

**ANNUAL FINANCIAL REPORT
OF
GIBSON COUNTY, TENNESSEE**

SINGLE AUDIT REPORT



FOR THE YEAR ENDED JUNE 30, 2005

**Comptroller of the Treasury
Department of Audit
Division of County Audit
Nashville, Tennessee**

ANNUAL FINANCIAL REPORT
GIBSON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2005

DEPARTMENT OF AUDIT
JOHN G. MORGAN
Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
RICHARD V. NORMENT
Assistant to the Comptroller

ARTHUR L. ALEXANDER
Director

NORMAN R. NORMENT, CGFM
Audit Manager

NOLAN R. BRADFORD, CPA, CGFM
Auditor 4

SHAREE BREWER, CPA, CGFM, CFE
ELISHA CROWELL
State Auditors

GIBSON COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit/Table	Page
Audit Highlights		i
 <u>INTRODUCTORY SECTION</u>		
Gibson County Officials		1
 <u>FINANCIAL SECTION</u>		
Independent Auditor's Report		5
BASIC FINANCIAL STATEMENTS:		
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	A	11
Statement of Revenues, Expenditures, and Changes in Fund Balances	B	12
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	C	13
Notes to the Financial Statements		15
REQUIRED SUPPLEMENTARY INFORMATION:		
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	D-1	33
Highway/Public Works Fund	D-2	37
Notes to the Required Supplementary Information		39
 COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		
Nonmajor Governmental Funds:		
Combining Balance Sheet	E-1	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-2	46
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Public Library Fund	E-3	47
Solid Waste/Sanitation Fund	E-4	48
Drug Control Fund	E-5	49
District Attorney General Fund	E-6	50
General Debt Service Fund	E-7	51

	Exhibit/Table	Page
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities	F-1	55
Combining Statement of Changes in Assets and Liabilities	F-2	56
Miscellaneous Schedules:		
Schedule of Changes in Long-term Notes, Other Loans, and Bonds	G-1	61
Schedule of Bond and Interest Requirements by Year	G-2	62
Schedule of Transfers – All Funds	G-3	63
Schedule of Salaries and Official Bonds of Principal Officials	G-4	64
Schedule of Detailed Revenues – All Governmental Fund Types	G-5	65
Schedule of Detailed Expenditures – All Governmental Fund Types	G-6	77
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	G-7	98

STATISTICAL SECTION

Uncollected Taxes Filed in Chancery Courts	1	101
Tax Rates and Assessments – Last Ten Years	2	102

Audit Highlights

Annual Financial Report
Gibson County, Tennessee
For the Year Ended June 30, 2005

Scope

We have audited the financial statements of each major fund and the aggregate remaining fund information of Gibson County as of and for the year ended June 30, 2005.

Results

Our report on Gibson County's financial statements expresses an adverse opinion because government-wide financial statements are not presented in accordance with Governmental Accounting Standards Board Statement No. 34.

Our audit resulted in nine findings and recommendations, which we have reviewed with Gibson County management. Detailed findings and recommendations are included in the Single Audit Report.

Findings

The following are summaries of the audit findings:

GIBSON COUNTY

- ◆ Government-wide financial statements were not presented in accordance with generally accepted accounting principles, resulting in an adverse opinion.

OFFICE OF COUNTY MAYOR

- ◆ The office did not issue purchase orders.
- ◆ Invoice dates were falsified to circumvent bid requirements on the purchase of a storage building.
- ◆ Amounts withheld from contractor payments were not deposited into an escrow account.

OFFICE OF ROAD SUPERVISOR

- ◆ The office did not maintain a system to account for road materials used on certain types of road projects.
-

OFFICE OF JUVENILE COURT CLERK

- ◆ Bank statements were not reconciled with general ledger accounts for several months.
-

OFFICE OF SHERIFF

- ◆ Several forms and reports required by the Comptroller's Office to account for drug control funds were not completed.
-

OTHER FINDINGS

- ◆ Duties were not segregated adequately among officials and employees in the Offices of Juvenile Court Clerk, Register, and Sheriff.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.

INTRODUCTORY SECTION

Gibson County Officials
June 30, 2005

Officials:

Ronnie A. Riley, County Mayor
Carl E. Stoppenhagen, Road Supervisor
Shirley M. Hickman, Trustee
Linda Tilley, Assessor of Property
Diane Taylor, County Clerk
Janice Jones, Circuit and General Sessions Courts Clerk
Lee Hayes, Juvenile Court Clerk
Lois Lockhart, Clerk and Master - Trenton
Wanda Brown, Clerk and Master - Humboldt
Hilda T. Patterson, Register
Joe M. Shepard, Sheriff

Board of County Commissioners:

Ronnie A. Riley, Chairman
John T. Price, Chairman Pro-Tem
Calvin A. Campbell
Terry Carroll
Alecia Craig
Mark Flake
Billy J. Foster
Curtis Halford
Bill Haney
Larry Kimery
James E. Longmire
Tim K. Luckey
James M. Manley

David H. Martin
Dennis S. McCartney
J. R. McKnight
Wayne Morris
Sandra K. Moss
Robert M. Shelton
Leon K. Smith
Kenneth Smithson
C. Keith Steele
Valess Stults
M. Suzanne Tracy
Charles A. Tyner
Coy Yergin

Highway Commission:

Ronnie A. Riley, Chairman
Donald Asbridge
Gerald Davis
Howard Hudson
George Pounds
Bruce Williams

Library Board:

Nancy Hall, Chairman
Shirley Lawler, Vice-Chairman
Robbie Ambrose
Nina Cash
Cathy Huckaba
Lisa J. Norris
Sara Skinner

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841**

INDEPENDENT AUDITOR'S REPORT

August 16, 2005

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

To the County Mayor and County Commissioners:

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2005, as shown on pages 11 through 30, which collectively comprise a portion of the county's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of Gibson County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and discretely presented component units. Accounting principles generally accepted in the

United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the county's governmental activities and discretely presented component units are not reasonably determinable.

As described in Note I, Gibson County, Tennessee, has prepared its financial statements on a prescribed basis of accounting that demonstrates compliance with financial reporting standards adopted by the Comptroller of the Treasury of the State of Tennessee. These standards require county governments that do not present government-wide financial statements to present fund financial statements in conformity with all the accounting principles generally accepted in the United States of America that are applicable to fund financial statements, including the notes to the financial statements. These standards also require some additional disclosures to be included in the notes to the financial statements, as described in Note I.

In our opinion, because of the effects of the matters discussed in the two preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Gibson County, Tennessee, as of June 30, 2005, or the changes in its financial position for the year then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of Gibson County, Tennessee, as of June 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with the basis of accounting prescribed by the Comptroller of the Treasury of the State of Tennessee.

In accordance with Government Auditing Standards, we have also issued our report dated August 16, 2005, on our consideration of Gibson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note IV.B., Gibson County has implemented Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures which modifies the county's disclosures for custodial credit risk and adds disclosures about other types of risk.

The budgetary comparison information on pages 33 through 39 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the

methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gibson County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, miscellaneous schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan" with a long horizontal flourish extending to the right.

John G. Morgan
Comptroller of the Treasury

JGM/rd

BASIC FINANCIAL STATEMENTS

Exhibit A

Gibson County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2005

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Capital Projects	Other Govern- mental Funds	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 238,185	\$ 238,185
Equity in Pooled Cash and Investments	1,942,741	1,556,183	5,735,537	1,096,284	10,330,745
Accounts Receivable	64,312	2,450	0	3,101	69,863
Due from Other Governments	348,672	388,354	0	7,050	744,076
Due from Other Funds	28,955	0	0	600	29,555
Property Taxes Receivable	3,802,383	760,477	0	570,357	5,133,217
Allowance for Uncollectible Property Taxes	(145,976)	(29,196)	0	(21,896)	(197,068)
Total Assets	\$ 6,041,087	\$ 2,678,268	\$ 5,735,537	\$ 1,893,681	\$ 16,348,573
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 91,995	\$ 0	\$ 0	\$ 600	\$ 92,595
Payroll Deductions Payable	1,317	0	0	0	1,317
Contracts Payable	0	0	351,891	0	351,891
Retainage Payable	11,658	0	198,116	0	209,774
Due to Other Funds	600	0	0	652	1,252
Deferred Revenue - Current Property Taxes	3,449,281	689,856	0	517,392	4,656,529
Deferred Revenue - Delinquent Property Taxes	207,126	41,425	0	31,069	279,620
Other Deferred Revenues	480,715	194,177	0	19,000	693,892
Total Liabilities	\$ 4,242,692	\$ 925,458	\$ 550,007	\$ 568,713	\$ 6,286,870
Fund Balances					
Reserved for Encumbrances	\$ 174,706	\$ 0	\$ 7,698,792	\$ 0	\$ 7,873,498
Reserved for Purchase of Electronic Fingerprint Imaging System	0	0	0	2,673	2,673
Reserved for Sexual Offender Registration	180	0	0	0	180
Reserved for Computer System - Register	46,696	0	0	0	46,696
Reserved for Automation Purposes - Sheriff	12,968	0	0	0	12,968
Reserved for Capital Outlay	51,426	1,079,046	0	0	1,130,472
Reserved for Other General Purposes	18,975	0	0	0	18,975
Unreserved, Reported In:					
General Fund	1,493,444	0	0	0	1,493,444
Special Revenue Funds	0	673,764	0	322,987	996,751
Debt Service Funds	0	0	0	999,308	999,308
Capital Projects Funds (Deficit)	0	0	(2,513,262)	0	(2,513,262)
Total Fund Balances	\$ 1,798,395	\$ 1,752,810	\$ 5,185,530	\$ 1,324,968	\$ 10,061,703
Total Liabilities and Fund Balances	\$ 6,041,087	\$ 2,678,268	\$ 5,735,537	\$ 1,893,681	\$ 16,348,573

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

Exhibit B

Gibson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2005

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Capital Projects	Other Govern- mental Funds	
Revenues					
Local Taxes	\$ 4,258,745	\$ 1,662,716	\$ 0	\$ 786,822	\$ 6,708,283
Licenses and Permits	96,773	0	0	0	96,773
Fines, Forfeitures and Penalties	223,211	0	0	36,372	259,583
Charges for Current Services	1,997,998	5,221	0	614,803	2,618,022
Other Local Revenues	121,512	51,054	0	163,845	336,411
Fees Received from County Officials	959,617	0	0	0	959,617
State of Tennessee	1,078,619	2,582,391	0	459,031	4,120,041
Federal Government	352,207	0	0	10,000	362,207
Other Governments and Citizens Groups	41,929	0	0	50,281	92,210
Total Revenues	\$ 9,130,611	\$ 4,301,382	\$ 0	\$ 2,121,154	\$ 15,553,147
Expenditures					
Current:					
General Government	\$ 928,943	\$ 0	\$ 0	\$ 154,959	\$ 1,083,902
Finance	360,659	0	0	428,898	789,557
Administration of Justice	1,117,704	0	0	24,639	1,142,343
Public Safety	3,014,087	0	0	17,709	3,031,796
Public Health and Welfare	1,978,951	0	0	77,033	2,055,984
Social, Cultural, and Recreational Services	213,897	0	0	109,171	323,068
Agricultural and Natural Resources	178,737	0	0	0	178,737
Other Operations	3,467,308	0	0	0	3,467,308
Highways	0	4,378,233	0	0	4,378,233
Debt Service:					
Principal	0	0	1,000,000	823,000	1,823,000
Interest	0	0	5,232	382,209	387,441
Other Debt Service	0	0	281,720	15,951	297,671
Capital Projects	122,263	0	2,487,684	0	2,609,947
Total Expenditures	\$ 11,382,549	\$ 4,378,233	\$ 3,774,636	\$ 2,033,569	\$ 21,568,987
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,251,938)	\$ (76,851)	\$ (3,774,636)	\$ 87,585	\$ (6,015,840)
Other Financing Sources (Uses)					
Bonds Issued	\$ 0	\$ 0	\$ 10,000,000	\$ 0	\$ 10,000,000
Notes Issued	2,000,000	0	0	0	2,000,000
Premiums on Debt Issued	649	0	12,857	0	13,506
Other Loans Issued	0	0	69,078	0	69,078
Transfers In	644,996	1,082,500	0	62,274	1,789,770
Transfers Out	(62,274)	0	(1,727,496)	0	(1,789,770)
Total Other Financing Sources (Uses)	\$ 2,583,371	\$ 1,082,500	\$ 8,354,439	\$ 62,274	\$ 12,082,584
Net Change in Fund Balances	\$ 331,433	\$ 1,005,649	\$ 4,579,803	\$ 149,859	\$ 6,066,744
Fund Balance, July 1, 2004	1,466,962	747,161	605,727	1,175,109	3,994,959
Fund Balance, June 30, 2005	\$ 1,798,395	\$ 1,752,810	\$ 5,185,530	\$ 1,324,968	\$ 10,061,703

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

Exhibit C

Gibson County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2005

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,948,051
Equity in Pooled Cash and Investments	24,985
Accounts Receivable	26,800
Due From Other Governments	1,079,661
Property Taxes Receivable	8,362,996
Allowance for Uncollectible Property Taxes	<u>(319,854)</u>
Total Assets	<u>\$ 11,122,639</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 9,174,588
Due to Litigants, Heirs, and Others	<u>1,948,051</u>
Total Liabilities	<u><u>\$ 11,122,639</u></u>

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

GIBSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gibson County's financial statements are not 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.

Gibson County has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities, business-type activities, and discretely presented component units. The two government-wide financial statements, the statement of net assets and the statement of activities, should be included in the basic financial statements to conform with the provisions of GASB Statement 34 and accounting principles generally accepted in the United States of America. Gibson County has elected instead only to implement the provisions of the statement and other accounting principles generally accepted in the United States of America that relate to the fund financial statements. This departure from GAAP results in an incomplete presentation and has caused Gibson County's auditor to issue an adverse opinion on the county's financial statements.

