deficiencies can be attributed to the failure of management to adequately monitor purchasing procedures and the failure to correct the findings reported in the prior-year audit report.

- A. Several purchase orders issued did not have an authorizing signature. Sound business practices dictate supervisory review evidenced by an authorized signature.
- B. In some instances, invoices were paid without documentation that goods had been received or services rendered. The practice of paying invoices without documentation that goods were received and services rendered increases the risk of paying for something that was never received.
- C. The county's travel policy was not always followed. In some instances, different mileage reimbursement rates were used to calculate reimbursements paid to employees.
- D. Competitive bids were not solicited for a heating and air conditioning system purchased for a county building totaling \$34,388. The Meigs County Financial Management Act of 2007, Chapter 28, Private Acts of 2007, requires competitive bids on all purchases of any one class exceeding \$10,000. The interim director of finance stated that this item had been bid; however, she could not provide any documentation that competitive bids had been solicited.

RECOMMENDATION

Purchase orders should be evidenced by an authorizing signature. Documentation should also be on file that goods have been received or services have been rendered before invoices are paid. The county's travel policy should be followed for calculating employee reimbursements. Purchases exceeding \$10,000 should be competitively bid as required by the Meigs County Financial Management Act of 2007, Chapter 28, Private Acts of 2007. The office should maintain bid documentation.

FINDING 12.09 THE OFFICE DID NOT RECONCILE FUELMAN FUEL PURCHASES/USAGE FOR VARIOUS COUNTY VEHICLES
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The office uses the Fuelman fuel system to dispense gasoline and diesel into various vehicles used by the county. Monthly Fuelman statements for fuel purchases/usage were not reviewed by an official or appropriate financial personnel to determine that the Fuelman system was not being abused. During our examination of the Fuelman system, auditors noted that one employee's fuel card was being used for several vehicles, and one car was filled more than once a day. This deficiency can be attributed to the failure of management to adequately monitor Fuelman transactions. Without proper review and supervision, the Fuelman purchasing system could be abused.

RECOMMENDATION

The office should review and reconcile monthly Fuelman statements for fuel purchases/usage for the various vehicles that use the Fuelman fuel system. Significant variances should be investigated. Management should review the propriety of the above-noted employee's use of his fuel card used to fuel several vehicles.

FINDING 12.10 THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF PAYROLL RECORDS
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination of payroll procedures revealed the following deficiencies. These deficiencies can be attributed to the failure of management to adequately monitor payroll procedures and the failure to correct the findings reported in the prior-year audit report.

- A. Management did not require time and attendance records to be submitted to the Finance Department to support payroll disbursements on some salaried employees. The failure to submit time and attendance records could result in improper payroll payments.
- B. Each county office/department has its own leave policy and maintains leave records for their respective employees or allows their employees to maintain their own leave. Therefore, records documenting accrued leave balances at June 30, 2012, were not centrally filed with the Finance Department.

RECOMMENDATION

Time and attendance records should be maintained for all employees and should be centrally filed in the Finance Department to support payroll disbursements and leave balances. The Finance Department should maintain summary accrued leave information by account function for all county offices and departments. These records should reflect the

dollar value of the leave at the beginning of the year, amount earned, amount used, and the value of the leave at year-end.

FINDING 12.11 **DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSET RECORDS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination of the capital asset records revealed the following deficiencies:

- A. A Caterpillar Loader/Backhoe (\$79,978) purchased during the year was omitted from the department's capital asset records.
- B. A Caterpillar Loader/Backhoe sold during the year was not removed from the department's capital asset records.
- C. A schedule of capital assets classified by Function and Activity was not prepared by the office.

Generally accepted accounting principles require accountability for all county owned assets, such as equipment, furniture, and vehicles. These deficiencies can be attributed in part to a lack of management oversight. We provided management with audit adjustments that they accepted to properly present capital assets in the financial statements of this report. Without accurate inventory records, the county cannot adequately control its assets.

RECOMMENDATION

The office should maintain accurate capital asset records for all county owned assets as required by generally accepted accounting principles.

FINDING 12.12 **THE OFFICE DID NOT MAINTAIN ADEQUATE RECORDS FOR STATE AND FEDERAL GRANTS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The office did not maintain adequate records for state and federal grants received by the county. The office could not provide auditors with a list of the federal awards and their Catalog of Federal Domestic Assistance (CFDA) numbers. We obtained the grant information for the Schedule of Expenditures of Federal Awards and State Grants from revenue transmittals, direct deposit information maintained by the county trustee, and state pass-through agencies. This deficiency can be attributed to the failure of management to correct the finding reported in the prior-year audit report.

RECOMMENDATION

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

FINDING 12.13 **THE OFFICE DID NOT FILE A REPORT ON DEBT OBLIGATION WITH THE STATE COMPTROLLER'S OFFICE**
(Noncompliance Under *Government Auditing Standards*)

The office did not file a Report on Debt Obligation with the state Comptroller's Office for a \$75,000 capital outlay note that was issued during the year. Section 9-21-151, *Tennessee Code Annotated*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

The office should file a Report on Debt Obligation with the state Comptroller's Office for each debt issuance.

FINDING 12.14 **THE OFFICE DID NOT ALWAYS PROVIDE DOCUMENTATION/RECORDS FOR AUDITORS TO REVIEW ON A TIMELY BASIS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The office did not always provide documentation/records for auditors to review on a timely basis, resulting in unnecessary delays for the audit process. In some instances, documentation had to be obtained from banks and/or other departments. Personnel in the Finance Office appeared unable and/or unwilling to assist in providing these documents.

