

**ANNUAL FINANCIAL REPORT
GIBSON COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2007



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FOR THE YEAR ENDED JUNE 30, 2007

DEPARTMENT OF AUDIT
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Comptroller of the Treasury

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State Auditors

This financial report is available at www.comptroller.state.tn.us

GIBSON COUNTY, TENNESSEE

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Audit Highlights
Annual Financial Report
Gibson County, Tennessee
For the Year Ended June 30, 2007

Scope

We have audited the basic financial statements of Gibson County as of and for the year ended June 30, 2007.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The Solid Waste/Sanitation Fund had a cash overdraft of \$25,338 at June 30, 2007.
- ◆ The office did not issue purchase orders.
- ◆ The office overpaid construction contracts by \$456,136.
- ◆ The office had not paid jail inmate medical care costs in a timely manner.
- ◆ General Fund expenditures exceeded appropriations approved by the County Commission at the major appropriation category level of control (the legal level of control).
- ◆ The ambulance service did not prepare a detailed listing of accounts receivable at June 30, 2007.
- ◆ Records reflecting accrued leave for county employees were not properly maintained or centrally filed.

OFFICE OF ROAD SUPERVISOR

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

OTHER FINDINGS

- ◆ Deficiencies were noted in the operation of the Gibson County Airport.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.

INTRODUCTORY SECTION

Gibson County Officials

June 30, 2007

Officials

Joe Shepard, County Mayor
Carl Stoppenhagen, Road Supervisor
LeAnne Smith, 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
Amanda Brown, Clerk and Master - Humboldt
Hilda Patterson, Register
Charles Arnold, Sheriff

Board of County Commissioners

Joe Shepard, Chairman	David Martin
Tommy Price, Chairman Pro-Tem	Nelson McLin
Lenford Carr	Wayne Morris
Lynn Cole	Sandra Moss
Jimmy Copous	Jim Overall
Bobby Cotham	Robert Shelton
Alecia Craig	Leon Smith
Mark Flake	Kenneth Smithson
Curtis Halford	Keith Steele
Billy Joe Hanks	Valess Stults
Larry Kimery	Joe Tidwell
James Longmire	Bruce Williams
Tim Luckey	Coy Yergin

Highway Commission

Joe Shepard, Chairman
Lee Asbridge
Gerald Davis
Howard Hudson
Mark McGill
George Pounds

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
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NASHVILLE, TENNESSEE 37243-0269
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INDEPENDENT AUDITOR'S REPORT

December 17, 2007

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Gibson County's basic financial statements as listed in the table of contents. 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 did not audit the financial statements of the discretely presented Gibson County Emergency Communications District, which represent 100 percent of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Gibson County Emergency Communications District, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 17, 2007, 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 V.B., Gibson County has implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. For the first time, the financial statements include the government-wide financial statements.

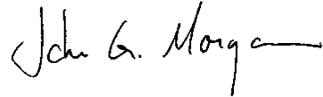
The management of Gibson County did not prepare the management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

The budgetary comparison and pension information on pages 55 through 59 are not required parts of the basic financial statements but they do provide 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 and the General Debt Service Fund, and miscellaneous schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, 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 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in cursive script that reads "John G. Morgan". The signature is written in black ink and includes a long horizontal flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/rc

BASIC FINANCIAL STATEMENTS

Exhibit A

Gibson County, Tennessee
Statement of Net Assets
June 30, 2007

	Primary Government Governmental Activities	Component Unit Emergency Communications District
<u>ASSETS</u>		
Cash	\$ 680,513	\$ 95,925
Equity in Pooled Cash and Investments	5,997,677	0
Investments	0	225,000
Accounts Receivable	1,535,409	60,318
Allowance for Uncollectibles	(375,491)	0
Due from Other Governments	993,865	0
Property Taxes Receivable	4,814,330	0
Allowance for Uncollectible Property Taxes	(155,366)	0
Prepaid Items	0	1,712
Accrued Interest Receivable	16,613	0
Capital Assets:		
Assets Not Depreciated:		
Land	4,866,311	66,400
Construction in Progress	8,770,517	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,782,116	519,771
Infrastructure	14,850,490	0
Other Capital Assets	3,485,935	333,188
Total Assets	<u>\$ 48,262,919</u>	<u>\$ 1,302,314</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 106,895	\$ 4,506
Payroll Deductions Payable	1,075	0
Accrued Leave	0	7,920
Cash Overdraft	25,338	0
Contracts Payable	239,683	0
Retainage Payable	14,139	0
Accrued Interest Payable	87,644	0
Deferred Revenue - Current Property Taxes	4,509,389	0
Other Deferred Revenue	0	527,333
Noncurrent Liabilities:		
Due Within One Year	452,836	63,821
Due in More Than One Year	16,492,744	0
Total Liabilities	<u>\$ 21,929,743</u>	<u>\$ 603,580</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 17,954,369	\$ 855,538
Restricted for:		
Highway/Public Works	1,090,772	0
Debt Service	2,203,570	0
Capital Projects	1,360,634	0
Other Purposes	373,816	0
Unrestricted	3,350,015	(156,804)
Total Net Assets	<u>\$ 26,333,176</u>	<u>\$ 698,734</u>

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

Exhibit B

Gibson County, Tennessee
Statement of Activities
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total Activities	Unit Emergency Communications District
<u>Primary Government:</u>						
Governmental Activities:						
General Government	\$ 1,491,669	\$ 412,005	\$ 382,760	\$ 0	\$ (696,904)	\$ 0
Finance	918,046	786,904	17,465	0	(113,677)	0
Administration of Justice	1,621,731	987,277	9,000	0	(625,454)	0
Public Safety	4,309,564	757,851	684,080	58,223	(2,809,410)	0
Public Health and Welfare	2,747,616	3,368,218	350,044	0	970,646	0
Social, Cultural, and Recreational Services	442,542	72,357	165,750	0	(204,435)	0
Agriculture and Natural Resources	241,203	62,413	15,250	0	(163,540)	0
Other Operations	460,351	88,572	0	1,090,838	719,059	0
Highways	4,965,723	11,888	2,127,413	467,290	(2,359,132)	0
Interest on Long-term Debt	744,698	0	0	0	(744,698)	0
Other Debt Service	20,461	0	0	0	(20,461)	0
Total Governmental Activities	\$ 17,963,604	\$ 6,547,485	\$ 3,751,762	\$ 1,616,351	\$ (6,048,006)	\$ 0
<u>Component Unit:</u>						
Emergency Communications District	\$ 743,819	\$ 744,392	\$ 204,981	\$ 0	\$ 0	\$ 205,554
Total Component Unit	\$ 743,819	\$ 744,392	\$ 204,981	\$ 0	\$ 0	\$ 205,554

(Continued)

Exhibit B

Gibson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total Activities	Unit Emergency Communications District
General Revenues:						
Taxes:						
	Property Taxes Levied for General Purposes				\$ 4,196,748	\$ 0
	Property Taxes Levied for Debt Service				579,685	0
	Local Option Sales Taxes				323,646	0
	Other Local Taxes				2,064,552	0
	Grants and Contributions Not Restricted for Specific Programs				909,853	0
	Unrestricted Investment Income				280,811	4,704
	Miscellaneous				65,263	8,537
	Gain on Disposal of Capital Assets				87,547	0
	Total General Revenues				\$ 8,508,105	\$ 13,241
	Change in Net Assets				\$ 2,460,099	\$ 218,795
	Net Assets, July 1, 2006				<u>23,873,077</u>	<u>479,939</u>
	Net Assets, June 30, 2007				<u>\$ 26,333,176</u>	<u>\$ 698,734</u>

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

Exhibit C-1

Gibson County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2007

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 680,513	\$ 680,513
Equity in Pooled Cash and Investments	2,744,079	375,160	2,189,040	616,424	5,924,703
Accounts Receivable	1,475,542	926	695	58,246	1,535,409
Allowance for Uncollectibles	(375,491)	0	0	0	(375,491)
Due from Other Governments	180,596	730,161	66,675	16,433	993,865
Due from Other Funds	33,714	0	0	39,904	73,618
Property Taxes Receivable	3,448,101	780,703	585,526	0	4,814,330
Allowance for Uncollectible Property Taxes	(111,276)	(25,194)	(18,896)	0	(155,366)
Accrued Interest Receivable	0	0	16,613	0	16,613
Total Assets	<u>\$ 7,395,265</u>	<u>\$ 1,861,756</u>	<u>\$ 2,839,653</u>	<u>\$ 1,411,520</u>	<u>\$ 13,508,194</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 106,895	\$ 0	\$ 0	\$ 0	\$ 106,895
Payroll Deductions Payable	1,075	0	0	0	1,075
Cash Overdraft	0	0	0	25,338	25,338
Contracts Payable	12,685	0	0	226,998	239,683
Retainage Payable	1,409	0	0	12,730	14,139
Due to Other Funds	0	0	0	644	644
Deferred Revenue - Current Property Taxes	3,229,697	731,253	548,439	0	4,509,389
Deferred Revenue - Delinquent Property Taxes	91,628	20,606	15,691	0	127,925
Other Deferred Revenues	675,280	192,000	22,000	0	889,280
Total Liabilities	<u>\$ 4,118,669</u>	<u>\$ 943,859</u>	<u>\$ 586,130</u>	<u>\$ 265,710</u>	<u>\$ 5,914,368</u>
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 14,025	\$ 14,025
Reserved for Purchase of Electronic Fingerprint Imaging System	0	0	0	5,990	5,990

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>					
<u>Fund Balances (Cont.)</u>					
Reserved for Sexual Offender Registration	\$ 1,316	\$ 0	\$ 0	\$ 0	\$ 1,316
Reserved for Computer System - Register	46,875	0	0	0	46,875
Reserved for Automation Purposes - Circuit Court	606	0	0	0	606
Reserved for Automation Purposes - General Sessions Court	10,484	0	0	0	10,484
Reserved for Automation Purposes - Juvenile Court	2,065	0	0	0	2,065
Reserved for Automation Purposes - Chancery Court	6,129	0	0	0	6,129
Reserved for Automation Purposes - Other Courts	13,681	0	0	0	13,681
Reserved for Automation Purposes - Sheriff	12,628	0	0	0	12,628
Reserved for Capital Outlay	626,340	0	0	0	626,340
Reserved for Other General Purposes	32,147	0	0	0	32,147
Unreserved, Reported In:					
General Fund	2,524,325	0	0	0	2,524,325
Special Revenue Funds	0	917,897	0	405,526	1,323,423
Debt Service Funds	0	0	2,253,523	0	2,253,523
Capital Projects Funds	0	0	0	720,269	720,269
Total Fund Balances	\$ 3,276,596	\$ 917,897	\$ 2,253,523	\$ 1,145,810	\$ 7,593,826
Total Liabilities and Fund Balances	\$ 7,395,265	\$ 1,861,756	\$ 2,839,653	\$ 1,411,520	\$ 13,508,194

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

Exhibit C-2

Gibson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 7,593,826
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 4,866,311	
Add: construction in progress	8,770,517	
Add: buildings and improvements net of accumulated depreciation	2,782,116	
Add: infrastructure net of accumulated depreciation	14,850,490	
Add: other capital assets net of accumulated depreciation	<u>3,485,935</u>	34,755,369
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		1,017,205
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (2,060,000)	
Less: other loans payable	(4,425,000)	
Less: bonds payable	(10,316,000)	
Less: compensated absences payable	(39,731)	
Less: judgments payable	(104,849)	
Less: accrued interest on notes, capital leases, and bonds	<u>(87,644)</u>	<u>(17,033,224)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 26,333,176</u>

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

Exhibit C-3

Gibson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Revenues					
Local Taxes	\$ 4,637,210	\$ 1,768,630	\$ 851,541	\$ 0	\$ 7,257,381
Licenses and Permits	118,080	0	0	0	118,080
Fines, Forfeitures, and Penalties	229,831	0	0	35,938	265,769
Charges for Current Services	2,826,838	5,037	0	485,191	3,317,066
Other Local Revenues	227,750	21,209	280,811	93,999	623,769
Fees Received from County Officials	1,350,017	0	0	0	1,350,017
State of Tennessee	2,324,485	2,575,856	522,129	41,937	5,464,407
Federal Government	1,234,675	12,647	0	8,800	1,256,122
Other Governments and Citizens Groups	72,728	0	0	39,299	112,027
Total Revenues	\$ 13,021,614	\$ 4,383,379	\$ 1,654,481	\$ 705,164	\$ 19,764,638
Expenditures					
Current:					
General Government	\$ 1,376,105	\$ 0	\$ 0	\$ 161,244	\$ 1,537,349
Finance	458,544	0	0	326,354	784,898
Administration of Justice	1,192,211	0	0	23,293	1,215,504
Public Safety	3,425,542	0	0	8,890	3,434,432
Public Health and Welfare	2,059,403	0	0	79,004	2,138,407
Social, Cultural, and Recreational Services	310,778	0	0	112,933	423,711
Agriculture and Natural Resources	200,413	0	0	0	200,413
Other Operations	3,018,530	0	0	55,119	3,073,649
Highways	0	5,575,681	0	0	5,575,681
Debt Service:					
Principal on Debt	0	0	335,000	0	335,000
Interest on Debt	0	0	747,231	0	747,231
Other Debt Service	0	0	20,461	0	20,461
Capital Projects	475	0	0	1,201,236	1,201,711
Total Expenditures	\$ 12,042,001	\$ 5,575,681	\$ 1,102,692	\$ 1,968,073	\$ 20,688,447
Excess (Deficiency) of Revenues Over Expenditures	\$ 979,613	\$ (1,192,302)	\$ 551,789	\$ (1,262,909)	\$ (923,809)
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	\$ 0	\$ 204,781	\$ 0	\$ 0	\$ 204,781
Transfers In	158,674	0	0	103,855	262,529
Transfers Out	(103,855)	0	0	(158,674)	(262,529)
Total Other Financing Sources (Uses)	\$ 54,819	\$ 204,781	\$ 0	\$ (54,819)	\$ 204,781
Net Change in Fund Balances	\$ 1,034,432	\$ (987,521)	\$ 551,789	\$ (1,317,728)	\$ (719,028)
Fund Balance, July 1, 2006	2,242,164	1,905,418	1,701,734	2,463,538	8,312,854
Fund Balance, June 30, 2007	\$ 3,276,596	\$ 917,897	\$ 2,253,523	\$ 1,145,810	\$ 7,593,826

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

Exhibit C-4

Gibson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2007

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (719,028)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 4,166,651	
Less: current year depreciation expense	<u>(1,674,393)</u>	2,492,258
(2) The net effect of the sale of capital assets is to decrease net assets:		
Less: disposal of capital assets		(117,234)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2007	\$ 1,017,205	
Less: deferred delinquent property taxes and other deferred June 30, 2006	<u>(445,687)</u>	571,518
(4) The issuance of long-term debt (e.g. notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Add: principal payments on notes	\$ 140,000	
Add: principal payments on other loans	75,000	
Add: principal payments on bonds	120,000	
Less: judgments payable	<u>(104,849)</u>	230,151
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest payable	\$ 2,532	
Change in compensated absences	<u>(98)</u>	<u>2,434</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 2,460,099</u>

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

Exhibit D

Gibson County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,154,136
Equity in Pooled Cash and Investments	19,071
Accounts Receivable	1,567
Due from Other Governments	1,363,934
Property Taxes Receivable	9,152,061
Allowance for Uncollectible Property Taxes	<u>(295,570)</u>
Total Assets	<u>\$ 12,395,199</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 10,239,563
Due to Litigants, Heirs, and Others	<u>2,155,636</u>
Total Liabilities	<u>\$ 12,395,199</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, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following are the more significant accounting policies of 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). The component unit discussed below is included in the county's reporting entity because of the significance of its operational or financial relationship with the county.

