



**ANNUAL FINANCIAL REPORT
GIBSON COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2011



**ANNUAL FINANCIAL REPORT
GIBSON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2011**

***COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON***

***DIVISION OF COUNTY AUDIT
JAMES R. ARNETTE
Director***

***JAN PAGE, CPA, CFE
Audit Manager***

***HORACE B. WISEMAN, CGFM
Auditor 4***

***MICHAEL C. HULME, CPA, CGFM
SHAREE BREWER, CPA, CGFM, CFE
SHELBI TUCKER
ELISHA CROWELL, CFE
State Auditors***

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

GIBSON COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		5-6
<u>INTRODUCTORY SECTION</u>		7
Gibson County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-12
BASIC FINANCIAL STATEMENTS:		13
Government-wide Financial Statements:		
Statement of Net Assets	A	14
Statement of Activities	B	15-16
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	17-18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	21
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	22
Notes to the Financial Statements		23-44
REQUIRED SUPPLEMENTARY INFORMATION:		45
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	E-1	46-49
Highway/Public Works Fund	E-2	50
Schedule of Funding Progress – Pension Plan	E-3	51
Notes to the Required Supplementary Information		52
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		53
Nonmajor Governmental Funds:		54
Combining Balance Sheet	F-1	55

	Exhibit	Page(s)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	56
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Public Library Fund	F-3	57
Solid Waste/Sanitation Fund	F-4	58
Drug Control Fund	F-5	59
District Attorney General Fund	F-6	60
Major Governmental Fund:		61
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	62
Fiduciary Funds:		63
Combining Statement of Fiduciary Assets and Liabilities	H-1	64
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	65-66
Miscellaneous Schedules:		67
Schedule of Changes in Long-term Notes and Bonds	I-1	68
Schedule of Long-term Debt Requirements by Year	I-2	69
Schedule of Transfers	I-3	70
Schedule of Salaries and Official Bonds of Principal Officials	I-4	71
Schedule of Detailed Revenues – All Governmental Fund Types	I-5	72-77
Schedule of Detailed Expenditures – All Governmental Fund Types	I-6	78-101
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	I-7	102
 <u>SINGLE AUDIT SECTION</u>		 103
Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		104-106
Auditor’s Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133		107-109
Schedule of Expenditures of Federal Awards and State Grants		110-111
Schedule of Audit Findings Not Corrected		112
Schedule of Findings and Questioned Costs		113-120
Auditee Reporting Responsibilities		121

Audit Highlights
Annual Financial Report
Gibson County, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Gibson County as of and for the year ended June 30, 2011.

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 is qualified because an actuarial valuation of other postemployment benefits had not been performed. Our report on each major fund and the aggregate remaining fund information is unqualified.

Our audit resulted in six 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

- ◆ Government-wide financial statements did not include other postemployment benefits as required by generally accepted accounting principles.
- ◆ The General Fund required material audit adjustments for proper financial statement presentation.
- ◆ The office had not established a formal purchase order system.

OFFICE OF ROAD SUPERVISOR

- ◆ The Highway Department had deficiencies in the sale of scrap metal, resulting in a cash shortage of at least \$453.55.
 - ◆ The office had deficiencies in computer system backup procedures.
-

OFFICE OF REGISTER

- ◆ Duties were not segregated adequately in the office.
-

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, 2011

Officials

Tom Witherspoon, County Mayor
Carl Stoppenhagen, Road Supervisor
LeAnne Smith, Trustee
Gary Paschall, Assessor of Property
Joyce Brown, County Clerk
Janice Jones, Circuit and General Sessions Courts Clerk
Shonna Smith, Clerk and Master - Trenton
Amanda Brown, Clerk and Master - Humboldt
Hilda Patterson, Register
Charles Arnold, Sheriff

Board of County Commissioners

Tom Witherspoon, County Mayor, Chairman	Melvin Morris
Allen Barker	Wayne Morris
Lenford Carr	Sandra Moss
Cody Childress	Jim Overall
Jimmy Copous	Robert Shelton
Bobby Cotham	Marvin Sikes
Nelson Cunningham	Leon Smith
Mark Flake	Keith Steele
Larry Kimery	Greg Stone
Allen Leitherland	Valess Stults
James Longmire	Robin Summers
Michael Longmire	Bruce Williams
Nelson McLin	Coy Yergin

Highway Commission

Tom Witherspoon, County Mayor, Chairman
Lee Asbridge
Gerald Davis
Faye Hudson
Mark McGill
George Pounds

Audit Committee

Mitchell Bennett
Nolan Bradford
Ashley Johnson
Butch Shelton

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

October 3, 2011

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2011, 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, 2011, and the respective changes in financial position thereof for the year then ended.

As discussed in Note V.H., 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 Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The effects on the government-wide financial statements and note disclosures are not determinable since the actuarial valuation has not been performed; however, we do not believe the amount is material to the government-wide financial statements as of June 30, 2011.

In our opinion, except for the effects of not including OPEB information, as discussed in the previous paragraph, the financial statements referred to above present fairly, in all material aspects, the respective financial position of the governmental activities of Gibson County, Tennessee, as of June 30, 2011, 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.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of Gibson County, Tennessee, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2011, on our consideration of Gibson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in Note V.B., Gibson County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

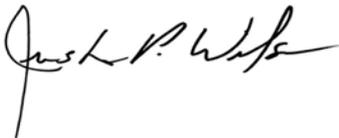
Management has omitted the management's discussion and analysis and OPEB funding information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial 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 52 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 as a whole. 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Gibson County, Tennessee
Statement of Net Assets
June 30, 2011

	<u>Primary Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 39,845
Equity in Pooled Cash and Investments	7,528,625
Accounts Receivable	3,511,900
Allowance for Uncollectibles	(1,756,295)
Due from Other Governments	1,187,483
Property Taxes Receivable	7,205,297
Allowance for Uncollectible Property Taxes	(264,621)
Deferred Charges - Debt Issuance Cost	162,447
Capital Assets:	
Assets Not Depreciated:	
Land	5,313,966
Construction in Progress	486,547
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	12,289,461
Infrastructure	15,608,241
Other Capital Assets	2,815,468
Total Assets	<u>\$ 54,128,364</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 130,484
Contracts Payable	466,985
Retainage Payable	10,484
Accrued Interest Payable	68,948
Deferred Revenue - Current Property Taxes	6,715,987
Noncurrent Liabilities:	
Due Within One Year	536,561
Due in More Than One Year	15,274,637
Total Liabilities	<u>\$ 23,204,086</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 20,896,130
Restricted for:	
Solid Waste/Sanitation	60,641
Drug Control	43,740
District Attorney General	92,691
Highway/Public Works	1,458,726
Debt Service	3,029,728
Airport Improvements	498,535
Health Department Additions	242,548
Other General Purposes	188,093
Unrestricted	4,413,446
Total Net Assets	<u>\$ 30,924,278</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, 2011

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	\$ 1,162,239	\$ 194,025	\$ 15,164	\$ 34,342	\$ (918,708)
Finance	1,222,447	1,063,508	0	0	(158,939)
Administration of Justice	1,657,514	946,005	9,000	0	(702,509)
Public Safety	5,043,866	621,780	427,450	124,962	(3,869,674)
Public Health and Welfare	2,881,558	2,961,904	322,876	499,860	903,082
Social, Cultural, and Recreational Services	656,365	61,025	352,535	0	(242,805)
Agriculture and Natural Resources	390,333	0	87,196	0	(303,137)
Other Operations	586,562	190,367	6,571	224,998	(164,626)
Highways	5,336,533	6,435	2,500,481	582,180	(2,247,437)
Interest on Long-term Debt	707,023	0	0	0	(707,023)
Other Debt Service	31,557	0	0	0	(31,557)
Total Governmental Activities	\$ 19,675,997	\$ 6,045,049	\$ 3,721,273	\$ 1,466,342	\$ (8,443,333)

(Continued)

Exhibit B

Gibson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 6,269,111	
Property Taxes Levied for Debt Service				554,014	
Local Option Sales Taxes				337,057	
Wheel Tax				1,445,710	
Business Tax				359,507	
Litigation Tax				193,734	
Other Local Taxes				109,268	
Grants and Contributions Not Restricted for Specific Programs				1,207,295	
Unrestricted Investment Income				141,630	
Miscellaneous				16,219	
Total General Revenues				<u>\$ 10,633,545</u>	
Change in Net Assets				\$ 2,190,212	
Net Assets, July 1, 2010				<u>28,734,066</u>	
Net Assets, June 30, 2011				<u>\$ 30,924,278</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, 2011

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway /	General Debt Service	Other Governmental Funds	Governmental Funds	
		Public Works				
\$	0 \$	0 \$	0 \$	0 \$	39,845 \$	39,845
	3,283,273	1,067,152	3,000,932	177,268	7,528,625	7,528,625
	3,501,413	420	255	9,812	3,511,900	3,511,900
	(1,756,295)	0	0	0	(1,756,295)	(1,756,295)
	210,708	888,416	78,367	9,992	1,187,483	1,187,483
	1,186	0	0	0	1,186	1,186
	5,672,255	919,825	613,217	0	7,205,297	7,205,297
	(208,319)	(33,781)	(22,521)	0	(264,621)	(264,621)
	\$ 10,704,221	\$ 2,842,032	\$ 3,670,250	\$ 236,917	\$ 17,453,420	

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Allowance for Uncollectibles
 Due from Other Governments
 Due from Other Funds
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities
 Accounts Payable
 Contracts Payable
 Retainage Payable
 Due to Other Funds
 Deferred Revenue - Current Property Taxes
 Deferred Revenue - Delinquent Property Taxes
 Other Deferred Revenues

Total Liabilities

(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		
	\$ 85,282	\$ 0	\$ 0	\$ 0	\$ 0	\$ 85,282
	79,223	0	0	92,691		171,914
	11,111	0	0	43,740		54,851
	69,293	0	0	0	0	69,293
	501,535	0	0	0	0	501,535
	0	49,212	0	0	0	49,212
	0	0	1,974,357	0	0	1,974,357
	0	0	0	38,659		38,659
	4,930	0	0	60,641		65,571
	56,446	0	0	0	0	56,446
	60,462	0	0	0	0	60,462
	0	1,203,827	0	0	0	1,203,827
	0	0	1,081,525	0	0	1,081,525
	2,605,017	0	0	0	0	2,605,017
	<u>\$ 3,473,299</u>	<u>\$ 1,253,039</u>	<u>\$ 3,055,882</u>	<u>\$ 235,731</u>	<u>\$</u>	<u>\$ 8,017,951</u>
	\$ 10,704,221	\$ 2,842,032	\$ 3,670,250	\$ 236,917	\$	\$ 17,453,420

LIABILITIES AND FUND BALANCES (Cont.)

