



**ANNUAL FINANCIAL REPORT
GIBSON COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2010



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FOR THE YEAR ENDED JUNE 30, 2010

DEPARTMENT OF AUDIT
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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, 2010

Scope

We have audited the basic financial statements of Gibson County as of and for the year ended June 30, 2010.

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 eight 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 and Best Practice

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

OFFICE OF COUNTY MAYOR

- ◆ Gibson County does not have the resources to produce financial statements and notes to the financial statements.
- ◆ 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 ROAD SUPERVISOR

- ◆ The office had deficiencies in computer system backup procedures.

OFFICE OF JUVENILE COURT CLERK

- ◆ The office did not deposit some funds within three days of collection.
-

OFFICE OF CLERK AND MASTER – HUMBOLDT

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

OTHER FINDINGS

- ◆ Gibson County has a material recurring audit finding.
 - ◆ Duties were not segregated adequately in the Offices of Juvenile Court Clerk and Register.
-

BEST PRACTICE

Gibson County does not have a central system of accounting, budgeting, and purchasing. The Division of County Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Gibson County.

INTRODUCTORY SECTION

Gibson County Officials

June 30, 2010

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
Lenford Carr	Wayne Morris
Lynn Cole	Sandra Moss
Jimmy Copous	Jim Overall
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
Tim Luckey	Coy Yergin
David Martin	

Highway Commission

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

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

September 30, 2010

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, 2010, which collectively comprise Gibson County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Gibson County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We 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 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 aggregately discretely presented component unit of Gibson County, Tennessee, as of June 30, 2010, and 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, 2010, 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 September 30, 2010, 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.C., Gibson County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

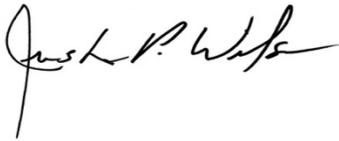
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

Accounting principles generally accepted in the United States of America require that the budgetary comparison and pension information on pages 46 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the

information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Gibson County, Tennessee
Statement of Net Assets
June 30, 2010

	<u>Primary Government Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 228,395
Equity in Pooled Cash and Investments	5,637,613
Accounts Receivable	2,818,835
Allowance for Uncollectibles	(1,273,813)
Due from Other Governments	604,249
Property Taxes Receivable	5,615,415
Allowance for Uncollectible Property Taxes	(204,045)
Deferred Charges - Debt Issuance Cost	169,831
Capital Assets:	
Assets Not Depreciated:	
Land	5,313,966
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	12,580,281
Infrastructure	15,902,709
Other Capital Assets	3,077,216
Total Assets	<u>\$ 50,470,652</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 157,102
Payroll Deductions Payable	183
Accrued Interest Payable	73,715
Deferred Revenue - Current Property Taxes	5,174,450
Noncurrent Liabilities:	
Due Within One Year	518,390
Due in More Than One Year	15,812,746
Total Liabilities	<u>\$ 21,736,586</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 20,747,337
Restricted for:	
Highway/Public Works	1,379,829
Debt Service	2,546,832
Other Purposes	464,669
Unrestricted	<u>3,595,399</u>
Total Net Assets	<u>\$ 28,734,066</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, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 1,121,149	\$ 313,552	\$ 16,380	\$ 0	\$ (791,217)
Finance	1,010,438	849,196	14,432	0	(146,810)
Administration of Justice	1,833,295	1,010,195	9,000	0	(814,100)
Public Safety	4,844,815	601,389	219,871	0	(4,023,555)
Public Health and Welfare	2,775,105	2,364,351	261,064	0	(149,690)
Social, Cultural, and Recreational Services	787,702	34,156	594,368	0	(159,178)
Agriculture and Natural Resources	273,480	66,372	24,823	0	(182,285)
Other Operations	522,770	84,045	19,076	0	(419,649)
Highways	4,922,193	6,286	2,041,973	219,134	(2,654,800)
Interest on Long-term Debt	715,892	0	0	0	(715,892)
Other Debt Service	17,956	0	0	0	(17,956)
Total Governmental Activities	\$ 18,824,795	\$ 5,329,542	\$ 3,200,987	\$ 219,134	\$ (10,075,132)

(Continued)

Exhibit B

Gibson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses			Primary Governmental Total Governmental Activities
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 5,300,872
Local Option Sales Taxes				351,951
Wheel Tax				1,447,344
Business Tax				328,067
Litigation Tax				197,867
Other Local Taxes				102,949
Grants and Contributions Not Restricted for Specific Programs				1,182,914
Unrestricted Investment Income				136,874
Miscellaneous				137,500
Total General Revenues				<u>\$ 9,186,338</u>
Change in Net Assets				\$ (888,794)
Net Assets, July 1, 2009				<u>29,622,860</u>
Net Assets, June 30, 2010				<u>\$ 28,734,066</u>

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

Exhibit C-1

Gibson County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2010

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	Governmental Funds	
Cash	\$ 0	\$ 0	\$ 0	\$ 228,395	\$ 228,395	228,395
Equity in Pooled Cash and Investments	1,943,058	939,917	2,587,208	164,930	5,635,113	5,635,113
Accounts Receivable	2,809,487	1,046	8	8,294	2,818,835	2,818,835
Allowance for Uncollectibles	(1,273,813)	0	0	0	(1,273,813)	(1,273,813)
Due from Other Governments	86,168	475,849	33,331	8,901	604,249	604,249
Due from Other Funds	3,046	0	0	0	3,046	3,046
Property Taxes Receivable	4,679,512	935,903	0	0	5,615,415	5,615,415
Allowance for Uncollectible Property Taxes	(170,038)	(34,007)	0	0	(204,045)	(204,045)
Total Assets	\$ 8,077,420	\$ 2,318,708	\$ 2,620,547	\$ 410,520	\$ 13,427,195	\$ 13,427,195

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities						
Accounts Payable	\$ 115,102	\$ 42,000	\$ 0	\$ 0	\$ 157,102	\$ 157,102
Payroll Deductions Payable	183	0	0	0	183	183
Due to Other Funds	0	0	0	546	546	546
Deferred Revenue - Current Property Taxes	4,312,041	862,409	0	0	5,174,450	5,174,450
Deferred Revenue - Delinquent Property Taxes	182,433	35,837	0	0	218,270	218,270
Other Deferred Revenues	1,153,945	202,838	0	0	1,356,783	1,356,783
Total Liabilities	\$ 5,763,704	\$ 1,143,084	\$ 0	\$ 546	\$ 6,907,334	\$ 6,907,334

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other		
				Governmental	Funds	
LIABILITIES AND FUND BALANCES (Cont.)						
<u>Fund Balances</u>						
Reserved for Purchase of Electronic Fingerprint Imaging System	\$ 0	\$ 0	0	12,889	\$ 12,889	12,889
Reserved for Alcohol and Drug Treatment	2,624	0	0	0	0	2,624
Reserved for Sexual Offender Registration	6,251	0	0	0	0	6,251
Reserved for Courtroom Security	9,814	0	0	0	0	9,814
Reserved for Computer System - Register	29,769	0	0	0	0	29,769
Reserved for Automation Purposes - Circuit Court	5,831	0	0	0	0	5,831
Reserved for Automation Purposes - General Sessions Court	27,480	0	0	0	0	27,480
Reserved for Automation Purposes - Chancery Court	12,488	0	0	0	0	12,488
Reserved for Automation Purposes - Other Courts	27,015	0	0	0	0	27,015
Reserved for Automation Purposes - County Clerk	4,786	0	0	0	0	4,786
Reserved for Other General Purposes	58,702	0	0	0	0	58,702
Unreserved, Reported In:						
General Fund	2,128,956	0	0	0	0	2,128,956
Special Revenue Funds	0	1,175,624	0	397,085	397,085	1,572,709
Debt Service Funds	0	0	2,620,547	0	0	2,620,547
Total Fund Balances	\$ 2,313,716	\$ 1,175,624	\$ 2,620,547	\$ 409,974	\$ 409,974	\$ 6,519,861
Total Liabilities and Fund Balances	\$ 8,077,420	\$ 2,318,708	\$ 2,620,547	\$ 410,520	\$ 410,520	\$ 13,427,195

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, 2010

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)		\$	6,519,861
(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		12,580,281	
Add: infrastructure net of accumulated depreciation		15,902,709	
Add: other capital assets net of accumulated depreciation		<u>3,077,216</u>	36,874,172
(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	\$	(1,695,666)	
Less: bonds payable		(14,601,000)	
Less: compensated absences payable		(34,470)	
Less: accrued interest on notes, capital leases, and bonds		(73,715)	
Add: deferred charges - debt issuance costs		<u>169,831</u>	(16,235,020)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,575,053</u>
Net assets of governmental activities (Exhibit A)		\$	<u>28,734,066</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, 2010

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 5,462,313	\$ 2,075,088	\$ 304,398	\$ 0	\$ 7,841,799
Licenses and Permits	90,234	0	0	0	90,234
Fines, Forfeitures, and Penalties	278,919	0	0	35,546	314,465
Charges for Current Services	2,570,321	5,344	0	501,495	3,077,160
Other Local Revenues	187,080	225,936	187,096	4,831	604,943
Fees Received from County Officials	1,241,578	0	0	0	1,241,578
State of Tennessee	2,192,566	2,258,377	86,486	39,244	4,576,673
Federal Government	227,791	103	0	0	227,894
Other Governments and Citizens Groups	77,969	0	0	56,501	134,470
Total Revenues	\$ 12,328,771	\$ 4,564,848	\$ 577,980	\$ 637,617	\$ 18,109,216
<u>Expenditures</u>					
Current:					
General Government	\$ 888,926	\$ 0	\$ 0	\$ 170,772	\$ 1,059,698
Finance	532,940	0	0	309,220	842,160
Administration of Justice	1,438,414	0	0	34,451	1,472,865
Public Safety	3,750,368	0	0	10,571	3,760,939
Public Health and Welfare	2,292,098	0	0	76,339	2,368,437
Social, Cultural, and Recreational Services	602,295	0	0	145,616	747,911
Agriculture and Natural Resources	218,715	0	0	0	218,715
Other Operations	2,389,401	0	0	0	2,389,401
Highways	0	4,560,930	0	0	4,560,930
Debt Service:					
Principal on Debt	0	0	495,667	0	495,667
Interest on Debt	0	0	714,659	0	714,659
Other Debt Service	0	0	187,787	0	187,787
Capital Projects	100	0	0	7,963	8,063
Total Expenditures	\$ 12,113,257	\$ 4,560,930	\$ 1,398,113	\$ 754,932	\$ 18,827,232
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 215,514	\$ 3,918	\$ (820,133)	\$ (117,315)	\$ (718,016)
<u>Other Financing Sources (Uses)</u>					
Refunding Debt Issued	\$ 0	\$ 0	\$ 4,450,000	\$ 0	\$ 4,450,000
Insurance Recovery	155,850	0	0	0	155,850
Transfers In	99,733	317,447	0	124,283	541,463
Transfers Out	(441,730)	0	0	(99,733)	(541,463)
Payments to Refunded Debt Escrow Agent	0	0	(4,275,000)	0	(4,275,000)
Total Other Financing Sources (Uses)	\$ (186,147)	\$ 317,447	\$ 175,000	\$ 24,550	\$ 330,850
Net Change in Fund Balances					
Fund Balance, July 1, 2009	\$ 2,284,349	\$ 854,259	\$ 3,265,680	\$ 502,739	\$ 6,907,027
Fund Balance, June 30, 2010	\$ 2,313,716	\$ 1,175,624	\$ 2,620,547	\$ 409,974	\$ 6,519,861

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, 2010

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)		\$ (387,166)
(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	\$ 1,385,315	
Less: current year depreciation expense	<u>(2,231,766)</u>	(846,451)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: gain on disposal of capital assets	\$ 20,078	
Less: proceeds from sale of capital assets	<u>(89,419)</u>	(69,341)
(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, 2010	\$ 1,575,053	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(1,658,849)</u>	(83,796)
(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.		
Less: refunding bonds	\$ (4,450,000)	
Add: principal payments on notes	373,667	
Add: principal payments on bonds	122,000	
Add: payment to refunding agent	4,275,000	
Add: deferred amount on debt issuance cost	<u>169,831</u>	490,498
(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	\$ (1,233)	
Change in compensated absences payable	<u>8,695</u>	<u>7,462</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (888,794)</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, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,635,477
Equity in Pooled Cash and Investments	32,113
Accounts Receivable	3,031
Due from Other Governments	1,368,470
Taxes Receivable	11,530,851
Allowance for Uncollectible Taxes	<u>(423,383)</u>
Total Assets	<u>\$ 14,146,559</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 12,511,082
Due to Litigants, Heirs, and Others	<u>1,635,477</u>
Total Liabilities	<u>\$ 14,146,559</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, 2010

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 in 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 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 statement of net asset 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 1.93 percent of total taxes levied.

