



**ANNUAL FINANCIAL REPORT
GIBSON COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2013



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FOR THE YEAR ENDED JUNE 30, 2013**

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

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

GIBSON COUNTY, TENNESSEE

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Audit Highlights
Annual Financial Report
Gibson County, Tennessee
For the Year Ended June 30, 2013

Scope

We have audited the basic financial statements of Gibson County as of and for the year ended June 30, 2013.

Results

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

Our audit resulted in three findings and recommendations, which we have reviewed with Gibson County management. Detailed findings, recommendations, and management's response 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 ASSESSOR OF PROPERTY

- ◆ Mobile home schedules were not mailed to the land owner where the mobile home was located.

OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS

- ◆ Multiple employees operated from the same cash drawer.

OFFICE OF REGISTER OF DEEDS

- ◆ Duties were not segregated adequately.

BEST PRACTICE

Gibson County does not have a central system of accounting, budgeting, and purchasing. The Division of Local Government 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, 2013

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 of Deeds
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

Nolan Bradford, Chairman
Mitchell Bennett
Ashley Comstock
Robert Shelton

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Gibson County Emergency Communications District, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Gibson County Emergency Communications District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and

the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of June 30, 2013, and the respective changes in financial position and the budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note I.D.8 in the financial statements, which describes a restatement to the beginning balance of the primary government's governmental activities net position totaling \$336,842. This restatement was necessary because a capital asset (\$543,382) and refunded debt (\$206,540) were omitted in the prior year.

As described in Note V.B., Gibson County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which became effective for the year ended June 30, 2013. Gibson County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of funding progress – pension plans on pages 59 - 61 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gibson County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, and

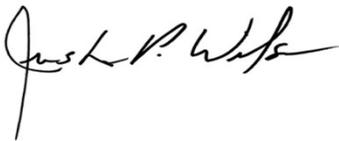
miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2013, on our consideration of Gibson County's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gibson County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 23, 2013

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Gibson County, Tennessee
Statement of Net Position
June 30, 2013

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Emergency Communications District</u>
<u>ASSETS</u>		
Cash	\$ 42,347	\$ 894,905
Equity in Pooled Cash and Investments	9,841,774	0
Accounts Receivable	5,314,952	64,993
Allowance for Uncollectibles	(2,574,055)	0
Due from Other Governments	1,572,331	0
Property Taxes Receivable	7,307,935	0
Allowance for Uncollectible Property Taxes	(245,484)	0
Prepaid Items	0	4,032
Accrued Interest Receivable	0	668
Other Current Assets	0	297
Capital Assets:		
Assets Not Depreciated:		
Land	5,313,966	66,400
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	12,843,322	419,217
Infrastructure	16,013,075	0
Other Capital Assets	2,999,514	520,124
Total Assets	<u>\$ 58,429,677</u>	<u>\$ 1,970,636</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 97,907	\$ 7,474
Payroll Deductions Payable	2,275	0
Accrued Leave	0	11,857
Contracts Payable	337,958	0
Accrued Interest Payable	32,108	0
Noncurrent Liabilities:		
Due Within One Year	1,020,028	0
Due in More Than One Year (net of unamortized premium on debt)	15,332,805	0
Total Liabilities	<u>\$ 16,823,081</u>	<u>\$ 19,331</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 6,787,733	\$ 0
Other Deferred/Unavailable Revenue	0	359,333
Total Deferred Inflows of Resources	<u>\$ 6,787,733</u>	<u>\$ 359,333</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 21,165,421	\$ 1,005,741
Restricted for:		
General Government	69,073	0
Administration of Justice	74,607	0
Public Safety	77,038	0
Public Health and Welfare	9,650	0
Highway/Public Works	204,063	0
Capital Outlay	297,984	0
Debt Service	909,055	0
Unrestricted	<u>12,011,972</u>	<u>586,231</u>
Total Net Position	<u>\$ 34,818,863</u>	<u>\$ 1,591,972</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, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Total Governmental Activities	Unit Emergency Communications District
Primary Government:						
Governmental Activities:						
General Government	\$ 1,160,994	\$ 299,832	\$ 15,164	\$ 0	\$ (845,998)	\$ 0
Finance	1,371,770	1,039,191	0	0	(332,579)	0
Administration of Justice	1,724,008	926,057	9,000	0	(788,951)	0
Public Safety	5,626,560	1,622,512	150,421	658,103	(3,195,524)	0
Public Health and Welfare	3,292,139	3,335,692	430,262	0	473,815	0
Social, Cultural, and Recreational Services	543,615	57,609	246,766	126,670	(112,570)	0
Agriculture and Natural Resources	318,604	5,425	25,791	0	(287,388)	0
Other Operations	839,550	182,973	105,142	38,600	(512,835)	0
Highways	5,657,065	20,828	2,046,369	1,051,530	(2,538,338)	0
Interest on Long-term Debt	397,641	0	0	0	(397,641)	0
Other Debt Service	83,666	0	3,609	0	(80,057)	0
Total Primary Government	\$ 21,015,612	\$ 7,490,119	\$ 3,032,524	\$ 1,874,903	\$ (8,618,066)	\$ 0
Component Unit:						
Emergency Communications District	\$ 853,512	\$ 504,864	\$ 340,624	\$ 156,740	\$ 0	\$ 148,716
Total Component Unit	\$ 853,512	\$ 504,864	\$ 340,624	\$ 156,740	\$ 0	\$ 148,716

(Continued)

Exhibit B

Gibson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
				Governmental Activities	Unit Communications District
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 6,584,473	\$ 0
Property Taxes Levied for Debt Service				449,746	0
Local Option Sales Taxes				420,478	0
Wheel Tax				1,361,501	0
Litigation Tax				176,137	0
Business Tax				420,260	0
Other Local Taxes				149,700	0
Grants and Contributions Not Restricted for Specific Programs				1,242,200	0
Unrestricted Investment Income				174,437	5,363
Miscellaneous				226,052	35,660
Total General Revenues				\$ 11,204,984	\$ 41,023
Change in Net Position				\$ 2,586,918	\$ 189,739
Net Position, July 1, 2012				32,143,856	1,402,233
Reclassification				(93,690)	0
Accounting Change				(155,063)	0
Prior-period Adjustment				336,842	0
Net Position, June 30, 2013				\$ 34,818,863	\$ 1,591,972

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, 2013

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 42,347	\$ 42,347
Equity in Pooled Cash and Investments	4,877,083	981,825	3,862,229	120,637	9,841,774
Accounts Receivable	5,196,336	99,441	15,637	3,538	5,314,952
Allowance for Uncollectibles	(2,574,055)	0	0	0	(2,574,055)
Due from Other Governments	467,991	1,003,139	98,835	2,366	1,572,331
Due from Other Funds	1,155	0	0	0	1,155
Property Taxes Receivable	5,908,543	932,928	466,464	0	7,307,935
Allowance for Uncollectible Property Taxes	(198,476)	(31,338)	(15,670)	0	(245,484)
Total Assets	\$ 13,678,577	\$ 2,985,995	\$ 4,427,495	\$ 168,888	\$ 21,260,955
LIABILITIES					
Accounts Payable	\$ 14,050	\$ 83,857	\$ 0	\$ 0	\$ 97,907
Payroll Deductions Payable	50	2,225	0	0	2,275
Contracts Payable	0	337,958	0	0	337,958
Due to Other Funds	0	0	0	1,155	1,155
Total Liabilities	\$ 14,100	\$ 424,040	\$ 0	\$ 1,155	\$ 439,295
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 5,487,955	\$ 866,519	\$ 433,259	\$ 0	\$ 6,787,733
Deferred Delinquent Property Taxes	202,559	31,900	15,421	0	249,880
Other Deferred/Unavailable Revenue	2,531,432	211,826	31,724	0	2,774,982
Total Deferred Inflows of Resources	\$ 8,221,946	\$ 1,110,245	\$ 480,404	\$ 0	\$ 9,812,595
FUND BALANCES					
Restricted:					
Restricted for General Government	\$ 69,073	\$ 0	\$ 0	\$ 0	\$ 69,073
Restricted for Administration of Justice	74,607	0	0	0	74,607
Restricted for Public Safety	45,373	0	0	31,665	77,038
Restricted for Public Health and Welfare	9,650	0	0	0	9,650
Restricted for Highways/Public Works	0	5,365	0	0	5,365
Restricted for Capital Outlay	297,984	0	0	0	297,984
Restricted for Debt Service	0	0	894,018	0	894,018
Committed:					
Committed for General Government	4,000	0	0	41,192	45,192
Committed for Public Health and Welfare	0	0	0	94,876	94,876
Committed for Social, Cultural, and Recreational Services	56,446	0	0	0	56,446
Committed for Other Operations	27,584	0	0	0	27,584
Committed for Highways/Public Works	0	1,446,345	0	0	1,446,345
Committed for Debt Service	0	0	3,053,073	0	3,053,073
Assigned:					
Assigned for General Government	971	0	0	0	971
Assigned for Administration of Justice	1,200	0	0	0	1,200
Assigned for Public Safety	32,250	0	0	0	32,250
Assigned for Social, Cultural, and Recreational Services	2,586	0	0	0	2,586
Unassigned	4,820,807	0	0	0	4,820,807
Total Fund Balances	\$ 5,442,531	\$ 1,451,710	\$ 3,947,091	\$ 167,733	\$ 11,009,065
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,678,577	\$ 2,985,995	\$ 4,427,495	\$ 168,888	\$ 21,260,955

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 Position
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 11,009,065
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 5,313,966	
Add: buildings and improvements net of accumulated depreciation	12,843,322	
Add: infrastructure net of accumulated depreciation	16,013,075	
Add: other capital assets net of accumulated depreciation	<u>2,999,514</u>	37,169,877
(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	\$ (455,000)	
Less: bonds payable	(15,795,000)	
Less: compensated absences payable	(45,028)	
Less: accrued interest on notes and bonds	(32,108)	
Less: other deferred revenue - premium on debt	<u>(57,805)</u>	(16,384,941)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,024,862</u>
Net position of governmental activities (Exhibit A)		<u>\$ 34,818,863</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, 2013

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 6,795,672	\$ 2,138,549	\$ 730,433	\$ 0	\$ 9,664,654
Licenses and Permits	96,085	0	0	0	96,085
Fines, Forfeitures, and Penalties	318,842	0	0	16,109	334,951
Charges for Current Services	2,942,891	3,440	0	215,059	3,161,390
Other Local Revenues	207,379	261,333	174,437	1,911	645,060
Fees Received from County Officials	1,664,479	0	0	0	1,664,479
State of Tennessee	2,334,826	2,605,669	749,610	26,316	5,716,421
Federal Government	941,264	27,208	0	0	968,472
Other Governments and Citizens Groups	116,986	0	0	24,951	141,937
Total Revenues	\$ 15,418,424	\$ 5,036,199	\$ 1,654,480	\$ 284,346	\$ 22,393,449
<u>Expenditures</u>					
Current:					
General Government	\$ 1,596,224	\$ 0	\$ 0	\$ 170,487	\$ 1,766,711
Finance	1,190,056	0	0	0	1,190,056
Administration of Justice	1,538,558	0	0	2,840	1,541,398
Public Safety	4,960,505	0	0	19,433	4,979,938
Public Health and Welfare	2,891,495	0	0	75,651	2,967,146
Social, Cultural, and Recreational Services	484,778	0	0	0	484,778
Agriculture and Natural Resources	244,672	0	0	0	244,672
Other Operations	2,138,500	0	0	0	2,138,500
Highways	0	4,839,610	0	0	4,839,610
Debt Service:					
Principal on Debt	0	0	946,000	0	946,000
Interest on Debt	0	0	417,184	0	417,184
Other Debt Service	45,110	0	38,556	0	83,666
Capital Projects	127,901	0	0	0	127,901
Total Expenditures	\$ 15,217,799	\$ 4,839,610	\$ 1,401,740	\$ 268,411	\$ 21,727,560
Excess (Deficiency) of Revenues Over Expenditures	\$ 200,625	\$ 196,589	\$ 252,740	\$ 15,935	\$ 665,889
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 1,500,000	\$ 250,000	\$ 0	\$ 0	\$ 1,750,000
Refunding Debt Issued	0	0	500,000	0	500,000
Premiums on Debt Issued	27,971	0	4,903	0	32,874
Insurance Recovery	8,453	2,354	0	0	10,807
Transfers In	0	0	0	23,152	23,152
Transfers Out	(23,152)	0	0	0	(23,152)
Payments to Refunded Debt Escrow Agent	0	0	(488,937)	0	(488,937)
Total Other Financing Sources (Uses)	\$ 1,513,272	\$ 252,354	\$ 15,966	\$ 23,152	\$ 1,804,744
Net Change in Fund Balances	\$ 1,713,897	\$ 448,943	\$ 268,706	\$ 39,087	\$ 2,470,633
Reclassification	0	0	0	(93,690)	(93,690)
Fund Balance, July 1, 2012	3,728,634	1,002,767	3,678,385	222,336	8,632,122
Fund Balance, June 30, 2013	\$ 5,442,531	\$ 1,451,710	\$ 3,947,091	\$ 167,733	\$ 11,009,065