<u>Fund Balances</u>	
<u>Restricted:</u>	
Restricted for General Government	
Restricted for Administration of Justice	
Restricted for Public Safety	
Restricted for Public Health and Welfare	
Restricted for Other Operations	
Restricted for Highways/Public Works	
Restricted for Debt Service	
<u>Committed:</u>	
Committed for General Government	
Committed for Public Health and Welfare	
Committed for Social, Cultural, and Recreational Services	
Committed for Other Operations	
Committed for Highways/Public Works	
Committed for Debt Service	
Unassigned	
<u>Total Fund Balances</u>	
<u>Total Liabilities and Fund Balances</u>	

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, 2011

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)		\$	8,017,951
(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: construction in progress		486,547	
Add: buildings and improvements net of accumulated depreciation		12,289,461	
Add: infrastructure net of accumulated depreciation		15,608,241	
Add: other capital assets net of accumulated depreciation		<u>2,815,468</u>	36,513,683
(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	\$	(1,302,000)	
Less: bonds payable		(14,478,000)	
Less: compensated absences payable		(31,198)	
Less: accrued interest on notes, capital leases, and bonds		(68,948)	
Add: deferred charges - debt issuance costs		<u>162,447</u>	(15,717,699)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>2,110,343</u>
Net assets of governmental activities (Exhibit A)		\$	<u>30,924,278</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, 2011

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 6,513,451	\$ 2,075,223	\$ 830,621	\$ 0	\$ 9,419,295
Licenses and Permits	89,738	0	0	0	89,738
Fines, Forfeitures, and Penalties	272,199	0	0	47,699	319,898
Charges for Current Services	2,838,457	3,950	0	144,831	2,987,238
Other Local Revenues	194,088	3,310	141,480	5,105	343,983
Fees Received from County Officials	1,671,747	0	0	0	1,671,747
State of Tennessee	1,776,137	2,672,792	715,863	34,310	5,199,102
Federal Government	774,073	398,544	0	0	1,172,617
Other Governments and Citizens Groups	96,768	6,528	0	24,005	127,301
Total Revenues	\$ 14,226,658	\$ 5,160,347	\$ 1,687,964	\$ 255,950	\$ 21,330,919
<u>Expenditures</u>					
Current:					
General Government	\$ 963,833	\$ 0	\$ 0	\$ 153,786	\$ 1,117,619
Finance	1,006,807	0	0	68,588	1,075,395
Administration of Justice	1,433,332	0	0	29,119	1,462,451
Public Safety	4,120,990	0	0	18,313	4,139,303
Public Health and Welfare	2,751,185	0	0	80,117	2,831,302
Social, Cultural, and Recreational Services	578,374	0	0	26,597	604,971
Agriculture and Natural Resources	324,216	0	0	0	324,216
Other Operations	2,005,019	0	0	0	2,005,019
Highways	0	5,233,319	0	0	5,233,319
Debt Service:					
Principal on Debt	0	0	516,666	0	516,666
Interest on Debt	0	0	711,790	0	711,790
Other Debt Service	0	0	24,173	0	24,173
Capital Projects	1,239	0	0	0	1,239
Total Expenditures	\$ 13,184,995	\$ 5,233,319	\$ 1,252,629	\$ 376,520	\$ 20,047,463
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,041,663	\$ (72,972)	\$ 435,335	\$ (120,570)	\$ 1,283,456
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	64,247	150,387	0	0	214,634
Transfers In	75,946	0	0	22,273	98,219
Transfers Out	(22,273)	0	0	(75,946)	(98,219)
Total Other Financing Sources (Uses)	\$ 117,920	\$ 150,387	\$ 0	\$ (53,673)	\$ 214,634
Net Change in Fund Balances	\$ 1,159,583	\$ 77,415	\$ 435,335	\$ (174,243)	\$ 1,498,090
Fund Balance, July 1, 2010	2,313,716	1,175,624	2,620,547	409,974	6,519,861
Fund Balance, June 30, 2011	\$ 3,473,299	\$ 1,253,039	\$ 3,055,882	\$ 235,731	\$ 8,017,951

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, 2011

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 1,498,090
(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	\$ 1,912,202	
Less: current year depreciation expense	<u>(2,239,744)</u>	(327,542)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: trade-in of capital assets		(32,947)
(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, 2011	\$ 2,110,343	
Less: deferred delinquent property taxes and other deferred June 30, 2010	<u>(1,575,053)</u>	535,290
(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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on notes	\$ 393,666	
Add: principal payments on bonds	123,000	
Less: change in deferred debt issuance cost	<u>(7,384)</u>	509,282
(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	\$ 4,767	
Change in compensated absences payable	<u>3,272</u>	<u>8,039</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 2,190,212</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, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,229,039
Equity in Pooled Cash and Investments	25,679
Accounts Receivable	5,338
Due from Other Governments	1,388,487
Taxes Receivable	11,933,124
Allowance for Uncollectible Taxes	<u>(437,029)</u>
Total Assets	<u>\$ 14,144,638</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 12,915,599
Due to Litigants, Heirs, and Others	<u>1,229,039</u>
Total Liabilities	<u>\$ 14,144,638</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, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gibson County's financial statements are presented in accordance with generally accepted accounting principles (GAAP), except for the aggregate discretely presented component unit. 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. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

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 special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

General Debt Service Fund – This fund accounts for 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 type:

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.

It is the county’s policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for

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

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. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Gibson County has adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.94 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.

Retainage payable in the General Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments.

3. Capital Assets

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

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	25 - 50
Other Capital Assets	5 - 10
Infrastructure:	
Roads	20
Bridges	15 - 30

4. Compensated Absences

It is the general policy of Gibson County, with the exception of the Highway Department, not to 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.

It is the county Highway Department's policy to permit 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, 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 fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted or committed (excluding stabilization arrangements). The county's Budget/Finance Committee is the authorized body to make assignments.

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

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

A. 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. 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.

At June 30, 2011, Gibson County reported the following significant encumbrances in the General Fund:

<u>Description</u>	<u>Amount</u>
Energy efficiency renovations	\$ 39,837
Health department additions	59,816
Airport improvements	498,535

B. Cash Shortage

The Office of Road Supervisor had a cash shortage of at least \$453.55. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

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 on the balance sheets or statements of net assets represents non-pooled 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, 2011.

B. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
<u>Capital Assets Not Depreciated:</u>				
Land	\$ 5,313,966	\$ 0	\$ 0	\$ 5,313,966
Construction in Progress	0	486,547	0	486,547
Total Capital Assets Not Depreciated	\$ 5,313,966	\$ 486,547	\$ 0	\$ 5,800,513
<u>Capital Assets Depreciated:</u>				
Buildings and Improvements	\$ 14,641,902	\$ 0	\$ 0	\$ 14,641,902
Roads and Bridges	28,891,203	948,572	0	29,839,775
Other Capital Assets	8,867,107	477,083	253,457	9,090,733
Total Capital Assets Depreciated	\$ 52,400,212	\$ 1,425,655	\$ 253,457	\$ 53,572,410

Governmental Activities (Cont.):

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,061,621	\$ 290,820	\$ 0	\$ 2,352,441
Roads and Bridges	12,988,494	1,243,040	0	14,231,534
Other Capital Assets	5,789,891	705,884	220,510	6,275,265
Total Accumulated Depreciation	<u>\$ 20,840,006</u>	<u>\$ 2,239,744</u>	<u>\$ 220,510</u>	<u>\$ 22,859,240</u>
Total Capital Assets Depreciated, Net	<u>\$ 31,560,206</u>	<u>\$ (814,089)</u>	<u>\$ 32,947</u>	<u>\$ 30,713,170</u>
Governmental Activities Capital Assets, Net	<u>\$ 36,874,172</u>	<u>\$ (327,542)</u>	<u>\$ 32,947</u>	<u>\$ 36,513,683</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	570,073
Public Health and Welfare	110,452
Social, Cultural, and Recreational Services	7,312
Agriculture and Natural Resources	3,484
Other Operations	65,111
Highway	<u>1,415,095</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,239,744</u>

C. Construction Commitments

On June 30, 2011, the General Fund had uncompleted construction contracts of \$598,188 for energy efficiency renovations (\$39,837), health department additions (\$59,816) and airport improvements (\$498,535). Funding for these future expenditures is expected to be received from federal grants.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 1,186

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.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following amounts:

Transfers Out	<u>Transfers In</u>	
	General Fund	Nonmajor Governmental Fund
General Fund	\$ 0	\$ 22,273
Nonmajor governmental fund	75,946	0
Total	<u>\$ 75,946</u>	<u>\$ 22,273</u>

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

E. Long-term Debt

General Obligation Bonds and Notes

The county issues general obligation bonds 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 and capital outlay notes 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, 2011, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
General Obligation Bonds	4 to 5.2 %	\$ 10,725,000	\$ 10,228,000
General Obligation Bonds - Refunding	3 to 4.3	4,450,000	4,250,000
Capital Outlay Notes	4.25 to 4.985	2,397,000	1,302,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2011, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2017-2021	3,046,000	2,623,912	5,669,912
2022-2026	3,847,000	1,893,908	5,740,908
2027-2031	4,345,000	945,975	5,290,975
2032-2033	1,855,000	120,161	1,975,161
Total	\$ 14,478,000	\$ 8,672,130	\$ 23,150,130

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 1,302,000	\$ 128,942	\$ 1,430,942

There is \$3,055,882 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$291, based on the 2010 federal census. Debt per capita, including bonds and notes totaled \$318 based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2010	\$ 14,601,000	\$ 1,695,666
Deductions	<u>(123,000)</u>	<u>(393,666)</u>
Balance, June 30, 2011	<u>\$ 14,478,000</u>	<u>\$ 1,302,000</u>
Balance Due Within One Year	<u>\$ 125,000</u>	<u>\$ 410,000</u>

	<u>Compensated Absences</u>
Balance, July 1, 2010	\$ 34,470
Additions	42,015
Deductions	<u>(45,287)</u>
Balance, June 30, 2011	<u>\$ 31,198</u>
Balance Due Within One Year	<u>\$ 1,561</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 15,811,198
Less: Balance Due Within One Year	<u>(536,561)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 15,274,637</u>

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

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 \$1,300,000 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
2009-10	\$ 63,199	\$ 862,968	\$ 863,167	\$ 63,000
2010-11	63,000	1,137,219	1,140,219	60,000

The year-end balance of \$60,000 is included in accounts payable in the General (\$20,000) and Highway/Public Works (\$40,000) 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. Accounting Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Gibson County has implemented provisions of this statement in the financial statements of this report for its governmental funds.

C. Subsequent Event

On September 12, 2011, Gibson County authorized the issuance of a tax anticipation note totaling \$1,000,000 for the General Fund.

D. Contingent Liabilities

The county attorney was not aware of any potential claims that were pending, which would materially affect the county's financial statements.

E. Changes in Administration

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.

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 five 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 five 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 their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 6.53 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, the county’s annual pension cost of \$466,095 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2009, 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), and (c) projected 3.5 percent annual increase in the Social Security wage base. 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 ten-year period. The 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, 2009, was 20 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
6-30-11	\$466,095	100%	\$ 0
6-30-10	417,142	100	0
6-30-09	410,890	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 million, and the actuarial value of assets was \$17 million, resulting in an

unfunded actuarial accrued liability (UAAL) of \$2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$7 million, and the ratio of the UAAL to the covered payroll was 35.20 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 actuarial accrued liability for benefits.

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

H. Other Postemployment Benefits (OPEB)

The Gibson County general government provides postemployment healthcare benefits through a self-insurance plan that allows pre-65 age retirees to remain in the plan at the active employees' rate if the retiree pays 100 percent of the premium; therefore, the county is providing an implicit rate subsidy. Gibson County did not obtain an actuarial valuation to determine the data necessary for the measurement, recognition, and display of other postemployment benefits necessary to prepare government-wide financial statements and note disclosures as required by Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. However, we believe the omission of this data is not material to the government-wide financial statements for the year ended June 30, 2011.

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 (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 6,513,451	\$ 0	\$ 6,513,451	\$ 6,263,838	\$ 6,263,838	\$ 249,613
Licenses and Permits	89,738	0	89,738	84,125	84,125	5,613
Fines, Forfeitures, and Penalties	272,199	0	272,199	251,345	261,845	10,354
Charges for Current Services	2,838,457	0	2,838,457	2,486,865	2,488,872	349,585
Other Local Revenues	194,088	0	194,088	363,632	178,283	15,805
Fees Received from County Officials	1,671,747	0	1,671,747	1,182,805	1,550,757	120,990
State of Tennessee	1,776,137	0	1,776,137	1,679,696	2,297,056	(520,919)
Federal Government	774,073	0	774,073	274,665	1,034,665	(260,592)
Other Governments and Citizens Groups	96,768	0	96,768	110,436	117,342	(20,574)
Total Revenues	\$ 14,226,658	\$ 0	\$ 14,226,658	\$ 12,697,407	\$ 14,276,783	\$ (50,125)
Expenditures						
General Government						
County Commission	\$ 35,778	\$ 0	\$ 35,778	\$ 34,802	\$ 39,377	\$ 3,599
Board of Equalization	1,500	0	1,500	1,615	1,615	115
County Mayor/Executive	173,795	0	173,795	174,088	176,122	2,327
County Attorney	34,819	0	34,819	35,200	35,200	381
Election Commission	188,334	0	188,334	197,704	197,704	9,370
Register of Deeds	41,103	0	41,103	238,531	71,497	30,394
Development	53,961	0	53,961	57,627	57,627	3,666
County Buildings	433,250	39,837	473,087	393,479	547,235	74,148
Other Facilities	1,293	0	1,293	2,800	2,800	1,507
Finance						
Accounting and Budgeting	52,439	0	52,439	50,706	52,439	0
Property Assessor's Office	266,563	0	266,563	268,302	268,011	1,448