Although Gibson County's financial statements are not presented in conformity with GAAP, the financial statements have been presented in conformity with financial reporting standards adopted by the Comptroller of the Treasury of the State of Tennessee. The Comptroller of the Treasury has adopted financial reporting standards for local governments in Tennessee that do not implement the provisions of GASB Statement 34. These standards require fund financial statements to be presented in conformity with all the provisions of GASB Statement 34 that are applicable to fund financial statements, including the notes to the financial statements. These standards also require the fund financial statements to be presented in conformity with all other accounting principles generally accepted in the United States of America that are applicable to fund financial statements, including the notes to the financial statements.

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

A. Reporting Entity

Gibson County is a public municipal corporation governed by an elected 25-member board. As required by GAAP, these financial statements present Gibson County (the primary government).

Blended Component Units – There are no legally separate component units of Gibson County that meet the criteria for being reported as part of the primary government by the blending method.

Excluded Component Units – The following entity meets the criteria for discretely presented component units of the county. Since Gibson County is presenting fund financial statements only, the financial information of entities that meet the criteria for discretely presented component units is not included in the fund financial statements, as required by generally accepted accounting principles. This entity would have been presented as a separate column in those statements to emphasize that it is legally separate from the county.

The Gibson County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Gibson County, and the Gibson 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 Gibson County Emergency Communications District issues separate financial statements from those of the county and is published as a separate report. Complete financial statements of the Gibson County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Gibson County Emergency Communications District
P. O. Box 146
Dyer, TN 38330

Related Organization – The Industrial Development Board of Gibson County is a related organization of Gibson County. The mayors of Bradford, Dyer, Gibson, Gibson County, Humboldt, Kenton, Medina, Milan, Rutherford, Trenton, and Yorkville designate one person to serve on the 11 member board. The Gibson County Commission confirms the board members, but the county's accountability for the organization does not extend beyond making the appointments.

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

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

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

Gibson 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 fund accounts for transactions of the county’s Highway Department. The major sources of funding for the department are the county’s share of state gasoline taxes that are restricted to the construction and maintenance of county roads and highways.

Capital Projects Fund – This fund, the General Capital Projects Fund, is used to account for the financial resources to be used for the acquisition and construction of major capital facilities.

Additionally, Gibson County reports the following fund types:

Special Revenue Funds – These funds are used to account for the proceeds of specific sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Gibson County, and special school districts' share of educational revenues. 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.

C. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

The county trustee maintains a cash and internal investment pool that is used by all Gibson County funds. Each fund's portion of this pool is displayed on the balance sheet or statement of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Gibson County has adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of

1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. **Receivables and Payables**

All outstanding balances between funds are reported as due to/from other funds.

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.07 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 deferred revenue as of June 30.

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

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

Retainage payable in the county's General Fund and General Capital Projects Fund represents amounts withheld from payments due contractors to ensure contract performance. At June 30, 2005, these amounts were held by the county trustee as a part of Equity in Pooled Cash and Investments.

3. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition. Gibson County does not maintain capital assets records, as required by generally accepted accounting principles. Capital assets should be reported in the government-wide statement of net assets; however, as previously noted, Gibson County does not present government-wide statements.

4. Compensated Absences

The policy of Gibson County, with the exception of the Highway Department, does not provide for employees to receive compensation for unused accumulated vacation or sick leave days.

The county's Highway Department permits full-time employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from service. A liability for the vacation benefits is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. Long-term Obligations

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds, other loans, and notes 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, are recognized to the extent that the liabilities have matured (come due for payment) each period.

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.

6. Fund Equity

Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The Reserve for Other General Purposes in the General Fund represents \$15,915 reserved for Industrial Development, \$60 for a state appropriation to Bruff Cemetery at Skullbone, and \$3,000 for industrial website development.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Fund Deficit

The General Capital Projects Fund had a fund deficit of \$2,513,262 at June 30, 2005. This fund deficit resulted from the unperformed portions of jail construction projects of \$7,698,792 being reserved as encumbrances. Funding for these future expenditures is expected to be received from the issuance of debt.

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Board of Equalization (\$120), County Buildings (\$7,576), and Jail (\$25,154) major appropriation categories (the legal level of control) of the General Fund. Also, expenditures exceeded the total appropriations approved by the County Commission in the District Attorney General Fund (nonmajor special revenue fund). Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Gibson County participates 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, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets as Equity in Pooled Cash and Investments. Cash reflected in the fund financial statements represents nonpooled amounts held separately by individual funds.

Deposits

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

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and the county’s own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer’s Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state director of Local Finance 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 market value of the securities on the day of purchase.

Investment Balances. As of June 30, 2005, Gibson County had the following investments carried at fair value or cost. All investments are in the county trustee’s investment pool.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value Or Cost</u>
State Treasurer's Investment Pool	On Demand	\$ 3,942,373
Total		<u>\$ 3,942,373</u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Gibson County does not have a formal investment policy that limits 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. State statutes limit the ratings of certain investments as previously explained. Gibson County has no investment policy that would further limit its investment choices. As of June 30, 2005, Gibson County’s investment in the State Treasurer’s Investment Pool was unrated.

B. Construction Commitments

At June 30, 2005, the General Fund had uncompleted construction contracts of approximately \$174,706 for the construction of an emergency management agency building and new radio antenna tower. Funding has been received for these future expenditures.

At June 30, 2005, the General Capital Projects Fund had uncompleted construction contracts of approximately \$7,698,792 for the construction of a new jail. Funding has not been received for these future expenditures.

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2005, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 28,303
General	Nonmajor governmental	652
Nonmajor governmental	General	600

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

The receivable in the General Fund (\$28,303) was in transit from the Solid Waste/Sanitation Fund at June 30, 2005.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2005, consisted of the following amounts:

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 0	\$ 62,274
General Capital Projects Fund	644,996	1,082,500	0
Total	\$ 644,996	\$ 1,082,500	\$ 62,274

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

D. Long-term Debt

Since Gibson County is presenting fund financial statements only, long-term debt is not reported as a liability in the financial statements of the governmental funds. Long-term debt for governmental funds is required to be reported as a liability in government-wide financial statements, but Gibson County is not presenting government-wide financial statements.

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 25 years for bonds, up to nine years for notes, and up to 28 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2005, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2005, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-05
General Obligation Bonds	4 to 5.2 %	\$ 10,725,000	\$ 10,555,000
Capital Outlay Notes	3.95 to 4.8	2,600,000	2,300,000
Capital Outlay Notes - Refunding	3 to 3.25	310,000	100,000
Other Loans	variable	69,078	69,078

On May 5, 2005, Gibson County entered into a loan agreement with the Sevier County Public Building Authority. This loan agreement provided for the authority to make \$4,500,000 available for loan to Gibson County on an as-needed basis for various renovation and construction projects. Gibson County has borrowed \$69,078 of the loan which is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee fees, letter of credit fees, and debt remarketing fees) in connection with this loan. At June 30, 2005, the variable interest rate was 2.26 percent, and other fees amounted to approximately .125 percent (letter of credit), .175 percent (remarketing fee), and .15 percent (trustee fee) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2005, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2006	\$ 119,000	\$ 468,601	\$ 200,000	\$ 102,206
2007	120,000	463,803	140,000	95,400
2008	21,000	458,963	250,000	93,700
2009	22,000	458,081	260,000	83,375
2010	22,000	457,036	275,000	72,195
2011-2015	579,000	2,268,270	1,275,000	154,465
2016-2020	2,912,000	1,922,539	0	0
2021-2025	3,661,000	1,230,912	0	0
2026-2029	3,099,000	331,335	0	0
Total	\$ 10,555,000	\$ 8,059,540	\$ 2,400,000	\$ 601,341

Year Ending June 30	Other Loan (\$69,078)			Total
	Principal	Interest	Other Fees	
2006	\$ 0	\$ 1,561	\$ 311	\$ 1,872
2007	69,078	1,561	311	70,950
Total	\$ 69,078	\$ 3,122	\$ 622	\$ 72,822

There is \$999,308 available in the General Debt Service Fund to service long-term debt. General bonded debt per capita amounted to \$219, based on the 2000 federal census. Total debt per capita, including bonds, notes, and other loans, amounted to \$270, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2005, was as follows:

Governmental Activities:

	Bonds		Notes	
Balance, July 1, 2004	\$	1,178,000	\$	1,600,000
Additions		10,000,000		2,000,000
Deductions		(623,000)		(1,200,000)
Balance, June 30, 2005	\$	10,555,000	\$	2,400,000
Balance Due Within One Year	\$	119,000	\$	200,000

	Other Loans		Compensated Absences	
Balance, July 1, 2004	\$	0	\$	36,391
Additions		69,078		851
Balance, June 30, 2005	\$	69,078	\$	37,242
Balance Due Within One Year	\$	0	\$	1,862

Compensated absences payable will be paid from the Highway/Public Works Fund.

IV. OTHER INFORMATION

A. Risk Management

Employee Health Insurance

It is the policy of Gibson County to purchase commercial insurance for risks associated with employees' health insurance. Settled claims have not

exceeded this commercial coverage during the past 30 months. Prior to January 1, 2003, Gibson County participated 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.

Workers' Compensation Insurance

Gibson County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, Tennessee Code Annotated, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

Liability, Property, and Casualty

The county is exposed to various risks related to general liability and property and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

B. Accounting Change

During the year, Gibson County adopted the provisions of Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures. These provisions modified the county's previous custodial risk disclosures for deposits and investments and related collateral. These provisions also added disclosures about other types of risk, including credit risk, interest rate risk, foreign currency risk, and concentrations of credit risk. Governments are also required to provide brief disclosures about their deposit and investment policies that are related to any of the risks required to be disclosed.

C. Contingent Liabilities

The county attorney stated that no potential claims were pending against the county that would materially affect the county's financial statements.

D. Change in Administration

On August 31, 2004, Charles Lovell left the Office of Property Assessor and was succeeded by Linda Tilley.

E. Jointly Governed Organization

The Gibson County Railroad Authority (GCRA) was created by the county, in conjunction with Madison County and the cities of Trenton, Humboldt, Dyer, Rutherford, and Kenton. The GCRA's board includes the county mayors of Gibson and Madison Counties; the mayors of Trenton, Humboldt, Dyer, Rutherford, and Kenton; and one at-large member from each of these areas. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity.

The West Tennessee Railroad Authority (WTRA) was created by the county, in conjunction with the counties of Chester, Madison, McNairy, Obion, and Weakley. The WTRA's board includes the county mayors of Chester, Gibson, Madison, McNairy, Obion, and Weakley Counties and one at-large member from each of these areas. However, the counties do not have any ongoing financial interest or responsibility for the entity.

F. Retirement Commitments

Plan Description

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

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

Funding Policy

Gibson County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2005, was 3.66 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Gibson County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2005, Gibson County’s annual pension cost of \$215,774 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2003, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Gibson County’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2003, was 12 years.

Trend Information

Fiscal Year Ended	Annual Pension Cost(APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2005	\$ 215,774	100%	\$ 0
June 30, 2004	146,832	100	0
June 30, 2003	138,237	100	0

Required Supplementary Information
Schedule of Funding Progress for Gibson County

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2003	\$ 12,056	\$ 12,056	\$ 0	100%	\$ 5,241	0%
6/30/2001	10,780	10,780	0	100	4,846	0
6/30/1999	9,275	9,275	0	100	4,715	0

G. Purchasing Laws

Office of County Mayor

The County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, Tennessee Code Annotated, governs purchasing for the general county government. This act provides for all purchases exceeding \$5,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Road Supervisor

Chapter 111, Private Acts of 1929, as amended, and Section 54-7-113, Tennessee Code Annotated, (Uniform Road Law), govern purchasing procedures for the Highway Department. These statutes provide that the Highway Commission approve all purchases and that sealed bids be solicited on all purchases exceeding \$10,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit D-1

Gibson County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund
 For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 4,258,745	\$ 0	\$ 4,258,745	\$ 4,288,878	\$ 4,288,878	\$ (30,133)
Licenses and Permits	96,773	0	96,773	76,550	76,550	20,223
Fines, Forfeitures and Penalties	223,211	0	223,211	187,200	187,200	36,011
Charges for Current Services	1,997,998	0	1,997,998	1,796,650	1,796,650	201,348
Other Local Revenues	121,512	0	121,512	133,800	147,671	(26,159)
Fees Received from County Officials	959,617	0	959,617	842,000	842,000	117,617
State of Tennessee	1,078,619	0	1,078,619	951,199	1,172,805	(94,186)
Federal Government	352,207	0	352,207	75,930	554,739	(202,532)
Other Governments and Citizens Groups	41,929	0	41,929	82,283	82,283	(40,354)
Total Revenues	\$ 9,130,611	\$ 0	\$ 9,130,611	\$ 8,434,490	\$ 9,148,776	\$ (18,165)
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 22,905	\$ 0	\$ 22,905	\$ 35,488	\$ 35,488	\$ 12,583
Board of Equalization	1,020	0	1,020	900	900	(120)
County Mayor	113,625	0	113,625	116,401	117,901	4,276
County Attorney	8,821	0	8,821	35,100	35,100	26,279
Election Commission (Including Voter Registration)	153,441	0	153,441	155,375	155,625	2,184
Register of Deeds	52,100	0	52,100	60,811	60,811	8,711
Development	57,478	0	57,478	58,740	59,740	2,262
County Buildings	519,553	94,901	614,454	276,828	606,878	(7,576)
<u>Finance</u>						
Accounting and Budgeting	27,733	0	27,733	27,733	27,733	0
Property Assessor's Office	201,122	0	201,122	209,967	209,044	7,922
Reappraisal Program	39,332	0	39,332	39,780	40,803	1,471
County Trustee's Office	33,527	0	33,527	33,526	33,527	0
County Clerk's Office	58,945	0	58,945	62,261	62,261	3,316

(Continued)