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

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

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

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

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$15,000 or more (\$5,000 or more for vehicles) 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

4. Compensated Absences

The general policy of Gibson County, with the exception of the Highway Department, does not allow an employee's unused vacation benefits to be carried over from year to year without the written permission of the employee's supervisor or department head.

The county's Highway Department permits full-time employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from service. Vacation benefits for the Highway Department are accrued when incurred in the government-wide financial statements for the county.

A liability for vacation benefits is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. Long-term Obligations

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

amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

6. Net Assets and Fund Equity

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

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2010:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Purchase of Sheriff Department Vehicles	\$ 41,355

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 with the government-wide Statement of Net Assets.

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

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 County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between

major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and 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 statements of net assets as Equity in Pooled Cash and Investments. Cash reflected in the fund financial statements represents nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state

and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled and nonpooled investments as of June 30, 2010.

B. Capital Assets

Capital assets activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 5,313,966	\$ 0	\$ 0	\$ 5,313,966
Total Capital Assets Not Depreciated	<u>\$ 5,313,966</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,313,966</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,641,902	\$ 0	\$ 0	\$ 14,641,902
Roads and Bridges	28,058,868	832,335	0	28,891,203
Other Capital Assets	8,686,826	552,980	372,699	8,867,107
Total Capital Assets Depreciated	<u>\$ 51,387,596</u>	<u>\$ 1,385,315</u>	<u>\$ 372,699</u>	<u>\$ 52,400,212</u>

Governmental Activities: (Cont.)

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,770,801	\$ 290,820	\$ 0	\$ 2,061,621
Roads and Bridges	11,751,257	1,237,237	0	12,988,494
Other Capital Assets	5,389,540	703,709	303,358	5,789,891
Total Accumulated Depreciation	<u>\$ 18,911,598</u>	<u>\$ 2,231,766</u>	<u>\$ 303,358</u>	<u>\$ 20,840,006</u>
Total Capital Assets Depreciated, Net	<u>\$ 32,475,998</u>	<u>\$ (846,451)</u>	<u>\$ 69,341</u>	<u>\$ 31,560,206</u>
Governmental Activities Capital Assets, Net	<u>\$ 37,789,964</u>	<u>\$ (846,451)</u>	<u>\$ 69,341</u>	<u>\$ 36,874,172</u>

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	571,655
Public Health and Welfare	97,772
Social, Cultural, and Recreational Services	3,843
Agriculture and Natural Resources	3,484
Other Operations	68,715
Highway	<u>1,418,080</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,231,766</u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 3,046

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.

A portion of the receivable in the General Fund (\$2,500) was in transit from the Drug Control Fund at June 30, 2010.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

Transfers Out	Transfers In		
	General Fund	Highway Public Works Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 317,447	\$ 124,283
Nonmajor governmental fund	99,733	0	0
Total	<u>\$ 99,733</u>	<u>\$ 317,447</u>	<u>\$ 124,283</u>

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

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. In addition, general obligation bonds have been issued to refund other loans. 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 and capital outlay notes outstanding were issued for original terms of up to 25 years for bonds and up to nine years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2010, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Obligation Bonds	4.2 to 5.2 %	\$ 10,725,000	\$ 10,251,000
General Obligation Bonds - Refunding	3 to 4.3	4,450,000	4,350,000
Capital Outlay Notes	3.95 to 4.985	2,618,000	1,695,666

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2010, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 123,000	\$ 633,197	\$ 756,197
2012	125,000	629,105	754,105
2013	126,000	624,917	750,917
2014	127,000	620,682	747,682
2015	478,000	616,400	1,094,400
2016-2020	2,912,000	2,748,569	5,660,569
2021-2025	3,661,000	2,056,942	5,717,942
2026-2030	4,334,000	1,140,566	5,474,566
2031-2033	2,715,000	234,949	2,949,949
Total	\$ 14,601,000	\$ 9,305,327	\$ 23,906,327

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 1,695,666	\$ 207,515	\$ 1,903,181

There is \$2,620,547 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$303, based on the 2000 federal census. Debt per capita, including bonds and notes totaled \$338 based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2009	\$ 10,273,000	\$ 2,069,333
Additions	4,450,000	0
Deductions	<u>(122,000)</u>	<u>(373,667)</u>
Balance, June 30, 2010	<u>\$ 14,601,000</u>	<u>\$ 1,695,666</u>
Balance Due Within One Year	<u>\$ 123,000</u>	<u>\$ 393,666</u>
	<u>Other Loans</u>	<u>Compensated Absences</u>
Balance, July 1, 2009	\$ 4,275,000	\$ 43,165
Additions	0	45,921
Deductions	<u>(4,275,000)</u>	<u>(54,616)</u>
Balance, June 30, 2010	<u>\$ 0</u>	<u>\$ 34,470</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 1,724</u>
		<u>Claims and Judgments</u>
Balance, July 1, 2009		\$ 174,813
Deductions		<u>(174,813)</u>
Balance, June 30, 2010		<u>\$ 0</u>
Balance Due Within One Year		<u>\$ 0</u>

Governmental Activities: (Cont.)

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 16,331,136
Less: Balance Due Within One Year	<u>(518,390)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 15,812,746</u>

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

Current Refunding

On October 1, 2009, Gibson County issued \$4,450,000 in general obligation bonds for a current refunding of \$4,275,000 public improvement loan. As a result, the refunded loan payable is considered defeased, and the liability has been removed from the county's long-term debt. As a result of the current refunding, total debt service payments over the next 24 years will be reduced by \$487,587. The economic gain or loss on this refunding was not available.

V. OTHER INFORMATION

A. Risk Management

Employee Health Insurance

Gibson County has chosen 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
2009-10	63,199	862,968	863,167	63,000

The year-end balance (\$63,000) is included in accounts payable in the General (\$21,000) and Highway/Public Works (\$42,000) funds.

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. Risk Financing Activities

Gibson County and several other counties, cities, and local government entities were members of the Local Government Insurance Cooperative (LOGIC) for their workers' compensation insurance for one or more policy years in 1996-97, 1997-98, and 1999-2000. LOGIC obtained excess coverage insurance from Reliance Insurance Company for claims that exceeded specific amounts. Reliance Insurance Company is now insolvent and is being liquidated in the State of Pennsylvania. The insolvency of Reliance Insurance Company has left the LOGIC members exposed to significant claim liabilities for their policy years. In 2003, the LOGIC board of directors

assessed its members a certain amount for each member's share of outstanding claims unpaid by Reliance Insurance Company. In 2009, the LOGIC board of directors made a second assessment of its members. Gibson County's share of this second assessment totaled \$54,493.

C. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance; nonfinancial in nature; and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Gibson County had no assets that met the definition of intangible assets as of June 30, 2010. However, it is reasonably expected that Gibson County may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statements No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risks management and investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Gibson County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investments purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e. effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Gibson County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Gibson County may enter into derivative transactions in subsequent years.

D. Subsequent Events

On August 31, 2010, Joe Shepard left the Office of County Mayor and was succeeded by Tom Witherspoon, and Diane Taylor left the Office of County Clerk and was succeeded by Joyce Brown.

Effective September 1, 2010, the Office of Juvenile Court Clerk ceased operations and the duties of that office were transferred to the Office of County Clerk.

E. Contingent Liabilities

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

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

Plan Description

Employees of Gibson County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with ten years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty.

Members joining the system after July 1, 1979, become vested after ten years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Gibson County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Gibson County requires employees to contribute five percent of earnable compensation.

Gibson County is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, 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, 2010, Gibson County's annual pension cost of \$417,142 to TCRS was equal to Gibson 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, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$417,142	100%	\$0
6-30-09	410,890	100	0
6-30-08	382,842	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 87.16 percent funded. The actuarial accrued liability for benefits was \$19.05 million, and the actuarial value of assets was \$16.61 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.45 million. The covered payroll (annual payroll of active employees covered by the plan) was \$6.95 million, and the ratio of the UAAL to the covered payroll was 35.2 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs 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, 2010.

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 for the Highway Commission to approve all purchases and for sealed bids to be solicited on all purchases exceeding \$10,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,462,313	\$ 5,273,678	\$ 5,273,678	\$ 188,635
Licenses and Permits	90,234	75,792	75,792	14,442
Fines, Forfeitures, and Penalties	278,919	262,825	283,825	(4,906)
Charges for Current Services	2,570,321	2,625,100	2,625,100	(54,779)
Other Local Revenues	187,080	166,012	167,012	20,068
Fees Received from County Officials	1,241,578	1,234,750	1,234,750	6,828
State of Tennessee	2,192,566	2,118,207	2,329,683	(137,117)
Federal Government	227,791	218,252	345,241	(117,450)
Other Governments and Citizens Groups	77,969	49,541	49,541	28,428
Total Revenues	\$ 12,328,771	\$ 12,024,157	\$ 12,384,622	\$ (55,851)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 39,891	\$ 48,192	\$ 48,192	\$ 8,301
Board of Equalization	1,000	1,000	1,000	0
County Mayor/Executive	193,808	195,503	195,503	1,695
County Attorney	41,452	41,650	41,650	198
Election Commission	144,169	164,708	164,708	20,539
Register of Deeds	30,806	40,812	40,812	10,006
Development	53,385	58,727	58,727	5,342
County Buildings	384,392	383,782	413,758	29,366
Other Facilities	23	2,800	2,800	2,777
<u>Finance</u>				
Property Assessor's Office	242,802	243,142	243,143	341
Reappraisal Program	45,435	47,422	47,422	1,987
County Trustee's Office	203,337	199,287	203,342	5
County Clerk's Office	41,366	51,700	51,700	10,334
<u>Administration of Justice</u>				
Circuit Court	308,054	312,128	312,128	4,074
General Sessions Court	188,581	188,609	188,609	28
Drug Court	20,685	27,686	27,686	7,001
Chancery Court	222,640	224,992	224,992	2,352
Juvenile Court	372,182	509,906	509,905	137,723
Other Administration of Justice	290,753	287,238	299,166	8,413
Victims Assistance Programs	35,519	17,300	38,300	2,781
<u>Public Safety</u>				
Sheriff's Department	1,751,261	1,761,521	1,837,903	86,642
Jail	1,648,198	1,840,025	1,840,624	192,426
Juvenile Services	9,579	9,580	9,580	1
Fire Prevention and Control	97,714	159,265	159,265	61,551
Civil Defense	108,883	141,804	147,599	38,716
Other Emergency Management	89,938	50,142	177,131	87,193
County Coroner/Medical Examiner	44,795	30,200	49,800	5,005