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
Reappraisal Program	\$ 47,775	\$ 0	\$ 47,775	\$ 49,480	\$ 49,480	\$ 1,705
County Trustee's Office	222,680	0	222,680	221,690	222,843	163
County Clerk's Office	417,350	0	417,350	66,550	436,979	19,629
<u>Administration of Justice</u>						
Circuit Court	353,486	0	353,486	345,288	355,006	1,520
General Sessions Court	210,224	0	210,224	213,282	213,482	3,258
Drug Court	26,058	0	26,058	29,852	29,852	3,794
Chancery Court	244,627	0	244,627	247,418	247,418	2,791
Juvenile Court	216,283	0	216,283	226,349	226,348	10,065
Juvenile Court Clerk	26,248	0	26,248	26,277	26,277	29
Other Administration of Justice	314,743	0	314,743	314,291	336,958	22,215
Victims Assistance Programs	41,663	0	41,663	30,300	42,084	421
<u>Public Safety</u>						
Sheriff's Department	1,883,598	0	1,883,598	1,845,056	1,933,553	49,955
Jail	1,828,574	0	1,828,574	1,947,957	1,922,957	94,383
Juvenile Services	9,557	0	9,557	9,580	9,580	23
Fire Prevention and Control	143,466	0	143,466	161,367	162,487	19,021
Rural Fire Protection	332	0	332	40,900	40,900	40,568
Civil Defense	130,457	0	130,457	150,802	157,460	27,003
Other Emergency Management	85,272	0	85,272	121,519	121,519	36,247
County Coroner/Medical Examiner	39,734	0	39,734	44,700	44,700	4,966
<u>Public Health and Welfare</u>						
Local Health Center	108,885	0	108,885	113,750	113,750	4,865
Rabies and Animal Control	61,672	0	61,672	62,757	63,757	2,085

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Ambulance/Emergency Medical Services	\$ 2,030,813	\$ 0	\$ 2,030,813	\$ 2,102,068	\$ 2,102,068	\$ 71,255
Alcohol and Drug Programs	5,000	0	5,000	5,000	5,000	0
Crippled Children Services	2,859	0	2,859	2,859	2,859	0
Other Local Health Services	258,812	59,816	318,628	2,250	502,110	183,482
General Welfare Assistance	1,500	0	1,500	1,500	1,500	0
Other Local Welfare Services	13,875	0	13,875	13,875	13,875	0
Sanitation Education/Information	41,850	0	41,850	44,390	44,390	2,540
Other Public Health and Welfare	225,919	0	225,919	288,298	302,798	76,879
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	403,944	0	403,944	620,459	624,066	220,122
Libraries	150,017	0	150,017	157,677	181,447	31,430
Parks and Fair Boards	23,413	0	23,413	20,403	23,473	60
Other Social, Cultural, and Recreational	1,000	0	1,000	1,000	1,000	0
<u>Agriculture and Natural Resources</u>						
Agriculture Extension Service	133,002	0	133,002	114,862	137,233	4,231
Soil Conservation	108,894	0	108,894	109,497	109,497	603
Flood Control	82,320	0	82,320	35,055	87,375	5,055
<u>Other Operations</u>						
Tourism	20,736	0	20,736	21,336	21,336	600
Industrial Development	11,590	0	11,590	7,500	20,500	8,910
Other Economic and Community Development	59,741	0	59,741	55,000	65,000	5,259
Airport	346,082	498,535	844,617	114,565	866,566	21,949
Veterans' Services	43,381	0	43,381	47,862	47,862	4,481
Other Charges	577,193	0	577,193	597,080	616,579	39,386

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Other Operations (Cont.)</u>						
Contributions to Other Agencies	\$ 26,861	\$ 0	\$ 26,861	\$ 39,900	\$ 39,900	\$ 13,039
Employee Benefits	859,699	0	859,699	750,872	860,447	748
ARRA Grant # 1	36,736	0	36,736	49,818	49,818	13,082
Miscellaneous	23,000	0	23,000	57,774	23,000	0
<u>Capital Projects</u>						
Other General Government Projects	1,239	0	1,239	2,507	2,507	1,268
Total Expenditures	\$ 13,184,995	\$ 598,188	\$ 13,783,183	\$ 12,987,426	\$ 14,959,223	\$ 1,176,040
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 1,041,663	\$ (598,188)	\$ 443,475	\$ (290,019)	\$ (682,440)	\$ 1,125,915
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 64,247	\$ 0	\$ 64,247	\$ 0	\$ 49,110	\$ 15,137
Transfers In	75,946	0	75,946	77,500	77,500	(1,554)
Transfers Out	(22,273)	0	(22,273)	(22,273)	(22,273)	0
Total Other Financing Sources (Uses)	\$ 117,920	\$ 0	\$ 117,920	\$ 55,227	\$ 104,337	\$ 13,583
Net Change in Fund Balance	\$ 1,159,583	\$ (598,188)	\$ 561,395	\$ (234,792)	\$ (578,103)	\$ 1,139,498
Fund Balance, July 1, 2010	2,313,716	0	2,313,716	1,218,478	1,218,478	1,095,238
Fund Balance, June 30, 2011	\$ 3,473,299	\$ (598,188)	\$ 2,875,111	\$ 983,686	\$ 640,375	\$ 2,234,736

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,075,223	\$ 2,053,842	\$ 2,053,842	\$ 21,381
Charges for Current Services	3,950	5,000	5,000	(1,050)
Other Local Revenues	3,310	12,750	12,750	(9,440)
State of Tennessee	2,672,792	2,898,173	2,898,173	(225,381)
Federal Government	398,544	450,000	450,000	(51,456)
Other Governments and Citizens Groups	6,528	0	0	6,528
Total Revenues	<u>\$ 5,160,347</u>	<u>\$ 5,419,765</u>	<u>\$ 5,419,765</u>	<u>\$ (259,418)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 155,759	\$ 160,003	\$ 160,003	\$ 4,244
Highway and Bridge Maintenance	1,931,164	2,070,735	2,070,735	139,571
Operation and Maintenance of Equipment	684,708	733,990	733,990	49,282
Other Charges	225,286	261,200	261,200	35,914
Employee Benefits	609,271	408,150	653,594	44,323
Capital Outlay	1,627,131	2,008,980	2,008,981	381,850
Total Expenditures	<u>\$ 5,233,319</u>	<u>\$ 5,643,058</u>	<u>\$ 5,888,503</u>	<u>\$ 655,184</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (72,972)</u>	<u>\$ (223,293)</u>	<u>\$ (468,738)</u>	<u>\$ 395,766</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 150,387	\$ 0	\$ 148,707	\$ 1,680
Total Other Financing Sources (Uses)	<u>\$ 150,387</u>	<u>\$ 0</u>	<u>\$ 148,707</u>	<u>\$ 1,680</u>
Net Change in Fund Balance	\$ 77,415	\$ (223,293)	\$ (320,031)	\$ 397,446
Fund Balance, July 1, 2010	<u>1,175,624</u>	<u>670,574</u>	<u>670,574</u>	<u>505,050</u>
Fund Balance, June 30, 2011	<u>\$ 1,253,039</u>	<u>\$ 447,281</u>	<u>\$ 350,543</u>	<u>\$ 902,496</u>

Exhibit E-3

Gibson County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2011

(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	92.90 %	\$ 6,524	18.18 %
7-1-09	16,606	19,052	2,446	87.16	6,947	35.20

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 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, 2011

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.

At June 30, 2011, Gibson County reported the following significant encumbrances in the General Fund.

<u>Description</u>	<u>Amount</u>
Energy efficiency renovations	\$ 39,837
Health department additions	59,816
Airport improvements	498,535

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Public Library Fund – The Public Library Fund was used to account for transactions of the Gibson County Public Library, which is jointly funded by Gibson County and the City of Trenton. This fund was closed during the 2010-11 year.

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.

Exhibit F-1

Gibson County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
\$	0 \$	0 \$	0 \$	39,845 \$		39,845
	41,783	43,638	91,847	0		177,268
	9,710	102	0	0		9,812
	9,148	0	844	0		9,992
\$	60,641 \$	43,740 \$	92,691 \$	39,845 \$		236,917

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	0 \$	0 \$	0 \$	1,186 \$		1,186
Total Liabilities	0 \$	0 \$	0 \$	1,186 \$		1,186
<u>Fund Balances</u>						
Restricted:						
Restricted for Administration of Justice	0 \$	0 \$	92,691 \$	0 \$		92,691
Restricted for Public Safety	0	43,740	0	0		43,740
Committed:						
Committed for General Government	0	0	0	38,659		38,659
Committed for Public Health and Welfare	60,641	0	0	0		60,641
Total Fund Balances	60,641 \$	43,740 \$	92,691 \$	38,659 \$		235,731
Total Liabilities and Fund Balances	60,641 \$	43,740 \$	92,691 \$	39,845 \$		236,917

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, 2011

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 0 \$	0 \$	22,916 \$	24,783 \$	0 \$	0 \$	47,699
Charges for Current Services	1,206	5,447	210	0	137,968		144,831
Other Local Revenues	3,553	1,552	0	0	0	0	5,105
State of Tennessee	0	34,310	0	0	0	0	34,310
Other Governments and Citizens Groups	0	24,005	0	0	0	0	24,005
Total Revenues	\$ 4,759 \$	65,314 \$	23,126 \$	24,783 \$	137,968 \$		255,950
<u>Expenditures</u>							
Current:							
General Government	\$ 0 \$	0 \$	0 \$	0 \$	153,786 \$		153,786
Finance	0	0	0	0	68,588		68,588
Administration of Justice	0	0	0	22,119	7,000		29,119
Public Safety	0	0	18,313	0	0		18,313
Public Health and Welfare	0	80,117	0	0	0		80,117
Social, Cultural, and Recreational Services	26,597	0	0	0	0		26,597
Total Expenditures	\$ 26,597 \$	80,117 \$	18,313 \$	22,119 \$	229,374 \$		376,520
Excess (Deficiency) of Revenues Over Expenditures	\$ (21,838) \$	(14,803) \$	4,813 \$	2,664 \$	(91,406) \$		(120,570)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0 \$	22,273 \$	0 \$	0 \$	0 \$		22,273
Transfers Out	(75,946)	0	0	0	0		(75,946)
Total Other Financing Sources (Uses)	\$ (75,946) \$	22,273 \$	0 \$	0 \$	0 \$		(53,673)
Net Change in Fund Balances	\$ (97,784) \$	7,470 \$	4,813 \$	2,664 \$	(91,406) \$		(174,243)
Fund Balance, July 1, 2010	97,784	53,171	38,927	90,027	130,065		409,974
Fund Balance, June 30, 2011	\$ 0 \$	60,641 \$	43,740 \$	92,691 \$	38,659 \$		235,731

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,206	\$ 1,206	\$ 1,206	\$ 0
Other Local Revenues	3,553	3,553	3,553	0
Total Revenues	<u>\$ 4,759</u>	<u>\$ 4,759</u>	<u>\$ 4,759</u>	<u>\$ 0</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 26,597	\$ 26,597	\$ 26,597	\$ 0
Total Expenditures	<u>\$ 26,597</u>	<u>\$ 26,597</u>	<u>\$ 26,597</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (21,838)</u>	<u>\$ (21,838)</u>	<u>\$ (21,838)</u>	<u>\$ 0</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (75,946)	\$ (75,946)	\$ (75,946)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (75,946)</u>	<u>\$ (75,946)</u>	<u>\$ (75,946)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (97,784)	\$ (97,784)	\$ (97,784)	\$ 0
Fund Balance, July 1, 2010	<u>97,784</u>	<u>97,784</u>	<u>97,784</u>	<u>0</u>
Fund Balance, June 30, 2011	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 5,447	\$ 6,000	\$ 6,000	\$ (553)
Other Local Revenues	1,552	400	400	1,152
State of Tennessee	34,310	44,000	44,000	(9,690)
Other Governments and Citizens Groups	24,005	24,004	24,004	1
Total Revenues	<u>\$ 65,314</u>	<u>\$ 74,404</u>	<u>\$ 74,404</u>	<u>\$ (9,090)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 44,153	\$ 46,277	\$ 46,277	\$ 2,124
Other Waste Disposal	35,964	44,000	44,000	8,036
Total Expenditures	<u>\$ 80,117</u>	<u>\$ 90,277</u>	<u>\$ 90,277</u>	<u>\$ 10,160</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (14,803)</u>	<u>\$ (15,873)</u>	<u>\$ (15,873)</u>	<u>\$ 1,070</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 22,273	\$ 22,273	\$ 22,273	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 22,273</u>	<u>\$ 22,273</u>	<u>\$ 22,273</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 7,470	\$ 6,400	\$ 6,400	\$ 1,070
Fund Balance, July 1, 2010	<u>53,171</u>	<u>44,380</u>	<u>44,380</u>	<u>8,791</u>
Fund Balance, June 30, 2011	<u>\$ 60,641</u>	<u>\$ 50,780</u>	<u>\$ 50,780</u>	<u>\$ 9,861</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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 22,916	\$ 6,600	\$ 6,600	\$ 16,316
Charges for Current Services	210	1,000	1,000	(790)
Total Revenues	<u>\$ 23,126</u>	<u>\$ 7,600</u>	<u>\$ 7,600</u>	<u>\$ 15,526</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 18,313	\$ 22,600	\$ 22,600	\$ 4,287
Total Expenditures	<u>\$ 18,313</u>	<u>\$ 22,600</u>	<u>\$ 22,600</u>	<u>\$ 4,287</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,813	\$ (15,000)	\$ (15,000)	\$ 19,813
Net Change in Fund Balance	\$ 4,813	\$ (15,000)	\$ (15,000)	\$ 19,813
Fund Balance, July 1, 2010	<u>38,927</u>	<u>40,238</u>	<u>40,238</u>	<u>(1,311)</u>
Fund Balance, June 30, 2011	<u>\$ 43,740</u>	<u>\$ 25,238</u>	<u>\$ 25,238</u>	<u>\$ 18,502</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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 24,783	\$ 19,500	\$ 19,500	\$ 5,283
Total Revenues	\$ 24,783	\$ 19,500	\$ 19,500	\$ 5,283
<u>Expenditures</u>				
<u>Administration of Justice</u>				
District Attorney General	\$ 22,119	\$ 30,050	\$ 30,050	\$ 7,931
Total Expenditures	\$ 22,119	\$ 30,050	\$ 30,050	\$ 7,931
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,664	\$ (10,550)	\$ (10,550)	\$ 13,214
Net Change in Fund Balance	\$ 2,664	\$ (10,550)	\$ (10,550)	\$ 13,214
Fund Balance, July 1, 2010	90,027	77,264	77,264	12,763
Fund Balance, June 30, 2011	\$ 92,691	\$ 66,714	\$ 66,714	\$ 25,977

