

ANNUAL FINANCIAL REPORT

MEIGS COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2020



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
MEIGS COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2020

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

STEVE REEDER, CPA, CGFM, CFE
Audit Manager

AMY HEWITT, CPA, CFE
Senior Auditor

JENI PALADENI, CISA
KAITLYN SILVERS
DANNIELLE VICARS, CPA
KAYLEE FULWOOD
State Auditors

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

MEIGS COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Meigs County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	25-28
Highway/Public Works Fund	C-6	29
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	30
Index and Notes to the Financial Statements		31-83
REQUIRED SUPPLEMENTARY INFORMATION:		84
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-1	85
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-2	86
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Meigs County School Department	E-3	87
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Meigs County School Department	E-4	88
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Meigs County School Department	E-5	89
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Meigs County School Department	E-6	90
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan - Discretely Presented Meigs County School Department	E-7	91
Notes to the Required Supplementary Information		92

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		93
Nonmajor Governmental Funds:		94
Combining Balance Sheet	F-1	95-96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	97-98
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Solid Waste/Sanitation Fund	F-3	99
Drug Control Fund	F-4	100
Major Governmental Fund:		101
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	102
Fiduciary Funds:		103
Combining Statement of Fiduciary Assets and Liabilities	H-1	104
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	105
Component Unit:		
Discretely Presented Meigs County School Department:		106
Statement of Activities	I-1	107
Balance Sheet – Governmental Funds	I-2	108-109
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	110
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	111
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	112
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-6	113-114
School Federal Projects Fund	I-7	115
Central Cafeteria Fund	I-8	116
Miscellaneous Schedules:		117
Schedule of Changes in Long-term Bonds	J-1	118
Schedule of Long-term Debt Requirements by Year	J-2	119
Schedule of Transfers	J-3	120
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Meigs County School Department	J-4	121
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	122-133
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Meigs County School Department	J-6	134-136
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	137-149
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Meigs County School Department	J-8	150-158
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	J-9	159

	Exhibit	Page(s)
<u>SINGLE AUDIT SECTION</u>		160
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		161-162
Auditor's Report on Compliance for Each Major Federal Program: Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance		163-165
Schedule of Expenditures of Federal Awards and State Grants		166-167
Summary Schedule of Prior-year Findings		168
Schedule of Findings and Questioned Costs		169-173
Management's Corrective Action Plan		174-177
Best Practice		178

Summary of Audit Findings

Annual Financial Report
Meigs County, Tennessee
For the Year Ended June 30, 2020

Scope

We have audited the financial statements of Meigs County as of and for the year ended June 30, 2020.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF CLERK AND MASTER

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

OFFICE OF SHERIFF

- ◆ Some funds were not deposited within three days of collection.
- ◆ The annual financial report did not properly reflect the operations of the office.

INTRODUCTORY SECTION

Meigs County Officials

June 30, 2020

Officials

Bill James, County Mayor
Jimmy Nelson, Highway Superintendent
Clinton Baker, Director of Schools
Stacie Hyde, Trustee
Billy Breeden, Assessor of Property
Janie Myers, County Clerk
Darrell Davis, Circuit and General Sessions Courts Clerk
Tim Proffitt, Clerk and Master
Janie Stiner, Register of Deeds
Jackie Melton, Sheriff
Lesley Lyle, Director of Finance

Board of County Commissioners

Stanley Welch, Chairman	Dewayne Murphy
Adam Brady	Donna Nelson
Chris Finnell	Doug O'Daniel
Jerry Harris	Mark Vance
Kristy Kelly-Sewell	Rick Vaughn
Ralph Minnis	

Board of Education

Julie Boyd, Chairman	Tessa Perkinson
Andy Andrews	Amy Swanks
Rueben McKenzie, III	

Financial Management Committee

Mark Vance, Chairman
Bill James, County Mayor
Jimmy Nelson, Highway Superintendent
Kristy Kelly-Sewell
Donna Nelson
Stanley Welch

Audit Committee

Randy Baker, Chairman
Robert Green
Lisa Thompson

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County, Tennessee, as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability, and schedule of school changes in the total other postemployment benefit plans (OPEB) liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Meigs County's basic financial statements. The 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), miscellaneous schedules and other information such as the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

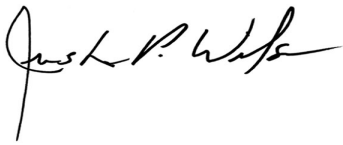
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Meigs County School Department (a discretely presented component unit), schedule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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020, on our consideration of Meigs County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Meigs County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meigs County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 18, 2020

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Meigs County, Tennessee
Statement of Net Position
June 30, 2020

	Primary Government Governmental Activities	Component Unit Meigs County School Department
<u>ASSETS</u>		
Cash	\$ 1,300	\$ 0
Equity in Pooled Cash and Investments	6,714,871	3,221,159
Accounts Receivable	109,471	0
Allowance for Uncollectibles	(13,205)	0
Due from Other Governments	486,700	473,122
Due from Component Units	3,166	0
Property Taxes Receivable	3,737,421	1,552,964
Allowance for Uncollectible Property Taxes	(281,375)	(123,696)
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	43,945
Net Pension Asset - Agent Plan	855,445	0
Net Pension Asset - Teacher Retirement Plan	0	45,224
Net Pension Asset - Teacher Legacy Pension Plan	0	2,127,625
Capital Assets:		
Assets Not Depreciated:		
Land	325,905	433,858
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	4,856,662	6,694,359
Infrastructure	3,990,807	0
Other Capital Assets	1,275,306	1,163,171
Total Assets	<u>\$ 22,062,474</u>	<u>\$ 15,631,731</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 0	\$ 105,464
Pension Changes in Assumptions	0	288,279
Pension Changes in Proportion	0	43,699
Pension Contributions After Measurement Date	0	759,436
OPEB Changes in Experience	0	134,681
OPEB Changes in Assumptions	0	27,061
OPEB Changes in Proportion	0	920
OPEB Contributions After Measurement Date	0	48,008
Total Deferred Outflows of Resources	<u>\$ 0</u>	<u>\$ 1,407,548</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,110	\$ 0
Accrued Payroll	1,916	1,330
Accrued Interest Payable	46,261	0
Due to Primary Government	0	3,166
Noncurrent Liabilities:		
Due Within One Year - Debt	172,436	0
Due Within One Year - Other	73,102	2,856
Due in More Than One Year - Debt	935,689	0
Due in More Than One Year - Other	0	1,312,756
Total Liabilities	<u>\$ 1,231,514</u>	<u>\$ 1,320,108</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Meigs County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 3,306,621	\$ 1,367,191
Pension Changes in Experience	0	1,307,491
Pension Changes in Investment Earnings	10,471	609,815
Pension Changes in Proportion	0	15,914
OPEB Changes in Experience	0	91,252
OPEB Changes in Assumptions	0	133,490
OPEB Changes in Proportion	0	26,714
Total Deferred Inflows of Resources	<u>\$ 3,317,092</u>	<u>\$ 3,551,867</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 9,541,553	\$ 8,291,388
Restricted for:		
General Government	104,222	0
Finance	10,743	0
Administration of Justice	98,480	0
Public Safety	57,494	0
Public Health and Welfare	120,256	0
Social, Cultural, Recreational Services	6,616	0
Highways/Public Works	835,830	0
Debt Service	1,015,927	0
Education	0	726,076
Pensions	855,445	2,216,794
Unrestricted	<u>4,867,302</u>	<u>933,046</u>
Total Net Position	<u>\$ 17,513,868</u>	<u>\$ 12,167,304</u>

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

Exhibit B

Meigs County, Tennessee
Statement of Activities
June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit
						Meigs County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 889,337	\$ 95,497	\$ 19,203	\$ 0	\$ (774,637)	\$ 0
Finance	712,615	304,416	0	0	(408,199)	0
Administration of Justice	549,114	253,141	9,000	49,886	(237,087)	0
Public Safety	2,612,302	511,075	103,463	131,285	(1,866,479)	0
Public Health and Welfare	1,419,648	288,248	221,750	449,825	(459,825)	0
Social, Cultural, and Recreational Services	91,352	9,935	18,317	0	(63,100)	0
Agriculture and Natural Resources	120,110	0	14,151	0	(105,959)	0
Highways/Public Works	2,770,268	0	1,946,867	291,149	(532,252)	0
Total Governmental Activities	<u>\$ 9,164,746</u>	<u>\$ 1,462,312</u>	<u>\$ 2,332,751</u>	<u>\$ 922,145</u>	<u>\$ (4,447,538)</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 9,164,746</u>	<u>\$ 1,462,312</u>	<u>\$ 2,332,751</u>	<u>\$ 922,145</u>	<u>\$ (4,447,538)</u>	<u>\$ 0</u>
Component Unit:						
Meigs County School Department	<u>\$ 16,454,189</u>	<u>\$ 75,734</u>	<u>\$ 2,532,697</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (13,845,758)</u>
Total Component Units	<u>\$ 16,454,189</u>	<u>\$ 75,734</u>	<u>\$ 2,532,697</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (13,845,758)</u>

(Continued)

Exhibit B

Meigs County, Tennessee
Statement of Activities (Cont.)

					Net (Expense) Revenue and Changes in Net Position	
					Component Unit	
Program Revenues					Primary Government Total	Meigs County School Department
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 3,375,643	\$ 1,546,107
Property Taxes Levied for Debt Service					3,258	0
Local Option Sales Tax					411,933	707,198
Hotel/Motel Tax					17,066	0
Litigation Tax - General					23,459	0
Litigation Tax - Special Purpose					33,361	0
Litigation Tax - Jail, Workhouse, or Courthouse					3,432	0
Business Tax					26,180	0
Wholesale Beer Tax					71,390	43,858
Mineral Severance Tax					37,483	0
Mixed Drink Tax					1,844	0
Grants and Contributions Not Restricted to Specific Programs					809,562	12,407,859
Unrestricted Investment Income					299	33,723
Miscellaneous					33,490	31,454
Total General Revenues					\$ 4,848,400	\$ 14,770,199
Change in Net Position					\$ 400,862	\$ 924,441
Net Position, July 1, 2019					17,113,006	11,242,863
Net Position, June 30, 2020					\$ 17,513,868	\$ 12,167,304

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, 2020

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,300	\$ 1,300
Equity in Pooled Cash and Investments	4,509,868	557,898	1,232,644	414,461	6,714,871
Accounts Receivable	109,327	0	0	144	109,471
Allowance for Uncollectibles	(13,205)	0	0	0	(13,205)
Due from Other Governments	191,230	278,187	17,283	0	486,700
Due from Other Funds	1,796	0	0	0	1,796
Due from Component Units	3,166	0	0	0	3,166
Property Taxes Receivable	3,226,353	0	340,445	170,623	3,737,421
Allowance for Uncollectible Property Taxes	(256,961)	0	(10,825)	(13,589)	(281,375)
Total Assets	<u>\$ 7,771,574</u>	<u>\$ 836,085</u>	<u>\$ 1,579,547</u>	<u>\$ 572,939</u>	<u>\$ 10,760,145</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 2,110	\$ 0	\$ 0	\$ 0	\$ 2,110
Payroll Deductions Payable	1,661	255	0	0	1,916
Due to Other Funds	0	0	352	1,444	1,796
Total Liabilities	<u>\$ 3,771</u>	<u>\$ 255</u>	<u>\$ 352</u>	<u>\$ 1,444</u>	<u>\$ 5,822</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 2,840,400	\$ 0	\$ 316,009	\$ 150,212	\$ 3,306,621
Deferred Delinquent Property Taxes	114,656	0	12,099	6,064	132,819
Other Deferred/Unavailable Revenue	66,382	136,707	8,500	0	211,589
Total Deferred Inflows of Resources	<u>\$ 3,021,438</u>	<u>\$ 136,707</u>	<u>\$ 336,608</u>	<u>\$ 156,276</u>	<u>\$ 3,651,029</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 104,222	\$ 0	\$ 0	\$ 0	\$ 104,222
Restricted for Finance	10,743	0	0	0	10,743
Restricted for Administration of Justice	98,480	0	0	0	98,480
Restricted for Public Safety	42,746	0	0	14,748	57,494
Restricted for Public Health and Welfare	0	0	0	120,256	120,256
Restricted for Social, Cultural, and Recreational Services	6,616	0	0	0	6,616
Restricted for Highways/Public Works	0	699,123	0	0	699,123
Restricted for Debt Service	0	0	1,242,587	0	1,242,587
Committed:					
Committed for Public Safety	790,221	0	0	0	790,221
Committed for Public Health and Welfare	168,734	0	0	0	168,734
Committed for Social, Cultural, and Recreational Services	29,607	0	0	0	29,607
Committed for Capital Outlay	0	0	0	280,215	280,215
Committed for Other Purposes	4,102	0	0	0	4,102
Unassigned	3,490,894	0	0	0	3,490,894
Total Fund Balances	<u>\$ 4,746,365</u>	<u>\$ 699,123</u>	<u>\$ 1,242,587</u>	<u>\$ 415,219</u>	<u>\$ 7,103,294</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,771,574</u>	<u>\$ 836,085</u>	<u>\$ 1,579,547</u>	<u>\$ 572,939</u>	<u>\$ 10,760,145</u>

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

Exhibit C-2

Meigs County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2020

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 7,103,294
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 325,905	
Add: buildings and improvements net of accumulated depreciation	4,856,662	
Add: infrastructure net of accumulated depreciation	3,990,807	
Add: other capital assets net of accumulated depreciation	<u>1,275,306</u>	10,448,680
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (907,127)	
Less: interest accrued on bonds	(46,261)	
Less: compensated absences payable	(73,102)	
Less: interest accreted on bonds	<u>(200,998)</u>	(1,227,488)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Less: deferred inflows of resources related to pensions		(10,471)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		855,445
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>344,408</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 17,513,868</u></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, 2020

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 3,663,845	\$ 37,483	\$ 430,444	\$ 164,830	\$ 4,296,602
Licenses and Permits	29,668	0	0	0	29,668
Fines, Forfeitures, and Penalties	83,868	0	0	15,917	99,785
Charges for Current Services	366,066	0	0	1,022	367,088
Other Local Revenues	85,451	196	0	4,151	89,798
Fees Received From County Officials	522,730	0	0	0	522,730
State of Tennessee	851,139	2,101,309	50,946	1,368	3,004,762
Federal Government	664,423	0	0	0	664,423
Other Governments and Citizens Groups	299,151	0	0	0	299,151
Total Revenues	<u>\$ 6,566,341</u>	<u>\$ 2,138,988</u>	<u>\$ 481,390</u>	<u>\$ 187,288</u>	<u>\$ 9,374,007</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 732,861	\$ 0	\$ 0	\$ 109	\$ 732,970
Finance	712,495	0	0	120	712,615
Administration of Justice	549,792	0	0	0	549,792
Public Safety	2,373,894	0	0	45,940	2,419,834
Public Health and Welfare	655,672	0	0	197,161	852,833
Social, Cultural, and Recreational Services	101,980	0	0	0	101,980
Agriculture and Natural Resources	87,236	0	0	0	87,236
Other Operations	746,358	0	0	20,000	766,358
Highways	0	2,493,239	0	0	2,493,239
Debt Service:					
Principal on Debt	0	0	182,871	0	182,871
Interest on Debt	0	0	267,129	0	267,129
Other Debt Service	0	0	8,535	0	8,535
Total Expenditures	<u>\$ 5,960,288</u>	<u>\$ 2,493,239</u>	<u>\$ 458,535</u>	<u>\$ 263,330</u>	<u>\$ 9,175,392</u>

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 606,053	\$ (354,251)	\$ 22,855	\$ (76,042)	\$ 198,615
Other Financing Sources (Uses)					
Transfers In	\$ 13,351	\$ 0	\$ 0	\$ 3,000	\$ 16,351
Transfers Out	0	(3,000)	0	(13,351)	(16,351)
Total Other Financing Sources (Uses)	\$ 13,351	\$ (3,000)	\$ 0	\$ (10,351)	\$ 0
Net Change in Fund Balances	\$ 619,404	\$ (357,251)	\$ 22,855	\$ (86,393)	\$ 198,615
Fund Balance, July 1, 2019	4,126,961	1,056,374	1,219,732	501,612	6,904,679
Fund Balance, June 30, 2020	\$ 4,746,365	\$ 699,123	\$ 1,242,587	\$ 415,219	\$ 7,103,294