(Continued)

Exhibit E-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 301,169	\$ 426,183	\$ 426,183	\$ 125,014
Rabies and Animal Control	65,894	66,354	67,354	1,460
Ambulance/Emergency Medical Services	1,830,794	1,901,170	1,907,021	76,227
Alcohol and Drug Programs	5,000	5,000	5,000	0
Crippled Children Services	1,430	1,430	1,430	0
Other Local Health Services	1,500	3,000	3,000	1,500
General Welfare Assistance	1,500	1,500	1,500	0
Other Local Welfare Services	750	750	750	0
Sanitation Education/Information	44,181	44,390	44,390	209
Other Public Health and Welfare	39,880	13,125	153,165	113,285
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	555,795	653,465	653,465	97,670
Libraries	21,500	11,500	21,500	0
Parks and Fair Boards	24,000	24,000	24,000	0
Other Social, Cultural, and Recreational	1,000	1,000	1,000	0
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	86,751	115,070	115,071	28,320
Soil Conservation	99,464	99,678	99,678	214
Flood Control	32,500	35,000	37,500	5,000
<u>Other Operations</u>				
Tourism	18,139	21,028	21,028	2,889
Industrial Development	790	7,500	7,500	6,710
Other Economic and Community Development	0	0	55,000	55,000
Airport	181,544	188,089	204,525	22,981
Veterans' Services	39,290	43,394	43,394	4,104
Other Charges	596,068	547,390	613,132	17,064
Contributions to Other Agencies	25,591	39,900	39,900	14,309
Employee Benefits	1,486,606	1,638,143	1,638,143	151,537
ARRA Grant # 1	41,373	49,818	49,818	8,445
Miscellaneous	0	57,774	57,774	57,774
<u>Capital Projects</u>				
Other General Government Projects	100	2,507	2,507	2,407
Total Expenditures	<u>\$ 12,113,257</u>	<u>\$ 13,037,279</u>	<u>\$ 13,630,173</u>	<u>\$ 1,516,916</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ 215,514</u>	<u>\$ (1,013,122)</u>	<u>\$ (1,245,551)</u>	<u>\$ 1,461,065</u>

(Continued)

Exhibit E-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 0	\$ 574,914	\$ 574,914	\$ (574,914)
Insurance Recovery	155,850	0	152,360	3,490
Transfers In	99,733	110,033	110,033	(10,300)
Transfers Out	(441,730)	(441,730)	(441,730)	0
Total Other Financing Sources (Uses)	<u>\$ (186,147)</u>	<u>\$ 243,217</u>	<u>\$ 395,577</u>	<u>\$ (581,724)</u>
Net Change in Fund Balance	\$ 29,367	\$ (769,905)	\$ (849,974)	\$ 879,341
Fund Balance, July 1, 2009	<u>2,284,349</u>	<u>2,405,429</u>	<u>2,405,429</u>	<u>(121,080)</u>
Fund Balance, June 30, 2010	<u>\$ 2,313,716</u>	<u>\$ 1,635,524</u>	<u>\$ 1,555,455</u>	<u>\$ 758,261</u>

Exhibit E-2

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,075,088	\$ 1,981,567	\$ 1,981,567	\$ 93,521
Charges for Current Services	5,344	5,000	5,000	344
Other Local Revenues	225,936	32,500	32,500	193,436
State of Tennessee	2,258,377	2,823,155	2,823,155	(564,778)
Federal Government	103	0	0	103
Total Revenues	<u>\$ 4,564,848</u>	<u>\$ 4,842,222</u>	<u>\$ 4,842,222</u>	<u>\$ (277,374)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 153,233	\$ 160,095	\$ 160,095	\$ 6,862
Highway and Bridge Maintenance	1,881,539	1,952,750	1,952,751	71,212
Operation and Maintenance of Equipment	632,577	776,000	776,000	143,423
Other Charges	237,832	260,500	260,500	22,668
Employee Benefits	403,036	305,650	425,650	22,614
Capital Outlay	1,252,713	1,919,180	2,119,180	866,467
Total Expenditures	<u>\$ 4,560,930</u>	<u>\$ 5,374,175</u>	<u>\$ 5,694,176</u>	<u>\$ 1,133,246</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,918</u>	<u>\$ (531,953)</u>	<u>\$ (851,954)</u>	<u>\$ 855,872</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>\$ 317,447</u>	<u>\$ 317,447</u>	<u>\$ 517,447</u>	<u>\$ (200,000)</u>
Total Other Financing Sources (Uses)	<u>\$ 317,447</u>	<u>\$ 317,447</u>	<u>\$ 517,447</u>	<u>\$ (200,000)</u>
Net Change in Fund Balance	\$ 321,365	\$ (214,506)	\$ (334,507)	\$ 655,872
Fund Balance, July 1, 2009	<u>854,259</u>	<u>915,347</u>	<u>915,347</u>	<u>(61,088)</u>
Fund Balance, June 30, 2010	<u><u>\$ 1,175,624</u></u>	<u><u>\$ 700,841</u></u>	<u><u>\$ 580,840</u></u>	<u><u>\$ 594,784</u></u>

Exhibit E-3

Gibson County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2010

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	\$ 15,516	\$ 16,702	\$ 1,186	92.9	% \$ 6,524	18.18 %
7-1-09	16,606	19,052	2,446	87.16	6,947	35.2

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 went into effect during the year of the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

GIBSON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2010

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 County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the 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.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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. This fund was closed during the 2009-2010 year.

Gibson County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2010

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
\$ 97,784 \$	0 \$	0 \$	0 \$	0 \$	130,611 \$	228,395	
0	36,669	38,852	89,409	0	0	164,930	
0	8,219	75	0	0	0	8,294	
0	8,283	0	618	0	0	8,901	
<u>\$ 97,784 \$</u>	<u>53,171 \$</u>	<u>38,927 \$</u>	<u>90,027 \$</u>	<u>130,611 \$</u>	<u>410,520</u>		
\$	0 \$	0 \$	0 \$	0 \$	546 \$	546	
\$	0 \$	0 \$	0 \$	0 \$	546 \$	546	
\$	0 \$	0 \$	12,889 \$	0 \$	0 \$	12,889	
97,784	53,171	26,038	90,027	130,065	397,085		
<u>\$ 97,784 \$</u>	<u>53,171 \$</u>	<u>38,927 \$</u>	<u>90,027 \$</u>	<u>130,065 \$</u>	<u>409,974</u>		
\$	97,784 \$	53,171 \$	38,927 \$	90,027 \$	130,611 \$	410,520	

ASSETS

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

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>	
Due to Other Funds	
Total Liabilities	
<u>Fund Balances</u>	
Reserved for Purchase of Electronic Fingerprint Imaging System Unreserved	
Total Fund Balances	
Total Liabilities and Fund Balances	

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, 2010

	Special Revenue Funds						Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees			General Capital Projects		
<u>Revenues</u>										
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 12,689	\$ 22,857	\$ 0	\$ 35,546	\$ 0	\$ 0	\$ 35,546	
Charges for Current Services	7,832	5,735	1,375	0	486,553	501,495	0	0	501,495	
Other Local Revenues	4,423	408	0	0	0	4,831	0	0	4,831	
State of Tennessee	3,775	35,469	0	0	0	39,244	0	0	39,244	
Other Governments and Citizens Groups	33,000	23,501	0	0	0	56,501	0	0	56,501	
Total Revenues	\$ 49,030	\$ 65,113	\$ 14,064	\$ 22,857	\$ 486,553	\$ 637,617	\$ 0	\$ 0	\$ 637,617	
<u>Expenditures</u>										
Current:										
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 170,772	\$ 170,772	\$ 0	\$ 0	\$ 170,772	
Finance	0	0	0	0	309,220	309,220	0	0	309,220	
Administration of Justice	0	0	0	34,451	0	34,451	0	0	34,451	
Public Safety	0	0	10,571	0	0	10,571	0	0	10,571	
Public Health and Welfare	0	76,339	0	0	0	76,339	0	0	76,339	
Social, Cultural, and Recreational Services	145,616	0	0	0	0	145,616	0	0	145,616	
Capital Projects	0	0	0	0	0	0	7,963	0	7,963	
Total Expenditures	\$ 145,616	\$ 76,339	\$ 10,571	\$ 34,451	\$ 479,992	\$ 746,969	\$ 7,963	\$ 0	\$ 754,932	
Excess (Deficiency) of Revenues Over Expenditures	\$ (96,586)	\$ (11,226)	\$ 3,493	\$ (11,594)	\$ 6,561	\$ (109,352)	\$ (7,963)	\$ 0	\$ (117,315)	
<u>Other Financing Sources (Uses)</u>										
Transfers In	\$ 102,477	\$ 21,806	\$ 0	\$ 0	\$ 0	\$ 124,283	\$ 0	\$ 0	\$ 124,283	
Transfers Out	0	0	0	0	0	0	(99,733)	0	(99,733)	
Total Other Financing Sources (Uses)	\$ 102,477	\$ 21,806	\$ 0	\$ 0	\$ 0	\$ 124,283	\$ (99,733)	\$ 0	\$ 24,550	
Net Change in Fund Balances	\$ 5,891	\$ 10,580	\$ 3,493	\$ (11,594)	\$ 6,561	\$ 14,931	\$ (107,696)	\$ 0	\$ (92,765)	
Fund Balance, July 1, 2009	91,893	42,591	35,434	101,621	123,504	395,043	107,696	0	502,739	
Fund Balance, June 30, 2010	\$ 97,784	\$ 53,171	\$ 38,927	\$ 90,027	\$ 130,065	\$ 409,974	\$ 0	\$ 0	\$ 409,974	

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 7,832	\$ 5,000	\$ 5,000	\$ 2,832
Other Local Revenues	4,423	5,000	5,000	(577)
State of Tennessee	3,775	0	0	3,775
Other Governments and Citizens Groups	33,000	33,000	33,000	0
Total Revenues	<u>\$ 49,030</u>	<u>\$ 43,000</u>	<u>\$ 43,000</u>	<u>\$ 6,030</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 145,616	\$ 145,468	\$ 145,468	\$ (148)
Total Expenditures	<u>\$ 145,616</u>	<u>\$ 145,468</u>	<u>\$ 145,468</u>	<u>\$ (148)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (96,586)</u>	<u>\$ (102,468)</u>	<u>\$ (102,468)</u>	<u>\$ 5,882</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 102,477	\$ 102,477	\$ 102,477	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 102,477</u>	<u>\$ 102,477</u>	<u>\$ 102,477</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 5,891	\$ 9	\$ 9	\$ 5,882
Fund Balance, July 1, 2009	<u>91,893</u>	<u>78,582</u>	<u>78,582</u>	<u>13,311</u>
Fund Balance, June 30, 2010	<u>\$ 97,784</u>	<u>\$ 78,591</u>	<u>\$ 78,591</u>	<u>\$ 19,193</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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 5,735	\$ 6,500	\$ 6,500	\$ (765)
Other Local Revenues	408	400	400	8
State of Tennessee	35,469	44,000	44,000	(8,531)
Other Governments and Citizens Groups	23,501	23,500	23,500	1
Total Revenues	<u>\$ 65,113</u>	<u>\$ 74,400</u>	<u>\$ 74,400</u>	<u>\$ (9,287)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 43,157	\$ 45,306	\$ 45,306	\$ 2,149
Other Waste Disposal	33,182	44,000	44,000	10,818
Total Expenditures	<u>\$ 76,339</u>	<u>\$ 89,306</u>	<u>\$ 89,306</u>	<u>\$ 12,967</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (11,226)</u>	<u>\$ (14,906)</u>	<u>\$ (14,906)</u>	<u>\$ 3,680</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 21,806	\$ 21,806	\$ 21,806	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 21,806</u>	<u>\$ 21,806</u>	<u>\$ 21,806</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 10,580	\$ 6,900	\$ 6,900	\$ 3,680
Fund Balance, July 1, 2009	<u>42,591</u>	<u>65,789</u>	<u>65,789</u>	<u>(23,198)</u>
Fund Balance, June 30, 2010	<u>\$ 53,171</u>	<u>\$ 72,689</u>	<u>\$ 72,689</u>	<u>\$ (19,518)</u>