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 830,621	\$ 826,058	\$ 826,058	\$ 4,563
Other Local Revenues	141,480	164,000	164,000	(22,520)
State of Tennessee	715,863	500,000	500,000	215,863
Total Revenues	<u>\$ 1,687,964</u>	<u>\$ 1,490,058</u>	<u>\$ 1,490,058</u>	<u>\$ 197,906</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 516,666	\$ 516,666	\$ 516,666	\$ 0
<u>Interest on Debt</u>				
General Government	711,790	711,790	711,790	0
<u>Other Debt Service</u>				
General Government	24,173	24,480	24,480	307
Total Expenditures	<u>\$ 1,252,629</u>	<u>\$ 1,252,936</u>	<u>\$ 1,252,936</u>	<u>\$ 307</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 435,335</u>	<u>\$ 237,122</u>	<u>\$ 237,122</u>	<u>\$ 198,213</u>
Net Change in Fund Balance	\$ 435,335	\$ 237,122	\$ 237,122	\$ 198,213
Fund Balance, July 1, 2010	<u>2,620,547</u>	<u>2,997,630</u>	<u>2,997,630</u>	<u>(377,083)</u>
Fund Balance, June 30, 2011	<u><u>\$ 3,055,882</u></u>	<u><u>\$ 3,234,752</u></u>	<u><u>\$ 3,234,752</u></u>	<u><u>\$ (178,870)</u></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, 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, 2011

	Agency Funds					Total
	Cities - Sales Tax	Watershed District	Special School District	Constitu- tional Officers - Agency		
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 1,229,039	\$ 1,229,039	
Equity in Pooled Cash and Investments	0	5,977	19,702	0	25,679	
Accounts Receivable	0	0	5,338	0	5,338	
Due from Other Governments	664,166	0	724,321	0	1,388,487	
Taxes Receivable	0	0	11,933,124	0	11,933,124	
Allowance for Uncollectible Taxes	0	0	(437,029)	0	(437,029)	
Total Assets	\$ 664,166	\$ 5,977	\$ 12,245,456	\$ 1,229,039	\$ 14,144,638	
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 664,166	\$ 5,977	\$ 12,245,456	\$ 0	\$ 12,915,599	
Due to Litigants, Heirs, and Others	0	0	0	1,229,039	1,229,039	
Total Liabilities	\$ 664,166	\$ 5,977	\$ 12,245,456	\$ 1,229,039	\$ 14,144,638	

Exhibit H-2

Gibson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,914,221	\$ 3,914,221	\$ 0
Due from Other Governments	648,880	664,166	648,880	664,166
Total Assets	\$ 648,880	\$ 4,578,387	\$ 4,563,101	\$ 664,166
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 648,880	\$ 4,578,387	\$ 4,563,101	\$ 664,166
Total Liabilities	\$ 648,880	\$ 4,578,387	\$ 4,563,101	\$ 664,166
<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	\$ 26,136	\$ 15,513,222	\$ 15,519,656	\$ 19,702
Accounts Receivable	3,031	5,338	3,031	5,338
Due from Other Governments	719,590	724,321	719,590	724,321
Taxes Receivable	11,530,851	11,933,124	11,530,851	11,933,124
Allowance for Uncollectible Taxes	(423,383)	(437,029)	(423,383)	(437,029)
Total Assets	\$ 11,856,225	\$ 27,738,976	\$ 27,349,745	\$ 12,245,456
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 11,856,225	\$ 27,738,976	\$ 27,349,745	\$ 12,245,456
Total Liabilities	\$ 11,856,225	\$ 27,738,976	\$ 27,349,745	\$ 12,245,456

(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	\$ 1,635,477	\$ 7,688,687	\$ 8,095,125	\$ 1,229,039
Total Assets	\$ 1,635,477	\$ 7,688,687	\$ 8,095,125	\$ 1,229,039
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,635,477	\$ 7,688,687	\$ 8,095,125	\$ 1,229,039
Total Liabilities	\$ 1,635,477	\$ 7,688,687	\$ 8,095,125	\$ 1,229,039
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,635,477	\$ 7,688,687	\$ 8,095,125	\$ 1,229,039
Equity in Pooled Cash and Investments	32,113	19,427,443	19,433,877	25,679
Accounts Receivable	3,031	5,338	3,031	5,338
Due from Other Governments	1,368,470	1,388,487	1,368,470	1,388,487
Taxes Receivable	11,530,851	11,933,124	11,530,851	11,933,124
Allowance for Uncollectible Taxes	(423,383)	(437,029)	(423,383)	(437,029)
Total Assets	\$ 14,146,559	\$ 40,006,050	\$ 40,007,971	\$ 14,144,638
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 12,511,082	\$ 32,317,363	\$ 31,912,846	\$ 12,915,599
Due to Litigants, Heirs, and Others	1,635,477	7,688,687	8,095,125	1,229,039
Total Liabilities	\$ 14,146,559	\$ 40,006,050	\$ 40,007,971	\$ 14,144,638

MISCELLANEOUS SCHEDULES

Exhibit I-1

Gibson County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Paid and/or	
						Matured During Period	Outstanding 6-30-11
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	\$ 1,275,000	\$ 295,000	\$ 980,000
Patrol Cars/Ambulance	221,000	3.95	10-25-07	10-25-10	73,666	73,666	0
Industrial Park Property	397,000	4.985	3-31-08	4-1-15	347,000	25,000	322,000
Total Notes Payable					\$ 1,695,666	\$ 393,666	\$ 1,302,000
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	\$ 551,000	\$ 23,000	\$ 528,000
General Obligation, Series 2004	10,000,000	4 to 4.65	9-16-04	6-1-29	9,700,000	0	9,700,000
General Obligation Refunding, Series 2009	4,450,000	3 to 4.3	10-1-09	6-1-33	4,350,000	100,000	4,250,000
Total Bonds Payable					\$ 14,601,000	\$ 123,000	\$ 14,478,000

Exhibit I-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 1,302,000	\$ 128,942	\$ 1,430,942

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	\$ 14,478,000	\$ 8,672,130	\$ 23,150,130

Exhibit I-3

Gibson County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2011

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Public Library	General	To close fund	\$ 75,946
General	Solid Waste/Sanitation	Operations	22,273
Total Transfers			<u>\$ 98,219</u>

Exhibit I-4

Gibson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
For the Year Ended June 30, 2011

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Joe Shepard (7-1-10 through 8-31-10)	Section 8-24-102, TCA, and Chapter 111, Private Acts of 1929	\$ 13,542	\$ 50,000	RLI Insurance Company
Tom Witherspoon (9-1-10 through 6-30-11)	Section 8-24-102, TCA, and Chapter 111, Private Acts of 1929	67,712	50,000	"
Road Supervisor	Section 8-24-102, TCA	75,779	100,000	"
Trustee	Section 8-24-102, TCA	63,954	1,044,330	"
Assessor of Property	Section 8-24-102, TCA	63,954	10,000	"
County Clerk:				
Diane Taylor (7-1-10 through 8-31-10)	Section 8-24-102, TCA	10,659	50,000	"
Joyce Brown (9-1-10 through 6-30-11)	Section 8-24-102, TCA	53,295	50,000	"
Circuit Court Clerk	Section 8-24-102, TCA	63,954	50,000	"
Juvenile Court Clerk (7-1-10 through 8-31-10)	Section 8-24-102, TCA	10,659 (4)	50,000	"
Clerk and Master - Trenton	Section 8-24-102, TCA	63,954 (1)	65,000	"
Clerk and Master - Humboldt	Section 8-24-102, TCA	63,954 (2)	65,000	"
Register	Section 8-24-102, TCA	63,954	25,000	"
Sheriff	Section 8-24-102, TCA and County Commission	77,385 (3)	25,000	"
Employee Blanket Bonds:				
All Employees			150,000	Local Government Property and Casualty Fund

(1) Does not include special commissioner fees of \$3,666.

(2) Does not include special commissioner fees of \$2,861.

(3) Includes \$7,035 for supervising the county workhouse. Does not include a training supplement of \$600 and a clothing allowance of \$400.

(4) Effective September 1, 2010, the functions of this office were transferred to the Office of County Clerk.

Exhibit I-5

Gibson County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2011

	Special Revenue Funds							Debt Service Fund	Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works		
Local Taxes									
<u>County Property Taxes</u>									
Current Property Tax	\$ 5,094,636	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 826,158	\$ 550,771	\$ 6,471,565
Trustee's Collections - Prior Year	176,755	0	0	0	0	0	34,701	0	211,456
Trustee's Collections - Bankruptcy	3,260	0	0	0	0	0	672	383	4,315
Circuit/Clerk & Master Collections - Prior Years	91,189	0	0	0	0	0	18,311	1,643	111,143
Interest and Penalty	35,484	0	0	0	0	0	6,702	1,217	43,403
Payments in-Lieu-of Taxes - T.V.A.	83	0	0	0	0	0	14	9	106
Payments in-Lieu-of Taxes - Local Utilities	66,590	0	0	0	0	0	10,658	7,602	84,850
Payments in-Lieu-of Taxes - Other	3,366	0	0	0	0	0	546	364	4,276
<u>County Local Option Taxes</u>									
Local Option Sales Tax	0	0	0	0	0	0	341,073	0	341,073
Hotel/Motel Tax	25,638	0	0	0	0	0	0	0	25,638
Wheel Tax	413,061	0	0	0	0	0	826,118	206,531	1,445,710
Litigation Tax - General	121,360	0	0	0	0	0	0	0	121,360
Litigation Tax - Special Purpose	19,949	0	0	0	0	0	0	0	19,949
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	52,425	52,425
Business Tax	359,507	0	0	0	0	0	0	0	359,507
<u>Statutory Local Taxes</u>									
Bank Excise Tax	19,353	0	0	0	0	0	9,676	9,676	38,705
Wholesale Beer Tax	82,626	0	0	0	0	0	0	0	82,626
Interstate Telecommunications Tax	594	0	0	0	0	0	594	0	1,188
Total Local Taxes	\$ 6,513,451	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,075,223	\$ 830,621	\$ 9,419,295
Licenses and Permits									
<u>Licenses</u>									
Animal Vaccination	\$ 10,010	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,010
Cable TV Franchise	50,743	0	0	0	0	0	0	0	50,743
<u>Permits</u>									
Beer Permits	831	0	0	0	0	0	0	0	831
Building Permits	28,154	0	0	0	0	0	0	0	28,154
Total Licenses and Permits	\$ 89,738	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 89,738