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, 2013

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)		\$ 2,470,633
(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	\$ 1,947,117	
Less: current-year depreciation expense	<u>(2,230,724)</u>	(283,607)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 478,388	
Less: proceeds received from the disposal of capital assets	<u>(24,067)</u>	454,321
(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, 2013	\$ 3,024,862	
Less: deferred delinquent property taxes and other deferred June 30, 2012	<u>(2,273,711)</u>	751,151
(4) The issuance of long-term debt (e.g., notes, bonds) 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 position. Also, governmental funds report the effect of 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.		
Less: bond proceeds	\$ (1,750,000)	
Less: refunding bond proceeds	(500,000)	
Less: change in premium on debt issuances	(29,265)	
Add: principal payments on notes	455,000	
Add: principal payments on bonds	491,000	
Add: payment to refunding agent	488,937	
Less: additional interest paid to refunding agent	<u>(11,937)</u>	(856,265)
(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	\$ 31,480	
Change in compensated absences payable	<u>19,205</u>	<u>50,685</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,586,918</u>

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

Exhibit C-5

Gibson County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund
 For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 6,795,672	\$ 0	\$ 0	\$ 6,795,672	\$ 6,454,693	\$ 6,472,693	\$ 322,979
Licenses and Permits	96,085	0	0	96,085	78,200	78,200	17,885
Fines, Forfeitures, and Penalties	318,842	0	0	318,842	252,119	267,119	51,723
Charges for Current Services	2,942,891	0	0	2,942,891	3,065,600	3,065,600	(122,709)
Other Local Revenues	207,379	0	0	207,379	402,754	205,606	1,773
Fees Received from County Officials	1,664,479	0	0	1,664,479	1,492,590	1,492,590	171,889
State of Tennessee	2,334,826	0	0	2,334,826	1,940,926	1,814,349	520,477
Federal Government	941,264	0	0	941,264	389,943	945,373	(4,109)
Other Governments and Citizens Groups	116,986	0	0	116,986	92,715	98,354	18,632
Total Revenues	\$ 15,418,424	\$ 0	\$ 0	\$ 15,418,424	\$ 14,169,540	\$ 14,439,884	\$ 978,540
Expenditures							
General Government							
County Commission	\$ 48,489	\$ 0	\$ 0	\$ 48,489	\$ 59,205	\$ 59,205	\$ 10,716
Board of Equalization	1,500	0	0	1,500	1,615	1,615	115
County Mayor/Executive	187,616	0	0	187,616	192,449	193,449	5,833
County Attorney	34,757	0	0	34,757	35,100	35,100	343
Election Commission	206,412	0	75	206,487	211,942	211,942	5,455
Register of Deeds	28,042	0	0	28,042	249,221	72,825	44,783
Development	63,272	0	0	63,272	69,200	69,200	5,928
County Buildings	1,024,502	0	896	1,025,398	1,065,419	1,068,369	42,971
Other Facilities	357	0	0	357	2,800	2,800	2,443
Preservation of Records	1,277	0	0	1,277	0	1,849	572
Finance							
Accounting and Budgeting	58,027	0	0	58,027	56,858	58,158	131
Property Assessor's Office	271,772	0	0	271,772	281,214	282,214	10,442
Reappraisal Program	49,315	0	0	49,315	53,219	53,219	3,904
County Trustee's Office	250,787	0	0	250,787	251,112	251,114	327
County Clerk's Office	560,155	0	0	560,155	582,599	583,299	23,144

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Administration of Justice							
Circuit Court	\$ 388,381	\$ 0	\$ 0	\$ 388,381	\$ 377,976	\$ 403,541	\$ 15,160
General Sessions Court	221,220	0	0	221,220	221,906	222,706	1,486
Drug Court	27,920	0	0	27,920	42,932	42,132	14,212
Chancery Court	262,532	0	0	262,532	268,590	268,590	6,058
Juvenile Court	254,788	0	0	254,788	268,869	268,869	14,081
Other Administration of Justice	326,787	0	1,200	327,987	342,239	343,129	15,142
Victims Assistance Programs	56,930	0	0	56,930	45,000	60,000	3,070
Public Safety							
Sheriff's Department	1,911,383	0	5,890	1,917,273	1,991,718	2,004,010	86,737
Jail	1,831,805	0	26,310	1,858,115	2,052,184	2,052,184	194,069
Juvenile Services	8,993	0	0	8,993	0	9,000	7
Fire Prevention and Control	617,297	0	288	617,585	625,727	635,834	18,249
Rural Fire Protection	330,565	0	0	330,565	343,622	617,598	287,033
Civil Defense	133,584	0	0	133,584	162,109	165,110	31,526
Other Emergency Management	81,638	0	0	81,638	87,000	87,000	5,362
County Coroner/Medical Examiner	45,240	0	0	45,240	38,750	54,350	9,110
Public Health and Welfare							
Local Health Center	111,524	0	0	111,524	118,250	118,250	6,726
Rabies and Animal Control	37,914	0	0	37,914	48,680	53,331	15,417
Ambulance/Emergency Medical Services	2,374,312	0	0	2,374,312	2,609,173	2,609,173	234,861
Crippled Children Services	2,859	0	0	2,859	2,859	2,859	0
Other Local Health Services	2,250	0	0	2,250	2,250	2,250	0
General Welfare Assistance	1,500	0	0	1,500	1,500	1,500	0
Other Local Welfare Services	13,875	0	0	13,875	13,875	13,875	0
Sanitation Education/Information	53,718	0	0	53,718	58,200	58,200	4,482
Other Public Health and Welfare	293,543	0	0	293,543	305,428	369,600	76,057
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	295,424	0	1,817	297,241	370,023	370,024	72,783

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Libraries	\$ 167,171	\$ 0	\$ 269	\$ 167,440	\$ 166,885	\$ 171,736	\$ 4,296
Parks and Fair Boards	18,683	0	0	18,683	20,405	20,405	1,722
Other Social, Cultural, and Recreational	3,500	0	500	4,000	1,000	4,000	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	98,363	0	0	98,363	125,994	125,994	27,631
Soil Conservation	116,309	0	0	116,309	117,783	117,783	1,474
Flood Control	30,000	0	0	30,000	35,055	35,055	5,055
<u>Other Operations</u>							
Tourism	8,397	0	0	8,397	8,397	8,397	0
Industrial Development	213,571	0	0	213,571	239,101	239,101	25,530
Other Economic and Community Development	1,624	0	0	1,624	6,503	6,503	4,879
Airport	208,175	0	0	208,175	246,088	248,751	40,576
Veterans' Services	46,615	0	0	46,615	50,799	50,799	4,184
Other Charges	596,581	0	0	596,581	599,590	614,590	18,009
Contributions to Other Agencies	58,575	0	0	58,575	47,500	65,500	6,925
Employee Benefits	1,004,962	0	0	1,004,962	939,700	1,035,188	30,226
Other Debt Service							
General Government	45,110	0	0	45,110	0	45,110	0
<u>Capital Projects</u>							
Public Health and Welfare Projects	126,670	(65,040)	0	61,630	164,330	164,330	102,700
Other General Government Projects	1,231	0	0	1,231	2,500	2,500	1,269
Total Expenditures	\$ 15,217,799	\$ (65,040)	\$ 37,245	\$ 15,190,004	\$ 16,282,442	\$ 16,733,215	\$ 1,543,211
Excess (Deficiency) of Revenues Over Expenditures	\$ 200,625	\$ 65,040	\$ (37,245)	\$ 228,420	\$ (2,112,902)	\$ (2,293,331)	\$ 2,521,751
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 1,500,000	\$ 0	\$ 0	\$ 1,500,000	\$ 1,450,000	\$ 1,500,000	\$ 0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Premiums on Debt Issued	\$ 27,971	\$ 0	\$ 0	\$ 27,971	\$ 0	\$ 4,890	\$ 23,081
Insurance Recovery	8,453	0	0	8,453	0	8,453	0
Transfers Out	(23,152)	0	0	(23,152)	(23,152)	(23,152)	0
Total Other Financing Sources	\$ 1,513,272	\$ 0	\$ 0	\$ 1,513,272	\$ 1,426,848	\$ 1,490,191	\$ 23,081
Net Change in Fund Balance	\$ 1,713,897	\$ 65,040	\$ (37,245)	\$ 1,741,692	\$ (686,054)	\$ (803,140)	\$ 2,544,832
Fund Balance, July 1, 2012	3,728,634	(65,040)	0	3,663,594	3,012,881	3,012,881	650,713
Fund Balance, June 30, 2013	\$ 5,442,531	\$ 0	\$ (37,245)	\$ 5,405,286	\$ 2,326,827	\$ 2,209,741	\$ 3,195,545

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

Exhibit C-6

Gibson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 2,138,549	\$ 0	\$ 2,138,549	\$ 2,066,615	\$ 2,066,615	\$ 71,934
Charges for Current Services	3,440	0	3,440	4,000	4,000	(560)
Other Local Revenues	261,333	0	261,333	30,100	37,100	224,233
State of Tennessee	2,605,669	0	2,605,669	2,694,600	2,694,600	(88,931)
Federal Government	27,208	0	27,208	23,597	23,597	3,611
Other Governments and Citizens Groups	0	0	0	5,000	5,000	(5,000)
Total Revenues	\$ 5,036,199	\$ 0	\$ 5,036,199	\$ 4,823,912	\$ 4,830,912	\$ 205,287
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 168,763	\$ 0	\$ 168,763	\$ 177,012	\$ 184,012	\$ 15,249
Highway and Bridge Maintenance	1,996,895	0	1,996,895	2,121,000	2,121,000	124,105
Operation and Maintenance of Equipment	758,864	0	758,864	797,500	797,500	38,636
Other Charges	240,137	0	240,137	271,000	271,000	30,863
Employee Benefits	474,981	0	474,981	500,300	500,300	25,319
Capital Outlay	1,199,970	388,976	1,588,946	1,621,000	1,621,000	32,054
Total Expenditures	\$ 4,839,610	\$ 388,976	\$ 5,228,586	\$ 5,487,812	\$ 5,494,812	\$ 266,226
Excess (Deficiency) of Revenues Over Expenditures	\$ 196,589	\$ (388,976)	\$ (192,387)	\$ (663,900)	\$ (663,900)	\$ 471,513
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 250,000	\$ 0	\$ 250,000	\$ 250,000	\$ 250,000	\$ 0
Insurance Recovery	2,354	0	2,354	1,000	1,000	1,354
Total Other Financing Sources	\$ 252,354	\$ 0	\$ 252,354	\$ 251,000	\$ 251,000	\$ 1,354
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 448,943	\$ (388,976)	\$ 59,967	\$ (412,900)	\$ (412,900)	\$ 472,867
Fund Balance, July 1, 2012	1,002,767	0	1,002,767	813,894	813,894	188,873
Fund Balance, June 30, 2013	\$ 1,451,710	\$ (388,976)	\$ 1,062,734	\$ 400,994	\$ 400,994	\$ 661,740

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, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,301,557
Equity in Pooled Cash and Investments	130,090
Accounts Receivable	2,879
Due from Other Governments	1,633,598
Taxes Receivable	11,824,775
Allowance for Uncollectible Taxes	<u>(402,843)</u>
Total Assets	<u>\$ 14,490,056</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 13,092,257
Due to Litigants, Heirs, and Others	<u>1,397,799</u>
Total Liabilities	<u>\$ 14,490,056</u>

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

GIBSON COUNTY, TENNESSEE
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GIBSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

a. Reporting Entity

Gibson County is a public municipal corporation governed by an elected 25-member board. As required by GAAP, these financial statements present Gibson County (the primary government) and its component unit. The component unit discussed below is included in the county's reporting entity because of the significance of its operational or financial relationship with the county.