Exhibit F-5

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 12,689	\$ 3,400	\$ 3,400	\$ 9,289
Charges for Current Services	1,375	300	300	1,075
Total Revenues	<u>\$ 14,064</u>	<u>\$ 3,700</u>	<u>\$ 3,700</u>	<u>\$ 10,364</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 10,571	\$ 22,600	\$ 22,600	\$ 12,029
Total Expenditures	<u>\$ 10,571</u>	<u>\$ 22,600</u>	<u>\$ 22,600</u>	<u>\$ 12,029</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,493</u>	<u>\$ (18,900)</u>	<u>\$ (18,900)</u>	<u>\$ 22,393</u>
Net Change in Fund Balance	\$ 3,493	\$ (18,900)	\$ (18,900)	\$ 22,393
Fund Balance, July 1, 2009	35,434	38,830	38,830	(3,396)
Fund Balance, June 30, 2010	<u>\$ 38,927</u>	<u>\$ 19,930</u>	<u>\$ 19,930</u>	<u>\$ 18,997</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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 22,857	\$ 21,000	\$ 21,000	\$ 1,857
Total Revenues	\$ 22,857	\$ 21,000	\$ 21,000	\$ 1,857
<u>Expenditures</u>				
<u>Administration of Justice</u>				
District Attorney General	\$ 34,451	\$ 46,050	\$ 46,050	\$ 11,599
Total Expenditures	\$ 34,451	\$ 46,050	\$ 46,050	\$ 11,599
Excess (Deficiency) of Revenues Over Expenditures	\$ (11,594)	\$ (25,050)	\$ (25,050)	\$ 13,456
Net Change in Fund Balance	\$ (11,594)	\$ (25,050)	\$ (25,050)	\$ 13,456
Fund Balance, July 1, 2009	101,621	101,537	101,537	84
Fund Balance, June 30, 2010	\$ 90,027	\$ 76,487	\$ 76,487	\$ 13,540

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 304,398	\$ 296,062	\$ 296,062	\$ 8,336
Other Local Revenues	187,096	140,000	140,000	47,096
State of Tennessee	86,486	0	0	86,486
Total Revenues	<u>\$ 577,980</u>	<u>\$ 436,062</u>	<u>\$ 436,062</u>	<u>\$ 141,918</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 495,667	\$ 495,667	\$ 495,667	\$ 0
<u>Interest on Debt</u>				
General Government	714,659	719,016	719,016	4,357
<u>Other Debt Service</u>				
General Government	187,787	32,200	207,200	19,413
Total Expenditures	<u>\$ 1,398,113</u>	<u>\$ 1,246,883</u>	<u>\$ 1,421,883</u>	<u>\$ 23,770</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (820,133)</u>	<u>\$ (810,821)</u>	<u>\$ (985,821)</u>	<u>\$ 165,688</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 4,450,000	\$ 0	\$ 4,450,000	\$ 0
Payments to Refunded Debt Escrow Agent	(4,275,000)	0	(4,275,000)	0
Total Other Financing Sources (Uses)	<u>\$ 175,000</u>	<u>\$ 0</u>	<u>\$ 175,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (645,133)	\$ (810,821)	\$ (810,821)	\$ 165,688
Fund Balance, July 1, 2009	<u>3,265,680</u>	<u>3,260,281</u>	<u>3,260,281</u>	<u>5,399</u>
Fund Balance, June 30, 2010	<u>\$ 2,620,547</u>	<u>\$ 2,449,460</u>	<u>\$ 2,449,460</u>	<u>\$ 171,087</u>

Fiduciary Funds

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

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

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

Special School District Fund – The Special School District Fund is used to account for property taxes collected for the five school districts of Gibson County and the districts' shares of education revenues collected by the county, which must be apportioned among the various school systems on an average daily attendance basis. These collections are remitted to the districts on a monthly basis.

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

Exhibit H-1

Gibson County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

	Agency Funds					Total
	Cities - Sales Tax	Watershed District	Special School District	Constitu- tional Officers - Agency		
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	0	\$ 1,635,477	\$	1,635,477
Equity in Pooled Cash and Investments	0	5,977	26,136	0		32,113
Accounts Receivable	0	0	3,031	0		3,031
Due from Other Governments	648,880	0	719,590	0		1,368,470
Taxes Receivable	0	0	11,530,851	0		11,530,851
Allowance for Uncollectible Taxes	0	0	(423,383)	0		(423,383)
Total Assets	\$ 648,880	\$ 5,977	\$ 11,856,225	\$ 1,635,477	\$	14,146,559
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 648,880	\$ 5,977	\$ 11,856,225	\$ 0	\$	12,511,082
Due to Litigants, Heirs, and Others	0	0	0	1,635,477		1,635,477
Total Liabilities	\$ 648,880	\$ 5,977	\$ 11,856,225	\$ 1,635,477	\$	14,146,559

Exhibit H-2

Gibson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,798,838	\$ 3,798,838	\$ 0
Due from Other Governments	664,031	648,880	664,031	648,880
Total Assets	\$ 664,031	\$ 4,447,718	\$ 4,462,869	\$ 648,880
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 664,031	\$ 4,447,718	\$ 4,462,869	\$ 648,880
Total Liabilities	\$ 664,031	\$ 4,447,718	\$ 4,462,869	\$ 648,880
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 5,977	\$ 0	\$ 0	\$ 5,977
Total Assets	\$ 5,977	\$ 0	\$ 0	\$ 5,977
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 5,977	\$ 0	\$ 0	\$ 5,977
Total Liabilities	\$ 5,977	\$ 0	\$ 0	\$ 5,977
<u>Special School District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 12,442	\$ 15,111,458	\$ 15,097,764	\$ 26,136
Accounts Receivable	173	3,031	173	3,031
Due from Other Governments	714,930	719,590	714,930	719,590
Taxes Receivable	10,634,112	11,530,851	10,634,112	11,530,851
Allowance for Uncollectible Taxes	(316,777)	(423,383)	(316,777)	(423,383)
Total Assets	\$ 11,044,880	\$ 26,941,547	\$ 26,130,202	\$ 11,856,225
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 11,044,880	\$ 26,941,547	\$ 26,130,202	\$ 11,856,225
Total Liabilities	\$ 11,044,880	\$ 26,941,547	\$ 26,130,202	\$ 11,856,225

(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</u>				
<u>Assets</u>				
Cash	\$ 1,490,748	\$ 8,447,138	\$ 8,302,409	\$ 1,635,477
Total Assets	\$ 1,490,748	\$ 8,447,138	\$ 8,302,409	\$ 1,635,477
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,490,748	\$ 8,447,138	\$ 8,302,409	\$ 1,635,477
Total Liabilities	\$ 1,490,748	\$ 8,447,138	\$ 8,302,409	\$ 1,635,477
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,490,748	\$ 8,447,138	\$ 8,302,409	\$ 1,635,477
Equity in Pooled Cash and Investments	18,419	18,910,296	18,896,602	32,113
Accounts Receivable	173	3,031	173	3,031
Due from Other Governments	1,378,961	1,368,470	1,378,961	1,368,470
Taxes Receivable	10,634,112	11,530,851	10,634,112	11,530,851
Allowance for Uncollectible Taxes	(316,777)	(423,383)	(316,777)	(423,383)
Total Assets	\$ 13,205,636	\$ 39,836,403	\$ 38,895,480	\$ 14,146,559
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 11,714,888	\$ 31,389,265	\$ 30,593,071	\$ 12,511,082
Due to Litigants, Heirs, and Others	1,490,748	8,447,138	8,302,409	1,635,477
Total Liabilities	\$ 13,205,636	\$ 39,836,403	\$ 38,895,480	\$ 14,146,559

MISCELLANEOUS SCHEDULES

Exhibit I-1

Gibson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-10
NOTES PAYABLE									
<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	\$ 1,550,000	0 \$	275,000 \$	0 \$	1,275,000
Patrol Cars/Ambulance	221,000	3.95	10-25-07	10-25-10	147,333	0	73,667	0	73,666
Industrial Park Property	397,000	4.985	3-31-08	4-1-15	372,000	0	25,000	0	347,000
Total Notes Payable					\$ 2,069,333	0 \$	373,667 \$	0 \$	1,695,666
OTHER LOANS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Public Improvement, Series VI-E-3	4,500,000	Variable	5-5-05	10-1-09	\$ 4,275,000	0 \$	0 \$	4,275,000 \$	0
Total Other Loans Payable					\$ 4,275,000	0 \$	0 \$	4,275,000 \$	0
BONDS PAYABLE									
<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	\$ 573,000	0 \$	22,000 \$	0 \$	551,000
General Obligation, Series 2004	10,000,000	4 to 4.65	9-16-04	6-1-29	9,700,000	0	0	0	9,700,000
General Obligation Refunding, Series 2009	4,450,000	3 to 4.3	10-1-09	6-1-33	0	4,450,000	100,000	0	4,350,000
Total Bonds Payable					\$ 10,273,000	\$ 4,450,000	\$ 122,000	\$ 0	\$ 14,601,000

Exhibit I-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 1,695,666	\$ 207,515	\$ 1,903,181

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 123,000	\$ 633,197	\$ 756,197
2012	125,000	629,105	754,105
2013	126,000	624,917	750,917
2014	127,000	620,682	747,682
2015	478,000	616,400	1,094,400
2016	529,000	597,070	1,126,070
2017	556,000	574,692	1,130,692
2018	582,000	551,030	1,133,030
2019	609,000	525,991	1,134,991
2020	636,000	499,786	1,135,786
2021	663,000	472,413	1,135,413
2022	690,000	443,875	1,133,875
2023	742,000	413,845	1,155,845
2024	769,000	380,861	1,149,861
2025	797,000	345,948	1,142,948
2026	849,000	309,379	1,158,379
2027	900,000	269,831	1,169,831
2028	925,000	227,981	1,152,981
2029	845,000	184,969	1,029,969
2030	815,000	148,406	963,406
2031	860,000	114,788	974,788
2032	905,000	79,311	984,311
2033	950,000	40,850	990,850
Total	\$ 14,601,000	\$ 9,305,327	\$ 23,906,327

Exhibit I-3

Gibson County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2010

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Public Library	Operations	\$ 102,477
General	Solid Waste/Sanitation	Operations	21,806
General	Highway/Public Works	Operations	317,447
General Capital Projects	General	Capital expenditures	<u>99,733</u>
Total Transfers			<u>\$ 541,463</u>

Exhibit I-4

Gibson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
For the Year Ended June 30, 2010

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	Section 8-24-102, <u>TCA</u>	63,954	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	Section 8-24-102, <u>TCA</u>	63,954	50,000	"
Clerk and Master - Trenton	Section 8-24-102, <u>TCA</u>	63,954 (1)	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	77,385 (2)	25,000	"
Employee Blanket Bonds: All Employees			150,000	Local Government Property and Casualty Fund

(1) Does not include special commissioner fees of \$14,389.