(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>Circuit Court</u>												
Fines	\$ 4,585	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,585
Officers Costs	10,326	0	0	0	0	0	0	0	0	0	0	10,326
Drug Control Fines	0	0	0	1,094	0	0	0	0	0	0	0	1,094
Drug Court Fees	1,183	0	0	0	0	0	0	0	0	0	0	1,183
Jail Fees	8,688	0	0	0	0	0	0	0	0	0	0	8,688
District Attorney General Fees	0	0	0	0	1,302	0	0	0	0	0	0	1,302
DUI Treatment Fines	936	0	0	0	0	0	0	0	0	0	0	936
Data Entry Fee - Circuit Court	620	0	0	0	0	0	0	0	0	0	0	620
Courtroom Security Fee	38	0	0	0	0	0	0	0	0	0	0	38
Victims Assistance Assessments	4,041	0	0	0	0	0	0	0	0	0	0	4,041
<u>General Sessions Court</u>												
Fines	9,631	0	0	0	0	0	0	0	0	0	0	9,631
Officers Costs	29,376	0	0	0	0	0	0	0	0	0	0	29,376
Game and Fish Fines	234	0	0	0	0	0	0	0	0	0	0	234
Drug Control Fines	0	0	0	2,042	0	0	0	0	0	0	0	2,042
Drug Court Fees	2,639	0	0	0	0	0	0	0	0	0	0	2,639
Jail Fees	11,370	0	0	0	0	0	0	0	0	0	0	11,370
District Attorney General Fees	0	0	0	0	4,924	0	0	0	0	0	0	4,924
DUI Treatment Fines	3,274	0	0	0	0	0	0	0	0	0	0	3,274
Data Entry Fee - General Sessions Court	5,520	0	0	0	0	0	0	0	0	0	0	5,520
Courtroom Security Fee	1,983	0	0	0	0	0	0	0	0	0	0	1,983
Victims Assistance Assessments	16,208	0	0	0	0	0	0	0	0	0	0	16,208
<u>Juvenile Court</u>												
Fines	5,834	0	0	0	0	0	0	0	0	0	0	5,834
Officers Costs	9,921	0	0	0	0	0	0	0	0	0	0	9,921
Data Entry Fee - Juvenile Court	647	0	0	0	0	0	0	0	0	0	0	647
<u>Chancery Court</u>												
Officers Costs	3,889	0	0	0	0	0	0	0	0	0	0	3,889
Data Entry Fee - Chancery Court	2,532	0	0	0	0	0	0	0	0	0	0	2,532
Courtroom Security Fee	741	0	0	0	0	0	0	0	0	0	0	741

(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>									
<u>Other Courts - In-county</u>									
Fines	\$ 10,265	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,265
Officers Costs	48,820	0	0	0	0	0	0	0	48,820
Drug Control Fines	119	0	0	7,451	0	0	0	0	7,570
Drug Court Fees	3,250	0	0	0	0	0	0	0	3,250
Jail Fees	37,293	0	0	0	0	0	0	0	37,293
District Attorney General Fees	0	0	0	0	11,685	0	0	0	11,685
DUI Treatment Fines	7,644	0	0	517	0	0	0	0	8,161
<u>Courts in Other District Counties</u>									
District Attorney General Fees	0	0	0	0	6,872	0	0	0	6,872
<u>Judicial District Drug Program</u>									
Data Entry Fee - Other Courts	4,960	0	0	0	0	0	0	0	4,960
Courtroom Security Fee	1,152	0	0	0	0	0	0	0	1,152
Victims Assistance Assessments	24,326	0	0	0	0	0	0	0	24,326
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	0	11,812	0	0	0	0	11,812
Other Fines, Forfeitures, and Penalties	154	0	0	0	0	0	0	0	154
Total Fines, Forfeitures, and Penalties	\$ 272,199	\$ 0	\$ 0	\$ 22,916	\$ 24,783	\$ 0	\$ 0	\$ 0	\$ 319,898
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Tipping Fees	\$ 0	\$ 0	\$ 5,447	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,447
Patient Charges	2,612,554	0	0	0	0	0	0	0	2,612,554
Other General Service Charges	6,730	0	0	0	0	0	0	0	6,730
Service Charges	48,394	0	0	210	0	0	0	0	48,604
<u>Fees</u>									
Airport Fees	96,638	0	0	0	0	0	0	0	96,638
Recreation Fees	922	0	0	0	0	0	0	0	922
Copy Fees	130	0	0	0	0	0	0	0	130
Library Fees	5,419	1,206	0	0	0	0	0	0	6,625
Telephone Commissions	37,594	0	0	0	0	0	0	0	37,594

(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	
Charges for Current Services (Cont.)								
<u>Fees (Cont.)</u>								
Vending Machine Collections	\$ 518	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,950	\$ 0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	137,968	0	0
Data Processing Fee - Register	15,676	0	0	0	0	0	0	0
Data Processing Fee - Sheriff	11,345	0	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,943	0	0	0	0	0	0	0
Data Processing Fee - County Clerk	594	0	0	0	0	0	0	0
Total Charges for Current Services	\$ 2,838,457	\$ 1,206	\$ 5,447	\$ 210	\$ 0	\$ 137,968	\$ 3,950	\$ 0
Other Local Revenues								
<u>Recurring Items</u>								
Investment Income	\$ 0	\$ 150	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 141,480
Lease/Rentals	101,129	0	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	2,485	0
Commissary Sales	41,031	0	0	0	0	0	0	0
Sale of Maps	38	0	0	0	0	0	0	0
Sale of Recycled Materials	7	0	1,552	0	0	0	0	0
Refund of Telecommunication & Internet Fees (E-Rate)	1,770	0	0	0	0	0	0	0
Sale of Animals/Livestock	2,575	0	0	0	0	0	0	0
Miscellaneous Refunds	15,039	0	0	0	0	0	825	0
<u>Nonrecurring Items</u>								
Sale of Equipment	355	0	0	0	0	0	0	0
Contributions and Gifts	10,306	3,403	0	0	0	0	0	0
<u>Other Local Revenues</u>								
Other Local Revenues	21,838	0	0	0	0	0	0	0
Total Other Local Revenues	\$ 194,088	\$ 3,553	\$ 1,552	\$ 0	\$ 0	\$ 0	\$ 3,310	\$ 141,480
Total	\$ 2,838,457	\$ 1,206	\$ 5,447	\$ 210	\$ 0	\$ 137,968	\$ 3,950	\$ 141,480
Fees Received from County Officials								
<u>Excess Fees</u>								
County Clerk	\$ 83,637	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Register	30,543	0	0	0	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works		
<u>Fees Received from County Officials (Cont.)</u>									
<u>Fees in-Lieu-of Salary</u>									
County Clerk	\$ 395,109	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 395,109
Circuit Court Clerk	65,696	0	0	0	0	0	0	0	65,696
General Sessions Court Clerk	165,626	0	0	0	0	0	0	0	165,626
Clerk and Master	151,790	0	0	0	0	0	0	0	151,790
Juvenile Court Clerk	15,056	0	0	0	0	0	0	0	15,056
Sheriff	17,092	0	0	0	0	0	0	0	17,092
Trustee	541,975	0	0	0	0	0	0	0	541,975
Other Officials	205,223	0	0	0	0	0	0	0	205,223
Total Fees Received from County Officials	\$ 1,671,747	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,671,747

State of Tennessee

<u>General Government Grants</u>									
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Airport Maintenance Program	6,571	0	0	0	0	0	0	0	6,571
Aging Programs	315,535	0	0	0	0	0	0	0	315,535
Solid Waste Grants	0	0	34,310	0	0	0	0	0	34,310
Other General Government Grants	34,342	0	0	0	0	0	0	0	34,342
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	17,400	0	0	0	0	0	0	0	17,400
<u>Health and Welfare Grants</u>									
Health Department Programs	233,824	0	0	0	0	0	0	0	233,824
Other Health and Welfare Grants	317,128	0	0	0	0	0	0	0	317,128
<u>Public Works Grants</u>									
Bridge Program	0	0	0	0	0	0	363,799	0	363,799
State Aid Program	0	0	0	0	0	0	218,381	0	218,381
Litter Program	47,242	0	0	0	0	0	0	0	47,242
<u>Other State Revenues</u>									
Income Tax	0	0	0	0	0	0	0	51,629	51,629
Beer Tax	18,724	0	0	0	0	0	0	0	18,724
Alcoholic Beverage Tax	79,156	0	0	0	0	0	0	0	79,156

(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>									
Mixed Drink Tax	\$ 515	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 515
State Revenue Sharing - T.V.A.	221,411	0	0	0	0	0	0	664,234	885,645
Contracted Prisoner Boarding	457,625	0	0	0	0	0	0	0	457,625
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,051,939	0	0	2,051,939
Petroleum Special Tax	0	0	0	0	0	38,673	0	0	38,673
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	15,164
Other State Grants	2,500	0	0	0	0	0	0	0	2,500
Total State of Tennessee	\$ 1,776,137	\$ 0	\$ 34,310	\$ 0	\$ 0	\$ 2,672,792	\$ 0	\$ 715,863	\$ 5,199,102
<u>Federal Government</u>									
<u>Federal Through State</u>									
USDA - Other	\$ 87,196	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 87,196
Community Development	224,998	0	0	0	0	0	0	0	224,998
Civil Defense Reimbursement	22,305	0	0	0	0	0	0	0	22,305
Disaster Relief	252,636	0	0	0	0	397,184	0	0	649,820
Homeland Security Grants	124,962	0	0	0	0	0	0	0	124,962
ARRA Grant # 1	54,976	0	0	0	0	0	0	0	54,976
<u>Direct Federal Revenue</u>									
Forest Service	0	0	0	0	0	0	1,360	0	1,360
Other Direct Federal Revenue	7,000	0	0	0	0	0	0	0	7,000
Total Federal Government	\$ 774,073	\$ 0	\$ 0	\$ 0	\$ 0	\$ 398,544	\$ 0	\$ 0	\$ 1,172,617
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,528	\$ 0	\$ 6,528
Contributions	40,500	0	0	0	0	0	0	0	40,500
Contracted Services	54,768	0	24,005	0	0	0	0	0	78,773
<u>Citizens Groups</u>									
Donations	1,500	0	0	0	0	0	0	0	1,500
Total Other Governments and Citizens Groups	\$ 96,768	\$ 0	\$ 24,005	\$ 0	\$ 0	\$ 0	\$ 6,528	\$ 0	\$ 127,301
Total	\$ 14,226,658	\$ 4,759	\$ 65,314	\$ 23,126	\$ 24,783	\$ 137,968	\$ 5,160,347	\$ 1,687,964	\$ 21,330,919

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	\$	8,225	
Other Per Diem and Fees		7,560	
Social Security		969	
Employer Medicare		227	
Audit Services		14,446	
Consultants		950	
Dues and Memberships		1,800	
Legal Notices, Recording, and Court Costs		1,261	
Other Charges		340	
Total County Commission			\$ 35,778

Board of Equalization

Board and Committee Members Fees	\$	1,500	
Total Board of Equalization			1,500

County Mayor/Executive

County Official/Administrative Officer	\$	81,254	
Deputy(ies)		30,656	
Part-time Personnel		14,832	
Overtime Pay		2,085	
Social Security		7,901	
State Retirement		7,444	
Employer Medicare		1,848	
Communication		575	
Data Processing Services		393	
Dues and Memberships		1,600	
Legal Notices, Recording, and Court Costs		1,559	
Maintenance Agreements		8,832	
Maintenance and Repair Services - Equipment		1,324	
Postal Charges		721	
Printing, Stationery, and Forms		280	
Rentals		2,894	
Travel		3,730	
Office Supplies		4,906	
Other Supplies and Materials		80	
Communication Equipment		481	
Office Equipment		400	
Total County Mayor/Executive			173,795

(Continued)

Exhibit I-6

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

Dues and Memberships	\$	100	
Legal Services		34,719	
Total County Attorney			\$ 34,819

Election Commission

County Official/Administrative Officer	\$	57,559	
Deputy(ies)		23,848	
Part-time Personnel		11,620	
Other Salaries and Wages		39,074	
Board and Committee Members Fees		3,190	
Social Security		5,605	
State Retirement		5,316	
Employer Medicare		1,311	
Contracts with Private Agencies		8,115	
Legal Notices, Recording, and Court Costs		8,291	
Maintenance Agreements		10,220	
Maintenance and Repair Services - Equipment		419	
Maintenance and Repair Services - Office Equipment		45	
Postal Charges		5,111	
Printing, Stationery, and Forms		2,660	
Travel		2,798	
Office Supplies		2,589	
Communication Equipment		563	
Total Election Commission			188,334