Discretely Presented Component Unit – The following entity meets the criteria for a discretely presented component unit of the county. It is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the county.

The Gibson County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Gibson County, and the Gibson County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Gibson County Emergency Communications District issues separate financial statements from those of the county and is published as a separate report. Complete financial statements of the Gibson County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

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

b. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position 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 funds 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, deferred outflow of resources, liabilities, deferred inflow of resources, 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 funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Gibson County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Highway/Public Works Fund – This 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, special school districts’ share of educational revenues, and restricted revenues held for the benefit of the Office of District Attorney General. 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.

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.

d. **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

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 position 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 are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. 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. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. 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 1.78 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources 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 as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable

that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of Gibson County are depreciated using the straight-line method over the following estimated useful lives:

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

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This

separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. 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.

6. 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 Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner

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.

7. Net Position and Fund Balance

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

- a. Net Investment in capital assets – 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 position – Consists of net position 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 position – All other net position that does not meet the definition of restricted or net investment in capital assets.

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.

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, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has authorized the county's Budget Committee to make assignments for the general government.

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

8. Prior-period Adjustments

Capital assets were restated \$543,382 from the prior year because a bridge had been omitted. Also in the prior year, Gibson County issued \$9,860,000 and \$910,000 in general obligation bonds and notes for current refundings of \$9,700,000 in general obligation bonds and \$892,000 in capital outlay notes, respectively. The general obligation bond refunding also included a premium with an amortized balance of \$28,540. The refunded debt and premium transactions were omitted from the financial statements of the prior year. As a result of these omissions, the beginning net position of the primary government's governmental activities was restated a total of \$336,842.

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 Position

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 Position.

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 change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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, 2013, Gibson County reported one significant encumbrance of \$388,976 for bridge construction in the Highway/Public Works Fund.

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, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position 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, 2013.

B. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

Governmental Activities:

	*Restated Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 5,313,966	\$ 0	\$ 0	\$ 5,313,966
Total Capital Assets Not Depreciated	<u>\$ 5,313,966</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,313,966</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 15,132,487	\$ 662,384	\$ 0	\$ 15,794,871
Roads and Bridges	32,058,360	756,910	0	32,815,270
Other Capital Assets	9,442,474	1,006,211	874,549	9,574,136
Total Capital Assets Depreciated	<u>\$ 56,633,321</u>	<u>\$ 2,425,505</u>	<u>\$ 874,549</u>	<u>\$ 58,184,277</u>

Governmental Activities (Cont.):

	*Restated			
	Balance			Balance
	7-1-12	Increases	Decreases	6-30-13
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 2,647,095	\$ 304,454	\$ 0	\$ 2,951,549
Roads and Bridges	15,485,940	1,316,255	0	16,802,195
Other Capital Assets	6,815,089	610,015	850,482	6,574,622
Total Accumulated				
Depreciation	<u>\$ 24,948,124</u>	<u>\$ 2,230,724</u>	<u>\$ 850,482</u>	<u>\$ 26,328,366</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 31,685,197</u>	<u>\$ 194,781</u>	<u>\$ 24,067</u>	<u>\$ 31,855,911</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 36,999,163</u>	<u>\$ 194,781</u>	<u>\$ 24,067</u>	<u>\$ 37,169,877</u>

* See footnote I.D.8 for prior-period adjustment.

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

Governmental Activities:

General Government	\$ 40,768
Administration of Justice	34,113
Public Safety	465,718
Public Health and Welfare	143,189
Social, Cultural, and Recreational Services	11,318
Agriculture and Natural Resources	3,484
Other Operations	99,967
Highway/Public Works	<u>1,432,167</u>
Total Depreciation Expense -	
Governmental Activities	<u><u>\$ 2,230,724</u></u>

C. Construction Commitments

At June 30, 2013, the Highway Department had uncompleted construction contracts of approximately \$388,976 for the construction of a bridge. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 1,155

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, 2013, consisted of the following amount:

<u>Transfer Out</u>	<u>Transfer In</u> <u>Nonmajor</u> <u>Governmental</u> <u>Fund</u>
General Fund	\$ 23,152

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 Obligations

General Obligation Bonds and Notes

Gibson 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 general obligation bonds. 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 the capital outlay note outstanding were issued for original terms of up to 24 years for bonds and up to two years for the note. Repayment terms are generally structured with increasing amounts of principal maturing as

interest requirements decrease over the term of the debt. All bonds and the note included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund.

General obligation bonds and the capital outlay note outstanding as of June 30, 2013, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
General Obligation Bonds	1 to 2	% 6-1-26	\$ 2,250,000	\$ 1,935,000
General Obligation Bonds - Refunding	.5 to 4.3	6-1-33	14,310,000	13,860,000
Capital Outlay Note	.6 to .7	4-1-14	910,000	455,000

The annual requirements to amortize all general obligation bonds and the note outstanding as of June 30, 2013, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 520,000	\$ 375,739	\$ 895,739
2015	905,000	368,914	1,273,914
2016	745,000	359,864	1,104,864
2017	755,000	352,051	1,107,051
2018	765,000	344,138	1,109,138
2019-2023	3,945,000	1,535,105	5,480,105
2024-2028	3,910,000	1,139,310	5,049,310
2029-2033	4,250,000	555,761	4,805,761
Total	<u>\$ 15,795,000</u>	<u>\$ 5,030,882</u>	<u>\$ 20,825,882</u>

Year Ending June 30	Note		
	Principal	Interest	Total
2014	\$ 455,000	\$ 3,185	\$ 458,185
Total	<u>\$ 455,000</u>	<u>\$ 3,185</u>	<u>\$ 458,185</u>

There is \$3,947,091 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and the note, totaled \$327, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligation activity for the year ended June 30, 2013, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Restated Balance, July 1, 2012*	\$ 14,513,000	\$ 910,000
Additions	2,250,000	0
Reductions	<u>(968,000)</u>	<u>(455,000)</u>
Balance, June 30, 2013	<u>\$ 15,795,000</u>	<u>\$ 455,000</u>
Balance Due Within One Year	<u>\$ 520,000</u>	<u>\$ 455,000</u>

* See footnote I.D.8 for prior-period adjustment.

	<u>Compensated Absences</u>
Balance, July 1, 2012	\$ 64,233
Additions	47,960
Reductions	<u>(67,165)</u>
Balance, June 30, 2013	<u>\$ 45,028</u>
Balance Due Within One Year	<u>\$ 45,028</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 16,295,028
Less: Balance Due Within One Year	(1,020,028)
Add: Unamortized Premium on Debt	<u>57,805</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 15,332,805</u>

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

Advance Refunding

On September 10, 2012, Gibson County advance refunded general obligation bonds with a separate general obligation bond issue. The county issued \$2,250,000 in general obligation bonds of which \$500,000 was issued to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service

payments of the refunded debt until it was called on March 1, 2013. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service over the next 13 years will be reduced by \$107,365 and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$99,157 was obtained.

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. In November 2011, the county adopted a resolution providing that retirees are not allowed to remain in the employee health insurance program. 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
2011-12	\$ 60,000	\$ 1,222,234	\$ 1,222,234	\$ 60,000
2012-13	60,000	1,236,963	1,203,239	93,724

The year-end balance of \$93,724 is included in accounts payable in the General (\$9,867) and Highway/Public Works (\$83,857) funds.

Workers' Compensation Insurance

Gibson County participates in the Local Government Workers' Compensation Fund (LWCF), 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 LWCF for its workers' compensation insurance coverage. The LWCF is to be self-sustaining through member premiums. The LWCF 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 (LWCF), 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 LWCF for its general liability, property, and casualty insurance coverage. The creation of the LWCF provides for it to be self-sustaining through member premiums. The LWCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

B. Accounting Changes

In prior years, the District Attorney General Fund was classified as a special revenue fund; however, effective July 1, 2012, the balance of this fund (\$93,690) was reclassified as an agency fund to better reflect the control of these funds by the district attorney general.

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. An adjustment to beginning net position totaling \$155,063 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Gibson County early implemented Statement No. 65, *Items Previously Reported as Assets and*

Liabilities and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limited fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modified guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

C. Contingent Liabilities

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

D. 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 mayors of Gibson and Madison counties; the city mayors of Trenton, Humboldt, Dyer, Rutherford, and Kenton; and one at-large member from each of these areas. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity.

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

E. Retirement Commitments

Information for this footnote for the year ended June 30, 2013, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented below is for the fiscal year ended June 30, 2012.

Plan Description

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

Gibson County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Gibson County requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, 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, 2012, Gibson County's annual pension cost of \$464,572 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 three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a 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, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$464,572	100%	\$0
6-30-11	417,142	100	0
6-30-10	466,095	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 95.73 percent funded. The actuarial accrued liability for benefits was \$20.73 million, and the actuarial value of assets was \$19.84 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.89 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 12.65 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.

F. 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.

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

A. **Significant Accounting Policies**

1. **Organization and Reporting Entity**

The Gibson County Emergency Communications District (a discretely presented component unit of Gibson County, Tennessee) was established by voter referendum in May 1987, and the assessment of service fees began October 1, 1987. The local emergency telephone service to residents of Gibson County began July 1, 1989.

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

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

2. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The district is accounted for as a single enterprise fund as prescribed by the state. Enterprise funds are a type of proprietary fund, and as such, are reported in accordance with generally accepted accounting principles for proprietary funds as defined by the *Governmental Audit Standards Board*. Proprietary fund types are reported using the economic resources measurement focus and the accrual basis of accounting. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entities net position. The accrual basis of accounting recognizes income as it is earned and expenses as they are incurred, whether or not cash is received or paid out at that time.

Operating revenues in proprietary funds are those revenues generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. The state has defined grants and reimbursements from the Tennessee Emergency Communications Board to be non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

3. **Assets, Liabilities, and Net Position**

a. **Deposits and Investments**

Cash and cash equivalents are considered to be all demand deposits and other deposits with original maturities of three months or less and are included in the caption cash and cash equivalents.

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

b. **Accounts Receivable and Credit Risk**

Accounts receivable represent amounts due from telephone companies for user fees, and amounts due from local customers for dispatch services.

c. **Capital Assets and Depreciation**

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

<u>Assets</u>	<u>Years</u>	<u>Threshold</u>
Equipment	5 to 20	\$ 2,500
Office Equipment	3 to 10	1,000
Building	30	10,000

d. **Compensated Absences**

Employees who have completed one year of service shall receive one week of vacation time. Employees who have completed two years of service shall receive two weeks of vacation time. Employees who have completed ten years of service shall receive three weeks of vacation time. Employees who have completed 20 years of service shall receive four weeks of vacation time.

The employee is limited to accumulating up to two weeks of leave per year to be taken in pay, and cannot carry any

vacation leave over to the next year. At June 30, 2013, the liability for accrued leave was \$11,857.

e. Deferred Outflows/Inflows of Resources

During the year ended June 30, 2013, the district adopted the provision of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of the statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The district did not have any items that qualify for reporting in this category as of June 30, 2013.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The district received \$700,000 from Gibson County in May 2001, which represented advance payments of dispatch fees for the period May 2001 through April 2026. Revenue of \$2,333 will be recognized each month during the life of the contract.

f. Net Position Flow Assumption

Sometimes the district will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Equity is reported as net position, which is classified into the following components as applicable:

- Net investment in capital assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any payables that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – net position when constraints are placed on their use by external third parties or imposed by law.
- Unrestricted – all other net position that do not meet the definition of the other categories.

g. Revenues

The district receives remittances from telephone companies and the State of Tennessee representing fees that have been collected on behalf of the district for 911 services. These fees are remitted to the district on a monthly or bi-monthly schedule, depending on the telephone company. Fees collected for 911 services are considered operating revenues.