Exhibit D-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Administration of Justice</u>						
Circuit Court	\$ 273,671	\$ 0	\$ 273,671	\$ 274,550	\$ 274,550	\$ 879
General Sessions Court	139,120	0	139,120	139,269	139,269	149
Drug Court	12,960	0	12,960	14,340	14,340	1,380
Chancery Court	176,636	0	176,636	179,179	179,679	3,043
Juvenile Court	252,942	0	252,942	260,325	260,625	7,683
Other Administration of Justice	247,174	0	247,174	253,815	253,815	6,641
Probation Services	15,201	0	15,201	24,565	24,565	9,364
<u>Public Safety</u>						
Sheriff's Department	1,299,383	0	1,299,383	1,329,226	1,309,009	9,626
Jail	1,161,351	0	1,161,351	1,066,741	1,136,197	(25,154)
Juvenile Services	8,448	0	8,448	9,000	9,000	552
Fire Prevention and Control	157,151	0	157,151	179,135	195,992	38,841
Rural Fire Protection	7,800	0	7,800	0	201,100	193,300
Civil Defense	90,281	0	90,281	99,738	111,090	20,809
County Coroner/Medical Examiner	12,945	0	12,945	21,000	21,000	8,055
Public Safety Grant Programs	101,839	0	101,839	0	106,871	5,032
Other Public Safety	174,889	79,805	254,694	0	368,177	113,483
<u>Public Health and Welfare</u>						
Local Health Center	369,784	0	369,784	362,785	408,249	38,465
Rabies and Animal Control	28,368	0	28,368	29,999	29,999	1,631
Ambulance/Emergency Medical Services	1,459,639	0	1,459,639	1,508,783	1,513,683	54,044
Nursing Home	15,000	0	15,000	15,000	15,000	0
Alcohol and Drug Programs	18,956	0	18,956	18,956	18,956	0
Crippled Children Services	3,009	0	3,009	3,009	3,009	0
Other Local Health Services	12,500	0	12,500	7,500	12,500	0
General Welfare Assistance	3,500	0	3,500	4,000	4,000	500

(Continued)

Exhibit D-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Sanitation Education/Information	\$ 43,445	\$ 0	\$ 43,445	\$ 43,657	\$ 43,657	\$ 212
Other Public Health and Welfare	24,750	0	24,750	24,750	24,750	0
<u>Social, Cultural and Recreational Services</u>						
Senior Citizens Assistance	169,897	0	169,897	183,060	183,060	13,163
Libraries	20,000	0	20,000	20,000	20,000	0
Parks and Fair Boards	24,000	0	24,000	24,000	24,000	0
Other Social, Cultural and Recreational	0	0	0	1,000	1,000	1,000
<u>Agriculture & Natural Resources</u>						
Agriculture Extension Service	96,546	0	96,546	96,035	106,037	9,491
Soil Conservation	52,191	0	52,191	52,282	52,282	91
Flood Control	30,000	0	30,000	30,000	30,000	0
<u>Other Operations</u>						
Tourism	19,928	0	19,928	19,928	19,928	0
Industrial Development	12,674	0	12,674	11,000	17,000	4,326
Other Economic and Community Development	1,949,223	0	1,949,223	0	2,000,000	50,777
Airport	25,522	0	25,522	24,250	26,250	728
Veterans' Services	35,910	0	35,910	39,696	39,696	3,786
Other Charges	398,650	0	398,650	419,690	426,832	28,182
Contributions to Other Agencies	34,280	0	34,280	35,500	41,500	7,220
Employee Benefits	988,439	0	988,439	1,020,029	1,020,453	32,014
Miscellaneous	2,682	0	2,682	2,800	3,658	976
<u>Capital Projects</u>						
Other General Government Projects	122,263	0	122,263	14,600	136,488	14,225
Total Expenditures	\$ 11,382,549	\$ 174,706	\$ 11,557,255	\$ 8,976,102	\$ 12,273,077	\$ 715,822
Excess (Deficiency) of Revenues						
Over Expenditures	\$ (2,251,938)	\$ (174,706)	\$ (2,426,644)	\$ (541,612)	\$ (3,124,301)	\$ 697,657

Exhibit D-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 200,500	\$ 0	\$ 0
Notes Issued	2,000,000	0	2,000,000	0	2,000,000	0
Premiums on Debt Issued	649	0	649	0	0	649
Transfers In	644,996	0	644,996	0	614,388	30,608
Transfers Out	(62,274)	0	(62,274)	(81,127)	(81,127)	18,853
Total Other Financing Sources (Uses)	\$ 2,583,371	\$ 0	\$ 2,583,371	\$ 119,373	\$ 2,533,261	\$ 50,110
Net Change in Fund Balance	\$ 331,433	\$ (174,706)	\$ 156,727	\$ (422,239)	\$ (591,040)	\$ 747,767
Fund Balance, July 1, 2004	1,466,962	0	1,466,962	1,310,026	1,310,026	156,936
Fund Balance, June 30, 2005	\$ 1,798,395	\$ (174,706)	\$ 1,623,689	\$ 887,787	\$ 718,986	\$ 904,703

Exhibit D-2

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,662,716	\$ 1,705,799	\$ 1,705,799	\$ (43,083)
Charges for Current Services	5,221	5,000	5,000	221
Other Local Revenues	51,054	2,500	2,500	48,554
State of Tennessee	2,582,391	2,711,288	2,711,288	(128,897)
Total Revenues	<u>\$ 4,301,382</u>	<u>\$ 4,424,587</u>	<u>\$ 4,424,587</u>	<u>\$ (123,205)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 129,397	\$ 138,756	\$ 138,755	\$ 9,358
Highway and Bridge Maintenance	1,643,859	1,680,000	1,730,000	86,141
Operation and Maintenance of Equipment	547,696	553,500	588,500	40,804
Other Charges	195,823	233,000	233,000	37,177
Employee Benefits	223,129	221,200	236,199	13,070
Capital Outlay	1,638,329	3,152,000	3,152,000	1,513,671
Total Expenditures	<u>\$ 4,378,233</u>	<u>\$ 5,978,456</u>	<u>\$ 6,078,454</u>	<u>\$ 1,700,221</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (76,851)</u>	<u>\$ (1,553,869)</u>	<u>\$ (1,653,867)</u>	<u>\$ 1,577,016</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 1,082,500	\$ 1,076,000	\$ 1,076,000	\$ 6,500
Total Other Financing Sources (Uses)	<u>\$ 1,082,500</u>	<u>\$ 1,076,000</u>	<u>\$ 1,076,000</u>	<u>\$ 6,500</u>
Net Change in Fund Balance	\$ 1,005,649	\$ (477,869)	\$ (577,867)	\$ 1,583,516
Fund Balance, July 1, 2004	747,161	677,951	677,951	69,210
Fund Balance, June 30, 2005	<u>\$ 1,752,810</u>	<u>\$ 200,082</u>	<u>\$ 100,084</u>	<u>\$ 1,652,726</u>

GIBSON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2005

A. BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the 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 State 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 governing body may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission in the Board of Equalization (\$120), County Buildings (\$7,576), and Jail (\$25,154) major appropriation categories (the legal level of control) of the General Fund. Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Public Library Fund – The Public Library Fund is used to account for transactions of the Gibson County Public Library, which is jointly funded by Gibson County and the City of Trenton.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Gibson County’s waste tire operations.

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

District Attorney General Fund – The District Attorney General Fund is used to account for revenue for the benefit of the Office of District Attorney General.

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

General Debt Service Fund

The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

Exhibit E-1

Gibson County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2005

	Special Revenue Funds						Debt Service Fund	Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu - tional Officers - Fees	Total	General Debt Service	
<u>ASSETS</u>								
Cash	\$ 62,613	\$ 0	\$ 0	\$ 0	\$ 175,572	\$ 238,185	\$ 0	\$ 238,185
Equity in Pooled Cash and Investments	0	7,069	35,151	56,456	0	98,676	997,608	1,096,284
Accounts Receivable	0	1,401	0	0	0	1,401	1,700	3,101
Due from Other Governments	0	783	0	1,267	0	2,050	5,000	7,050
Due from Other Funds	0	600	0	0	0	600	0	600
Property Taxes Receivable	0	0	0	0	0	0	570,357	570,357
Allowance for Uncollectible Property Taxes	0	0	0	0	0	0	(21,896)	(21,896)
Total Assets	\$ 62,613	\$ 9,853	\$ 35,151	\$ 57,723	\$ 175,572	\$ 340,912	\$ 1,552,769	\$ 1,893,681
<u>LIABILITIES AND FUND BALANCES</u>								
<u>Liabilities</u>								
Accounts Payable	\$ 0	\$ 600	\$ 0	\$ 0	\$ 0	\$ 600	\$ 0	\$ 600
Due to Other Funds	0	0	0	0	652	652	0	652
Deferred Revenue - Current Property Taxes	0	0	0	0	0	0	517,392	517,392
Deferred Revenue - Delinquent Property Taxes	0	0	0	0	0	0	31,069	31,069
Other Deferred Revenues	14,000	0	0	0	0	14,000	5,000	19,000
Total Liabilities	\$ 14,000	\$ 600	\$ 0	\$ 0	\$ 652	\$ 15,252	\$ 553,461	\$ 568,713
<u>Fund Balances</u>								
Reserved for Purchase of Electronic Fingerprint Imaging System	\$ 0	\$ 0	\$ 2,673	\$ 0	\$ 0	\$ 2,673	\$ 0	\$ 2,673
Unreserved	48,613	9,253	32,478	57,723	174,920	322,987	999,308	1,322,295
Total Fund Balances	\$ 48,613	\$ 9,253	\$ 35,151	\$ 57,723	\$ 174,920	\$ 325,660	\$ 999,308	\$ 1,324,968
Total Liabilities and Fund Balances	\$ 62,613	\$ 9,853	\$ 35,151	\$ 57,723	\$ 175,572	\$ 340,912	\$ 1,552,769	\$ 1,893,681

Exhibit E-2

Gibson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2005

	Special Revenue Funds						Debt Service Fund	Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Total	General Debt Service	
<u>Revenues</u>								
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 786,822	\$ 786,822
Fines, Forfeitures and Penalties	0	0	13,363	23,009	0	36,372	0	36,372
Charges for Current Services	6,864	7,271	0	0	600,668	614,803	0	614,803
Other Local Revenues	5,969	0	0	0	0	5,969	157,876	163,845
State of Tennessee	4,200	45,684	0	0	0	49,884	409,147	459,031
Federal Government	10,000	0	0	0	0	10,000	0	10,000
Other Governments and Citizens Groups	29,640	20,641	0	0	0	50,281	0	50,281
Total Revenues	\$ 56,673	\$ 73,596	\$ 13,363	\$ 23,009	\$ 600,668	\$ 767,309	\$ 1,353,845	\$ 2,121,154
<u>Expenditures</u>								
Current:								
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 154,959	\$ 154,959	\$ 0	\$ 154,959
Finance	0	0	0	0	428,898	428,898	0	428,898
Administration of Justice	0	0	0	21,206	3,433	24,639	0	24,639
Public Safety	0	0	17,709	0	0	17,709	0	17,709
Public Health and Welfare	0	77,033	0	0	0	77,033	0	77,033
Social, Cultural, and Recreational Services	109,171	0	0	0	0	109,171	0	109,171
Debt Service:								
Principal	0	0	0	0	0	0	823,000	823,000
Interest	0	0	0	0	0	0	382,209	382,209
Other Debt Service	0	0	0	0	0	0	15,951	15,951
Total Expenditures	\$ 109,171	\$ 77,033	\$ 17,709	\$ 21,206	\$ 587,290	\$ 812,409	\$ 1,221,160	\$ 2,033,569
Excess (Deficiency) of Revenues Over Expenditures	\$ (52,498)	\$ (3,437)	\$ (4,346)	\$ 1,803	\$ 13,378	\$ (45,100)	\$ 132,685	\$ 87,585
<u>Other Financing Sources (Uses)</u>								
Transfers In	\$ 58,374	\$ 3,900	\$ 0	\$ 0	\$ 0	\$ 62,274	\$ 0	\$ 62,274
Total Other Financing Sources (Uses)	\$ 58,374	\$ 3,900	\$ 0	\$ 0	\$ 0	\$ 62,274	\$ 0	\$ 62,274
Net Change in Fund Balances	\$ 5,876	\$ 463	\$ (4,346)	\$ 1,803	\$ 13,378	\$ 17,174	\$ 132,685	\$ 149,859
Fund Balance, July 1, 2004	42,737	8,790	39,497	55,920	161,542	308,486	866,623	1,175,109
Fund Balance, June 30, 2005	\$ 48,613	\$ 9,253	\$ 35,151	\$ 57,723	\$ 174,920	\$ 325,660	\$ 999,308	\$ 1,324,968

Exhibit E-3

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Public Library Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 6,864	\$ 5,000	\$ 5,000	\$ 1,864
Other Local Revenues	5,969	5,000	5,000	969
State of Tennessee	4,200	0	3,000	1,200
Federal Government	10,000	0	14,000	(4,000)
Other Governments and Citizens Groups	29,640	29,640	29,640	0
Total Revenues	<u>\$ 56,673</u>	<u>\$ 39,640</u>	<u>\$ 56,640</u>	<u>\$ 33</u>
<u>Expenditures</u>				
<u>Social, Cultural and Recreational Services</u>				
Libraries	\$ 109,171	\$ 100,374	\$ 117,374	\$ 8,203
Total Expenditures	<u>\$ 109,171</u>	<u>\$ 100,374</u>	<u>\$ 117,374</u>	<u>\$ 8,203</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (52,498)</u>	<u>\$ (60,734)</u>	<u>\$ (60,734)</u>	<u>\$ 8,236</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 58,374	\$ 58,374	\$ 58,374	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 58,374</u>	<u>\$ 58,374</u>	<u>\$ 58,374</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 5,876	\$ (2,360)	\$ (2,360)	\$ 8,236
Fund Balance, July 1, 2004	<u>42,737</u>	<u>39,132</u>	<u>39,132</u>	<u>3,605</u>
Fund Balance, June 30, 2005	<u>\$ 48,613</u>	<u>\$ 36,772</u>	<u>\$ 36,772</u>	<u>\$ 11,841</u>