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.

Discretely Presented Component Unit – The following entity meets the criteria for a discretely presented component unit of the county. It is reported as a separate column in the government-wide financial 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 Gibson County and the cities of Bradford, Dyer, Gibson, 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. Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they

are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of 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. 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 grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Fiduciary fund financial statements are reported using the economic resources measurement focus (except for agency funds which have no measurement focus) and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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.

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

Additionally, Gibson County reports the following fund types:

Capital Projects 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.

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, water shed district funds, 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.

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

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

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted revenues first, then unrestricted resources as they are needed.

D. 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, excluding the Gibson County Public Library. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the 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. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.7 percent of total taxes levied.

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

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes

are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

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

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

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government

are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and Improvements	50
Other Capital Assets	5-10
Infrastructure:	
Roads	20
Bridges	15-30

4. Compensated Absences

The general policy of Gibson County, with the exception of the Highway Department, does not allow an employee’s unused vacation benefits to be carried over from year to year without the written permission of the employee’s supervisor or department head. Records reflecting the required financial disclosures were not presented for inclusion in the county’s annual financial report.

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. Vacation benefits for the Highway Department are accrued when incurred in the government-wide financial statements for the county.

A liability for 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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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

6. Net Assets and Fund Equity

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

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

In the fund financial statements, 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.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds to the government-wide statement of net assets.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds

with the changes in net assets of governmental activities reported in the government-wide statement of activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

The budgetary level of control is at the major category level established by the 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 County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Cash Overdraft

The Solid Waste/Sanitation Fund had a cash overdraft of \$25,338 at June 30, 2007. This overdraft resulted from the issuance of warrants that exceeded cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2007.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the County Coroner/Medical Examiner (\$3,676) and Transfers Out (\$19,952) major appropriation categories (the legal level of control) in the General Fund. Such over expenditures are a violation of state statutes. These over expenditures were funded by available fund balance.

IV. 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 or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected in the fund financial statements represents nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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, 2007, Gibson County had the following investments carried at cost. All investments are in the county trustee's investment pool.

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	<u>\$ 4,900,878</u>
Total		<u><u>\$ 4,900,878</u></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, 2007, Gibson County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2007, was as follows:

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 4,866,311	\$ 0	\$ 0	\$ 4,866,311
Construction in Progress	8,213,932	556,585	0	8,770,517
Total Capital Assets				
Not Depreciated	<u>\$ 13,080,243</u>	<u>\$ 556,585</u>	<u>\$ 0</u>	<u>\$ 13,636,828</u>

Governmental Activities (Cont.):

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 4,161,612	\$ 0	\$ 0	\$ 4,161,612
Roads and Bridges	21,882,371	2,472,170	0	24,354,541
Other Capital Assets	7,382,208	1,137,896	459,580	8,060,524
Total Capital Assets				
Depreciated	<u>\$ 33,426,191</u>	<u>\$ 3,610,066</u>	<u>\$ 459,580</u>	<u>\$ 36,576,677</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 1,298,282	\$ 81,214	\$ 0	\$ 1,379,496
Roads and Bridges	8,495,840	1,008,211	0	9,504,051
Other Capital Assets	4,331,967	584,968	342,346	4,574,589
Total Accumulated				
Depreciation	<u>\$ 14,126,089</u>	<u>\$ 1,674,393</u>	<u>\$ 342,346</u>	<u>\$ 15,458,136</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 19,300,102</u>	<u>\$ 1,935,673</u>	<u>\$ 117,234</u>	<u>\$ 21,118,541</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 32,380,345</u>	<u>\$ 2,492,258</u>	<u>\$ 117,234</u>	<u>\$ 34,755,369</u>

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

Governmental Activities:

General Government	\$ 9,292
Administration of Justice	32,129
Public Safety	277,663
Public Health and Welfare	74,874
Social, Cultural, and Recreational Services	2,455
Agriculture and Natural Resources	3,484
Other Operations	27,677
Highway	<u>1,246,819</u>
Total Depreciation Expense -	
Governmental Activities	<u>\$ 1,674,393</u>

C. Construction Commitments

At June 30, 2007, the General Capital Projects Fund had uncompleted construction contracts of approximately \$14,025 for the construction of a new jail. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2007, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 33,070
General	Nonmajor governmental	644
Nonmajor governmental	General	39,904

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.

Receivables in the General Fund (\$33,070) and the Solid Waste/Sanitation Fund (\$39,904) were in transit at June 30, 2007.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2007, consisted of the following amounts:

<u>Transfers Out</u>	<u>Transfers In</u>	
	General Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 103,855
Nonmajor governmental funds	158,674	0
Total	<u>\$ 158,674</u>	<u>\$ 103,855</u>

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

E. Long-term Debt

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. 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, 2007, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2007, are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-07</u>
General Obligation Bonds	4 to 5.2 %	\$ 10,725,000	\$ 10,316,000
Capital Outlay Notes	3.95 to 4.8	2,600,000	2,060,000
Other Loans	variable	4,500,000	4,425,000

On May 5, 2005, Gibson County entered into a loan agreement with the Sevier County Public Building Authority. Under this loan agreement, the authority loaned \$4,500,000 to Gibson County for various renovation and construction projects. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2007, the variable interest rate was 3.81 percent, and other fees amounted to approximately .125 percent (letter of credit), .175 percent (remarketing), and .15 percent (trustee) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2007, including interest payments and other loan fees, are presented in the following table:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
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	23,000	455,991	295,000	59,820
2012	25,000	454,899	310,000	46,250
2013-2017	1,616,000	2,198,730	670,000	48,395
2018-2022	3,180,000	1,667,065	0	0
2023-2027	4,057,000	893,834	0	0
2028-2029	1,350,000	82,537	0	0
Total	\$ 10,316,000	\$ 7,127,136	\$ 2,060,000	\$ 403,735

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2008	\$ 75,000	\$ 168,591	\$ 19,912	\$ 263,503
2009	75,000	165,735	19,575	260,310
2010	75,000	162,878	19,238	257,116
2011	75,000	160,020	18,900	253,920
2012	75,000	157,163	18,563	250,726
2013-2017	150,000	751,523	88,762	990,285
2018-2022	0	742,950	87,750	830,700
2023-2027	0	742,950	87,750	830,700
2028-2032	2,950,000	603,885	71,325	3,625,210
2033	950,000	36,195	4,275	990,470
Total	\$ 4,425,000	\$ 3,691,890	\$ 436,050	\$ 8,552,940

There is \$2,253,523 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$214, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans, totaled \$349, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2007, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2006	\$ 10,436,000	\$ 2,200,000
Deductions	(120,000)	(140,000)
Balance, June 30, 2007	<u>\$ 10,316,000</u>	<u>\$ 2,060,000</u>
Balance Due Within One Year	<u>\$ 21,000</u>	<u>\$ 250,000</u>

	<u>Other Loans</u>	<u>Compensated Absences</u>
Balance, July 1, 2006	\$ 4,500,000	\$ 39,633
Additions	0	36,835
Deductions	(75,000)	(36,737)
Balance, June 30, 2007	<u>\$ 4,425,000</u>	<u>\$ 39,731</u>
Balance Due Within One Year	<u>\$ 75,000</u>	<u>\$ 1,987</u>

	<u>Claims and Judgments</u>
Balance, July 1, 2006	\$ 0
Additions	104,849
Balance, June 30, 2007	<u>\$ 104,849</u>
Balance Due Within One Year	<u>\$ 104,849</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 16,945,580
Less: Balance Due Within One Year	<u>(452,836)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 16,492,744</u>

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

At year-end, \$104,849 of claims and judgments is included in the above amounts. This liability, which includes \$9,075 in attorney fees, is the result of a Circuit Court judgment awarded to the current Juvenile Court Clerk, Lee

Hayes, for deficit salary payments made by Gibson County to the clerk for the period September 1, 2002, through June 30, 2007. The claims and judgments payable will be retired from the General Fund.

V. 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 in any of the past three fiscal years.

Workers' Compensation Insurance

Gibson County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under 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, 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

At the beginning of the year, Gibson County implemented the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. In the prior year, Gibson County had elected to implement only the provisions of Statement No. 34 that related to the fund financial statements.

C. Subsequent Event

On October 25, 2007, Gibson County issued a capital outlay note for \$221,000 to purchase Sheriff's Department patrol cars and ambulances.

D. Contingent Liabilities

On July 16, 2007, the former Juvenile Court Clerk, Patsy Goodrich, filed a lawsuit against Gibson County maintaining that she had not been paid the correct salary pursuant to Tennessee law while she was juvenile court clerk for the period July 1, 2000, to August 31, 2002. This case has not been heard as of the date of this report.

The county received billings from a local hospital for providing medical care to inmates incarcerated at the county jail. These billings listed only a total amount due and did not itemize charges. The county informed us that they had not been paying the bills since the bills were not itemized. The hospital claimed the county had unpaid accounts totaling \$553,147 that dated back to November 2005. During the 2006-07 year, the county entered into negotiations with the local hospital to settle the account. The hospital has provided Gibson County with a detailed listing of the charges to review and determine the extent of their liability. A final settlement amount has not been negotiated. However, Gibson County paid \$100,000 on the account prior to June 30, 2007, and another \$100,000 on September 6, 2007. The payment on September 6, 2007, has been recognized as a current liability in the financial statements of this report. This liability represents an estimate based on available information pending the determination of a final negotiated amount. The final negotiated amount may be significantly different.

E. Changes in Administration

On August 31, 2006, Ronnie Riley left the Office of County Mayor and was succeeded by Joe Shepard, Shirley Hickman left the Office of Trustee and was succeeded by LeAnne Smith, and Joe Shepard left the Office of Sheriff and was succeeded by Charles Arnold.

F. Jointly Governed Organizations

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 city 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.

G. Retirement Commitments

Employees

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, Chapters 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 <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 ending June 30, 2007, was 5.81 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, 2007, Gibson County's annual pension cost of \$367,822 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2005, 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, 2005, was ten years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$367,822	100%	\$0
6-30-06	225,160	100	0
6-30-05	215,774	100	0

H. Purchasing Laws

Office of County Mayor

The County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, Tennessee Code Annotated (TCA), govern purchasing for the general county government. This act provides for all purchases exceeding \$5,000 (\$10,000 effective May 10, 2007, and 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, TCA, (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.

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

A. Organization and Reporting Entity

The Gibson County Emergency Communications District (a discretely presented component unit of Gibson County, Tennessee) was established by voter referendum in May 1987, and the assessment of service fees began

October 1, 1987. The local emergency telephone service to residents of Gibson County began July 1, 1989.

The purpose of the district is to provide a simplified means of securing emergency services by telephone to those persons living in Gibson County, Tennessee.

The district is considered a component unit of the county because the Board of Directors of the district is appointed by the Gibson County Commission. The Gibson County Commission has the authority to adjust the rates charged by the district, and the Gibson County Commission must approve any debt issued by the district.

B. Summary of Significant Accounting Policies

The district's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB), Financial Accounting Standards Board Statements and Interpretations, Accounting Principle Board Opinions, and Accounting Research Bulletins, issued on or before November 30, 1989. After this date, the district has elected to apply only the GASB pronouncements.

1. Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are reported using a flow of economic resources measurement focus. Enterprise fund operating statements present increases (revenues) and decreases (expenses) in net total assets.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The district is considered an enterprise fund, which uses the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a cost of services or capital maintenance measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with this activity are included on their statement of position.

2. Cash and Investments

State statutes allow investments in obligations of the U.S. Treasury, agencies, instrumentalities and obligations guaranteed as to principal and interest of the United States or any of its agencies, repurchase agreements, the State Treasurer's Investment Pool and certificates of deposit.

3. Accounts Receivable and Credit Risk

Accounts receivable represent amounts due from telephone companies for user fees, and amounts due from local customers for dispatch services. Other accounts receivable represent amounts due from Tennessee Emergency Communication Board.

