



**ANNUAL FINANCIAL REPORT
GIBSON COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2009



ANNUAL FINANCIAL REPORT
GIBSON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2009

DEPARTMENT OF AUDIT
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Comptroller of the Treasury

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State Auditors

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

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Audit Highlights
Annual Financial Report
Gibson County, Tennessee
For the Year Ended June 30, 2009

Scope

We have audited the basic financial statements of Gibson County as of and for the year ended June 30, 2009.

Results

Our report on the aggregate discretely presented component unit is adverse because the financial statements of the Gibson County Emergency Communications District, the county's only discretely presented component unit, were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ Gibson County does not have the resources to produce financial statements and notes to the financial statements.
- ◆ The General Fund required material audit adjustments for proper financial statement presentation.
- ◆ Government-wide financial statements did not include other postemployment benefits as required by generally accepted accounting principles.
- ◆ The office had not established a formal purchase order system.

OFFICE OF JUVENILE COURT CLERK

- ◆ The office did not deposit funds within three days of collection.
 - ◆ The clerk made false entries in the accounting records.
 - ◆ The office had deficiencies in computer system backup procedures.
-

OFFICE OF CLERK AND MASTER – TRENTON

- ◆ The office did not review software audit logs.
-

OTHER FINDINGS

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

INTRODUCTORY SECTION

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Gibson County Officials

June 30, 2009

Officials

Joe Shepard, County Mayor
Carl Stoppenhagen, Road Supervisor
LeAnne Smith, Trustee
Gary Paschall, Assessor of Property
Diane Taylor, County Clerk
Janice Jones, Circuit and General Sessions Courts Clerk
Lee Hayes, Juvenile Court Clerk
Shonna Smith, Clerk and Master - Trenton
Amanda Brown, Clerk and Master - Humboldt
Hilda Patterson, Register
Charles Arnold, Sheriff

Board of County Commissioners

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

Highway Commission

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

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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

October 20, 2009

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, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements of Gibson County's primary government 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 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 provides a reasonable basis for our opinions.

The financial statements of the Gibson County Emergency Communications District, the county's only component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the financial statements do not include data for the aggregate discretely presented component units. Accounting principles

generally accepted in the United States of America require the financial data for component units to be reported with the financial data of of Gibson County's primary government.

In our opinion, because of the omission of the aggregate discretely presented component unit, as discussed above, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component unit of Gibson County, Tennessee, as of June 30, 2009, or the respective changes in financial position thereof for the year then ended.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of June 30, 2009, 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 October 20, 2009, 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 adopted the provisions of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 49, Accounting and Financial Reporting for Pollution and Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

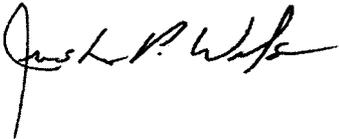
The management of Gibson County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States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

The budgetary comparison and pension information on pages 53 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 black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and a long, sweeping underline.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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BASIC FINANCIAL STATEMENTS

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Exhibit A

Gibson County, Tennessee
Statement of Net Assets
June 30, 2009

	<u>Primary Government Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 215,671
Equity in Pooled Cash and Investments	6,398,473
Inventories	1,950
Accounts Receivable	2,332,286
Allowance for Uncollectibles	(807,694)
Due from Other Governments	627,075
Property Taxes Receivable	5,358,038
Allowance for Uncollectible Property Taxes	(158,682)
Accrued Interest Receivable	10,563
Capital Assets:	
Assets Not Depreciated:	
Land	5,313,966
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	12,871,101
Infrastructure	16,307,611
Other Capital Assets	3,297,286
Total Assets	<u>\$ 51,767,644</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 91,014
Claims and Judgments Payable	174,813
Due to Component Units	173,322
Accrued Interest Payable	72,482
Deferred Revenue - Current Property Taxes	4,972,655
Noncurrent Liabilities:	
Due Within One Year	472,825
Due in More Than One Year	16,187,673
Total Liabilities	<u>\$ 22,144,784</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 21,172,631
Restricted for:	
Highway/Public Works	1,033,457
Debt Service	3,216,925
Capital Projects	682,610
Other Purposes	419,754
Unrestricted	<u>3,097,483</u>
Total Net Assets	<u>\$ 29,622,860</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, 2009

Functions/Programs	Program Revenues			Charges for Services	Expenses	Net (Expense) Revenue and Changes in Net Assets
	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Total			
Governmental Activities:						
General Government	\$ 1,427,950	\$ 340,901	\$ 14,912	\$ 0	\$ 1,072,137	
Finance	1,236,225	856,732	17,997	0	(361,496)	
Administration of Justice	1,814,943	898,271	11,250	0	(905,422)	
Public Safety	5,155,393	732,959	354,855	10,172	(4,057,407)	
Public Health and Welfare	2,956,507	2,622,401	331,628	50,036	47,558	
Social, Cultural, and Recreational Services	796,456	52,073	448,148	0	(296,235)	
Agriculture and Natural Resources	290,633	62,412	9,154	0	(219,067)	
Other Operations	423,073	73,715	6,533	0	(342,825)	
Highways	3,323,169	9,257	1,480,506	739,862	(1,093,544)	
Interest on Long-term Debt	660,526	0	0	0	(660,526)	
Other Debt Service	43,622	0	0	0	(43,622)	
Total Governmental Activities	\$ 18,128,497	\$ 5,648,721	\$ 2,674,983	\$ 800,070	\$ (9,004,723)	

(Continued)

Exhibit B

Gibson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
			Capital Grants and Contributions	Primary Governmental Total Governmental Activities
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 5,103,712
Property Taxes Levied for Debt Service				2,679
Local Option Sales Taxes				341,015
Wheel Tax				1,422,357
Business Tax				314,590
Litigation Tax				179,335
Other Local Taxes				104,665
Grants and Contributions Not Restricted for Specific Programs				1,079,490
Unrestricted Investment Income				157,565
Miscellaneous				9,660
Total General Revenues				\$ 8,715,068
Change in Net Assets				\$ (289,655)
Net Assets, July 1, 2008				30,064,779
Prior-period Adjustment				(152,264)
Net Assets, June 30, 2009				\$ 29,622,860

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, 2009

	Major Funds			Nonmajor	Total
	General	Highway /	General	Funds	
		Public	Debt	Other	
	Works	Service	Governmental	Governmental	
			Funds	Funds	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 215,671	\$ 215,671
Equity in Pooled Cash and Investments	2,193,224	679,012	3,251,713	274,524	6,398,473
Inventories	1,950	0	0	0	1,950
Accounts Receivable	2,328,002	1,773	1,304	1,207	2,332,286
Allowance for Uncollectibles	(807,694)	0	0	0	(807,694)
Due from Other Governments	211,667	403,797	0	11,611	627,075
Due from Other Funds	274	0	0	0	274
Property Taxes Receivable	3,933,749	813,879	610,410	0	5,358,038
Allowance for Uncollectible Property Taxes	(116,500)	(24,104)	(18,078)	0	(158,682)
Accrued Interest Receivable	0	0	10,563	0	10,563
Total Assets	\$ 7,744,672	\$ 1,874,357	\$ 3,855,912	\$ 503,013	\$ 13,977,954
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 48,619	\$ 42,395	\$ 0	\$ 0	\$ 91,014
Claims and Judgments Payable	174,813	0	0	0	174,813
Due to Other Funds	0	0	0	274	274
Due to Components Units	173,322	0	0	0	173,322
Deferred Revenue - Current Property Taxes	3,650,810	755,340	566,505	0	4,972,655
Deferred Revenue - Delinquent Property Taxes	151,439	30,785	23,727	0	205,951
Other Deferred Revenues	1,261,320	191,578	0	0	1,452,898
Total Liabilities	\$ 5,460,323	\$ 1,020,098	\$ 590,232	\$ 274	\$ 7,070,927
Fund Balances					
Reserved for Purchase of Electronic Fingerprint Imaging System	\$ 0	\$ 0	\$ 0	\$ 10,351	\$ 10,351
Reserved for Sexual Offender Registration	4,039	0	0	0	4,039
Reserved for Courtroom Security	6,252	0	0	0	6,252
Reserved for Computer System - Register	19,277	0	0	0	19,277
Reserved for Automation Purposes - Circuit Court	5,427	0	0	0	5,427
Reserved for Automation Purposes - General Sessions Court	21,684	0	0	0	21,684
Reserved for Automation Purposes - Chancery Court	9,175	0	0	0	9,175
Reserved for Automation Purposes - Other Courts	27,768	0	0	0	27,768
Reserved for Automation Purposes - Sheriff	4,150	0	0	0	4,150
Reserved for Capital Outlay	574,914	0	0	0	574,914
Reserved for Other General Purposes	50,443	0	0	0	50,443
Unreserved, Reported In:					
General Fund	1,561,220	0	0	0	1,561,220
Special Revenue Funds	0	854,259	0	384,692	1,238,951
Debt Service Funds	0	0	3,265,680	0	3,265,680
Capital Projects Funds	0	0	0	107,696	107,696
Total Fund Balances	\$ 2,284,349	\$ 854,259	\$ 3,265,680	\$ 502,739	\$ 6,907,027
Total Liabilities and Fund Balances	\$ 7,744,672	\$ 1,874,357	\$ 3,855,912	\$ 503,013	\$ 13,977,954

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, 2009

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)		\$	6,907,027
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	5,313,966	
Add: buildings and improvements net of accumulated depreciation		12,871,101	
Add: infrastructure net of accumulated depreciation		16,307,611	
Add: other capital assets net of accumulated depreciation		<u>3,297,286</u>	37,789,964
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(2,069,333)	
Less: other loans payable		(4,275,000)	
Less: bonds payable		(10,273,000)	
Less: compensated absences payable		(43,165)	
Less: accrued interest on notes, capital leases, and bonds		<u>(72,482)</u>	(16,732,980)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,658,849</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>29,622,860</u></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, 2009

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Revenues					
Local Taxes	\$ 4,805,033	\$ 1,969,517	\$ 857,091	\$ 0	\$ 7,631,641
Licenses and Permits	86,655	0	0	0	86,655
Fines, Forfeitures, and Penalties	247,776	0	0	31,696	279,472
Charges for Current Services	2,810,567	4,257	0	550,185	3,365,009
Other Local Revenues	161,441	20,271	196,716	8,138	386,566
Fees Received from County Officials	1,166,883	0	0	0	1,166,883
State of Tennessee	1,592,149	2,810,699	565,794	44,853	5,013,495
Federal Government	360,521	0	0	0	360,521
Other Governments and Citizens Groups	59,379	477	0	56,496	116,352
Total Revenues	\$ 11,290,404	\$ 4,805,221	\$ 1,619,601	\$ 691,368	\$ 18,406,594
Expenditures					
Current:					
General Government	\$ 927,105	\$ 0	\$ 0	\$ 189,043	\$ 1,116,148
Finance	538,687	0	0	334,972	873,659
Administration of Justice	1,489,732	0	0	6,992	1,496,724
Public Safety	3,814,728	0	0	8,471	3,823,199
Public Health and Welfare	2,358,748	0	0	81,205	2,439,953
Social, Cultural, and Recreational Services	575,467	0	0	137,167	712,634
Agriculture and Natural Resources	235,761	0	0	0	235,761
Other Operations	2,232,581	0	0	0	2,232,581
Highways	0	4,839,492	0	0	4,839,492
Debt Service:					
Principal on Debt	0	0	455,667	0	455,667
Interest on Debt	0	0	680,943	0	680,943
Other Debt Service	0	0	43,622	0	43,622
Capital Projects	13,877	0	0	482,798	496,675
Total Expenditures	\$ 12,186,686	\$ 4,839,492	\$ 1,180,232	\$ 1,240,648	\$ 19,447,058
Excess (Deficiency) of Revenues Over Expenditures					
	\$ (896,282)	\$ (34,271)	\$ 439,369	\$ (549,280)	\$ (1,040,464)
Other Financing Sources (Uses)					
Insurance Recovery	\$ 37,787	\$ 0	\$ 0	\$ 0	\$ 37,787
Transfers In	0	0	0	124,271	124,271
Transfers Out	(124,271)	0	0	0	(124,271)
Total Other Financing Sources (Uses)	\$ (86,484)	\$ 0	\$ 0	\$ 124,271	\$ 37,787
Net Change in Fund Balances					
Fund Balance, July 1, 2008	\$ 3,419,379	888,530	2,826,311	927,748	8,061,968
Prior-period Adjustment	(152,264)	0	0	0	(152,264)
Fund Balance, June 30, 2009	\$ 2,284,349	\$ 854,259	\$ 3,265,680	\$ 502,739	\$ 6,907,027

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, 2009

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)		\$ (1,002,677)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 3,130,976	
Less: current year depreciation expense	<u>(2,268,458)</u>	862,518
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets	\$ (56,573)	
Less: proceeds from sale of capital assets	<u>(11,020)</u>	(67,593)
(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, 2009	\$ 1,658,849	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(2,215,581)</u>	(556,732)
(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	\$ 358,667	
Add: principal payments on other loans	75,000	
Add: principal payments on bonds	<u>22,000</u>	455,667
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 20,417	
Change in compensated absences payable	<u>(1,255)</u>	<u>19,162</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (289,655)</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, 2009

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,490,748
Equity in Pooled Cash and Investments	18,419
Accounts Receivable	173
Due from Other Governments	1,378,961
Taxes Receivable	10,634,112
Allowance for Uncollectible Taxes	<u>(316,777)</u>
Total Assets	<u>\$ 13,205,636</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 11,714,888
Due to Litigants, Heirs, and Others	<u>1,490,748</u>
Total Liabilities	<u>\$ 13,205,636</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, 2009

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) and its component unit. 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.