RECOMMENDATION

Documentation/records should be provided to auditors in a timely basis. County employees should be able and willing to assist in document retrieval to avoid unnecessary delays in the performance of the audit.

FINDING 12.15 THE AMBULANCE SERVICE SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The software application generated an audit log that showed deletions and alterations. However, during the period under examination, the software was updated, and the audit log no longer showed deletions and alterations. Sound business practice dictates that proper application controls be implemented. The lack of application controls could allow for inappropriate system activity. This deficiency is a result of a lack of management oversight. This deficiency was corrected in April 2012, when brought to the attention of management.

RECOMMENDATION

Management should continue to ensure that any deletions or alterations to patient accounts or the deposit listing are recorded in the application audit log.

FINDING 12.16 THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Sound business practices dictate that proper controls be implemented. Without these controls, unauthorized system activity could occur. This deficiency is a result of the management's failure to implement adequate controls.

RECOMMENDATION

Management should ensure that adequate controls over information systems and the resources associated with those systems are implemented.

OFFICE OF TRUSTEE

FINDING 12.17 **USERNAMES AND PASSWORDS WERE SHARED BY EMPLOYEES**

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

Although each employee had been assigned a unique username and password for accessing the office's accounting software, employees also used a shared username and password when processing transactions. If inappropriate activity were to occur, the employee responsible for this activity would not be easily identified because of the shared username. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

The shared username and password should be removed from the application. Each employee should access the application using his or her unique username and password to ensure transactions are properly identified to that employee.

OFFICES OF TRUSTEE AND CLERK AND MASTER

FINDING 12.18 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**

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

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

RECOMMENDATION

Management should assign each employee their own cash drawer.

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND CLERK AND MASTER

FINDING 12.19 **EXECUTION DOCKET TRIAL BALANCES DID NOT RECONCILE WITH GENERAL LEDGER ACCOUNTS**
(Noncompliance Under *Government Auditing Standards*)

At June 30, 2012, the circuit and general sessions courts clerk and the clerk and master prepared execution docket trial balances as required by Section 18-2-103, *Tennessee Code Annotated (TCA)*. However, these trial balances did not reconcile with the general ledger accounts. The clerks had unidentified balances of \$4,442, \$1,640, and 5,281 in Circuit, General Sessions, and Chancery courts, respectively. Therefore, we were unable to determine if the clerks had complied with provisions of the Unclaimed Property Act, Section 66-29-110, *TCA*, as it relates to the execution docket balances. This statute provides that any funds held by the courts for one year and unclaimed by the owner are considered abandoned. Section 66-29-113, *TCA*, further requires these funds to be reported and paid to the state Treasurer's Office. This deficiency can be attributed to a lack of management oversight.

RECOMMENDATION

Execution docket trial balances should be reconciled with the general ledger accounts. Any funds held by the courts for one year and unclaimed by the owner are considered abandoned and should be reported and paid to the state Treasurer's Office in accordance with state statutes.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

We concur. This administration has worked diligently in trying to identify all monies and its recipients. This has been an exhausting process. The unidentified balances could not be tied to a case or an individual due to software issues and missing records from prior administrations. The state Treasurer's Office requires any funds sent to be noted with the legal recipient's information; therefore we were unable to turn this money over to Unclaimed Property. This left us unable to be compliant with Section 18-2-102 Tennessee Code Annotated. We have worked with our software vendor and the state Comptroller's Office to resolve this issue. All unidentified money that could not be tied back to a case or an individual was turned over to the county Trustee's Office on February 7, 2013.

AUDITOR'S COMMENT

Staff at the state Treasurer's Office of Unclaimed Property advised us that the clerk should turn over all unidentified funds to the state and not the county. These funds from various cases would be aggregated into one amount and listed as unidentified funds. After an 18-month waiting period the clerk could file to have these unclaimed funds returned to the Meigs County General Fund for appropriation.

OFFICE OF SHERIFF

FINDING 12.20 **THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF DRUG CONTROL FUNDS**
(Noncompliance Under *Government Auditing Standards*)

Several forms and reports required by the Comptroller of the Treasury documenting the use of confidential funds were not completed or prepared. These forms and reports are necessary to document the administration of confidential funds and to account for cash transactions related to undercover investigative operations. Only two of 13 forms documenting payments to confidential informants had the required signatures of two officers. The signature of the first officer is necessary to document that he made the payment, and the signature of the second officer is necessary to document that he witnessed the payment. This deficiency exists because management failed to provide proper oversight, which results in increased risks of fraud and abuse.

RECOMMENDATION

Payments to informants should be witnessed by a second officer.

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

FINDING 12.21 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees in the offices of Finance Director, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, Sheriff, and the Ambulance Service Department. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

We concur. We have worked to try to eliminate this finding. Due to the number of employees, we find it hard to comply with segregating duties adequately.

BEST PRACTICES

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

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

Meigs County does not have a central system of accounting, budgeting, and purchasing for all departments. Meigs County operates under the provisions of the Meigs County Financial Management Act of 2007, Chapter 28, Private Acts of 2007. This act provides for a central system of accounting and budgeting covering all funds administered by the county mayor and highway superintendent, but excludes the School Department. Sound business practices dictate that establishing a central system of accounting, budgeting, and purchasing for all departments would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

ITEM 2. MEIGS COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE

Meigs County does not have an Audit Committee. An Audit Committee can assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management’s plans to address various risks. County officials should establish an Audit Committee as a best practice.

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

There were no findings and questioned costs for federal awards.

**MEIGS COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2012**

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