4. Capital Assets and Depreciation

Capital assets are stated at original cost. Maintenance repairs and minor renewals are expensed as incurred. The original cost is deducted when items are retired. Depreciation has been provided over the estimated useful lives of the property and equipment by the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Building	30
Equipment	5-20

5. Compensated Absences

Employees who have earned six months of work service receive one week of vacation time. Employees who have earned one year of work service receive two weeks of vacation time.

There is no accumulation of vacation time or sick leave. Vacation time is lost if not used within the calendar year. At June 30, 2007, accrued leave was booked for \$7,920.

6. Budgetary Compliance

The district adopts a budget in accordance with the requirements of the Tennessee Emergency Communication Board and Tennessee Code Annotated Section 7-86-120. This budget is adopted on an other comprehensive basis of accounting which is not in accordance with generally accepted accounting principles. The budgetary basis of accounting includes expenditures for capital assets and reduction of principal on long-term debt.

C. Cash and Investments

The district's policies limit deposits and investments to those instruments allowed by applicable state laws and described below. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district's agent in the district's name, or by the Federal Reserve Banks acting as third party agents. State statutes also authorize the district to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, the state pooled investment fund, and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2007, \$200,000 was covered by FDIC insurance, \$50,000 was covered by collateral pledged, and \$12,411 was uncollateralized.

D. Capital Assets

A summary of capital assets activity for the year is as follows:

	Balance 7-1-06	Increases	Balance 6-30-07
Capital Assets:			
Building	\$ 672,704	\$ 5,944	\$ 678,648
Land	65,600	800	66,400
Leasehold Improvements	7,850	0	7,850
Communication Equipment	622,946	73,591	696,537
Office Equipment	92,870	4,975	97,845
Total Capital Assets	<u>\$ 1,461,970</u>	<u>\$ 85,310</u>	<u>\$ 1,547,280</u>
Less Accumulated Depreciation:			
Building	\$ 136,393	\$ 22,484	\$ 158,877
Leasehold Improvements	4,840	785	5,625
Communication Equipment	336,579	69,862	406,441
Office Equipment	43,651	13,327	56,978
Total Accumulated Depreciation	<u>\$ 521,463</u>	<u>\$ 106,458</u>	<u>\$ 627,921</u>
Net Property and Equipment	<u>\$ 940,507</u>	<u>\$ (21,148)</u>	<u>\$ 919,359</u>

E. Funding Sources

Funding for the district's operations is provided by monthly fees from service users in Gibson County and by the Tennessee Emergency Communications Board. Three service suppliers in Gibson County: South Central Bell, Yorkville Telephone Company and West Tennessee Telephone Company collect service fees and remit the funds to the district. South Central Bell retains one percent of the collections as an administrative fee, as does Yorkville Telephone Company. West Tennessee Telephone Company retains three percent as an administrative fee.

The state remits a percentage of its shared wireless charges based on the district's population.

F. Retirement Plan

Plan Description

Employees of the Gibson County Emergency Communications District 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 the Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the Gibson County Emergency Communications District 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 Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, Tennessee 37243-0230 or can be accessed at <https://treasury.state.tn.us/tcrs/PS/>.

Funding Policy

The district has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2007, was 11.60 percent of annual covered payroll. The contribution requirement of plan members is amended by the TCRS Board of Trustees. The contribution requirement for the district is established and may be set by state statute.

Annual Pension Cost

For the year ending June 30, 2007, the district's annual pension cost of \$25,456 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2005, actuarial valuation using the frozen initial liability 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 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. The district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 14 years.

Fiscal Year Ended		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
6-30-07	\$	33,317	100 %	\$	0
6-30-06		25,456	100		0
6-30-05		24,695	100		0

G. Risk Management

The district is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for general liability, auto liability, errors and omissions, workers' compensation, and automobile physical damage coverage. The district joined the Tennessee Municipal League Risk Pool, which is a public entity risk pool established in 1979 by the Tennessee Municipal League.

The district pays annual premiums to the pool for its general liability, auto liability, real and personal property damage, workers' compensation, and errors and omissions policies. The pool provides the specified coverage and pays all claims from its member premiums charged or through its reinsurance policies. The district's premiums are calculated based on its prior claims history.

It is the policy of the district to purchase commercial insurance for the risks of employee dishonesty and excess liability. Settled claims have not exceeded this commercial coverage in any of the past four years.

H. Lease Commitments

The district leases E-911 communications consoles and workstations under a capital lease. The future minimum lease payments at June 30, 2007, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Payments</u>
2008	\$ 66,508
Total future minimum lease payments	\$ 66,508
Less imputed interest	<u>(2,687)</u>
Net present value of minimum future lease payments	<u>\$ 63,821</u>

The district also leases communication equipment from BellSouth Telephone, Yorkville Telephone, and West Tennessee Telephone companies under a 30-day cancelable agreement between both parties. The monthly amounts are \$3,205, \$273, and \$250, respectively.

I. Deferred Revenue

The district received \$700,000 from Gibson County in May 2001, which represents advance payments of dispatch fees for the period May 2001 through April 2026. Revenue of \$2,333 will be recognized each month during the life of the contract.

J. Budget Overruns

The district had budget overruns on the following line items: Medical Insurance, \$736; Audit Services \$2,925; Accounting Services, \$200; Janitorial Services, \$1,028; Repairs and Maintenance of Communications Equipment, \$2,557; Repairs and Maintenance of Office Buildings \$6,411; Supplies and Materials, \$100; Office Supplies, \$1,676; Electric, \$2,664; Telephone, \$3,284; Dues and Memberships, \$1,303; Premiums on Fidelity Bonds, \$400; Training Expenses, \$511; Travel Expenses, 754; Trash Collections and Disposals, \$95;

Miscellaneous, 72; Office Equipment, \$1,377; Communications Equipment, \$28,890.

The following revenue accounts were under-budgeted: Emergency Telephone Service Charge, \$9,432 and Other Operating Revenues, \$10,996.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,637,210	\$ 4,496,670	\$ 4,501,670	\$ 135,540
Licenses and Permits	118,080	102,650	102,650	15,430
Fines, Forfeitures, and Penalties	229,831	257,367	257,367	(27,536)
Charges for Current Services	2,826,838	2,169,100	2,169,100	657,738
Other Local Revenues	227,750	188,500	191,500	36,250
Fees Received from County Officials	1,350,017	1,036,500	1,178,724	171,293
State of Tennessee	2,324,485	2,359,972	2,771,737	(447,252)
Federal Government	1,234,675	506,455	1,155,060	79,615
Other Governments and Citizens Groups	72,728	53,222	53,222	19,506
Total Revenues	\$ 13,021,614	\$ 11,170,436	\$ 12,381,030	\$ 640,584
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 43,189	\$ 46,884	\$ 46,884	\$ 3,695
Board of Equalization	1,090	1,300	1,300	210
County Mayor/Executive	170,326	154,666	177,460	7,134
County Attorney	35,100	35,100	35,100	0
Election Commission	575,604	587,929	591,009	15,405
Register of Deeds	26,075	44,233	44,233	18,158
Development	74,013	75,775	75,775	1,762
County Buildings	450,708	329,876	469,077	18,369
<u>Finance</u>				
Property Assessor's Office	203,274	224,840	225,056	21,782
Reappraisal Program	42,261	44,306	44,090	1,829
County Trustee's Office	166,226	22,553	166,276	50
County Clerk's Office	46,783	49,553	49,553	2,770
<u>Administration of Justice</u>				
Circuit Court	286,044	286,906	286,906	862
General Sessions Court	172,139	172,346	172,346	207
Drug Court	14,262	14,340	14,340	78
Chancery Court	181,490	187,051	187,051	5,561
Juvenile Court	279,049	269,432	309,756	30,707
Other Administration of Justice	259,227	265,937	265,937	6,710
<u>Public Safety</u>				
Sheriff's Department	1,410,021	1,528,230	1,441,570	31,549
Jail	1,664,022	1,415,363	1,668,023	4,001
Juvenile Services	9,124	9,500	9,500	376
Fire Prevention and Control	122,987	171,193	171,193	48,206
Civil Defense	126,023	109,550	681,089	555,066
Other Emergency Management	72,489	124,478	194,215	121,726
County Coroner/Medical Examiner	20,876	13,000	17,200	(3,676)
<u>Public Health and Welfare</u>				
Local Health Center	377,593	416,315	749,731	372,138
Rabies and Animal Control	31,043	35,255	35,255	4,212
Ambulance/Emergency Medical Services	1,562,292	1,593,829	1,593,828	31,536
Alcohol and Drug Programs	8,728	18,956	18,956	10,228
Crippled Children Services	2,859	2,859	2,859	0
Other Local Health Services	7,500	7,500	7,500	0

(Continued)

Exhibit E-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
General Welfare Assistance	\$ 3,500	\$ 4,000	\$ 4,000	\$ 500
Sanitation Education/Information	41,138	41,157	41,157	19
Other Public Health and Welfare	24,750	24,750	24,750	0
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	254,778	292,056	292,056	37,278
Libraries	20,000	21,000	21,000	1,000
Parks and Fair Boards	34,000	24,000	34,000	0
Other Social, Cultural, and Recreational	2,000	2,000	2,000	0
<u>Agriculture & Natural Resources</u>				
Agriculture Extension Service	106,501	110,606	110,606	4,105
Soil Conservation	63,912	58,731	63,982	70
Flood Control	30,000	35,000	35,000	5,000
<u>Other Operations</u>				
Tourism	19,428	19,928	19,928	500
Industrial Development	5,876	8,300	8,300	2,424
Airport	1,163,130	1,185,947	1,272,884	109,754
Veterans' Services	32,859	41,215	41,215	8,356
Other Charges	487,949	460,226	489,696	1,747
Contributions to Other Agencies	35,689	40,400	45,400	9,711
Employee Benefits	1,246,237	1,308,200	1,311,007	64,770
Payments to Cities	19,000	0	19,000	0
Miscellaneous	8,362	3,500	8,701	339
<u>Capital Projects</u>				
Other General Government Projects	475	17,937	17,937	17,462
Total Expenditures	\$ 12,042,001	\$ 11,958,008	\$ 13,615,687	\$ 1,573,686
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 979,613	\$ (787,572)	\$ (1,234,657)	\$ 2,214,270
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 158,674	\$ 0	\$ 162,107	\$ (3,433)
Transfers Out	(103,855)	(83,903)	(83,903)	(19,952)
Total Other Financing Sources (Uses)	\$ 54,819	\$ (83,903)	\$ 78,204	\$ (23,385)
Net Change in Fund Balance				
Fund Balance, July 1, 2006	\$ 1,034,432	\$ (871,475)	\$ (1,156,453)	\$ 2,190,885
	2,242,164	1,646,662	1,646,662	595,502
Fund Balance, June 30, 2007				
	\$ 3,276,596	\$ 775,187	\$ 490,209	\$ 2,786,387

Exhibit E-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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,768,630	\$ 1,773,117	\$ 1,773,117	\$ (4,487)
Charges for Current Services	5,037	5,500	5,500	(463)
Other Local Revenues	21,209	5,500	5,500	15,709
State of Tennessee	2,575,856	2,768,755	2,768,755	(192,899)
Federal Government	12,647	5,000	5,000	7,647
Total Revenues	<u>\$ 4,383,379</u>	<u>\$ 4,557,872</u>	<u>\$ 4,557,872</u>	<u>\$ (174,493)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 139,479	\$ 148,438	\$ 148,438	\$ 8,959
Highway and Bridge Maintenance	1,733,448	1,840,500	1,883,657	150,209
Operation and Maintenance of Equipment	638,780	663,750	663,750	24,970
Other Charges	204,860	231,500	231,500	26,640
Employee Benefits	257,593	275,000	275,000	17,407
Capital Outlay	2,601,521	1,786,000	2,869,413	267,892
Total Expenditures	<u>\$ 5,575,681</u>	<u>\$ 4,945,188</u>	<u>\$ 6,071,758</u>	<u>\$ 496,077</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,192,302)</u>	<u>\$ (387,316)</u>	<u>\$ (1,513,886)</u>	<u>\$ 321,584</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 204,781	\$ 92,767	\$ 165,924	\$ 38,857
Total Other Financing Sources (Uses)	<u>\$ 204,781</u>	<u>\$ 92,767</u>	<u>\$ 165,924</u>	<u>\$ 38,857</u>
Net Change in Fund Balance	\$ (987,521)	\$ (294,549)	\$ (1,347,962)	\$ 360,441
Fund Balance, July 1, 2006	<u>1,905,418</u>	<u>703,528</u>	<u>1,756,941</u>	<u>148,477</u>
Fund Balance, June 30, 2007	<u>\$ 917,897</u>	<u>\$ 408,979</u>	<u>\$ 408,979</u>	<u>\$ 508,918</u>

Exhibit E-3

Gibson County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2007

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)
6-30-05	\$ 13,600	\$ 13,600	\$ 0	100 %	\$ 5,755	0 %
6-30-03	12,056	12,056	0	100	5,241	0
6-30-01	10,780	10,780	0	100	4,846	0

GIBSON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2007

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 Gibson 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 Gibson County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission in the County Coroner/Medical Examiner (\$3,676) and Transfers Out (\$19,952) major appropriation categories (the legal level of control) in the General Fund. Such over expenditures are a violation of state statutes. These over expenditures 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.

Special Purpose Fund – The Special Purpose Fund is used to account for Gibson County’s airport 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.