(2) Includes \$7,035 for supervising the county workhouse. Does not include a training supplement of \$600 and a clothing allowance of \$315.

Exhibit I-5

Gibson County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2010

	Special Revenue Funds										Debt Service Fund	Total	
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Constitutional Officers - Fees				
									General	Debt Service			
Local Taxes													
<u>County Property Taxes</u>													
Current Property Tax	\$ 4,126,253	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 825,899	\$ 0	\$ 0	\$ 18,651	\$ 0	\$ 4,952,152
Trustee's Collections - Prior Year	118,711	0	0	0	0	0	0	24,019	0	0	1,943	0	161,381
Trustee's Collections - Bankruptcy	12,510	0	0	0	0	0	0	2,590	0	0	1,943	0	17,043
Circuit/Clerk & Master Collections - Prior Years	88,248	0	0	0	0	0	0	18,258	0	0	12,513	0	119,019
Interest and Penalty	29,470	0	0	0	0	0	0	6,034	0	0	3,454	0	38,958
Payments in-Lieu-of Taxes - T.V.A.	88	0	0	0	0	0	0	18	0	0	0	0	106
Payments in-Lieu-of Taxes - Local Utilities	66,688	0	0	0	0	0	0	13,296	0	0	0	0	79,984
Payments in-Lieu-of Taxes - Other	212	0	0	0	0	0	0	32	0	0	0	0	244
<u>County Local Option Taxes</u>													
Local Option Sales Tax	0	0	0	0	0	0	0	343,951	0	0	0	0	343,951
Hotel/Motel Tax	25,446	0	0	0	0	0	0	0	0	0	0	0	25,446
Wheel Tax	413,528	0	0	0	0	0	0	827,051	0	0	206,765	0	1,447,344
Litigation Tax - General	126,227	0	0	0	0	0	0	0	0	0	0	0	126,227
Litigation Tax - Special Purpose	23,770	0	0	0	0	0	0	0	0	0	0	0	23,770
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	0	0	0	47,870	0	47,870
Business Tax	328,067	0	0	0	0	0	0	0	0	0	0	0	328,067
<u>Statutory Local Taxes</u>													
Bank Excise Tax	26,404	0	0	0	0	0	0	13,202	0	0	13,202	0	52,808
Wholesale Beer Tax	75,953	0	0	0	0	0	0	0	0	0	0	0	75,953
Interstate Telecommunications Tax	738	0	0	0	0	0	0	738	0	0	0	0	1,476
Total Local Taxes	\$ 5,462,313	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,075,088	\$ 0	\$ 0	\$ 304,398	\$ 0	\$ 7,841,799
Licenses and Permits													
<u>Licenses</u>													
Animal Vaccination	\$ 12,248	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,248
Cable TV Franchise	45,098	0	0	0	0	0	0	0	0	0	0	0	45,098
<u>Permits</u>													
Beer Permits	997	0	0	0	0	0	0	0	0	0	0	0	997
Building Permits	31,891	0	0	0	0	0	0	0	0	0	0	0	31,891
Total Licenses and Permits	\$ 90,234	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,234

(Continued)

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			
<u>Fines, Forfeitures, and Penalties</u>												
<u>Circuit Court</u>												
Fines	\$ 1,731	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,731
Officers Costs	11,603	0	0	0	0	0	0	0	0	0	0	11,603
Game and Fish Fines	15,355	0	0	0	0	0	0	0	0	0	0	15,355
Drug Control Fines	0	0	0	1,334	0	0	0	0	0	0	0	1,334
Drug Court Fees	829	0	0	0	0	0	0	0	0	0	0	829
Jail Fees	9,306	0	0	0	0	0	0	0	0	0	0	9,306
District Attorney General Fees	0	0	0	0	7,233	0	0	0	0	0	0	7,233
DUI Treatment Fines	598	0	0	0	0	0	0	0	0	0	0	598
Data Entry Fee - Circuit Court	404	0	0	0	0	0	0	0	0	0	0	404
Courtroom Security Fee	84	0	0	0	0	0	0	0	0	0	0	84
Victims Assistance Assessments	1,569	0	0	0	0	0	0	0	0	0	0	1,569
<u>General Sessions Court</u>												
Fines	12,762	0	0	0	0	0	0	0	0	0	0	12,762
Officers Costs	31,050	0	0	0	0	0	0	0	0	0	0	31,050
Game and Fish Fines	351	0	0	0	0	0	0	0	0	0	0	351
Drug Control Fines	0	0	0	633	0	0	0	0	0	0	0	633
Drug Court Fees	1,367	0	0	0	0	0	0	0	0	0	0	1,367
Jail Fees	9,397	0	0	0	0	0	0	0	0	0	0	9,397
District Attorney General Fees	0	0	0	0	8,580	0	0	0	0	0	0	8,580
DUI Treatment Fines	3,161	0	0	0	0	0	0	0	0	0	0	3,161
Data Entry Fee - General Sessions Court	5,796	0	0	0	0	0	0	0	0	0	0	5,796
Courtroom Security Fee	1,967	0	0	0	0	0	0	0	0	0	0	1,967
Victims Assistance Assessments	13,631	0	0	0	0	0	0	0	0	0	0	13,631
<u>Juvenile Court</u>												
Fines	1,900	0	0	0	0	0	0	0	0	0	0	1,900
Officers Costs	7,704	0	0	0	0	0	0	0	0	0	0	7,704
Data Entry Fee - Juvenile Court	843	0	0	0	0	0	0	0	0	0	0	843
<u>Chancery Court</u>												
Officers Costs	5,181	0	0	0	0	0	0	0	0	0	0	5,181
Data Entry Fee - Chancery Court	3,552	0	0	0	0	0	0	0	0	0	0	3,552

(Continued)

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		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
Chancery Court (Cont.)									
Courtroom Security Fee	\$ 857	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 857
Other Courts - In-county									
Fines	7,697	0	0	0	0	0	0	0	7,697
Officers Costs	55,528	0	0	0	0	0	0	0	55,528
Drug Control Fines	0	0	0	7,066	0	0	0	0	7,066
Drug Court Fees	3,635	0	0	0	0	0	0	0	3,635
Jail Fees	35,454	0	0	0	0	0	0	0	35,454
District Attorney General Fees	0	0	0	0	7,044	0	0	0	7,044
DUI Treatment Fines	4,463	0	0	0	0	0	0	0	4,463
<u>Judicial District Drug Program</u>									
Data Entry Fee - Other Courts	11,355	0	0	0	0	0	0	0	11,355
Courtroom Security Fee	1,632	0	0	0	0	0	0	0	1,632
Victims Assistance Assessments	17,947	0	0	0	0	0	0	0	17,947
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	0	3,656	0	0	0	0	3,656
Other Fines, Forfeitures, and Penalties	210	0	0	0	0	0	0	0	210
Total Fines, Forfeitures, and Penalties	\$ 278,919	\$ 0	\$ 0	\$ 12,689	\$ 22,857	\$ 0	\$ 0	\$ 0	\$ 314,465
<u>Charges for Current Services</u>									
General Service Charges									
Tipping Fees	0	0	5,735	0	0	0	0	0	5,735
Patient Charges	2,421,353	0	0	0	0	0	0	0	2,421,353
Other General Service Charges	8,082	0	0	0	0	0	0	0	8,082
Service Charges	34,659	0	0	1,375	0	0	0	0	36,034
<u>Fees</u>									
Airport Fees	43,342	0	0	0	0	0	0	0	43,342
Copy Fees	65	0	0	0	0	0	0	0	65
Library Fees	0	7,832	0	0	0	0	0	0	7,832
Archives and Records Management Fee - County Clerk	150	0	0	0	0	0	0	0	150
Telephone Commissions	28,352	0	0	0	0	0	0	0	28,352

(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	Debt Service Fund		Total	
								General	Debt Service		
<u>Charges for Current Services (Cont.)</u>											
<u>Fees (Cont.)</u>											
Vending Machine Collections	\$ 424	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,344	\$ 0	\$ 0	\$ 5,768	
Constitutional Officers' Fees and Commissions	0	0	0	0	0	486,553	0	0	0	486,553	
Data Processing Fee - Register	16,232	0	0	0	0	0	0	0	0	16,232	
Data Processing Fee - Sheriff	12,932	0	0	0	0	0	0	0	0	12,932	
Sexual Offender Registration Fees - Sheriff	2,212	0	0	0	0	0	0	0	0	2,212	
Data Processing Fee - County Clerk	2,518	0	0	0	0	0	0	0	0	2,518	
Total Charges for Current Services	\$ 2,570,321	\$ 7,832	\$ 5,735	\$ 1,375	\$ 0	\$ 486,553	\$ 5,344	\$ 0	\$ 0	\$ 3,077,160	
<u>Other Local Revenues</u>											
<u>Recurring Items</u>											
Investment Income	\$ 0	\$ 936	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 135,938	\$ 136,874	
Lease/Rentals	110,137	0	0	0	0	0	0	0	51,075	161,212	
Sale of Materials and Supplies	0	0	0	0	0	0	6,286	0	0	6,286	
Commissary Sales	38,687	0	0	0	0	0	0	0	0	38,687	
Sale of Recycled Materials	126	0	408	0	0	0	0	0	0	534	
Sale of Animals/Livestock	270	0	0	0	0	0	0	0	0	270	
Cobra Insurance Payments	586	0	0	0	0	0	0	0	0	586	
Miscellaneous Refunds	5,086	0	0	0	0	0	0	0	83	5,169	
<u>Nonrecurring Items</u>											
Sale of Equipment	1,950	0	0	0	0	0	19,400	0	0	21,350	
Sale of Property	400	0	0	0	0	0	0	0	0	400	
Damages Recovered from Individuals	0	0	0	0	0	0	250	0	0	250	
Contributions and Gifts	4,358	3,487	0	0	0	0	0	0	0	7,845	
Other Local Revenues	25,480	0	408	0	0	0	200,000	0	0	225,480	
Total Other Local Revenues	\$ 187,080	\$ 4,423	\$ 408	\$ 0	\$ 0	\$ 0	\$ 225,936	\$ 187,096	\$ 0	\$ 604,943	

(Continued)

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	General	Debt Service	Total		
<u>Fees Received from County Officials</u>												
<u>Excess Fees</u>												
County Clerk	\$ 28,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,000
Register	31,292	0	0	0	0	0	0	0	0	0	0	31,292
<u>Fees in-Lieu-of Salary</u>												
Circuit Court Clerk	65,677	0	0	0	0	0	0	0	0	0	0	65,677
General Sessions Court Clerk	145,519	0	0	0	0	0	0	0	0	0	0	145,519
Clerk and Master	174,492	0	0	0	0	0	0	0	0	0	0	174,492
Juvenile Court Clerk	76,089	0	0	0	0	0	0	0	0	0	0	76,089
Sheriff	17,463	0	0	0	0	0	0	0	0	0	0	17,463
Trustee	496,519	0	0	0	0	0	0	0	0	0	0	496,519
Other Officials	206,527	0	0	0	0	0	0	0	0	0	0	206,527
Total Fees Received from County Officials	\$ 1,241,578	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,241,578
<u>State of Tennessee</u>												
<u>General Government Grants</u>												
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Airport Maintenance Program	19,076	0	0	0	0	0	0	0	0	0	0	19,076
Aging Programs	521,655	0	0	0	0	0	0	0	0	0	0	521,655
State Reappraisal Grant	14,432	0	0	0	0	0	0	0	0	0	0	14,432
Solid Waste Grants	0	0	35,469	0	0	0	0	0	0	0	0	35,469
<u>Public Safety Grants</u>												
Law Enforcement Training Programs	18,000	0	0	0	0	0	0	0	0	0	0	18,000
<u>Health and Welfare Grants</u>												
Health Department Programs	196,668	0	0	0	0	0	0	0	0	0	0	196,668
<u>Public Works Grants</u>												
State Aid Program	0	0	0	0	0	0	219,134	0	0	0	0	219,134
Litter Program	23,762	0	0	0	0	0	0	0	0	0	0	23,762
<u>Other State Revenues</u>												
Income Tax	0	0	0	0	0	0	0	0	0	0	86,486	86,486
Beer Tax	17,778	0	0	0	0	0	0	0	0	0	0	17,778
Alcoholic Beverage Tax	75,911	0	0	0	0	0	0	0	0	0	0	75,911
State Revenue Sharing - T.V.A.	865,329	0	0	0	0	0	0	0	0	0	0	865,329