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, 2020

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)		\$	198,615
(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	\$	69,994	
Less: current-year depreciation expense		<u>(608,244)</u>	(538,250)
(2) 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, 2020	\$	344,408	
Less: deferred delinquent property taxes and other deferred June 30, 2019		<u>(152,807)</u>	191,601
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on bonds			182,871
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	(1,739)	
Change in accreted interest payable		319,207	
Change in compensated absences payable		(6,827)	
Change in net pension asset		62,935	
Change in deferred inflows related to pensions		<u>(7,551)</u>	366,025
Change in net position of governmental activities (Exhibit B)			<u>\$ 400,862</u>

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

Exhibit C-5

Meigs County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 3,663,845	\$ 0	\$ 3,663,845	\$ 3,669,415	\$ 3,669,415	\$ (5,570)
Licenses and Permits	29,668	0	29,668	27,150	27,150	2,518
Fines, Forfeitures, and Penalties	83,868	0	83,868	81,600	81,600	2,268
Charges for Current Services	366,066	0	366,066	332,600	332,600	33,466
Other Local Revenues	85,451	0	85,451	70,750	83,434	2,017
Fees Received From County Officials	522,730	0	522,730	471,500	471,500	51,230
State of Tennessee	851,139	0	851,139	863,600	830,791	20,348
Federal Government	664,423	0	664,423	527,825	659,570	4,853
Other Governments and Citizens Groups	299,151	0	299,151	125,000	305,000	(5,849)
Total Revenues	\$ 6,566,341	\$ 0	\$ 6,566,341	\$ 6,169,440	\$ 6,461,060	\$ 105,281
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 50,915	\$ 0	\$ 50,915	\$ 56,915	\$ 60,915	\$ 10,000
Board of Equalization	1,060	0	1,060	1,165	1,165	105
County Mayor/Executive	121,677	0	121,677	124,625	124,625	2,948
County Attorney	12,000	0	12,000	12,000	12,000	0
Election Commission	151,662	0	151,662	184,442	184,442	32,780
Register of Deeds	117,662	0	117,662	125,105	128,904	11,242
Planning	32,985	0	32,985	33,116	33,116	131
Geographical Information Systems	17,253	0	17,253	19,453	19,453	2,200
County Buildings	227,647	(18,940)	208,707	278,097	326,537	117,830
<u>Finance</u>						
Accounting and Budgeting	111,654	0	111,654	130,267	133,187	21,533
Property Assessor's Office	120,366	0	120,366	132,604	132,604	12,238
Reappraisal Program	33,361	0	33,361	34,496	34,496	1,135

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
County Trustee's Office	\$ 145,985	\$ 0	\$ 145,985	\$ 144,275	\$ 147,775	\$ 1,790
County Clerk's Office	221,860	0	221,860	223,647	227,817	5,957
Other Finance	79,269	0	79,269	80,000	80,000	731
<u>Administration of Justice</u>						
Circuit Court	223,167	0	223,167	211,472	232,755	9,588
General Sessions Court	156,063	0	156,063	159,715	159,715	3,652
Chancery Court	170,562	0	170,562	173,975	173,975	3,413
<u>Public Safety</u>						
Sheriff's Department	841,461	0	841,461	900,144	925,597	84,136
Drug Enforcement	46,931	0	46,931	52,089	52,089	5,158
Jail	827,004	0	827,004	879,170	914,664	87,660
Juvenile Services	3,438	0	3,438	5,260	5,260	1,822
Fire Prevention and Control	138,444	0	138,444	68,500	157,666	19,222
Civil Defense	254,676	0	254,676	115,767	277,220	22,544
Rescue Squad	3,323	0	3,323	9,300	9,300	5,977
County Coroner/Medical Examiner	23,244	0	23,244	24,000	24,000	756
Other Public Safety	235,373	0	235,373	246,984	246,984	11,611
<u>Public Health and Welfare</u>						
Local Health Center	25,340	0	25,340	46,639	46,639	21,299
Ambulance/Emergency Medical Services	392,799	0	392,799	439,761	439,937	47,138
Other Local Health Services	107,455	0	107,455	146,542	148,454	40,999
Appropriation to State	23,730	0	23,730	30,000	30,000	6,270
Sanitation Management	70,543	0	70,543	74,483	74,483	3,940
Sanitation Education/Information	35,805	0	35,805	42,339	42,339	6,534

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	\$ 19,393	\$ 0	\$ 19,393	\$ 19,579	\$ 20,379	\$ 986
Libraries	52,678	0	52,678	59,183	59,730	7,052
Parks and Fair Boards	5,000	0	5,000	5,000	5,000	0
Other Social, Cultural, and Recreational	24,909	0	24,909	21,462	27,654	2,745
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	64,567	0	64,567	79,419	79,419	14,852
Soil Conservation	22,669	0	22,669	22,767	22,774	105
<u>Other Operations</u>						
Tourism	200	0	200	56,000	56,000	55,800
Other Economic and Community Development	454,693	0	454,693	454,825	454,825	132
Veterans' Services	16,392	0	16,392	18,124	18,124	1,732
Other Charges	214,277	0	214,277	253,800	253,800	39,523
Contributions to Other Agencies	11,650	0	11,650	15,200	15,200	3,550
COVID-19 Grant #1	49,146	0	49,146	0	49,146	0
Total Expenditures	\$ 5,960,288	\$ (18,940)	\$ 5,941,348	\$ 6,211,706	\$ 6,670,164	\$ 728,816
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 606,053	\$ 18,940	\$ 624,993	\$ (42,266)	\$ (209,104)	\$ 834,097
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,653	\$ (16,653)
Transfers In	13,351	0	13,351	60,000	21,801	(8,450)
Total Other Financing Sources	\$ 13,351	\$ 0	\$ 13,351	\$ 60,000	\$ 38,454	\$ (25,103)

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 619,404	\$ 18,940	\$ 638,344	\$ 17,734	\$ (170,650)	\$ 808,994
Fund Balance, July 1, 2019	4,126,961	(18,940)	4,108,021	3,685,649	3,685,649	422,372
Fund Balance, June 30, 2020	\$ 4,746,365	\$ 0	\$ 4,746,365	\$ 3,703,383	\$ 3,514,999	\$ 1,231,366

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

Exhibit C-6

Meigs County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 37,483	\$ 0	\$ 37,483	\$ 40,000	\$ 40,000	\$ (2,517)
Other Local Revenues	196	0	196	0	0	196
State of Tennessee	2,101,309	0	2,101,309	2,385,112	2,385,112	(283,803)
Total Revenues	<u>\$ 2,138,988</u>	<u>\$ 0</u>	<u>\$ 2,138,988</u>	<u>\$ 2,425,112</u>	<u>\$ 2,425,112</u>	<u>\$ (286,124)</u>
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 155,300	\$ 0	\$ 155,300	\$ 225,058	\$ 189,945	\$ 34,645
Highway and Bridge Maintenance	1,596,952	0	1,596,952	1,419,837	1,764,937	167,985
Operation and Maintenance of Equipment	196,267	0	196,267	303,071	305,470	109,203
Other Charges	117,073	32,157	149,230	275,450	275,450	126,220
Employee Benefits	113,731	0	113,731	135,000	135,000	21,269
Capital Outlay	313,916	0	313,916	570,792	570,792	256,876
Total Expenditures	<u>\$ 2,493,239</u>	<u>\$ 32,157</u>	<u>\$ 2,525,396</u>	<u>\$ 2,929,208</u>	<u>\$ 3,241,594</u>	<u>\$ 716,198</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (354,251)</u>	<u>\$ (32,157)</u>	<u>\$ (386,408)</u>	<u>\$ (504,096)</u>	<u>\$ (816,482)</u>	<u>\$ 430,074</u>
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (3,000)	\$ 0	\$ (3,000)	\$ 0	\$ (3,000)	\$ 0
Total Other Financing Sources	<u>\$ (3,000)</u>	<u>\$ 0</u>	<u>\$ (3,000)</u>	<u>\$ 0</u>	<u>\$ (3,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (357,251)	\$ (32,157)	\$ (389,408)	\$ (504,096)	\$ (819,482)	\$ 430,074
Fund Balance, July 1, 2019	1,056,374	0	1,056,374	1,081,290	1,081,290	(24,916)
Fund Balance, June 30, 2020	<u><u>\$ 699,123</u></u>	<u><u>\$ (32,157)</u></u>	<u><u>\$ 666,966</u></u>	<u><u>\$ 577,194</u></u>	<u><u>\$ 261,808</u></u>	<u><u>\$ 405,158</u></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, 2020

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 178,341
Due from Other Governments	<u>24,411</u>
Total Assets	<u>\$ 202,752</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 24,411
Due to Litigants, Heirs, and Others	<u>178,341</u>
Total Liabilities	<u>\$ 202,752</u>

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

MEIGS COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	32
B. Government-wide and Fund Financial Statements	33
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	34
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	36
2. Receivables and Payables	37
3. Restricted Assets	38
4. Capital Assets	38
5. Deferred Outflows/Inflows of Resources	39
6. Compensated Absences	40
7. Long-term Debt and Long-term Obligations	41
8. Net Position and Fund Balance	42
E. Pension Plans	44
F. Other Postemployment Benefit (OPEB) Plan	44
II. Reconciliation of Government-wide and Fund Financial Statements	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	45
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	45
III. Stewardship, Compliance, and Accountability	
Budgetary Information	45
IV. Detailed Notes on All Funds	
A. Deposits and Investments	46
B. Capital Assets	53
C. Interfund Receivables, Payables, and Transfers	55
D. Long-term Debt	56
E. Long-term Obligations	58
F. On-Behalf Payments	59
V. Other Information	
A. Risk Management	59
B. Contingent Liabilities	60
C. Joint Ventures	60
D. Retirement Commitments	61
E. Other Postemployment Benefits (OPEB)	77
F. Office of Central Accounting and Budgeting - Primary Government	83
G. Purchasing Laws	83

MEIGS COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Meigs County is a public municipal corporation governed by an elected 11-member board. As required by GAAP, these financial statements present Meigs County (the primary government) and its component units. The financial statements of the Meigs County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Meigs County School Department operates the public school system in the county, and the voters of Meigs County elect its board. The school department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Meigs County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Meigs County, and the Meigs County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Meigs County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all 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, 2020.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide

financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual

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

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

Meigs County reports the following major governmental funds:

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

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

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

Additionally, Meigs County reports the following fund types:

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

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

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

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

Central Cafeteria Fund – This special revenue fund is used to account for the cafeteria operations in each of the schools. USDA School Lunch and Breakfast Programs and payments received from the sale of meals are the foundational revenues of this fund.

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

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

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; the State Treasurer's Intermediate Term Investment Fund; 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 funds and the discretely presented Meigs County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund and the school department's General Purpose School Fund. Meigs County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, 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 state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United State of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United State of America. Meigs County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year

All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

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

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

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

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

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

3. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Meigs County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Meigs County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Meigs County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

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 acquisition value at the date of donation.

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

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

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

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

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for the pension changes in experience, assumptions, and proportionate share of contributions; other postemployment benefits (OPEB) changes in experience, assumptions, and proportionate share of contributions; and employer contributions made to the pension and OPEB plans after the measurement date.

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

an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes; pension changes in experience, investment earnings, and proportionate share of contributions; OPEB changes in experience, assumptions, and proportionate share of contributions; and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

Primary Government

Employees of Meigs County, other than the sheriff's department and ambulance service, receive one week of vacation in the first year of employment and two weeks of vacation after the first year. The employees of the highway department, ambulance, trustee, circuit and general sessions courts clerk, and clerk and master must use all leave by June 30. The remaining employees can carry up to 40 hours of vacation leave to the next fiscal year.

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

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

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

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

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

It is the policy of the sheriff's department to permit employees to accumulate up to 40 hours of earned but unused vacation leave that will be paid upon retirement, resignation, or termination. All vacation leave is accrued when incurred in the government-wide statements for the general county government. A liability for vacation leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

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

Discretely Presented Meigs County School Department

It is the policy of the discretely presented Meigs County School Department to permit employees to accumulate earned but unused vacation and sick pay benefits. 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. Sick leave is earned at one day for every month employed for professional and support personnel. The school department does have a policy to pay up to 41 days of accumulated sick leave for support personnel who have been employed for at least 30 years. Employees with less than 30 years must be age 62 and have worked a minimum of 5 years to be eligible for this benefit. All sick leave pay is accrued when incurred in the government-wide financial statements for the discretely presented school department. A liability for sick pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Debt and Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new debt

using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

8. Net Position and Fund Balance

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

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

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

amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

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

These classifications may consist of the following:

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

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

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

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

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

E. Pension Plans

Primary Government

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

Discretely Presented Meigs County School Department

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

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Meigs County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Meigs County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Meigs County School Department

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

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

Primary Government

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

Discretely Presented Meigs County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees Fund (special revenue fund) 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, 2020, the Meigs County and the Meigs County School Department reported the following significant encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Fund:	
Highway/Public Works	\$ 32,157
School Department:	
Major Fund:	
General Purpose School	342,167

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral

required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. 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, 2020.

TCRS Stabilization Trust

Legal Provisions. The Meigs County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Meigs County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.

- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan’s custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are

performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2020, the Meigs County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 13,623
Developed Market International Equity	N/A	N/A	6,152
Emerging Market International Equity	N/A	N/A	1,758
U.S. Fixed Income	N/A	N/A	8,789
Real Estate	N/A	N/A	4,395
Short-term Securities	N/A	N/A	439
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>8,789</u>
Total			<u><u>\$ 43,945</u></u>

Investment by Fair Value Level	Fair Value 6-30-20	Fair Value Measurements Using			NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity Developed Market	\$ 13,623	\$ 13,623	\$ 0	\$ 0	0
International Equity Emerging Market	6,152	6,152	0	0	0
International Equity	1,758	1,758	0	0	0
U.S. Fixed Income	8,789	0	8,789	0	0
Real Estate	4,395	0	0	4,395	0
Short-term Securities	439	0	439	0	0
Private Equity and Strategic Lending	8,789	0	0	0	8,789
Total	\$ 43,945	\$ 21,533	\$ 9,228	\$ 4,395	\$ 8,789

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Meigs County School Department does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Meigs County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Meigs County School Department places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Meigs County School Department to pay retirement benefits of the school department employees.

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>

B. Capital Assets

Capital assets activity for the year ended June 30, 2020, was as follows:

Primary Government - Governmental Activities:

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets Not Depreciated:			
Land	\$ 325,905	\$ 0	\$ 325,905
Total Capital Assets Not Depreciated	\$ 325,905	\$ 0	\$ 325,905
Capital Assets Depreciated:			
Buildings and Improvements	\$ 8,075,005	\$ 11,800	\$ 8,086,805
Infrastructure	6,813,148	0	6,813,148
Other Capital Assets	3,538,210	58,194	3,596,404
Total Capital Assets Depreciated	\$ 18,426,363	\$ 69,994	\$ 18,496,357
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 3,036,195	\$ 193,948	\$ 3,230,143
Infrastructure	2,652,012	170,329	2,822,341
Other Capital Assets	2,077,131	243,967	2,321,098
Total Accumulated Depreciation	\$ 7,765,338	\$ 608,244	\$ 8,373,582
Total Capital Assets Depreciated, Net	\$ 10,661,025	\$ (538,250)	\$ 10,122,775
Governmental Activities Capital Assets, Net	\$ 10,986,930	\$ (538,250)	\$ 10,448,680

There were no decreases in capital assets to report during the year ended June 30, 2020.