Capital Projects Fund

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Exhibit F-1

Gibson County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007

	Special Revenue Funds							Capital Projects Fund	Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control	District Attorney General	Constitu - tional Officers - Fees	Total	General Capital Projects	
ASSETS									
Cash	\$ 71,021	\$ 0	\$ 38,544	\$ 0	\$ 0	\$ 164,275	\$ 273,840	\$ 406,673	\$ 680,513
Equity in Pooled Cash and Investments	0	0	0	30,625	73,363	0	103,988	512,436	616,424
Accounts Receivable	0	3,333	0	0	0	0	3,333	54,913	58,246
Due from Other Governments	0	15,007	0	0	1,426	0	16,433	0	16,433
Due from Other Funds	0	39,904	0	0	0	0	39,904	0	39,904
Total Assets	\$ 71,021	\$ 58,244	\$ 38,544	\$ 30,625	\$ 74,789	\$ 164,275	\$ 437,498	\$ 974,022	\$ 1,411,520
LIABILITIES AND FUND BALANCES									
Liabilities									
Cash Overdraft	\$ 0	\$ 25,338	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,338	\$ 0	\$ 25,338
Contracts Payable	0	0	0	0	0	0	0	226,998	226,998
Retainage Payable	0	0	0	0	0	0	0	12,730	12,730
Due to Other Funds	0	0	0	0	0	644	644	0	644
Total Liabilities	\$ 0	\$ 25,338	\$ 0	\$ 0	\$ 0	\$ 644	\$ 25,982	\$ 239,728	\$ 265,710
Fund Balances									
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,025	\$ 14,025
Reserved for Purchase of Electronic Fingerprint Imaging System	0	0	0	5,990	0	0	5,990	0	5,990
Unreserved	71,021	32,906	38,544	24,635	74,789	163,631	405,526	720,269	1,125,795
Total Fund Balances	\$ 71,021	\$ 32,906	\$ 38,544	\$ 30,625	\$ 74,789	\$ 163,631	\$ 411,516	\$ 734,294	\$ 1,145,810
Total Liabilities and Fund Balances	\$ 71,021	\$ 58,244	\$ 38,544	\$ 30,625	\$ 74,789	\$ 164,275	\$ 437,498	\$ 974,022	\$ 1,411,520

Exhibit F-2

Gibson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2007

	Special Revenue Funds							Capital Projects Fund	Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control	District Attorney General	Constitu- tional Officers - Fees	Total	General Capital Projects	
<u>Revenues</u>									
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 10,939	\$ 24,999	\$ 0	\$ 35,938	\$ 0	\$ 35,938
Charges for Current Services	8,908	8,635	0	0	0	467,648	485,191	0	485,191
Other Local Revenues	5,277	0	83,272	0	0	0	88,549	5,450	93,999
State of Tennessee	0	41,937	0	0	0	0	41,937	0	41,937
Federal Government	8,800	0	0	0	0	0	8,800	0	8,800
Other Governments and Citizens Groups	32,640	6,659	0	0	0	0	39,299	0	39,299
Total Revenues	\$ 55,625	\$ 57,231	\$ 83,272	\$ 10,939	\$ 24,999	\$ 467,648	\$ 699,714	\$ 5,450	\$ 705,164
<u>Expenditures</u>									
Current:									
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 161,244	\$ 161,244	\$ 0	\$ 161,244
Finance	0	0	0	0	0	326,354	326,354	0	326,354
Administration of Justice	0	0	0	0	18,848	4,445	23,293	0	23,293
Public Safety	0	0	0	8,890	0	0	8,890	0	8,890
Public Health and Welfare	0	79,004	0	0	0	0	79,004	0	79,004
Social, Cultural, and Recreational Services	112,933	0	0	0	0	0	112,933	0	112,933
Other Operations	0	0	55,119	0	0	0	55,119	0	55,119
Capital Projects	0	0	0	0	0	0	0	1,201,236	1,201,236
Total Expenditures	\$ 112,933	\$ 79,004	\$ 55,119	\$ 8,890	\$ 18,848	\$ 492,043	\$ 766,837	\$ 1,201,236	\$ 1,968,073
Excess (Deficiency) of Revenues Over Expenditures									
	\$ (57,308)	\$ (21,773)	\$ 28,153	\$ 2,049	\$ 6,151	\$ (24,395)	\$ (67,123)	\$ (1,195,786)	\$ (1,262,909)
<u>Other Financing Sources (Uses)</u>									
Transfers In	\$ 63,951	\$ 39,904	\$ 0	\$ 0	\$ 0	\$ 0	\$ 103,855	\$ 0	\$ 103,855
Transfers Out	0	0	0	0	0	0	0	(158,674)	(158,674)
Total Other Financing Sources (Uses)	\$ 63,951	\$ 39,904	\$ 0	\$ 0	\$ 0	\$ 0	\$ 103,855	\$ (158,674)	\$ (54,819)
Net Change in Fund Balances									
Fund Balance, July 1, 2006	\$ 64,378	\$ 14,775	\$ 10,391	\$ 28,576	\$ 68,638	\$ 188,026	\$ 374,784	\$ 2,088,754	\$ 2,463,538
Fund Balance, June 30, 2007	\$ 71,021	\$ 32,906	\$ 38,544	\$ 30,625	\$ 74,789	\$ 163,631	\$ 411,516	\$ 734,294	\$ 1,145,810

Exhibit F-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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 8,908	\$ 5,000	\$ 5,000	\$ 3,908
Other Local Revenues	5,277	5,400	5,400	(123)
Federal Government	8,800	7,000	7,000	1,800
Other Governments and Citizens Groups	32,640	32,640	32,640	0
Total Revenues	<u>\$ 55,625</u>	<u>\$ 50,040</u>	<u>\$ 50,040</u>	<u>\$ 5,585</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 112,933	\$ 113,991	\$ 113,991	\$ 1,058
Total Expenditures	<u>\$ 112,933</u>	<u>\$ 113,991</u>	<u>\$ 113,991</u>	<u>\$ 1,058</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (57,308)</u>	<u>\$ (63,951)</u>	<u>\$ (63,951)</u>	<u>\$ 6,643</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 63,951	\$ 63,951	\$ 63,951	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 63,951</u>	<u>\$ 63,951</u>	<u>\$ 63,951</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 6,643	\$ 0	\$ 0	\$ 6,643
Fund Balance, July 1, 2006	<u>64,378</u>	<u>21,676</u>	<u>21,676</u>	<u>42,702</u>
Fund Balance, June 30, 2007	<u>\$ 71,021</u>	<u>\$ 21,676</u>	<u>\$ 21,676</u>	<u>\$ 49,345</u>

Exhibit F-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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 8,635	\$ 3,500	\$ 3,500	\$ 5,135
State of Tennessee	41,937	37,000	37,000	4,937
Other Governments and Citizens Groups	6,659	21,502	21,502	(14,843)
Total Revenues	<u>\$ 57,231</u>	<u>\$ 62,002</u>	<u>\$ 62,002</u>	<u>\$ (4,771)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 37,559	\$ 41,454	\$ 41,454	\$ 3,895
Other Waste Disposal	41,445	41,500	41,500	55
Total Expenditures	<u>\$ 79,004</u>	<u>\$ 82,954</u>	<u>\$ 82,954</u>	<u>\$ 3,950</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (21,773)</u>	<u>\$ (20,952)</u>	<u>\$ (20,952)</u>	<u>\$ (821)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 39,904	\$ 19,952	\$ 19,952	\$ 19,952
Total Other Financing Sources (Uses)	<u>\$ 39,904</u>	<u>\$ 19,952</u>	<u>\$ 19,952</u>	<u>\$ 19,952</u>
Net Change in Fund Balance	\$ 18,131	\$ (1,000)	\$ (1,000)	\$ 19,131
Fund Balance, July 1, 2006	<u>14,775</u>	<u>7,288</u>	<u>7,288</u>	<u>7,487</u>
Fund Balance, June 30, 2007	<u><u>\$ 32,906</u></u>	<u><u>\$ 6,288</u></u>	<u><u>\$ 6,288</u></u>	<u><u>\$ 26,618</u></u>

Exhibit F-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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 10,939	\$ 5,200	\$ 5,200	\$ 5,739
Total Revenues	\$ 10,939	\$ 5,200	\$ 5,200	\$ 5,739
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 8,890	\$ 25,100	\$ 25,100	\$ 16,210
Total Expenditures	\$ 8,890	\$ 25,100	\$ 25,100	\$ 16,210
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,049	\$ (19,900)	\$ (19,900)	\$ 21,949
Net Change in Fund Balance	\$ 2,049	\$ (19,900)	\$ (19,900)	\$ 21,949
Fund Balance, July 1, 2006	28,576	27,507	27,507	1,069
Fund Balance, June 30, 2007	\$ 30,625	\$ 7,607	\$ 7,607	\$ 23,018

Exhibit F-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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 24,999	\$ 22,000	\$ 22,000	\$ 2,999
Total Revenues	\$ 24,999	\$ 22,000	\$ 22,000	\$ 2,999
<u>Expenditures</u>				
<u>Administration of Justice</u>				
District Attorney General	\$ 18,848	\$ 21,655	\$ 21,655	\$ 2,807
Total Expenditures	\$ 18,848	\$ 21,655	\$ 21,655	\$ 2,807
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,151	\$ 345	\$ 345	\$ 5,806
Net Change in Fund Balance	\$ 6,151	\$ 345	\$ 345	\$ 5,806
Fund Balance, July 1, 2006	68,638	66,760	66,760	1,878
Fund Balance, June 30, 2007	\$ 74,789	\$ 67,105	\$ 67,105	\$ 7,684

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 851,541	\$ 812,836	\$ 812,836	\$ 38,705
Other Local Revenues	280,811	75,000	75,000	205,811
State of Tennessee	522,129	415,000	415,000	107,129
Total Revenues	<u>\$ 1,654,481</u>	<u>\$ 1,302,836</u>	<u>\$ 1,302,836</u>	<u>\$ 351,645</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 335,000	\$ 335,000	\$ 335,000	\$ 0
<u>Interest on Debt</u>				
General Government	747,231	788,154	781,654	34,423
<u>Other Debt Service</u>				
General Government	20,461	18,500	25,000	4,539
Total Expenditures	<u>\$ 1,102,692</u>	<u>\$ 1,141,654</u>	<u>\$ 1,141,654</u>	<u>\$ 38,962</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 551,789</u>	<u>\$ 161,182</u>	<u>\$ 161,182</u>	<u>\$ 390,607</u>
Net Change in Fund Balance	\$ 551,789	\$ 161,182	\$ 161,182	\$ 390,607
Fund Balance, July 1, 2006	<u>1,701,734</u>	<u>1,567,252</u>	<u>1,567,252</u>	<u>134,482</u>
Fund Balance, June 30, 2007	<u>\$ 2,253,523</u>	<u>\$ 1,728,434</u>	<u>\$ 1,728,434</u>	<u>\$ 525,089</u>

Fiduciary 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 in Trenton, clerk and master in Humboldt, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit H-1

Gibson County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	Agency Funds				Total
	Cities - Sales Tax	Watershed District	Special School District	Constitu- tional Officers - Agency	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 2,154,136	\$ 2,154,136
Equity in Pooled Cash and Investments	0	5,977	11,594	0	17,571
Accounts Receivable	0	0	1,567	1,500	3,067
Due from Other Governments	654,607	0	709,327	0	1,363,934
Property Taxes Receivable	0	0	9,152,061	0	9,152,061
Allowance for Uncollectible Property Taxes	0	0	(295,570)	0	(295,570)
Total Assets	<u>\$ 654,607</u>	<u>\$ 5,977</u>	<u>\$ 9,578,979</u>	<u>\$ 2,155,636</u>	<u>\$ 12,395,199</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 654,607	\$ 5,977	\$ 9,578,979	\$ 0	\$ 10,239,563
Due to Litigants, Heirs, and Others	0	0	0	2,155,636	2,155,636
Total Liabilities	<u>\$ 654,607</u>	<u>\$ 5,977</u>	<u>\$ 9,578,979</u>	<u>\$ 2,155,636</u>	<u>\$ 12,395,199</u>

Exhibit H-2

Gibson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,727,074	\$ 3,727,074	\$ 0
Due from Other Governments	624,891	654,607	624,891	654,607
Total Assets	\$ 624,891	\$ 4,381,681	\$ 4,351,965	\$ 654,607
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 624,891	\$ 4,381,681	\$ 4,351,965	\$ 654,607
Total Liabilities	\$ 624,891	\$ 4,381,681	\$ 4,351,965	\$ 654,607
<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	\$ 31,003	\$ 12,974,158	\$ 12,993,567	\$ 11,594
Accounts Receivable	1,699	1,567	1,699	1,567
Due from Other Governments	684,756	709,327	684,756	709,327
Taxes Receivable	8,662,580	9,152,061	8,662,580	9,152,061
Allowance for Uncollectible Taxes	(679,133)	(295,570)	(679,133)	(295,570)
Total Assets	\$ 8,700,905	\$ 22,541,543	\$ 21,663,469	\$ 9,578,979
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 8,700,905	\$ 22,541,543	\$ 21,663,469	\$ 9,578,979
Total Liabilities	\$ 8,700,905	\$ 22,541,543	\$ 21,663,469	\$ 9,578,979
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,901,180	\$ 9,766,380	\$ 9,513,424	\$ 2,154,136
Accounts Receivable	1,607	0	107	1,500
Total Assets	\$ 1,902,787	\$ 9,766,380	\$ 9,513,531	\$ 2,155,636

(Continued)

Exhibit H-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	\$ 1,902,787	\$ 9,766,380	\$ 9,513,531	\$ 2,155,636
Total Liabilities	\$ 1,902,787	\$ 9,766,380	\$ 9,513,531	\$ 2,155,636
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,901,180	\$ 9,766,380	\$ 9,513,424	\$ 2,154,136
Equity in Pooled Cash and Investments	36,980	16,701,232	16,720,641	17,571
Accounts Receivable	3,306	1,567	1,806	3,067
Due from Other Governments	1,309,647	1,363,934	1,309,647	1,363,934
Taxes Receivable	8,662,580	9,152,061	8,662,580	9,152,061
Allowance for Uncollectible Taxes	(679,133)	(295,570)	(679,133)	(295,570)
Total Assets	\$ 11,234,560	\$ 36,689,604	\$ 35,528,965	\$ 12,395,199
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 9,331,773	\$ 26,923,224	\$ 26,015,434	\$ 10,239,563
Due to Litigants, Heirs, and Others	1,902,787	9,766,380	9,513,531	2,155,636
Total Liabilities	\$ 11,234,560	\$ 36,689,604	\$ 35,528,965	\$ 12,395,199