Exhibit E-4

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 7,271	\$ 5,000	\$ 5,000	\$ 2,271
State of Tennessee	45,684	36,808	36,808	8,876
Other Governments and Citizens Groups	20,641	20,641	20,641	0
Total Revenues	<u>\$ 73,596</u>	<u>\$ 62,449</u>	<u>\$ 62,449</u>	<u>\$ 11,147</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 31,374	\$ 39,794	\$ 39,794	\$ 8,420
Other Waste Disposal	45,659	49,345	49,345	3,686
Total Expenditures	<u>\$ 77,033</u>	<u>\$ 89,139</u>	<u>\$ 89,139</u>	<u>\$ 12,106</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,437)</u>	<u>\$ (26,690)</u>	<u>\$ (26,690)</u>	<u>\$ 23,253</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 3,900	\$ 22,753	\$ 22,753	\$ (18,853)
Total Other Financing Sources (Uses)	<u>\$ 3,900</u>	<u>\$ 22,753</u>	<u>\$ 22,753</u>	<u>\$ (18,853)</u>
Net Change in Fund Balance	\$ 463	\$ (3,937)	\$ (3,937)	\$ 4,400
Fund Balance, July 1, 2004	8,790	12,681	12,681	(3,891)
Fund Balance, June 30, 2005	<u>\$ 9,253</u>	<u>\$ 8,744</u>	<u>\$ 8,744</u>	<u>\$ 509</u>

Exhibit E-5

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures and Penalties	\$ 13,363	\$ 5,080	\$ 5,080	\$ 8,283
Other Local Revenues	0	0	1,400	(1,400)
Total Revenues	<u>\$ 13,363</u>	<u>\$ 5,080</u>	<u>\$ 6,480</u>	<u>\$ 6,883</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 17,709	\$ 20,100	\$ 20,100	\$ 2,391
Total Expenditures	<u>\$ 17,709</u>	<u>\$ 20,100</u>	<u>\$ 20,100</u>	<u>\$ 2,391</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (4,346)</u>	<u>\$ (15,020)</u>	<u>\$ (13,620)</u>	<u>\$ 9,274</u>
Net Change in Fund Balance	\$ (4,346)	\$ (15,020)	\$ (13,620)	\$ 9,274
Fund Balance, July 1, 2004	39,497	54,698	54,698	(15,201)
Fund Balance, June 30, 2005	<u>\$ 35,151</u>	<u>\$ 39,678</u>	<u>\$ 41,078</u>	<u>\$ (5,927)</u>

Exhibit E-6

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
District Attorney General Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures and Penalties	\$ 23,009	\$ 27,500	\$ 27,500	\$ (4,491)
Total Revenues	<u>\$ 23,009</u>	<u>\$ 27,500</u>	<u>\$ 27,500</u>	<u>\$ (4,491)</u>
<u>Expenditures</u>				
<u>Administration of Justice</u>				
District Attorney General	\$ 21,206	\$ 16,297	\$ 16,297	\$ (4,909)
Total Expenditures	<u>\$ 21,206</u>	<u>\$ 16,297</u>	<u>\$ 16,297</u>	<u>\$ (4,909)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,803</u>	<u>\$ 11,203</u>	<u>\$ 11,203</u>	<u>\$ (9,400)</u>
Net Change in Fund Balance	\$ 1,803	\$ 11,203	\$ 11,203	\$ (9,400)
Fund Balance, July 1, 2004	<u>55,920</u>	<u>0</u>	<u>0</u>	<u>55,920</u>
Fund Balance, June 30, 2005	<u>\$ 57,723</u>	<u>\$ 11,203</u>	<u>\$ 11,203</u>	<u>\$ 46,520</u>

Exhibit E-7

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 786,822	\$ 772,611	\$ 772,611	\$ 14,211
Other Local Revenues	157,876	107,000	107,000	50,876
State of Tennessee	409,147	380,843	380,843	28,304
Total Revenues	<u>\$ 1,353,845</u>	<u>\$ 1,260,454</u>	<u>\$ 1,260,454</u>	<u>\$ 93,391</u>
<u>Expenditures</u>				
<u>Principal</u>				
General Government	\$ 823,000	\$ 723,000	\$ 823,000	\$ 0
<u>Interest</u>				
General Government	382,209	477,001	477,001	94,792
<u>Other Debt Service</u>				
General Government	15,951	19,384	19,384	3,433
Total Expenditures	<u>\$ 1,221,160</u>	<u>\$ 1,219,385</u>	<u>\$ 1,319,385</u>	<u>\$ 98,225</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 132,685</u>	<u>\$ 41,069</u>	<u>\$ (58,931)</u>	<u>\$ 191,616</u>
Net Change in Fund Balance	\$ 132,685	\$ 41,069	\$ (58,931)	\$ 191,616
Fund Balance, July 1, 2004	866,623	865,884	865,884	739
Fund Balance, June 30, 2005	<u>\$ 999,308</u>	<u>\$ 906,953</u>	<u>\$ 806,953</u>	<u>\$ 192,355</u>

Agency Funds

Agency Funds are used to account for assets held by the county 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.

Watershed District Fund – The Watershed District Fund is used to account for acreage assessments collected in prior years on drainage district properties located in the county. These funds are held in trust for the benefit of the watershed district.

Special School District Fund – The Special School District Fund is used to account for property taxes collected for the five school districts of Gibson County and the districts' shares of education revenues collected by the county, which must be apportioned among the various school systems on an average daily attendance basis. These collections are remitted to the districts 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, juvenile court clerk, clerk and master – Trenton, clerk and master - Humboldt, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit F-1

Gibson County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2005

	Agency Funds				Total
	Cities - Sales Tax	Watershed District	Special School District	Constitu- tional Officers - Agency	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,948,051	\$ 1,948,051
Equity in Pooled Cash and Investments	0	5,977	19,008	0	24,985
Accounts Receivable	0	0	26,800	0	26,800
Due from Other Governments	506,128	0	573,533	0	1,079,661
Taxes Receivable	0	0	8,362,996	0	8,362,996
Allowance for Uncollectible Taxes	0	0	(319,854)	0	(319,854)
Total Assets	<u>\$ 506,128</u>	<u>\$ 5,977</u>	<u>\$ 8,662,483</u>	<u>\$ 1,948,051</u>	<u>\$ 11,122,639</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 506,128	\$ 5,977	\$ 8,662,483	\$ 0	\$ 9,174,588
Due to Litigants, Heirs, and Others	0	0	0	1,948,051	1,948,051
Total Liabilities	<u>\$ 506,128</u>	<u>\$ 5,977</u>	<u>\$ 8,662,483</u>	<u>\$ 1,948,051</u>	<u>\$ 11,122,639</u>

Exhibit F-2

Gibson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2005

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,091,541	\$ 3,091,541	\$ 0
Due From Other Governments	514,155	506,128	514,155	506,128
Total Assets	\$ 514,155	\$ 3,597,669	\$ 3,605,696	\$ 506,128
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 514,155	\$ 3,597,669	\$ 3,605,696	\$ 506,128
Total Liabilities	\$ 514,155	\$ 3,597,669	\$ 3,605,696	\$ 506,128
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 5,977	\$ 0	\$ 0	\$ 5,977
Total Assets	\$ 5,977	\$ 0	\$ 0	\$ 5,977
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 5,977	\$ 0	\$ 0	\$ 5,977
Total Liabilities	\$ 5,977	\$ 0	\$ 0	\$ 5,977
<u>Special School District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 12,874	\$ 10,951,754	\$ 10,945,620	\$ 19,008
Accounts Receivable	1,500	26,800	1,500	26,800
Due from Other Governments	550,758	573,533	550,758	573,533
Taxes Receivable	7,085,850	8,362,996	7,085,850	8,362,996
Allowance for Uncollectible Taxes	(270,673)	(319,854)	(270,673)	(319,854)
Total Assets	\$ 7,380,309	\$ 19,595,229	\$ 18,313,055	\$ 8,662,483
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 7,380,309	\$ 19,595,229	\$ 18,313,055	\$ 8,662,483
Total Liabilities	\$ 7,380,309	\$ 19,595,229	\$ 18,313,055	\$ 8,662,483
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,138,618	\$ 8,198,462	\$ 8,389,029	\$ 1,948,051
Total Assets	\$ 2,138,618	\$ 8,198,462	\$ 8,389,029	\$ 1,948,051

(Continued)

Exhibit F-2

Gibson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund (Cont.)</u>				
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,138,618	\$ 8,198,462	\$ 8,389,029	\$ 1,948,051
Total Liabilities	\$ 2,138,618	\$ 8,198,462	\$ 8,389,029	\$ 1,948,051
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,138,618	\$ 8,198,462	\$ 8,389,029	\$ 1,948,051
Equity in Pooled Cash and Investments	18,851	14,043,295	14,037,161	24,985
Accounts Receivable	1,500	26,800	1,500	26,800
Due from Other Governments	1,064,913	1,079,661	1,064,913	1,079,661
Taxes Receivable	7,085,850	8,362,996	7,085,850	8,362,996
Allowance for Uncollectible Taxes	(270,673)	(319,854)	(270,673)	(319,854)
Total Assets	\$ 10,039,059	\$ 31,391,360	\$ 30,307,780	\$ 11,122,639
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 7,900,441	\$ 23,192,898	\$ 21,918,751	\$ 9,174,588
Due to Litigants, Heirs, and Others	2,138,618	8,198,462	8,389,029	1,948,051
Total Liabilities	\$ 10,039,059	\$ 31,391,360	\$ 30,307,780	\$ 11,122,639

MISCELLANEOUS SCHEDULES

Exhibit G-1

Gibson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2005

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/04	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/05
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Capital Outlay Refunding, Series 2001	\$ 310,000	3 to 3.25 %	11/1/01	3/1/06	\$ 200,000	\$ 0	\$ 100,000	\$ 100,000
Fire Trucks and Equipment	600,000	3.95	4/18/02	4/18/08	400,000	0	100,000	300,000
Industrial Park Property	2,000,000	4.25 to 4.8	3/17/05	4/1/14	0	2,000,000	0	2,000,000
Total Payable through General Debt Service Fund					<u>\$ 600,000</u>	<u>\$ 2,000,000</u>	<u>\$ 200,000</u>	<u>\$ 2,400,000</u>
<u>Payable through General Capital Projects Fund</u>								
Bond Anticipation Note, Series 2004	1,000,000	2.19	6/18/04	12/15/04	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Total Notes Payable					<u>\$ 1,600,000</u>	<u>\$ 2,000,000</u>	<u>\$ 1,200,000</u>	<u>\$ 2,400,000</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Public Improvement, Series VI-E-3	(1)	Variable	5/5/05	6/1/07	\$ 0	\$ 69,078	\$ 0	\$ 69,078
Total Other Loans Payable					<u>\$ 0</u>	<u>\$ 69,078</u>	<u>\$ 0</u>	<u>\$ 69,078</u>
<u>GENERAL BONDED DEBT</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation, Series 2001	725,000	4.2 to 5.2	4/27/01	3/1/26	\$ 673,000	\$ 0	\$ 18,000	\$ 655,000
Refunding, Series 2001	2,340,000	3	11/1/01	3/1/05	505,000	0	505,000	0
General Obligation, Series 2004	10,000,000	4 to 4.65	9/16/04	6/1/29	0	10,000,000	100,000	9,900,000
Total General Bonded Debt					<u>\$ 1,178,000</u>	<u>\$ 10,000,000</u>	<u>\$ 623,000</u>	<u>\$ 10,555,000</u>

(1) Total amount available under this Public Building Authority of Sevier County Loan Agreement is \$4,500,000, of which \$4,430,922 has not been drawn as of June 30, 2005.

Exhibit G-2

Gibson County, Tennessee
Schedule of Bond and Interest Requirements By Year

Year Ended June 30	Bond Requirements	Interest Requirements	Total Requirements
2006	\$ 119,000	\$ 468,601	\$ 587,601
2007	120,000	463,803	583,803
2008	21,000	458,963	479,963
2009	22,000	458,081	480,081
2010	22,000	457,036	479,036
2011	23,000	455,991	478,991
2012	25,000	454,899	479,899
2013	26,000	453,711	479,711
2014	27,000	452,476	479,476
2015	478,000	451,193	929,193
2016	529,000	431,864	960,864
2017	556,000	409,486	965,486
2018	582,000	385,824	967,824
2019	609,000	360,785	969,785
2020	636,000	334,580	970,580
2021	663,000	307,207	970,207
2022	690,000	278,669	968,669
2023	742,000	248,639	990,639
2024	769,000	215,655	984,655
2025	797,000	180,742	977,742
2026	849,000	144,173	993,173
2027	900,000	104,625	1,004,625
2028	925,000	62,775	987,775
2029	425,000	19,762	444,762
Total	\$ 10,555,000	\$ 8,059,540	\$ 18,614,540

Exhibit G-3

Gibson County, Tennessee
Schedule of Transfers - All Funds
For the Year Ended June 30, 2005

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Public Library	To provide funds for operations	\$ 58,374
General	Solid Waste/Sanitation	To provide funds for operations	3,900
General Capital Projects	General	To provide funds for capital projects	644,996
General Capital Projects	Highway/Public Works	To provide funds for road projects	<u>1,082,500</u>
Total Transfers			<u><u>\$ 1,789,770</u></u>

Exhibit G-4

Gibson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
For the Year Ended June 30, 2005

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u> , and Chapter 111, Private Acts of 1929	\$ 69,767 (1)	\$ 50,000	RLI Insurance Company
Road Supervisor	Section 8-24-102, <u>TCA</u>	64,295	100,000	"
Trustee	Section 8-24-102, <u>TCA</u>	53,969	589,683	"
Assessor of Property:				
Charles Lovell (7-1-04 through 8-31-04)	Section 8-24-102, <u>TCA</u>	8,995	10,000	"
Linda Tilley (9-1-04 through 6-30-05)	Section 8-24-102, <u>TCA</u>	44,974	10,000	"
County Clerk	Section 8-24-102, <u>TCA</u>	53,969	50,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	53,969	50,000	"
Juvenile Court Clerk	Chapter 307, Private Acts of 1982	35,149	50,000	"
Clerk and Master - Trenton	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	57,402 (2)	65,000	"
Clerk and Master - Humboldt	Section 8-24-102, <u>TCA</u> ,	53,969	65,000	"
Register	Section 8-24-102, <u>TCA</u>	53,969	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u> , and County Commission	65,821 (3) (4)	25,000	"
Employee Blanket Bonds:				
All Employees			150,000	The Local Government Property and Casualty Fund

(1) Includes Highway Commission Chairman compensation of \$1,200.