Register of Deeds

Social Security	\$	4,339	
State Retirement		4,709	
Employer Medicare		1,014	
Dues and Memberships		512	
Maintenance Agreements		24,453	
Postal Charges		2,846	
Printing, Stationery, and Forms		1,514	
Data Processing Supplies		1,716	
Total Register of Deeds			41,103

Development

Contracts with Government Agencies	\$	50,827	
Legal Notices, Recording, and Court Costs		81	
Maintenance and Repair Services - Office Equipment		415	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Postal Charges	\$	237	
Travel		1,339	
Office Supplies		448	
Refunds		202	
Office Equipment		412	
Total Development			\$ 53,961

County Buildings

Custodial Personnel	\$	62,513	
Social Security		3,384	
State Retirement		4,082	
Employer Medicare		791	
Architects		8,000	
Communication		48,156	
Contracts with Private Agencies		6,750	
Maintenance and Repair Services - Buildings		84,155	
Maintenance and Repair Services - Equipment		48,741	
Travel		535	
Permits		125	
Custodial Supplies		9,085	
Food Supplies		591	
Natural Gas		20,487	
Office Supplies		112	
Utilities		95,753	
Other Supplies and Materials		256	
Other Charges		6,343	
Building Improvements		28,131	
Other Equipment		5,260	
Total County Buildings			433,250

Other Facilities

Other Equipment	\$	1,293	
Total Other Facilities			1,293

Finance

Accounting and Budgeting

Supervisor/Director	\$	44,662	
Overtime Pay		1,307	
Social Security		2,801	
State Retirement		3,002	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Employer Medicare	\$ 667	
Total Accounting and Budgeting		\$ 52,439

Property Assessor's Office

County Official/Administrative Officer	\$ 63,954	
Deputy(ies)	121,238	
In-Service Training	950	
Social Security	10,863	
State Retirement	12,093	
Employer Medicare	2,540	
Data Processing Services	18,915	
Dues and Memberships	1,455	
Postal Charges	1,241	
Printing, Stationery, and Forms	597	
Travel	5,521	
Other Contracted Services	21,070	
Office Supplies	2,469	
Data Processing Equipment	2,883	
Furniture and Fixtures	774	
Total Property Assessor's Office		266,563

Reappraisal Program

Deputy(ies)	\$ 28,323	
Social Security	1,738	
State Retirement	1,849	
Employee and Dependent Insurance	5,439	
Employer Medicare	407	
Data Processing Services	5,639	
Postal Charges	237	
Travel	4,143	
Total Reappraisal Program		47,775

County Trustee's Office

County Official/Administrative Officer	\$ 63,954
Deputy(ies)	81,148
Part-time Personnel	10,298
Overtime Pay	3,452
Social Security	9,624
State Retirement	9,696
Employer Medicare	2,251

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Dues and Memberships	\$	737	
Legal Notices, Recording, and Court Costs		393	
Maintenance Agreements		13,367	
Postal Charges		14,225	
Printing, Stationery, and Forms		3,339	
Travel		3,578	
Office Supplies		4,187	
In Service/Staff Development		1,347	
Data Processing Equipment		1,084	
Total County Trustee's Office			\$ 222,680

County Clerk's Office

County Official/Administrative Officer	\$	53,295	
Deputy(ies)		244,361	
Part-time Personnel		12,206	
In-Service Training		300	
Social Security		18,114	
State Retirement		19,263	
Employer Medicare		4,236	
Dues and Memberships		662	
Maintenance Agreements		20,129	
Postal Charges		14,100	
Printing, Stationery, and Forms		4,521	
Rentals		4,525	
Travel		2,114	
Other Contracted Services		125	
Library Books/Media		805	
Office Supplies		8,178	
Data Processing Equipment		6,643	
Furniture and Fixtures		2,477	
Office Equipment		1,296	
Total County Clerk's Office			417,350

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		195,856	
Salary Supplements		1,800	
Part-time Personnel		189	
Jury and Witness Expense		9,083	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

In-Service Training	\$	9,100	
Social Security		15,340	
State Retirement		17,083	
Employer Medicare		3,588	
Contracts with Private Agencies		649	
Data Processing Services		8,583	
Dues and Memberships		782	
Legal Notices, Recording, and Court Costs		166	
Maintenance and Repair Services - Office Equipment		3,023	
Postal Charges		3,746	
Printing, Stationery, and Forms		2,457	
Travel		3,029	
Data Processing Supplies		1,066	
Office Supplies		4,889	
Uniforms		161	
Data Processing Equipment		8,313	
Furniture and Fixtures		100	
Office Equipment		<u>529</u>	
Total Circuit Court	\$		353,486

General Sessions Court

Judge(s)	\$	145,994	
Supervisor/Director		31,110	
Part-time Personnel		902	
In-Service Training		3,850	
Social Security		8,524	
State Retirement		11,565	
Employer Medicare		2,541	
Communication		480	
Contracts with Private Agencies		300	
Dues and Memberships		1,000	
Travel		2,363	
Office Supplies		<u>1,595</u>	
Total General Sessions Court			210,224

Drug Court

Part-time Personnel	\$	16,716
In-Service Training		350
Social Security		1,036
Employer Medicare		242

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Travel	\$	423	
Drugs and Medical Supplies		5,464	
Other Charges		1,827	
Total Drug Court			\$ 26,058

Chancery Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		132,238	
Social Security		11,658	
State Retirement		12,811	
Employer Medicare		2,726	
Data Processing Services		6,923	
Dues and Memberships		607	
Maintenance and Repair Services - Office Equipment		410	
Postal Charges		2,574	
Travel		61	
Office Supplies		5,914	
In Service/Staff Development		900	
Data Processing Equipment		917	
Office Equipment		2,934	
Total Chancery Court			244,627

Juvenile Court

Judge(s)	\$	51,440	
Youth Service Officer(s)		41,500	
Part-time Personnel		20,162	
Other Salaries and Wages		47,819	
Social Security		9,900	
State Retirement		6,006	
Employer Medicare		2,315	
Communication		1,337	
Maintenance Agreements		1,010	
Maintenance and Repair Services - Office Equipment		605	
Postal Charges		1,491	
Printing, Stationery, and Forms		500	
Rentals		626	
Travel		3,732	
Other Contracted Services		15,126	
Office Supplies		1,947	
Data Processing Equipment		6,390	

(Continued)

Exhibit I-6

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

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

Furniture and Fixtures	\$	1,100	
Office Equipment		377	
Other Equipment		2,900	
Total Juvenile Court			\$ 216,283

Juvenile Court Clerk

County Official/Administrative Officer	\$	10,659	
Deputy(ies)		12,354	
Social Security		1,404	
State Retirement		1,503	
Employer Medicare		328	
Total Juvenile Court Clerk			26,248

Other Administration of Justice

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		149,491	
Salary Supplements		2,075	
Jury and Witness Expense		23,116	
Social Security		12,610	
State Retirement		14,073	
Employer Medicare		2,949	
Contracts with Government Agencies		900	
Dues and Memberships		757	
Maintenance Agreements		14,000	
Maintenance and Repair Services - Office Equipment		242	
Postal Charges		5,618	
Office Supplies		11,131	
Refunds		738	
Other Charges		12,900	
Data Processing Equipment		189	
Total Other Administration of Justice			314,743

Victims Assistance Programs

Contributions	\$	41,663	
Total Victims Assistance Programs			41,663

Public SafetySheriff's Department

County Official/Administrative Officer	\$	77,385	
Assistant(s)		46,606	

(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.)

Deputy(ies)	\$	834,158	
Youth Service Officer(s)		30,367	
Accountants/Bookkeepers		24,500	
Salary Supplements		17,400	
Clerical Personnel		73,500	
Overtime Pay		91,550	
Other Salaries and Wages		113,874	
In-Service Training		15,476	
Social Security		79,948	
State Retirement		84,364	
Employer Medicare		18,697	
Communication		2,641	
Contracts with Government Agencies		15,877	
Contracts with Private Agencies		30,000	
Maintenance and Repair Services - Buildings		9,949	
Maintenance and Repair Services - Vehicles		56,519	
Postal Charges		5,487	
Printing, Stationery, and Forms		10,467	
Transportation - Other than Students		1,975	
Travel		3,959	
Gasoline		135,211	
Law Enforcement Supplies		4,972	
Uniforms		14,624	
Other Supplies and Materials		8,464	
Data Processing Equipment		8,428	
Motor Vehicles		67,200	
Total Sheriff's Department			\$ 1,883,598

Jail

Guards	\$	926,678
Clerical Personnel		28,385
Cafeteria Personnel		26,425
Overtime Pay		46,330
Social Security		62,235
State Retirement		67,116
Employer Medicare		14,555
Maintenance and Repair Services - Buildings		43,997
Medical and Dental Services		204,210
Custodial Supplies		25,967
Food Supplies		169,977

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Natural Gas	\$	22,735	
Uniforms		13,341	
Utilities		134,182	
Other Supplies and Materials		19,614	
Other Charges		14,957	
Law Enforcement Equipment		7,870	
Total Jail			\$ 1,828,574

Juvenile Services

Salary Supplements	\$	6,396	
In-Service Training		180	
Social Security		379	
State Retirement		418	
Employer Medicare		89	
Travel		1,367	
Office Supplies		728	
Total Juvenile Services			9,557

Fire Prevention and Control

Supervisor/Director	\$	37,290	
In-Service Training		1,636	
Social Security		2,312	
State Retirement		2,435	
Employer Medicare		541	
Communication		2,456	
Contracts with Private Agencies		2,000	
Dues and Memberships		305	
Maintenance and Repair Services - Buildings		1,191	
Maintenance and Repair Services - Equipment		4,754	
Maintenance and Repair Services - Vehicles		25,227	
Travel		197	
Food Supplies		5	
Gasoline		15,797	
Office Supplies		1,060	
Uniforms		340	
Utilities		26,018	
Other Supplies and Materials		8,354	
Communication Equipment		810	
Other Equipment		10,738	
Total Fire Prevention and Control			143,466

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

Rural Fire Protection

Motor Vehicles	\$ 332	
Total Rural Fire Protection		\$ 332

Civil Defense

Supervisor/Director	\$ 37,290	
Other Salaries and Wages	30,614	
In-Service Training	100	
Social Security	4,082	
State Retirement	4,434	
Employer Medicare	955	
Communication	5,387	
Dues and Memberships	973	
Maintenance and Repair Services - Buildings	898	
Maintenance and Repair Services - Equipment	15,657	
Postal Charges	142	
Travel	590	
Food Supplies	759	
Gasoline	3,630	
Office Supplies	2,016	
Uniforms	188	
Utilities	17,767	
Vehicle Parts	262	
Communication Equipment	1,405	
Data Processing Equipment	1,604	
Office Equipment	356	
Other Equipment	1,348	
Total Civil Defense		130,457

Other Emergency Management

Communication Equipment	\$ 56,355	
Data Processing Equipment	2,125	
Other Equipment	26,792	
Total Other Emergency Management		85,272

County Coroner/Medical Examiner

Contracts with Government Agencies	\$ 31,500	
Contracts with Private Agencies	7,705	
Travel	529	
Total County Coroner/Medical Examiner		39,734

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

In-Service Training	\$	158	
Communication		1,198	
Contracts with Other Public Agencies		50,000	
Dues and Memberships		291	
Janitorial Services		17,496	
Maintenance and Repair Services - Buildings		7,532	
Maintenance and Repair Services - Office Equipment		3,921	
Postal Charges		280	
Custodial Supplies		1,045	
Drugs and Medical Supplies		553	
Office Supplies		3,885	
Utilities		22,526	
Total Local Health Center			\$ 108,885

Rabies and Animal Control

Supervisor/Director	\$	22,534	
Part-time Personnel		10,062	
Overtime Pay		1,694	
Social Security		2,081	
State Retirement		1,582	
Employer Medicare		487	
Communication		633	
Legal Notices, Recording, and Court Costs		1,022	
Travel		9,610	
Animal Food and Supplies		6,492	
Diesel Fuel		1,932	
Refunds		1,250	
Building Improvements		842	
Other Equipment		1,451	
Total Rabies and Animal Control			61,672

Ambulance/Emergency Medical Services

Assistant(s)	\$	33,905	
Supervisor/Director		31,875	
Equipment Operators		1,052,753	
Secretary(ies)		18,864	
Overtime Pay		187,312	
Other Salaries and Wages		25,329	
In-Service Training		1,660	
Social Security		81,172	

(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.)