B. Stewardship, Compliance, and Accountability

Budgetary Compliance

The district adopts a budget in accordance with the requirements of the Tennessee Emergency Communications Board and *Tennessee Code Annotated*, Section 7-86-120. This budget is adopted on another comprehensive basis of accounting, which is not in accordance with generally accepted accounting principles. The budgetary basis of accounting includes expenditures for capital assets but does not include depreciation.

Expenditures are required to be within budgetary limits at the line-item level of control. For the year ended 2013, there were three line-items that exceeded the budgeted amounts: office supplies by \$85, custodial supplies by \$69, and training expense by \$95.

C. Detailed Notes on Accounts

1. Deposits and Investments

The district's policies limit deposits and investments to those instruments allowed by applicable state laws and described below. State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district's agent in the

district's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the district to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2013, all bank deposits were fully collateralized or insured.

2. Capital Assets

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

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 66,400	\$ 0	\$ 0	\$ 66,400
Capital Assets Depreciated:				
Buildings and Improvements	\$ 717,023	\$ 19,342	\$ 0	\$ 736,365
Office Equipment	89,292	0	1,414	87,878
Communication Equipment	935,032	210,262	185,635	959,659
Vehicles	23,306	0	2,365	20,941
Total Capital Assets Depreciated	\$ 1,764,653	\$ 229,604	\$ 189,414	\$ 1,804,843
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 290,415	\$ 26,733	\$ 0	\$ 317,148
Office Equipment	79,468	4,058	1,414	82,112
Communication Equipment	537,705	100,871	178,525	460,051
Vehicles	3,658	4,307	1,774	6,191
Total Accumulated Depreciation	\$ 911,246	\$ 135,969	\$ 181,713	\$ 865,502
Capital Assets, Net	\$ 919,807	\$ 93,635	\$ 7,701	\$ 1,005,741

D. Other Information

1. Funding Sources

Funding for the district's operations is provided by monthly fees from service users in Gibson County and by monthly fees from wireless cellular phone subscribers. Major and alternate local exchange carriers collect service fees from the county users and remit the funds to the district. The Tennessee Emergency Communications Board collects monthly service fees from wireless cellular phone subscribers and voice over internet protocol services and remits a set percentage to the district.

2. Retirement Plan

Information for this footnote for the year ended June 30, 2013, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented below is for the fiscal year ended June 30, 2012.

Plan Description

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the

PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, Tennessee 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Funding Policy

The district has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, was 11.08 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. Contribution requirements for the district are established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2012, the district’s annual pension cost of \$35,046 to TCRS was equal to the district’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 three percent annual inflation rate, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The district’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was ten years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$ 35,046	100%	\$ 0
6-30-11	36,465	100	0
6-30-10	33,017	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date available, the plan was 94.06 percent funded. The actuarial accrued liability for benefits was \$.76 million, and the actuarial value of assets was \$.72 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.05 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.29 million, and the ratio of the UAAL to the covered payroll was 15.5 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.

3. Risk Management

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

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

It is the policy of the district to purchase commercial insurance for the risks of employee dishonesty and excess liability. Settled claims have not exceeded this commercial coverage in any of the past four years and there has been no significant reduction in coverage.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Gibson County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2013

(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)
7-1-11	\$ 19,845	\$ 20,731	\$ 886	95.73 %	\$ 7,002	12.65 %
7-1-09	16,606	19,052	2,446	87.16	6,947	35.2
7-1-07	15,516	15,516	0	100	6,524	0

Information for this exhibit for the year ended June 30, 2013, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented above is for the fiscal year ended June 30, 2012.

Exhibit E-2

Gibson County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Gibson County Emergency Communications District
June 30, 2013

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 717	\$ 762	\$ 45	94.06 %	\$ 292	15.5 %
7-1-09	533	586	53	90.96	276	19.22
7-1-07	449	509	60	88.21	259	23.17

Information for this exhibit for the year ended June 30, 2013, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented above is for the fiscal year ended June 30, 2012.

GIBSON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2013

BUDGETARY INFORMATION

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

**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.

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 – In prior years, the District Attorney General Fund was classified as a special revenue fund; however, effective July 1, 2012, this fund has been reclassified as an agency fund to better reflect the control of these funds by the 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, 2013

	<u>Special Revenue Funds</u>			Total
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 42,347	\$ 42,347
Equity in Pooled Cash and Investments	88,972	31,665	0	120,637
Accounts Receivable	3,538	0	0	3,538
Due from Other Governments	2,366	0	0	2,366
Total Assets	<u>\$ 94,876</u>	<u>\$ 31,665</u>	<u>\$ 42,347</u>	<u>\$ 168,888</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$ 0	\$ 0	\$ 1,155	\$ 1,155
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,155</u>	<u>\$ 1,155</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 31,665	\$ 0	\$ 31,665
Committed:				
Committed for General Government	0	0	41,192	41,192
Committed for Public Health and Welfare	94,876	0	0	94,876
Total Fund Balances	<u>\$ 94,876</u>	<u>\$ 31,665</u>	<u>\$ 41,192</u>	<u>\$ 167,733</u>
Total Liabilities and Fund Balances	<u>\$ 94,876</u>	<u>\$ 31,665</u>	<u>\$ 42,347</u>	<u>\$ 168,888</u>

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, 2013

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney	Constitu - tional Officers - Fees	
<u>Revenues</u>					
Fines, Forfeitures, and Penalties	\$ 0	\$ 16,109	\$ 0	\$ 0	\$ 16,109
Charges for Current Services	21,137	460	0	193,462	215,059
Other Local Revenues	490	1,421	0	0	1,911
State of Tennessee	26,316	0	0	0	26,316
Other Governments and Citizens Groups	24,951	0	0	0	24,951
Total Revenues	\$ 72,894	\$ 17,990	\$ 0	\$ 193,462	\$ 284,346
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 170,487	\$ 170,487
Administration of Justice	0	0	0	2,840	2,840
Public Safety	0	19,433	0	0	19,433
Public Health and Welfare	75,651	0	0	0	75,651
Total Expenditures	\$ 75,651	\$ 19,433	\$ 0	\$ 173,327	\$ 268,411
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,757)	\$ (1,443)	\$ 0	\$ 20,135	\$ 15,935
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 23,152	\$ 0	\$ 0	\$ 0	\$ 23,152
Total Other Financing Sources (Uses)	\$ 23,152	\$ 0	\$ 0	\$ 0	\$ 23,152
Net Change in Fund Balances	\$ 20,395	\$ (1,443)	\$ 0	\$ 20,135	\$ 39,087
Reclassification	0	0	(93,690)	0	(93,690)
Fund Balance, July 1, 2012	74,481	33,108	93,690	21,057	222,336
Fund Balance, June 30, 2013	\$ 94,876	\$ 31,665	\$ 0	\$ 41,192	\$ 167,733

Exhibit F-3

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 21,137	\$ 0	\$ 21,137	\$ 15,000	\$ 15,000	\$ 6,137
Other Local Revenues	490	0	490	1,200	1,200	(710)
State of Tennessee	26,316	0	26,316	44,000	44,000	(17,684)
Other Governments and Citizens Groups	24,951	0	24,951	24,951	24,951	0
Total Revenues	\$ 72,894	\$ 0	\$ 72,894	\$ 85,151	\$ 85,151	\$ (12,257)
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Sanitation Management	\$ 45,743	\$ 0	\$ 45,743	\$ 48,103	\$ 48,103	\$ 2,360
Other Waste Disposal	29,908	10,092	40,000	44,000	44,000	4,000
Total Expenditures	\$ 75,651	\$ 10,092	\$ 85,743	\$ 92,103	\$ 92,103	\$ 6,360
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,757)	\$ (10,092)	\$ (12,849)	\$ (6,952)	\$ (6,952)	\$ (5,897)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 23,152	\$ 0	\$ 23,152	\$ 23,152	\$ 23,152	\$ 0
Total Other Financing Sources	\$ 23,152	\$ 0	\$ 23,152	\$ 23,152	\$ 23,152	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 20,395	\$ (10,092)	\$ 10,303	\$ 16,200	\$ 16,200	\$ (5,897)
	74,481	0	74,481	78,339	78,339	(3,858)
Fund Balance, June 30, 2013	\$ 94,876	\$ (10,092)	\$ 84,784	\$ 94,539	\$ 94,539	\$ (9,755)

Exhibit F-4

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 16,109	\$ 10,200	\$ 10,200	\$ 5,909
Charges for Current Services	460	1,000	1,000	(540)
Other Local Revenues	1,421	0	0	1,421
Total Revenues	<u>\$ 17,990</u>	<u>\$ 11,200</u>	<u>\$ 11,200</u>	<u>\$ 6,790</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 19,433	\$ 22,600	\$ 22,600	\$ 3,167
Total Expenditures	<u>\$ 19,433</u>	<u>\$ 22,600</u>	<u>\$ 22,600</u>	<u>\$ 3,167</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,443)</u>	<u>\$ (11,400)</u>	<u>\$ (11,400)</u>	<u>\$ 9,957</u>
Net Change in Fund Balance	\$ (1,443)	\$ (11,400)	\$ (11,400)	\$ 9,957
Fund Balance, July 1, 2012	<u>33,108</u>	<u>36,773</u>	<u>36,773</u>	<u>(3,665)</u>
Fund Balance, June 30, 2013	<u>\$ 31,665</u>	<u>\$ 25,373</u>	<u>\$ 25,373</u>	<u>\$ 6,292</u>

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, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 730,433	\$ 836,808	\$ 836,808	\$ (106,375)
Other Local Revenues	174,437	169,000	169,000	5,437
State of Tennessee	749,610	500,000	500,000	249,610
Total Revenues	<u>\$ 1,654,480</u>	<u>\$ 1,505,808</u>	<u>\$ 1,505,808</u>	<u>\$ 148,672</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 946,000	\$ 631,000	\$ 946,000	\$ 0
<u>Interest on Debt</u>				
General Government	417,184	406,741	417,184	0
<u>Other Debt Service</u>				
General Government	38,556	27,000	42,967	4,411
Total Expenditures	<u>\$ 1,401,740</u>	<u>\$ 1,064,741</u>	<u>\$ 1,406,151</u>	<u>\$ 4,411</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 252,740</u>	<u>\$ 441,067</u>	<u>\$ 99,657</u>	<u>\$ 153,083</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 500,000	\$ 0	\$ 500,000	\$ 0
Premiums on Debt Issued	4,903	0	4,903	0
Payments to Refunded Debt Escrow Agent	(488,937)	0	(488,937)	0
Total Other Financing Sources	<u>\$ 15,966</u>	<u>\$ 0</u>	<u>\$ 15,966</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 268,706	\$ 441,067	\$ 115,623	\$ 153,083
Fund Balance, July 1, 2012	<u>3,678,385</u>	<u>3,259,999</u>	<u>3,259,999</u>	<u>418,386</u>
Fund Balance, June 30, 2013	<u>\$ 3,947,091</u>	<u>\$ 3,701,066</u>	<u>\$ 3,375,622</u>	<u>\$ 571,469</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or 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.

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.