(2) Includes special commissioner/special master fees of \$3,433.

(3) Includes \$5,937 paid as compensation for supervision of the county workhouse and \$519 law enforcement training supplement.

(4) Does not include clothing allowance of \$425.

Gibson County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2005

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 3,252,454	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	104,475	0	0	0	0
Trustee's Collections - Bankruptcy	972	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	81,166	0	0	0	0
Interest and Penalty	20,851	0	0	0	0
Payments in Lieu of Taxes - T.V.A.	78	0	0	0	0
Payments in Lieu of Taxes - Local Utilities	64,990	0	0	0	0
Payments in Lieu of Taxes - Other	1,584	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	140,292	0	0	0	0
Hotel/Motel Tax	33,337	0	0	0	0
Wheel Tax	0	0	0	0	0
Litigation Tax - General	116,779	0	0	0	0
Litigation Tax - Special Purpose	35,488	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	298,069	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	41,738	0	0	0	0
Wholesale Beer Tax	64,892	0	0	0	0
Interstate Telecommunications Tax	1,580	0	0	0	0
Total Local Taxes	\$ 4,258,745	\$ 0	\$ 0	\$ 0	0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Vaccination	\$ 10,153	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	31,876	0	0	0	0
<u>Permits</u>					
Beer Permits	546	0	0	0	0
Building Permits	54,198	0	0	0	0
Total Licenses and Permits	\$ 96,773	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Fines, Forfeitures and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 4,997	\$ 0	\$ 0	\$ 0	0
Officers Costs	8,893	0	0	0	0
Drug Control Fines	2,066	0	0	1,493	0
Drug Court Fees	1,652	0	0	0	0
Jail Fees	5,730	0	0	0	0
District Attorney General Fees	0	0	0	0	5,800
DUI Treatment Fines	1,153	0	0	0	0
Data Entry Fee - Circuit Court	366	0	0	0	0
<u>General Sessions Court</u>					
Fines	12,463	0	0	0	0
Officers Costs	32,588	0	0	0	0
Game and Fish Fines	169	0	0	0	0
Drug Control Fines	970	0	0	1,060	0
Drug Court Fees	1,219	0	0	0	0
Jail Fees	8,706	0	0	0	0
District Attorney General Fees	0	0	0	0	7,654
DUI Treatment Fines	2,483	0	0	0	0
Data Entry Fee - General Sessions Court	6,037	0	0	0	0
<u>Juvenile Court</u>					
Fines	2,632	0	0	0	0
Officers Costs	20,896	0	0	0	0
Data Entry Fee - Juvenile Court	2,675	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	8,191	0	0	0	0
Data Entry Fee - Chancery Court	4,058	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	7,171	0	0	0	0
Officers Costs	56,913	0	0	0	0
Drug Control Fines	107	0	0	925	0
Drug Court Fees	2,712	0	0	0	0
Jail Fees	20,938	0	0	0	0
District Attorney General Fees	0	0	0	0	9,555

(Continued)

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

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Fines, Forfeitures and Penalties (Cont.)</u>					
<u>Other Courts - In-county (Cont.)</u>					
DUI Treatment Fines	\$ 2,969	\$ 0	\$ 0	\$ 0	0
<u>Judicial District Drug Program</u>					
Data Entry Fee - Other Courts	4,457	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	9,885	0
Total Fines, Forfeitures and Penalties	\$ 223,211	\$ 0	\$ 0	\$ 13,363	\$ 23,009
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 0	\$ 7,271	\$ 0	0
Surcharge - General	29,006	0	0	0	0
Patient Charges	1,846,786	0	0	0	0
Other General Service Charges	440	0	0	0	0
Service Charges	23,950	0	0	0	0
<u>Fees</u>					
Copy Fees	101	0	0	0	0
Library Fees	0	6,864	0	0	0
Telephone Commissions	56,918	0	0	0	0
Vending Machine Collections	1,951	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Data Processing Fee - Register	21,933	0	0	0	0
Data Processing Fee - Sheriff	16,733	0	0	0	0
Sexual Offender Registration Fee	180	0	0	0	0
Total Charges for Current Services	\$ 1,997,998	\$ 6,864	\$ 7,271	\$ 0	0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 542	\$ 0	\$ 0	0
Lease/Rentals	8,940	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0
Sale of Gasoline	18,472	0	0	0	0
Miscellaneous Refunds	2,271	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items</u>					
Insurance Recovery	\$ 6,798	\$ 0	\$ 0	\$ 0	0
Sale of Equipment	5,535	0	0	0	0
Sale of Property	7,692	0	0	0	0
Damages Recovered from Individuals	0	0	0	0	0
Contributions & Gifts	60,000	5,427	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	11,804	0	0	0	0
Total Other Local Revenues	\$ 121,512	\$ 5,969	\$ 0	\$ 0	0
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 63,000	\$ 0	\$ 0	\$ 0	0
Register	120,352	0	0	0	0
Trustee	216,950	0	0	0	0
<u>Fees In Lieu of Salary</u>					
Circuit Court Clerk	50,403	0	0	0	0
General Sessions Court Clerk	120,683	0	0	0	0
Clerk and Master	158,320	0	0	0	0
Juvenile Court Clerk	61,518	0	0	0	0
Sheriff	19,627	0	0	0	0
Other Officials	148,764	0	0	0	0
Total Fees Received from County Officials	\$ 959,617	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	0
Airport Maintenance Program	7,994	0	0	0	0
Aging Programs	113,573	0	0	0	0
State Reappraisal Grant	17,110	0	0	0	0
Solid Waste Grants	0	0	45,684	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	15,561	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>State of Tennessee (Cont.)</u>					
<u>Health and Welfare Grants</u>					
Health Department Programs	\$ 271,393	\$ 0	\$ 0	\$ 0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	0
State Aid Program	0	0	0	0	0
Litter Program	38,367	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	0
Beer Tax	16,778	0	0	0	0
Alcoholic Beverage Tax	55,130	0	0	0	0
Mixed Drink Tax	1,746	0	0	0	0
State Revenue Sharing - T.V.A.	133,036	0	0	0	0
Contracted Prisoner Boarding	381,801	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0
Other State Grants	750	4,200	0	0	0
Other State Revenues	0	0	0	0	0
Total State of Tennessee	\$ 1,078,619	\$ 4,200	\$ 45,684	\$ 0	0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 36,478	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	255,402	0	0	0	0
Other Federal through State	3,667	10,000	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	56,660	0	0	0	0
Total Federal Government	\$ 352,207	\$ 10,000	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 29,640	\$ 0	\$ 0	0
Contracted Services	26,804	0	20,641	0	0

(Continued)

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

	<u>Special Revenue Funds</u>				
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Other Governments and Citizens Groups (Cont.)</u>					
<u>Citizens Groups</u>					
Donations	\$ 15,125	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	<u>\$ 41,929</u>	<u>\$ 29,640</u>	<u>\$ 20,641</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 9,130,611</u>	<u>\$ 56,673</u>	<u>\$ 73,596</u>	<u>\$ 13,363</u>	<u>\$ 23,009</u>

(Continued)

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

	Special Revenue Funds		Debt Service Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 648,430	\$ 487,925	\$ 4,388,809
Trustee's Collections - Prior Year	0	25,547	16,191	146,213
Trustee's Collections - Bankruptcy	0	260	119	1,351
Circuit/Clerk & Master Collections - Prior Years	0	17,884	12,381	111,431
Interest and Penalty	0	4,501	3,211	28,563
Payments in Lieu of Taxes - T.V.A.	0	16	12	106
Payments in Lieu of Taxes - Local Utilities	0	5,614	4,666	75,270
Payments in Lieu of Taxes - Other	0	317	238	2,139
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	140,292	0	280,584
Hotel/Motel Tax	0	0	0	33,337
Wheel Tax	0	797,406	199,352	996,758
Litigation Tax - General	0	0	0	116,779
Litigation Tax - Special Purpose	0	0	0	35,488
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	41,858	41,858
Business Tax	0	0	0	298,069
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	20,869	20,869	83,476
Wholesale Beer Tax	0	0	0	64,892
Interstate Telecommunications Tax	0	1,580	0	3,160
Total Local Taxes	\$ 0	\$ 1,662,716	\$ 786,822	\$ 6,708,283
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Animal Vaccination	\$ 0	\$ 0	\$ 0	10,153
Cable TV Franchise	0	0	0	31,876
<u>Permits</u>				
Beer Permits	0	0	0	546
Building Permits	0	0	0	54,198
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	96,773

(Continued)

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

	Special Revenue Funds		Debt Service Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
Fines, Forfeitures and Penalties				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	4,997
Officers Costs	0	0	0	8,893
Drug Control Fines	0	0	0	3,559
Drug Court Fees	0	0	0	1,652
Jail Fees	0	0	0	5,730
District Attorney General Fees	0	0	0	5,800
DUI Treatment Fines	0	0	0	1,153
Data Entry Fee - Circuit Court	0	0	0	366
<u>General Sessions Court</u>				
Fines	0	0	0	12,463
Officers Costs	0	0	0	32,588
Game and Fish Fines	0	0	0	169
Drug Control Fines	0	0	0	2,030
Drug Court Fees	0	0	0	1,219
Jail Fees	0	0	0	8,706
District Attorney General Fees	0	0	0	7,654
DUI Treatment Fines	0	0	0	2,483
Data Entry Fee - General Sessions Court	0	0	0	6,037
<u>Juvenile Court</u>				
Fines	0	0	0	2,632
Officers Costs	0	0	0	20,896
Data Entry Fee - Juvenile Court	0	0	0	2,675
<u>Chancery Court</u>				
Officers Costs	0	0	0	8,191
Data Entry Fee - Chancery Court	0	0	0	4,058
<u>Other Courts - In-county</u>				
Fines	0	0	0	7,171
Officers Costs	0	0	0	56,913
Drug Control Fines	0	0	0	1,032
Drug Court Fees	0	0	0	2,712
Jail Fees	0	0	0	20,938
District Attorney General Fees	0	0	0	9,555

(Continued)

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

	Special Revenue Funds		Debt Service Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Total
Fines, Forfeitures and Penalties (Cont.)				
<u>Other Courts - In-county (Cont.)</u>				
DUI Treatment Fines	\$ 0	\$ 0	\$ 0	2,969
<u>Judicial District Drug Program</u>				
Data Entry Fee - Other Courts	0	0	0	4,457
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	9,885
Total Fines, Forfeitures and Penalties	\$ 0	\$ 0	\$ 0	259,583
Charges for Current Services				
<u>General Service Charges</u>				
Tipping Fees	\$ 0	\$ 0	\$ 0	7,271
Surcharge - General	0	0	0	29,006
Patient Charges	0	0	0	1,846,786
Other General Service Charges	0	0	0	440
Service Charges	0	0	0	23,950
<u>Fees</u>				
Copy Fees	0	0	0	101
Library Fees	0	0	0	6,864
Telephone Commissions	0	0	0	56,918
Vending Machine Collections	0	5,221	0	7,172
Constitutional Officers' Fees and Commissions	600,668	0	0	600,668
Data Processing Fee - Register	0	0	0	21,933
Data Processing Fee - Sheriff	0	0	0	16,733
Sexual Offender Registration Fee	0	0	0	180
Total Charges for Current Services	\$ 600,668	\$ 5,221	\$ 0	2,618,022
Other Local Revenues				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 18,988	\$ 157,876	\$ 177,406
Lease/Rentals	0	0	0	8,940
Sale of Materials and Supplies	0	2,611	0	2,611
Sale of Gasoline	0	0	0	18,472
Miscellaneous Refunds	0	8,482	0	10,753

(Continued)

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

	Special Revenue Funds		Debt Service Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	Total
<u>Other Local Revenues (Cont.)</u>				
<u>Nonrecurring Items</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 0	6,798
Sale of Equipment	0	0	0	5,535
Sale of Property	0	0	0	7,692
Damages Recovered from Individuals	0	20,973	0	20,973
Contributions & Gifts	0	0	0	65,427
<u>Other Local Revenues</u>				
Other Local Revenues	0	0	0	11,804
Total Other Local Revenues	\$ 0	\$ 51,054	\$ 157,876	\$ 336,411
<u>Fees Received from County Officials</u>				
<u>Excess Fees</u>				
County Clerk	\$ 0	\$ 0	\$ 0	63,000
Register	0	0	0	120,352
Trustee	0	0	0	216,950
<u>Fees In Lieu of Salary</u>				
Circuit Court Clerk	0	0	0	50,403
General Sessions Court Clerk	0	0	0	120,683
Clerk and Master	0	0	0	158,320
Juvenile Court Clerk	0	0	0	61,518
Sheriff	0	0	0	19,627
Other Officials	0	0	0	148,764
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	959,617
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	9,000
Airport Maintenance Program	0	0	0	7,994
Aging Programs	0	0	0	113,573
State Reappraisal Grant	0	0	0	17,110
Solid Waste Grants	0	0	0	45,684
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	15,561

(Continued)