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

Governmental Activities:

General Government	\$ 107,086
Public Safety	165,768
Public Health and Welfare	17,685
Social, Cultural, and Recreational Services	7,802
Agriculture and Natural Resources	32,874
Highways	<u>277,029</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 608,244</u></u>

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

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets			
Not Depreciated:			
Land	<u>\$ 433,858</u>	<u>\$ 0</u>	<u>\$ 433,858</u>
Total Capital Assets			
Not Depreciated	<u>\$ 433,858</u>	<u>\$ 0</u>	<u>\$ 433,858</u>
Capital Assets Depreciated:			
Buildings and			
Improvements	<u>\$ 13,882,295</u>	<u>\$ 65,867</u>	<u>\$ 13,948,162</u>
Other Capital Assets	<u>3,117,641</u>	<u>221,236</u>	<u>3,338,877</u>
Total Capital Assets			
Depreciated	<u>\$ 16,999,936</u>	<u>\$ 287,103</u>	<u>\$ 17,287,039</u>
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	<u>\$ 6,923,439</u>	<u>\$ 330,364</u>	<u>\$ 7,253,803</u>
Other Capital Assets	<u>1,991,429</u>	<u>184,277</u>	<u>2,175,706</u>
Total Accumulated			
Depreciation	<u>\$ 8,914,868</u>	<u>\$ 514,641</u>	<u>\$ 9,429,509</u>
Total Capital Assets			
Depreciated, Net	<u>\$ 8,085,068</u>	<u>\$ (227,538)</u>	<u>\$ 7,857,530</u>
Governmental Activities			
Capital Assets, Net	<u><u>\$ 8,518,926</u></u>	<u><u>\$ (227,538)</u></u>	<u><u>\$ 8,291,388</u></u>

There were no decreases in capital assets to report during the year ended June 30, 2020.

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

Governmental Activities:

Instruction	\$	272,416
Support Services		31,144
Operation of Non-instructional Services		211,081
Total Depreciation Expense - Governmental Activities	\$	<u>514,641</u>

C. Interfund Receivable, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	General Debt Service	\$ 352
"	Nonmajor governmental	1,444
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	62,667

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General	School Department:	
	General Purpose School	\$ 3,166

Interfund Transfers:

Interfund transfers for the year ended June 30, 2020, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	General Fund	Nonmajor Governmental Fund	
Highway/Public Works	\$ 0	\$ 3,000	Reimbursement for signs
Nonmajor governmental fund	13,351	0	Projects (See Exhibit J-3)
Total	\$ 13,351	\$ 3,000	

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.

D. Long-term Debt

Primary Government

General Obligation Bonds

General Obligation Bonds - Meigs County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 24 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation (CAB) Bonds	4.8 to 5.15 %	5-1-26	\$ 2,088,479	\$ 907,127
Accreted Interest on (CAB) Bonds	4.8 to 5.15	5-1-26	N/A	200,998

During the 2001-02 year, Meigs County issued Capital Appreciation Bonds (CABs) totaling \$2,088,479. These bonds accrete interest that is paid at bond maturity. Maturity dates for these bonds range from 2017 through 2026. As of June 30, 2020, approximately \$200,998 of interest had accreted on the bonds.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2020, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	311,918	450,000
2026	131,238	318,762	450,000
Total	\$ 907,127	\$ 1,792,872	\$ 2,699,999

There is \$1,242,587 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$77, based on the 2010 federal census. Total debt per capita, including bonds and accreted interest on (CAB) bonds totaled \$94, based on the 2010 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2020, was as follows:

Governmental Activities:	Bonds		Accreted Interest on (CAB) Bonds
Balance, July 1, 2019	\$ 1,089,998	\$	520,205
Reductions	(182,871)		(319,207)
Balance, June 30, 2020	\$ 907,127	\$	200,998
Balance Due Within One Year	\$ 172,436	\$	0

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 1,108,125
Less: Balance Due Within One Year - Debt	<u>(172,436)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 935,689</u>

E. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2020, was as follows:

	<u>Compensated Absences</u>
Balance, July 1, 2019	\$ 66,275
Additions	69,627
Reductions	<u>(62,800)</u>
Balance, June 30, 2020	<u>\$ 73,102</u>
Balance Due Within One Year	<u>\$ 73,102</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 73,102
Less: Balance Due Within One Year - Other	<u>(73,102)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 0</u>

Compensated absences will be paid from the employing funds, primarily the General Fund.

Discretely Presented Meigs County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Meigs County School Department for the year ended June 30, 2020, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2019	\$ 0	\$ 1,177,406
Additions	64,479	261,723
Reductions	(7,366)	(180,630)
Balance, June 30, 2020	<u>\$ 57,113</u>	<u>\$ 1,258,499</u>
Balance Due Within One Year	<u>\$ 2,856</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 1,315,612
Less: Balance Due Within One Year - Other	<u>(2,856)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,312,756</u>

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

F. On-Behalf Payments

Discretely Presented Meigs County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Meigs County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both 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, 2020, were \$32,426 and \$13,208, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Meigs County and the discretely presented Meigs County School Department participate in the Tennessee Risk Management Trust (TN-RMT), which is a

public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. Meigs County and the school department pay annual premiums to the TN-RMT for their general liability, property, workers' compensation, and casualty insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

Employee Health Insurance

Primary Government

Meigs County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Meigs County School Department

The discretely presented Meigs County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *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. Contingent Liabilities

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

C. Joint Ventures

The Meigs County/Decatur Industrial Development Board is operated through a joint operating agreement approved November 7, 2007, between Meigs County and the City of Decatur. The agreement created a joint board of directors comprised of seven members, three of whom are appointed by the Meigs County Commission, three by the City of Decatur, and one jointly appointed by Meigs County and the City of Decatur. Meigs County and the

City of Decatur each gave Meigs County/Decatur Industrial Development Board startup funds of \$25,000. Meigs County made no contributions to the Meigs County/Decatur Industrial Development Board for the year ended June 30, 2020.

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, 2020.

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

Administrative Offices:

Meigs County/Decatur Industrial Development Board
c/o Meigs County-Decatur Chamber of Commerce
P.O. Box 1301
17454 TN-58
Decatur, Tennessee 37322

Office of District Attorney General
Ninth Judicial District
1008 Bradford Way Suite 100
Kingston, TN 37763

D. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Certain former employees of Meigs County and the highway department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title

8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	4
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	1
Active Employees	0
Total	<u><u>5</u></u>

Meigs County and the highway department withdrew from the TCRS effective July 1, 1984. Employees hired after the date of withdrawal are not eligible to participate in TCRS. There were no active employees on June 30, 2019. The employer remains responsible for the pension liability for employees that were active as of the withdrawal date and for retirees of the employer.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. There are no active employees; therefore, there were no employee contributions. Meigs County makes employer

contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions are required to be paid. The employer's actuarially determined contributions (ADC), if any, and member contributions, if any, are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability. For the year ended June 30, 2020, the employer contribution was not required for Meigs County.

Net Pension Liability (Asset)

Meigs County's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation

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

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS

investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Meigs County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 62,072	\$ 854,582	\$ (792,510)
Changes for the Year:			
Interest	\$ 4,202	\$ 0	\$ 4,202
Differences Between Expected and Actual Experience	(3,810)	0	(3,810)
Net Investment Income	0	63,327	(63,327)
Benefit Payments, Including Refunds of Employee Contributions	(8,221)	(8,221)	0
Net Changes	\$ (7,829)	\$ 55,106	\$ (62,935)
Balance, June 30, 2019	\$ 54,243	\$ 909,688	\$ (855,445)

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	\$ (852,094)	\$ (855,445)	\$ (858,435)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2020, Meigs County recognized pension expense (negative pension expense) of (\$55,384).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Meigs County reported deferred outflows

of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 0	\$ 10,471
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	0	N/A
Total	\$ 0	\$ 10,471

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ending June 30	Amount
2021	\$ (531)
2022	(7,597)
2023	(2,006)
2024	(334)
2025	0
Thereafter	0

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

Discretely Presented Meigs County School Department

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$24,957, which is 2.03 percent of covered payroll. In addition, employer contributions of \$24,245, which is 1.97 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the Stabilization Reserve Trust Fund, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$45,224) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .080116 percent. The proportion as of June 30, 2018, was .085856 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$14,941.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,875	\$ 7,895
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,912
Changes in Assumptions	1,571	0
Changes in Proportion of Net Pension Liability (Asset)	8,273	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	24,957	N/A
Total	<u>\$ 36,676</u>	<u>\$ 9,807</u>

The school department's employer contributions of \$24,957, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (210)
2022	(502)
2023	34
2024	307
2025	385
Thereafter	1,899

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

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Net Pension Liability (Asset) \$	14,329 \$	(45,224) \$	(89,245)
----------------------------------	-----------	-------------	----------

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Meigs County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$734,479, which is 10.63 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$2,127,625) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .206931 percent. The proportion measured at June 30, 2018, was .196443 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$289,706.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 103,589	\$ 1,299,596
Changes in Assumptions	286,708	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	607,903
Changes in Proportion of Net Pension Liability (Asset)	35,426	15,914
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	734,479	N/A
Total	<u>\$ 1,160,202</u>	<u>\$ 1,923,413</u>

The school department's employer contributions of \$734,479 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (428,354)
2022	(593,781)
2023	(272,073)
2024	(203,483)
2025	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Net Pension Liability (Asset) \$	4,350,379	\$ (2,127,625)	\$ (7,280,698)
----------------------------------	-----------	----------------	----------------

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

2. **Deferred Compensation**

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$61,324 and teachers contributed \$37,729 to this deferred compensation pension plan.

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

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

The school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Meigs County School Department may then join the Tennessee Plan—Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The school department's total OPEB liability for each plan was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.20%
Salary Increases	Salary increases used in the July 1, 2018, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.51%
Healthcare Cost Trend Rates	LGP - Based on the Getzen Model, with trend starting at 6.03 for the pre-65 retirees in the 2019 calendar year, and gradually decreasing over a 10 year period to an ultimate trend rate of 4.5 percent
Retirees Share of Benefit	
Related Cost	Discussed under each plan

The discount rate was 3.51 percent, based on an average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2018, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.62 percent as of the beginning of the measurement period to 3.51 percent as of the

measurement date of June 30, 2019. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2020 plan year was revised from 6.75 percent to 6.03 percent.

Closed Local Education (LEP) OPEB Plan - Discretely Presented Meigs County School Department

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

Benefits Provided. The Meigs County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Meigs County does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees Currently Receiving Benefits	6
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Members Eligible for Active Employees	190
Total	<u>196</u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$48,008 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Meigs County School Department 62.88%	State of TN 37.12%	Total OPEB Liability
Balance July 1, 2018	\$ 1,177,406	\$ 653,244	\$ 1,830,650
Changes for the Year:			
Service Cost	\$ 69,144	\$ 40,815	\$ 109,959
Interest	43,210	25,505	68,715
Difference between Expected and Actuarial Experience	149,368	88,165	237,533
Changes in Assumption and Other Inputs	(100,582)	(59,369)	(159,951)
Change in Proportion	(26,240)	26,240	0
Benefit Payments	(53,807)	(31,760)	(85,567)
Net Changes	<u>\$ 81,093</u>	<u>\$ 89,596</u>	<u>\$ 170,689</u>
Balance June 30, 2019	<u>\$ 1,258,499</u>	<u>\$ 742,840</u>	<u>\$ 2,001,339</u>

The Meigs County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Meigs County School Department's

proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$64,726 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Meigs County School Department's proportionate share of the collective OPEB liability was 62.88 percent and the State of Tennessee's share was 37.12 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$166,805, including the state's share of the expense. At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 134,681	\$ 91,252
Changes in Assumptions/Inputs	27,061	133,490
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	920	26,714
Benefits Paid After the Measurement Date of June 30, 2019	48,008	0
Total	<u>\$ 210,670</u>	<u>\$ 251,456</u>

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

<u>Year Ending June 30</u>	<u>School Department</u>
2021	\$ (10,276)
2022	(10,276)
2023	(10,276)
2024	(10,276)
2025	(10,276)
Thereafter	(37,414)

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

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

Discount Rate

	1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
--	-------------------------	--------------------------------------	-------------------------

Proportionate Share of the
Collective Total OPEB
Liability

\$ 1,370,954 \$ 1,258,499 \$ 1,152,889

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

Healthcare Cost Trend Rate

	1% Decrease 5.03 to 3.5%	Curent Rates 6.03 to 4.5%	1% Increase 7.03 to 5.5%
--	--------------------------------	---------------------------------	--------------------------------

Proportionate Share of the
Collective Total OPEB
Liability

\$ 1,097,382 \$ 1,258,499 \$ 1,452,214

F. 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.

G. Purchasing Laws

Offices of County Mayor and Highway Superintendent

The Meigs County Financial Management Act of 2007, Chapter 28, Private Acts of 2007, created the finance department. The director of the finance department is required to make purchases for all county funds and to obtain competitive bids on all purchases of any one class exceeding \$25,000. Purchasing procedures for the highway department are also governed by provisions of the Uniform Road Law, Section 54-7-113, *Tennessee Code Annotated (TCA)*.

Office of Director of Schools

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

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

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

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Interest	\$ 9,288	\$ 8,919	\$ 8,082	\$ 7,743	\$ 7,826	\$ 4,202
Differences Between Actual and Expected Experience	5,874	(1,024)	5,664	5,980	(46,275)	(3,810)
Changes in Assumptions	0	0	0	7,539	0	0
Benefit Payments, Including Refunds of Employee Contributions	(20,338)	(19,822)	(18,274)	(18,274)	(14,842)	(8,221)
Net Change in Total Pension Liability	\$ (5,176)	\$ (11,927)	\$ (4,528)	\$ 2,988	\$ (53,291)	\$ (7,829)
Total Pension Liability, Beginning	134,006	128,830	116,903	112,375	115,363	62,072
Total Pension Liability, Ending (a)	\$ 128,830	\$ 116,903	\$ 112,375	\$ 115,363	\$ 62,072	\$ 54,243
Plan Fiduciary Net Position						
Net Investment Income	\$ 106,022	\$ 22,343	\$ 19,327	\$ 82,692	\$ 66,067	\$ 63,327
Benefit Payments, Including Refunds of Employee Contributions	(20,338)	(19,822)	(18,274)	(18,274)	(14,842)	(8,221)
Administrative Expense	(48)	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 85,636	\$ 2,521	\$ 1,053	\$ 64,418	\$ 51,225	\$ 55,106
Plan Fiduciary Net Position, Beginning	649,729	735,365	737,886	738,939	803,357	854,582
Plan Fiduciary Net Position, Ending (b)	\$ 735,365	\$ 737,886	\$ 738,939	\$ 803,357	\$ 854,582	\$ 909,688
Net Pension Liability (Asset), Ending (a - b)	\$ (606,535)	\$ (620,983)	\$ (626,564)	\$ (687,994)	\$ (792,510)	\$ (855,445)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	570.80%	631.20%	657.57%	696.37%	1376.76%	1677.06%
Covered Payroll	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Pension Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

Note: This agent plan is a single plan that is participated in by the primary government.

Exhibit E-2

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

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Less Contributions in Relation to the Actuarially Determined Contribution	0	0	0	0	0	0	0
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Note: This agent plan is a single plan that is participated in by the primary government.

Exhibit E-3

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 13,269	\$ 20,275	\$ 27,122	\$ 30,011	\$ 16,447	\$ 24,957
Less Contributions in Relation to the Contractually Required Contribution	(13,269)	(20,275)	(27,122)	(30,011)	(16,447)	(24,957)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 331,737	\$ 506,877	\$ 678,044	\$ 750,282	\$ 847,793	\$ 1,229,917
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%

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

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 647,995	\$ 630,495	\$ 632,556	\$ 633,699	\$ 624,594	\$ 725,788	\$ 734,479
Less Contributions in Relation to the Contractually Required Contribution	(647,995)	(630,495)	(632,556)	(633,699)	(624,594)	(725,788)	(734,479)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 7,297,256	\$ 6,974,496	\$ 6,997,289	\$ 7,009,935	\$ 6,878,785	\$ 6,938,701	\$ 6,909,487
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%

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

Exhibit E-5

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

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Asset	0.156367%	0.151980%	0.103306%	0.085856%	0.080116%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (6,423)	\$ (11,992)	\$ (27,254)	\$ (38,938)	\$ (45,224)
Covered Payroll	\$ 331,737	\$ 506,877	\$ 678,044	\$ 750,282	\$ 847,793
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02%)	(5.19%)	(5.33%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

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

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Asset	0.185917%	0.186309%	0.193842%	0.198304%	0.196443%	0.206931%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (30,211)	\$ 76,319	\$ 1,211,404	\$ (64,880)	\$ (691,266)	\$ (2,127,625)
Covered Payroll	\$ 7,297,256	\$ 6,974,496	\$ 6,997,289	\$ 7,009,935	\$ 6,878,785	\$ 6,938,701
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.93%)	(10.05%)	(30.66%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 123,499	\$ 113,956	\$ 109,959
Interest	56,043	68,520	68,715
Differences Between Actual and Expected Experience	0	(176,661)	237,533
Changes in Assumptions or Other Inputs	(93,265)	52,390	(159,951)
Benefit Payments	(65,947)	(76,634)	(85,567)
Net Change in Total OPEB Liability	\$ 20,330	\$ (18,429)	\$ 170,689
Total OPEB Liability, Beginning	1,828,749	1,849,079	1,830,650
Total OPEB Liability, Ending	<u>\$ 1,849,079</u>	<u>\$ 1,830,650</u>	<u>\$ 2,001,339</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 662,360	\$ 653,244	\$ 742,840
Employer Proportionate Share of the Total OPEB Liability	1,186,719	1,177,406	1,258,499
Covered Employee Payroll	\$ 7,629,067	\$ 7,786,494	\$ 8,139,404
Net OPEB Liability as a Percentage of Covered Employee Payroll	24.24%	23.51%	24.59%

Notes:

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

Note 2: Changes in assumptions.