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 financial statements of the Gibson County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Gibson County Emergency Communications District issues separate financial statements from those of the county and is published as a separate report. Although required by GAAP, the financial statements of the Gibson County Emergency Communications District were not available in time for inclusion, as previously mentioned. 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, watershed 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; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all 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 receivables 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 1.57 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. Inventories

Inventories of Gibson County are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets 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 Gibson County 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

5. 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.

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.

6. Long-term Obligations

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

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

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

7. Net Assets and Fund Equity

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

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

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.

8. Prior-period Adjustment

The county erroneously received payments for E911 surcharges for the fiscal years of 2001-2008. These payments (\$152,264) should have been paid to the Gibson County Emergency Communications District component unit and are reflected in this report as a prior-period adjustment.

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

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the 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.

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state 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, 2009, 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	\$ 1,012,040

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, 2009, 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, 2009, was as follows:

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	\$ 5,313,966	\$ 0	\$ 0	\$ 5,313,966
Construction in Progress	272,908	0	272,908	0
Total Capital Assets Not Depreciated	\$ 5,586,874	\$ 0	\$ 272,908	\$ 5,313,966
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,296,651	\$ 345,251	\$ 0	\$ 14,641,902
Roads and Bridges	25,330,863	2,728,005	0	28,058,868
Other Capital Assets	8,788,743	330,628	432,545	8,686,826
Total Capital Assets Depreciated	\$ 48,416,257	\$ 3,403,884	\$ 432,545	\$ 51,387,596
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,485,735	\$ 285,066	\$ 0	\$ 1,770,801
Roads and Bridges	10,575,374	1,175,883	0	11,751,257
Other Capital Assets	4,946,983	807,509	364,952	5,389,540
Total Accumulated Depreciation	\$ 17,008,092	\$ 2,268,458	\$ 364,952	\$ 18,911,598
Total Capital Assets Depreciated, Net	\$ 31,408,165	\$ 1,135,426	\$ 67,593	\$ 32,475,998
Governmental Activities Capital Assets, Net	\$ 36,995,039	\$ 1,135,426	\$ 340,501	\$ 37,789,964

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

Governmental Activities:

General Government	\$ 36,088
Administration of Justice	32,129
Public Safety	623,246
Public Health and Welfare	123,735

Governmental Activities (Cont.):

Social, Cultural, and Recreational Services	\$	3,464
Agriculture and Natural Resources		3,485
Other Operations		73,759
Highway		<u>1,372,552</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>2,268,458</u></u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 274

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

Due to/from Primary Government and Component Units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component unit: Gibson County Emergency Communications District	Primary government: General	\$ 173,322

Interfund Transfers:

Interfund transfers for the year ended June 30, 2009, consisted of the following amount:

<u>Transfer Out</u>	<u>Transfer In</u>
	Nonmajor Governmental Funds
General Fund	\$ 124,271

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

them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

D. Long-term Debt

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, 2009, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds	4 to 5.2 %	\$ 10,725,000	\$ 10,273,000
Capital Outlay Notes	3.95 to 4.985	2,618,000	2,069,333
Other Loans	variable	4,500,000	4,275,000

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, 2009, the variable interest rate was 2.85 percent, and other fees totaled 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, 2009, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 22,000	\$ 457,035	\$ 479,035
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
2015-2019	2,754,000	2,039,153	4,793,153
2020-2024	3,500,000	1,384,750	4,884,750
2025-2029	3,896,000	512,078	4,408,078
Total	<u>\$ 10,273,000</u>	<u>\$ 6,210,093</u>	<u>\$ 16,483,093</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 373,667	\$ 95,104	\$ 468,771
2011	393,666	78,573	472,239
2012	410,000	62,302	472,302
2013	425,000	42,902	467,902
2014	445,000	22,642	467,642
2015	22,000	1,096	23,096
Total	<u>\$ 2,069,333</u>	<u>\$ 302,619</u>	<u>\$ 2,371,952</u>

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2010	\$ 75,000	\$ 121,837	\$ 19,237	\$ 216,074
2011	75,000	119,700	18,900	213,600
2012	75,000	117,563	18,563	211,126
2013	75,000	115,425	18,225	208,650
2014	75,000	113,288	17,888	206,176
2015-2019	0	555,750	87,750	643,500
2020-2024	0	555,750	87,750	643,500
2025-2029	400,000	555,750	87,750	1,043,500
2030-2033	3,500,000	256,500	40,500	3,797,000
Total	<u>\$ 4,275,000</u>	<u>\$ 2,511,563</u>	<u>\$ 396,563</u>	<u>\$ 7,183,126</u>

There is \$3,265,680 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$213, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans, totaled \$345, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2008	\$ 10,295,000	\$ 2,428,000
Deductions	(22,000)	(358,667)
Balance, June 30, 2009	<u>\$ 10,273,000</u>	<u>\$ 2,069,333</u>
Balance Due Within One Year	<u>\$ 22,000</u>	<u>\$ 373,667</u>
	<u>Other Loans</u>	<u>Compensated Absences</u>
Balance, July 1, 2008	\$ 4,350,000	\$ 41,910
Additions	0	43,004
Deductions	(75,000)	(41,749)
Balance, June 30, 2009	<u>\$ 4,275,000</u>	<u>\$ 43,165</u>
Balance Due Within One Year	<u>\$ 75,000</u>	<u>\$ 2,158</u>
		<u>Claims and Judgments</u>
Balance, July 1, 2008		\$ 0
Additions		<u>174,813</u>
Balance, June 30, 2009		<u>\$ 174,813</u>
Balance Due Within One Year		<u>\$ 174,813</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 16,660,498
Less: Balance Due Within One Year	<u>(472,825)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 16,187,673</u>

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

At year-end, \$174,813 of claims and judgments is included in the above amounts. This liability, which includes \$32,133 in attorney fees, is a result of 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, 2009. The claims and judgments payable were retired from the General Fund subsequent to June 30, 2009.

V. OTHER INFORMATION

A. Risk Management

Employee Health Insurance

Beginning January 1, 2009, the county decided to stop carrying commercial insurance because of its prohibitive cost and chose to become self-insured for risks associated with the employees' health insurance plan. This activity is currently being accounted for in the General and Highway/Public Works funds. The county retains the risk of loss to a limit of \$50,000 per specific loss and approximately \$1,053,000 overall. The county obtained an excess risk insurance policy to cover claims beyond any amounts exceeding these limits. The premiums for the excess risk insurance and administration fees are paid directly to the administrator of the county's employee insurance plan by the General and Highway/Public Works funds.

All full-time employees of Gibson County are eligible to participate. The premium charges are based on the rates paid for coverage under the previous health insurance plan. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims liabilities are established based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past fiscal year are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year-End
2008-09	\$ 0	\$ 578,660	\$ 515,461	63,199

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 Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

GASB Statement No. 45 establishes reporting requirements for Other Postemployment Benefits (OPEB). OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the county's financial statements. In previous years, Gibson County was only required to recognize the current year cost (expense) of these benefits.

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to GASB Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Gibson County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Gibson County could have pollution remediation liabilities in subsequent years.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income (loss). GASB Statement No. 52 had no effect on the financial statements of Gibson County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Gibson County could have endowment investments in subsequent years.

C. Subsequent Event

On October 1, 2009, Gibson County sold general obligation refunding bonds totaling \$4,500,000.

D. Contingent Liabilities

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

E. Changes in Administration

On August 31, 2008, Linda Tilley left the Office of Assessor of Property and was succeeded by Gary Paschall. On December 31, 2008, Lois Lockhart left the Office of Clerk and Master (Trenton) and was succeeded by Shonna Smith.

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 Gibson, Madison, McNairy, Obion, and Weakley. The WTRA's board includes the county mayors of 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 www.tn.gov/treasury/tcrs.

Funding Policy

Gibson County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 5.88 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, 2009, Gibson County's annual pension cost of \$410,890 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, 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, 2007, was eight years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-09	\$410,890	100%	\$0
6-30-08	382,842	100	0
6-30-07	367,822	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 92.9 percent funded. The actuarial accrued liability for benefits was \$16.7 million, and the actuarial value of assets was \$15.51 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.19 million. The covered payroll (annual payroll of active employees covered by the plan) was \$7 million, and the ratio of the UAAL to the covered payroll was 18.18 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not

identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

H. Other Postemployment Benefits (OPEB)

The Gibson County general government provides postemployment healthcare benefits through a self-insurance plan that allows pre-65 age retirees to remain in the plan at the active employees' rate if the retiree pays 100 percent of the premium; therefore, the county is providing an implicit rate subsidy. Gibson County did not obtain an actuarial valuation to determine the data necessary for the measurement, recognition, and display of other postemployment benefits necessary to prepare government-wide financial statements and note disclosures as required by Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. However, we believe the omission of this data is not material to the government-wide financial statements for the year ended June 30, 2009.

I. 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 \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Road Supervisor

Chapter 111, Private Acts of 1929, as amended, and Section 54-7-113, 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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Exhibit E-1

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 4,805,033	\$ 0	\$ 4,805,033	\$ 4,714,950	\$ 4,714,950	\$ 90,083
Licenses and Permits	86,655	0	86,655	100,792	100,792	(14,137)
Fines, Forfeitures, and Penalties	247,776	0	247,776	265,781	274,981	(27,205)
Charges for Current Services	2,810,567	0	2,810,567	2,860,399	2,860,399	(49,832)
Other Local Revenues	161,441	0	161,441	171,612	171,612	(10,171)
Fees Received from County Officials	1,166,883	0	1,166,883	1,311,000	1,311,000	(144,117)
State of Tennessee	1,592,149	0	1,592,149	1,811,586	1,952,537	(360,388)
Federal Government	360,521	0	360,521	195,217	470,809	(110,288)
Other Governments and Citizens Groups	59,379	0	59,379	60,541	66,852	(7,473)
Total Revenues	\$ 11,290,404	\$ 0	\$ 11,290,404	\$ 11,491,878	\$ 11,923,932	\$ (633,528)
Expenditures						
General Government						
County Commission	\$ 47,244	\$ 0	\$ 47,244	\$ 52,446	\$ 50,896	\$ 3,652
Board of Equalization	3,078	0	3,078	1,600	3,150	72
County Mayor/Executive	189,775	0	189,775	202,336	202,336	12,561
County Attorney	43,597	0	43,597	35,100	43,597	0
Election Commission	172,019	0	172,019	178,933	178,933	6,914
Register of Deeds	36,433	0	36,433	44,312	44,312	7,879
Development	55,431	0	55,431	59,227	59,227	3,796
County Buildings	379,528	0	379,528	398,420	399,355	19,827
Finance						
Property Assessor's Office	240,097	0	240,097	246,702	244,762	4,665
Reappraisal Program	55,526	0	55,526	55,822	57,762	2,236
County Trustee's Office	196,785	0	196,785	196,787	196,786	1