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

	Special Revenue Funds		Debt Service Fund	
	Constitu- tional - Officers - Fees	Highway / Public Works	General Debt Service	Total
<u>State of Tennessee (Cont.)</u>				
<u>Health and Welfare Grants</u>				
Health Department Programs	\$ 0	\$ 0	\$ 0	\$ 271,393
<u>Public Works Grants</u>				
Bridge Program	0	295,100	0	295,100
State Aid Program	0	200,263	0	200,263
Litter Program	0	0	0	38,367
<u>Other State Revenues</u>				
Income Tax	0	0	10,040	10,040
Beer Tax	0	0	0	16,778
Alcoholic Beverage Tax	0	0	0	55,130
Mixed Drink Tax	0	0	0	1,746
State Revenue Sharing - T.V.A.	0	0	399,107	532,143
Contracted Prisoner Boarding	0	0	0	381,801
Gasoline and Motor Fuel Tax	0	2,036,360	0	2,036,360
Petroleum Special Tax	0	38,735	0	38,735
Registrar's Salary Supplement	0	0	0	16,380
Other State Grants	0	0	0	4,950
Other State Revenues	0	11,933	0	11,933
Total State of Tennessee	\$ 0	\$ 2,582,391	\$ 409,147	\$ 4,120,041
<u>Federal Government</u>				
<u>Federal Through State</u>				
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 36,478
Homeland Security Grants	0	0	0	255,402
Other Federal through State	0	0	0	13,667
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	0	0	0	56,660
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 362,207
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 0	\$ 0	\$ 0	\$ 29,640
Contracted Services	0	0	0	47,445

(Continued)

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

	Special Revenue Funds		Debt Service Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	Total
<hr/>				
<u>Other Governments and Citizens Groups (Cont.)</u>				
<u>Citizens Groups</u>				
Donations	\$ 0	\$ 0	\$ 0	\$ 15,125
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 92,210
Total	\$ 600,668	\$ 4,301,382	\$ 1,353,845	\$ 15,553,147

Exhibit G-6

Gibson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2005

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	4,770	
Other Per Diem & Fees		2,460	
Audit Services		12,180	
Dues and Memberships		963	
Legal Services		632	
Travel		300	
Periodicals		1,600	
Total County Commission			\$ 22,905

Board of Equalization

Board and Committee Members Fees	\$	1,020	
Total Board of Equalization			1,020

County Mayor

County Official/Administrative Officer	\$	68,567	
Deputy(ies)		26,894	
Dues and Memberships		1,800	
Legal Notices, Recording and Court Costs		2,371	
Maintenance Agreements		3,813	
Postal Charges		789	
Rentals		2,713	
Travel		1,411	
Office Supplies		4,898	
Office Equipment		369	
Total County Mayor			113,625

County Attorney

Dues and Memberships	\$	100	
Legal Services		8,721	
Total County Attorney			8,821

Election Commission (Including Voter Registration)

County Official/Administrative Officer	\$	43,175	
Deputy(ies)		21,050	
Part-time Personnel		9,106	
Other Salaries & Wages		39,401	
Board and Committee Members Fees		5,000	
Contracts with Private Agencies		3,307	
Legal Notices, Recording and Court Costs		2,640	
Maintenance & Repair Services- Equipment		4,834	

(Continued)

Exhibit G-6

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Including Voter Registration)
(Cont.)

Maintenance & Repair Services- Office Equipment	\$	3,276	
Postal Charges		6,951	
Printing, Stationery and Forms		4,405	
Rentals		140	
Travel		3,205	
Office Supplies		2,987	
Data Processing Equipment		2,456	
Office Equipment		1,508	
		<hr/>	
Total Election Commission (Including Voter Registration)			\$ 153,441

Register of Deeds

In-Service Training	\$	190	
Data Processing Services		480	
Dues and Memberships		411	
Maintenance Agreements		11,227	
Postal Charges		4,758	
Printing, Stationery and Forms		6,392	
Travel		625	
Data Processing Supplies		2,821	
Data Processing Equipment		17,396	
Furniture and Fixtures		4,400	
Office Equipment		3,400	
		<hr/>	
Total Register of Deeds			52,100

Development

Contracts with Government Agencies	\$	54,700	
Legal Notices, Recording and Court Costs		54	
Maintenance & Repair Services- Office Equipment		309	
Postal Charges		148	
Printing, Stationery and Forms		248	
Travel		1,903	
Office Supplies		116	
		<hr/>	
Total Development			57,478

County Buildings

Custodial Personnel	\$	55,177	
Communication		61,599	
Laundry Service		2,094	
Maintenance & Repair Services- Buildings		88,891	
Maintenance & Repair Services- Equipment		8,320	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Travel	\$	1,003	
Custodial Supplies		6,108	
Food Supplies		4,840	
Gasoline		23,189	
Natural Gas		18,892	
Utilities		62,891	
Other Supplies and Materials		702	
Building Construction		184,424	
Heating and Air Conditioning Equipment		1,000	
Maintenance Equipment		423	
Total County Buildings			\$ 519,553

Finance

Accounting and Budgeting

Supervisor/Director	\$	27,733	
Total Accounting and Budgeting			27,733

Property Assessor's Office

County Official/Administrative Officer	\$	53,969	
Deputy(ies)		84,492	
Data Processing Services		15,322	
Dues and Memberships		1,318	
Maintenance Agreements		416	
Postal Charges		1,036	
Printing, Stationery and Forms		1,066	
Travel		3,115	
Other Contracted Services		40,000	
Office Supplies		388	
Total Property Assessor's Office			201,122

Reappraisal Program

Deputy(ies)	\$	24,612	
Social Security		1,469	
State Retirement		900	
Employee and Dependent Insurance		2,936	
Employer Medicare		344	
Data Processing Services		6,142	
Postal Charges		400	
Travel		2,471	
Office Supplies		58	
Total Reappraisal Program			39,332

(Continued)

Exhibit G-6

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

Dues and Memberships	\$	411	
Legal Notices, Recording and Court Costs		360	
Maintenance & Repair Services- Office Equipment		6,549	
Postal Charges		9,558	
Printing, Stationery and Forms		750	
Office Supplies		2,310	
Data Processing Equipment		12,559	
Office Equipment		1,030	
Total County Trustee's Office			\$ 33,527

County Clerk's Office

Dues and Memberships	\$	411	
Maintenance Agreements		13,155	
Postal Charges		13,636	
Printing, Stationery and Forms		392	
Rentals		2,419	
Travel		2,077	
Maintenance and Repair Services - Records		2,168	
Library Books/Media		654	
Office Supplies		3,847	
Data Processing Equipment		20,186	
Total County Clerk's Office			58,945

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	53,969	
Deputy(ies)		171,179	
Salary Supplements		1,500	
Board and Committee Members Fees		250	
Jury and Witness Fees		7,848	
Data Processing Services		7,803	
Dues and Memberships		681	
Maintenance & Repair Services- Office Equipment		3,835	
Postal Charges		5,049	
Printing, Stationery and Forms		2,640	
Travel		1,510	
Data Processing Supplies		1,296	
Office Supplies		9,915	
Furniture and Fixtures		6,196	
Total Circuit Court			273,671

(Continued)

Exhibit G-6

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	99,804	
Supervisor/Director		27,459	
Part-time Personnel		400	
In-Service Training		4,150	
Communication		480	
Contracts with Private Agencies		360	
Dues and Memberships		946	
Maintenance & Repair Services- Office Equipment		88	
Postal Charges		119	
Travel		2,716	
Office Supplies		2,043	
Furniture and Fixtures		400	
Office Equipment		155	
Total General Sessions Court			\$ 139,120

Drug Court

In-Service Training	\$	1,745	
Travel		2,909	
Drugs and Medical Supplies		5,570	
Other Supplies and Materials		187	
Other Charges		2,549	
Total Drug Court			12,960

Chancery Court

County Official/Administrative Officer	\$	53,969	
Deputy(ies)		95,443	
Part-time Personnel		1,856	
In-Service Training		450	
Data Processing Services		4,190	
Dues and Memberships		606	
Maintenance & Repair Services- Office Equipment		1,014	
Postal Charges		4,752	
Travel		995	
Data Processing Supplies		1,693	
Office Supplies		4,387	
Data Processing Equipment		3,089	
Office Equipment		4,192	
Total Chancery Court			176,636

(Continued)

Exhibit G-6

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

County Official/Administrative Officer	\$	35,149	
Judge(s)		38,476	
Deputy(ies)		69,442	
Youth Service Officer(s)		26,030	
Other Salaries & Wages		40,117	
In-Service Training		1,360	
Dues and Memberships		814	
Maintenance Agreements		7,250	
Maintenance & Repair Services- Office Equipment		170	
Postal Charges		2,841	
Printing, Stationery and Forms		260	
Rentals		3,285	
Travel		3,767	
Other Contracted Services		7,898	
Data Processing Supplies		200	
Office Supplies		4,482	
Data Processing Equipment		8,652	
Furniture and Fixtures		100	
Office Equipment		2,649	
Total Juvenile Court			\$ 252,942

Other Administration of Justice

County Official/Administrative Officer	\$	53,969	
Deputy(ies)		135,274	
Salary Supplements		2,050	
Jury and Witness Fees		11,000	
Dues and Memberships		656	
Maintenance Agreements		10,165	
Maintenance & Repair Services- Office Equipment		2,592	
Postal Charges		4,051	
Office Supplies		14,517	
Other Charges		12,900	
Total Other Administration of Justice			247,174

Probation Services

Assistant(s)	\$	14,342	
Social Security		696	
Employer Medicare		163	
Total Probation Services			15,201

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	65,302	
Assistant(s)		39,236	
Deputy(ies)		663,581	
Youth Service Officer(s)		26,803	
Accountants/Bookkeepers		11,132	
Salary Supplements		15,561	
Mechanic(s)		16,816	
Clerical Personnel		66,856	
Overtime Pay		56,949	
Other Salaries & Wages		71,538	
In-Service Training		7,891	
Contracts with Government Agencies		8,730	
Maintenance & Repair Services- Buildings		4,239	
Maintenance & Repair Services- Equipment		1,132	
Maintenance & Repair Services- Vehicles		45,188	
Postal Charges		5,355	
Printing, Stationery and Forms		6,905	
Transportation - Other than Students		1,175	
Travel		5,296	
Gasoline		70,364	
Law Enforcement Supplies		6,063	
Uniforms		12,132	
Other Supplies and Materials		7,235	
Data Processing Equipment		26,152	
Motor Vehicles		<u>57,752</u>	
Total Sheriff's Department			\$ 1,299,383

Jail

Guards	\$	537,370
Clerical Personnel		23,489
Cafeteria Personnel		23,791
Overtime Pay		38,854
Maintenance & Repair Services- Buildings		29,177
Medical and Dental Services		195,348
Custodial Supplies		24,007
Food Supplies		164,822
Natural Gas		21,280
Uniforms		7,090
Utilities		83,462
Other Supplies and Materials		10,889

(Continued)

Exhibit G-6

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Food Service Equipment	\$ 1,772	
Total Jail		\$ 1,161,351

Juvenile Services

Salary Supplements	\$ 5,299	
In-Service Training	675	
Social Security	328	
State Retirement	194	
Employer Medicare	77	
Travel	887	
Office Supplies	988	
Total Juvenile Services		8,448

Fire Prevention and Control

Supervisor/Director	\$ 32,757	
In-Service Training	1,663	
Communication	5,444	
Dues and Memberships	160	
Legal Notices, Recording and Court Costs	498	
Licenses	685	
Maintenance & Repair Services- Buildings	4,122	
Maintenance & Repair Services- Equipment	5,175	
Maintenance & Repair Services- Vehicles	12,282	
Travel	30	
Custodial Supplies	21	
Food Supplies	998	
Gasoline	7,457	
Office Supplies	1,215	
Uniforms	190	
Utilities	25,150	
Communication Equipment	5,295	
Data Processing Equipment	442	
Motor Vehicles	12,300	
Other Equipment	41,267	
Total Fire Prevention and Control		157,151

Rural Fire Protection

Contracts with Private Agencies	\$ 7,800	
Total Rural Fire Protection		7,800

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Supervisor/Director	\$	32,757	
Part-time Personnel		255	
Other Salaries & Wages		24,112	
In-Service Training		70	
Communication		2,142	
Dues and Memberships		100	
Legal Notices, Recording and Court Costs		344	
Maintenance & Repair Services- Buildings		1,129	
Maintenance & Repair Services- Equipment		4,160	
Travel		1,857	
Food Supplies		496	
Gasoline		1,090	
Office Supplies		628	
Utilities		2,810	
Vehicle Parts		724	
Vehicle and Equipment Insurance		5,651	
Communication Equipment		2,236	
Other Equipment		9,720	
Total Civil Defense			\$ 90,281

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	3,945	
Contracts with Government Agencies		9,000	
Total County Coroner/Medical Examiner			12,945

Public Safety Grant Programs

Motor Vehicles	\$	8,750	
Other Equipment		93,089	
Total Public Safety Grant Programs			101,839

Other Public Safety

Communication Equipment	\$	116,346	
Data Processing Equipment		22,066	
Office Equipment		2,275	
Other Equipment		34,202	
Total Other Public Safety			174,889

Public Health and Welfare

Local Health Center

Social Workers	\$	77,588	
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(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Medical Personnel	\$	30,741	
Other Salaries & Wages		19,452	
In-Service Training		30	
Social Security		7,497	
State Retirement		4,242	
Employee and Dependent Insurance		2,993	
Employer Medicare		1,753	
Communication		3,096	
Contracts with Other Public Agencies		46,000	
Contracts with Private Agencies		66,682	
Dues and Memberships		410	
Janitorial Services		15,875	
Operating Lease Payments		1,843	
Maintenance & Repair Services- Buildings		9,740	
Maintenance & Repair Services- Office Equipment		1,901	
Postal Charges		3,400	
Travel		8,925	
Custodial Supplies		2,947	
Drugs and Medical Supplies		6,519	
Office Supplies		9,103	
Utilities		13,172	
Other Supplies and Materials		25,963	
Heating and Air Conditioning Equipment		7,462	
Office Equipment		2,450	
Total Local Health Center			\$ 369,784