(a) The following are the discount rates used each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

For the 2019 plan year - from 5.4% to 6.75%

For the 2020 plan year - from 6.75% to 6.03%

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

MEIGS COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2020 were calculated based on the June 30, 2018, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustments	2.25%

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified the mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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 and report financial resources that are to be used for by the county for various capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Exhibit F-1

Meigs County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Other Capital Projects	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 1,300	\$ 1,300	\$ 0	\$ 1,300
Equity in Pooled Cash and Investments	119,498	14,748	0	134,246	280,215	414,461
Accounts Receivable	0	0	144	144	0	144
Property Taxes Receivable	170,623	0	0	170,623	0	170,623
Allowance for Uncollectible Property Taxes	(13,589)	0	0	(13,589)	0	(13,589)
Total Assets	\$ 276,532	\$ 14,748	\$ 1,444	\$ 292,724	\$ 280,215	\$ 572,939
<u>LIABILITIES</u>						
Due to Other Funds	\$ 0	\$ 0	\$ 1,444	\$ 1,444	\$ 0	\$ 1,444
Total Liabilities	\$ 0	\$ 0	\$ 1,444	\$ 1,444	\$ 0	\$ 1,444
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 150,212	\$ 0	\$ 0	\$ 150,212	\$ 0	\$ 150,212
Deferred Delinquent Property Taxes	6,064	0	0	6,064	0	6,064
Total Deferred Inflows of Resources	\$ 156,276	\$ 0	\$ 0	\$ 156,276	\$ 0	\$ 156,276
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 14,748	\$ 0	\$ 14,748	\$ 0	\$ 14,748
Restricted for Public Health and Welfare	120,256	0	0	120,256	0	120,256

(Continued)

Exhibit F-1

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

	Special Revenue Funds				Capital	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Other Capital Projects	
<u>FUND BALANCES (Cont.)</u>						
Committed:						
Committed for Capital Outlay	\$ 0	\$ 0	\$ 0	\$ 0	\$ 280,215	\$ 280,215
Total Fund Balances	\$ 120,256	\$ 14,748	\$ 0	\$ 135,004	\$ 280,215	\$ 415,219
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 276,532	\$ 14,748	\$ 1,444	\$ 292,724	\$ 280,215	\$ 572,939

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, 2020

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Other Capital Projects	
<u>Revenues</u>						
Local Taxes	\$ 164,830	\$ 0	\$ 0	\$ 164,830	\$ 0	\$ 164,830
Fines, Forfeitures, and Penalties	0	15,917	0	15,917	0	15,917
Charges for Current Services	793	0	229	1,022	0	1,022
Other Local Revenues	3,651	500	0	4,151	0	4,151
State of Tennessee	1,368	0	0	1,368	0	1,368
Total Revenues	\$ 170,642	\$ 16,417	\$ 229	\$ 187,288	\$ 0	\$ 187,288
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 109	\$ 109	\$ 0	\$ 109
Finance	0	0	120	120	0	120
Public Safety	0	45,940	0	45,940	0	45,940
Public Health and Welfare	197,161	0	0	197,161	0	197,161
Other Operations	0	0	0	0	20,000	20,000
Total Expenditures	\$ 197,161	\$ 45,940	\$ 229	\$ 243,330	\$ 20,000	\$ 263,330
Excess (Deficiency) of Revenues Over Expenditures	\$ (26,519)	\$ (29,523)	\$ 0	\$ (56,042)	\$ (20,000)	\$ (76,042)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,000	\$ 3,000
Transfers Out	0	0	0	0	(13,351)	(13,351)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (10,351)	\$ (10,351)

(Continued)

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Other Capital Projects	
Net Change in Fund Balances	\$ (26,519)	\$ (29,523)	\$ 0	\$ (56,042)	\$ (30,351)	\$ (86,393)
Fund Balance, July 1, 2019	146,775	44,271	0	191,046	310,566	501,612
Fund Balance, June 30, 2020	\$ 120,256	\$ 14,748	\$ 0	\$ 135,004	\$ 280,215	\$ 415,219

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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 164,830	\$ 172,033	\$ 172,033	\$ (7,203)
Charges for Current Services	793	900	900	(107)
Other Local Revenues	3,651	0	0	3,651
State of Tennessee	1,368	1,000	1,000	368
Total Revenues	<u>\$ 170,642</u>	<u>\$ 173,933</u>	<u>\$ 173,933</u>	<u>\$ (3,291)</u>
<u>Expenditures</u>				
Public Health and Welfare				
Sanitation Management	\$ 197,161	\$ 171,500	\$ 207,500	\$ 10,339
Total Expenditures	<u>\$ 197,161</u>	<u>\$ 171,500</u>	<u>\$ 207,500</u>	<u>\$ 10,339</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (26,519)</u>	<u>\$ 2,433</u>	<u>\$ (33,567)</u>	<u>\$ 7,048</u>
Net Change in Fund Balance	\$ (26,519)	\$ 2,433	\$ (33,567)	\$ 7,048
Fund Balance, July 1, 2019	<u>146,775</u>	<u>153,368</u>	<u>153,368</u>	<u>(6,593)</u>
Fund Balance, June 30, 2020	<u><u>\$ 120,256</u></u>	<u><u>\$ 155,801</u></u>	<u><u>\$ 119,801</u></u>	<u><u>\$ 455</u></u>

Exhibit F-4

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 15,917	\$ 36,000	\$ 36,000	\$ (20,083)
Other Local Revenues	500	0	0	500
Total Revenues	<u>\$ 16,417</u>	<u>\$ 36,000</u>	<u>\$ 36,000</u>	<u>\$ (19,583)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 45,940	\$ 50,295	\$ 50,295	\$ 4,355
Total Expenditures	<u>\$ 45,940</u>	<u>\$ 50,295</u>	<u>\$ 50,295</u>	<u>\$ 4,355</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (29,523)</u>	<u>\$ (14,295)</u>	<u>\$ (14,295)</u>	<u>\$ (15,228)</u>
Net Change in Fund Balance	\$ (29,523)	\$ (14,295)	\$ (14,295)	\$ (15,228)
Fund Balance, July 1, 2019	<u>44,271</u>	<u>66,940</u>	<u>66,940</u>	<u>(22,669)</u>
Fund Balance, June 30, 2020	<u><u>\$ 14,748</u></u>	<u><u>\$ 52,645</u></u>	<u><u>\$ 52,645</u></u>	<u><u>\$ (37,897)</u></u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 430,444	\$ 411,363	\$ 411,363	\$ 19,081
State of Tennessee	50,946	43,500	43,500	7,446
Total Revenues	<u>\$ 481,390</u>	<u>\$ 454,863</u>	<u>\$ 454,863</u>	<u>\$ 26,527</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 182,871	\$ 182,871	\$ 182,871	\$ 0
<u>Interest on Debt</u>				
General Government	267,129	267,129	267,129	0
<u>Other Debt Service</u>				
General Government	8,535	8,500	8,535	0
Total Expenditures	<u>\$ 458,535</u>	<u>\$ 458,500</u>	<u>\$ 458,535</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 22,855</u>	<u>\$ (3,637)</u>	<u>\$ (3,672)</u>	<u>\$ 26,527</u>
Net Change in Fund Balance	\$ 22,855	\$ (3,637)	\$ (3,672)	\$ 26,527
Fund Balance, July 1, 2019	<u>1,219,732</u>	<u>1,205,880</u>	<u>1,205,880</u>	<u>13,852</u>
Fund Balance, June 30, 2020	<u><u>\$ 1,242,587</u></u>	<u><u>\$ 1,202,243</u></u>	<u><u>\$ 1,202,208</u></u>	<u><u>\$ 40,379</u></u>

Fiduciary Funds

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

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

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

Exhibit H-1

Meigs County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	Agency Funds		
	Cities -	Constitu-	
	Sales	tional	
	Tax	Officers -	
		Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 178,341	\$ 178,341
Due from Other Governments	24,411	0	24,411
Total Assets	<u>\$ 24,411</u>	<u>\$ 178,341</u>	<u>\$ 202,752</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 24,411	\$ 0	\$ 24,411
Due to Litigants, Heirs, and Others	0	178,341	178,341
Total Liabilities	<u>\$ 24,411</u>	<u>\$ 178,341</u>	<u>\$ 202,752</u>

Exhibit H-2

Meigs County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 256,270	\$ 256,270	\$ 0
Due from Other Governments	22,482	24,411	22,482	24,411
Total Assets	<u>\$ 22,482</u>	<u>\$ 280,681</u>	<u>\$ 278,752</u>	<u>\$ 24,411</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 22,482	\$ 280,681	\$ 278,752	\$ 24,411
Total Liabilities	<u>\$ 22,482</u>	<u>\$ 280,681</u>	<u>\$ 278,752</u>	<u>\$ 24,411</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 209,998	\$ 2,985,297	\$ 3,016,954	\$ 178,341
Accounts Receivable	89	0	89	0
Total Assets	<u>\$ 210,087</u>	<u>\$ 2,985,297</u>	<u>\$ 3,017,043</u>	<u>\$ 178,341</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 210,087	\$ 2,985,297	\$ 3,017,043	\$ 178,341
Total Liabilities	<u>\$ 210,087</u>	<u>\$ 2,985,297</u>	<u>\$ 3,017,043</u>	<u>\$ 178,341</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 209,998	\$ 2,985,297	\$ 3,016,954	\$ 178,341
Equity in Pooled Cash and Investments	0	256,270	256,270	0
Accounts Receivable	89	0	89	0
Due from Other Governments	22,482	24,411	22,482	24,411
Total Assets	<u>\$ 232,569</u>	<u>\$ 3,265,978</u>	<u>\$ 3,295,795</u>	<u>\$ 202,752</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 22,482	\$ 280,681	\$ 278,752	\$ 24,411
Due to Litigants, Heirs, and Others	210,087	2,985,297	3,017,043	178,341
Total Liabilities	<u>\$ 232,569</u>	<u>\$ 3,265,978</u>	<u>\$ 3,295,795</u>	<u>\$ 202,752</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 two 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.

Exhibit I-1

Meigs County, Tennessee
Statement of Activities
Discretely Presented Meigs County School Department
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 9,784,163	\$ 0	\$ 718,062	\$ 0	\$ (9,066,101)
Support Services	5,166,869	18,806	435,989	0	(4,712,074)
Operation of Non-instructional Services	1,503,157	56,928	1,378,646	0	(67,583)
Total Governmental Activities	\$ 16,454,189	\$ 75,734	\$ 2,532,697	\$ 0	\$ (13,845,758)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,546,107
Local Option Sales Taxes					707,198
Wholesale Beer Tax					43,858
Grants and Contributions Not Restricted to Specific Programs					12,407,859
Unrestricted Investment Earnings					33,723
Miscellaneous					31,454
Total General Revenues					\$ 14,770,199
Change in Net Position					\$ 924,441
Net Position, July 1, 2019					11,242,863
Net Position, June 30, 2020					\$ 12,167,304

Exhibit I-2

Meigs County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Meigs County School Department
June 30, 2020

	<u>Major Funds</u>		<u>Nonmajor Fund</u>	
	<u>General Purpose School</u>	<u>Central Cafeteria</u>	<u>School Federal Projects</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 2,672,468	\$ 528,691	\$ 20,000	\$ 3,221,159
Due from Other Governments	409,794	661	62,667	473,122
Due from Other Funds	62,667	0	0	62,667
Property Taxes Receivable	1,552,964	0	0	1,552,964
Allowance for Uncollectible Property Taxes	(123,696)	0	0	(123,696)
Restricted Assets	43,945	0	0	43,945
Total Assets	<u>\$ 4,618,142</u>	<u>\$ 529,352</u>	<u>\$ 82,667</u>	<u>\$ 5,230,161</u>
<u>LIABILITIES</u>				
Accrued Payroll	\$ 1,330	\$ 0	\$ 0	\$ 1,330
Due to Other Funds	0	0	62,667	62,667
Due to Primary Government	3,166	0	0	3,166
Total Liabilities	<u>\$ 4,496</u>	<u>\$ 0</u>	<u>\$ 62,667</u>	<u>\$ 67,163</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 1,367,191	\$ 0	\$ 0	\$ 1,367,191
Deferred Delinquent Property Taxes	55,325	0	0	55,325
Other Deferred/Unavailable Revenue	71,718	0	0	71,718
Total Deferred Inflows of Resources	<u>\$ 1,494,234</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,494,234</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 196,724	\$ 529,352	\$ 0	\$ 726,076

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor Fund</u>	
	<u>General Purpose School</u>	<u>Central Cafeteria</u>	<u>School Federal Projects</u>	<u>Total Governmental Funds</u>
<u>FUND BALANCES (Cont.)</u>				
Restricted (Cont.):				
Restricted for Hybrid Retirement Stabilization Funds	\$ 43,945	\$ 0	\$ 0	\$ 43,945
Committed:				
Committed for Education	0	0	20,000	20,000
Assigned:				
Assigned for Education	542,167	0	0	542,167
Assigned for Capital Outlay	229,221	0	0	229,221
Unassigned	2,107,355	0	0	2,107,355
Total Fund Balances	<u>\$ 3,119,412</u>	<u>\$ 529,352</u>	<u>\$ 20,000</u>	<u>\$ 3,668,764</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,618,142</u>	<u>\$ 529,352</u>	<u>\$ 82,667</u>	<u>\$ 5,230,161</u>

Exhibit I-3

Meigs County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Meigs County School Department
June 30, 2020

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	3,668,764
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	433,858	
Add: buildings and improvements net of accumulated depreciation		6,694,359	
Add: other capital assets net of accumulated depreciation		<u>1,163,171</u>	8,291,388
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(57,113)	
Less: OPEB obligation		<u>(1,258,499)</u>	(1,315,612)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,196,878	
Less: deferred inflows of resources related to pensions		(1,933,220)	
Add: deferred outflows of resources related to OPEB		210,670	
Less: deferred inflows of resources related to OPEB		<u>(251,456)</u>	(777,128)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - teacher retirement plan	\$	45,224	
Add: net pension asset - teacher legacy pension plan		<u>2,127,625</u>	2,172,849
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>127,043</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>12,167,304</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, 2020

	Major Funds		Nonmajor Fund	Total Governmental Funds
	General Purpose School	Central Cafeteria	School Federal Projects	
<u>Revenues</u>				
Local Taxes	\$ 2,675,165	\$ 0	\$ 0	\$ 2,675,165
Licenses and Permits	332	0	0	332
Charges for Current Services	0	66,120	0	66,120
Other Local Revenues	218,452	659	0	219,111
State of Tennessee	12,040,263	1,000	0	12,041,263
Federal Government	157,489	966,109	1,276,687	2,400,285
Total Revenues	<u>\$ 15,091,701</u>	<u>\$ 1,033,888</u>	<u>\$ 1,276,687</u>	<u>\$ 17,402,276</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 9,014,594	\$ 0	\$ 1,010,896	\$ 10,025,490
Support Services	4,682,112	0	265,791	4,947,903
Operation of Non-Instructional Services	452,044	1,018,536	0	1,470,580
Capital Outlay	238,167	0	0	238,167
Total Expenditures	<u>\$ 14,386,917</u>	<u>\$ 1,018,536</u>	<u>\$ 1,276,687</u>	<u>\$ 16,682,140</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 704,784</u>	<u>\$ 15,352</u>	<u>\$ 0</u>	<u>\$ 720,136</u>
Net Change in Fund Balances	\$ 704,784	\$ 15,352	\$ 0	\$ 720,136
Fund Balance, July 1, 2019	2,414,628	514,000	20,000	2,948,628
Fund Balance, June 30, 2020	<u>\$ 3,119,412</u>	<u>\$ 529,352</u>	<u>\$ 20,000</u>	<u>\$ 3,668,764</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, 2020