(Continued)

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		
<u>State of Tennessee (Cont.)</u>									
<u>Other State Revenues (Cont.)</u>									
Contracted Prisoner Boarding	\$ 414,575	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 414,575
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,000,077	0	0	2,000,077
Petroleum Special Tax	0	0	0	0	0	38,673	0	0	38,673
Registrar's Salary Supplement	16,380	0	0	0	0	0	0	0	16,380
Other State Grants	0	3,775	0	0	0	0	0	0	3,775
Other State Revenues	0	0	0	0	0	493	0	0	493
Total State of Tennessee	\$ 2,192,566	\$ 3,775	\$ 35,469	\$ 0	\$ 0	\$ 2,258,377	\$ 86,486	\$ 4,576,673	
<u>Federal Government</u>									
<u>Federal Through State</u>									
USDA - Other	\$ 24,823	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,823
Civil Defense Reimbursement	147,847	0	0	0	0	0	0	0	147,847
ARRA Grant # 1	28,329	0	0	0	0	0	0	0	28,329
ARRA Grant # 2	25,592	0	0	0	0	0	0	0	25,592
<u>Direct Federal Revenue</u>	0	0	0	0	0	103	0	0	103
Forest Service	1,200	0	0	0	0	0	0	0	1,200
Other Direct Federal Revenue	0	0	0	0	0	0	0	0	0
Total Federal Government	\$ 227,791	\$ 0	\$ 0	\$ 0	\$ 0	\$ 103	\$ 0	\$ 0	\$ 227,894
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Contributions	\$ 4,925	\$ 33,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,925
Contracted Services	40,936	0	23,501	0	0	0	0	0	64,437
<u>Citizens Groups</u>	32,108	0	0	0	0	0	0	0	32,108
Donations	\$ 77,969	\$ 33,000	\$ 23,501	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 134,470
Total Other Governments and Citizens Groups	\$ 12,328,771	\$ 49,030	\$ 65,113	\$ 14,064	\$ 22,857	\$ 4,564,848	\$ 577,980	\$ 18,109,216	

Exhibit I-6

Gibson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2010

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	13,540	
Other Per Diem and Fees		6,465	
Audit Services		14,446	
Consultants		900	
Dues and Memberships		1,800	
Legal Notices, Recording, and Court Costs		1,954	
Travel		671	
Other Charges		115	
Total County Commission			\$ 39,891

Board of Equalization

Board and Committee Members Fees	\$	1,000	
Total Board of Equalization			1,000

County Mayor/Executive

County Official/Administrative Officer	\$	81,254	
Assistant(s)		38,982	
Deputy(ies)		30,656	
Part-time Personnel		15,150	
Overtime Pay		4,592	
In-Service Training		115	
Dues and Memberships		1,600	
Legal Notices, Recording, and Court Costs		891	
Maintenance Agreements		7,965	
Maintenance and Repair Services - Office Equipment		75	
Postal Charges		477	
Rentals		2,712	
Travel		4,431	
Office Supplies		4,038	
Other Charges		29	
Office Equipment		841	
Total County Mayor/Executive			193,808

County Attorney

Dues and Memberships	\$	100	
Legal Services		41,352	
Total County Attorney			41,452

Election Commission

County Official/Administrative Officer	\$	57,559	
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(Continued)

Exhibit I-6

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Deputy(ies)	\$	23,848	
Part-time Personnel		11,185	
Other Salaries and Wages		17,142	
Board and Committee Members Fees		3,265	
Contracts with Private Agencies		4,830	
Legal Notices, Recording, and Court Costs		2,474	
Maintenance Agreements		9,555	
Maintenance and Repair Services - Equipment		172	
Maintenance and Repair Services - Office Equipment		412	
Postal Charges		5,322	
Printing, Stationery, and Forms		2,926	
Travel		1,024	
Office Supplies		2,070	
Data Processing Equipment		2,385	
Total Election Commission			\$ 144,169

Register of Deeds

In-Service Training	\$	175	
Dues and Memberships		512	
Maintenance Agreements		20,228	
Postal Charges		1,671	
Printing, Stationery, and Forms		937	
Travel		772	
Data Processing Supplies		771	
Data Processing Equipment		5,740	
Total Register of Deeds			30,806

Development

Contracts with Government Agencies	\$	50,827	
Legal Notices, Recording, and Court Costs		52	
Maintenance and Repair Services - Office Equipment		90	
Postal Charges		88	
Printing, Stationery, and Forms		203	
Travel		2,026	
Office Supplies		99	
Total Development			53,385

County Buildings

Custodial Personnel	\$	62,513	
Communication		46,445	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Legal Notices, Recording, and Court Costs	\$	377	
Maintenance and Repair Services - Buildings		77,711	
Maintenance and Repair Services - Equipment		36,877	
Travel		418	
Permits		300	
Custodial Supplies		8,580	
Food Supplies		516	
Natural Gas		31,518	
Office Supplies		300	
Utilities		90,758	
Other Supplies and Materials		18	
Other Charges		135	
Heating and Air Conditioning Equipment		27,598	
Maintenance Equipment		207	
Other Equipment		121	
Total County Buildings			\$ 384,392

Other Facilities

Rentals	\$	23	
Total Other Facilities			23

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		121,017	
In-Service Training		904	
Data Processing Services		16,940	
Dues and Memberships		1,542	
Maintenance and Repair Services - Office Equipment		200	
Postal Charges		1,593	
Printing, Stationery, and Forms		498	
Travel		5,517	
Other Contracted Services		27,980	
Office Supplies		1,302	
Data Processing Equipment		820	
Furniture and Fixtures		535	
Total Property Assessor's Office			242,802

Reappraisal Program

Deputy(ies)	\$	28,323	
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(Continued)

Exhibit I-6

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Social Security	\$	1,756	
State Retirement		1,665	
Employee and Dependent Insurance		3,566	
Employer Medicare		206	
Data Processing Services		5,803	
Postal Charges		264	
Travel		3,571	
Office Supplies		281	
Total Reappraisal Program			\$ 45,435

County Trustee's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		81,282	
Part-time Personnel		10,012	
Overtime Pay		4,449	
Dues and Memberships		797	
Legal Notices, Recording, and Court Costs		721	
Maintenance Agreements		12,318	
Postal Charges		12,362	
Printing, Stationery, and Forms		3,401	
Travel		2,461	
Office Supplies		3,985	
Data Processing Equipment		4,610	
Office Equipment		2,985	
Total County Trustee's Office			203,337

County Clerk's Office

Dues and Memberships	\$	662	
Maintenance Agreements		14,133	
Postal Charges		14,176	
Printing, Stationery, and Forms		1,049	
Rentals		2,478	
Travel		2,904	
Library Books/Media		485	
Office Supplies		5,169	
Office Equipment		310	
Total County Clerk's Office			41,366

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		189,347	
Salary Supplements		1,650	
Part-time Personnel		1,386	
Jury and Witness Fees		11,412	
In-Service Training		6,400	
Contracts with Private Agencies		649	
Data Processing Services		8,430	
Dues and Memberships		782	
Legal Notices, Recording, and Court Costs		122	
Maintenance and Repair Services - Buildings		1,505	
Maintenance and Repair Services - Office Equipment		3,213	
Postal Charges		5,719	
Printing, Stationery, and Forms		1,841	
Travel		1,708	
Data Processing Supplies		2,576	
Office Supplies		6,529	
Office Equipment		831	
Total Circuit Court			\$ 308,054

General Sessions Court

Judge(s)	\$	145,994	
Supervisor/Director		31,110	
Part-time Personnel		500	
In-Service Training		4,200	
Communication		480	
Contracts with Private Agencies		150	
Dues and Memberships		1,029	
Maintenance and Repair Services - Office Equipment		552	
Postal Charges		88	
Travel		2,465	
Office Supplies		2,013	
Total General Sessions Court			188,581

Drug Court

Part-time Personnel	\$	16,716	
In-Service Training		520	
Travel		2,983	
Drugs and Medical Supplies		344	
Other Charges		122	
Total Drug Court			20,685

(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)		132,238	
Data Processing Services		6,807	
Dues and Memberships		732	
Maintenance and Repair Services - Office Equipment		503	
Postal Charges		2,802	
Travel		274	
Office Supplies		11,552	
Data Processing Equipment		240	
Office Equipment		3,538	
Total Chancery Court			\$ 222,640

Juvenile Court

County Official/Administrative Officer	\$	63,954	
Judge(s)		51,430	
Deputy(ies)		74,124	
Youth Service Officer(s)		35,500	
Part-time Personnel		22,000	
Other Salaries and Wages		43,761	
In-Service Training		375	
Audit Services		3,577	
Communication		1,431	
Dues and Memberships		1,067	
Maintenance Agreements		13,562	
Maintenance and Repair Services - Office Equipment		1,921	
Postal Charges		1,986	
Printing, Stationery, and Forms		202	
Rentals		176	
Travel		5,183	
Other Contracted Services		13,891	
Office Supplies		6,176	
Judgments		27,723	
Data Processing Equipment		877	
Furniture and Fixtures		132	
Office Equipment		3,134	
Total Juvenile Court			372,182

Other Administration of Justice

County Official/Administrative Officer	\$	63,954
Deputy(ies)		151,926

(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.)

Salary Supplements	\$	1,884	
Jury and Witness Fees		19,460	
Dues and Memberships		757	
Maintenance Agreements		13,679	
Maintenance and Repair Services - Office Equipment		551	
Postal Charges		1,835	
Office Supplies		11,699	
Other Charges		12,900	
Data Processing Equipment		12,108	
Total Other Administration of Justice			\$ 290,753

Victims Assistance Programs

Contributions	\$	35,519	
Total Victims Assistance Programs			35,519

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	77,385	
Assistant(s)		46,606	
Deputy(ies)		830,562	
Youth Service Officer(s)		30,367	
Accountants/Bookkeepers		24,500	
Salary Supplements		18,000	
Clerical Personnel		73,500	
Overtime Pay		85,313	
Other Salaries and Wages		99,363	
In-Service Training		14,431	
Communication		2,851	
Contracts with Government Agencies		1,330	
Contracts with Private Agencies		28,750	
Maintenance and Repair Services - Buildings		9,869	
Maintenance and Repair Services - Equipment		9,575	
Maintenance and Repair Services - Vehicles		58,518	
Postal Charges		5,495	
Printing, Stationery, and Forms		8,445	
Transportation - Other than Students		893	
Travel		3,911	
Gasoline		119,181	
Law Enforcement Supplies		4,831	
Uniforms		15,796	

(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.)