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
County Clerk's Office	\$ 46,279	\$ 0	\$ 46,279	\$ 51,700	\$ 51,700	\$ 5,421
<u>Administration of Justice</u>						
Circuit Court	311,842	0	311,842	312,146	312,146	304
General Sessions Court	165,143	0	165,143	183,264	184,220	19,077
Drug Court	23,242	0	23,242	27,686	27,686	4,444
Chancery Court	211,489	0	211,489	225,192	225,192	13,703
Juvenile Court	479,609	0	479,609	313,434	488,247	8,638
Other Administration of Justice	285,632	0	285,632	288,027	288,027	2,395
Victims Assistance Programs	12,775	0	12,775	8,100	17,300	4,525
<u>Public Safety</u>						
Sheriff's Department	1,620,154	0	1,620,154	1,738,132	1,756,424	136,270
Jail	1,623,431	0	1,623,431	1,958,585	1,984,177	360,746
Juvenile Services	9,571	0	9,571	9,580	9,580	9
Fire Prevention and Control	128,981	0	128,981	173,817	174,765	45,784
Rural Fire Protection	14,249	0	14,249	14,250	14,250	1
Civil Defense	358,099	0	358,099	142,653	395,554	37,455
Other Emergency Management	29,518	0	29,518	75,217	75,217	45,699
County Coroner/Medical Examiner	30,725	0	30,725	24,600	37,200	6,475
<u>Public Health and Welfare</u>						
Local Health Center	405,873	(21,005)	384,868	531,655	532,390	147,522
Rabies and Animal Control	52,139	0	52,139	52,728	52,729	590
Ambulance/Emergency Medical Services	1,803,340	0	1,803,340	1,821,815	1,824,371	21,031
Alcohol and Drug Programs	9,500	0	9,500	10,000	10,000	500
Crippled Children Services	2,859	0	2,859	2,859	2,859	0

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Other Local Health Services	\$ 6,000	\$ 0	\$ 6,000	\$ 6,000	\$ 0	0
General Welfare Assistance	3,000	0	3,000	3,000	0	0
Other Local Welfare Services	1,500	0	1,500	1,500	0	0
Sanitation Education/Information	49,787	0	49,787	49,797	10	10
Other Public Health and Welfare	24,750	0	24,750	24,750	0	0
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	526,467	0	526,467	513,174	127,658	127,658
Libraries	23,000	0	23,000	23,000	0	0
Parks and Fair Boards	24,000	0	24,000	24,000	0	0
Other Social, Cultural, and Recreational	2,000	0	2,000	2,000	0	0
<u>Agriculture and Natural Resources</u>						
Agriculture Extension Service	119,520	0	119,520	115,341	119,878	358
Soil Conservation	81,241	0	81,241	96,480	97,153	15,912
Flood Control	35,000	0	35,000	35,000	0	0
<u>Other Operations</u>						
Tourism	21,960	0	21,960	21,960	0	0
Industrial Development	795	0	795	7,500	6,705	6,705
Airport	99,123	0	99,123	130,439	130,438	31,315
Veterans' Services	39,507	0	39,507	44,044	44,044	4,537
Other Charges	531,602	0	531,602	529,746	541,246	9,644
Contributions to Other Agencies	40,146	0	40,146	50,400	50,400	10,254
Employee Benefits	1,491,410	0	1,491,410	1,638,343	1,638,343	146,933
Payments to Cities	7,073	0	7,073	0	7,073	0
Miscellaneous	965	0	965	0	965	0

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Expenditures (Cont.)</u>						
<u>Capital Projects</u>						
Other General Government Projects	\$ 13,877	\$ 0	\$ 13,877	\$ 11,284	\$ 16,284	\$ 2,407
Total Expenditures	\$ 12,186,686	\$ (21,005)	\$ 12,165,681	\$ 12,764,883	\$ 13,443,606	\$ 1,277,925
Excess (Deficiency) of Revenues Over Expenditures	\$ (896,282)	\$ 21,005	\$ (875,277)	\$ (1,273,005)	\$ (1,519,674)	\$ 644,397
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 37,787	\$ 0	\$ 37,787	\$ 0	\$ 7,272	\$ 30,515
Transfers In	0	0	0	2,500	2,500	(2,500)
Transfers Out	(124,271)	0	(124,271)	(124,283)	(124,283)	12
Total Other Financing Sources (Uses)	\$ (86,484)	\$ 0	\$ (86,484)	\$ (121,783)	\$ (114,511)	\$ 28,027
Net Change in Fund Balance	\$ (982,766)	\$ 21,005	\$ (961,761)	\$ (1,394,788)	\$ (1,634,185)	\$ 672,424
Fund Balance, July 1, 2008	3,419,379	(21,005)	3,398,374	3,768,968	3,768,968	(370,594)
Prior Period Adjustment	(152,264)	0	(152,264)	0	(152,264)	0
Fund Balance, June 30, 2009	\$ 2,284,349	\$ 0	\$ 2,284,349	\$ 2,374,180	\$ 1,982,519	\$ 301,830

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>						
Local Taxes	\$ 1,969,517	\$ 0	\$ 1,969,517	\$ 1,979,350	\$ 1,979,350	\$ (9,833)
Charges for Current Services	4,257	0	4,257	5,500	5,500	(1,243)
Other Local Revenues	20,271	0	20,271	35,500	35,500	(15,229)
State of Tennessee	2,810,699	0	2,810,699	2,688,450	2,921,562	(110,863)
Federal Government	0	0	0	5,000	5,000	(5,000)
Other Governments and Citizens Groups	477	0	477	0	0	477
Total Revenues	\$ 4,805,221	\$ 0	\$ 4,805,221	\$ 4,713,800	\$ 4,946,912	\$ (141,691)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 151,548	\$ 0	\$ 151,548	\$ 161,092	\$ 161,092	\$ 9,544
Highway and Bridge Maintenance	1,846,416	0	1,846,416	1,918,000	1,918,000	71,584
Operation and Maintenance of Equipment	632,430	0	632,430	799,000	799,000	166,570
Other Charges	231,993	0	231,993	251,000	251,000	19,007
Employee Benefits	310,768	0	310,768	299,000	341,395	30,627
Capital Outlay	1,666,337	(626,580)	1,039,757	1,779,000	2,115,046	1,075,289
Total Expenditures	\$ 4,839,492	\$ (626,580)	\$ 4,212,912	\$ 5,207,092	\$ 5,585,533	\$ 1,372,621
Excess (Deficiency) of Revenues Over Expenditures	\$ (34,271)	\$ 626,580	\$ 592,309	\$ (493,292)	\$ (638,621)	\$ 1,230,930
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 1,000	\$ 1,000	\$ (1,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 1,000	\$ 1,000	\$ (1,000)
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (34,271)	\$ 626,580	\$ 592,309	\$ (492,292)	\$ (637,621)	\$ 1,229,930
Fund Balance, July 1, 2008	888,530	(626,580)	261,950	746,367	746,367	(484,417)
Fund Balance, June 30, 2009	\$ 854,259	\$ 0	\$ 854,259	\$ 254,075	\$ 108,746	\$ 745,513

Exhibit E-3

Gibson County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2009

(Dollar amounts in thousands)

Year Ended	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-09	7-1-07	\$ 15,516	\$ 16,702	\$ 1,186	92.90 %	\$ 6,524	18.18 %
6-30-08	7-1-07	15,516	16,702	1,186	92.90	6,524	18.18

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the 2007-08 year; therefore, only two years of data are presented.

GIBSON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2009

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.

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

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Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

Capital Projects Fund

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

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Exhibit F-1

Gibson County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2009

	Special Revenue Funds						Total Nonmajor Governmental Funds	
	Public Library	Solid Waste/ Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees	Total		
\$ 91,893 \$	0 \$	0 \$	0 \$	0 \$	123,778 \$	215,671 \$	0 \$	215,671
0	30,674	35,209	100,945	0	166,828	274,524	107,696	274,524
0	982	225	0	0	1,207	1,207	0	1,207
0	10,935	0	676	0	11,611	11,611	0	11,611
\$ 91,893 \$	42,591 \$	35,434 \$	101,621 \$	123,778 \$	395,317 \$	503,013	107,696 \$	503,013

ASSETS

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

LIABILITIES AND FUND BALANCES

Liabilities
 Due to Other Funds
 Total Liabilities

Fund Balances
 Reserved for Purchase of Electronic Fingerprint Imaging System
 Unreserved
 Total Fund Balances

Total Liabilities and Fund Balances

\$ 0 \$	0 \$	0 \$	0 \$	0 \$	274 \$	274 \$	0 \$	274
\$ 0 \$	0 \$	0 \$	0 \$	274 \$	274 \$	274 \$	0 \$	274
\$ 0 \$	0 \$	10,351 \$	0 \$	0 \$	10,351 \$	10,351 \$	0 \$	10,351
91,893	42,591	25,083	101,621	123,504	384,692	492,388	107,696	492,388
\$ 91,893 \$	42,591 \$	35,434 \$	101,621 \$	123,504 \$	395,043 \$	502,739	107,696 \$	502,739
\$ 91,893 \$	42,591 \$	35,434 \$	101,621 \$	123,778 \$	395,317 \$	503,013	107,696 \$	503,013

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, 2009

	Special Revenue Funds						Capital Projects Fund		Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Total	General Capital Projects		
Revenues									
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 8,614	\$ 23,082	\$ 0	\$ 0	\$ 0	\$ 31,696	\$ 31,696
Charges for Current Services	7,773	6,381	920	0	535,111	0	0	550,185	550,185
Other Local Revenues	6,962	826	350	0	0	0	0	8,138	8,138
State of Tennessee	1,000	43,853	0	0	0	0	0	44,853	44,853
Other Governments and Citizens Groups	33,000	23,496	0	0	0	0	0	56,496	56,496
Total Revenues	\$ 48,735	\$ 74,556	\$ 9,884	\$ 23,082	\$ 535,111	\$ 0	\$ 0	\$ 691,368	\$ 691,368
Expenditures									
Current:									
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 189,043	\$ 0	\$ 0	\$ 189,043	\$ 189,043
Finance	0	0	0	0	334,972	0	0	334,972	334,972
Administration of Justice	0	0	0	6,992	0	0	0	6,992	6,992
Public Safety	0	0	8,471	0	0	0	0	8,471	8,471
Public Health and Welfare	0	81,205	0	0	0	0	0	81,205	81,205
Social, Cultural, and Recreational Services	137,167	0	0	0	0	0	0	137,167	137,167
Capital Projects	0	0	0	0	0	0	482,798	482,798	482,798
Total Expenditures	\$ 137,167	\$ 81,205	\$ 8,471	\$ 6,992	\$ 524,015	\$ 0	\$ 482,798	\$ 757,850	\$ 1,240,648
Excess (Deficiency) of Revenues Over Expenditures	\$ (88,432)	\$ (6,649)	\$ 1,413	\$ 16,090	\$ 11,096	\$ (66,482)	\$ (482,798)	\$ (549,280)	\$ (549,280)
Other Financing Sources (Uses)									
Transfers In	\$ 102,465	\$ 21,806	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 124,271	\$ 124,271
Total Other Financing Sources (Uses)	\$ 102,465	\$ 21,806	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 124,271	\$ 124,271
Net Change in Fund Balances Fund Balance, July 1, 2008	\$ 14,033	\$ 15,157	\$ 1,413	\$ 16,090	\$ 11,096	\$ 57,789	\$ (482,798)	\$ (425,009)	\$ (425,009)
	77,860	27,434	34,021	85,531	112,408	337,254	590,494	927,748	927,748
Fund Balance, June 30, 2009	\$ 91,893	\$ 42,591	\$ 35,434	\$ 101,621	\$ 123,504	\$ 395,043	\$ 107,696	\$ 502,739	\$ 502,739