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)		\$	720,136
(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	\$	287,103	
Less: current-year depreciation expense		<u>(514,641)</u>	(227,538)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$	127,043	
Less: deferred delinquent property taxes and other deferred June 30, 2019		<u>(40,329)</u>	86,714
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable	\$	(57,113)	
Change in net pension asset - teacher retirement plan		6,286	
Change in net pension asset - teacher legacy pension plan		1,436,359	
Change in deferred outflows related to pensions		(155,824)	
Change in deferred inflows related to pensions		(830,506)	
Change in OPEB liability		(81,093)	
Change in deferred outflows related to OPEB		125,822	
Change in deferred inflows related to OPEB		<u>(98,802)</u>	345,129
Change in net position of governmental activities (Exhibit B)			<u>\$ 924,441</u>

Exhibit I-6

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Meigs County School Department
General Purpose School Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,675,165	\$ 0	\$ 0	\$ 2,675,165	\$ 2,490,000	\$ 2,490,000	\$ 185,165
Licenses and Permits	332	0	0	332	0	0	332
Other Local Revenues	218,452	0	0	218,452	50,000	195,643	22,809
State of Tennessee	12,040,263	0	0	12,040,263	11,984,832	12,051,378	(11,115)
Federal Government	157,489	0	0	157,489	0	195,918	(38,429)
Total Revenues	\$ 15,091,701	\$ 0	\$ 0	\$ 15,091,701	\$ 14,524,832	\$ 14,932,939	\$ 158,762
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 7,502,511	\$ (31,522)	\$ 142,798	\$ 7,613,787	\$ 7,965,160	\$ 7,996,448	\$ 382,661
Alternative Instruction Program	82,727	0	0	82,727	83,020	83,020	293
Special Education Program	1,026,744	0	0	1,026,744	1,038,515	1,037,606	10,862
Career and Technical Education Program	402,612	0	10,983	413,595	379,475	419,001	5,406
COVID-19 Expenditures	0	0	0	0	0	8,900	8,900
<u>Support Services</u>							
Attendance	41,255	0	0	41,255	38,945	41,585	330
Health Services	251,477	(795)	475	251,157	257,075	273,465	22,308
Other Student Support	438,558	(5,700)	0	432,858	453,150	457,688	24,830
Regular Instruction Program	404,701	(2,523)	0	402,178	333,915	443,775	41,597
Special Education Program	111,422	0	0	111,422	112,170	112,170	748
Career and Technical Education Program	41,011	0	70,620	111,631	41,695	112,315	684
Technology	304,033	(1,720)	0	302,313	324,410	324,410	22,097
Other Programs	45,634	0	0	45,634	0	45,634	0
Board of Education	255,390	(12,175)	12,060	255,275	272,700	274,700	19,425
Director of Schools	200,257	0	0	200,257	207,905	207,955	7,698
Office of the Principal	541,136	0	0	541,136	546,935	546,935	5,799
Fiscal Services	70,071	0	0	70,071	69,250	71,250	1,179
Operation of Plant	898,678	(975)	9,379	907,082	964,195	987,195	80,113
Maintenance of Plant	209,929	0	0	209,929	214,370	291,270	81,341

(Continued)

Exhibit I-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 738,726	\$ (14,211)	\$ 9,135	\$ 733,650	\$ 851,270	\$ 851,800	\$ 118,150
Central and Other	129,834	(140)	4,455	134,149	0	135,338	1,189
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	416,521	(7,794)	1,434	410,161	411,012	410,162	1
COVID-19 Expenditures	35,523	0	0	35,523	0	53,313	17,790
<u>Capital Outlay</u>							
Regular Capital Outlay	238,167	(79,419)	80,828	239,576	285,000	285,000	45,424
Total Expenditures	<u>\$ 14,386,917</u>	<u>\$ (156,974)</u>	<u>\$ 342,167</u>	<u>\$ 14,572,110</u>	<u>\$ 14,850,167</u>	<u>\$ 15,470,935</u>	<u>\$ 898,825</u>
Excess (Deficiency) of Revenues							
Over Expenditures	<u>\$ 704,784</u>	<u>\$ 156,974</u>	<u>\$ (342,167)</u>	<u>\$ 519,591</u>	<u>\$ (325,335)</u>	<u>\$ (537,996)</u>	<u>\$ 1,057,587</u>
Net Change in Fund Balance	\$ 704,784	\$ 156,974	\$ (342,167)	\$ 519,591	\$ (325,335)	\$ (537,996)	\$ 1,057,587
Fund Balance, July 1, 2019	<u>2,414,628</u>	<u>(156,974)</u>	<u>0</u>	<u>2,257,654</u>	<u>2,733,220</u>	<u>2,733,220</u>	<u>(475,566)</u>
Fund Balance, June 30, 2020	<u><u>\$ 3,119,412</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (342,167)</u></u>	<u><u>\$ 2,777,245</u></u>	<u><u>\$ 2,407,885</u></u>	<u><u>\$ 2,195,224</u></u>	<u><u>\$ 582,021</u></u>

Exhibit I-7

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Meigs County School Department
School Federal Projects Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,276,687	\$ 1,367,454	\$ 1,372,018	\$ (95,331)
Total Revenues	\$ 1,276,687	\$ 1,367,454	\$ 1,372,018	\$ (95,331)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 616,783	\$ 624,320	\$ 624,090	\$ 7,307
Special Education Program	328,882	345,224	345,224	16,342
Career and Technical Education Program	65,231	58,653	65,231	0
<u>Support Services</u>				
Other Student Support	41,013	105,419	107,537	66,524
Regular Instruction Program	75,601	75,600	75,601	0
Special Education Program	123,232	131,750	128,385	5,153
Career and Technical Education Program	1,349	1,900	1,349	0
Technology	7,097	7,097	7,097	0
Transportation	17,499	17,490	17,502	3
Total Expenditures	\$ 1,276,687	\$ 1,367,453	\$ 1,372,016	\$ 95,329
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 1	\$ 2	\$ (2)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 75,000	\$ 0	\$ 0
Transfers Out	0	(75,000)	0	0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 1	\$ 2	\$ (2)
Fund Balance, July 1, 2019	20,000	19,997	19,997	3
Fund Balance, June 30, 2020	\$ 20,000	\$ 19,998	\$ 19,999	\$ 1

Exhibit I-8

Meigs County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Meigs County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 66,120	\$ 0	\$ 66,120	\$ 82,500	\$ 82,500	\$ (16,380)
Other Local Revenues	659	0	659	500	500	159
State of Tennessee	1,000	0	1,000	0	1,000	0
Federal Government	966,109	0	966,109	945,000	948,689	17,420
Total Revenues	<u>\$ 1,033,888</u>	<u>\$ 0</u>	<u>\$ 1,033,888</u>	<u>\$ 1,028,000</u>	<u>\$ 1,032,689</u>	<u>\$ 1,199</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 1,018,536	\$ (24,606)	\$ 993,930	\$ 1,060,555	\$ 1,069,583	\$ 75,653
Total Expenditures	<u>\$ 1,018,536</u>	<u>\$ (24,606)</u>	<u>\$ 993,930</u>	<u>\$ 1,060,555</u>	<u>\$ 1,069,583</u>	<u>\$ 75,653</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 15,352</u>	<u>\$ 24,606</u>	<u>\$ 39,958</u>	<u>\$ (32,555)</u>	<u>\$ (36,894)</u>	<u>\$ 76,852</u>
Net Change in Fund Balance	\$ 15,352	\$ 24,606	\$ 39,958	\$ (32,555)	\$ (36,894)	\$ 76,852
Fund Balance, July 1, 2019	<u>514,000</u>	<u>(24,606)</u>	<u>489,394</u>	<u>265,237</u>	<u>265,237</u>	<u>224,157</u>
Fund Balance, June 30, 2020	<u><u>\$ 529,352</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 529,352</u></u>	<u><u>\$ 232,682</u></u>	<u><u>\$ 228,343</u></u>	<u><u>\$ 301,009</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Meigs County, Tennessee
Schedule of Changes in Long-term Bonds
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Paid and/or Matured During Period	Outstanding 6-30-20
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation (CAB) Bonds, Series 2002A - II (1)	\$ 2,088,479	4.8 to 5.15 %	2-7-02	5-1-26	\$ 1,089,998	\$ 182,871	\$ 907,127
Total Bonds Payable					<u>\$ 1,089,998</u>	<u>\$ 182,871</u>	<u>\$ 907,127</u>

(1) These (CAB) bonds accrete interest that is paid at bond maturity. As of June 30, 2020, approximately \$200,998 of interest has accreted on the bonds.

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	311,918	450,000
2026	131,238	318,762	450,000
Total	<u>\$ 907,127</u>	<u>\$ 1,792,872</u>	<u>\$ 2,699,999</u>

Exhibit J-3

Meigs County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Highway/Public Works	Other Capital Projects	Reimbursement for road signs	\$ 3,000
Other Capital Projects	General	Eaves Ferry Boat Ramp repairs	8,450
"	"	Fire station addition	<u>4,901</u>
Total Transfers Primary Government			<u><u>\$ 16,351</u></u>

Exhibit J-4

Meigs County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Meigs County School Department
For the Year Ended June 30, 2020

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 79,083	\$ (3)	
Highway Superintendent	Section 8-24-102, <i>TCA</i>	75,318	(3)	
Director of Schools	State Board of Education and County Board of Education	108,300 (1)	(3)	
Trustee	Section 8-24-102, <i>TCA</i>	68,471	569,725	(3) Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	68,471	(3)	
County Clerk	Section 8-24-102, <i>TCA</i>	68,471	(3)	
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	68,471	(3)	
Clerk and Master	Section 8-24-102, <i>TCA</i>	68,471	(3)	
Register of Deeds	Section 8-24-102, <i>TCA</i>	68,471	(3)	
Sheriff	Section 8-24-102, <i>TCA</i>	75,318 (2)	(3)	
Director of Finance	County Commission	46,923	(3)	
Blanket Bonds:				
Employee Fidelity - County Employees			400,000	Tennessee Risk Management Trust
Employee Fidelity - School Employees			400,000	"

(1) Includes travel allowance of \$10,000 and longevity pay of \$1,400. Does not include chief executive officer training supplement of \$1,000.

(2) Does not include a law enforcement training supplement of \$800.

(3) Official is under the employee fidelity insurance coverage.

Exhibit J-5

Meigs County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2020

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 2,641,680	\$ 139,705	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	104,053	5,508	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	119,640	6,327	0	0	0
Interest and Penalty	20,594	1,091	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	1,826	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	230,817	12,199	0	0	0
Payments in-Lieu-of Taxes - Other	64,325	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	283,450	0	0	0	0
Hotel/Motel Tax	17,066	0	0	0	0
Litigation Tax - General	23,459	0	0	0	0
Litigation Tax - Special Purpose	33,361	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	2,436	0	0	0	0
Litigation Tax - Courthouse Security	996	0	0	0	0
Business Tax	26,180	0	0	0	0
Mixed Drink Tax	1,844	0	0	0	0
Mineral Severance Tax	0	0	0	0	37,483
Other County Local Option Taxes	8,791	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	11,937	0	0	0	0
Wholesale Beer Tax	71,390	0	0	0	0
Total Local Taxes	\$ 3,663,845	\$ 164,830	\$ 0	\$ 0	\$ 37,483

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 394	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	12,669	0	0	0	0
<u>Permits</u>					
Beer Permits	475	0	0	0	0
Building Permits	14,200	0	0	0	0
Other Permits	1,930	0	0	0	0
Total Licenses and Permits	\$ 29,668	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Officers Costs	\$ 5,336	\$ 0	\$ 0	\$ 0	\$ 0
<u>Criminal Court</u>					
Fines	133	0	0	0	0
Drug Control Fines	0	0	658	0	0
Drug Court Fees	137	0	0	0	0
DUI Treatment Fines	848	0	0	0	0
Data Entry Fee - Criminal Court	344	0	0	0	0
<u>General Sessions Court</u>					
Fines	13,489	0	0	0	0
Fines for Littering	48	0	0	0	0
Officers Costs	25,100	0	0	0	0
Game and Fish Fines	63	0	0	0	0
Drug Control Fines	727	0	15,259	0	0
Drug Court Fees	2,292	0	0	0	0
Jail Fees	1,853	0	0	0	0
Data Entry Fee - General Sessions Court	8,260	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 698	\$ 0	\$ 0	\$ 0	\$ 0
<u>Chancery Court</u>					
Officers Costs	1,512	0	0	0	0
Data Entry Fee - Chancery Court	2,676	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	15,629	0	0	0	0
Drug Court Fees	12	0	0	0	0
<u>Judicial District Drug Program</u>					
Data Entry Fee - Other Courts	4,054	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Other Fines, Forfeitures, and Penalties	657	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 83,868	\$ 0	\$ 15,917	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 793	\$ 0	\$ 0	\$ 0
Patient Charges	288,452	0	0	0	0
Other General Service Charges	45,781	0	0	0	0
<u>Fees</u>					
Copy Fees	567	0	0	0	0
Library Fees	335	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0
Telephone Commissions	19,262	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	229	0
Data Processing Fee - Register	4,354	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Data Processing Fee - Sheriff	\$ 1,668	\$ 0	\$ 0	\$ 0	\$ 0
Sexual Offender Registration Fee - Sheriff	4,500	0	0	0	0
Data Processing Fee - County Clerk	552	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	495	0	0	0	0
Total Charges for Current Services	<u>\$ 366,066</u>	<u>\$ 793</u>	<u>\$ 0</u>	<u>\$ 229</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 299	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	1,800	0	0	0	0
Commissary Sales	29,904	0	0	0	0
Sale of Recycled Materials	0	3,651	0	0	0
Miscellaneous Refunds	33,490	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	10,022	0	0	0	196
Contributions and Gifts	9,000	0	500	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	936	0	0	0	0
Total Other Local Revenues	<u>\$ 85,451</u>	<u>\$ 3,651</u>	<u>\$ 500</u>	<u>\$ 0</u>	<u>\$ 196</u>
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 135,653	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	17,343	0	0	0	0
General Sessions Court Clerk	78,400	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fees Received From County Officials (Cont.)</u>					
<u>Fees In-Lieu-of Salary (Cont.)</u>					
Clerk and Master	\$ 57,613	\$ 0	\$ 0	\$ 0	\$ 0
Register	58,898	0	0	0	0
Sheriff	8,644	0	0	0	0
Trustee	166,179	0	0	0	0
Total Fees Received From County Officials	<u>\$ 522,730</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	7,097	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	6,470	0	0	0	0
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	130,606	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	291,149
Litter Program	33,709	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	0	1,368	0	0	0
Beer Tax	18,175	0	0	0	0
Vehicle Certificate of Title Fees	1,518	0	0	0	0
Alcoholic Beverage Tax	32,207	0	0	0	0
State Revenue Sharing - T.V.A.	339,640	0	0	0	0
State Revenue Sharing - Telecommunications	14,704	0	0	0	0
Contracted Prisoner Boarding	236,316	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,801,680
Petroleum Special Tax	0	0	0	0	8,480
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Revenues	6,533	0	0	0	0
Total State of Tennessee	<u>\$ 851,139</u>	<u>\$ 1,368</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,101,309</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 78,282	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	49,886	0	0	0	0
Law Enforcement Grants	18,711	0	0	0	0
COVID-19 Grant #1	49,146	0	0	0	0
Other Federal through State	18,573	0	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	449,825	0	0	0	0
Total Federal Government	<u>\$ 664,423</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 60,000	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	119,151	0	0	0	0
<u>Other</u>					
Other	120,000	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 299,151</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 6,566,341</u>	<u>\$ 170,642</u>	<u>\$ 16,417</u>	<u>\$ 229</u>	<u>\$ 2,138,988</u>