Rabies and Animal Control

County Official/Administrative Officer	\$	19,889	
Communication		258	
Legal Notices, Recording and Court Costs		1,200	
Travel		6,146	
Animal Food and Supplies		875	
Total Rabies and Animal Control			28,368

Ambulance/Emergency Medical Services

Mechanic(s)	\$	16,816	
Equipment Operators		947,368	
Secretary(s)		16,849	
Overtime Pay		117,362	
Other Salaries & Wages		20,480	

(Continued)

Exhibit G-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

In-Service Training	\$	3,590	
Communication		2,426	
Contracts with Private Agencies		9,472	
Data Processing Services		1,500	
Dues and Memberships		230	
Laundry Service		5,797	
Legal Notices, Recording and Court Costs		202	
Licenses		1,400	
Maintenance & Repair Services- Buildings		639	
Maintenance & Repair Services- Equipment		22,488	
Postal Charges		5,211	
Rentals		6,214	
Travel		570	
Drugs and Medical Supplies		47,498	
Food Supplies		243	
Gasoline		52,735	
Office Supplies		5,560	
Uniforms		3,811	
Utilities		4,567	
Other Supplies and Materials		3,657	
Data Processing Equipment		22,578	
Motor Vehicles		134,516	
Other Equipment		5,860	
Total Ambulance/Emergency Medical Services			\$ 1,459,639

Nursing Home

Contributions	\$	15,000	
Total Nursing Home			15,000

Alcohol and Drug Programs

Contributions	\$	18,956	
Total Alcohol and Drug Programs			18,956

Crippled Children Services

Contributions	\$	3,009	
Total Crippled Children Services			3,009

Other Local Health Services

Contributions	\$	12,500	
Total Other Local Health Services			12,500

(Continued)

Exhibit G-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

General Welfare Assistance

Contributions	\$ 3,500	
Total General Welfare Assistance		\$ 3,500

Sanitation Education/Information

Supervisor/Director	\$ 23,046	
Accountants/Bookkeepers	5,014	
Social Security	1,559	
State Retirement	1,027	
Employer Medicare	365	
Other Supplies and Materials	1,586	
Other Charges	10,848	
Total Sanitation Education/Information		43,445

Other Public Health and Welfare

Contributions	\$ 24,750	
Total Other Public Health and Welfare		24,750

Social, Cultural and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$ 22,407	
Supervisor/Director	30,793	
Accountants/Bookkeepers	7,304	
Other Salaries & Wages	58,024	
Social Security	7,268	
State Retirement	1,947	
Employer Medicare	1,700	
Communication	1,825	
Contracts with Government Agencies	2,340	
Dues and Memberships	200	
Maintenance Agreements	2,679	
Maintenance & Repair Services- Buildings	1,250	
Maintenance & Repair Services- Office Equipment	125	
Maintenance & Repair Services- Vehicles	998	
Rentals	1,800	
Travel	16,000	
Other Contracted Services	3,256	
Food Supplies	4,812	
Gasoline	2,034	
Office Supplies	1,346	
Other Supplies and Materials	819	

(Continued)

Exhibit G-6

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

General Fund (Cont.)

Social, Cultural and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Data Processing Equipment	\$ 970	
Total Senior Citizens Assistance		\$ 169,897

Libraries

Contributions	\$ 20,000	
Total Libraries		20,000

Parks and Fair Boards

Contributions	\$ 24,000	
Total Parks and Fair Boards		24,000

Agriculture & Natural Resources

Agriculture Extension Service

Assistant(s)	\$ 7,257	
Communication	1,195	
Contracts with Government Agencies	81,686	
Licenses	30	
Postal Charges	624	
Rentals	1,264	
Travel	613	
Office Supplies	596	
Data Processing Equipment	1,691	
Office Equipment	1,572	
Other Equipment	18	
Total Agriculture Extension Service		96,546

Soil Conservation

Secretary(s)	\$ 22,247	
Clerical Personnel	26,234	
Communication	384	
Maintenance & Repair Services- Office Equipment	180	
Postal Charges	320	
Travel	500	
Office Supplies	462	
Other Supplies and Materials	190	
Data Processing Equipment	1,390	
Furniture and Fixtures	284	
Total Soil Conservation		52,191

(Continued)

Exhibit G-6

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

General Fund (Cont.)

Agriculture & Natural Resources (Cont.)

Flood Control

Other Contracted Services	\$ 30,000	
Total Flood Control		\$ 30,000

Other Operations

Tourism

Contributions	\$ 12,000	
Dues and Memberships	7,928	
Total Tourism		19,928

Industrial Development

Printing, Stationery and Forms	\$ 5,987	
Other Supplies and Materials	6,687	
Total Industrial Development		12,674

Other Economic and Community Development

Underwriter's Discount	\$ 10,649	
Other Debt Issuance Charges	38,716	
Land	1,899,858	
Total Other Economic and Community Development		1,949,223

Airport

Communication	\$ 1,476	
Engineering Services	950	
Maintenance & Repair Services- Buildings	15,433	
Travel	117	
Utilities	4,040	
Liability Insurance	3,506	
Total Airport		25,522

Veterans' Services

Supervisor/Director	\$ 23,013	
Secretary(s)	10,033	
Dues and Memberships	25	
Postal Charges	194	
Travel	971	
Office Supplies	456	
Data Processing Equipment	1,218	
Total Veterans' Services		35,910

(Continued)

Exhibit G-6

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Liability Insurance	\$	187,518	
Premiums on Corporate Surety Bonds		858	
Trustee's Commission		85,581	
Workers' Compensation Insurance		114,419	
Other Charges		<u>10,274</u>	
Total Other Charges	\$		398,650

Contributions to Other Agencies

Contributions	\$	<u>34,280</u>	
Total Contributions to Other Agencies			34,280

Employee Benefits

Social Security	\$	287,094	
State Retirement		277,758	
Employee and Dependent Insurance		350,190	
Life Insurance		4,224	
Unemployment Compensation		7,857	
Employer Medicare		<u>61,316</u>	
Total Employee Benefits			988,439

Miscellaneous

Other Supplies and Materials	\$	<u>2,682</u>	
Total Miscellaneous			2,682

Capital Projects

Other General Government Projects

Contracts with Government Agencies	\$	121,888	
Site Development		<u>375</u>	
Total Other General Government Projects			<u>122,263</u>

Total General Fund \$ 11,382,549

Public Library Fund

Social, Cultural and Recreational Services

Libraries

County Official/Administrative Officer	\$	27,311	
Assistant(s)		17,136	
Librarians		16,524	
Other Salaries & Wages		9,411	
State Retirement		2,716	

(Continued)

Exhibit G-6

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

Public Library Fund (Cont.)

Social, Cultural and Recreational Services (Cont.)

Libraries (Cont.)

Unemployment Compensation	\$	86	
Communication		2,044	
Maintenance Agreements		651	
Instructional Supplies and Materials		672	
Library Books/Media		16,452	
Periodicals		179	
Utilities		5,601	
Other Supplies and Materials		946	
Other Charges		1,905	
Other Equipment		7,537	
Total Libraries			\$ 109,171

Total Public Library Fund \$ 109,171

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	25,500	
Social Security		1,329	
State Retirement		933	
Employer Medicare		354	
Communication		567	
Postal Charges		37	
Travel		2,552	
Office Supplies		102	
Total Sanitation Management			\$ 31,374

Other Waste Disposal

Contracts with Private Agencies	\$	42,059	
Rentals		3,600	
Total Other Waste Disposal			45,659

Total Solid Waste/Sanitation Fund 77,033

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	6,500	
Trustee's Commission		134	
Other Charges		1,075	

(Continued)

Exhibit G-6

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Motor Vehicles	\$ 10,000	
Total Drug Enforcement		\$ 17,709

Total Drug Control Fund \$ 17,709

District Attorney General Fund

Administration of Justice

District Attorney General

Salary Supplements	\$ 6,928	
In-Service Training	675	
Communication	225	
Dues and Memberships	210	
Maintenance & Repair Services- Office Equipment	125	
Rentals	2,805	
Travel	530	
Office Supplies	520	
Trustee's Commission	234	
Data Processing Equipment	2,339	
Furniture and Fixtures	6,615	
Total District Attorney General		\$ 21,206

Total District Attorney General Fund 21,206

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 154,959	
Total Register of Deeds		\$ 154,959

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 142,145	
Total County Trustee's Office		142,145

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 286,753	
Total County Clerk's Office		286,753

(Continued)

Exhibit G-6

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 3,433	
Total Chancery Court		\$ 3,433

Total Constitutional Officers - Fees Fund \$ 587,290

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 64,295	
Accountants/Bookkeepers	30,000	
Secretary(s)	900	
Board and Committee Members Fees	7,200	
Communication	698	
Data Processing Services	3,325	
Confidential Drug Enforcement Payments	1,652	
Dues and Memberships	4,886	
Janitorial Services	1,118	
Legal Notices, Recording and Court Costs	485	
Maintenance & Repair Services- Office Equipment	1,496	
Postal Charges	533	
Printing, Stationery and Forms	450	
Travel	1,144	
Drugs and Medical Supplies	178	
Electricity	4,079	
Natural Gas	1,122	
Office Supplies	1,407	
Water and Sewer	1,307	
Other Supplies and Materials	54	
In Service/Staff Development	400	
Other Charges	2,668	
Total Administration		\$ 129,397

Highway and Bridge Maintenance

Foremen	\$ 203,019
Equipment Operators	332,996
Laborers	296,237
Contracts with Private Agencies	71,521
Rentals	3,594
Asphalt - Liquid	177,687
Concrete	1,069

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Crushed Stone	\$	474,544	
Fertilizer, Lime and Seed		3,879	
Pipe		73,492	
Road Signs		5,224	
Small Tools		227	
Other Supplies and Materials		370	
Total Highway and Bridge Maintenance			\$ 1,643,859

Operation and Maintenance of Equipment

Mechanic(s)	\$	120,462	
Maintenance & Repair Services- Buildings		1,240	
Maintenance & Repair Services- Equipment		33,071	
Diesel Fuel		121,098	
Equipment and Machinery Parts		178,341	
Garage Supplies		6,512	
Gasoline		27,790	
Lubricants		10,965	
Small Tools		4,575	
Tires and Tubes		43,347	
Other Supplies and Materials		93	
Office Equipment		202	
Total Operation and Maintenance of Equipment			547,696

Other Charges

Liability Insurance	\$	96,996	
Premiums on Corporate Surety Bonds		530	
Trustee's Commission		44,218	
Workers' Compensation Insurance		54,079	
Total Other Charges			195,823

Employee Benefits

Social Security	\$	65,042	
State Retirement		36,373	
Employee and Dependent Insurance		106,057	
Life Insurance		446	
Employer Medicare		15,211	
Total Employee Benefits			223,129

Capital Outlay

Engineering Services	\$	15,942	
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(Continued)

Exhibit G-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

Bridge Construction	\$ 570,943	
Highway Construction	577,922	
Highway Equipment	200,685	
State Aid Projects	272,837	
Total Capital Outlay		\$ 1,638,329

Total Highway/Public Works Fund \$ 4,378,233

General Debt Service Fund

Principal

General Government

Principal on Bonds	\$ 623,000	
Principal on Notes	200,000	
Total General Government		\$ 823,000

Interest

General Government

Interest on Bonds	\$ 360,159	
Interest on Notes	22,050	
Total General Government		382,209

Other Debt Service

General Government

Bank Charges	\$ 1,325	
Trustee's Commission	14,626	
Total General Government		15,951

Total General Debt Service Fund 1,221,160

General Capital Projects Fund

Principal

General Government

Principal on Notes	\$ 1,000,000	
Total General Government		\$ 1,000,000

Interest

General Government

Interest on Notes	\$ 5,232	
Total General Government		5,232

(Continued)

Exhibit G-6

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

General Capital Projects Fund (Cont.)

Other Debt Service

General Government

Underwriter's Discount	\$	62,857	
Other Debt Issuance Charges		<u>218,863</u>	
Total General Government			\$ 281,720

Capital Projects

Public Safety Projects

Architects	\$	254,112	
Engineering Services		6,668	
Building Construction		1,847,964	
Land		175,000	
Site Development		<u>203,940</u>	
Total Public Safety Projects			<u>2,487,684</u>

Total General Capital Projects Fund \$ 3,774,636

Total Governmental Funds - Primary Government \$ 21,568,987

Exhibit G-7

Gibson County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2005

	Cities - Sales Tax Fund	Special School District Fund	Total (Memorandum Only)
<u>Cash Receipts</u>			
Local Option Sales Tax	\$ 3,091,541	\$ 3,368,370	\$ 6,459,911
Interstate Telecommunications Tax	0	7,898	7,898
Current Property Tax	0	7,072,333	7,072,333
Prior Year's Property Tax	0	447,839	447,839
Interest and Penalty	0	50,078	50,078
Marriage Licenses	0	3,534	3,534
Mixed Drink Tax	0	1,702	1,702
Total Cash Receipts	<u>\$ 3,091,541</u>	<u>\$ 10,951,754</u>	<u>\$ 14,043,295</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 3,060,626	\$ 10,761,643	\$ 13,822,269
Trustee's Commission	30,915	183,977	214,892
Total Cash Disbursements	<u>\$ 3,091,541</u>	<u>\$ 10,945,620</u>	<u>\$ 14,037,161</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ 6,134	\$ 6,134
Cash Balance, July 1, 2004	0	12,874	12,874
Cash Balance, June 30, 2005	<u>\$ 0</u>	<u>\$ 19,008</u>	<u>\$ 19,008</u>

STATISTICAL SECTION

Table 1

Gibson County, Tennessee
Uncollected Taxes Filed in Chancery Courts
June 30, 2005

Year	Amount
1994	\$ 345
1995	435
1996	468
1997	585
1998	3,983
1999	3,665
2000	13,867
2001	18,693
2002	31,024
2003	169,403
Total	\$ 242,468 *

* Includes uncollected special school district taxes.