Other Supplies and Materials	\$	8,373	
Other Charges		60,720	
Data Processing Equipment		32,932	
Motor Vehicles		79,764	
Total Sheriff's Department			\$ 1,751,261

Jail

Guards	\$	901,674	
Clerical Personnel		28,385	
Cafeteria Personnel		26,425	
Overtime Pay		43,055	
Maintenance and Repair Services - Buildings		34,987	
Medical and Dental Services		166,921	
Custodial Supplies		25,953	
Food Supplies		174,925	
Natural Gas		37,878	
Uniforms		13,329	
Utilities		139,514	
Other Supplies and Materials		20,581	
Other Charges		8,979	
Law Enforcement Equipment		25,592	
Total Jail			1,648,198

Juvenile Services

Salary Supplements	\$	6,397	
In-Service Training		50	
Social Security		397	
State Retirement		342	
Employer Medicare		93	
Travel		1,058	
Office Supplies		1,242	
Total Juvenile Services			9,579

Fire Prevention and Control

Supervisor/Director	\$	37,290	
Overtime Pay		1,677	
In-Service Training		945	
Communication		2,439	
Contracts with Private Agencies		2,000	
Dues and Memberships		185	

(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.)

Legal Notices, Recording, and Court Costs	\$	50	
Maintenance and Repair Services - Buildings		2,316	
Maintenance and Repair Services - Equipment		2,400	
Maintenance and Repair Services - Vehicles		5,780	
Travel		507	
Custodial Supplies		155	
Food Supplies		16	
Gasoline		10,276	
Office Supplies		1,065	
Uniforms		105	
Utilities		23,354	
Other Supplies and Materials		972	
Other Equipment		6,182	
Total Fire Prevention and Control			\$ 97,714

Civil Defense

Supervisor/Director	\$	37,290	
Other Salaries and Wages		30,614	
Communication		3,965	
Dues and Memberships		330	
Legal Notices, Recording, and Court Costs		32	
Maintenance and Repair Services - Buildings		917	
Maintenance and Repair Services - Equipment		10,937	
Postal Charges		146	
Travel		1,076	
Food Supplies		623	
Gasoline		1,918	
Office Supplies		1,500	
Uniforms		217	
Utilities		17,388	
Vehicle Parts		1,171	
Communication Equipment		200	
Data Processing Equipment		40	
Other Equipment		519	
Total Civil Defense			108,883

Other Emergency Management

Overtime Pay	\$	2,870	
Licenses		18	
Communication Equipment		35,267	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Data Processing Equipment	\$	1,671	
Motor Vehicles		32,818	
Other Equipment		17,294	
Total Other Emergency Management			\$ 89,938

County Coroner/Medical Examiner

Contracts with Government Agencies	\$	37,800	
Contracts with Private Agencies		6,695	
Travel		300	
Total County Coroner/Medical Examiner			44,795

Public Health and Welfare

Local Health Center

Social Workers	\$	62,207	
Medical Personnel		32,865	
Other Salaries and Wages		27,709	
Social Security		8,624	
State Retirement		8,179	
Employee and Dependent Insurance		4,971	
Employer Medicare		2,017	
Communication		1,266	
Contracts with Other Public Agencies		50,000	
Contracts with Private Agencies		29,252	
Dues and Memberships		210	
Janitorial Services		17,133	
Operating Lease Payments		508	
Maintenance and Repair Services - Buildings		12,591	
Maintenance and Repair Services - Office Equipment		2,996	
Postal Charges		356	
Travel		6,104	
Custodial Supplies		771	
Drugs and Medical Supplies		2,257	
Office Supplies		3,488	
Utilities		19,205	
Other Supplies and Materials		8,252	
Office Equipment		208	
Total Local Health Center			301,169

Rabies and Animal Control

County Official/Administrative Officer	\$	22,534	
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(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Assistant(s)	\$	11,068	
Overtime Pay		347	
Communication		610	
Dues and Memberships		483	
Legal Notices, Recording, and Court Costs		843	
Maintenance and Repair Services - Equipment		23	
Travel		9,683	
Animal Food and Supplies		6,427	
Diesel Fuel		1,764	
Refunds		75	
Building Improvements		1,213	
Other Equipment		10,824	
Total Rabies and Animal Control			\$ 65,894

Ambulance/Emergency Medical Services

Assistant(s)	\$	29,905
Equipment Operators		1,080,039
Secretary(ies)		18,864
Overtime Pay		181,292
Other Salaries and Wages		25,329
In-Service Training		1,585
Communication		2,563
Contracts with Private Agencies		15,722
Dues and Memberships		280
Laundry Service		5,746
Legal Notices, Recording, and Court Costs		368
Licenses		4,018
Maintenance and Repair Services - Buildings		2,022
Maintenance and Repair Services - Equipment		53,203
Postal Charges		8,245
Rentals		6,111
Travel		686
Drugs and Medical Supplies		63,689
Food Supplies		680
Gasoline		85,813
Office Supplies		6,123
Uniforms		2,899
Utilities		4,876
Other Supplies and Materials		7,658
Other Charges		2,158

(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.)

Data Processing Equipment	\$	1,379	
Motor Vehicles		206,549	
Other Equipment		12,992	
Total Ambulance/Emergency Medical Services			\$ 1,830,794

Alcohol and Drug Programs

Contributions	\$	5,000	
Total Alcohol and Drug Programs			5,000

Crippled Children Services

Contributions	\$	1,430	
Total Crippled Children Services			1,430

Other Local Health Services

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

General Welfare Assistance

Contributions	\$	1,500	
Total General Welfare Assistance			1,500

Other Local Welfare Services

Contributions	\$	750	
Total Other Local Welfare Services			750

Sanitation Education/Information

Supervisor/Director	\$	26,110	
Accountants/Bookkeepers		5,680	
Other Supplies and Materials		2,462	
Other Charges		9,929	
Total Sanitation Education/Information			44,181

Other Public Health and Welfare

Social Workers	\$	8,794	
Overtime Pay		419	
Social Security		660	
State Retirement		620	
Employer Medicare		154	
Contracts with Private Agencies		420	
Contributions		13,125	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Public Health and Welfare (Cont.)

Legal Notices, Recording, and Court Costs	\$	742	
Travel		386	
Other Supplies and Materials		13,352	
Workers' Compensation Insurance		1,208	
Total Other Public Health and Welfare			\$ 39,880

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$	25,386
Supervisor/Director		34,886
Accountants/Bookkeepers		5,760
Other Salaries and Wages		255,249
In-Service Training		556
Social Security		24,854
State Retirement		16,692
Employer Medicare		5,813
Communication		3,014
Contracts with Government Agencies		1,365
Contracts with Private Agencies		26,724
Dues and Memberships		302
Legal Services		861
Legal Notices, Recording, and Court Costs		150
Licenses		2,202
Maintenance Agreements		3,276
Maintenance and Repair Services - Buildings		631
Maintenance and Repair Services - Office Equipment		547
Maintenance and Repair Services - Vehicles		1,294
Postal Charges		1,148
Rentals		1,800
Travel		77,867
Other Contracted Services		2,484
Data Processing Supplies		128
Food Supplies		12,724
Gasoline		2,441
Office Supplies		2,385
Periodicals		60
Other Supplies and Materials		3,433
Refunds		3,895
Criminal Investigation of Applicants - TBI		300
Data Processing Equipment		2,055

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Motor Vehicles	\$	34,569	
Office Equipment		353	
Other Equipment		591	
Total Senior Citizens Assistance			\$ 555,795

Libraries

Contracts with Other Public Agencies	\$	20,000	
Contributions		1,500	
Total Libraries			21,500

Parks and Fair Boards

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

Other Social, Cultural, and Recreational

Contributions	\$	1,000	
Total Other Social, Cultural, and Recreational			1,000

Agriculture and Natural Resources

Agriculture Extension Service

Temporary Personnel	\$	6,250	
In-Service Training		250	
Social Security		413	
Employer Medicare		97	
Communication		1,259	
Contracts with Government Agencies		69,048	
Licenses		52	
Maintenance and Repair Services - Equipment		94	
Postal Charges		1,301	
Rentals		2,350	
Travel		2,530	
Gasoline		39	
Office Supplies		1,500	
Data Processing Equipment		1,568	
Total Agriculture Extension Service			86,751

Soil Conservation

Secretary(ies)	\$	28,750	
Clerical Personnel		33,928	
Other Salaries and Wages		28,500	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Communication	\$	1,000	
Maintenance and Repair Services - Office Equipment		47	
Postal Charges		300	
Travel		2,000	
Office Supplies		582	
Other Supplies and Materials		200	
Data Processing Equipment		2,942	
Furniture and Fixtures		623	
Office Equipment		592	
Total Soil Conservation			\$ 99,464

Flood Control

Contracts with Government Agencies	\$	2,500	
Other Contracted Services		30,000	
Total Flood Control			32,500

Other Operations

Tourism

Contributions	\$	850	
Dues and Memberships		17,289	
Total Tourism			18,139

Industrial Development

Other Supplies and Materials	\$	790	
Total Industrial Development			790

Airport

Attendants	\$	2,774	
Temporary Personnel		15,036	
Overtime Pay		101	
Communication		2,203	
Contracts with Private Agencies		11,754	
Dues and Memberships		45	
Legal Services		55	
Legal Notices, Recording, and Court Costs		455	
Maintenance and Repair Services - Buildings		10,002	
Maintenance and Repair Services - Equipment		3,157	
Postal Charges		176	
Travel		1,244	
Remittance of Revenue Collected		2,089	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Other Operations (Cont.)

Airport (Cont.)

Permits	\$	365	
Gasoline		45,544	
Office Supplies		400	
Utilities		7,536	
Liability Insurance		3,363	
Airport Improvement		<u>75,245</u>	
Total Airport	\$		181,544

Veterans' Services

Supervisor/Director	\$	26,076	
Secretary(ies)		11,315	
Postal Charges		212	
Travel		1,084	
Office Supplies		247	
Periodicals		196	
Data Processing Equipment		<u>160</u>	
Total Veterans' Services			39,290

Other Charges

Pauper Burials	\$	300	
Liability Insurance		228,474	
Premiums on Corporate Surety Bonds		829	
Trustee's Commission		141,079	
Workers' Compensation Insurance		166,720	
Other Charges		<u>58,666</u>	
Total Other Charges			596,068

Contributions to Other Agencies

Contributions	\$	<u>25,591</u>	
Total Contributions to Other Agencies			25,591

Employee Benefits

Social Security	\$	339,384	
State Retirement		439,180	
Employee and Dependent Insurance		605,560	
Life Insurance		4,321	
Unemployment Compensation		16,861	
Employer Medicare		<u>81,300</u>	
Total Employee Benefits			1,486,606

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Other Operations (Cont.)