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

Exhibit H-1

Gibson County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	Agency Funds					Total
	Cities - Sales Tax	Special School District	Constitu- tional Officers - Agency	District Attorney General		
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 1,301,557	\$ 0	\$ 0	\$ 1,301,557
Equity in Pooled Cash and Investments	0	34,746	0	95,344		130,090
Accounts Receivable	0	2,879	0	0		2,879
Due from Other Governments	775,273	857,427	0	898		1,633,598
Taxes Receivable	0	11,824,775	0	0		11,824,775
Allowance for Uncollectible Taxes	0	(402,843)	0	0		(402,843)
Total Assets	\$ 775,273	\$ 12,316,984	\$ 1,301,557	\$ 96,242	\$ 0	\$ 14,490,056
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 775,273	\$ 12,316,984	\$ 0	\$ 0	\$ 0	\$ 13,092,257
Due to Litigants, Heirs, and Others	0	0	1,301,557	96,242		1,397,799
Total Liabilities	\$ 775,273	\$ 12,316,984	\$ 1,301,557	\$ 96,242	\$ 0	\$ 14,490,056

Exhibit H-2

Gibson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,852,864	\$ 4,852,864	\$ 0
Due from Other Governments	775,273	775,273	775,273	775,273
Total Assets	\$ 775,273	\$ 5,628,137	\$ 5,628,137	\$ 775,273
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 775,273	\$ 5,628,137	\$ 5,628,137	\$ 775,273
Total Liabilities	\$ 775,273	\$ 5,628,137	\$ 5,628,137	\$ 775,273
<u>Special School District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 75,299	\$ 16,784,822	\$ 16,825,375	\$ 34,746
Accounts Receivable	75	2,879	75	2,879
Due from Other Governments	857,546	857,427	857,546	857,427
Taxes Receivable	12,014,324	11,824,775	12,014,324	11,824,775
Allowance for Uncollectible Taxes	(525,701)	(402,843)	(525,701)	(402,843)
Total Assets	\$ 12,421,543	\$ 29,067,060	\$ 29,171,619	\$ 12,316,984
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 12,421,543	\$ 29,067,060	\$ 29,171,619	\$ 12,316,984
Total Liabilities	\$ 12,421,543	\$ 29,067,060	\$ 29,171,619	\$ 12,316,984
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,624,965	\$ 8,604,180	\$ 8,927,588	\$ 1,301,557
Total Assets	\$ 1,624,965	\$ 8,604,180	\$ 8,927,588	\$ 1,301,557
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,624,965	\$ 8,604,180	\$ 8,927,588	\$ 1,301,557
Total Liabilities	\$ 1,624,965	\$ 8,604,180	\$ 8,927,588	\$ 1,301,557

(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>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 115,115	\$ 19,771	\$ 95,344
Due from Other Governments	0	2,269	1,371	898
Total Assets	\$ 0	\$ 117,384	\$ 21,142	\$ 96,242
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 0	\$ 117,384	\$ 21,142	\$ 96,242
Total Liabilities	\$ 0	\$ 117,384	\$ 21,142	\$ 96,242
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,624,965	\$ 8,604,180	\$ 8,927,588	\$ 1,301,557
Equity in Pooled Cash and Investments	75,299	21,752,801	21,698,010	130,090
Accounts Receivable	75	2,879	75	2,879
Due from Other Governments	1,632,819	1,634,969	1,634,190	1,633,598
Taxes Receivable	12,014,324	11,824,775	12,014,324	11,824,775
Allowance for Uncollectible Taxes	(525,701)	(402,843)	(525,701)	(402,843)
Total Assets	\$ 14,821,781	\$ 43,416,761	\$ 43,748,486	\$ 14,490,056
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 13,196,816	\$ 34,695,197	\$ 34,799,756	\$ 13,092,257
Due to Litigants, Heirs, and Others	1,624,965	8,721,564	8,948,730	1,397,799
Total Liabilities	\$ 14,821,781	\$ 43,416,761	\$ 43,748,486	\$ 14,490,056

MISCELLANEOUS SCHEDULES

Exhibit I-1

Gibson County, Tennessee
 Schedule of Changes in Long-term Note and Bonds
 For the Year Ended June 30, 2013

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Debt Refunded	Paid and/or Matured During Period	Outstanding 6-30-13
NOTE PAYABLE									
Payable through General Debt Service Fund									
Capital Outlay Refunding Note, Series 2012 *	\$ 910,000	.6 to .7	4-12-12	4-1-14	\$ 910,000	0 \$	0 \$	455,000 \$	455,000
Total Note Payable	\$				\$ 910,000	0 \$	0 \$	455,000 \$	455,000
BONDS PAYABLE									
Payable through General Debt Service Fund									
General Obligation, Series 2001	725,000	4.2 to 5.2	4-27-01	9-10-12	\$ 503,000	0 \$	477,000 \$	26,000 \$	0
General Obligation Refunding, Series 2009	4,450,000	3 to 4.3	10-1-09	6-1-33	4,150,000	0	0	100,000	4,050,000
General Obligation Refunding, Series 2012 *	9,860,000	.5 to 2.4	4-12-12	6-1-29	9,860,000	0	0	50,000	9,810,000
General Obligation, Series 2012B	2,250,000	1 to 2	9-10-12	6-1-26	0	2,250,000	0	315,000	1,935,000
Total Bonds Payable					\$ 14,513,000	2,250,000 \$	477,000 \$	491,000 \$	15,795,000

* See footnote I.D.8. for prior-period adjustment.

Exhibit I-2

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

Year Ending June 30	Note		
	Principal	Interest	Total
2014	\$ 455,000	\$ 3,185	\$ 458,185
Total	\$ 455,000	\$ 3,185	\$ 458,185

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 520,000	\$ 375,739	\$ 895,739
2015	905,000	368,914	1,273,914
2016	745,000	359,864	1,104,864
2017	755,000	352,051	1,107,051
2018	765,000	344,138	1,109,138
2019	780,000	334,509	1,114,509
2020	795,000	322,808	1,117,808
2021	810,000	308,496	1,118,496
2022	765,000	292,296	1,057,296
2023	795,000	276,996	1,071,996
2024	740,000	261,096	1,001,096
2025	750,000	245,596	995,596
2026	780,000	229,176	1,009,176
2027	820,000	211,356	1,031,356
2028	820,000	192,086	1,012,086
2029	720,000	172,406	892,406
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	\$ 15,795,000	\$ 5,030,882	\$ 20,825,882

Exhibit I-3

Gibson County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2013

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Solid Waste/Sanitation	Operations	\$ 23,152
Total Transfers			\$ 23,152

Gibson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
For the Year Ended June 30, 2013

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA, and Chapter 111, Private Acts of 1929	\$ 82,554	\$ 50,000	RLI Insurance Company
Road Supervisor	Section 8-24-102, TCA	76,992	100,000	"
Trustee	Section 8-24-102, TCA	65,977 (1)	1,044,330	"
Assessor of Property	Section 8-24-102, TCA	65,977 (1)	50,000	"
County Clerk	Section 8-24-102, TCA	65,977 (1)	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	65,977 (1)	50,000	"
Clerk and Master - Trenton	Section 8-24-102, TCA	65,977 (1) (2)	65,000	"
Clerk and Master - Humboldt	and Chancery Court Judge Section 8-24-102, TCA	65,977 (1)	65,000	"
Register of Deeds	and Chancery Court Judge Section 8-24-102, TCA	65,977	25,000	"
Sheriff	Section 8-24-102, TCA and County Commission	78,623 (3)	25,000	"
Employee Blanket Bonds: All Employees			150,000	Local Government Property and Casualty Fund

(1) Includes a certified public administrator supplement of \$1,000.

(2) Does not include special commissioner fees of \$2,840.

(3) Includes \$7,035 for supervising the county workhouse. Does not include a training supplement of \$600 and a clothing allowance of \$711.

Exhibit I-5

Gibson County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2013

	Special Revenue Funds						Debt Service Fund		Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Fund		
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 5,263,101	\$ 0	\$ 0	\$ 0	\$ 831,016	\$ 415,511	\$ 0	\$ 6,509,628	
Trustee's Collections - Prior Year	148,235	0	0	0	23,811	18,789	0	190,835	
Trustee's Collections - Bankruptcy	2,589	0	0	0	408	269	0	3,266	
Circuit/Clerk & Master Collections - Prior Years	120,146	0	0	0	19,478	12,985	0	152,609	
Interest and Penalty	34,370	0	0	0	86,039	3,439	0	123,848	
Payments in-Lieu-of Taxes - T.V.A.	86	0	0	0	14	7	0	107	
Payments in-Lieu-of Taxes - Local Utilities	67,844	0	0	0	10,455	5,169	0	83,468	
Payments in-Lieu-of Taxes - Other	7,313	0	0	0	1,155	577	0	9,045	
<u>County Local Option Taxes</u>									
Local Option Sales Tax	19,553	0	0	0	406,672	0	0	426,225	
Hotel/Motel Tax	67,694	0	0	0	0	0	0	67,694	
Wheel Tax	412,074	0	0	0	743,389	206,038	0	1,361,501	
Litigation Tax - General	109,839	0	0	0	0	0	0	109,839	
Litigation Tax - Special Purpose	13,957	0	0	0	0	0	0	13,957	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	52,341	0	52,341	
Business Tax	420,260	0	0	0	0	0	0	420,260	
<u>Statutory Local Taxes</u>									
Bank Excise Tax	30,617	0	0	0	15,308	15,308	0	61,233	
Wholesale Beer Tax	77,152	0	0	0	0	0	0	77,152	
Interstate Telecommunications Tax	842	0	0	0	804	0	0	1,646	
Total Local Taxes	\$ 6,795,672	\$ 0	\$ 0	\$ 0	\$ 2,138,549	\$ 730,433	\$ 0	\$ 9,664,654	
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Animal Vaccination	\$ 7,250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,250	
Cable TV Franchise	54,631	0	0	0	0	0	0	54,631	
<u>Permits</u>									
Beer Permits	926	0	0	0	0	0	0	926	
Building Permits	33,278	0	0	0	0	0	0	33,278	
Total Licenses and Permits	\$ 96,085	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 96,085	
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 4,293	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,293	
Officers Costs	12,797	0	0	0	0	0	0	12,797	
Drug Control Fines	468	0	1,414	0	0	0	0	1,882	

(Continued)

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

	Special Revenue Funds					Debt Service Fund		Total
	General	Solid Waste / Sanitization	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
\$	1,534	0	0	0	0	0	0	1,534
Drug Court Fees	5,774	0	0	0	0	0	0	5,774
Jail Fees	712	0	0	0	0	0	0	712
DUI Treatment Fines	740	0	0	0	0	0	0	740
Data Entry Fee - Circuit Court	27	0	0	0	0	0	0	27
Courtroom Security Fee	2,407	0	0	0	0	0	0	2,407
Victims Assistance Assessments								
<u>Criminal Court</u>								
DUI Treatment Fines	48	0	0	0	0	0	0	48
<u>General Sessions Court</u>								
Fines	9,940	0	0	0	0	0	0	9,940
Officers Costs	30,305	0	0	0	0	0	0	30,305
Game and Fish Fines	256	0	0	0	0	0	0	256
Drug Control Fines	0	0	190	0	0	0	0	190
Drug Court Fees	1,667	0	0	0	0	0	0	1,667
Jail Fees	9,480	0	0	0	0	0	0	9,480
DUI Treatment Fines	4,953	0	0	0	0	0	0	4,953
Data Entry Fee - General Sessions Court	7,835	0	0	0	0	0	0	7,835
Courtroom Security Fee	1,686	0	0	0	0	0	0	1,686
Victims Assistance Assessments	14,021	0	0	0	0	0	0	14,021
<u>Juvenile Court</u>								
Fines	3,158	0	0	0	0	0	0	3,158
Officers Costs	18,231	0	0	0	0	0	0	18,231
Data Entry Fee - Juvenile Court	1,900	0	0	0	0	0	0	1,900
<u>Chancery Court</u>								
Officers Costs	3,008	0	0	0	0	0	0	3,008
Data Entry Fee - Chancery Court	3,658	0	0	0	0	0	0	3,658
Courtroom Security Fee	724	0	0	0	0	0	0	724
<u>Other Courts - In-county</u>								
Fines	3,977	0	0	0	0	0	0	3,977
Officers Costs	61,752	0	0	0	0	0	0	61,752
Drug Control Fines	208	0	5,112	0	0	0	0	5,320
Drug Court Fees	9,267	0	0	0	0	0	0	9,267
Jail Fees	30,167	0	0	0	0	0	0	30,167
DUI Treatment Fines	8,823	0	0	0	0	0	0	8,823
<u>Judicial District Drug Program</u>								
Data Entry Fee - Other Courts	8,764	0	0	0	0	0	0	8,764

(Continued)