(Continued)

Exhibit J-5

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

	Debt Service		
	Fund		
	General		
	Debt		
	Service		Total
<hr/>			
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 278,752	\$	3,060,137
Trustee's Collections - Prior Year	10,991		120,552
Circuit Clerk/Clerk and Master Collections - Prior Years	12,625		138,592
Interest and Penalty	2,175		23,860
Payments in-Lieu-of Taxes - T.V.A.	458		2,284
Payments in-Lieu-of Taxes - Local Utilities	24,172		267,188
Payments in-Lieu-of Taxes - Other	6,788		71,113
<u>County Local Option Taxes</u>			
Local Option Sales Tax	94,483		377,933
Hotel/Motel Tax	0		17,066
Litigation Tax - General	0		23,459
Litigation Tax - Special Purpose	0		33,361
Litigation Tax - Jail, Workhouse, or Courthouse	0		2,436
Litigation Tax - Courthouse Security	0		996
Business Tax	0		26,180
Mixed Drink Tax	0		1,844
Mineral Severance Tax	0		37,483
Other County Local Option Taxes	0		8,791
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0		11,937
Wholesale Beer Tax	0		71,390
Total Local Taxes	\$ 430,444	\$	4,296,602

(Continued)

Exhibit J-5

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

	Debt Service		
	Fund		
	General		
	Debt		
	Service		Total
<hr/>			
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$	0	\$ 394
Cable TV Franchise		0	12,669
<u>Permits</u>			
Beer Permits		0	475
Building Permits		0	14,200
Other Permits		0	1,930
Total Licenses and Permits	\$	0	\$ 29,668
<hr/>			
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Officers Costs	\$	0	\$ 5,336
<u>Criminal Court</u>			
Fines		0	133
Drug Control Fines		0	658
Drug Court Fees		0	137
DUI Treatment Fines		0	848
Data Entry Fee - Criminal Court		0	344
<u>General Sessions Court</u>			
Fines		0	13,489
Fines for Littering		0	48
Officers Costs		0	25,100
Game and Fish Fines		0	63
Drug Control Fines		0	15,986
Drug Court Fees		0	2,292
Jail Fees		0	1,853
Data Entry Fee - General Sessions Court		0	8,260

(Continued)

Exhibit J-5

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

	Debt Service Fund General Debt Service	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>Juvenile Court</u>		
Fines	\$ 0	\$ 698
<u>Chancery Court</u>		
Officers Costs	0	1,512
Data Entry Fee - Chancery Court	0	2,676
<u>Other Courts - In-county</u>		
Fines	0	15,629
Drug Court Fees	0	12
<u>Judicial District Drug Program</u>		
Data Entry Fee - Other Courts	0	4,054
<u>Other Fines, Forfeitures, and Penalties</u>		
Other Fines, Forfeitures, and Penalties	0	657
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 99,785</u>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Surcharge - Waste Tire Disposal	\$ 0	\$ 793
Patient Charges	0	288,452
Other General Service Charges	0	45,781
<u>Fees</u>		
Copy Fees	0	567
Library Fees	0	335
Greenbelt Late Application Fee	0	100
Telephone Commissions	0	19,262
Constitutional Officers' Fees and Commissions	0	229
Data Processing Fee - Register	0	4,354

(Continued)

Exhibit J-5

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

	Debt Service		
	Fund		
	General		
	Debt		
	Service		Total
<hr/>			
<u>Charges for Current Services (Cont.)</u>			
<u>Fees (Cont.)</u>			
Data Processing Fee - Sheriff	\$	0	\$ 1,668
Sexual Offender Registration Fee - Sheriff		0	4,500
Data Processing Fee - County Clerk		0	552
Vehicle Insurance Coverage and Reinstatement Fees		0	495
Total Charges for Current Services	\$	0	\$ 367,088
<hr/>			
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$	0	\$ 299
Lease/Rentals		0	1,800
Commissary Sales		0	29,904
Sale of Recycled Materials		0	3,651
Miscellaneous Refunds		0	33,490
<u>Nonrecurring Items</u>			
Sale of Equipment		0	10,218
Contributions and Gifts		0	9,500
<u>Other Local Revenues</u>			
Other Local Revenues		0	936
Total Other Local Revenues	\$	0	\$ 89,798
<hr/>			
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$	0	\$ 135,653
Circuit Court Clerk		0	17,343
General Sessions Court Clerk		0	78,400

(Continued)

Exhibit J-5

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

	Debt Service Fund General Debt Service	Total
<hr/>		
<u>Fees Received From County Officials (Cont.)</u>		
<u>Fees In-Lieu-of Salary (Cont.)</u>		
Clerk and Master	\$ 0	\$ 57,613
Register	0	58,898
Sheriff	0	8,644
Trustee	0	166,179
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 522,730</u>
 <u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 9,000
Aging Programs	0	7,097
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	6,470
<u>Health and Welfare Grants</u>		
Other Health and Welfare Grants	0	130,606
<u>Public Works Grants</u>		
State Aid Program	0	291,149
Litter Program	0	33,709
<u>Other State Revenues</u>		
Income Tax	0	1,368
Beer Tax	0	18,175
Vehicle Certificate of Title Fees	0	1,518
Alcoholic Beverage Tax	0	32,207
State Revenue Sharing - T.V.A.	50,946	390,586
State Revenue Sharing - Telecommunications	0	14,704
Contracted Prisoner Boarding	0	236,316

(Continued)

Exhibit J-5

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

	Debt Service		
	Fund		
	General		
	Debt		
	Service		Total
<hr/>			
<u>State of Tennessee (Cont.)</u>			
<u>Other State Revenues (Cont.)</u>			
Gasoline and Motor Fuel Tax	\$	0	\$ 1,801,680
Petroleum Special Tax		0	8,480
Registrar's Salary Supplement		0	15,164
Other State Revenues		0	6,533
Total State of Tennessee	\$	50,946	\$ 3,004,762
<hr/>			
<u>Federal Government</u>			
<u>Federal Through State</u>			
Civil Defense Reimbursement	\$	0	\$ 78,282
Homeland Security Grants		0	49,886
Law Enforcement Grants		0	18,711
COVID-19 Grant #1		0	49,146
Other Federal through State		0	18,573
<u>Direct Federal Revenue</u>			
Other Direct Federal Revenue		0	449,825
Total Federal Government	\$	0	\$ 664,423
<hr/>			
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$	0	\$ 60,000
Contracted Services		0	119,151
<u>Other</u>			
Other		0	120,000
Total Other Governments and Citizens Groups	\$	0	\$ 299,151
<hr/>			
Total	\$	481,390	\$ 9,374,007

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, 2020

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,271,543	\$ 0	\$ 0	\$ 1,271,543
Trustee's Collections - Prior Year	49,985	0	0	49,985
Circuit Clerk/Clerk and Master Collections - Prior Years	57,588	0	0	57,588
Interest and Penalty	9,932	0	0	9,932
Payments in-Lieu-of Taxes - T.V.A.	460,980	0	0	460,980
Payments in-Lieu-of Taxes - Local Utilities	111,101	0	0	111,101
Payments in-Lieu-of Taxes - Other	30,962	0	0	30,962
<u>County Local Option Taxes</u>				
Local Option Sales Tax	635,480	0	0	635,480
<u>Statutory Local Taxes</u>				
Bank Excise Tax	3,736	0	0	3,736
Wholesale Beer Tax	43,858	0	0	43,858
Total Local Taxes	<u>\$ 2,675,165</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,675,165</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 332	\$ 0	\$ 0	\$ 332
Total Licenses and Permits	<u>\$ 332</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 332</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Receipts from Individual Schools	\$ 0	\$ 0	\$ 56,928	\$ 56,928
Other Charges for Services	0	0	9,192	9,192
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 66,120</u>	<u>\$ 66,120</u>

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 33,242	\$ 0	\$ 481	\$ 33,723
Lease/Rentals	9,600	0	0	9,600
Sale of Materials and Supplies	14	0	0	14
Miscellaneous Refunds	31,171	0	178	31,349
<u>Nonrecurring Items</u>				
Contributions and Gifts	144,320	0	0	144,320
<u>Other Local Revenues</u>				
Other Local Revenues	105	0	0	105
Total Other Local Revenues	<u>\$ 218,452</u>	<u>\$ 0</u>	<u>\$ 659</u>	<u>\$ 219,111</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 45,634	\$ 0	\$ 0	\$ 45,634
<u>State Education Funds</u>				
Basic Education Program	11,338,271	0	0	11,338,271
Early Childhood Education	411,011	0	0	411,011
Driver Education	11,499	0	0	11,499
Other State Education Funds	10,000	0	0	10,000
Coordinated School Health	89,992	0	0	89,992
Career Ladder Program	30,750	0	0	30,750
<u>Other State Revenues</u>				
Other State Grants	36,000	0	0	36,000
Safe Schools	44,610	0	0	44,610
Other State Revenues	22,496	0	1,000	23,496
Total State of Tennessee	<u>\$ 12,040,263</u>	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ 12,041,263</u>

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		
		School Federal Projects	Central Cafeteria	Total
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 599,209	\$ 599,209
USDA - Commodities	0	0	33,345	33,345
Breakfast	0	0	319,335	319,335
USDA - Other	0	0	13,559	13,559
Vocational Education - Basic Grants to States	0	75,879	0	75,879
Title I Grants to Local Education Agencies	0	604,540	0	604,540
Special Education - Grants to States	0	455,845	0	455,845
Special Education Preschool Grants	0	13,765	0	13,765
Rural Education	0	26,695	0	26,695
COVID-19 Grant #1	0	62,667	661	63,328
Other Federal through State	156,963	37,296	0	194,259
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	526	0	0	526
Total Federal Government	\$ 157,489	\$ 1,276,687	\$ 966,109	\$ 2,400,285
Total	\$ 15,091,701	\$ 1,276,687	\$ 1,033,888	\$ 17,402,276

Exhibit J-7

Meigs County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2020

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	27,537	
Social Security		2,011	
Employee and Dependent Insurance		4,618	
Audit Services		10,464	
Dues and Memberships		1,033	
Legal Notices, Recording, and Court Costs		1,260	
Other Contracted Services		2,798	
Other Supplies and Materials		1,194	
Total County Commission			\$ 50,915

Board of Equalization

Board and Committee Members Fees	\$	1,000	
Legal Notices, Recording, and Court Costs		60	
Total Board of Equalization			1,060

County Mayor/Executive

County Official/Administrative Officer	\$	79,083	
Assistant(s)		27,492	
Part-time Personnel		106	
Social Security		8,072	
Employee and Dependent Insurance		4,618	
Unemployment Compensation		57	
Travel		791	
Office Supplies		1,458	
Total County Mayor/Executive			121,677

County Attorney

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

Election Commission

County Official/Administrative Officer	\$	61,624	
Clerical Personnel		27,492	
Part-time Personnel		264	
Election Commission		7,110	
Election Workers		9,580	
In-service Training		650	
Social Security		7,561	
Unemployment Compensation		190	
Legal Notices, Recording, and Court Costs		3,524	
Maintenance Agreements		3,610	
Printing, Stationery, and Forms		526	
Travel		1,884	
Other Contracted Services		7,200	
Data Processing Supplies		16,289	
Office Supplies		4,158	
Total Election Commission			151,662

(Continued)

Exhibit J-7

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

General Fund (Cont.)General Government (Cont.)Register of Deeds

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		27,492	
Part-time Personnel		876	
Social Security		6,566	
Employee and Dependent Insurance		4,668	
Unemployment Compensation		63	
Dues and Memberships		590	
Maintenance Agreements		1,010	
Travel		100	
Data Processing Supplies		4,963	
Office Supplies		2,863	
Total Register of Deeds			\$ 117,662

Planning

Part-time Personnel	\$	15,621	
Social Security		1,195	
Unemployment Compensation		56	
Dues and Memberships		12,600	
Travel		2,089	
Office Supplies		1,424	
Total Planning			32,985

Geographical Information Systems

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

County Buildings

Custodial Personnel	\$	13,483	
Part-time Personnel		8,798	
Social Security		1,703	
Unemployment Compensation		115	
Communication		34,332	
Maintenance Agreements		15,958	
Maintenance and Repair Services - Buildings		18,940	
Maintenance and Repair Services - Equipment		27,176	
Pest Control		1,830	
Postal Charges		15,897	
Other Contracted Services		3,814	
Custodial Supplies		2,320	
Electricity		63,092	
Natural Gas		15,166	
Water and Sewer		5,023	
Total County Buildings			227,647

(Continued)

Exhibit J-7

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

General Fund (Cont.)FinanceAccounting and Budgeting

Supervisor/Director	\$	46,923	
Accountants/Bookkeepers		25,858	
Clerical Personnel		6,693	
Social Security		5,976	
Employee and Dependent Insurance		4,618	
Unemployment Compensation		3,751	
Legal Notices, Recording, and Court Costs		281	
Maintenance Agreements		13,531	
Travel		1,642	
Other Contracted Services		405	
Office Supplies		1,976	
Total Accounting and Budgeting			\$ 111,654

Property Assessor's Office

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		27,492	
Social Security		7,253	
Employee and Dependent Insurance		4,695	
Unemployment Compensation		56	
Audit Services		4,233	
Data Processing Services		2,923	
Dues and Memberships		1,120	
Maintenance Agreements		325	
Travel		1,960	
Office Supplies		884	
Other Supplies and Materials		954	
Total Property Assessor's Office			120,366

Reappraisal Program

Clerical Personnel	\$	24,594	
In-service Training		410	
Social Security		1,793	
Employee and Dependent Insurance		4,618	
Unemployment Compensation		56	
Travel		1,890	
Total Reappraisal Program			33,361

County Trustee's Office

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		27,492	
Clerical Personnel		11,431	
Social Security		8,127	
Employee and Dependent Insurance		4,618	
Unemployment Compensation		124	
Dues and Memberships		750	
Legal Notices, Recording, and Court Costs		3,800	
Maintenance Agreements		11,311	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Finance (Cont.)County Trustee's Office (Cont.)

Printing, Stationery, and Forms	\$	4,738	
Travel		3,047	
Data Processing Supplies		978	
Office Supplies		1,098	
Total County Trustee's Office			\$ 145,985

County Clerk's Office

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		101,274	
Social Security		12,476	
Employee and Dependent Insurance		14,008	
Unemployment Compensation		224	
Dues and Memberships		490	
Legal Notices, Recording, and Court Costs		668	
Maintenance and Repair Services - Equipment		4,827	
Travel		715	
Other Contracted Services		8,816	
Office Supplies		1,911	
Office Equipment		7,980	
Total County Clerk's Office			221,860

Other Finance

Trustee's Commission	\$	79,269	
Total Other Finance			79,269

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		101,274	
Jury and Witness Expense		1,375	
Other Per Diem and Fees		741	
Social Security		11,967	
Employee and Dependent Insurance		13,930	
Unemployment Compensation		224	
Communication		451	
Dues and Memberships		634	
Maintenance Agreements		14,495	
Travel		606	
Data Processing Supplies		6,646	
Office Supplies		2,353	
Total Circuit Court			223,167

General Sessions Court

Judge(s)	\$	102,864	
Probation Officer(s)		37,558	
In-service Training		275	
Social Security		10,654	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Administration of Justice (Cont.)General Sessions Court (Cont.)

Employee and Dependent Insurance	\$	4,656	
Unemployment Compensation		<u>56</u>	
Total General Sessions Court			\$ 156,063

Chancery Court

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		24,594	
Accountants/Bookkeepers		27,492	
Clerical Personnel		14,179	
Social Security		10,113	
Employee and Dependent Insurance		9,313	
Unemployment Compensation		168	
Dues and Memberships		490	
Legal Notices, Recording, and Court Costs		130	
Licenses		9,360	
Maintenance Agreements		360	
Postal Charges		64	
Travel		104	
Data Processing Supplies		1,588	
Office Supplies		<u>4,136</u>	
Total Chancery Court			170,562

Public SafetySheriff's Department

County Official/Administrative Officer	\$	75,318	
Deputy(ies)		558,812	
Detective(s)		35,672	
Salary Supplements		10,200	
In-service Training		2,855	
Social Security		50,625	
Employee and Dependent Insurance		41,893	
Unemployment Compensation		1,154	
Dues and Memberships		1,500	
Maintenance and Repair Services - Vehicles		31,458	
Travel		508	
Law Enforcement Supplies		3,538	
Office Supplies		669	
Tires and Tubes		9,407	
Uniforms		4,827	
Other Supplies and Materials		475	
Data Processing Equipment		4,532	
Motor Vehicles		<u>8,018</u>	
Total Sheriff's Department			841,461

Drug Enforcement

Detective(s)	\$	39,339
Social Security		2,926

(Continued)

Exhibit J-7

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

General Fund (Cont.)Public Safety (Cont.)Drug Enforcement (Cont.)