MISCELLANEOUS SCHEDULES

Exhibit I-1

Gibson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2007

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Paid and/or Matured During Period	Outstanding 6-30-07
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Fire Trucks and Equipment	\$ 600,000	3.95 %	4-18-02	4-18-08	\$ 200,000	\$ 100,000	\$ 100,000
Industrial Park Property	2,000,000	4.25 to 4.8	3-17-05	4-1-14	2,000,000	40,000	1,960,000
Total Notes Payable					<u>\$ 2,200,000</u>	<u>\$ 140,000</u>	<u>\$ 2,060,000</u>
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Public Improvement, Series VI-E-3	4,500,000	Variable	5-5-05	6-1-33	\$ 4,500,000	\$ 75,000	\$ 4,425,000
Total Other Loans Payable					<u>\$ 4,500,000</u>	<u>\$ 75,000</u>	<u>\$ 4,425,000</u>
<u>BONDS PAYABLE</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	\$ 636,000	\$ 20,000	\$ 616,000
General Obligation, Series 2004	10,000,000	4 to 4.65	9-16-04	6-1-29	9,800,000	100,000	9,700,000
Total Bonds Payable					<u>\$ 10,436,000</u>	<u>\$ 120,000</u>	<u>\$ 10,316,000</u>

Exhibit I-2

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

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
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	<u>\$ 10,316,000</u>	<u>\$ 7,127,136</u>	<u>\$ 17,443,136</u>

Exhibit I-3

Gibson County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2007

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Public Library	To provide funds for operations	\$ 63,951
General	Solid Waste/Sanitation	To provide funds for operations	39,904
General Capital Projects	General	To provide funds for capital projects	<u>158,674</u>
Total Transfers			<u>\$ 262,529</u>

Exhibit I-4

Gibson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
For the Year Ended June 30, 2007

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Ronnie Riley (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u> , and Chapter 111, Private Acts of 1929	\$ 12,496 (1)	\$ 50,000	RLI Insurance Company
Joe Shepard (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u> , and Chapter 111, Private Acts of 1929	62,481 (2)	50,000	"
Road Supervisor	Section 8-24-102, <u>TCA</u>	68,806	100,000	"
Trustee:				
Shirley Hickman (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	9,678	589,683	"
LeAnne Smith (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	48,391	667,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	58,069	10,000	"
County Clerk	Section 8-24-102, <u>TCA</u>	58,069	50,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	58,069	50,000	"
Juvenile Court Clerk	Chapter 307, Private Acts of 1982	36,820	50,000	"
Clerk and Master - Trenton	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	66,689 (3)	65,000	"
Clerk and Master - Humboldt	Section 8-24-102, <u>TCA</u>	58,069	65,000	"
Register	Section 8-24-102, <u>TCA</u>	58,069	25,000	"
Sheriff:				
Joe Shepard (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u> , and County Commission	11,303 (4)	25,000	"
Charles Arnold (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u> , and County Commission	59,561 (5) (6)	25,000	"
Employee Blanket Bonds:				
All Employees			150,000	The Local Government Property and Casualty Fund

- (1) Includes Highway Commission Chairman compensation of \$200.
(2) Includes Highway Commission Chairman compensation of \$1,000.
(3) Includes special commissioner fees of \$8,620.
(4) Includes \$657 for supervising the county workhouse.
(5) Includes \$5,731 for supervising the county workhouse and a training supplement of \$600.
(6) Does not include clothing allowance of \$447.

Exhibit I-5

Gibson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2007

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 3,129,811	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	130,959	0	0	0	0
Trustee's Collections - Bankruptcy	17,996	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	83,479	0	0	0	0
Interest and Penalty	29,953	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	76	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	54,484	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,531	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	162,823	0	0	0	0
Hotel/Motel Tax	34,455	0	0	0	0
Wheel Tax	405,873	0	0	0	0
Litigation Tax - General	127,626	0	0	0	0
Litigation Tax - Special Purpose	26,757	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	329,103	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	28,648	0	0	0	0
Wholesale Beer Tax	72,147	0	0	0	0
Interstate Telecommunications Tax	1,489	0	0	0	0
Total Local Taxes	<u>\$ 4,637,210</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Vaccination	\$ 7,897	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	41,167	0	0	0	0
<u>Permits</u>					
Beer Permits	633	0	0	0	0
Building Permits	68,383	0	0	0	0
Total Licenses and Permits	<u>\$ 118,080</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

(Continued)

Exhibit I-5

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

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 2,536	\$ 0	\$ 0	\$ 0	0
Officers Costs	18,629	0	0	0	0
Drug Control Fines	1,023	0	0	0	594
Drug Court Fees	3,498	0	0	0	0
Jail Fees	11,583	0	0	0	0
District Attorney General Fees	0	0	0	0	0
DUI Treatment Fines	1,996	0	0	0	0
Data Entry Fee - Circuit Court	284	0	0	0	0
Courtroom Security Fee	108	0	0	0	0
<u>General Sessions Court</u>					
Fines	8,551	0	0	0	0
Officers Costs	36,223	0	0	0	0
Game and Fish Fines	182	0	0	0	0
Drug Control Fines	179	0	0	0	540
Drug Court Fees	931	0	0	0	0
Jail Fees	8,733	0	0	0	0
District Attorney General Fees	0	0	0	0	0
DUI Treatment Fines	2,081	0	0	0	0
Data Entry Fee - General Sessions Court	5,896	0	0	0	0
Courtroom Security Fee	845	0	0	0	0
<u>Juvenile Court</u>					
Fines	1,596	0	0	0	0
Officers Costs	19,849	0	0	0	0
Data Entry Fee - Juvenile Court	2,377	0	0	0	0
Courtroom Security Fee	208	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	12,200	0	0	0	0
Data Entry Fee - Chancery Court	2,904	0	0	0	0
Courtroom Security Fee	1,099	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	3,855	0	0	0	0
Officers Costs	48,901	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Courts - In-county (Cont.)</u>					
Drug Control Fines	\$ 373	\$ 0	\$ 0	\$ 0	\$ 880
Drug Court Fees	3,425	0	0	0	0
Jail Fees	22,029	0	0	0	0
District Attorney General Fees	0	0	0	0	0
DUI Treatment Fines	1,999	0	0	0	0
<u>Judicial District Drug Program</u>					
Data Entry Fee - Other Courts	4,726	0	0	0	0
Courtroom Security Fee	1,012	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	8,925
Total Fines, Forfeitures, and Penalties	\$ 229,831	\$ 0	\$ 0	\$ 0	\$ 10,939
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 0	\$ 8,635	\$ 0	\$ 0
Surcharge - General	29,197	0	0	0	0
Patient Charges	2,625,900	0	0	0	0
Other General Service Charges	920	0	0	0	0
Service Charges	81,374	0	0	0	0
<u>Fees</u>					
Copy Fees	110	0	0	0	0
Library Fees	0	8,908	0	0	0
Telephone Commissions	50,705	0	0	0	0
Vending Machine Collections	2,243	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Data Processing Fee - Register	20,459	0	0	0	0
Data Processing Fee - Sheriff	14,794	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,136	0	0	0	0
Total Charges for Current Services	\$ 2,826,838	\$ 8,908	\$ 8,635	\$ 0	\$ 0

(Continued)

Exhibit I-5

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

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 786	\$ 0	\$ 0	\$ 0
Lease/Rentals	94,180	0	0	27,899	0
Sale of Materials and Supplies	0	0	0	0	0
Commissary Sales	53,835	0	0	0	0
Sale of Gasoline	0	0	0	55,373	0
Miscellaneous Refunds	3,618	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	0
Sale of Property	400	0	0	0	0
Contributions & Gifts	1,000	4,491	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	74,717	0	0	0	0
Total Other Local Revenues	<u>\$ 227,750</u>	<u>\$ 5,277</u>	<u>\$ 0</u>	<u>\$ 83,272</u>	<u>\$ 0</u>
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 70,000	\$ 0	\$ 0	\$ 0	\$ 0
Register	109,765	0	0	0	0
Trustee	40,558	0	0	0	0
<u>Fees-In-Lieu of Salary</u>					
Circuit Court Clerk	103,105	0	0	0	0
General Sessions Court Clerk	152,288	0	0	0	0
Clerk and Master	205,950	0	0	0	0
Juvenile Court Clerk	49,961	0	0	0	0
Sheriff	20,249	0	0	0	0
Trustee	382,917	0	0	0	0
Other Officials	215,224	0	0	0	0
Total Fees Received from County Officials	<u>\$ 1,350,017</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit I-5

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

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control
<u>State of Tennessee (Cont.)</u>					
<u>General Government Grants (Cont.)</u>					
Airport Maintenance Program	\$ 1,090,838	\$ 0	\$ 0	\$ 0	0
Aging Programs	103,866	0	0	0	0
State Reappraisal Grant	17,465	0	0	0	0
Solid Waste Grants	0	0	41,937	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	15,000	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	268,443	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	39,664	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	0
Beer Tax	18,753	0	0	0	0
Alcoholic Beverage Tax	67,045	0	0	0	0
Mixed Drink Tax	895	0	0	0	0
State Revenue Sharing - T.V.A.	159,151	0	0	0	0
Contracted Prisoner Boarding	517,985	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 Revenues	0	0	0	0	0
Total State of Tennessee	<u>\$ 2,324,485</u>	<u>\$ 0</u>	<u>\$ 41,937</u>	<u>\$ 0</u>	<u>0</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA - Other	\$ 5,250	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	47,510	0	0	0	0
Disaster Relief	606,570	0	0	0	0
Homeland Security Grants	185,165	0	0	0	0
Law Enforcement Grants	15,000	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Other Federal through State	\$ 366,380	\$ 8,800	\$ 0	\$ 0	\$ 0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	8,800	0	0	0	0
Total Federal Government	<u>\$ 1,234,675</u>	<u>\$ 8,800</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 5,000	\$ 32,640	\$ 0	\$ 0	\$ 0
Contracted Services	47,561	0	6,659	0	0
<u>Citizens Groups</u>					
Donations	20,167	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 72,728</u>	<u>\$ 32,640</u>	<u>\$ 6,659</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 13,021,614</u>	<u>\$ 55,625</u>	<u>\$ 57,231</u>	<u>\$ 83,272</u>	<u>\$ 10,939</u>

(Continued)

Exhibit I-5

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 0	\$ 708,776	\$ 531,348	\$ 0	\$ 4,369,935
Trustee's Collections - Prior Year	0	0	28,376	19,745	0	179,080
Trustee's Collections - Bankruptcy	0	0	3,834	2,777	0	24,607
Circuit/Clerk & Master Collections - Prior Years	0	0	17,888	13,415	0	114,782
Interest and Penalty	0	0	6,508	6,328	0	42,789
Payments in-Lieu-of Taxes - T.V.A.	0	0	17	13	0	106
Payments in-Lieu-of Taxes - Local Utilities	0	0	12,506	9,380	0	76,370
Payments in-Lieu-of Taxes - Other	0	0	347	260	0	2,138
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	162,823	0	0	325,646
Hotel/Motel Tax	0	0	0	0	0	34,455
Wheel Tax	0	0	811,742	202,937	0	1,420,552
Litigation Tax - General	0	0	0	0	0	127,626
Litigation Tax - Special Purpose	0	0	0	0	0	26,757
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	51,014	0	51,014
Business Tax	0	0	0	0	0	329,103
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	14,324	14,324	0	57,296
Wholesale Beer Tax	0	0	0	0	0	72,147
Interstate Telecommunications Tax	0	0	1,489	0	0	2,978
Total Local Taxes	\$ 0	\$ 0	\$ 1,768,630	\$ 851,541	\$ 0	\$ 7,257,381
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Vaccination	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,897
Cable TV Franchise	0	0	0	0	0	41,167
<u>Permits</u>						
Beer Permits	0	0	0	0	0	633
Building Permits	0	0	0	0	0	68,383
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 118,080

(Continued)

Exhibit I-5

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

	Special Revenue Funds			Debt	Capital	Total
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	Service Fund	Projects Fund	
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,536
Officers Costs	0	0	0	0	0	18,629
Drug Control Fines	0	0	0	0	0	1,617
Drug Court Fees	0	0	0	0	0	3,498
Jail Fees	0	0	0	0	0	11,583
District Attorney General Fees	4,844	0	0	0	0	4,844
DUI Treatment Fines	0	0	0	0	0	1,996
Data Entry Fee - Circuit Court	0	0	0	0	0	284
Courtroom Security Fee	0	0	0	0	0	108
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	8,551
Officers Costs	0	0	0	0	0	36,223
Game and Fish Fines	0	0	0	0	0	182
Drug Control Fines	0	0	0	0	0	719
Drug Court Fees	0	0	0	0	0	931
Jail Fees	0	0	0	0	0	8,733
District Attorney General Fees	7,495	0	0	0	0	7,495
DUI Treatment Fines	0	0	0	0	0	2,081
Data Entry Fee - General Sessions Court	0	0	0	0	0	5,896
Courtroom Security Fee	0	0	0	0	0	845
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	1,596
Officers Costs	0	0	0	0	0	19,849
Data Entry Fee - Juvenile Court	0	0	0	0	0	2,377
Courtroom Security Fee	0	0	0	0	0	208
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	12,200
Data Entry Fee - Chancery Court	0	0	0	0	0	2,904
Courtroom Security Fee	0	0	0	0	0	1,099
<u>Other Courts - In-county</u>						
Fines	0	0	0	0	0	3,855
Officers Costs	0	0	0	0	0	48,901

(Continued)