ARRA Grant # 1

Assistant(s)	\$	2,912	
Supervisor/Director		9,464	
Other Salaries and Wages		2,040	
Social Security		727	
State Retirement		632	
Employer Medicare		170	
Contracts with Other Public Agencies		2,415	
Postal Charges		200	
Printing, Stationery, and Forms		194	
Travel		12,510	
Drugs and Medical Supplies		4,426	
Data Processing Equipment		5,683	
Total ARRA Grant # 1			\$ 41,373

Capital Projects

Other General Government Projects

Site Development	\$	100	
Total Other General Government Projects			100

Total General Fund \$ 12,113,257

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

County Official/Administrative Officer	\$	31,010	
Assistant(s)		19,591	
Librarians		19,050	
Other Salaries and Wages		14,130	
Social Security		4,587	
State Retirement		4,095	
Employee and Dependent Insurance		9,399	
Life Insurance		61	
Unemployment Compensation		166	
Employer Medicare		1,073	
Communication		2,451	
Maintenance Agreements		581	
Instructional Supplies and Materials		2,005	
Library Books/Media		16,664	
Periodicals		209	
Utilities		8,347	

(Continued)

Exhibit I-6

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Other Supplies and Materials	\$	1,994	
Other Charges		1,209	
Other Equipment		8,994	
Total Libraries			\$ 145,616

Total Public Library Fund \$ 145,616

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	28,891	
In-Service Training		300	
Social Security		1,470	
State Retirement		1,781	
Employee and Dependent Insurance		4,971	
Employer Medicare		343	
Communication		619	
Data Processing Services		99	
Dues and Memberships		336	
Postal Charges		90	
Travel		3,958	
Office Supplies		173	
Other Supplies and Materials		71	
Trustee's Commission		55	
Total Sanitation Management			\$ 43,157

Other Waste Disposal

Contracts with Private Agencies	\$	33,182	
Total Other Waste Disposal			\$ 33,182

Total Solid Waste/Sanitation Fund 76,339

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	1,300	
Trustee's Commission		142	
Other Charges		5,497	
Motor Vehicles		3,632	
Total Drug Enforcement			\$ 10,571

Total Drug Control Fund 10,571

(Continued)

Exhibit I-6

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

District Attorney General Fund

Administration of Justice

District Attorney General

In-Service Training	\$	2,380	
Contracts with Private Agencies		1,306	
Contributions		22,128	
Dues and Memberships		230	
Maintenance and Repair Services - Office Equipment		250	
Rentals		2,542	
Travel		3,625	
Library Books/Media		607	
Office Supplies		345	
Trustee's Commission		226	
Other Charges		368	
Data Processing Equipment		444	
Total District Attorney General			\$ 34,451

Total District Attorney General Fund \$ 34,451

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	170,772	
Total Register of Deeds			\$ 170,772

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	309,220	
Total County Clerk's Office			309,220

Total Constitutional Officers - Fees Fund 479,992

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	75,779	
Accountants/Bookkeepers		35,000	
Secretary(ies)		900	
Board and Committee Members Fees		5,900	
Communication		649	
Data Processing Services		3,764	
Confidential Drug Enforcement Payments		1,497	
Dues and Memberships		5,592	

(Continued)

Exhibit I-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Janitorial Services	\$	1,128	
Legal Notices, Recording, and Court Costs		312	
Maintenance and Repair Services - Office Equipment		3,702	
Postal Charges		1,278	
Printing, Stationery, and Forms		430	
Travel		1,565	
Drugs and Medical Supplies		447	
Electricity		6,389	
Natural Gas		652	
Office Supplies		1,206	
Water and Sewer		1,542	
Other Supplies and Materials		50	
In Service/Staff Development		430	
Other Charges		5,021	
Total Administration			\$ 153,233

Highway and Bridge Maintenance

Foremen	\$	203,474	
Equipment Operators		344,346	
Laborers		284,342	
Contracts with Private Agencies		75,137	
Rentals		3,600	
Asphalt - Liquid		324,543	
Concrete		1,003	
Crushed Stone		515,888	
Fertilizer, Lime, and Seed		474	
Pipe		100,050	
Road Signs		11,537	
Small Tools		99	
Wood Products		16,775	
Other Supplies and Materials		271	
Total Highway and Bridge Maintenance			1,881,539

Operation and Maintenance of Equipment

Mechanic(s)	\$	160,012	
Maintenance and Repair Services - Buildings		19,288	
Maintenance and Repair Services - Equipment		39,388	
Diesel Fuel		150,513	
Equipment and Machinery Parts		151,864	
Garage Supplies		7,686	

(Continued)

Exhibit I-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Gasoline	\$	48,149	
Lubricants		15,827	
Small Tools		2,815	
Tires and Tubes		36,633	
Other Supplies and Materials		89	
Office Equipment		313	
Total Operation and Maintenance of Equipment			\$ 632,577

Other Charges

Liability Insurance	\$	114,736	
Premiums on Corporate Surety Bonds		1,029	
Trustee's Commission		49,627	
Workers' Compensation Insurance		72,440	
Total Other Charges			237,832

Employee Benefits

Social Security	\$	68,138	
State Retirement		61,931	
Employee and Dependent Insurance		257,408	
Life Insurance		408	
Employer Medicare		15,151	
Total Employee Benefits			403,036

Capital Outlay

Bridge Construction	\$	19,850	
Highway Construction		635,344	
Highway Equipment		191,457	
State Aid Projects		346,642	
Other Capital Outlay		59,420	
Total Capital Outlay			<u>1,252,713</u>

Total Highway/Public Works Fund \$ 4,560,930

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	122,000	
Principal on Notes		373,667	
Total General Government			\$ 495,667

(Continued)

Exhibit I-6

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$	577,174	
Interest on Notes		95,101	
Interest on Other Loans		42,384	
Total General Government		<u> </u>	\$ 714,659

Other Debt Service

General Government

Bank Charges	\$	4,765	
Trustee's Commission		8,022	
Underwriter's Discount		44,500	
Other Debt Issuance Charges		130,500	
Total General Government		<u> </u>	<u>187,787</u>

Total General Debt Service Fund \$ 1,398,113

General Capital Projects Fund

Capital Projects

Other General Government Projects

Site Development	\$	163	
Other Capital Outlay		7,800	
Total Other General Government Projects		<u> </u>	<u>\$ 7,963</u>

Total General Capital Projects Fund 7,963

Total Governmental Funds - Primary Government \$ 18,827,232

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, 2010

	Cities Sales Tax Fund	Special School District Fund	Total
<u>Cash Receipts</u>			
Local Option Sales Tax	\$ 3,798,838	\$ 4,128,405	\$ 7,927,243
Interstate Telecommunications Tax	0	3,967	3,967
City/School District Property Taxes:			
Current Property Tax	0	10,357,631	10,357,631
Prior Year's Property Tax	0	550,681	550,681
Interest and Penalty	0	67,107	67,107
Marriage Licenses	0	3,667	3,667
Total Cash Receipts	<u>\$ 3,798,838</u>	<u>\$ 15,111,458</u>	<u>\$ 18,910,296</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 3,760,850	\$ 14,838,383	\$ 18,599,233
Trustee's Commission	37,988	259,381	297,369
Total Cash Disbursements	<u>\$ 3,798,838</u>	<u>\$ 15,097,764</u>	<u>\$ 18,896,602</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ 13,694	\$ 13,694
Cash Balance, July 1, 2009	0	12,442	12,442
Cash Balance, June 30, 2010	<u>\$ 0</u>	<u>\$ 26,136</u>	<u>\$ 26,136</u>

SINGLE AUDIT SECTION



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

September 30, 2010

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, 2010, which collectively comprise a portion of Gibson County's basic financial statements and have issued our report thereon dated September 30, 2010. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 10.01 and 10.07.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 10.03, 10.06, and 10.08.

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 10.02, 10.04, and 10.05.

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,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb



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

September 30, 2010

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, 2010. 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, 2010.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Gibson County's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gibson County as of and for the year ended June 30, 2010, and have issued our report thereon dated September 30, 2010. 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.

Yours very truly,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Gibson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2010

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	N/A	\$ 12,412
Environmental Quality Incentives Program	10.912	N/A	12,411
Long-term Standing Agreements for Storage, Transportation, and Lease	10.999	N/A	62,412
Total U.S. Department of Agriculture			<u>\$ 87,235</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	\$ 9,000
Passed-through Office of Criminal Justice Programs:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	(2)	28,329
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	(2)	25,592
Total U.S. Department of Justice			<u>\$ 62,921</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(2)	\$ 3,775
Total U.S. Institute of Museum and Library Services			<u>\$ 3,775</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)	\$ 487,184
Total U.S. Department of Health and Human Services			<u>\$ 487,184</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	\$ 144,837
Homeland Security Grant Program	97.067	(2)	3,010
Total U.S. Department of Homeland Security			<u>\$ 147,847</u>
Total Expenditures of Federal Awards			<u>\$ 788,962</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	(2)	\$ 19,076
Homemaker and Personal Care Services - Northwest Tennessee Development District	N/A	(2)	34,471
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	14,432
Litter Program - State Department of Transportation	N/A	(2)	23,762
Waste Tire Collection Grant - State Department of Environment and Conservation	N/A	(2)	<u>35,469</u>
Total State Grants			<u>\$ 127,210</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, 2010

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, 2009, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.01	132	Gibson County does not have the resources to produce financial statements and notes to the financial statements
09.03	133	Government-wide financial statements did not include other postemployment benefits as required by generally accepted accounting principles
09.04	134	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>
09.05	134	The office did not deposit some funds within three days of collection

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.10	136	Duties were not segregated adequately in the Offices of Juvenile Court Clerk and Register

GIBSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

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 Special Programs for the Aging, Title III, Part B Grant (CFDA No. 93.044) was determined to be a major program.
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 10.01 **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 has 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 its 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 10.02 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. County officials stated they have no plans to obtain an actuarial valuation. 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. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. We believe the omission of this data is not material to the government-wide financial statements at June 30, 2010; however, in the future this omission will become material and will lead to a qualification of the auditor's report.

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 10.03 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 ROAD SUPERVISOR

FINDING 10.04 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES (Noncompliance Under Government Auditing Standards)**

System backups were not regularly stored off-site. Section 10-7-121, Tennessee Code Annotated, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system should be copied daily to storage media, and media more than one week old should be stored at an off-site location. 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.

RECOMMENDATION

Backups should be rotated off-site on a weekly basis. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe-deposit box at a local bank.

OFFICE OF JUVENILE COURT CLERK

FINDING 10.05 **THE OFFICE DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION (Noncompliance Under Government Auditing Standards)**

The juvenile court clerk did not deposit some 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 test of the mail-log revealed that, in five instances, collections were held in the office from four to 14 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.

OFFICE OF CLERK AND MASTER – HUMBOLDT

FINDING 10.06 **THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated a log that displayed changes made by users. Since this log provides the only audit trail of these changes, it should be systematically reviewed for inappropriate activity. During the audit period, management did not consistently review this log.

RECOMMENDATION

Management should be consistent in its review of the software audit log as a means of strengthening internal controls.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 10.07 **GIBSON COUNTY HAS A MATERIAL RECURRING AUDIT FINDING**
(Internal Control – Material Weakness Under Government Auditing Standards)

Gibson County has a material audit finding that has been reported in its annual financial reports for three or more consecutive years. This recurring material finding is listed below:

<u>Finding Numbers</u>	<u>Description</u>
10.01, 09.01, 08.04	Gibson County does not have the resources to produce financial statements and notes to the financial statements

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. The Local Government Modernization Act of 2005 in Section 9-3-405, Tennessee Code Annotated (TCA), encourages local governments to consider establishing an Audit Committee and further provides that the Comptroller may require that an Audit Committee be established in any local government that (1) is in noncompliance with the accounting and financial reporting standards required by the Governmental Accounting Standards Board, or (2) has recurring findings from the annual audit for three or more consecutive years as determined by the Comptroller to be a material weakness in internal control or material noncompliance under Government Auditing Standards. The responsibilities and duties of an Audit Committee are to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

Gibson County should establish an Audit Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics. This Audit Committee should provide management with guidance to correct all reported material weaknesses in internal control and material noncompliance. If this finding continues to recur, Gibson County may be required to establish an Audit Committee under the provisions of Section 9-3-405, TCA.

FINDING 10.08 **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 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 management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

BEST PRACTICE

A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAS NOT BEEN ADOPTED

Gibson County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of County Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Gibson County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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

There were no findings and questioned costs for federal programs.

**GIBSON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2010**

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