Table 2

Gibson County, Tennessee
Tax Rates and Assessments
Last Ten Years

Fund	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General	\$ 0.73	\$ 0.62	\$ 0.62	\$ 0.67	\$ 0.60	\$ 0.65	\$ 0.59	\$ 0.59	\$ 0.59	0.60
Highway/Public Works	0.18	0.15	0.15	0.15	0.13	0.13	0.13	0.13	0.13	0.12
General Debt Service	0.08	0.07	0.07	0.07	0.06	0.01	0.09	0.09	0.09	0.09
Total Tax Rates	\$ 0.99	\$ 0.84	\$ 0.84	\$ 0.89	\$ 0.79	\$ 0.79	\$ 0.81	\$ 0.81	\$ 0.81	0.81
<u>Assessed Valuation</u>										
Real and Personal	\$ 315,656,088	\$ 383,787,553	\$ 394,310,304	\$ 405,348,382	\$ 481,986,043	\$ 487,704,579	\$ 503,315,270	\$ 514,460,602	\$ 514,204,036	\$ 552,085,406
Public Utilities	26,274,680	28,767,530	26,795,186	24,510,597	30,392,977	32,849,374	30,773,093	30,993,732	26,268,990	33,312,135
Total Assessed Valuation	\$ 341,930,768	\$ 412,555,083	\$ 421,105,490	\$ 429,858,979	\$ 512,379,020	\$ 520,553,953	\$ 534,088,363	\$ 545,454,334	\$ 540,473,026	\$ 585,397,541

SINGLE AUDIT REPORT
GIBSON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2005

DEPARTMENT OF AUDIT
JOHN G. MORGAN
Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
RICHARD V. NORMENT
Assistant to the Comptroller

ARTHUR L. ALEXANDER
Director

NORMAN R. NORMENT, CGFM
Audit Manager

NOLAN R. BRADFORD, CPA, CGFM
Auditor 4

SHAREE BREWER, CPA, CGFM, CFE
ELISHA CROWELL
State Auditors

SINGLE AUDIT REPORT TABLE OF CONTENTS

	Page
Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	1
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>	3
Schedule of Expenditures of Federal Awards and State Grants	5
Schedule of Audit Findings Not Corrected	7
Schedule of Findings and Questioned Costs	9
Auditee Reporting Responsibilities	17



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

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

August 16, 2005

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

To the County Mayor and County Commissioners:

We have audited the financial statements of each major fund and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2005, which collectively comprise Gibson County's basic financial statements and have issued our report thereon dated August 16, 2005. Our report on the financial statements of Gibson County, Tennessee, expresses an adverse opinion because the government-wide financial statements are not presented in accordance with Governmental Accounting Standards Board Statement No. 34. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gibson County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the

internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Gibson County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 05.02, 05.05, 05.06, 05.08, and 05.09.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

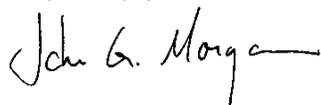
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibson County's statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 05.01, 05.03, 05.04, and 05.07.

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

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



John G. Morgan
Comptroller of the Treasury

JGM/rd



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

August 16, 2005

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

To the County Mayor and County Commissioners:

Compliance

We have audited the compliance of Gibson County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. Gibson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Gibson County's management. Our responsibility is to express an opinion on Gibson County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Gibson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Gibson County's compliance with those requirements.

In our opinion, Gibson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Gibson County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Gibson County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Federal Awards

We have audited the financial statements of each major fund and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2005, and have issued our report thereon dated August 16, 2005. Our report on the financial statements of Gibson County expresses an adverse opinion because the government-wide financial statements are not presented in accordance with Governmental Accounting Standards Board Statement No. 34. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Grants is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



John G. Morgan
Comptroller of the Treasury

JGM/rd

Gibson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2005

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U. S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants - State's Program	14.228	GG-05-11808-00	\$ 7,800
Total U. S. Department of Housing and Urban Development			<u>\$ 7,800</u>
U. S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	Z-05-020376-00	\$ 9,000
Total U. S. Department of Justice			<u>\$ 9,000</u>
U. S. Department of Transportation:			
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	GG-04-10886-00	\$ 3,667
Total U. S. Department of Transportation			<u>\$ 3,667</u>
U. S. Institute of Museum and Library Services			
Passed-through Tennessee State Library and Archives:			
State Library Program	45.310	Z-04-021063-00	\$ 10,000
Total U. S. Institute of Museum and Library Services			<u>\$ 10,000</u>
U. S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 113,573
Total U. S. Department of Health and Human Services			<u>\$ 113,573</u>
U.S. Department of Homeland Security:			
Direct Federal Program:			
Assistance to Firefighters Grant	97.044	N/A	\$ 46,260
Passed-through State Department of Military:			
State Domestic Preparedness Equipment Support Program	97.004	Z-03-017748-00	\$ 1,034 (3)
State Domestic Preparedness Equipment Support Program	97.004	Z-04-020093-00	101,545 (3)
State Domestic Preparedness Equipment Support Program	97.004	Z-04-022441-00	174,889 (3)
Emergency Management Performance Grants	97.042	Z-05-025409-00	36,478
Total Passed-through State Department of Military			<u>\$ 313,946</u>
Total U.S. Department of Homeland Security			<u>\$ 360,206</u>
Total Expenditures of Federal Awards			<u>\$ 504,246</u>

(Continued)

Gibson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2005

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
State Grants:			
Airport Maintenance Program - State Department of Transportation	N/A	(2)	\$ 7,994
Archives Grant - State Department of State	N/A	(2)	750
Family Literacy Grant - State Department of State	N/A	(2)	3,000
Litter Program - State Department of Transportation	N/A	(2)	38,367
Local Law Enforcement Training Program - State Department of Safety	N/A	(2)	15,561
State Library Program - Tennessee State Library and Archives	N/A	(2)	1,200
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	17,110
Waste Tire Collection Grant - State Department of Environment and Conservation	N/A	(2)	45,684
Total State Grants			\$ 129,666

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) Information not available.
- (3) Total State Domestic Preparedness Equipment Support Program (CFDA No. 97.004) from the U.S. Department of Homeland Security \$277,468.

Gibson County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2005

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report of Gibson County for the year ended June 30, 2004, which have not been corrected.

GIBSON COUNTY

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
04.01	10	Government-wide financial statements were not presented in accordance with generally accepted accounting principles

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
04.02	11	Purchase orders were not issued
04.03	11	Competitive bids were not solicited in accordance with state statutes

OFFICE OF ROAD SUPERVISOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
04.04	11, 12	The Highway Department did not maintain a system to account for the use of some road materials

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
04.05	12	The office did not complete several Drug Control Fund forms and reports

OTHER FINDINGS AND RECOMMENDATIONS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
04.07	13	Duties were not segregated adequately in the Offices of Juvenile Court Clerk, Register, and Sheriff
04.08	13	A central system of accounting, budgeting, and purchasing had not been adopted

GIBSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

PART I, SUMMARY OF AUDITOR'S RESULTS

1. An adverse opinion was issued on the financial statements of Gibson County.
2. Reportable conditions in internal control were disclosed by the audit of the financial statements. None of these conditions were considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that was material to the financial statements of Gibson County.
4. The audit disclosed no reportable conditions in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit did not reveal any findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The State Domestic Preparedness Equipment Support Program (CFDA No. 97.004) was determined to be a major program.
8. A threshold of \$300,000 was used to distinguish between Type A and Type B federal programs.
9. Gibson County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

GIBSON COUNTY

FINDING 05.01 **GOVERNMENT-WIDE FINANCIAL STATEMENTS WERE NOT PRESENTED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**

(Material Noncompliance Under Government Auditing Standards)

Gibson County did not identify and determine the historical value of its capital assets and the related depreciation amounts of these assets. Therefore, the county was unable to provide the information necessary to prepare government-wide financial statements for all of its activities, as required by Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB is the standard-setting body for accounting principles that state and local governments are required to follow. As a result of this omission, Gibson County’s financial statements are not presented in accordance with generally accepted accounting principles; thus, we have issued an adverse opinion on the government’s financial statements.

The Office of the Comptroller of the Treasury, State of Tennessee, requires governments that do not implement GASB Statement 34 to issue a financial report in compliance with Financial Reporting Standards for County Governments, Component Units of County Governments, and Special School Districts That Do Not Implement Governmental Accounting Standards Board Statement 34, established by the Comptroller of the Treasury. Gibson County’s financial statements are presented in compliance with these requirements.

RECOMMENDATION

Gibson County should present government-wide financial statements in conformity with generally accepted accounting principles, and should compile and maintain records that properly account for its capital assets. These records should document the historical cost of the government’s capital assets and the related depreciation amounts of these assets. This information is necessary to present the government’s financial statements in accordance with generally accepted accounting principles.

OFFICE OF COUNTY MAYOR

FINDING 05.02 PURCHASE ORDERS WERE NOT ISSUED
(Internal Control – Reportable Condition Under Government Auditing Standards)

The office did not issue purchase orders. Purchase orders are necessary to control who has purchasing authority and to document purchasing commitments.

RECOMMENDATION

The office should improve purchasing procedures by issuing purchase orders for all applicable purchases.

FINDING 05.03 INVOICE DATES WERE FALSIFIED TO CIRCUMVENT BID REQUIREMENTS ON THE PURCHASE OF A STORAGE BUILDING
(Noncompliance Under Government Auditing Standards)

The county purchased a storage building for \$5,900 without the benefit of competitive bids. The building was billed to the county on separate invoices totaling \$4,200 and \$1,700. Both invoices had an original date of September 6, 2004; however, the second invoice had the date altered to reflect September 10, 2004. Section 39-16-504, Tennessee Code Annotated (TCA), states that is unlawful to “knowingly make a false entry in, or false alteration of, a governmental record.” Purchasing procedures for Gibson County are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, TCA, which provide for all purchases exceeding \$5,000 to be made after public advertisement and solicitation of competitive bids.

RECOMMENDATION

Official records of the office should not be altered or falsified. To comply with state statutes, the office should follow competitive bid requirements.

FINDING 05.04 AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT
(Noncompliance Under Government Auditing Standards)

The office did not deposit amounts withheld from contractor payments into an escrow account. Section 66-11-144, Tennessee Code Annotated, requires that funds withheld from contractors be deposited into an escrow account for contracts of \$500,000 or more.

RECOMMENDATION

Amounts withheld from contractor payments should be deposited into an escrow account in compliance with state statute.

OFFICE OF ROAD SUPERVISOR

FINDING 05.05 **THE HIGHWAY DEPARTMENT DID NOT MAINTAIN A SYSTEM TO ACCOUNT FOR THE USE OF SOME ROAD MATERIALS**
(Internal Control – Reportable Condition Under Government Auditing Standards)

The Highway Department had a system to determine the use of road materials, such as bridge lumber and rock, for state-aid projects. However, the department did not have a system to account for materials used on other types of road projects. The failure to maintain a system of documenting the use of road materials results in a loss of control over the assets and increases the risk of inventory loss.

RECOMMENDATION

The Highway Department should develop and implement a system to account for materials used on all types of road projects.

OFFICE OF JUVENILE COURT CLERK

FINDING 05.06 **BANK STATEMENTS WERE NOT RECONCILED WITH GENERAL LEDGER ACCOUNTS MONTHLY**
(Internal Control – Reportable Condition Under Government Auditing Standards)

Bank statements of the Juvenile Court Clerk’s Office were not reconciled with general ledger accounts for several months during the period of examination. In May 2005, a reconciliation of bank statements with general ledger accounts had not been prepared since January 2005. Additionally, this reconciliation contained uncorrected errors dating back to July 2004. As of June 30, 2005, all errors were corrected by the clerk. The monthly reconciliation of bank statements with general ledger accounts and the prompt correction of errors are necessary procedures to ensure that all cash collections and disbursements are accurately recorded on the accounting records.

RECOMMENDATION

The clerk should reconcile bank statements with general ledger accounts monthly, and any errors noted should be corrected promptly.

OFFICE OF SHERIFF

FINDING 05.07 **THE OFFICE DID NOT COMPLETE SEVERAL DRUG CONTROL FUND FORMS AND REPORTS**
(Noncompliance Under Government Auditing Standards)

Several forms and reports required by the Office of the Comptroller of the Treasury to account for drug control funds were not completed. These forms and reports are necessary to document the administration of confidential drug funds and to account for cash transactions related to undercover investigative operations.

RECOMMENDATION

The sheriff should ensure that the office completes all forms and reports required by the Office of the Comptroller of the Treasury.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 05.08 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF JUVENILE COURT CLERK, REGISTER, AND SHERIFF**
(Internal Control – Reportable Condition Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of Juvenile Court Clerk, Register, and Sheriff. Employees of these offices, who were responsible for maintaining the accounting records, were also involved in issuing receipts, preparing bank deposits, taking deposits to the bank, posting receipts to the cash journal, reconciling bank statements, and/or reconciling receipts with cash. We realize that due to limited resources and personnel, management may not be able to properly segregate duties among employees. However, our professional standards require that we bring this matter to the reader's attention in this report.

FINDING 05.09 **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED**
(Internal Control – Reportable Condition Under Government Auditing Standards)

Gibson County officials had not adopted a central system of accounting, budgeting, and purchasing. Establishing a central system would significantly improve controls over the accounting, budgeting, and purchasing processes.

RECOMMENDATION

Gibson County officials should consider adopting the County Financial Management System of 1981 or a private act that would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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

There were no findings and questioned costs for federal awards.

GIBSON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2005

There were no audit findings relative to federal awards presented in the prior audit's Schedule of Findings and Questioned Costs or the current year's Schedule of Findings and Questioned Costs.