Exhibit I-5

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

	Special Revenue Funds			Debt	Capital	Total
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	Service Fund	Projects Fund	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Courts - In-county (Cont.)</u>						
Drug Control Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,253
Drug Court Fees	0	0	0	0	0	3,425
Jail Fees	0	0	0	0	0	22,029
District Attorney General Fees	12,660	0	0	0	0	12,660
DUI Treatment Fines	0	0	0	0	0	1,999
<u>Judicial District Drug Program</u>						
Data Entry Fee - Other Courts	0	0	0	0	0	4,726
Courtroom Security Fee	0	0	0	0	0	1,012
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	8,925
Total Fines, Forfeitures, and Penalties	\$ 24,999	\$ 0	\$ 0	\$ 0	\$ 0	265,769
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	8,635
Surcharge - General	0	0	0	0	0	29,197
Patient Charges	0	0	0	0	0	2,625,900
Other General Service Charges	0	0	0	0	0	920
Service Charges	0	0	0	0	0	81,374
<u>Fees</u>						
Copy Fees	0	0	0	0	0	110
Library Fees	0	0	0	0	0	8,908
Telephone Commissions	0	0	0	0	0	50,705
Vending Machine Collections	0	0	5,037	0	0	7,280
Constitutional Officers' Fees and Commissions	0	467,648	0	0	0	467,648
Data Processing Fee - Register	0	0	0	0	0	20,459
Data Processing Fee - Sheriff	0	0	0	0	0	14,794
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	1,136
Total Charges for Current Services	\$ 0	\$ 467,648	\$ 5,037	\$ 0	\$ 0	3,317,066

(Continued)

Exhibit I-5

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

	Special Revenue Funds			Debt	Capital	Total
	District Attorney General	Constitu - tional Officers - Fees	Highway / Public Works	Service Fund	Projects Fund	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 280,811	\$ 5,450	\$ 287,047
Lease/Rentals	0	0	0	0	0	122,079
Sale of Materials and Supplies	0	0	6,851	0	0	6,851
Commissary Sales	0	0	0	0	0	53,835
Sale of Gasoline	0	0	0	0	0	55,373
Miscellaneous Refunds	0	0	1,914	0	0	5,532
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	12,444	0	0	12,444
Sale of Property	0	0	0	0	0	400
Contributions & Gifts	0	0	0	0	0	5,491
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	74,717
Total Other Local Revenues	\$ 0	\$ 0	\$ 21,209	\$ 280,811	\$ 5,450	\$ 623,769
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 70,000
Register	0	0	0	0	0	109,765
Trustee	0	0	0	0	0	40,558
<u>Fees-In-Lieu of Salary</u>						
Circuit Court Clerk	0	0	0	0	0	103,105
General Sessions Court Clerk	0	0	0	0	0	152,288
Clerk and Master	0	0	0	0	0	205,950
Juvenile Court Clerk	0	0	0	0	0	49,961
Sheriff	0	0	0	0	0	20,249
Trustee	0	0	0	0	0	382,917
Other Officials	0	0	0	0	0	215,224
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,350,017
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000

(Continued)

Exhibit I-5

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

	Special Revenue Funds			Debt	Capital	Total
	District Attorney General	Constitu - tional Officers - Fees	Highway / Public Works	Service Fund	Projects Fund	
<u>State of Tennessee (Cont.)</u>						
<u>General Government Grants (Cont.)</u>						
Airport Maintenance Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,090,838
Aging Programs	0	0	0	0	0	103,866
State Reappraisal Grant	0	0	0	0	0	17,465
Solid Waste Grants	0	0	0	0	0	41,937
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	15,000
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	268,443
<u>Public Works Grants</u>						
Bridge Program	0	0	272,398	0	0	272,398
State Aid Program	0	0	194,892	0	0	194,892
Litter Program	0	0	0	0	0	39,664
<u>Other State Revenues</u>						
Income Tax	0	0	0	44,676	0	44,676
Beer Tax	0	0	0	0	0	18,753
Alcoholic Beverage Tax	0	0	0	0	0	67,045
Mixed Drink Tax	0	0	0	0	0	895
State Revenue Sharing - T.V.A.	0	0	0	477,453	0	636,604
Contracted Prisoner Boarding	0	0	0	0	0	517,985
Gasoline and Motor Fuel Tax	0	0	2,065,517	0	0	2,065,517
Petroleum Special Tax	0	0	38,737	0	0	38,737
Registrar's Salary Supplement	0	0	0	0	0	16,380
Other State Revenues	0	0	4,312	0	0	4,312
Total State of Tennessee	\$ 0	\$ 0	\$ 2,575,856	\$ 522,129	\$ 0	\$ 5,464,407
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,250
Civil Defense Reimbursement	0	0	0	0	0	47,510
Disaster Relief	0	0	0	0	0	606,570
Homeland Security Grants	0	0	0	0	0	185,165
Law Enforcement Grants	0	0	0	0	0	15,000

(Continued)

Exhibit I-5

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Other Federal through State	\$ 0	\$ 0	\$ 12,647	\$ 0	\$ 0	\$ 387,827
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	0	0	0	0	0	8,800
Total Federal Government	\$ 0	\$ 0	\$ 12,647	\$ 0	\$ 0	\$ 1,256,122
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,640
Contracted Services	0	0	0	0	0	54,220
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	20,167
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 112,027
Total	\$ 24,999	\$ 467,648	\$ 4,383,379	\$ 1,654,481	\$ 5,450	\$ 19,764,638

Exhibit I-6

Gibson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2007

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	15,000	
Other Per Diem & Fees		8,800	
Audit Services		10,954	
Consultants		2,227	
Dues and Memberships		1,800	
Legal Services		4,145	
Travel		263	
Total County Commission			\$ 43,189

Board of Equalization

Board and Committee Members Fees	\$	1,090	
Total Board of Equalization			1,090

County Mayor/Executive

County Official/Administrative Officer	\$	73,777	
Assistant(s)		29,052	
Deputy(ies)		29,982	
Part-time Personnel		1,140	
Dues and Memberships		1,600	
Legal Notices, Recording, and Court Costs		1,742	
Maintenance Agreements		3,969	
Maintenance & Repair Services - Office Equipment		591	
Postal Charges		1,303	
Printing, Stationery, and Forms		375	
Rentals		2,260	
Travel		2,496	
Office Supplies		2,993	
Data Processing Equipment		14,812	
Furniture and Fixtures		3,910	
Office Equipment		324	
Total County Mayor/Executive			170,326

County Attorney

Dues and Memberships	\$	100	
Legal Services		35,000	
Total County Attorney			35,100

Election Commission

County Official/Administrative Officer	\$	52,262	
Deputy(ies)		22,050	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Part-time Personnel	\$	8,935	
Other Salaries & Wages		42,232	
Board and Committee Members Fees		4,680	
Legal Notices, Recording, and Court Costs		5,087	
Maintenance & Repair Services - Equipment		1,454	
Maintenance & Repair Services - Office Equipment		2,731	
Postal Charges		5,884	
Printing, Stationery, and Forms		3,991	
Travel		2,059	
Office Supplies		3,580	
Office Equipment		6,042	
Voting Machines		414,617	
Total Election Commission			\$ 575,604

Register of Deeds

In-Service Training	\$	565	
Dues and Memberships		453	
Maintenance Agreements		15,383	
Postal Charges		3,257	
Printing, Stationery, and Forms		1,834	
Travel		631	
Data Processing Supplies		3,452	
Office Equipment		500	
Total Register of Deeds			26,075

Development

Contracts with Government Agencies	\$	54,863	
Legal Notices, Recording, and Court Costs		205	
Postal Charges		156	
Printing, Stationery, and Forms		94	
Travel		3,259	
Office Supplies		648	
Refunds		14,261	
Office Equipment		527	
Total Development			74,013

County Buildings

Custodial Personnel	\$	57,800	
Communication		47,458	
Laundry Service		868	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance & Repair Services - Buildings	\$	70,021	
Maintenance & Repair Services - Equipment		11,435	
Travel		1,634	
Permits		250	
Custodial Supplies		7,517	
Food Supplies		1,801	
Gasoline		3,649	
Natural Gas		16,373	
Utilities		86,739	
Other Supplies and Materials		60	
Administration Equipment		5,682	
Building Improvements		132,713	
Furniture and Fixtures		1,548	
Heating and Air Conditioning Equipment		4,565	
Other Equipment		595	
Total County Buildings			\$ 450,708

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	58,069	
Deputy(ies)		95,426	
Data Processing Services		15,666	
Dues and Memberships		1,295	
Maintenance Agreements		416	
Postal Charges		1,100	
Printing, Stationery, and Forms		2,008	
Travel		4,697	
Other Contracted Services		24,352	
Office Supplies		156	
Office Equipment		89	
Total Property Assessor's Office			203,274

Reappraisal Program

Deputy(ies)	\$	26,188
Social Security		1,624
State Retirement		1,511
Employee and Dependent Insurance		3,427
Employer Medicare		380
Data Processing Services		5,930
Postal Charges		300

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Travel	\$	2,753	
Office Supplies		148	
Total Reappraisal Program			\$ 42,261

County Trustee's Office

County Official/Administrative Officer	\$	48,391	
Deputy(ies)		79,240	
Part-time Personnel		11,163	
Overtime Pay		38	
Dues and Memberships		453	
Legal Notices, Recording, and Court Costs		380	
Maintenance & Repair Services - Office Equipment		7,593	
Postal Charges		11,522	
Printing, Stationery, and Forms		1,967	
Travel		1,937	
Office Supplies		3,478	
Office Equipment		64	
Total County Trustee's Office			166,226

County Clerk's Office

Dues and Memberships	\$	453	
Maintenance Agreements		13,098	
Maintenance & Repair Services - Office Equipment		835	
Postal Charges		17,144	
Printing, Stationery, and Forms		2,280	
Rentals		2,131	
Travel		2,470	
Maintenance and Repair Services - Records		1,458	
Library Books/Media		648	
Office Supplies		6,081	
Data Processing Equipment		68	
Office Equipment		117	
Total County Clerk's Office			46,783

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	58,069	
Deputy(ies)		178,802	
Salary Supplements		1,375	
Board and Committee Members Fees		450	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Jury and Witness Fees	\$	12,395	
In-Service Training		2,800	
Data Processing Services		7,566	
Dues and Memberships		723	
Legal Notices, Recording, and Court Costs		76	
Maintenance & Repair Services - Office Equipment		3,245	
Postal Charges		4,992	
Printing, Stationery, and Forms		2,794	
Travel		2,783	
Data Processing Supplies		1,713	
Office Supplies		6,266	
Furniture and Fixtures		1,995	
Total Circuit Court			\$ 286,044

General Sessions Court

Judge(s)	\$	132,576	
Supervisor/Director		28,765	
Part-time Personnel		35	
In-Service Training		4,700	
Communication		480	
Contracts with Private Agencies		588	
Dues and Memberships		1,162	
Maintenance & Repair Services - Office Equipment		191	
Postal Charges		78	
Travel		1,508	
Office Supplies		2,056	
Total General Sessions Court			172,139

Drug Court

In-Service Training	\$	1,399	
Travel		4,603	
Drugs and Medical Supplies		5,713	
Other Supplies and Materials		130	
Other Charges		2,417	
Total Drug Court			14,262

Chancery Court

County Official/Administrative Officer	\$	58,069	
Deputy(ies)		99,542	
Part-time Personnel		1,212	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Data Processing Services	\$	4,437	
Dues and Memberships		648	
Maintenance & Repair Services - Office Equipment		3,059	
Postal Charges		4,490	
Travel		153	
Data Processing Supplies		238	
Office Supplies		5,438	
In Service/Staff Development		300	
Data Processing Equipment		1,024	
Office Equipment		2,880	
Total Chancery Court			\$ 181,490

Juvenile Court

County Official/Administrative Officer	\$	36,820	
Judge(s)		45,699	
Assistant(s)		20,162	
Deputy(ies)		70,743	
Youth Service Officer(s)		27,268	
Other Salaries & Wages		42,311	
In-Service Training		798	
Dues and Memberships		929	
Legal Notices, Recording, and Court Costs		80	
Maintenance Agreements		6,025	
Maintenance & Repair Services - Office Equipment		976	
Postal Charges		2,574	
Printing, Stationery, and Forms		138	
Rentals		3,179	
Travel		2,939	
Other Contracted Services		13,101	
Office Supplies		2,939	
Data Processing Equipment		312	
Office Equipment		2,056	
Total Juvenile Court			279,049

Other Administration of Justice

County Official/Administrative Officer	\$	58,069	
Deputy(ies)		143,127	
Salary Supplements		2,031	
Jury and Witness Fees		10,404	
In-Service Training		1,500	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

Dues and Memberships	\$	698	
Maintenance Agreements		12,452	
Maintenance & Repair Services - Office Equipment		1,007	
Postal Charges		3,082	
Office Supplies		13,957	
Other Charges		12,900	
Total Other Administration of Justice			\$ 259,227

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	70,264	
Assistant(s)		40,183	
Deputy(ies)		676,842	
Youth Service Officer(s)		25,985	
Accountants/Bookkeepers		21,383	
Salary Supplements		15,000	
Mechanic(s)		16,755	
Clerical Personnel		70,450	
Overtime Pay		70,799	
Other Salaries & Wages		62,241	
In-Service Training		14,620	
Maintenance & Repair Services - Buildings		9,890	
Maintenance & Repair Services - Vehicles		61,164	
Postal Charges		5,486	
Printing, Stationery, and Forms		8,148	
Travel		2,757	
Gasoline		109,202	
Law Enforcement Supplies		7,990	
Uniforms		14,962	
Other Supplies and Materials		10,476	
Data Processing Equipment		22,424	
Law Enforcement Equipment		20,000	
Motor Vehicles		53,000	
Total Sheriff's Department			1,410,021

Jail

Guards	\$	766,285	
Clerical Personnel		26,701	
Cafeteria Personnel		27,778	
Overtime Pay		59,843	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance & Repair Services - Buildings	\$	24,928	
Medical and Dental Services		410,250	
Custodial Supplies		23,633	
Food Supplies		164,647	
Natural Gas		30,476	
Uniforms		8,993	
Utilities		94,849	
Other Supplies and Materials		20,827	
Other Charges		4,812	
Total Jail			\$ 1,664,022