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 7,773	\$ 5,000	\$ 5,000	\$ 2,773
Other Local Revenues	6,962	5,000	5,000	1,962
State of Tennessee	1,000	0	0	1,000
Other Governments and Citizens Groups	33,000	32,640	32,640	360
Total Revenues	<u>\$ 48,735</u>	<u>\$ 42,640</u>	<u>\$ 42,640</u>	<u>\$ 6,095</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 137,167	\$ 145,118	\$ 145,118	\$ 7,951
Total Expenditures	<u>\$ 137,167</u>	<u>\$ 145,118</u>	<u>\$ 145,118</u>	<u>\$ 7,951</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (88,432)</u>	<u>\$ (102,478)</u>	<u>\$ (102,478)</u>	<u>\$ 14,046</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 102,465	\$ 102,477	\$ 102,477	\$ (12)
Total Other Financing Sources (Uses)	<u>\$ 102,465</u>	<u>\$ 102,477</u>	<u>\$ 102,477</u>	<u>\$ (12)</u>
Net Change in Fund Balance	\$ 14,033	\$ (1)	\$ (1)	\$ 14,034
Fund Balance, July 1, 2008	<u>77,860</u>	<u>85,660</u>	<u>85,660</u>	<u>(7,800)</u>
Fund Balance, June 30, 2009	<u>\$ 91,893</u>	<u>\$ 85,659</u>	<u>\$ 85,659</u>	<u>\$ 6,234</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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 6,381	\$ 3,600	\$ 3,600	\$ 2,781
Other Local Revenues	826	0	0	826
State of Tennessee	43,853	44,000	44,000	(147)
Other Governments and Citizens Groups	23,496	23,501	23,501	(5)
Total Revenues	\$ 74,556	\$ 71,101	\$ 71,101	\$ 3,455
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 44,131	\$ 45,307	\$ 45,306	\$ 1,175
Other Waste Disposal	37,074	44,000	44,000	6,926
Total Expenditures	\$ 81,205	\$ 89,307	\$ 89,306	\$ 8,101
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,649)	\$ (18,206)	\$ (18,205)	\$ 11,556
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 21,806	\$ 21,806	\$ 21,806	\$ 0
Total Other Financing Sources (Uses)	\$ 21,806	\$ 21,806	\$ 21,806	\$ 0
Net Change in Fund Balance	\$ 15,157	\$ 3,600	\$ 3,601	\$ 11,556
Fund Balance, July 1, 2008	27,434	35,602	35,602	(8,168)
Fund Balance, June 30, 2009	\$ 42,591	\$ 39,202	\$ 39,203	\$ 3,388

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 8,614	\$ 3,650	\$ 3,650	\$ 4,964
Charges for Current Services	920	300	300	620
Other Local Revenues	350	0	0	350
Total Revenues	<u>\$ 9,884</u>	<u>\$ 3,950</u>	<u>\$ 3,950</u>	<u>\$ 5,934</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 8,471	\$ 22,600	\$ 22,600	\$ 14,129
Total Expenditures	<u>\$ 8,471</u>	<u>\$ 22,600</u>	<u>\$ 22,600</u>	<u>\$ 14,129</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,413</u>	<u>\$ (18,650)</u>	<u>\$ (18,650)</u>	<u>\$ 20,063</u>
Net Change in Fund Balance	\$ 1,413	\$ (18,650)	\$ (18,650)	\$ 20,063
Fund Balance, July 1, 2008	<u>34,021</u>	<u>33,770</u>	<u>33,770</u>	<u>251</u>
Fund Balance, June 30, 2009	<u>\$ 35,434</u>	<u>\$ 15,120</u>	<u>\$ 15,120</u>	<u>\$ 20,314</u>

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 23,082	\$ 24,000	\$ 24,000	\$ (918)
Total Revenues	\$ 23,082	\$ 24,000	\$ 24,000	\$ (918)
<u>Expenditures</u>				
<u>Administration of Justice</u>				
District Attorney General	\$ 6,992	\$ 22,050	\$ 22,050	\$ 15,058
Total Expenditures	\$ 6,992	\$ 22,050	\$ 22,050	\$ 15,058
Excess (Deficiency) of Revenues Over Expenditures	\$ 16,090	\$ 1,950	\$ 1,950	\$ 14,140
Net Change in Fund Balance	\$ 16,090	\$ 1,950	\$ 1,950	\$ 14,140
Fund Balance, July 1, 2008	85,531	86,154	86,154	(623)
Fund Balance, June 30, 2009	\$ 101,621	\$ 88,104	\$ 88,104	\$ 13,517

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.

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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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 857,091	\$ 844,053	\$ 844,053	\$ 13,038
Other Local Revenues	196,716	100,000	100,000	96,716
State of Tennessee	565,794	500,000	500,000	65,794
Total Revenues	<u>\$ 1,619,601</u>	<u>\$ 1,444,053</u>	<u>\$ 1,444,053</u>	<u>\$ 175,548</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 455,667	\$ 512,371	\$ 503,257	\$ 47,590
<u>Interest on Debt</u>				
General Government	680,943	572,052	771,372	90,429
<u>Other Debt Service</u>				
General Government	43,622	22,500	46,319	2,697
Total Expenditures	<u>\$ 1,180,232</u>	<u>\$ 1,106,923</u>	<u>\$ 1,320,948</u>	<u>\$ 140,716</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 439,369</u>	<u>\$ 337,130</u>	<u>\$ 123,105</u>	<u>\$ 316,264</u>
Net Change in Fund Balance	\$ 439,369	\$ 337,130	\$ 123,105	\$ 316,264
Fund Balance, July 1, 2008	<u>2,826,311</u>	<u>2,794,856</u>	<u>2,794,856</u>	<u>31,455</u>
Fund Balance, June 30, 2009	<u>\$ 3,265,680</u>	<u>\$ 3,131,986</u>	<u>\$ 2,917,961</u>	<u>\$ 347,719</u>

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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.

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Exhibit H-1

Gibson County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	Agency Funds					Total
	Cities - Sales Tax	Watershed District	Special School District	Constitu- tional Officers - Agency		
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 1,490,748	\$ 1,490,748	\$ 1,490,748
Equity in Pooled Cash and Investments	0	5,977	12,442	0	0	18,419
Accounts Receivable	0	0	173	0	0	173
Due from Other Governments	664,031	0	714,930	0	0	1,378,961
Taxes Receivable	0	0	10,634,112	0	0	10,634,112
Allowance for Uncollectible Taxes	0	0	(316,777)	0	0	(316,777)
Total Assets	\$ 664,031	\$ 5,977	\$ 11,044,880	\$ 1,490,748	\$ 13,205,636	
LIABILITIES						
Due to Other Taxing Units	\$ 664,031	\$ 5,977	\$ 11,044,880	\$ 0	\$ 11,714,888	
Due to Litigants, Heirs, and Others	0	0	0	1,490,748	1,490,748	
Total Liabilities	\$ 664,031	\$ 5,977	\$ 11,044,880	\$ 1,490,748	\$ 13,205,636	

Exhibit H-2

Gibson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,929,944	\$ 3,929,944	\$ 0
Due from Other Governments	690,344	664,031	690,344	664,031
Total Assets	\$ 690,344	\$ 4,593,975	\$ 4,620,288	\$ 664,031
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 690,344	\$ 4,593,975	\$ 4,620,288	\$ 664,031
Total Liabilities	\$ 690,344	\$ 4,593,975	\$ 4,620,288	\$ 664,031
<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	\$ 19,306	\$ 14,433,508	\$ 14,440,372	\$ 12,442
Accounts Receivable	1,500	173	1,500	173
Due from Other Governments	735,572	714,930	735,572	714,930
Taxes Receivable	9,838,572	10,634,112	9,838,572	10,634,112
Allowance for Uncollectible Taxes	(276,926)	(316,777)	(276,926)	(316,777)
Total Assets	\$ 10,318,024	\$ 25,465,946	\$ 24,739,090	\$ 11,044,880
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 10,318,024	\$ 25,465,946	\$ 24,739,090	\$ 11,044,880
Total Liabilities	\$ 10,318,024	\$ 25,465,946	\$ 24,739,090	\$ 11,044,880
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,819,474	\$ 7,932,268	\$ 8,260,994	\$ 1,490,748
Total Assets	\$ 1,819,474	\$ 7,932,268	\$ 8,260,994	\$ 1,490,748

(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	\$ 1,819,474	\$ 7,932,268	\$ 8,260,994	\$ 1,490,748
Total Liabilities	\$ 1,819,474	\$ 7,932,268	\$ 8,260,994	\$ 1,490,748
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,819,474	\$ 7,932,268	\$ 8,260,994	\$ 1,490,748
Equity in Pooled Cash and Investments	25,283	18,363,452	18,370,316	18,419
Accounts Receivable	1,500	173	1,500	173
Due from Other Governments	1,425,916	1,378,961	1,425,916	1,378,961
Taxes Receivable	9,838,572	10,634,112	9,838,572	10,634,112
Allowance for Uncollectible Taxes	(276,926)	(316,777)	(276,926)	(316,777)
Total Assets	\$ 12,833,819	\$ 37,992,189	\$ 37,620,372	\$ 13,205,636
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 11,014,345	\$ 30,059,921	\$ 29,359,378	\$ 11,714,888
Due to Litigants, Heirs, and Others	1,819,474	7,932,268	8,260,994	1,490,748
Total Liabilities	\$ 12,833,819	\$ 37,992,189	\$ 37,620,372	\$ 13,205,636

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MISCELLANEOUS SCHEDULES

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Exhibit I-1

Gibson County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds
 For the Year Ended June 30, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Paid and/or Matured During Period	Outstanding 6-30-09
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Industrial Park Property	\$ 2,000,000	4.25 to 4.8 %	3-17-05	4-1-14	\$ 1,810,000	\$ 260,000	\$ 1,550,000
Patrol Cars/Ambulance	221,000	3.95	10-25-07	10-25-10	221,000	73,667	147,333
Industrial Park Property	397,000	4.985	3-31-08	4-1-15	397,000	25,000	372,000
Total Notes Payable					\$ 2,428,000	\$ 358,667	\$ 2,069,333
<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	\$ 4,350,000	\$ 75,000	\$ 4,275,000
Total Other Loans Payable					\$ 4,350,000	\$ 75,000	\$ 4,275,000
<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	\$ 595,000	\$ 22,000	\$ 573,000
General Obligation, Series 2004	10,000,000	4 to 4.65	9-16-04	6-1-29	9,700,000	0	9,700,000
Total Bonds Payable					\$ 10,295,000	\$ 22,000	\$ 10,273,000

Exhibit I-2

Gibson County, Tennessee

Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2010	\$ 373,667	\$ 95,104	\$ 468,771
2011	393,666	78,573	472,239
2012	410,000	62,302	472,302
2013	425,000	42,902	467,902
2014	445,000	22,642	467,642
2015	22,000	1,096	23,096
Total	\$ 2,069,333	\$ 302,619	\$ 2,371,952

Year Ending June 30	Other Loan Principal	Other Loan Interest	Other Loan Fees	Total Other Loan Requirements
2010	\$ 75,000	\$ 121,837	\$ 19,237	\$ 216,074
2011	75,000	119,700	18,900	213,600
2012	75,000	117,563	18,563	211,126
2013	75,000	115,425	18,225	208,650
2014	75,000	113,288	17,888	206,176
2015	0	111,150	17,550	128,700
2016	0	111,150	17,550	128,700
2017	0	111,150	17,550	128,700
2018	0	111,150	17,550	128,700
2019	0	111,150	17,550	128,700
2020	0	111,150	17,550	128,700
2021	0	111,150	17,550	128,700
2022	0	111,150	17,550	128,700
2023	0	111,150	17,550	128,700
2024	0	111,150	17,550	128,700
2025	0	111,150	17,550	128,700
2026	0	111,150	17,550	128,700
2027	0	111,150	17,550	128,700
2028	0	111,150	17,550	128,700
2029	400,000	111,150	17,550	528,700
2030	800,000	99,750	15,750	915,500
2031	850,000	76,950	12,150	939,100
2032	900,000	52,725	8,325	961,050
2033	950,000	27,075	4,275	981,350
Total	\$ 4,275,000	\$ 2,511,563	\$ 396,563	\$ 7,183,126

(Continued)

Exhibit I-2

Gibson County, Tennessee

Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	\$ 22,000	\$ 457,035	\$ 479,035
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	451,194	929,194
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	19,763	444,763
Total	\$ 10,273,000	\$ 6,210,093	\$ 16,483,093

Exhibit I-3

Gibson County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2009

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Public Library	Operations	\$ 102,465
General	Solid Waste/Sanitation	Operations	<u>21,806</u>
Total Transfers			<u>\$ 124,271</u>

Gibson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
For the Year Ended June 30, 2009

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u> , and Chapter 111, Private Acts of 1929	\$ 81,254	\$ 50,000	RLI Insurance Company
Road Supervisor	Section 8-24-102, <u>TCA</u>	75,779	100,000	"
Trustee	Section 8-24-102, <u>TCA</u>	63,954	667,000	"
Assessor of Property				
Linda Tilley (7-1-08 through 8-31-08)	Section 8-24-102, <u>TCA</u>	10,659	10,000	"
Gary Paschall (9-1-08 through 6-30-09)	Section 8-24-102, <u>TCA</u>	53,295	10,000	"
County Clerk	Section 8-24-102, <u>TCA</u>	63,954	50,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	63,954	50,000	"
Juvenile Court Clerk	Chapter 307, Private Acts of 1982	39,822 (1)	50,000	"
Clerk and Master - Trenton				
Lois Lockhart (7-1-08 through 12-31-08)	Section 8-24-102, <u>TCA</u>	31,977 (2)	65,000	"
Shonna Smith (1-1-09 through 6-30-09)	Section 8-24-102, <u>TCA</u>	31,977 (3)	65,000	"
Clerk and Master - Humboldt	Section 8-24-102, <u>TCA</u>	63,954	65,000	"
Register	Section 8-24-102, <u>TCA</u>	63,954	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u> , and County Commission	77,985 (4) (5)	25,000	"
Employee Blanket Bonds: All Employees			150,000	The Local Government Property and Casualty Fund

- (1) Does not include judgment payable of \$142,879.
- (2) Does not include special commissioner fees of \$3,040.
- (3) Does not include special commissioner fees of \$3,590.
- (4) Includes \$7,035 for supervising the county workhouse and a training supplement of \$600.
- (5) Does not include a clothing allowance of \$463.