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

	Special Revenue Funds				Debt Service Fund		Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Judicial District Drug Program (Cont.)</u>							
Courtroom Security Fee	\$ 184	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 184
Victims Assistance Assessments	44,790	0	0	0	0	0	44,790
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	9,393	0	0	0	9,393
Other Fines, Forfeitures, and Penalties	11,288	0	0	0	0	0	11,288
Total Fines, Forfeitures, and Penalties	\$ 318,842	\$ 0	\$ 16,109	\$ 0	\$ 0	\$ 0	\$ 334,951
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Tipping Fees	\$ 0	\$ 21,137	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,137
Patient Charges	2,711,730	0	0	0	0	0	2,711,730
Other General Service Charges	12,770	0	0	0	0	0	12,770
Service Charges	40,826	0	460	0	0	0	41,286
<u>Fees</u>							
Airport Fees	77,835	0	0	0	0	0	77,835
Recreation Fees	60	0	0	0	0	0	60
Copy Fees	70	0	0	0	0	0	70
Library Fees	6,337	0	0	0	0	0	6,337
Telephone Commissions	58,834	0	0	0	0	0	58,834
Vending Machine Collections	366	0	0	0	3,440	0	3,806
Constitutional Officers' Fees and Commissions	0	0	0	193,462	0	0	193,462
Data Processing Fee - Registrar	16,775	0	0	0	0	0	16,775
Data Processing Fee - Sheriff	14,486	0	0	0	0	0	14,486
Sexual Offender Registration Fees - Sheriff	2,300	0	0	0	0	0	2,300
Data Processing Fee - County Clerk	502	0	0	0	0	0	502
Total Charges for Current Services	\$ 2,942,891	\$ 21,137	\$ 460	\$ 193,462	\$ 3,440	\$ 0	\$ 3,161,390
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 174,437	\$ 174,437
Lease/Rentals	113,538	0	0	0	0	0	113,538
Sale of Materials and Supplies	643	0	0	0	16,745	0	17,388
Commissary Sales	57,836	0	0	0	0	0	57,836
Sale of Recycled Materials	7	490	0	0	0	0	497
Refund of Telecommunication & Internet Fees (E-Rate)	1,751	0	0	0	0	0	1,751
Sale of Animals/Livestock	5,425	0	0	0	0	0	5,425
Miscellaneous Refunds	3,587	0	1,121	0	115,107	0	119,815

(Continued)

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

	Special Revenue Funds						Debt Service Fund		Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Fund		
Other Local Revenues (Cont.)									
<u>Nonrecurring Items</u>									
Sale of Equipment	0	0	0	0	0	0	0	0	129,012
Sale of Property	1,292	0	0	0	0	0	0	0	1,292
Damages Recovered from Individuals	0	0	0	0	469	0	0	0	469
Contributions and Gifts	11,205	0	300	0	0	0	0	0	11,505
<u>Other Local Revenues</u>	12,095	0	0	0	0	0	0	0	12,095
Total Other Local Revenues	\$ 207,379	\$ 490	\$ 1,421	\$ 0	\$ 261,333	\$ 174,437	\$ 0	\$ 0	\$ 645,060
<u>Fees Received from County Officials</u>									
<u>Excess Fees</u>									
Register	5,141	0	0	0	0	0	0	0	5,141
Fees In-Lieu-of Salary									
County Clerk	479,309	0	0	0	0	0	0	0	479,309
Circuit Court Clerk	74,042	0	0	0	0	0	0	0	74,042
General Sessions Court Clerk	132,532	0	0	0	0	0	0	0	132,532
Clerk and Master	145,620	0	0	0	0	0	0	0	145,620
Sheriff	17,878	0	0	0	0	0	0	0	17,878
Trustee	552,761	0	0	0	0	0	0	0	552,761
Other Officials	257,196	0	0	0	0	0	0	0	257,196
Total Fees Received from County Officials	\$ 1,664,479	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,664,479
<u>State of Tennessee</u>									
<u>General Government Grants</u>									
Juvenile Services Program	9,000	0	0	0	0	0	0	0	9,000
Airport Maintenance Program	105,142	0	0	0	0	0	0	0	105,142
Aging Programs	184,216	0	0	0	0	0	0	0	184,216
Solid Waste Grants	0	26,316	0	0	0	0	0	0	26,316
<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	303,881	0	0	0	0	0	0	0	303,881
<u>Public Works Grants</u>									
Bridge Program	0	0	0	0	311,180	0	0	0	311,180
State Aid Program	0	0	0	0	261,962	0	0	0	261,962
Litter Program	68,789	0	0	0	0	0	0	0	68,789

(Continued)

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

	Special Revenue Funds					Debt Service Fund		Total
	General	Solid Waste / Sanitization	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>State of Tennessee (Cont.)</u>								
<u>Other State Revenues</u>								
Income Tax	0	0	0	0	0	63,447	0	63,447
Beer Tax	18,586	0	0	0	0	0	0	18,586
Alcoholic Beverage Tax	83,312	0	0	0	0	0	0	83,312
Mixed Drink Tax	1,223	0	0	0	0	0	0	1,223
State Revenue Sharing - T.V.A.	228,721	0	0	0	0	686,163	0	914,884
Contracted Prisoner Boarding	1,297,292	0	0	0	0	0	0	1,297,292
Gasoline and Motor Fuel Tax	0	0	0	0	1,996,679	0	0	1,996,679
Petroleum Special Tax	0	0	0	0	35,848	0	0	35,848
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	15,164
Other State Grants	2,100	0	0	0	0	0	0	2,100
Total State of Tennessee	<u>2,334,826</u>	<u>26,316</u>	<u>0</u>	<u>0</u>	<u>2,605,669</u>	<u>749,610</u>	<u>0</u>	<u>5,716,421</u>
<u>Federal Government</u>								
<u>Federal Through State</u>								
USDA - Other	25,791	0	0	0	0	0	0	25,791
Community Development	452,901	0	0	0	0	0	0	452,901
Civil Defense Reimbursement	82,500	0	0	0	0	0	0	82,500
Disaster Relief	0	0	0	0	26,898	0	0	26,898
Homeland Security Grants	370,472	0	0	0	0	0	0	370,472
<u>Direct Federal Revenue</u>								
Forest Service	0	0	0	0	310	0	0	310
Other Direct Federal Revenue	9,600	0	0	0	0	0	0	9,600
Total Federal Government	<u>941,264</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,208</u>	<u>0</u>	<u>0</u>	<u>968,472</u>
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Contributions	55,444	0	0	0	0	0	0	55,444
Contracted Services	58,832	24,951	0	0	0	0	0	83,783
<u>Citizens Groups</u>								
Donations	2,710	0	0	0	0	0	0	2,710
Total Other Governments and Citizens Groups	<u>116,986</u>	<u>24,951</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>141,937</u>
Total	<u>15,418,424</u>	<u>72,894</u>	<u>17,990</u>	<u>193,462</u>	<u>5,036,199</u>	<u>1,654,480</u>	<u>0</u>	<u>22,393,449</u>

Exhibit I-6

Gibson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2013

General Fund

General Government

County Commission

Board and Committee Members Fees	\$ 17,618	
Other Per Diem and Fees	7,750	
Social Security	1,573	
Employer Medicare	368	
Audit Services	14,905	
Consultants	950	
Dues and Memberships	1,800	
Legal Notices, Recording, and Court Costs	3,215	
Travel	210	
Other Charges	100	
Total County Commission		\$ 48,489

Board of Equalization

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

County Mayor/Executive

County Official/Administrative Officer	\$ 82,554	
Deputy(ies)	37,839	
Part-time Personnel	16,668	
Educational Incentive - Other County Employees	1,000	
In-Service Training	600	
Social Security	8,461	
State Retirement	7,606	
Employer Medicare	1,979	
Communication	2,121	
Data Processing Services	436	
Dues and Memberships	1,800	
Maintenance Agreements	9,410	
Maintenance and Repair Services - Equipment	34	
Postal Charges	1,015	
Printing, Stationery, and Forms	491	
Rentals	3,178	
Travel	5,690	
Office Supplies	4,382	
Communication Equipment	233	
Data Processing Equipment	2,119	
Total County Mayor/Executive		187,616

County Attorney

Dues and Memberships	\$ 100	
Legal Services	34,657	
Total County Attorney		34,757

Election Commission

County Official/Administrative Officer	\$ 58,480	
Deputy(ies)	25,546	
Part-time Personnel	12,542	
Board and Committee Members Fees	4,025	
Election Workers	50,209	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Social Security	\$	5,814	
State Retirement		5,308	
Employer Medicare		1,360	
Contracts with Private Agencies		9,506	
Legal Notices, Recording, and Court Costs		5,543	
Maintenance Agreements		11,757	
Maintenance and Repair Services - Equipment		548	
Maintenance and Repair Services - Office Equipment		435	
Postal Charges		5,946	
Printing, Stationery, and Forms		3,762	
Travel		1,403	
Office Supplies		4,228	
Total Election Commission			\$ 206,412

Register of Deeds

In-Service Training	\$	175	
Social Security		1,494	
State Retirement		2,003	
Dues and Memberships		522	
Maintenance Agreements		20,663	
Postal Charges		1,521	
Printing, Stationery, and Forms		393	
Travel		409	
Data Processing Supplies		862	
Total Register of Deeds			28,042

Development

Contracts with Government Agencies	\$	51,514	
Contracts with Private Agencies		8,400	
Legal Notices, Recording, and Court Costs		82	
Maintenance and Repair Services - Office Equipment		195	
Postal Charges		349	
Printing, Stationery, and Forms		210	
Travel		1,665	
Office Supplies		369	
Office Equipment		488	
Total Development			63,272

County Buildings

Custodial Personnel	\$	66,963	
Social Security		4,045	
State Retirement		4,230	
Employer Medicare		946	
Communication		38,085	
Maintenance and Repair Services - Buildings		57,361	
Maintenance and Repair Services - Equipment		35,951	
Travel		435	
Permits		130	
Custodial Supplies		10,898	
Food Supplies		395	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Natural Gas	\$ 24,603	
Utilities	99,552	
Other Supplies and Materials	520	
Building Improvements	660,316	
Heating and Air Conditioning Equipment	9,879	
Maintenance Equipment	204	
Building Purchases	2,885	
Other Equipment	7,104	
Total County Buildings		\$ 1,024,502

Other Facilities

Maintenance and Repair Services - Equipment	\$ 257	
Other Equipment	100	
Total Other Facilities		357

Preservation of Records

In-Service Training	\$ 85	
Travel	147	
Other Supplies and Materials	790	
Other Charges	255	
Total Preservation of Records		1,277

Finance

Accounting and Budgeting

Supervisor/Director	\$ 47,842	
Educational Incentive - Other County Employees	1,000	
Overtime Pay	1,600	
In-Service Training	475	
Social Security	3,127	
State Retirement	3,123	
Employer Medicare	731	
Travel	129	
Total Accounting and Budgeting		58,027

Property Assessor's Office

County Official/Administrative Officer	\$ 64,977	
Deputy(ies)	113,271	
Part-time Personnel	15,266	
Educational Incentive - Official/Admin Officer	1,000	
Educational Incentive - Other County Employees	1,000	
In-Service Training	1,425	
Social Security	11,385	
State Retirement	11,261	
Employer Medicare	2,663	
Data Processing Services	19,500	
Dues and Memberships	2,010	
Maintenance Agreements	3,897	
Postal Charges	1,572	
Printing, Stationery, and Forms	181	
Travel	5,155	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Other Contracted Services	\$ 14,200	
Office Supplies	2,029	
Data Processing Equipment	750	
Furniture and Fixtures	230	
Total Property Assessor's Office		\$ 271,772

Reappraisal Program

Deputy(ies)	\$ 27,666	
Social Security	1,342	
State Retirement	1,749	
Employee and Dependent Insurance	5,439	
Employer Medicare	314	
Data Processing Services	8,514	
Postal Charges	1,000	
Travel	3,291	
Total Reappraisal Program		49,315

County Trustee's Office

County Official/Administrative Officer	\$ 64,977	
Deputy(ies)	108,153	
Part-time Personnel	275	
Educational Incentive - Official/Admin Officer	1,000	
Educational Incentive - Other County Employees	4,000	
Social Security	10,808	
State Retirement	10,936	
Employer Medicare	2,528	
Dues and Memberships	747	
Legal Notices, Recording, and Court Costs	949	
Maintenance Agreements	14,558	
Postal Charges	14,344	
Printing, Stationery, and Forms	3,957	
Travel	2,707	
Office Supplies	5,159	
In Service/Staff Development	600	
Data Processing Equipment	5,089	
Total County Trustee's Office		250,787