Juvenile Services

Salary Supplements	\$	5,915	
In-Service Training		600	
Social Security		367	
State Retirement		342	
Employer Medicare		86	
Travel		855	
Office Supplies		959	
Total Juvenile Services			9,124

Fire Prevention and Control

Supervisor/Director	\$	32,793	
In-Service Training		205	
Communication		2,173	
Dues and Memberships		300	
Legal Notices, Recording, and Court Costs		68	
Licenses		17	
Maintenance & Repair Services - Buildings		4,831	
Maintenance & Repair Services - Equipment		1,920	
Maintenance & Repair Services - Vehicles		10,843	
Travel		205	
Custodial Supplies		27	
Food Supplies		900	
Gasoline		8,813	
Office Supplies		686	
Uniforms		149	
Utilities		25,840	
Communication Equipment		1,580	
Motor Vehicles		19,500	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Other Equipment	\$	12,137	
Total Fire Prevention and Control			\$ 122,987

Civil Defense

Supervisor/Director	\$	32,793	
Other Salaries & Wages		26,500	
Communication		2,755	
Contracts with Government Agencies		31,656	
Dues and Memberships		250	
Legal Notices, Recording, and Court Costs		129	
Maintenance & Repair Services - Buildings		1,690	
Maintenance & Repair Services - Equipment		6,390	
Postal Charges		41	
Travel		320	
Food Supplies		541	
Gasoline		2,239	
Office Supplies		726	
Uniforms		371	
Utilities		5,952	
Vehicle Parts		825	
Vehicle and Equipment Insurance		5,901	
Communication Equipment		182	
Data Processing Equipment		40	
Motor Vehicles		4,080	
Office Equipment		445	
Health Equipment		1,017	
Other Equipment		1,180	
Total Civil Defense			126,023

Other Emergency Management

Communication Equipment	\$	49,744	
Motor Vehicles		4,995	
Other Equipment		17,750	
Total Other Emergency Management			72,489

County Coroner/Medical Examiner

Contracts with Government Agencies	\$	16,996	
Contracts with Private Agencies		3,880	
Total County Coroner/Medical Examiner			20,876

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Social Workers	\$	57,574	
Medical Personnel		29,667	
Other Salaries & Wages		25,824	
Social Security		4,523	
State Retirement		5,402	
Employee and Dependent Insurance		3,462	
Employer Medicare		1,058	
Communication		2,258	
Contracts with Other Public Agencies		34,235	
Contracts with Private Agencies		78,834	
Dues and Memberships		198	
Janitorial Services		13,250	
Operating Lease Payments		3,917	
Maintenance & Repair Services - Buildings		7,003	
Maintenance & Repair Services - Office Equipment		2,293	
Postal Charges		5,054	
Travel		8,972	
Custodial Supplies		697	
Drugs and Medical Supplies		1,122	
Office Supplies		4,547	
Utilities		17,072	
Other Supplies and Materials		24,746	
Building Improvements		44,185	
Office Equipment		1,700	
Total Local Health Center			\$ 377,593

Rabies and Animal Control

County Official/Administrative Officer	\$	20,835	
Communication		667	
Dues and Memberships		40	
Legal Notices, Recording, and Court Costs		1,200	
Travel		4,217	
Animal Food and Supplies		2,315	
Diesel Fuel		751	
Medical Claims		136	
Building Improvements		258	
Other Equipment		624	
Total Rabies and Animal Control			31,043

(Continued)

Exhibit I-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

Mechanic(s)	\$	16,755	
Equipment Operators		1,011,005	
Secretary(ies)		19,317	
Overtime Pay		131,370	
Other Salaries & Wages		21,454	
In-Service Training		2,245	
Communication		2,145	
Contracts with Private Agencies		11,867	
Data Processing Services		3,608	
Dues and Memberships		190	
Laundry Service		5,947	
Legal Notices, Recording, and Court Costs		340	
Licenses		1,300	
Maintenance & Repair Services - Buildings		1,253	
Maintenance & Repair Services - Equipment		36,157	
Postal Charges		7,361	
Rentals		7,801	
Travel		439	
Drugs and Medical Supplies		53,161	
Food Supplies		254	
Gasoline		71,735	
Office Supplies		4,748	
Uniforms		2,312	
Utilities		4,893	
Other Supplies and Materials		3,160	
Data Processing Equipment		2,423	
Motor Vehicles		82,439	
Other Equipment		<u>56,613</u>	
Total Ambulance/Emergency Medical Services			\$ 1,562,292

Alcohol and Drug Programs

Contributions	\$	<u>8,728</u>	
Total Alcohol and Drug Programs			8,728

Crippled Children Services

Contributions	\$	<u>2,859</u>	
Total Crippled Children Services			2,859

Other Local Health Services

Contributions	\$	<u>7,500</u>	
Total Other Local Health Services			7,500

(Continued)

Exhibit I-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	\$ 24,141	
Accountants/Bookkeepers	5,252	
Other Supplies and Materials	1,564	
Other Charges	10,181	
Total Sanitation Education/Information		41,138

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)	\$ 23,472
Supervisor/Director	32,256
Accountants/Bookkeepers	9,856
Other Salaries & Wages	69,406
In-Service Training	420
Social Security	9,131
State Retirement	3,516
Employer Medicare	2,135
Communication	3,090
Contracts with Government Agencies	1,365
Contracts with Private Agencies	33,454
Dues and Memberships	540
Licenses	2,460
Maintenance Agreements	2,784
Maintenance & Repair Services - Buildings	883
Maintenance & Repair Services - Office Equipment	500
Maintenance & Repair Services - Vehicles	1,291
Postal Charges	1,041
Rentals	1,800
Travel	27,728
Other Contracted Services	2,930
Data Processing Supplies	175
Food Supplies	10,052
Gasoline	2,578

(Continued)

Exhibit I-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.)

Office Supplies	\$	2,534	
Periodicals		98	
Other Supplies and Materials		3,255	
Refunds		300	
Criminal Investigation of Applicants - TBI		174	
Communication Equipment		2,455	
Data Processing Equipment		2,189	
Office Equipment		910	
Total Senior Citizens Assistance			\$ 254,778

Libraries

Contributions	\$	20,000	
Total Libraries			20,000

Parks and Fair Boards

Contributions	\$	34,000	
Total Parks and Fair Boards			34,000

Other Social, Cultural, and Recreational

Contributions	\$	2,000	
Total Other Social, Cultural, and Recreational			2,000

Agriculture & Natural Resources

Agriculture Extension Service

Assistant(s)	\$	5,417	
Social Security		413	
Employer Medicare		97	
Communication		1,144	
Contracts with Government Agencies		93,736	
Licenses		30	
Maintenance & Repair Services - Office Equipment		75	
Postal Charges		820	
Rentals		1,264	
Travel		220	
Office Supplies		1,251	
Data Processing Equipment		2,034	
Total Agriculture Extension Service			106,501

Soil Conservation

Secretary(ies)	\$	23,306	
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(Continued)

Exhibit I-6

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

General Fund (Cont.)

Agriculture & Natural Resources (Cont.)

Soil Conservation (Cont.)

Clerical Personnel	\$	26,400	
Part-time Personnel		10,975	
Communication		530	
Maintenance & Repair Services - Office Equipment		182	
Postal Charges		100	
Travel		1,000	
Office Supplies		574	
Other Supplies and Materials		234	
Furniture and Fixtures		500	
Office Equipment		111	
Total Soil Conservation			\$ 63,912

Flood Control

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

Other Operations

Tourism

Contributions	\$	11,500	
Dues and Memberships		7,928	
Total Tourism			19,428

Industrial Development

Other Supplies and Materials	\$	5,876	
Total Industrial Development			5,876

Airport

Engineering Services	\$	64,247	
Legal Notices, Recording, and Court Costs		370	
Maintenance & Repair Services - Buildings		12,205	
Postal Charges		10	
Travel		964	
Permits		250	
Utilities		5,307	
Liability Insurance		4,200	
Airport Improvement		1,075,577	
Total Airport			1,163,130

Veterans' Services

Supervisor/Director	\$	20,091	
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(Continued)

Exhibit I-6

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Secretary(ies)	\$	10,462	
Dues and Memberships		25	
Postal Charges		112	
Travel		1,162	
Office Supplies		417	
Office Equipment		590	
Total Veterans' Services			\$ 32,859

Other Charges

Liability Insurance	\$	194,640	
Premiums on Corporate Surety Bonds		12,057	
Trustee's Commission		90,571	
Workers' Compensation Insurance		175,424	
Other Charges		15,257	
Total Other Charges			487,949

Contributions to Other Agencies

Contributions	\$	35,689	
Total Contributions to Other Agencies			35,689

Employee Benefits

Social Security	\$	306,253	
State Retirement		406,930	
Employee and Dependent Insurance		441,494	
Life Insurance		4,060	
Unemployment Compensation		16,738	
Employer Medicare		70,762	
Total Employee Benefits			1,246,237

Payments to Cities

Other Equipment	\$	19,000	
Total Payments to Cities			19,000

Miscellaneous

Other Supplies and Materials	\$	3,161	
Refunds		5,201	
Total Miscellaneous			8,362

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Capital Projects

Other General Government Projects

Site Development	\$ 475	
Total Other General Government Projects		\$ 475

Total General Fund \$ 12,042,001

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

County Official/Administrative Officer	\$ 28,650	
Assistant(s)	18,100	
Librarians	17,600	
Other Salaries & Wages	5,835	
State Retirement	3,730	
Unemployment Compensation	81	
Communication	2,139	
Maintenance Agreements	750	
Instructional Supplies and Materials	1,425	
Library Books/Media	16,140	
Periodicals	239	
Utilities	7,248	
Other Supplies and Materials	1,353	
Other Charges	2,407	
Other Equipment	7,236	
Total Libraries		\$ 112,933

Total Public Library Fund 112,933

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 25,968	
Social Security	1,656	
State Retirement	1,541	
Employee and Dependent Insurance	3,519	
Employer Medicare	387	
Communication	625	
Dues and Memberships	100	
Postal Charges	44	
Travel	3,691	
Office Supplies	28	
Total Sanitation Management		\$ 37,559

(Continued)

Exhibit I-6

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Disposal

Contracts with Private Agencies	\$ 41,445	
Total Other Waste Disposal		\$ 41,445

Total Solid Waste/Sanitation Fund \$ 79,004

Special Purpose Fund

Other Operations

Airport

Other Salaries & Wages	\$ 12,986	
Bank Charges	208	
Communication	1,071	
Maintenance & Repair Services - Equipment	1,504	
Postal Charges	80	
Remittance of Revenue Collected	2,136	
Gasoline	33,701	
Uniforms	570	
Utilities	1,218	
Other Supplies and Materials	1,645	
Total Airport		\$ 55,119

Total Special Purpose Fund 55,119

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$ 1,100	
Trustee's Commission	120	
Other Charges	3,670	
Motor Vehicles	4,000	
Total Drug Enforcement		\$ 8,890

Total Drug Control Fund 8,890

District Attorney General Fund

Administration of Justice

District Attorney General

Salary Supplements	\$ 3,596	
In-Service Training	1,422	
Communication	200	
Contracts with Private Agencies	6,842	

(Continued)

Exhibit I-6

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

District Attorney General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

Dues and Memberships	\$	210	
Rentals		2,475	
Travel		2,624	
Library Books/Media		667	
Office Supplies		66	
Trustee's Commission		247	
Other Charges		185	
Data Processing Equipment		295	
Furniture and Fixtures		19	
Total District Attorney General			\$ 18,848

Total District Attorney General Fund \$ 18,848

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	161,244	
Total Register of Deeds			\$ 161,244

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	23,433	
Total County Trustee's Office			23,433

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	302,921	
Total County Clerk's Office			302,921

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	4,445	
Total Chancery Court			4,445

Total Constitutional Officers - Fees Fund 492,043

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	68,806	
Accountants/Bookkeepers		32,000	

(Continued)

Exhibit I-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Secretary(ies)	\$	900	
Board and Committee Members Fees		6,200	
Communication		734	
Data Processing Services		3,531	
Confidential Drug Enforcement Payments		1,652	
Dues and Memberships		5,592	
Janitorial Services		1,089	
Legal Notices, Recording, and Court Costs		312	
Maintenance & Repair Services - Office Equipment		1,583	
Postal Charges		942	
Printing, Stationery, and Forms		314	
Travel		792	
Drugs and Medical Supplies		123	
Electricity		5,019	
Natural Gas		865	
Office Supplies		1,420	
Water and Sewer		1,398	
Other Supplies and Materials		50	
In Service/Staff Development		730	
Other Charges		5,427	
Total Administration			\$ 139,479

Highway and Bridge Maintenance

Foremen	\$	205,754	
Equipment Operators		323,293	
Laborers		276,500	
Contracts with Private Agencies		73,206	
Rentals		3,630	
Asphalt - Liquid		238,127	
Concrete		1,072	
Crushed Stone		517,548	
Fertilizer, Lime, and Seed		4,845	
Pipe		83,953	
Road Signs		4,944	
Small Tools		19	
Wood Products		68	
Other Supplies and Materials		489	
Total Highway and Bridge Maintenance			1,733,448

(Continued)

Exhibit I-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Mechanic(s)	\$	133,002	
Maintenance & Repair Services - Buildings		5,043	
Maintenance & Repair Services - Equipment		40,727	
Diesel Fuel		165,405	
Equipment and Machinery Parts		177,167	
Garage Supplies		8,553	
Gasoline		31,572	
Lubricants		19,941	
Small Tools		3,209	
Tires and Tubes		53,581	
Other Supplies and Materials		65	
Office Equipment		515	
Total Operation and Maintenance of Equipment			\$ 638,780

Other Charges

Liability Insurance	\$	103,232	
Premiums on Corporate Surety Bonds		632	
Trustee's Commission		46,176	
Workers' Compensation Insurance		54,820	
Total Other Charges			204,860