Exhibit I-5

Gibson County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2009

	Special Revenue Funds							Debt Service Fund	Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works		
Local Taxes									
County Property Taxes									
Current Property Tax	\$ 3,499,366	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 724,557	\$ 542,776	\$ 4,766,699
Trustee's Collections - Prior Year	106,466	0	0	0	0	0	23,423	16,427	146,316
Trustee's Collections - Bankruptcy	59,118	0	0	0	0	0	11,885	8,914	79,917
Circuit/Clerk & Master Collections - Prior Years	44,217	0	0	0	0	0	9,148	6,861	60,226
Interest and Penalty	23,746	0	0	0	0	0	4,919	3,666	32,331
Payments in-Lieu-of Taxes - T.V.A.	78	0	0	0	0	0	16	12	106
Payments in-Lieu-of Taxes - Local Utilities	59,602	0	0	0	0	0	12,332	9,249	81,183
Payments in-Lieu-of Taxes - Other	1,570	0	0	0	0	0	325	243	2,138
County Local Option Taxes									
Local Option Sales Tax	0	0	0	0	0	0	344,912	0	344,912
Hotel/Motel Tax	30,099	0	0	0	0	0	0	0	30,099
Wheel Tax	406,389	0	0	0	0	0	812,773	203,195	1,422,357
Litigation Tax - General	116,667	0	0	0	0	0	0	0	116,667
Litigation Tax - Special Purpose	21,114	0	0	0	0	0	0	0	21,114
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	41,554	41,554
Business Tax	314,590	0	0	0	0	0	0	0	314,590
Statutory Local Taxes									
Bank Excise Tax	48,388	0	0	0	0	0	24,194	24,194	96,776
Wholesale Beer Tax	72,589	0	0	0	0	0	0	0	72,589
Interstate Telecommunications Tax	1,034	0	0	0	0	0	1,033	0	2,067
Total Local Taxes	\$ 4,805,033	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,969,517	\$ 857,091	\$ 7,631,641
Licenses and Permits									
Licenses									
Animal Vaccination	\$ 7,062	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,062
Cable TV Franchise	46,699	0	0	0	0	0	0	0	46,699
Permits									
Beer Permits	784	0	0	0	0	0	0	0	784
Building Permits	32,110	0	0	0	0	0	0	0	32,110
Total Licenses and Permits	\$ 86,655	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 86,655

(Continued)

Exhibit I-5

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works		
Fines, Forfeitures, and Penalties									
<u>Circuit Court</u>									
Fines	\$ 2,504	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,504
Officers Costs	13,571	0	0	0	0	0	0	0	13,571
Drug Control Fines	0	0	0	926	0	0	0	0	926
Drug Court Fees	447	0	0	0	0	0	0	0	447
Jail Fees	11,419	0	0	0	0	0	0	0	11,419
District Attorney General Fees	0	0	0	0	6,669	0	0	0	6,669
DUI Treatment Fines	1,045	0	0	0	0	0	0	0	1,045
Data Entry Fee - Circuit Court	485	0	0	0	0	0	0	0	485
Courtroom Security Fee	88	0	0	0	0	0	0	0	88
Victims Assistance Assessments	1,056	0	0	0	0	0	0	0	1,056
<u>General Sessions Court</u>									
Fines	10,553	0	0	0	0	0	0	0	10,553
Officers Costs	32,665	0	0	0	0	0	0	0	32,665
Game and Fish Fines	200	0	0	0	0	0	0	0	200
Drug Control Fines	0	0	0	846	0	0	0	0	846
Drug Court Fees	770	0	0	0	0	0	0	0	770
Jail Fees	7,115	0	0	0	0	0	0	0	7,115
District Attorney General Fees	0	0	0	0	7,114	0	0	0	7,114
DUI Treatment Fines	2,717	0	0	0	0	0	0	0	2,717
Data Entry Fee - General Sessions Court	6,135	0	0	0	0	0	0	0	6,135
Courtroom Security Fee	1,292	0	0	0	0	0	0	0	1,292
Victims Assistance Assessments	10,227	0	0	0	0	0	0	0	10,227
<u>Juvenile Court</u>									
Fines	407	0	0	0	0	0	0	0	407
Officers Costs	5,610	0	0	0	0	0	0	0	5,610
Data Entry Fee - Juvenile Court	626	0	0	0	0	0	0	0	626
<u>Chancery Court</u>									
Officers Costs	6,244	0	0	0	0	0	0	0	6,244
Data Entry Fee - Chancery Court	2,524	0	0	0	0	0	0	0	2,524
Courtroom Security Fee	673	0	0	0	0	0	0	0	673

(Continued)

Exhibit I-5

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

	Special Revenue Funds							Debt Service Fund
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Other Courts - In-county</u>								
Fines	\$ 8,687	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,687
Officers Costs	52,766	0	0	0	0	0	0	52,766
Drug Control Fines	0	0	0	1,432	0	0	0	1,432
Drug Court Fees	2,628	0	0	0	0	0	0	2,628
Jail Fees	43,943	0	0	0	0	0	0	43,943
District Attorney General Fees	0	0	0	0	9,299	0	0	9,299
DUI Treatment Fines	2,928	0	0	0	0	0	0	2,928
Judicial District Drug Program								
Data Entry Fee - Other Courts	9,818	0	0	0	0	0	0	9,818
Courtroom Security Fee	1,268	0	0	0	0	0	0	1,268
Victims Assistance Assessments	7,365	0	0	0	0	0	0	7,365
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	5,410	0	0	0	5,410
Total Fines, Forfeitures, and Penalties	\$ 247,776	\$ 0	\$ 0	\$ 8,614	\$ 23,082	\$ 0	\$ 0	\$ 279,472
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Tipping Fees	\$ 0	\$ 0	\$ 6,381	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,381
Patient Charges	2,633,654	0	0	0	0	0	0	2,633,654
Other General Service Charges	6,820	0	0	0	0	0	0	6,820
Service Charges	62,166	0	0	920	0	0	0	63,086
<u>Fees</u>								
Airport Fees	39,635	0	0	0	0	0	0	39,635
Copy Fees	73	0	0	0	0	0	0	73
Library Fees	0	7,773	0	0	0	0	0	7,773
Telephone Commissions	33,194	0	0	0	0	0	0	33,194
Vending Machine Collections	395	0	0	0	0	4,257	0	4,652
Constitutional Officers' Fees and Commissions	0	0	0	0	0	535,111	0	535,111
Data Processing Fee - Register	16,859	0	0	0	0	0	0	16,859
Data Processing Fee - Sheriff	12,800	0	0	0	0	0	0	12,800

(Continued)

Exhibit I-5

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works		
Charges for Current Services (Cont.)									
Fees (Cont.)									
Sexual Offender Registration Fees - Sheriff	\$ 1,523	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,523
Data Processing Fee - County Clerk	3,448	0	0	0	0	0	0	0	3,448
Total Charges for Current Services	\$ 2,810,567	\$ 7,773	\$ 6,381	\$ 920	\$ 0	\$ 535,111	\$ 4,257	\$ 0	\$ 3,365,009
Other Local Revenues									
Recurring Items									
Investment Income	\$ 0	\$ 944	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 156,916	\$ 157,860
Lease/Rentals	96,492	0	0	0	0	0	0	39,800	136,292
Sale of Materials and Supplies	0	0	0	0	0	0	5,000	0	5,000
Commissary Sales	33,688	0	0	0	0	0	0	0	33,688
Sale of Recycled Materials	0	0	826	0	0	0	0	0	826
Miscellaneous Refunds	5,109	0	0	100	0	0	2,541	0	7,750
Nonrecurring Items									
Sale of Equipment	0	0	0	0	0	0	12,730	0	12,730
Sale of Property	200	0	0	0	0	0	0	0	200
Contributions and Gifts	3,462	6,018	0	250	0	0	0	0	9,730
Other Local Revenues									
Other Local Revenues	22,490	0	0	0	0	0	0	0	22,490
Total Other Local Revenues	\$ 161,441	\$ 6,962	\$ 826	\$ 350	\$ 0	\$ 0	\$ 20,271	\$ 196,716	\$ 386,566
Fees Received from County Officials									
Excess Fees									
County Clerk	\$ 42,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,000
Fees in-Lieu-of Salary									
Circuit Court Clerk	81,496	0	0	0	0	0	0	0	81,496
General Sessions Court Clerk	139,334	0	0	0	0	0	0	0	139,334
Clerk and Master	141,510	0	0	0	0	0	0	0	141,510
Juvenile Court Clerk	64,741	0	0	0	0	0	0	0	64,741
Sheriff	19,081	0	0	0	0	0	0	0	19,081
Trustee	480,747	0	0	0	0	0	0	0	480,747

(Continued)

Exhibit I-5

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

	Special Revenue Funds										Total	
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Debt Service Fund			
Fees Received from County Officials (Cont.)												
Fees in-Lieu-of Salary (Cont.)												
Other Officials	\$ 197,974	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 197,974
Total Fees Received from County Officials	\$ 1,166,883	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,166,883
State of Tennessee												
General Government Grants												
Juvenile Services Program	\$ 11,250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,250
Airport Maintenance Program	6,533	0	0	0	0	0	0	0	0	0	0	6,533
Aging Programs	398,620	0	0	0	0	0	0	0	0	0	0	398,620
State Reappraisal Grant	17,997	0	0	0	0	0	0	0	0	0	0	17,997
Solid Waste Grants	0	0	43,853	0	0	0	14,561	0	0	0	0	58,414
Public Safety Grants												
Law Enforcement Training Programs	18,000	0	0	0	0	0	0	0	0	0	0	18,000
Health and Welfare Grants												
Health Department Programs	216,124	0	0	0	0	0	0	0	0	0	0	216,124
Other Health and Welfare Grants	50,036	0	0	0	0	0	0	0	0	0	0	50,036
Public Works Grants												
Bridge Program	0	0	0	0	0	0	260,405	0	0	0	0	260,405
State Aid Program	0	0	0	0	0	0	479,457	0	0	0	0	479,457
Litter Program	51,315	0	0	0	0	0	0	0	0	0	0	51,315
Other State Revenues												
Beer Tax	18,701	0	0	0	0	0	0	0	0	0	0	18,701
Alcoholic Beverage Tax	73,585	0	0	0	0	0	0	0	0	0	0	73,585
State Revenue Sharing - T.V.A.	188,598	0	0	0	0	0	0	565,794	0	0	0	754,392
Contracted Prisoner Boarding	526,478	0	0	0	0	0	0	0	0	0	0	526,478
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,947,603	0	0	0	0	1,947,603
Petroleum Special Tax	0	0	0	0	0	0	38,673	0	0	0	0	38,673
Registrar's Salary Supplement	14,912	0	0	0	0	0	0	0	0	0	0	14,912
Other State Grants	0	1,000	0	0	0	0	0	0	0	0	0	1,000
Other State Revenues	0	0	0	0	0	0	70,000	0	0	0	0	70,000
Total State of Tennessee	\$ 1,592,149	\$ 1,000	\$ 43,853	\$ 0	\$ 0	\$ 0	\$ 2,810,699	\$ 565,794	\$ 0	\$ 0	\$ 0	\$ 5,013,495

(Continued)