State Retirement	\$	75,711	
Employer Medicare		18,984	
Communication		2,255	
Contracts with Private Agencies		15,434	
Data Processing Services		4,800	
Dues and Memberships		350	
Laundry Service		6,047	
Legal Notices, Recording, and Court Costs		1,482	
Licenses		2,768	
Maintenance and Repair Services - Buildings		5,709	
Maintenance and Repair Services - Equipment		99,824	
Postal Charges		8,788	
Rentals		7,028	
Travel		1,455	
Drugs and Medical Supplies		64,413	
Food Supplies		695	
Gasoline		95,312	
Office Supplies		6,997	
Uniforms		6,799	
Utilities		4,426	
Other Supplies and Materials		8,342	
Data Processing Equipment		1,293	
Motor Vehicles		119,576	
Other Equipment		39,455	
Total Ambulance/Emergency Medical Services			\$ 2,030,813

Alcohol and Drug Programs

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

Crippled Children Services

Dues and Memberships	\$	2,859	
Total Crippled Children Services			2,859

Other Local Health Services

Contributions	\$	1,500	
Building Improvements		257,312	
Total Other Local Health Services			258,812

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

General Welfare Assistance

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

Other Local Welfare Services

Contributions	\$ 13,875	
Total Other Local Welfare Services		13,875

Sanitation Education/Information

Supervisor/Director	\$ 26,110	
Social Security	1,602	
State Retirement	1,705	
Employer Medicare	375	
Other Supplies and Materials	2,446	
Other Charges	9,612	
Total Sanitation Education/Information		41,850

Other Public Health and Welfare

Social Workers	\$ 62,268	
Medical Personnel	64,830	
Other Salaries and Wages	51,921	
Social Security	11,017	
State Retirement	6,744	
Employee and Dependent Insurance	9,850	
Employer Medicare	2,576	
Travel	9,379	
Other Supplies and Materials	6,126	
Workers' Compensation Insurance	1,208	
Total Other Public Health and Welfare		225,919

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$ 23,556
Supervisor/Director	34,886
Accountants/Bookkeepers	6,409
Overtime Pay	94
Other Salaries and Wages	185,100
Social Security	15,332
State Retirement	3,816
Employer Medicare	3,586
Communication	3,390

(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.)

Contracts with Government Agencies	\$	680	
Contracts with Private Agencies		14,766	
Dues and Memberships		581	
Legal Notices, Recording, and Court Costs		150	
Licenses		2,342	
Maintenance Agreements		2,838	
Maintenance and Repair Services - Buildings		927	
Maintenance and Repair Services - Office Equipment		500	
Maintenance and Repair Services - Vehicles		952	
Postal Charges		901	
Rentals		1,800	
Travel		46,737	
Other Contracted Services		2,468	
Data Processing Supplies		159	
Food Supplies		14,315	
Gasoline		3,374	
Office Supplies		2,154	
Other Supplies and Materials		3,404	
Refunds		5,682	
Criminal Investigation of Applicants - TBI		175	
Data Processing Equipment		1,629	
Motor Vehicles		17,468	
Office Equipment		198	
Other Equipment		3,575	
Total Senior Citizens Assistance			\$ 403,944

Libraries

Assistant(s)	\$	16,326
Supervisor/Director		25,842
Librarians		14,684
Other Salaries and Wages		10,219
Social Security		3,621
State Retirement		3,712
Employer Medicare		847
Communication		1,813
Contracts with Other Public Agencies		20,000
Contributions		1,500
Maintenance Agreements		234
Instructional Supplies and Materials		2,112
Library Books/Media		15,084

(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.)

Libraries (Cont.)

Periodicals	\$	250	
Utilities		7,024	
Other Supplies and Materials		5,020	
Other Charges		1,875	
Other Equipment		19,854	
Total Libraries			\$ 150,017

Parks and Fair Boards

Communication	\$	738	
Maintenance and Repair Services - Buildings		8,249	
Natural Gas		696	
Utilities		12,730	
Other Equipment		1,000	
Total Parks and Fair Boards			23,413

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	\$	5,250	
In-Service Training		1,075	
Social Security		326	
Employer Medicare		76	
Communication		1,373	
Contracts with Government Agencies		116,405	
Licenses		52	
Maintenance and Repair Services - Equipment		84	
Postal Charges		1,000	
Rentals		1,887	
Travel		811	
Gasoline		34	
Office Supplies		1,732	
Communication Equipment		2,138	
Data Processing Equipment		759	
Total Agriculture Extension Service			133,002

Soil Conservation

Secretary(ies)	\$	28,750	
----------------	----	--------	--

(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.)

Clerical Personnel	\$	33,928	
Other Salaries and Wages		28,500	
Social Security		5,164	
State Retirement		5,954	
Employer Medicare		1,208	
Communication		1,032	
Maintenance and Repair Services - Office Equipment		862	
Postal Charges		300	
Travel		2,000	
Office Supplies		501	
Other Supplies and Materials		248	
Data Processing Equipment		298	
Office Equipment		149	
Total Soil Conservation			\$ 108,894

Flood Control

Contracts with Private Agencies	\$	52,320	
Other Contracted Services		30,000	
Total Flood Control			82,320

Other OperationsTourism

Contributions	\$	250	
Dues and Memberships		20,486	
Total Tourism			20,736

Industrial Development

Contracts with Other Public Agencies	\$	10,000	
Other Supplies and Materials		1,590	
Total Industrial Development			11,590

Other Economic and Community Development

Contracts with Private Agencies	\$	59,741	
Total Other Economic and Community Development			59,741

Airport

Attendants	\$	16,090	
Temporary Personnel		3,320	
Overtime Pay		390	
Social Security		1,220	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Other Operations (Cont.)

Airport (Cont.)

State Retirement	\$	1,076	
Employer Medicare		285	
Communication		2,956	
Contracts with Private Agencies		158,626	
Dues and Memberships		129	
Engineering Services		72,787	
Maintenance and Repair Services - Buildings		8,450	
Maintenance and Repair Services - Equipment		4,728	
Postal Charges		88	
Travel		1,217	
Remittance of Revenue Collected		4,880	
Permits		520	
Gasoline		57,397	
Office Supplies		707	
Utilities		7,453	
Liability Insurance		3,363	
Refunds		400	
Total Airport			\$ 346,082

Veterans' Services

Supervisor/Director	\$	26,076	
Secretary(ies)		11,359	
Social Security		2,321	
State Retirement		1,703	
Employer Medicare		543	
Postal Charges		320	
Travel		537	
Office Supplies		236	
Data Processing Equipment		164	
Office Equipment		122	
Total Veterans' Services			43,381

Other Charges

Liability Insurance	\$	228,612	
Premiums on Corporate Surety Bonds		12,035	
Refunds		340	
Trustee's Commission		162,933	
Workers' Compensation Insurance		166,684	
Fines, Assessments, and Penalties		2,822	
Other Charges		3,767	
Total Other Charges			577,193

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 26,861	
Total Contributions to Other Agencies		\$ 26,861

Employee Benefits

State Retirement	\$ 110,527	
Employee and Dependent Insurance	725,545	
Life Insurance	4,191	
Unemployment Compensation	19,436	
Total Employee Benefits		859,699

ARRA Grant # 1

Assistant(s)	\$ 2,912	
Supervisor/Director	9,464	
Other Salaries and Wages	2,700	
Social Security	930	
State Retirement	984	
Employer Medicare	218	
Contracts with Other Public Agencies	8,050	
Printing, Stationery, and Forms	1,210	
Travel	4,404	
Drugs and Medical Supplies	5,594	
Data Processing Equipment	270	
Total ARRA Grant # 1		36,736

Miscellaneous

Refunds	\$ 23,000	
Total Miscellaneous		23,000

Capital Projects

Other General Government Projects

Site Development	\$ 1,239	
Total Other General Government Projects		1,239

Total General Fund \$ 13,184,995

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

County Official/Administrative Officer	\$ 5,168
Assistant(s)	3,265

(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.)

Librarians	\$	3,175	
Other Salaries and Wages		2,255	
Social Security		756	
State Retirement		758	
Employee and Dependent Insurance		1,566	
Life Insurance		10	
Employer Medicare		177	
Communication		362	
Contributions		5,804	
Library Books/Media		1,223	
Periodicals		28	
Utilities		1,853	
Other Supplies and Materials		133	
Other Charges		64	
Total Libraries			\$ 26,597

Total Public Library Fund \$ 26,597

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	28,891	
In-Service Training		75	
Social Security		1,641	
State Retirement		1,887	
Employee and Dependent Insurance		5,439	
Employer Medicare		384	
Communication		572	
Data Processing Services		150	
Dues and Memberships		281	
Postal Charges		99	
Travel		4,044	
Office Supplies		46	
Other Supplies and Materials		90	
Trustee's Commission		71	
Data Processing Equipment		483	
Total Sanitation Management			\$ 44,153

Other Waste Disposal

Contracts with Private Agencies	\$	35,964	
Total Other Waste Disposal			35,964

Total Solid Waste/Sanitation Fund 80,117

(Continued)

Exhibit I-6

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

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	500	
Trustee's Commission		186	
Other Charges		4,627	
Motor Vehicles		13,000	
Total Drug Enforcement			\$ 18,313

Total Drug Control Fund \$ 18,313

District Attorney General Fund

Administration of Justice

District Attorney General

In-Service Training	\$	2,740	
Communication		224	
Contracts with Private Agencies		4,944	
Dues and Memberships		230	
Rentals		2,586	
Travel		5,265	
Library Books/Media		302	
Office Supplies		599	
Trustee's Commission		248	
Other Charges		731	
Data Processing Equipment		4,100	
Furniture and Fixtures		150	
Total District Attorney General			\$ 22,119

Total District Attorney General Fund 22,119

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	153,786	
Total Register of Deeds			\$ 153,786

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	68,588	
Total County Clerk's Office			68,588

(Continued)

Exhibit I-6

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice

Circuit Court Clerk

Constitutional Officers' Operating Expenses	\$ 7,000	
Total Circuit Court Clerk		\$ 7,000

Total Constitutional Officers - Fees Fund \$ 229,374

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 75,779	
Accountants/Bookkeepers	35,000	
Secretary(ies)	900	
Board and Committee Members Fees	6,000	
Communication	1,012	
Data Processing Services	3,840	
Confidential Drug Enforcement Payments	1,830	
Dues and Memberships	5,592	
Janitorial Services	1,128	
Legal Notices, Recording, and Court Costs	260	
Maintenance and Repair Services - Office Equipment	3,648	
Postal Charges	1,283	
Printing, Stationery, and Forms	1,217	
Travel	1,494	
Drugs and Medical Supplies	107	
Electricity	7,225	
Natural Gas	541	
Office Supplies	1,323	
Water and Sewer	1,923	
Other Supplies and Materials	50	
In Service/Staff Development	300	
Other Charges	5,307	
Total Administration		\$ 155,759

Highway and Bridge Maintenance

Foremen	\$ 159,207
Equipment Operators	336,623
Laborers	254,820
Contracts with Private Agencies	98,817
Rentals	3,651
Asphalt - Liquid	443,790
Concrete	807

(Continued)

Exhibit I-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Crushed Stone	\$ 498,594	
Fertilizer, Lime, and Seed	1,757	
Pipe	119,604	
Road Signs	4,619	
Small Tools	1,980	
Wood Products	6,545	
Other Supplies and Materials	350	
Total Highway and Bridge Maintenance		\$ 1,931,164

Operation and Maintenance of Equipment

Mechanic(s)	\$ 151,290	
Maintenance and Repair Services - Buildings	4,349	
Maintenance and Repair Services - Equipment	40,302	
Diesel Fuel	184,289	
Equipment and Machinery Parts	175,649	
Garage Supplies	9,468	
Gasoline	48,025	
Lubricants	14,857	
Small Tools	2,127	
Tires and Tubes	51,226	
Other Supplies and Materials	732	
Office Equipment	2,394	
Total Operation and Maintenance of Equipment		684,708

Other Charges

Liability Insurance	\$ 113,773	
Premiums on Corporate Surety Bonds	422	
Trustee's Commission	50,445	
Workers' Compensation Insurance	60,646	
Total Other Charges		225,286