Employee and Dependent Insurance	\$	4,618	
Unemployment Compensation		48	
Total Drug Enforcement			\$ 46,931

Jail

Assistant(s)	\$	33,949	
Guards		333,872	
Other Salaries and Wages		29,463	
In-service Training		55	
Social Security		29,667	
Employee and Dependent Insurance		36,711	
Unemployment Compensation		902	
Communication		12,789	
Maintenance Agreements		20,302	
Maintenance and Repair Services - Buildings		18,883	
Medical and Dental Services		128,457	
Travel		1,300	
Custodial Supplies		14,718	
Food Preparation Supplies		3,067	
Food Supplies		84,002	
Office Supplies		2,152	
Uniforms		1,996	
Utilities		63,939	
Other Supplies and Materials		8,776	
Data Processing Equipment		2,004	
Total Jail			827,004

Juvenile Services

Other Contracted Services	\$	2,640	
Office Supplies		506	
Other Supplies and Materials		292	
Total Juvenile Services			3,438

Fire Prevention and Control

Maintenance and Repair Services - Equipment	\$	10,596	
Maintenance and Repair Services - Vehicles		21,367	
Uniforms		63,921	
Utilities		2,560	
Other Supplies and Materials		20,000	
Motor Vehicles		20,000	
Total Fire Prevention and Control			138,444

Civil Defense

Supervisor/Director	\$	54,312	
Part-time Personnel		6,595	
Social Security		4,527	
Unemployment Compensation		105	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Public Safety (Cont.)Civil Defense (Cont.)

Maintenance and Repair Services - Equipment	\$	41,081	
Maintenance and Repair Services - Vehicles		709	
Travel		235	
Utilities		22,134	
Other Supplies and Materials		124,978	
Total Civil Defense			\$ 254,676

Rescue Squad

Communication	\$	1,990	
Maintenance and Repair Services - Equipment		473	
Maintenance and Repair Services - Vehicles		860	
Total Rescue Squad			3,323

County Coroner/Medical Examiner

Other Contracted Services	\$	23,244	
Total County Coroner/Medical Examiner			23,244

Other Public Safety

Supervisor/Director	\$	33,949	
Dispatchers/Radio Operators		162,468	
Social Security		12,082	
Employee and Dependent Insurance		22,781	
Unemployment Compensation		435	
Communication		1,632	
Office Supplies		2,026	
Total Other Public Safety			235,373

Public Health and WelfareLocal Health Center

Custodial Personnel	\$	4,822	
Social Security		360	
Unemployment Compensation		38	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		7,652	
Office Supplies		399	
Utilities		11,869	
Total Local Health Center			25,340

Ambulance/Emergency Medical Services

Supervisor/Director	\$	5,294	
Paraprofessionals		275,459	
Salary Supplements		1,917	
Clerical Personnel		27,492	
Social Security		22,946	
Employee and Dependent Insurance		24,397	
Unemployment Compensation		860	
Licenses		1,000	

(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 - Equipment	\$	2,359	
Maintenance and Repair Services - Vehicles		7,485	
Printing, Stationery, and Forms		762	
Custodial Supplies		919	
Drugs and Medical Supplies		8,461	
Office Supplies		548	
Uniforms		1,663	
Other Supplies and Materials		3,138	
Medical Claims		8,099	
Total Ambulance/Emergency Medical Services			\$ 392,799

Other Local Health Services

Medical Personnel	\$	46,506	
Clerical Personnel		39,283	
Social Security		6,393	
Employee and Dependent Insurance		9,313	
Unemployment Compensation		203	
Travel		1,596	
Other Contracted Services		4,161	
Total Other Local Health Services			107,455

Appropriation to State

Contracts with Government Agencies	\$	23,730	
Total Appropriation to State			23,730

Sanitation Management

Part-time Personnel	\$	65,225	
Social Security		4,990	
Unemployment Compensation		328	
Total Sanitation Management			70,543

Sanitation Education/Information

Guards	\$	29,000	
Social Security		2,131	
Employee and Dependent Insurance		4,618	
Unemployment Compensation		56	
Total Sanitation Education/Information			35,805

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Supervisor/Director	\$	13,905	
Social Security		1,064	
Unemployment Compensation		56	
Communication		1,010	
Travel		130	
Custodial Supplies		930	
Other Supplies and Materials		2,298	
Total Senior Citizens Assistance			19,393

(Continued)

Exhibit J-7

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Libraries

Assistant(s)	\$	11,186	
Librarians		19,839	
Social Security		2,292	
Employee and Dependent Insurance		4,233	
Unemployment Compensation		115	
Communication		2,340	
Maintenance Agreements		3,658	
Postal Charges		94	
Electricity		4,755	
Office Supplies		938	
Other Supplies and Materials		3,228	
Total Libraries			\$ 52,678

Parks and Fair Boards

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

Other Social, Cultural, and Recreational

Supervisor/Director	\$	8,206	
Part-time Personnel		10,899	
Social Security		1,461	
Unemployment Compensation		61	
Other Contracted Services		400	
Electricity		2,015	
Water and Sewer		1,421	
Other Supplies and Materials		446	
Total Other Social, Cultural, and Recreational			24,909

Agriculture and Natural ResourcesAgricultural Extension Service

Assistant(s)	\$	10,580	
Supervisor/Director		28,493	
Secretary(ies)		7,092	
Social Security		3,364	
Pensions		9,203	
Communication		2,153	
Dues and Memberships		310	
Travel		1,000	
Data Processing Supplies		878	
Office Supplies		1,494	
Total Agricultural Extension Service			64,567

Soil Conservation

Assistant(s)	\$	21,006	
Social Security		1,607	
Unemployment Compensation		56	
Total Soil Conservation			22,669

(Continued)

Exhibit J-7

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

General Fund (Cont.)Other OperationsTourism

Advertising	\$ 200	
Total Tourism		\$ 200

Other Economic and Community Development

Other Contracted Services	\$ 454,693	
Total Other Economic and Community Development		454,693

Veterans' Services

Other Salaries and Wages	\$ 14,514	
Social Security	1,110	
Unemployment Compensation	56	
Travel	505	
Office Supplies	207	
Total Veterans' Services		16,392

Other Charges

Fuel Oil	\$ 103,273	
Liability Insurance	75,470	
Workers' Compensation Insurance	32,324	
Other Charges	3,210	
Total Other Charges		214,277

Contributions to Other Agencies

Contributions	\$ 11,650	
Total Contributions to Other Agencies		11,650

COVID-19 Grant #1

Other Charges	\$ 49,146	
Total COVID-19 Grant #1		49,146

Total General Fund \$ 5,960,288

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Management

Communication	\$ 501	
Other Contracted Services	189,516	
Electricity	2,696	
Water and Sewer	318	
Other Supplies and Materials	846	
Trustee's Commission	3,284	
Total Sanitation Management		\$ 197,161

Total Solid Waste/Sanitation Fund 197,161

(Continued)

Exhibit J-7

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

Drug Control FundPublic SafetyDrug Enforcement

Detective(s)	\$	38,193	
Social Security		2,922	
Employee and Dependent Insurance		4,618	
Unemployment Compensation		48	
Trustee's Commission		159	
Total Drug Enforcement			\$ 45,940

Total Drug Control Fund \$ 45,940

Constitutional Officers - Fees FundGeneral GovernmentRegister of Deeds

Constitutional Officers' Operating Expenses	\$	109	
Total Register of Deeds			\$ 109

FinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$	120	
Total County Trustee's Office			120

Total Constitutional Officers - Fees Fund 229

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	75,318	
Assistant(s)		4,056	
Secretary(ies)		31,408	
Clerical Personnel		18,953	
Social Security		9,686	
Unemployment Compensation		167	
Dues and Memberships		2,464	
Evaluation and Testing		400	
Other Contracted Services		10,466	
Office Supplies		1,016	
Data Processing Equipment		1,366	
Total Administration			\$ 155,300

Highway and Bridge Maintenance

Equipment Operators	\$	202,165	
Truck Drivers		88,920	
Laborers		187,379	
Social Security		35,103	
Unemployment Compensation		4,035	
Rentals		445	
Asphalt - Cold Mix		22,356	
Asphalt - Hot Mix		37,856	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

Asphalt - Liquid	\$	766,697	
Crushed Stone		192,663	
Other Road Materials		24,000	
Pipe		23,339	
Road Signs		6,778	
Wood Products		216	
Other Supplies and Materials		5,000	
Total Highway and Bridge Maintenance			\$ 1,596,952

Operation and Maintenance of Equipment

Mechanic(s)	\$	62,192	
Social Security		4,430	
Unemployment Compensation		420	
Maintenance and Repair Services - Buildings		577	
Maintenance and Repair Services - Office Equipment		940	
Custodial Supplies		157	
Diesel Fuel		54,291	
Equipment and Machinery Parts		46,621	
Garage Supplies		3,382	
Gasoline		8,264	
Lubricants		2,429	
Tires and Tubes		12,564	
Total Operation and Maintenance of Equipment			196,267

Other Charges

Communication	\$	4,292	
Other Contracted Services		14,452	
Electricity		4,236	
Natural Gas		1,380	
Water and Sewer		766	
Liability Insurance		46,341	
Trustee's Commission		18,785	
Workers' Compensation Insurance		21,543	
Highway Equipment		5,278	
Total Other Charges			117,073

Employee Benefits

Employee and Dependent Insurance	\$	113,731	
Total Employee Benefits			113,731

Capital Outlay

Highway Construction	\$	313,916	
Total Capital Outlay			313,916

Total Highway/Public Works Fund \$ 2,493,239

(Continued)

Exhibit J-7

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

<u>General Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>General Government</u>			
Principal on Bonds	\$ 182,871		
Total General Government		\$ 182,871	
<u>Interest on Debt</u>			
<u>General Government</u>			
Interest on Bonds	\$ 267,129		
Total General Government		267,129	
<u>Other Debt Service</u>			
<u>General Government</u>			
Bank Charges	\$ 622		
Trustee's Commission	7,913		
Total General Government		8,535	
Total General Debt Service Fund		\$ 458,535	
<u>Other Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Contributions to Other Agencies</u>			
Contributions	\$ 20,000		
Total Contributions to Other Agencies		\$ 20,000	
Total Other Capital Projects Fund		20,000	
Total Governmental Funds - Primary Government		\$ 9,175,392	

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, 2020

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	5,212,304	
Career Ladder Program		13,000	
Career Ladder Extended Contracts		18,340	
Clerical Personnel		41,720	
Educational Assistants		123,603	
Other Salaries and Wages		38,983	
Certified Substitute Teachers		12,349	
Non-certified Substitute Teachers		35,220	
Social Security		313,037	
Pensions		516,032	
Life Insurance		8,226	
Medical Insurance		759,444	
Unemployment Compensation		2,629	
Employer Medicare		73,724	
Tuition		12,478	
Other Contracted Services		17,331	
Instructional Supplies and Materials		105,734	
Textbooks - Bound		165,338	
Other Supplies and Materials		33,019	
Total Regular Instruction Program			\$ 7,502,511

Alternative Instruction Program

Teachers	\$	62,810	
Social Security		3,668	
Pensions		6,677	
Medical Insurance		8,714	
Employer Medicare		858	
Total Alternative Instruction Program			82,727

Special Education Program

Teachers	\$	700,910	
Career Ladder Program		6,000	
Homebound Teachers		180	
Educational Assistants		77,382	
Non-certified Substitute Teachers		3,204	
Social Security		45,234	
Pensions		73,504	
Medical Insurance		108,501	
Employer Medicare		10,579	
Instructional Supplies and Materials		1,250	
Total Special Education Program			1,026,744

Career and Technical Education Program

Teachers	\$	275,480	
Non-certified Substitute Teachers		1,796	
Social Security		15,570	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Pensions	\$	27,486	
Medical Insurance		48,141	
Employer Medicare		3,641	
Tuition		3,732	
Instructional Supplies and Materials		1,749	
Vocational Instruction Equipment		25,017	
Total Career and Technical Education Program			\$ 402,612

Support Services

Attendance

Supervisor/Director	\$	25,134	
Social Security		1,434	
Pensions		2,672	
Medical Insurance		3,337	
Employer Medicare		335	
Travel		679	
Other Contracted Services		7,664	
Total Attendance			41,255

Health Services

Supervisor/Director	\$	62,260	
Medical Personnel		125,054	
Other Salaries and Wages		1,954	
Social Security		11,319	
Pensions		12,342	
Medical Insurance		14,886	
Employer Medicare		2,647	
Other Fringe Benefits		920	
Travel		2,969	
Other Contracted Services		1,605	
Drugs and Medical Supplies		2,456	
Other Supplies and Materials		11,125	
Other Charges		1,940	
Total Health Services			251,477

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		253,980	
Social Security		16,450	
Pensions		25,367	
Medical Insurance		17,519	
Employer Medicare		3,850	
Contracts with Government Agencies		47,600	
Evaluation and Testing		12,568	
Travel		1,961	
Other Contracted Services		16,358	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Supplies and Materials	\$	9,853	
Other Charges		32,052	
Total Other Student Support			\$ 438,558

Regular Instruction Program

Supervisor/Director	\$	193,660	
Career Ladder Program		1,000	
Librarians		122,285	
In-service Training		1,048	
Social Security		18,956	
Pensions		33,691	
Medical Insurance		16,037	
Employer Medicare		4,433	
Travel		7,874	
Other Supplies and Materials		1,318	
In Service/Staff Development		4,399	
Total Regular Instruction Program			404,701

Special Education Program

Supervisor/Director	\$	33,522	
Career Ladder Program		4,000	
Assessment Personnel		53,174	
Social Security		5,377	
Pensions		9,641	
Medical Insurance		4,451	
Employer Medicare		1,257	
Total Special Education Program			111,422

Career and Technical Education Program

Travel	\$	182	
Other Charges		40,829	
Total Career and Technical Education Program			41,011

Technology

Internet Connectivity	\$	20,988	
Other Contracted Services		103,880	
Other Supplies and Materials		37,624	
Other Equipment		141,541	
Total Technology			304,033

Other Programs

On-behalf Payments to OPEB	\$	45,634	
Total Other Programs			45,634

Board of Education

Other Salaries and Wages	\$	1,365	
--------------------------	----	-------	--

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Board and Committee Members Fees	\$	11,140	
Social Security		774	
Employer Medicare		182	
Audit Services		10,750	
Dues and Memberships		5,047	
Legal Services		1,738	
Travel		11,477	
Other Contracted Services		7,216	
Liability Insurance		32,000	
Trustee's Commission		54,326	
Workers' Compensation Insurance		91,000	
Criminal Investigation of Applicants - TBI		1,687	
Refund to Applicant for Criminal Investigation		354	
Other Charges		26,334	
Total Board of Education			\$ 255,390

Director of Schools

County Official/Administrative Officer	\$	108,300	
Career Ladder Program		1,000	
Secretary(ies)		40,002	
Social Security		8,707	
Pensions		11,619	
Medical Insurance		20,998	
Employer Medicare		2,036	
Communication		2,416	
Postal Charges		708	
Travel		1,188	
Office Supplies		3,283	
Total Director of Schools			200,257

Office of the Principal

Principals	\$	311,720	
Career Ladder Program		1,000	
Secretary(ies)		110,885	
Social Security		24,810	
Pensions		33,242	
Medical Insurance		51,782	
Employer Medicare		5,802	
Travel		1,895	
Total Office of the Principal			541,136

Fiscal Services

Accountants/Bookkeepers	\$	49,595	
Secretary(ies)		10,240	
Social Security		3,558	
Medical Insurance		5,846	
Employer Medicare		832	
Total Fiscal Services			70,071