Exhibit I-5

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works		
Federal Government									
<u>Federal Through State</u>									
USDA - Other	\$ 9,154	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,154
Civil Defense Reimbursement	86,595	0	0	0	0	0	0	0	86,595
Homeland Security Grants	10,172	0	0	0	0	0	0	0	10,172
Other Federal through State	250,000	0	0	0	0	0	0	0	250,000
<u>Direct Federal Revenue</u>									
Other Direct Federal Revenue	4,600	0	0	0	0	0	0	0	4,600
Total Federal Government	\$ 360,521	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 360,521
Other Governments and Citizens Groups									
<u>Other Governments</u>									
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 477	\$ 0	\$ 477
Contributions	5,500	33,000	0	0	0	0	0	0	38,500
Contracted Services	46,546	0	23,496	0	0	0	0	0	70,042
<u>Citizens Groups</u>									
Donations	7,333	0	0	0	0	0	0	0	7,333
Total Other Governments and Citizens Groups	\$ 59,379	\$ 33,000	\$ 23,496	\$ 0	\$ 0	\$ 0	\$ 477	\$ 0	\$ 116,352
Total	\$ 11,290,404	\$ 48,735	\$ 74,556	\$ 9,884	\$ 23,082	\$ 535,111	\$ 4,805,221	\$ 1,619,601	\$ 18,406,594

Exhibit I-6

Gibson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2009

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	16,600	
Other Per Diem and Fees		8,800	
Audit Services		14,446	
Consultants		850	
Dues and Memberships		1,800	
Legal Services		3,950	
Legal Notices, Recording, and Court Costs		36	
Travel		402	
Other Charges		360	
Total County Commission			\$ 47,244

Board of Equalization

Board and Committee Members Fees	\$	3,078	
Total Board of Equalization			3,078

County Mayor/Executive

County Official/Administrative Officer	\$	81,254	
Assistant(s)		38,982	
Deputy(ies)		30,656	
Part-time Personnel		4,670	
Overtime Pay		7,345	
In-Service Training		323	
Dues and Memberships		1,800	
Legal Notices, Recording, and Court Costs		2,438	
Maintenance Agreements		8,182	
Maintenance and Repair Services - Office Equipment		65	
Postal Charges		863	
Printing, Stationery, and Forms		115	
Rentals		2,922	
Travel		3,434	
Office Supplies		4,327	
Other Charges		31	
Data Processing Equipment		2,249	
Office Equipment		119	
Total County Mayor/Executive			189,775

County Attorney

Dues and Memberships	\$	200	
Legal Services		43,397	
Total County Attorney			43,597

(Continued)

Exhibit I-6

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	57,559	
Deputy(ies)		23,848	
Part-time Personnel		10,676	
Other Salaries and Wages		40,251	
Board and Committee Members Fees		4,075	
Contracts with Private Agencies		6,690	
Legal Notices, Recording, and Court Costs		3,914	
Maintenance Agreements		8,950	
Maintenance and Repair Services - Equipment		60	
Postal Charges		6,745	
Printing, Stationery, and Forms		4,252	
Travel		3,005	
Office Supplies		1,681	
Office Equipment		313	
Total Election Commission			\$ 172,019

Register of Deeds

In-Service Training	\$	175	
Dues and Memberships		512	
Maintenance Agreements		19,388	
Maintenance and Repair Services - Office Equipment		336	
Postal Charges		2,762	
Printing, Stationery, and Forms		1,835	
Travel		531	
Data Processing Supplies		1,276	
Data Processing Equipment		9,489	
Office Equipment		129	
Total Register of Deeds			36,433

Development

Contracts with Government Agencies	\$	50,827	
Legal Notices, Recording, and Court Costs		195	
Maintenance and Repair Services - Office Equipment		213	
Postal Charges		242	
Travel		2,110	
Office Supplies		111	
Refunds		50	
Office Equipment		1,683	
Total Development			55,431

(Continued)

Exhibit I-6

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Custodial Personnel	\$	61,607	
Communication		42,574	
Licenses		18	
Maintenance and Repair Services - Buildings		71,806	
Maintenance and Repair Services - Equipment		29,860	
Travel		529	
Permits		375	
Custodial Supplies		10,417	
Food Supplies		519	
Natural Gas		35,954	
Utilities		98,751	
Other Supplies and Materials		306	
Heating and Air Conditioning Equipment		19,961	
Motor Vehicles		5,000	
Other Equipment		1,851	
Total County Buildings			\$ 379,528

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		120,937	
Data Processing Services		16,488	
Dues and Memberships		1,318	
Postal Charges		1,391	
Printing, Stationery, and Forms		2,391	
Travel		3,310	
Other Contracted Services		26,767	
Office Supplies		1,026	
Data Processing Equipment		1,585	
Furniture and Fixtures		930	
Total Property Assessor's Office			240,097

Reappraisal Program

Deputy(ies)	\$	28,323
Temporary Personnel		1,600
Social Security		1,756
State Retirement		1,665
Employee and Dependent Insurance		3,282
Employer Medicare		411
Data Processing Services		7,053

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Postal Charges	\$	8,005	
Travel		3,239	
Office Supplies		192	
Total Reappraisal Program			\$ 55,526

County Trustee's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		81,282	
Part-time Personnel		5,571	
Dues and Memberships		797	
Legal Notices, Recording, and Court Costs		465	
Maintenance Agreements		9,990	
Postal Charges		12,787	
Printing, Stationery, and Forms		2,972	
Travel		2,633	
Office Supplies		3,947	
In Service/Staff Development		900	
Data Processing Equipment		7,991	
Office Equipment		3,496	
Total County Trustee's Office			196,785

County Clerk's Office

Dues and Memberships	\$	662	
Maintenance Agreements		14,314	
Maintenance and Repair Services - Office Equipment		126	
Postal Charges		14,170	
Printing, Stationery, and Forms		1,662	
Rentals		2,556	
Travel		2,629	
Maintenance and Repair Services - Records		1,949	
Library Books/Media		488	
Office Supplies		5,857	
Data Processing Equipment		1,080	
Office Equipment		786	
Total County Clerk's Office			46,279

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		193,938	

(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.)

Salary Supplements	\$	1,775	
Jury and Witness Fees		12,321	
In-Service Training		3,000	
Contracts with Private Agencies		649	
Data Processing Services		7,783	
Dues and Memberships		782	
Legal Notices, Recording, and Court Costs		81	
Maintenance and Repair Services - Office Equipment		3,300	
Postal Charges		7,247	
Printing, Stationery, and Forms		3,238	
Travel		1,742	
Data Processing Supplies		2,179	
Office Supplies		6,402	
Data Processing Equipment		3,267	
Office Equipment		184	
Total Circuit Court			\$ 311,842

General Sessions Court

Judge(s)	\$	123,068	
Supervisor/Director		31,110	
Part-time Personnel		200	
In-Service Training		3,500	
Communication		400	
Dues and Memberships		641	
Maintenance and Repair Services - Office Equipment		155	
Postal Charges		84	
Travel		1,739	
Office Supplies		2,075	
Data Processing Equipment		971	
Office Equipment		1,200	
Total General Sessions Court			165,143

Drug Court

Part-time Personnel	\$	16,716	
In-Service Training		429	
Travel		2,039	
Drugs and Medical Supplies		2,488	
Other Supplies and Materials		200	
Other Charges		1,370	
Total Drug Court			23,242

(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

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		126,238	
Part-time Personnel		42	
Data Processing Services		5,293	
Dues and Memberships		732	
Maintenance and Repair Services - Office Equipment		410	
Postal Charges		3,678	
Travel		231	
Office Supplies		7,205	
In Service/Staff Development		700	
Data Processing Equipment		321	
Office Equipment		2,685	
Total Chancery Court			\$ 211,489

Juvenile Court

County Official/Administrative Officer	\$	39,822	
Judge(s)		49,508	
Deputy(ies)		71,632	
Youth Service Officer(s)		30,598	
Part-time Personnel		25,000	
Other Salaries and Wages		45,761	
Communication		1,469	
Dues and Memberships		897	
Maintenance Agreements		9,686	
Postal Charges		2,119	
Printing, Stationery, and Forms		68	
Rentals		3,205	
Travel		3,822	
Other Contracted Services		12,837	
Office Supplies		3,694	
Judgments		174,813	
Data Processing Equipment		3,581	
Office Equipment		1,097	
Total Juvenile Court			479,609

Other Administration of Justice

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		157,073	
Salary Supplements		2,056	
Jury and Witness Fees		16,722	

(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.)

In-Service Training	\$	600	
Dues and Memberships		757	
Maintenance Agreements		12,581	
Maintenance and Repair Services - Office Equipment		1,493	
Postal Charges		3,890	
Travel		17	
Office Supplies		13,589	
Other Charges		12,900	
Total Other Administration of Justice			\$ 285,632

Victims Assitance Programs

Contributions	\$	12,775	
Total Victims Assitance Programs			12,775

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	77,385	
Assistant(s)		46,606	
Deputy(ies)		815,411	
Youth Service Officer(s)		30,367	
Accountants/Bookkeepers		26,265	
Salary Supplements		18,000	
Mechanic(s)		23,914	
Clerical Personnel		71,552	
Overtime Pay		76,044	
Other Salaries and Wages		101,972	
In-Service Training		14,651	
Contracts with Government Agencies		300	
Maintenance and Repair Services - Buildings		5,042	
Maintenance and Repair Services - Equipment		6,862	
Maintenance and Repair Services - Vehicles		54,052	
Postal Charges		5,303	
Printing, Stationery, and Forms		7,426	
Transportation - Other than Students		3,194	
Travel		3,647	
Gasoline		99,664	
Law Enforcement Supplies		7,847	
Uniforms		15,399	
Other Supplies and Materials		8,450	
Data Processing Equipment		23,959	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Motor Vehicles	\$ 76,842	
Total Sheriff's Department		\$ 1,620,154

Jail

Guards	\$ 861,616	
Clerical Personnel	28,385	
Cafeteria Personnel	26,425	
Overtime Pay	54,086	
Contracts with Private Agencies	5,000	
Maintenance and Repair Services - Buildings	34,967	
Medical and Dental Services	215,291	
Custodial Supplies	25,470	
Food Supplies	174,900	
Natural Gas	34,792	
Uniforms	13,364	
Utilities	120,480	
Other Supplies and Materials	19,750	
Other Charges	8,905	
Total Jail		1,623,431

Juvenile Services

Salary Supplements	\$ 6,397	
In-Service Training	730	
Social Security	397	
State Retirement	376	
Employer Medicare	93	
Travel	252	
Office Supplies	1,326	
Total Juvenile Services		9,571

Fire Prevention and Control

Supervisor/Director	\$ 37,290
In-Service Training	665
Communication	3,502
Contracts with Private Agencies	2,000
Dues and Memberships	120
Legal Notices, Recording, and Court Costs	42
Licenses	46
Maintenance and Repair Services - Buildings	5,929
Maintenance and Repair Services - Equipment	4,651

(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.)