Employee Benefits

Social Security	\$	64,421	
State Retirement		64,006	
Employee and Dependent Insurance		113,712	
Life Insurance		388	
Employer Medicare		15,066	
Total Employee Benefits			257,593

Capital Outlay

Bridge Construction	\$	1,410,693	
Highway Construction		606,969	
Highway Equipment		269,460	
State Aid Projects		314,399	
Total Capital Outlay			<u>2,601,521</u>

Total Highway/Public Works Fund \$ 5,575,681

(Continued)

Exhibit I-6

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

<u>General Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Bonds	\$ 120,000	
Principal on Notes	140,000	
Principal on Other Loans	<u>75,000</u>	
Total General Government		\$ 335,000
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	\$ 463,803	
Interest on Notes	99,350	
Interest on Other Loans	<u>184,078</u>	
Total General Government		747,231
<u>Other Debt Service</u>		
<u>General Government</u>		
Bank Charges	\$ 2,800	
Trustee's Commission	<u>17,661</u>	
Total General Government		<u>20,461</u>
 Total General Debt Service Fund		 \$ 1,102,692
<u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Public Safety Projects</u>		
Architects	\$ 32,173	
Building Construction	1,150,615	
Site Development	<u>18,448</u>	
Total Public Safety Projects		<u>\$ 1,201,236</u>
 Total General Capital Projects Fund		 <u>1,201,236</u>
 Total Governmental Funds - Primary Government		 <u><u>\$ 20,688,447</u></u>

Exhibit I-7

Gibson County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2007

	Cities - Sales Tax Fund	Special School District Fund	Total
<u>Cash Receipts</u>			
Local Option Sales Tax	\$ 3,727,074	\$ 4,056,577	\$ 7,783,651
Interstate Telecommunications Tax	0	8,110	8,110
Current Property Tax	0	8,341,120	8,341,120
Prior Year's Property Tax	0	489,526	489,526
Interest and Penalty	0	74,425	74,425
Marriage Licenses	0	3,372	3,372
Mixed Drink Tax	0	1,028	1,028
Total Cash Receipts	<u>\$ 3,727,074</u>	<u>\$ 12,974,158</u>	<u>\$ 16,701,232</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 3,689,803	\$ 12,775,677	\$ 16,465,480
Trustee's Commission	37,271	217,890	255,161
Total Cash Disbursements	<u>\$ 3,727,074</u>	<u>\$ 12,993,567</u>	<u>\$ 16,720,641</u>
<u>Excess of Cash Receipts Over (Under)</u>			
Cash Disbursements	\$ 0	\$ (19,409)	\$ (19,409)
Cash Balance, July 1, 2006	0	31,003	31,003
Cash Balance, June 30, 2007	<u>\$ 0</u>	<u>\$ 11,594</u>	<u>\$ 11,594</u>

SINGLE AUDIT 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

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

December 17, 2007

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Gibson County's basic financial statements and have issued our report thereon dated December 17, 2007. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Gibson County Emergency Communications District, a discretely presented component unit, as described in our report on Gibson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 07.01, 07.02, 07.03, 07.04, 07.06, 07.07, 07.08, and 07.09 (A,B).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Gibson County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider items 07.03 and 07.04 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 07.05 and 07.09 (C).

We consider item 07.10 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations. We also noted certain matters that we reported to management of Gibson County in separate communications.

Gibson County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Gibson County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the county mayor, road supervisor, County Commission, others within Gibson County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal stroke at the end.

John G. Morgan
Comptroller of the Treasury

JGM/rc



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

December 17, 2007

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

To the County Mayor and Board of 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, 2007. 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 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 of 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, 2007.

Internal Control Over Compliance

The management of Gibson County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Gibson County's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Gibson County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

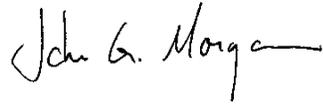
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gibson County as of and for the year ended June 30, 2007, and have issued our report thereon dated December 17, 2007. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Gibson County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information 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.

Gibson County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Gibson County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the county mayor, road supervisor, County Commission, others within Gibson County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

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

John G. Morgan
Comptroller of the Treasury

JGM/rc

Gibson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2007

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Natural Resources Conservation Service Grant	10.XXX (2)	68-4741-6-603	\$ 5,250
Total U.S. Department of Agriculture			<u>\$ 5,250</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-07-036529-00	\$ 9,000
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Formula Grant Program	16.579	Z-06-027055-00	15,000
Total U.S. Department of Justice			<u>\$ 24,000</u>
U.S. Department of Transportation			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(3)	\$ 989,809
Total U.S. Department of Transportation			<u>\$ 989,809</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(4)	\$ 8,800
Total U.S. Institute of Museum and Library Services			<u>\$ 8,800</u>
U.S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	Z-06-032942-00	\$ 366,380
Total U.S. Elections Assistance Commission			<u>\$ 366,380</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)	\$ 103,866
Total U.S. Department of Health and Human Services			<u>\$ 103,866</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z-06-034038-00	\$ 606,570
Emergency Management Performance Grants	97.042	(5)	47,100
Homeland Security Grant Program	97.067	Z-05-025156-00	93,411
Total U.S. Department of Homeland Security			<u>\$ 747,081</u>
Total Expenditures of Federal Awards			<u>\$ 2,245,186</u>

(Continued)

Gibson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Airport Maintenance Program - State Department of Transportation	N/A	(6)	\$ 101,029
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	17,465
Litter Program - State Department of Transportation	N/A	Z-07-033795-00	39,664
Waste Tire Collection Grant - State Department of Environment and Conservation	N/A	Z-03-011297-00	41,937
Total State Grants			<u>\$ 200,095</u>

CFDA - Catalog of Federal Domestic Assistance
N/A - Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) Z-06-029415-00: \$1,974; Z-06-029463-00: \$645,619; Z-06-029494-00: \$342,216

(4) Z-06-034112-00: \$7,000; Z-07-020149-00: \$1,800.

(5) Z-06-032836-00: \$18,375; Z-07-020599-00: \$28,725

(6) Z-06-028735-00: \$1,402; Z-06-029497-00: \$99,627

Gibson County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2007

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Gibson County, Tennessee, for the year ended June 30, 2006, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.02	120	Purchase orders were not issued

OFFICE OF ROAD SUPERVISOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.05	122	The Highway Department did not maintain a system to account for the use of some road materials

OTHER FINDINGS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.10 (C,D,F)	124	Deficiencies were noted in the operation of the Gibson County Airport
06.12	127	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, 2007

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Gibson County is unqualified.
2. The audit of the financial statements of Gibson County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Gibson County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Airport Improvement Program (CFDA No. 20.106) and the Help America Vote Act Requirements Payments (CFDA No. 90.401) were determined to be major programs.
8. A \$300,000 threshold 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. The written response of the road supervisor is paraphrased in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICE OF COUNTY MAYOR

FINDING 07.01 THE SOLID WASTE/SANITATION FUND HAD A CASH OVERDRAFT
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Solid Waste/Sanitation Fund had a cash overdraft of \$25,338 at June 30, 2007. This overdraft resulted from the issuance of warrants that exceeded cash on deposit with the county trustee. The cash overdraft was liquidated in July 2007.

RECOMMENDATION

The office should not make disbursements that exceed available cash on deposit with the county trustee.

FINDING 07.02 PURCHASE ORDERS WERE NOT ISSUED
(Internal Control – Significant Deficiency 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 establish a formal purchase order system to improve internal controls over the purchasing process and to document purchasing commitments.

FINDING 07.03 CONSTRUCTION CONTRACTS WERE OVERPAID
(Internal Control – Material Weakness Under Government Auditing Standards)

During the year, Gibson County entered into contracts with several contractors for the construction of a new county jail. Five of these contracts were in excess of \$500,000; therefore, the county opened escrow accounts to deposit funds to be withheld from contractor payments (retainage) pending performance requirements as required by Section 66-11-144, Tennessee Code Annotated. However,

the county failed to withhold the retainage from each contractors' pay requests but paid the contractors 100 percent of each request. The county then deposited additional funds equaling the retainage amount (\$456,136) into the escrow accounts. Therefore, the county paid the retainage amounts twice, once to the contractor and once into the escrow account. After securing written approval from the county mayor, one contractor withdrew \$54,888 from an escrow account. After we brought these overpayments to the attention of the construction manager and the county mayor, Gibson County recovered the \$54,888 plus interest from the contractor and recovered the other \$401,248 that had been placed in escrow.

RECOMMENDATION

The office should monitor its construction contracts and payments to contractors to ensure that the appropriate payments are made.

FINDING 07.04 INMATE MEDICAL CARE HAD NOT BEEN PAID ON A CURRENT BASIS
(Internal Control – Material Weakness Under Government Auditing Standards)

The county received billings from a local hospital for providing medical care to inmates incarcerated at the county jail; however, these billings listed only a total amount due and did not itemize the charges. The county informed us that they had not been paying the bills since the bills were not itemized, and the hospital claimed the county had unpaid accounts totaling \$553,147 that dated back to November 2005. During the year under examination, the county entered into negotiations with the local hospital to settle the account. The hospital has provided Gibson County with a detailed listing of the charges, and Gibson County is reviewing the charges to determine the extent of their liability. Gibson County paid \$100,000 on the account prior to June 30, 2007, and another \$100,000 on September 6, 2007. The payment on September 6, 2007, has been recognized as a current liability in the financial statements of this report. This liability represents an estimate based on the best available information pending the determination of a final negotiated amount. The final negotiated amount may be significantly different.

RECOMMENDATION

Invoices for medical care of county inmates should be reviewed and paid on a current basis. Questions on billings should be promptly addressed by the county with its vendor. The county should also review the hospital billings to determine if any of the charges relate to state prisoners housed in the county jail which would be subject to state reimbursement.

FINDING 07.05 EXPENDITURES EXCEEDED APPROPRIATIONS
(Noncompliance Under Government Auditing Standards)

Expenditures exceeded appropriations approved by the County Commission in the County Coroner/Medical Examiner (\$3,676) and Transfers Out (\$19,952) major appropriation categories (the legal level of control) in the General Fund. Section 5-9-401, Tennessee Code Annotated, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

RECOMMENDATION

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

FINDING 07.06 THE AMBULANCE SERVICE DID NOT PREPARE A LISTING OF ACCOUNTS RECEIVABLE
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Ambulance Service did not prepare a detailed listing of accounts receivable at June 30, 2007, to support their general ledger accounts receivable account. The Ambulance Service software system is capable of generating an aged accounts receivable report only on a real time or current basis.

RECOMMENDATION

Management should prepare a detailed accounts receivable listing each June 30 to support their general ledger accounts receivable account.

FINDING 07.07 RECORDS REFLECTING ACCRUED LEAVE FOR COUNTY EMPLOYEES WERE NOT PROPERLY MAINTAINED
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Records documenting accrued leave balances for county employees at June 30, 2007, were not properly maintained or centrally filed. Each county office and department maintained leave records for their respective employees; however, these records did not reflect dollar values. Accounting standards require Gibson County to account for the dollar value of unpaid accrued leave since the county pays for accrued leave when employees separate from service with the government.

RECOMMENDATION

The Gibson County Mayor's Office should maintain summary accrued leave information by account function for all offices and departments of the general county government. These records should reflect the dollar value of the leave at the beginning of the year, the amounts earned and used, and the value of the leave at year-end.

OFFICE OF ROAD SUPERVISOR

FINDING 07.08 THE HIGHWAY DEPARTMENT DID NOT MAINTAIN A SYSTEM TO ACCOUNT FOR THE USE OF SOME ROAD MATERIALS
(Internal Control – Significant Deficiency 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 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.

MANAGEMENT'S RESPONSE – ROAD SUPERVISOR

New software installed for GASB Statement No. 34 is being used to improve our documentation process. We have always required our foreman to maintain daily dairies to provide a record of work and materials used.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 07.09 DEFICIENCIES WERE NOTED IN THE OPERATION OF THE GIBSON COUNTY AIRPORT
(A. and B. – Internal Control – Significant Deficiency Under Government Auditing Standards; C. Noncompliance Under Government Auditing Standards)

Many years ago, Gibson County and various cities within the county operated the Gibson County Airport as a joint venture and contracted with a fixed base operator for the daily operation of the airport. During this period, Gibson County supplemented the operations by paying certain expenses of the airport from the county's General Fund. In 1989, the participating cities withdrew from the joint venture; however, Gibson County continued its

involvement with the fixed base operator and General Fund supplements. In February or March 2005, the fixed base operator left, and the airport began operations solely with county employees. Most daily operating revenues and expenses were paid through a checking account maintained at the airport. The activity in this checking account has been reflected as a Special Purpose Fund in the financial statements of this report. The following deficiencies were noted in the operation of the airport:

- A. The Gibson County Airport did not maintain accounting records as required by generally accepted accounting principles. The financial records at the airport consisted only of credit card receipt documents, paid invoices, and bank statements.
- B. Individuals leasing airport hangars had not been required to sign lease agreements. Therefore, we could not determine the specific terms of the agreements.
- C. The county maintained a checking account for operating expenses at the airport, and the treasurer of the authority was the authorizing signature required on checks. The funds channeled through this checking account did not flow through the county's budgetary process. Section 5-9-401, Tennessee Code Annotated, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, board, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies."

RECOMMENDATION

- A. Accounting records for the operation of the airport should be maintained in compliance with generally accepted accounting principles.
 - B. The county should enter into formal contracts with lessees, and the contracts should provide sufficient detail of the rights and responsibilities of the applicable parties.
 - C. The county trustee should maintain a fund for the operation of the airport, and the Office of County Mayor should maintain the accounting records for the fund as either a special revenue fund or an enterprise fund. The airport office should remit all collections to the county trustee. All revenues and expenditures related to the airport's operation should be subject to the budgetary control of the County Commission as required by state statutes.
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FINDING 07.10 **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED**
(Internal Control – Control Deficiency Under Government Auditing Standards)

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

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 programs.

**GIBSON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2007**

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