County Clerk's Office

County Official/Administrative Officer	\$ 64,977	
Deputy(ies)	346,150	
Part-time Personnel	9,999	
Educational Incentive - Official/Admin Officer	1,000	
In-Service Training	575	
Social Security	25,104	
State Retirement	25,972	
Employer Medicare	5,871	
Communication	1,435	
Dues and Memberships	857	
Maintenance Agreements	19,260	
Maintenance and Repair Services - Office Equipment	364	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Postal Charges	\$ 14,100	
Printing, Stationery, and Forms	2,918	
Rentals	7,607	
Travel	2,788	
Other Contracted Services	1,004	
Library Books/Media	1,217	
Office Supplies	9,277	
Data Processing Equipment	5,195	
Furniture and Fixtures	12,566	
Office Equipment	1,919	
Total County Clerk's Office		\$ 560,155

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 64,977	
Deputy(ies)	222,306	
Salary Supplements	1,800	
Educational Incentive - Official/Admin Officer	1,000	
Educational Incentive - Other County Employees	7,000	
Jury and Witness Expense	18,213	
Social Security	17,457	
State Retirement	18,263	
Employer Medicare	4,083	
Contracts with Private Agencies	675	
Dues and Memberships	792	
Legal Notices, Recording, and Court Costs	273	
Maintenance Agreements	9,473	
Maintenance and Repair Services - Office Equipment	2,666	
Postal Charges	4,472	
Printing, Stationery, and Forms	1,369	
Travel	3,398	
Data Processing Supplies	1,051	
Office Supplies	4,433	
Data Processing Equipment	4,680	
Total Circuit Court		388,381

General Sessions Court

Judge(s)	\$ 153,077	
Supervisor/Director	33,325	
Educational Assistants	4,800	
Part-time Personnel	750	
Social Security	9,305	
State Retirement	12,080	
Employer Medicare	2,761	
Communication	317	
Contracts with Private Agencies	180	
Dues and Memberships	502	
Postal Charges	90	
Travel	2,055	
Office Supplies	1,418	
Data Processing Equipment	560	
Total General Sessions Court		221,220

(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

Supervisor/Director	\$ 12,854	
Part-time Personnel	3,900	
In-Service Training	120	
Social Security	1,039	
State Retirement	812	
Employer Medicare	243	
Travel	101	
Drugs and Medical Supplies	8,563	
Other Charges	288	
Total Drug Court		\$ 27,920

Chancery Court

County Official/Administrative Officer	\$ 64,977	
Deputy(ies)	141,653	
Educational Incentive - Official/Admin Officer	1,000	
Educational Incentive - Other County Employees	5,000	
Social Security	12,548	
State Retirement	13,054	
Employer Medicare	2,935	
Data Processing Services	7,644	
Dues and Memberships	742	
Maintenance Agreements	1,070	
Postal Charges	2,274	
Rentals	2,542	
Travel	171	
Office Supplies	6,073	
In Service/Staff Development	250	
Data Processing Equipment	599	
Total Chancery Court		262,532

Juvenile Court

Judge(s)	\$ 53,936
Youth Service Officer(s)	47,881
Part-time Personnel	15,298
Other Salaries and Wages	79,810
In-Service Training	445
Social Security	11,826
State Retirement	8,066
Employer Medicare	2,766
Communication	1,082
Dues and Memberships	510
Maintenance Agreements	1,746
Maintenance and Repair Services - Office Equipment	2,304
Postal Charges	2,920
Printing, Stationery, and Forms	369
Travel	2,976
Other Contracted Services	8,593
Office Supplies	816
Data Processing Equipment	1,782
Furniture and Fixtures	8,488

(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.)

Office Equipment	\$ 1,968	
Other Equipment	1,206	
Total Juvenile Court		\$ 254,788

Other Administration of Justice

County Official/Administrative Officer	\$ 64,977	
Deputy(ies)	154,584	
Salary Supplements	2,034	
Educational Incentive - Official/Admin Officer	1,000	
Jury and Witness Expense	23,780	
In-Service Training	300	
Social Security	13,266	
State Retirement	13,999	
Employer Medicare	3,103	
Contracts with Government Agencies	600	
Contracts with Private Agencies	427	
Dues and Memberships	780	
Maintenance Agreements	17,305	
Maintenance and Repair Services - Office Equipment	131	
Postal Charges	4,622	
Rentals	12,900	
Office Supplies	11,075	
Premiums on Corporate Surety Bonds	50	
Data Processing Equipment	1,854	
Total Other Administration of Justice		326,787

Victims Assistance Programs

Contributions	\$ 56,930	
Total Victims Assistance Programs		56,930

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 78,623
Assistant(s)	49,924
Deputy(ies)	858,121
Youth Service Officer(s)	32,529
Accountants/Bookkeepers	33,887
Salary Supplements	17,400
Clerical Personnel	75,616
Overtime Pay	88,107
Other Salaries and Wages	123,585
In-Service Training	9,487
Social Security	83,090
State Retirement	84,767
Employer Medicare	19,432
Communication	1,557
Contracts with Government Agencies	17,857
Contracts with Private Agencies	30,000
Maintenance and Repair Services - Buildings	5,521
Maintenance and Repair Services - Vehicles	48,197

(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.)

Postal Charges	\$ 3,587	
Printing, Stationery, and Forms	3,703	
Travel	3,458	
Gasoline	159,409	
Law Enforcement Supplies	2,579	
Uniforms	13,276	
Other Supplies and Materials	6,864	
Data Processing Equipment	7,282	
Law Enforcement Equipment	8,375	
Motor Vehicles	45,150	
Total Sheriff's Department		\$ 1,911,383

Jail

Guards	\$ 939,819	
Clerical Personnel	31,282	
Cafeteria Personnel	28,307	
Overtime Pay	40,876	
Social Security	62,929	
State Retirement	65,289	
Employer Medicare	14,717	
Maintenance and Repair Services - Buildings	25,236	
Medical and Dental Services	194,816	
Custodial Supplies	20,814	
Food Supplies	183,687	
Natural Gas	26,337	
Uniforms	8,349	
Utilities	141,861	
Other Supplies and Materials	29,143	
Other Charges	11,647	
Law Enforcement Equipment	6,696	
Total Jail		1,831,805

Juvenile Services

Salary Supplements	\$ 4,000	
Social Security	242	
State Retirement	253	
Employer Medicare	57	
Travel	977	
Office Supplies	3,464	
Total Juvenile Services		8,993

Fire Prevention and Control

Supervisor/Director	\$ 39,945	
In-Service Training	10,736	
Social Security	1,999	
State Retirement	2,524	
Employer Medicare	468	
Communication	2,978	
Contracts with Private Agencies	2,450	
Dues and Memberships	408	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Legal Notices, Recording, and Court Costs	\$	296	
Licenses		88	
Maintenance and Repair Services - Buildings		3,237	
Maintenance and Repair Services - Equipment		4,130	
Maintenance and Repair Services - Vehicles		25,900	
Travel		653	
Food Supplies		30	
Gasoline		19,020	
Office Supplies		1,408	
Uniforms		422	
Utilities		25,062	
Other Supplies and Materials		9,427	
Communication Equipment		72,301	
Data Processing Equipment		490	
Other Equipment		393,325	
Total Fire Prevention and Control			\$ 617,297

Rural Fire Protection

Contracts with Private Agencies	\$	5,000	
Legal Notices, Recording, and Court Costs		383	
Motor Vehicles		325,182	
Total Rural Fire Protection			330,565

Civil Defense

Supervisor/Director	\$	41,945	
Other Salaries and Wages		34,793	
Social Security		4,625	
State Retirement		4,848	
Employer Medicare		1,082	
Communication		4,986	
Dues and Memberships		290	
Legal Notices, Recording, and Court Costs		157	
Maintenance and Repair Services - Buildings		1,442	
Maintenance and Repair Services - Equipment		11,974	
Postal Charges		91	
Travel		276	
Food Supplies		390	
Gasoline		3,451	
Office Supplies		1,438	
Uniforms		20	
Utilities		18,736	
Vehicle Parts		39	
Communication Equipment		300	
Office Equipment		35	
Other Equipment		2,666	
Total Civil Defense			133,584

Other Emergency Management

Communication Equipment	\$	11,068	
Other Equipment		70,570	
Total Other Emergency Management			81,638

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Contracts with Government Agencies	\$ 36,780	
Contracts with Private Agencies	8,095	
Pauper Burials	365	
Total County Coroner/Medical Examiner		\$ 45,240

Public Health and Welfare

Local Health Center

Communication	\$ 1,974	
Contracts with Other Public Agencies	50,000	
Dues and Memberships	286	
Janitorial Services	20,952	
Maintenance and Repair Services - Buildings	6,002	
Maintenance and Repair Services - Office Equipment	185	
Postal Charges	280	
Custodial Supplies	705	
Drugs and Medical Supplies	1,069	
Office Supplies	5,973	
Utilities	24,098	
Total Local Health Center		111,524

Rabies and Animal Control

Supervisor/Director	\$ 7,737	
Part-time Personnel	11,992	
Social Security	1,223	
State Retirement	489	
Employer Medicare	286	
Communication	673	
Contracts with Private Agencies	4,400	
Legal Notices, Recording, and Court Costs	980	
Rentals	170	
Travel	3,774	
Animal Food and Supplies	947	
Diesel Fuel	1,838	
Refunds	425	
Building Improvements	2,200	
Other Equipment	780	
Total Rabies and Animal Control		37,914

Ambulance/Emergency Medical Services

Assistant(s)	\$ 36,319	
Supervisor/Director	48,204	
Equipment Operators	1,168,046	
Secretary(ies)	4,462	
Overtime Pay	225,951	
Other Salaries and Wages	29,118	
In-Service Training	1,492	
Social Security	91,224	
State Retirement	73,068	
Employer Medicare	21,335	
Communication	1,957	

(Continued)

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.)

Contracts with Private Agencies	\$ 13,280	
Data Processing Services	4,800	
Dues and Memberships	380	
Laundry Service	6,258	
Legal Notices, Recording, and Court Costs	178	
Licenses	3,666	
Maintenance and Repair Services - Buildings	1,724	
Maintenance and Repair Services - Equipment	9,003	
Maintenance and Repair Services - Vehicles	75,520	
Postal Charges	10,000	
Rentals	8,848	
Travel	555	
Drugs and Medical Supplies	69,370	
Food Supplies	569	
Gasoline	121,726	
Office Supplies	6,429	
Uniforms	6,430	
Utilities	6,608	
Other Supplies and Materials	2,596	
Data Processing Equipment	798	
Motor Vehicles	291,580	
Other Equipment	32,818	
Total Ambulance/Emergency Medical Services		\$ 2,374,312

Crippled Children Services

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

Other Local Health Services

Contributions	\$ 2,250	
Total Other Local Health Services		2,250

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	\$ 27,969	
Social Security	1,701	
State Retirement	1,767	
Employee and Dependent Insurance	4,906	
Life Insurance	31	
Employer Medicare	398	
Other Supplies and Materials	2,245	
Workers' Compensation Insurance	688	
Other Charges	14,013	
Total Sanitation Education/Information		53,718

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Public Health and Welfare

Social Workers	\$ 66,702	
Medical Personnel	65,979	
Part-time Personnel	5,898	
Other Salaries and Wages	78,689	
Social Security	13,308	
State Retirement	7,974	
Employee and Dependent Insurance	29,042	
Employer Medicare	3,112	
Communication	430	
Travel	14,511	
Other Supplies and Materials	7,898	
Total Other Public Health and Welfare		\$ 293,543

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$ 27,194	
Supervisor/Director	37,370	
Accountants/Bookkeepers	7,713	
Overtime Pay	7	
Other Salaries and Wages	87,804	
In-Service Training	328	
Social Security	9,786	
State Retirement	4,079	
Employer Medicare	2,289	
Communication	3,530	
Contracts with Government Agencies	520	
Contracts with Private Agencies	16,313	
Dues and Memberships	611	
Legal Notices, Recording, and Court Costs	150	
Licenses	1,821	
Maintenance Agreements	2,363	
Maintenance and Repair Services - Buildings	3,876	
Maintenance and Repair Services - Office Equipment	78	
Maintenance and Repair Services - Vehicles	820	
Medical and Dental Services	77	
Postal Charges	1,242	
Rentals	2,000	
Travel	30,519	
Other Contracted Services	1,393	
Data Processing Supplies	82	
Food Supplies	14,308	
Gasoline	3,975	
Office Supplies	2,140	
Other Supplies and Materials	4,498	
Refunds	4,734	
Criminal Investigation of Applicants - TBI	205	
Data Processing Equipment	1,199	
Motor Vehicles	21,368	
Office Equipment	601	
Other Equipment	431	
Total Senior Citizens Assistance		295,424