Maintenance and Repair Services - Vehicles	\$	16,993	
Travel		667	
Custodial Supplies		5	
Food Supplies		168	
Gasoline		10,792	
Office Supplies		899	
Uniforms		201	
Utilities		28,144	
Communication Equipment		1,936	
Data Processing Equipment		774	
Motor Vehicles		4,900	
Other Equipment		9,257	
Total Fire Prevention and Control			\$ 128,981

Rural Fire Protection

Communication	\$	2,026	
Maintenance and Repair Services - Buildings		4,164	
Maintenance and Repair Services - Equipment		464	
Maintenance and Repair Services - Vehicles		721	
Other Equipment		6,874	
Total Rural Fire Protection			14,249

Civil Defense

Supervisor/Director	\$	37,290	
Part-time Personnel		315	
Other Salaries and Wages		30,614	
Communication		3,885	
Dues and Memberships		415	
Legal Notices, Recording, and Court Costs		375	
Maintenance and Repair Services - Buildings		776	
Maintenance and Repair Services - Equipment		7,642	
Postal Charges		178	
Travel		842	
Food Supplies		941	
Gasoline		2,394	
Office Supplies		2,461	
Uniforms		284	
Utilities		12,045	
Vehicle Parts		649	
Communication Equipment		1,034	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Data Processing Equipment	\$ 251,611	
Office Equipment	431	
Other Equipment	3,917	
Total Civil Defense		\$ 358,099

Other Emergency Management

Communication Equipment	\$ 20,694	
Data Processing Equipment	4,966	
Other Equipment	3,858	
Total Other Emergency Management		29,518

County Coroner/Medical Examiner

Contracts with Government Agencies	\$ 25,450	
Contracts with Private Agencies	5,275	
Total County Coroner/Medical Examiner		30,725

Public Health and Welfare

Local Health Center

Social Workers	\$ 62,268	
Medical Personnel	31,755	
Other Salaries and Wages	28,261	
Social Security	5,982	
State Retirement	6,035	
Employee and Dependent Insurance	1,901	
Employer Medicare	1,392	
Communication	1,972	
Contracts with Other Public Agencies	48,317	
Contracts with Private Agencies	80,118	
Dues and Memberships	290	
Janitorial Services	17,100	
Operating Lease Payments	2,593	
Maintenance and Repair Services - Buildings	17,057	
Maintenance and Repair Services - Office Equipment	1,822	
Postal Charges	476	
Travel	6,751	
Custodial Supplies	509	
Drugs and Medical Supplies	1,765	
Office Supplies	5,415	
Utilities	20,715	
Other Supplies and Materials	25,173	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Building Improvements	\$ 38,206	
Total Local Health Center		\$ 405,873

Rabies and Animal Control

County Official/Administrative Officer	\$ 22,534	
Assistant(s)	7,649	
Overtime Pay	494	
Communication	940	
Legal Notices, Recording, and Court Costs	1,180	
Maintenance and Repair Services - Equipment	243	
Travel	9,942	
Animal Food and Supplies	4,994	
Diesel Fuel	1,914	
Building Improvements	1,412	
Other Equipment	837	
Total Rabies and Animal Control		52,139

Ambulance/Emergency Medical Services

Assistant(s)	\$ 29,905	
Equipment Operators	1,114,939	
Secretary(ies)	18,864	
Overtime Pay	184,637	
Other Salaries and Wages	25,329	
In-Service Training	2,125	
Communication	2,899	
Contracts with Private Agencies	13,682	
Data Processing Services	4,800	
Dues and Memberships	300	
Laundry Service	5,692	
Legal Notices, Recording, and Court Costs	481	
Licenses	3,018	
Maintenance and Repair Services - Buildings	4,113	
Maintenance and Repair Services - Equipment	89,460	
Postal Charges	7,620	
Rentals	5,362	
Travel	1,077	
Drugs and Medical Supplies	62,056	
Food Supplies	320	
Gasoline	100,342	
Office Supplies	6,437	

(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 (Cont.)

Uniforms	\$	2,186	
Utilities		4,102	
Other Supplies and Materials		8,676	
Motor Vehicles		102,623	
Other Equipment		2,295	
Total Ambulance/Emergency Medical Services			\$ 1,803,340

Alcohol and Drug Programs

Contributions	\$	9,500	
Total Alcohol and Drug Programs			9,500

Crippled Children Services

Contributions	\$	2,859	
Total Crippled Children Services			2,859

Other Local Health Services

Contributions	\$	6,000	
Total Other Local Health Services			6,000

General Welfare Assistance

Contributions	\$	3,000	
Total General Welfare Assistance			3,000

Other Local Welfare Services

Contributions	\$	1,500	
Total Other Local Welfare Services			1,500

Sanitation Education/Information

Supervisor/Director	\$	26,110	
Accountants/Bookkeepers		5,680	
Other Supplies and Materials		2,525	
Other Charges		15,472	
Total Sanitation Education/Information			49,787

Other Public Health and Welfare

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

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$	22,742	
Supervisor/Director		31,010	
Accountants/Bookkeepers		9,630	
Overtime Pay		45	
Other Salaries and Wages		287,471	
In-Service Training		300	
Social Security		17,600	
State Retirement		2,501	
Employer Medicare		4,116	
Communication		3,248	
Contracts with Government Agencies		390	
Contracts with Private Agencies		12,885	
Dues and Memberships		572	
Legal Notices, Recording, and Court Costs		89	
Licenses		2,378	
Maintenance Agreements		3,057	
Maintenance and Repair Services - Buildings		422	
Maintenance and Repair Services - Office Equipment		890	
Maintenance and Repair Services - Vehicles		1,215	
Postal Charges		1,985	
Rentals		1,800	
Travel		91,414	
Other Contracted Services		2,884	
Data Processing Supplies		237	
Food Supplies		10,938	
Gasoline		2,831	
Office Supplies		2,250	
Periodicals		85	
Other Supplies and Materials		3,329	
Criminal Investigation of Applicants - TBI		550	
Data Processing Equipment		1,630	
Furniture and Fixtures		149	
Motor Vehicles		5,000	
Office Equipment		324	
Other Equipment		500	
Total Senior Citizens Assistance			\$ 526,467

Libraries

Contributions	\$	23,000	
Total Libraries			23,000

(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.)

Parks and Fair Boards

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

Other Social, Cultural, and Recreational

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

Agriculture and Natural Resources

Agriculture Extension Service

Assistant(s)	\$ 2,917	
Temporary Personnel	3,083	
In-Service Training	295	
Social Security	396	
Employer Medicare	97	
Communication	1,092	
Contracts with Government Agencies	98,946	
Licenses	30	
Postal Charges	820	
Rentals	1,804	
Travel	1,774	
Office Supplies	1,500	
Data Processing Equipment	2,180	
Other Equipment	4,586	
Total Agriculture Extension Service		119,520

Soil Conservation

Secretary(ies)	\$ 27,725	
Clerical Personnel	34,953	
Part-time Personnel	7,425	
Other Salaries and Wages	4,750	
Communication	1,000	
Maintenance and Repair Services - Office Equipment	125	
Postal Charges	300	
Travel	1,000	
Office Supplies	500	
Other Supplies and Materials	197	
Furniture and Fixtures	3,114	
Office Equipment	152	
Total Soil Conservation		81,241

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Flood Control

Contracts with Government Agencies	\$	5,000	
Other Contracted Services		<u>30,000</u>	
Total Flood Control	\$		35,000

Other Operations

Tourism

Contributions	\$	1,782	
Dues and Memberships		<u>20,178</u>	
Total Tourism			21,960

Industrial Development

Other Supplies and Materials	\$	<u>795</u>	
Total Industrial Development			795

Airport

Attendants	\$	7,106	
Temporary Personnel		13,976	
Overtime Pay		119	
Board and Committee Members Fees		3,050	
Communication		2,535	
Dues and Memberships		40	
Legal Services		500	
Legal Notices, Recording, and Court Costs		184	
Maintenance and Repair Services - Buildings		17,969	
Maintenance and Repair Services - Equipment		3,706	
Postal Charges		172	
Travel		1,123	
Remittance of Revenue Collected		1,811	
Permits		250	
Gasoline		25,748	
Office Supplies		684	
Utilities		7,619	
Liability Insurance		4,313	
Airport Improvement		<u>8,218</u>	
Total Airport			99,123

Veterans' Services

Supervisor/Director	\$	26,076	
Secretary(ies)		11,359	
Dues and Memberships		25	

(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.)

Postal Charges	\$	206	
Travel		1,490	
Office Supplies		281	
Periodicals		70	
Total Veterans' Services			\$ 39,507

Other Charges

Pauper Burials	\$	300	
Liability Insurance		228,279	
Premiums on Corporate Surety Bonds		1,075	
Trustee's Commission		123,923	
Workers' Compensation Insurance		174,525	
Other Charges		3,500	
Total Other Charges			531,602

Contributions to Other Agencies

Contributions	\$	40,146	
Total Contributions to Other Agencies			40,146

Employee Benefits

Social Security	\$	355,250	
State Retirement		441,626	
Employee and Dependent Insurance		590,926	
Life Insurance		3,581	
Unemployment Compensation		16,723	
Employer Medicare		83,304	
Total Employee Benefits			1,491,410

Payments to Cities

Remittance of Revenue Collected	\$	7,073	
Total Payments to Cities			7,073

Miscellaneous

Refunds	\$	965	
Total Miscellaneous			965

Capital Projects

Other General Government Projects

Site Development	\$	13,877	
Total Other General Government Projects			13,877

Total General Fund \$ 12,186,686

(Continued)

Exhibit I-6

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

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

County Official/Administrative Officer	\$	31,010	
Assistant(s)		19,591	
Librarians		18,963	
Other Salaries and Wages		11,583	
Social Security		4,196	
State Retirement		4,090	
Employee and Dependent Insurance		8,659	
Life Insurance		63	
Unemployment Compensation		94	
Employer Medicare		981	
Communication		2,358	
Maintenance Agreements		875	
Instructional Supplies and Materials		2,949	
Library Books/Media		15,791	
Periodicals		196	
Utilities		9,074	
Other Supplies and Materials		1,300	
Workers' Compensation Insurance		267	
Other Charges		1,341	
Other Equipment		3,786	
Total Libraries			\$ 137,167

Total Public Library Fund

\$ 137,167

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	28,891	
Social Security		1,471	
State Retirement		1,781	
Employee and Dependent Insurance		4,835	
Employer Medicare		262	
Communication		522	
Data Processing Services		91	
Dues and Memberships		100	
Postal Charges		100	
Travel		4,849	
Office Supplies		41	
Other Supplies and Materials		250	
Trustee's Commission		62	

(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.)

Sanitation Management (Cont.)

Data Processing Equipment	\$ 876	
Total Sanitation Management		\$ 44,131

Other Waste Disposal

Contracts with Private Agencies	\$ 37,074	
Total Other Waste Disposal		<u>37,074</u>

Total Solid Waste/Sanitation Fund		\$ 81,205
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Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$ 500	
Trustee's Commission	93	
Other Charges	3,841	
Motor Vehicles	4,037	
Total Drug Enforcement		<u>\$ 8,471</u>

Total Drug Control Fund		8,471
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District Attorney General Fund

Administration of Justice

District Attorney General

In-Service Training	\$ 1,610	
Communication	27	
Contracts with Private Agencies	210	
Dues and Memberships	230	
Rentals	2,564	
Travel	400	
Library Books/Media	293	
Office Supplies	313	
Trustee's Commission	237	
Other Charges	153	
Data Processing Equipment	710	
Furniture and Fixtures	245	
Total District Attorney General		<u>\$ 6,992</u>

Total District Attorney General Fund		6,992
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(Continued)

Exhibit I-6

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

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 189,043	
Total Register of Deeds		\$ 189,043

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 334,972	
Total County Clerk's Office		<u>334,972</u>

Total Constitutional Officers - Fees Fund		\$ 524,015
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 75,779	
Accountants/Bookkeepers	35,000	
Secretary(ies)	900	
Board and Committee Members Fees	6,000	
Communication	620	
Data Processing Services	3,764	
Confidential Drug Enforcement Payments	1,292	
Dues and Memberships	5,592	
Janitorial Services	1,128	
Legal Notices, Recording, and Court Costs	276	
Maintenance and Repair Services - Office Equipment	3,073	
Postal Charges	1,190	
Printing, Stationery, and Forms	232	
Travel	978	
Drugs and Medical Supplies	72	
Electricity	6,456	
Natural Gas	751	
Office Supplies	1,155	
Water and Sewer	1,838	
Other Supplies and Materials	50	
In Service/Staff Development	400	
Other Charges	<u>5,002</u>	
Total Administration		151,548

(Continued)

Exhibit I-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$ 197,538	
Equipment Operators	363,883	
Laborers	284,183	
Contracts with Private Agencies	70,771	
Rentals	4,274	
Asphalt - Liquid	299,488	
Concrete	157	
Crushed Stone	498,876	
Fertilizer, Lime, and Seed	5,024	
Pipe	89,626	
Road Signs	7,244	
Small Tools	714	
Wood Products	24,356	
Other Supplies and Materials	282	
Total Highway and Bridge Maintenance		\$ 1,846,416

Operation and Maintenance of Equipment

Mechanic(s)	\$ 155,149	
Maintenance and Repair Services - Buildings	28,028	
Maintenance and Repair Services - Equipment	26,394	
Diesel Fuel	168,096	
Equipment and Machinery Parts	143,871	
Garage Supplies	8,095	
Gasoline	42,766	
Lubricants	19,968	
Small Tools	3,063	
Tires and Tubes	34,369	
Other Supplies and Materials	1,646	
Office Equipment	985	
Total Operation and Maintenance of Equipment		632,430

Other Charges

Liability Insurance	\$ 117,229	
Premiums on Corporate Surety Bonds	345	
Trustee's Commission	47,524	
Workers' Compensation Insurance	66,895	
Total Other Charges		231,993

Employee Benefits

Social Security	\$ 68,564	
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(Continued)

Exhibit I-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits (Cont.)