Employee Benefits

Social Security	\$ 63,246	
State Retirement	61,449	
Employee and Dependent Insurance	471,674	
Life Insurance	149	
Employer Medicare	12,753	
Total Employee Benefits		609,271

(Continued)

Exhibit I-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Engineering Services	\$	360	
Bridge Construction		508,104	
Highway Construction		551,792	
Highway Equipment		181,344	
State Aid Projects		336,221	
Other Capital Outlay		<u>49,310</u>	
Total Capital Outlay			<u>\$ 1,627,131</u>

Total Highway/Public Works Fund \$ 5,233,319

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	123,000	
Principal on Notes		<u>393,666</u>	
Total General Government			\$ 516,666

Interest on Debt

General Government

Interest on Bonds	\$	633,197	
Interest on Notes		<u>78,593</u>	
Total General Government			711,790

Other Debt Service

General Government

Bank Charges	\$	1,990	
Trustee's Commission		<u>22,183</u>	
Total General Government			<u>24,173</u>

Total General Debt Service Fund 1,252,629

Total Governmental Funds - Primary Government \$ 20,047,463

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, 2011

	Cities Sales Tax Fund	Special School District Fund	Total
<u>Cash Receipts</u>			
Local Option Sales Tax	\$ 3,914,221	\$ 4,256,135	\$ 8,170,356
Interstate Telecommunications Tax	0	3,883	3,883
City/School District Property Taxes:			
Current Property Tax	0	10,601,473	10,601,473
Prior Year's Property Tax	0	569,320	569,320
Interest and Penalty	0	78,400	78,400
Marriage Licenses	0	3,496	3,496
Mixed Drink Tax	0	515	515
Total Cash Receipts	<u>\$ 3,914,221</u>	<u>\$ 15,513,222</u>	<u>\$ 19,427,443</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 3,875,079	\$ 15,252,852	\$ 19,127,931
Trustee's Commission	39,142	266,804	305,946
Total Cash Disbursements	<u>\$ 3,914,221</u>	<u>\$ 15,519,656</u>	<u>\$ 19,433,877</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ (6,434)	\$ (6,434)
Cash Balance, July 1, 2010	0	26,136	26,136
Cash Balance, June 30, 2011	<u>\$ 0</u>	<u>\$ 19,702</u>	<u>\$ 19,702</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

October 3, 2011

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, 2011, which collectively comprise a portion of Gibson County's basic financial statements and have issued our report thereon dated October 3, 2011. 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. Also, our report on the governmental activities is qualified because an actuarial valuation had not been obtained to determine the data necessary for the measurement and recognition of other postemployment benefits. 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 a material weakness 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 deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 11.02.

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: 11.03 and 11.06.

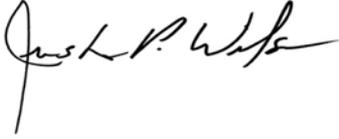
Compliance and Other Matters

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 11.01, 11.04, and 11.05.

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/yu



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
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

October 3, 2011

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, 2011. 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, 2011.

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.

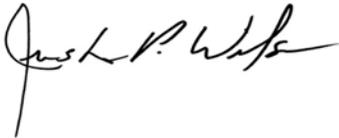
Schedule of Expenditures of Federal Awards

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, 2011, and have issued our report thereon dated October 3, 2011. 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. Also, our report on the governmental activities is qualified because an actuarial valuation had not been obtained to determine the data necessary for the measurement and recognition of other postemployment benefits. Our audit was performed for the purpose of forming our opinions on the financial

statements as a whole. The 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Gibson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2011

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Rural Business Enterprise Grants	10.769	N/A	\$ 10,000
Environmental Quality Incentives Program	10.912	N/A	24,876
Emergency Watershed Protection Program, Recovery Act	10.923	N/A	52,320
Long-term Standing Agreements for Storage, Transportation, and Lease	10.999	N/A	62,412
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-1132941	<u>257,312</u>
Total U.S. Department of Agriculture			<u>\$ 406,920</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)	<u>54,976</u>
Total U.S. Department of Justice			<u>\$ 63,976</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	3-47-SBGP-27	<u>\$ 229,235</u>
Total U.S. Department of Transportation			<u>\$ 229,235</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(2)	<u>\$ 2,500</u>
Total U.S. Institute of Museum and Library Services			<u>\$ 2,500</u>
U.S. Department of Energy:			
Passed-through State Department of Economic and Community Development:			
Energy Efficiency and Conservation Block Grant Program, Recovery Act	81.128	GG-1133549	<u>\$ 34,342</u>
Total U.S. Department of Energy			<u>\$ 34,342</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)	<u>\$ 281,249</u>
Total U.S. Department of Health and Human Services			<u>\$ 281,249</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(3)	\$ 649,820
Emergency Management Performance Grants	97.042	(2)	22,305
Homeland Security Grant Program	97.067	DHS-2008-HSGP-Z-539	<u>124,962</u>
Total U.S. Department of Homeland Security			<u>\$ 797,087</u>
Total Expenditures of Federal Awards			<u>\$ 1,815,309</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)	\$ 6,571
Homemaker and Personal Care Services - Northwest Tennessee Development District	N/A	(2)	34,286
Litter Program - State Department of Transportation	N/A	(2)	47,242
Waste Tire Collection Grant - State Department of Environment and Conservation	N/A	(2)	<u>34,310</u>
Total State Grants			<u>\$ 122,409</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
 (2) Information not available.
 (3) FEMA-1634-DR-TN: \$210,277; FEMA-1821-DR-TN: \$14,792; FEMA-1909-DR-TN: \$424,751.

Gibson County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

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, 2010, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.02	112	Government-wide financial statements did not include other postemployment benefits as required by generally accepted accounting principles
10.03	112	The office had not established a formal purchase order system

OFFICE OF ROAD SUPERVISOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.04	113	The office has deficiencies in computer system backup procedures

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.08	115	Duties were not segregated adequately in the Office of Register

GIBSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

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 is qualified. Our report on 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. One of these deficiencies was considered to be a material weakness.
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 Supplemental Nutrition Program for Women, Infants, and Children (CFDA No. 10.557); Airport Improvement Program (CFDA No. 20.106); and Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Gibson County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response; however, management did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 11.01 **GOVERNMENT-WIDE FINANCIAL STATEMENTS DID NOT INCLUDE OTHER POSTEMPLOYMENT BENEFITS AS REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**

(Noncompliance Under *Government Auditing Standards*)

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 employees rate. Gibson County did not obtain an actuarial valuation to determine the data necessary for the measurement and recognition of other postemployment benefits (OPEB). This data is necessary for the preparation of government-wide financial statements and note disclosures as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB is the standard-setting body for accounting principles that state and local governments are required to follow. Statement No. 45 establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information. This deficiency exists because management failed to correct the finding noted in the prior-year audit report. The effects on the government-wide financial statements and note disclosures are not determinable since the actuarial valuation has not been performed; however, we do not believe the amount is material to the government-wide financial statements as of June 30, 2011. Because of this omission, we have qualified our opinion on the governmental activities opinion unit. This liability becomes larger each year; therefore, management is advised that at some point in the future, this omission will become material to the governmental activities opinion unit and will lead to an adverse opinion in 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 11.02 THE GENERAL FUND REQUIRED MATERIAL AUDIT
ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT
PRESENTATION**
(Internal Control – Material Weakness Under *Government Auditing
Standards*)

At June 30, 2011, various general ledger account balances of the General Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Gibson County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

**FINDING 11.03 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 11.04 **THE HIGHWAY DEPARTMENT HAD DEFICIENCIES IN THE SALE OF SCRAP METAL RESULTING IN A CASH SHORTAGE OF AT LEAST \$453.55**

(Noncompliance Under *Government Auditing Standards*)

As a result of an investigation conducted by the Gibson County Sheriff's Department, our office received allegations of the theft of scrap metal by Highway Department employees. Our investigation of this allegation revealed the following deficiencies related to the sale of scrap metal:

- A. The Highway Department could not account for the sale of its scrap metal. The road supervisor advised us that he had an unwritten agreement with a local scrap metal hauler to transport the department's scrap metal to a local scrap metal recycling company. The agreement purportedly provided that the Highway Department would receive one-half of the proceeds from the sale of the department's scrap metal, and the hauler would keep one-half of the proceeds as his hauling fee. The Highway Department issued receipts to the hauler totaling \$1,734 for the period June 8, 2009, through August 4, 2010. We interviewed the road supervisor and his bookkeeper, and they disclosed that there were unknown quantities of cash that they had received from the scrap metal hauler in the office safe that had not been receipted. We then counted \$1,005 in cash from the office safe. We interviewed the scrap metal hauler, and he advised us that he had been hauling scrap metal for the Highway Department for about two years. He stated that he paid the road supervisor several payments in cash for scrap metal sales that he received from the local recycling company. Furthermore, the scrap metal hauler stated that he never received a receipt for any cash payments he made to the road supervisor. We solicited documentation from the local scrap metal recycling company to determine the dollar value paid to the hauler for the purchase of the Highway Department's scrap metal; however, the hauler apparently hauled his personal business scrap metal and the Highway Department's scrap metal in the same load; therefore, the recycler paid the hauler one amount for the entire load and could not differentiate between the hauler's metal and the department's metal.

The following deficiencies exist due to the arrangement:

1. There was no written contract to document this hauling arrangement.
2. The Highway Department did not maintain lists identifying the scrap metal picked up by the hauler.
3. The hauler commingled the Highway Department's metal with metal from his business when he transported the goods to the recycler.
4. The recycler could not identify whose scrap metal they were purchasing.

5. The Highway Department could not verify the value paid to the hauler for the department's scrap metal by the recycler; therefore, we cannot ascertain how much the Highway Department should have received for the sale of its scrap metal.
6. The Highway Department did not issue receipts for all collections from the hauler as required by Section 9-2-103, *Tennessee Code Annotated (TCA)*.
7. The Highway Department did not deposit all collections with the county trustee within three days of collections as required by Section 5-8-207, *TCA*.

Due to the combination of the above-noted deficiencies, we could not determine whether the department received the appropriate amount of money from the sale of scrap metal.

- B. We were advised by the Sheriff's Department that their investigation disclosed that two employees of the Highway Department allegedly sold a used county-owned culvert to a local recycling company. We interviewed the two employees, and the employees told us that they sold the scrap metal culvert to a local recycling company for \$853.55 in cash. Furthermore, the two employees advised us that they told the road supervisor what they had done due to the fear of losing their jobs. The employees told us that the road supervisor requested \$400 cash from the employees for the sale of the scrap metal culvert. In an interview with us, the road supervisor confirmed that he did request and receive the \$400. He further advised us that the two employees committed theft of county property and should have been terminated; however, he chose not to terminate them, did not bring any administrative actions against the employees, and did not report the theft to law enforcement. It should be noted that in our first interview stated in Part A. above, the road supervisor informed us that the cash we counted in the safe (\$1,005) was proceeds received from the scrap metal hauler; however, when questioned about the \$400 cash he received from the employees, he stated the \$400 was part of the money in the safe. The road supervisor did not report the theft to the county attorney and the district attorney general for them to determine the course of action to be taken concerning the two employees. Also, the road supervisor did not file a Fraud Reporting Form with the state Comptroller's Office as required by Section 8-4-501, *TCA*. This statute requires that a Fraud Reporting Form be filed within five working days of the time the official has knowledge that suspected unlawful conduct has occurred.

This finding has been discussed with the district attorney general.

RECOMMENDATION

Management should review its procedures for the sale of scrap metal to ensure accountability. All agreements should be evidenced by signed written contracts, lists

should be maintained of all scrap metal to be sold, department owned scrap metal should not be comingled with a vendor's scrap metal, and all sales should be evidenced by written sales tickets identifying the property sold. The Highway Department should issue receipts for all collections, and all collections should be deposited with the county trustee within three days. Officials should take immediate steps to collect the remaining \$453.55 cash from the two employees from the sale of the scrap metal culvert. Management should notify the appropriate county officials and the state Comptroller's Office of any suspected fraud.

FINDING 11.05 THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES
(Noncompliance Under *Government Auditing Standards*)

System backups were not stored off-site on a weekly basis. 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 be copied to storage media daily, and media more than one week old 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. This deficiency is also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should ensure that backups are rotated off-site on a weekly basis.

OFFICE OF REGISTER

FINDING 11.06 DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICE
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the official and employees in the Office of Register. Employees of this office who are 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

The register should segregate duties to the extent possible using available resources.

BEST PRACTICE

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

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, 2011**

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