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Supervisor/Director	\$	42,435	
Custodial Personnel		284,489	
Other Salaries and Wages		12,514	
Social Security		19,373	
Medical Insurance		54,463	
Employer Medicare		4,519	
Disposal Fees		10,698	
Other Contracted Services		3,600	
Electricity		335,539	
Natural Gas		12,682	
Water and Sewer		20,686	
Other Supplies and Materials		73,680	
Building and Contents Insurance		24,000	
Total Operation of Plant			\$ 898,678

Maintenance of Plant

Maintenance Personnel	\$	66,190	
Other Salaries and Wages		856	
Social Security		3,734	
Medical Insurance		16,049	
Employer Medicare		873	
Communication		1,232	
Maintenance and Repair Services - Buildings		42,621	
Other Contracted Services		53,669	
Other Supplies and Materials		90	
Other Charges		2,715	
Administration Equipment		21,900	
Total Maintenance of Plant			209,929

Transportation

Supervisor/Director	\$	41,315	
Mechanic(s)		30,295	
Bus Drivers		302,380	
Other Salaries and Wages		42,695	
Social Security		25,311	
Medical Insurance		15,233	
Employer Medicare		5,931	
Maintenance and Repair Services - Vehicles		78,874	
Medical and Dental Services		2,052	
Gasoline		63,817	
Tires and Tubes		16,651	
Vehicle and Equipment Insurance		22,000	
In Service/Staff Development		1,115	
Other Charges		86	
Transportation Equipment		90,971	
Total Transportation			738,726

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other

Supervisor/Director	\$	57,280	
Other Salaries and Wages		1,056	
Social Security		3,512	
Pensions		6,089	
Medical Insurance		5,846	
Employer Medicare		821	
Travel		9,821	
Other Contracted Services		2,237	
Other Supplies and Materials		36,427	
In Service/Staff Development		2,793	
Other Equipment		3,952	
Total Central and Other			\$ 129,834

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	198,180	
Educational Assistants		95,503	
Other Salaries and Wages		4,550	
Non-certified Substitute Teachers		1,026	
Social Security		16,266	
Pensions		19,515	
Medical Insurance		62,683	
Employer Medicare		3,804	
Other Fringe Benefits		130	
Maintenance and Repair Services - Equipment		2,000	
Instructional Supplies and Materials		6,619	
In Service/Staff Development		230	
Other Charges		6,015	
Total Early Childhood Education			416,521

COVID-19 Expenditures

Other Supplies and Materials	\$	35,523	
Total COVID-19 Expenditures			35,523

Capital Outlay

Regular Capital Outlay

Architects	\$	3,446	
Building Improvements		114,588	
Other Capital Outlay		120,133	
Total Regular Capital Outlay			238,167

Total General Purpose School Fund \$ 14,386,917

(Continued)

Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	322,910	
Educational Assistants		91,670	
Non-certified Substitute Teachers		570	
Social Security		23,533	
Pensions		34,325	
Medical Insurance		53,755	
Employer Medicare		5,504	
Other Contracted Services		6,500	
Instructional Supplies and Materials		10,349	
Other Supplies and Materials		5,000	
Regular Instruction Equipment		62,667	
Total Regular Instruction Program			\$ 616,783

Special Education Program

Homebound Teachers	\$	468	
Educational Assistants		213,443	
Social Security		11,326	
Pensions		50	
Medical Insurance		59,820	
Employer Medicare		2,649	
Other Contracted Services		33,166	
Instructional Supplies and Materials		3,778	
Other Supplies and Materials		1,239	
Special Education Equipment		2,943	
Total Special Education Program			328,882

Career and Technical Education Program

Instructional Supplies and Materials	\$	6,135	
Vocational Instruction Equipment		59,096	
Total Career and Technical Education Program			65,231

Support Services

Other Student Support

Bus Drivers	\$	240	
Social Security		15	
Employer Medicare		3	
Travel		1,022	
Other Contracted Services		12,400	
Other Supplies and Materials		5,649	
In Service/Staff Development		11,306	
Other Charges		10,378	
Total Other Student Support			41,013

Regular Instruction Program

Supervisor/Director	\$	43,540	
Secretary(ies)		16,667	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Social Security	\$	3,608	
Pensions		4,628	
Medical Insurance		4,327	
Employer Medicare		844	
Other Supplies and Materials		423	
In Service/Staff Development		1,564	
Total Regular Instruction Program			\$ 75,601

Special Education Program

Supervisor/Director	\$	25,138	
Secretary(ies)		18,667	
Social Security		2,521	
Pensions		2,672	
Medical Insurance		6,923	
Employer Medicare		590	
Maintenance and Repair Services - Equipment		275	
Travel		2,700	
Other Contracted Services		57,326	
Other Supplies and Materials		1,918	
In Service/Staff Development		4,502	
Total Special Education Program			123,232

Career and Technical Education Program

In Service/Staff Development	\$	1,349	
Total Career and Technical Education Program			1,349

Technology

Instructional Computer Personnel	\$	6,000	
Social Security		372	
Pensions		638	
Employer Medicare		87	
Total Technology			7,097

Transportation

Bus Drivers	\$	16,255	
Social Security		1,008	
Employer Medicare		236	
Total Transportation			17,499

Total School Federal Projects Fund \$ 1,276,687

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	22,376	
Clerical Personnel		27,935	

(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.)

Cafeteria Personnel	\$	317,061	
Other Salaries and Wages		9,410	
Social Security		22,486	
Life Insurance		774	
Medical Insurance		31,016	
Unemployment Compensation		978	
Employer Medicare		5,259	
Other Fringe Benefits		8,000	
Maintenance and Repair Services - Equipment		6,043	
Travel		1,040	
Other Contracted Services		10,382	
Food Supplies		375,092	
Utilities		41,716	
USDA - Commodities		33,345	
Other Supplies and Materials		50,037	
Other Charges		3,431	
Food Service Equipment		52,155	
Total Food Service			\$ 1,018,536
Total Central Cafeteria Fund			\$ 1,018,536
Total Governmental Funds - Meigs County School Department			\$ 16,682,140

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, 2020

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 256,270
Total Cash Receipts	<u>\$ 256,270</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 253,707
Trustee's Commission	<u>2,563</u>
Total Cash Disbursements	<u>\$ 256,270</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2019	<u>0</u>
Cash Balance, June 30, 2020	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Meigs County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Meigs County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Meigs County's internal control. Accordingly, we do not express an opinion on the effectiveness of Meigs County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant

deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiency: 2020-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meigs County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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: 2020-001 and 2020-002.

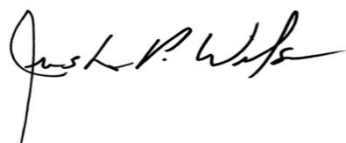
Meigs County's Responses to the Findings

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 18, 2020

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Meigs County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Meigs County's major federal programs for the year ended June 30, 2020. Meigs County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Meigs County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance.) Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Meigs County's compliance with those

requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Meigs County's compliance.

Opinion on Each Major Federal Program

In our opinion, Meigs County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Meigs County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Meigs County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Meigs County's internal control over compliance.

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

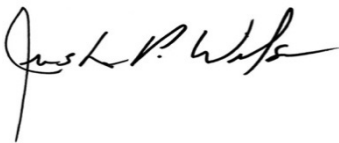
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meigs County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Meigs County's basic financial statements. We issued our report thereon dated December 18, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 18, 2020

JPW/yu

Meigs County, Tennessee, and the Meigs County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (8)
For the Year Ended June 30, 2020

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Environmental Quality Incentive Program	10.912	N/A	\$ 7,076
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	(4)	221,673 (6)
COVID 19 - School Breakfast Program	10.553	(4)	97,662 (6)
National School Lunch Program	10.555	(4)	443,542 (6)
COVID 19 - National School Lunch Program	10.555	(4)	158,695 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	33,345 (6)
Total U.S. Department of Agriculture			<u>\$ 961,993</u>
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 in Hawaii	14.228	(4)	\$ 449,825
Total U.S. Department of Housing and Urban Development			<u>\$ 449,825</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	(4)	\$ 661
Total U.S. Department of Labor			<u>\$ 661</u>
U.S. Department of Transportation:			
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	Z20THS162	\$ 18,711
Total U.S. Department of Transportation			<u>\$ 18,711</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(4)	\$ 604,540
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	(4)	455,845
Special Education - Preschool Grants	84.173	(4)	13,765
Career and Technical Education - Basic Grants to States	84.048	(4)	75,879
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(4)	134,205
Rural Education	84.358	(4)	26,695
Student Support and Academic Enrichment Program	84.424	(4)	37,296
Education Stabilization Fund	84.425	(4)	62,667
Total U.S. Department of Education			<u>\$ 1,410,892</u>
U.S. Department of Health and Human Services:			
Passed-through State Commission on Aging and Disability:			
Aging Cluster: (5)			
Special Program for Aging, Title III, Part C, Nutrition Services	93.045	(4)	\$ 10,284
Total U.S. Department of Health and Human Services			<u>\$ 10,284</u>
U.S. Department of Homeland Security:			
Direct Programs:			
Assistance to Firefighters Grant	97.044	N/A	\$ 49,886
Homeland Security Grant Program	97.067	N/A	5,668
Total U.S. Department of Homeland Security			<u>\$ 55,554</u>
Total Expenditures of Federal Awards			<u>\$ 2,907,920</u>

(Continued)

Meigs County, Tennessee, and the Meigs County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (8) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Local Health Services - State Department of Health	N/A	GG-20-63762-00	\$ 110,606
COVID 19 - PPE - State Department of Military	N/A	(4)	12,287
Healthy Built Services - State Department of Health	N/A	Z19-194795	20,000
Litter Program - State Department of Transportation	N/A	Z20LIT061	33,709
Juvenile Service Program - State Commission on Children and Youth	N/A	(4)	9,000
Senior Center - Southeast Tennessee Development District	N/A	(4)	7,097
Tennessee Agriculture Enhancement Program - State Department of Agriculture	N/A	(4)	7,075
Volunteer Firefighter Equipment and Training Grant - State Department of Commerce and Insurance	N/A	(4)	2,494
Early Childhood Education - Pilot/State - State Department of Education	N/A	(4)	411,011
Driver's Education - State Department of Education	N/A	(4)	11,499
Read to Be Ready Coaching Network - State Department of Education	N/A	(4)	10,000
Coordinated School Health - State Department of Education	N/A	(4)	89,992
Safe Schools Act - State Department of Education	N/A	(4)	44,610
Supporting Postsecondary Access in Rural Counties (SPARC) - Tennessee Higher Education Commission	N/A	(4)	36,000
Total State Grants			<u>\$ 805,380</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Meigs County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) No amounts (\$0) were passed-through to subrecipients.
(4) Information not available.
(5) Child Nutrition Cluster total \$954,917; Special Education Cluster total \$469,610; Aging Cluster total \$10,284.
(6) Total for CFDA No. 10.553 is \$319,335; Total for CFDA No. 10.555 is \$635,582.
(7) For the Year ended June 30, 2020, Meigs County received donated PPE valued at \$49,147 (\$36,860 federal and \$12,287 state) from the Tennessee Department of Military. These donations were unaudited.

(8) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	Federal CFDA Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$69,000
Rural Education	84.358	5,230
Supporting Effective Instruction State Grant	84.367	770
Total amounts consolidated for administration purposes		<u>\$75,000</u>

Meigs County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2020

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Meigs County, Tennessee, for the year ended June 30, 2020.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
-------------	-------------	----------------	------------------	-------------	----------------

OFFICE OF DIRECTOR OF FINANCE

2019	167	2019-001	The General and Highway/Public Works funds required material audit adjustments for proper financial statement presentation	N/A	Corrected
------	-----	----------	--	-----	-----------

OFFICE OF DIRECTOR OF SCHOOLS

2019	168	2019-002	Competitive bids were not solicited for the purchase of a HVAC unit and ThinkPad tablets	N/A	Corrected
2019	168	2019-003	The office had deficiencies in purchasing procedures	N/A	Corrected

OFFICE OF SHERIFF

2019	170	2019-004	Some funds were not deposited within three days of collection	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	170	2019-005	The office had accounting deficiencies	N/A	Part A. - Not Corrected - See Explanation on Corrective Action Plan; Part B. - Corrected

Prior-year Federal Awards Findings

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

MEIGS COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers 10.553 and 10.555 Child Nutrition Cluster:
School Breakfast Program and
National School Lunch Program
 - * CFDA Number 14.228 Community Development Block Grants -
State's Program and Non-Entitlement
Grants in Hawaii
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF CLERK AND MASTER

FINDING 2020-001

SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected receipts issued for the months of August 2019, November 2019, and January 2020 to trace to deposits. During this period, collections in six of 20 deposits were held more than three days before being deposited. This deficiency was the result of a lack of management oversight. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – CLERK AND MASTER

I concur with this finding.

Due to illness and family health issues, the employee who usually makes deposits was not able to make the deposits on the regular schedule on several occasions. It has been her duty to get the deposit ready as we try to stay with the segregation of duties requirements. With a small staff we have to be careful or we will break the segregation of duties rules when a staff member is out sick. I blame this irregular deposit schedule on the COVID virus hitting this area early. My staff and I both suffered from illness last year early on with COVID like symptoms.

I corrected this as soon as I was made aware of the issue. From that time forward if she is not at work on the day the deposit needs to be made, I make the deposit.

OFFICE OF SHERIFF

FINDING 2020-002

SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected commissary receipts issued for the months of November 2019 and December 2019 to trace to deposits. During this period, collections in six of 17 deposits were held more than three days before being deposited. This deficiency was the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – SHERIFF

We concur with this finding. See corrective action plan.

FINDING 2020-003

THE ANNUAL FINANCIAL REPORT DID NOT PROPERLY REFLECT THE OPERATIONS OF THE OFFICE

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

The annual financial report did not properly reflect the operations of the office. Receipts and disbursements for operations were understated on the annual financial report by \$86,959 and \$89,823, respectively. Additionally, ending balances in the annual financial report were not correct and did not agree with the cash journal or reconciled bank statements. These amounts were determined by substantive testing and alternative auditing procedures and have been properly included in the financial statements in this report. This deficiency is the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

RECOMMENDATION

The annual financial report should accurately reflect all operations of the sheriff's department.

MANAGEMENT'S RESPONSE – SHERIFF

We concur with this finding. See corrective action plan.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2020.

Meigs County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2020

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
-------------------	------------------	---------------------------------------

OFFICE OF CLERK AND MASTER

2020-001	Some funds were not deposited within three days of collection.	175
----------	--	-----

OFFICE OF SHERIFF

2020-002	Some funds were not deposited within three days of collection.	176
----------	--	-----

2020-003	The annual financial report did not properly reflect the operations of the office.	176
----------	--	-----



Meigs County Sheriffs Department
P.O. Box 39
Decatur, TN 37322

Corrective Action Plan

FINDING: SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION

Response and Corrective Action Plan Prepared by: Chief Deputy Brian Malone

Person Responsible for Implementing the Corrective Action: Jail Administrator
Russell Grissom

Anticipated Completion Date of Corrective Action: Immediate

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year: We have had issues with commissary and are under the impression that deposits are made every Monday, Wednesday and Friday satisfying the 3 day window.

Planned Corrective Action: Additional attention to make sure deposits are made within three days.

FINDING: THE ANNUAL FINANCIAL REPORT DID NOT PROPERLY REFLECT THE OPERATIONS OF THE OFFICE

Response and Corrective Action Plan Prepared by: Chief Deputy Brian Malone

Person Responsible for Implementing the Corrective Action: C.O. Pat Everett

Anticipated Completion Date of Corrective Action: Immediate



Meigs County Sheriffs Department

P.O. Box 39
Decatur, TN 37322

Reason Corrective Action was Not Taken in the Prior Year: Clerical error

Planned Corrective Action: Continue to try and keep the annual financial report up to date.

Signature: _____



Signature: _____

BEST PRACTICE

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

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

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

Meigs County does not have a central system of accounting, budgeting, and purchasing for all departments. Meigs County operates under the provisions of the Meigs County Financial Management Act of 2007, Chapter 28, Private Acts of 2007. This act provides for a central system of accounting and budgeting covering all funds administered by the county mayor and highway superintendent but excludes the school department. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission, resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Meigs County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.