State Retirement	\$	60,464	
Employee and Dependent Insurance		165,221	
Life Insurance		484	
Employer Medicare		16,035	
Total Employee Benefits			\$ 310,768

Capital Outlay

Bridge Construction	\$	295,792	
Highway Construction		538,855	
Highway Equipment		161,648	
State Aid Projects		670,042	
Total Capital Outlay			<u>1,666,337</u>

Total Highway/Public Works Fund \$ 4,839,492

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	22,000	
Principal on Notes		358,667	
Principal on Other Loans		75,000	
Total General Government			\$ 455,667

Interest on Debt

General Government

Interest on Bonds	\$	458,081	
Interest on Notes		110,495	
Interest on Other Loans		112,367	
Total General Government			680,943

Other Debt Service

General Government

Bank Charges	\$	20,897	
Trustee's Commission		22,725	
Total General Government			<u>43,622</u>

Total General Debt Service Fund 1,180,232

(Continued)

Exhibit I-6

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

<u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Other General Government Projects</u>		
Building Improvements	\$ 450,889	
Other Construction	<u>31,909</u>	
Total Other General Government Projects		\$ <u>482,798</u>
Total General Capital Projects Fund		\$ <u>482,798</u>
Total Governmental Funds - Primary Government		\$ <u>19,447,058</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, 2009

	Cities Sales Tax Fund	Special School District Fund	Total
<u>Cash Receipts</u>			
Local Option Sales Tax	\$ 3,929,944	\$ 4,234,113	\$ 8,164,057
Interstate Telecommunications Tax	0	6,133	6,133
City/School District Property Taxes:			
Current Property Tax	0	9,536,608	9,536,608
Prior Year's Property Tax	0	591,819	591,819
Interest and Penalty	0	61,168	61,168
Marriage Licenses	0	3,667	3,667
Total Cash Receipts	<u>\$ 3,929,944</u>	<u>\$ 14,433,508</u>	<u>\$ 18,363,452</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 3,890,644	\$ 14,193,488	\$ 18,084,132
Trustee's Commission	39,300	246,884	286,184
Total Cash Disbursements	<u>\$ 3,929,944</u>	<u>\$ 14,440,372</u>	<u>\$ 18,370,316</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ (6,864)	\$ (6,864)
Cash Balance, July 1, 2008	0	19,306	19,306
Cash Balance, June 30, 2009	<u>\$ 0</u>	<u>\$ 12,442</u>	<u>\$ 12,442</u>

SINGLE AUDIT SECTION

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

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

October 20, 2009

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, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Gibson County's basic financial statements and have issued our report thereon dated October 20, 2009. Our report on the aggregate discretely presented component unit expresses an adverse opinion because the financial statements of the Gibson County Emergency Communications District, the county's only component unit, was not included as required by accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gibson County's internal control over financial reporting 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: 09.01, 09.02, 9.04, 09.07, 09.08, and 09.10.

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, of the significant deficiencies described above, we consider items 09.01 and 09.02 to be material weaknesses.

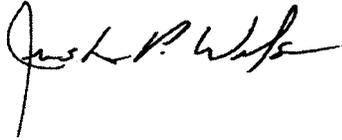
Compliance and Other Matters

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 are described in the accompanying Schedule of Findings and Questioned Costs as items 09.03, 09.05, and 09.06.

We consider item 09.09 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.

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,

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Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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

October 20, 2009

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, 2009. 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, 2009.

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.

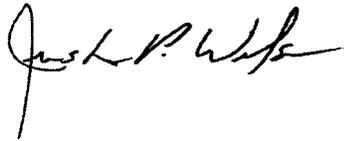
Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Gibson County's basic financial statements and have issued our report thereon dated October 20, 2009. Our report on the aggregate discretely presented component unit expresses an adverse opinion because the financial statements of the Gibson County Emergency Communications District, the county's only component unit, were not included as required by accounting principles

generally accepted in the United States of America. 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.

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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Gibson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2009

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Wetlands Reserve Program	10.072	(2)	\$ 4,577
Environmental Quality Incentives Program	10.912	(2)	4,577
Long-term Standing Agreements for Storage, Transportation, and Lease	10.999	(2)	62,412
Total U.S. Department of Agriculture			<u>\$ 71,566</u>
U.S. Department of Commerce:			
Passed-through State Department of Military:			
Applied Meteorological Research	11.468	GG-09-26754-00	\$ 250,000
Total U.S. Department of Commerce			<u>\$ 250,000</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG-07-224800	\$ 50,036
Total U.S. Department of Housing and Urban Development			<u>\$ 50,036</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-09-022851	\$ 11,250
Total U.S. Department of Justice			<u>\$ 11,250</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	Z-09-217826-00	\$ 1,000
Total U.S. Department of Museum and Library Services			<u>\$ 1,000</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 358,762
Total U.S. Department of Health and Human Services			<u>\$ 358,762</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	GG-08-25943-00	\$ 86,595
Homeland Security Grant Program	97.067	GG-07-20815-01	10,172
Total U.S. Department of Homeland Security			<u>\$ 96,767</u>
Total Expenditures of Federal Awards			<u>\$ 839,381</u>

(Continued)

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

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	Z-07-037713-01	\$ 6,533
Homemaker and Personal Care Services - Northwest Tennessee Development District	N/A	(2)	39,858
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	17,997
Used Oil Grant - State Department of Transportation	N/A	Z-05-024489-00	14,561
Litter Program - State Department of Transportation	N/A	(2)	51,315
Waste Tire Collection Grant - State Department of Environment and Conservation	N/A	(2)	<u>43,853</u>
Total State Grants			<u>\$ 174,117</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.

Gibson County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2009

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, 2008, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.01	138	Gibson County does not have the resources to produce financial statements and notes to the financial statements
08.02	139	The General Fund required material audit adjustments for proper financial statement presentation
08.04	141	The office had not established a formal purchase order system

OFFICE OF JUVENILE COURT CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.09	145	The office did not deposit funds within three days of collection
08.10	145	The office had deficiencies in computer system backup procedures

OTHER FINDINGS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.11	146	The Clerk and Master (Trenton) did not review software audit logs
08.13	146	A central system of accounting, budgeting, and purchasing had not been adopted
08.14	147	Duties were not segregated adequately in the Offices of Juvenile Court Clerk and Register

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GIBSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component unit is adverse. Our report on the governmental activities, each major fund, and the aggregate remaining fund information 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 Applied Meteorological Research Grant (CFDA No. 11.468) and the Special Programs for the Aging, Title III, Part B Grant (CFDA No. 93.044) 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; however, management did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 09.01 **GIBSON COUNTY DOES NOT HAVE THE RESOURCES TO PRODUCE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS**
(Internal Control – Material Weakness Under Government Auditing Standards)

Generally accepted auditing standards require that Gibson County's financial statements be the product of a financial reporting system that offers reasonable assurance that management is able to produce financial statements and notes to the financial statements that comply with generally accepted accounting principles (GAAP). The preparation of financial statements in accordance with GAAP requires that the county have internal controls over reporting government-wide and fund financial information and preparing the related notes. It is permissible for us, as the county's external auditors, to assist Gibson County in preparing financial statements and notes as a matter of convenience as long as the county has the skills needed to prepare its financial statements and notes. However, management, including the accounting staff, does not have the technical skills to prepare GAAP financial statements and disclosures. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. The inability to prepare financial statements and notes is an indication of a lack of controls, or ineffective controls, because material misstatements may not be detected.

RECOMMENDATION

Gibson County should develop the ability to produce financial statements and notes to the financial statements that comply with GAAP. This could include having at least one staff member trained in financial statement preparation. This staff member should have sufficient skills necessary to prepare a complete set of year-end financial statements even though the external auditors prepare the county's financial statements as a matter of convenience. If we, as the external auditors, continue to prepare the county's financial statements, this individual must have sufficient knowledge to determine the completeness of financial statement information and disclosures.

FINDING 09.02 THE GENERAL FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION
(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2009, certain general ledger account balances in the General Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Gibson County to have adequate internal controls over the maintenance of its accounting records. Therefore, the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. Although it is permissible for us, as the external auditors, to assist the county in preparing its financial statements, it is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

FINDING 09.03 GOVERNMENT-WIDE FINANCIAL STATEMENTS DID NOT INCLUDE OTHER POSTEMPLOYMENT BENEFITS AS REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES
(Noncompliance Under Government Auditing Standards)

The Gibson County general government provides postemployment healthcare benefits through a self-insured plan that allows pre-65 age retirees to remain in the plan at the active employee rates. Gibson County did not obtain an actuarial valuation to determine the data necessary for the measurement, recognition, and display of other postemployment benefits (OPEB) necessary to prepare government-wide financial statements and note disclosures, as required by Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB is the standard-setting body for accounting principles that state and local governments are required to follow. This statement establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the county's financial statements. The general government recognized only the current year cost (expense) of these benefits on a pay-as-you-go basis. However, we believe the omission of this data is not material to the government-wide financial statements.

RECOMMENDATION

Gibson County should present government-wide financial statements and note disclosures in conformity with generally accepted accounting principles. The county should contract for a biennial actuarial valuation of the plan and provide the necessary information for the measurement, recognition, and display of OPEB.

FINDING 09.04 **THE OFFICE HAD NOT ESTABLISHED A FORMAL PURCHASE ORDER SYSTEM**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

The office had not established a formal purchase order system. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. This deficiency can be attributed to the failure of management to correct this finding noted in the prior-year audit report. The absence of a formal purchase order system increases the risks of unauthorized purchases.

RECOMMENDATION

The office should establish a formal purchase order system to improve internal controls over the purchasing process and to document purchasing commitments.

OFFICE OF JUVENILE COURT CLERK

FINDING 09.05 **THE OFFICE DID NOT DEPOSIT FUNDS WITHIN THREE DAYS OF COLLECTION**

(Noncompliance Under Government Auditing Standards)

The juvenile court clerk did not deposit funds within three days of collection. Section 5-8-207, Tennessee Code Annotated requires county officials to deposit public funds to the office bank account within three days of collection. A review of the mail-log revealed that, in 15 instances, collections were held in the office from four days to 47 days before being deposited into the official bank account. This deficiency existed because management did not implement internal control procedures that would ensure funds are deposited within three days of collection, and the failure of management to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The juvenile court clerk should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute.

FINDING 09.06 THE CLERK MADE FALSE ENTRIES TO THE ACCOUNTING RECORDS
(Noncompliance Under Government Auditing Standards)

The juvenile court clerk receipted funds from litigants totaling \$25,000 on December 1, 2008, and deposited the funds into the office checking account. These funds remained in the checking account until July 20, 2009, when the funds were withdrawn and invested in five certificates of deposit. The purchase of these investments was falsely posted to the general ledger and in the annual financial report by the juvenile court clerk as having been transacted on June 30, 2009. Section 39-16-504, Tennessee Code Annotated, states that it is unlawful for any person to knowingly make a false entry in a governmental record. The clerk stated that he wanted to include these July 20, 2009, investment transactions in the financial activity for the year ended June 30, 2009. We have properly reflected these transactions in the correct fiscal year in the financial statements of this report.

RECOMMENDATION

The juvenile court clerk should properly record all transactions in the official records of the office to accurately reflect the financial activity of the office.

FINDING 09.07 THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES
(Internal Control – Significant Deficiency Under Government Auditing Standards)

System backups were not stored off-site until several months into the fiscal year. Sound business practices dictate that off-site storage of system backups be implemented. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. Proper system backup procedures are now in place.

OFFICE OF CLERK AND MASTER – TRENTON

FINDING 09.08 THE OFFICE OF CLERK AND MASTER (TRENTON) DID NOT REVIEW SOFTWARE AUDIT LOGS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated a daily log that displayed changes made by users. Since this log provided the only audit trail of these changes, it should be reviewed daily for inappropriate activity. The chancellor appointed a new clerk and master during the period, and this official was not aware of the existence of the audit log.

Therefore, the office did not begin reviewing this log until several months into the fiscal year. Procedures for reviewing this log are currently in place.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 09.09 **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED**
(Internal Control – Control Deficiency Under Government Auditing Standards)

Gibson County officials had not adopted a central system of accounting, budgeting, and purchasing. Sound business practices indicate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort.

RECOMMENDATION

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

FINDING 09.10 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF JUVENILE COURT CLERK AND REGISTER**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of Juvenile Court Clerk and Register. Employees of these offices who were responsible for maintaining the accounting records were also involved in receipting, depositing, posting receipts to the cash journal, reconciling bank statements, reconciling receipts with cash, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of managements' decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

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

There were no findings and questioned costs for federal programs.

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**GIBSON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2009**

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