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Assistant(s)	\$	20,986	
Supervisor/Director		33,218	
Librarians		20,100	
Other Salaries and Wages		13,740	
Social Security		4,962	
State Retirement		4,694	
Employer Medicare		1,160	
Communication		2,470	
Contracts with Other Public Agencies		20,000	
Contributions		4,000	
Maintenance Agreements		1,530	
Postal Charges		209	
Travel		573	
Instructional Supplies and Materials		1,963	
Library Books/Media		16,455	
Periodicals		209	
Utilities		9,770	
Other Supplies and Materials		2,536	
Other Charges		1,280	
Other Equipment		7,316	
Total Libraries			\$ 167,171

Parks and Fair Boards

Communication	\$	402	
Maintenance and Repair Services - Buildings		7,323	
Natural Gas		746	
Utilities		10,212	
Total Parks and Fair Boards			18,683

Other Social, Cultural, and Recreational

Contributions	\$	3,500	
Total Other Social, Cultural, and Recreational			3,500

Agriculture and Natural Resources

Agriculture Extension Service

Temporary Personnel	\$	6,445	
In-Service Training		930	
Social Security		400	
Employer Medicare		93	
Communication		803	
Contracts with Government Agencies		79,491	
Licenses		52	
Maintenance and Repair Services - Equipment		619	
Postal Charges		1,000	
Rentals		2,888	
Travel		1,910	
Gasoline		19	
Office Supplies		1,500	
Data Processing Equipment		2,213	
Total Agriculture Extension Service			98,363

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Secretary(ies)	\$ 30,798	
Clerical Personnel	36,344	
Part-time Personnel	1,000	
Other Salaries and Wages	23,060	
Social Security	5,548	
State Retirement	5,698	
Employer Medicare	1,297	
Communication	521	
Postal Charges	150	
Travel	2,000	
Office Supplies	490	
Other Supplies and Materials	335	
Data Processing Equipment	390	
Other Equipment	8,678	
Total Soil Conservation		\$ 116,309

Flood Control

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

Other Operations

Tourism

Dues and Memberships	\$ 8,397	
Total Tourism		8,397

Industrial Development

Communication	\$ 10,805	
Contracts with Government Agencies	100,000	
Contracts with Other Public Agencies	68,400	
Contracts with Private Agencies	720	
Maintenance and Repair Services - Buildings	470	
Travel	624	
Data Processing Supplies	220	
Natural Gas	1,898	
Office Supplies	357	
Utilities	21,266	
Other Supplies and Materials	8,811	
Total Industrial Development		213,571

Other Economic and Community Development

Maintenance and Repair Services - Buildings	\$ 1,029	
Maintenance and Repair Services - Equipment	595	
Total Other Economic and Community Development		1,624

Airport

Attendants	\$ 29,000	
Part-time Personnel	7,537	
Social Security	2,222	
State Retirement	1,832	
Employer Medicare	520	

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Airport (Cont.)

Communication	\$	1,849	
Contracts with Private Agencies		46,832	
Dues and Memberships		92	
Licenses		71	
Maintenance and Repair Services - Buildings		9,250	
Maintenance and Repair Services - Equipment		3,766	
Matching Share		2,454	
Postal Charges		92	
Travel		1,434	
Remittance of Revenue Collected		5,676	
Permits		520	
Diesel Fuel		28,686	
Gasoline		41,280	
Office Supplies		234	
Utilities		9,253	
Liability Insurance		2,884	
Other Charges		50	
Airport Improvement		2,449	
Data Processing Equipment		598	
Maintenance Equipment		9,594	
Total Airport			\$ 208,175

Veterans' Services

Supervisor/Director	\$	27,932	
Secretary(ies)		12,116	
Social Security		2,483	
State Retirement		1,765	
Employer Medicare		581	
Postal Charges		45	
Travel		577	
Office Supplies		429	
Periodicals		113	
Data Processing Equipment		574	
Total Veterans' Services			46,615

Other Charges

Liability Insurance	\$	234,245	
Premiums on Corporate Surety Bonds		1,210	
Trustee's Commission		164,463	
Workers' Compensation Insurance		191,888	
Other Charges		4,775	
Total Other Charges			596,581

Contributions to Other Agencies

Contributions	\$	58,575	
Total Contributions to Other Agencies			58,575

Employee Benefits

State Retirement	\$	110,001	
Employee and Dependent Insurance		871,836	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits (Cont.)

Life Insurance	\$ 4,176	
Unemployment Compensation	18,949	
Total Employee Benefits		\$ 1,004,962

Other Debt Service

General Government

Underwriter's Discount	\$ 12,543	
Other Debt Issuance Charges	32,567	
Total General Government		45,110

Capital Projects

Public Health and Welfare Projects

Consultants	\$ 3,107	
Contracts with Private Agencies	104,918	
Engineering Services	18,580	
Legal Notices, Recording, and Court Costs	65	
Total Public Health and Welfare Projects		126,670

Other General Government Projects

Site Development	\$ 1,231	
Total Other General Government Projects		1,231

Total General Fund \$ 15,217,799

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 30,948	
Social Security	1,919	
State Retirement	1,956	
Employee and Dependent Insurance	4,906	
Employer Medicare	449	
Communication	468	
Data Processing Services	95	
Dues and Memberships	189	
Postal Charges	94	
Travel	3,872	
Office Supplies	72	
Other Supplies and Materials	495	
Trustee's Commission	220	
Data Processing Equipment	60	
Total Sanitation Management		\$ 45,743

Other Waste Disposal

Contracts with Private Agencies	\$ 29,908	
Total Other Waste Disposal		29,908

Total Solid Waste/Sanitation Fund 75,651

(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	\$ 1,800	
Trustee's Commission	154	
Other Charges	5,479	
Motor Vehicles	12,000	
Total Drug Enforcement		\$ 19,433

Total Drug Control Fund \$ 19,433

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 170,487	
Total Register of Deeds		\$ 170,487

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 2,840	
Total Chancery Court		2,840

Total Constitutional Officers - Fees Fund 173,327

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 76,992	
Accountants/Bookkeepers	42,980	
Secretary(ies)	825	
Board and Committee Members Fees	6,000	
Communication	6,153	
Data Processing Services	4,435	
Confidential Drug Enforcement Payments	1,833	
Dues and Memberships	5,592	
Janitorial Services	2,950	
Legal Notices, Recording, and Court Costs	143	
Maintenance and Repair Services - Office Equipment	2,252	
Postal Charges	1,060	
Travel	924	
Drugs and Medical Supplies	335	
Electricity	6,103	
Natural Gas	595	
Office Supplies	2,279	
Water and Sewer	1,621	
Other Supplies and Materials	50	
Other Charges	5,641	
Total Administration		\$ 168,763

Highway and Bridge Maintenance

Foremen	\$ 170,665
Equipment Operators	357,066
Laborers	278,110

(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.)

Contracts with Private Agencies	\$ 145,227	
Rentals	4,314	
Asphalt - Liquid	471,038	
Concrete	165	
Crushed Stone	419,242	
Pipe	123,511	
Road Signs	10,537	
Small Tools	115	
Wood Products	15,869	
Other Supplies and Materials	1,036	
Total Highway and Bridge Maintenance		\$ 1,996,895

Operation and Maintenance of Equipment

Mechanic(s)	\$ 172,656	
Maintenance and Repair Services - Buildings	7,579	
Maintenance and Repair Services - Equipment	50,007	
Diesel Fuel	238,450	
Equipment and Machinery Parts	150,279	
Garage Supplies	11,549	
Gasoline	47,637	
Lubricants	17,627	
Small Tools	3,498	
Tires and Tubes	58,215	
Other Supplies and Materials	508	
Office Equipment	859	
Total Operation and Maintenance of Equipment		758,864

Other Charges

Liability Insurance	\$ 120,048	
Premiums on Corporate Surety Bonds	330	
Trustee's Commission	53,743	
Workers' Compensation Insurance	66,016	
Total Other Charges		240,137

Employee Benefits

Social Security	\$ 66,957	
State Retirement	60,718	
Employee and Dependent Insurance	331,403	
Life Insurance	225	
Employer Medicare	15,678	
Total Employee Benefits		474,981

Capital Outlay

Bridge Construction	\$ 39,712	
Highway Construction	537,329	
Highway Equipment	284,971	
State Aid Projects	337,958	
Total Capital Outlay		1,199,970

Total Highway/Public Works Fund \$ 4,839,610

(Continued)

Exhibit I-6

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

<u>General Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Bonds	\$ 491,000	
Principal on Notes	455,000	
Total General Government		\$ 946,000
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	\$ 411,450	
Interest on Notes	5,734	
Total General Government		417,184
<u>Other Debt Service</u>		
<u>General Government</u>		
Bank Charges	\$ 1,795	
Trustee's Commission	20,794	
Underwriter's Discount	3,584	
Other Debt Issuance Charges	12,383	
Total General Government		38,556
Total General Debt Service Fund		\$ 1,401,740
Total Governmental Funds - Primary Government		\$ 21,727,560

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, 2013

	Cities Sales Tax Fund	Special School District Fund	Total
<u>Cash Receipts</u>			
Local Option Sales Tax	\$ 4,852,864	\$ 5,248,552	\$ 10,101,416
Interstate Telecommunications Tax	0	4,043	4,043
City/School District Property Taxes:			
Current Property Tax	0	10,847,382	10,847,382
Prior Year's Property Tax	0	609,368	609,368
Interest and Penalty	0	71,034	71,034
Marriage Licenses	0	3,240	3,240
Mixed Drink Tax	0	1,203	1,203
Total Cash Receipts	<u>\$ 4,852,864</u>	<u>\$ 16,784,822</u>	<u>\$ 21,637,686</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 4,804,335	\$ 16,542,795	\$ 21,347,130
Trustee's Commission	48,529	282,580	331,109
Total Cash Disbursements	<u>\$ 4,852,864</u>	<u>\$ 16,825,375</u>	<u>\$ 21,678,239</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ (40,553)	\$ (40,553)
Cash Balance, July 1, 2012	0	75,299	75,299
Cash Balance, June 30, 2013	<u>\$ 0</u>	<u>\$ 34,746</u>	<u>\$ 34,746</u>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT 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***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2013, and the related notes to the financial statements, which collectively comprise Gibson County's basic financial statements, and have issued our report thereon dated September 23, 2013. Our report includes a reference to other auditors who audited the financial statements of the Gibson County Emergency Communications District, as described in our report on Gibson County's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the report of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gibson County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Gibson County's internal control.

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 a 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2013-002 and 2013-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibson County's financial statements are free from 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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

Gibson County's Response to the Finding

Gibson County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Gibson County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering

Gibson County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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 on the left side.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 23, 2013

JPW/yu



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

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Gibson County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Gibson County's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Gibson County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide legal determination of Gibson County's compliance.

Opinion on Each Major Federal Program

In our opinion, Gibson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Gibson County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Gibson County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

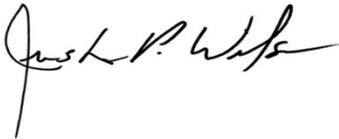
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the 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, 2013, and the related notes to the financial statements, which collectively comprise Gibson County's basic financial statements. We issued our report thereon dated September 23, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 23, 2013

JPW/yu

Gibson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2013

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Environmental Quality Incentives Program	10.912	N/A	\$ 25,791
Long-term Standing Agreements for Storage, Transportation, and Lease	10.999	N/A	62,412
Total U.S. Department of Agriculture			<u>\$ 88,203</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG11723900	\$ 287,631
Total U.S. Department of Housing and Urban Development			<u>\$ 287,631</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
Total U.S. Department of Justice			<u>\$ 9,000</u>
U.S. Department of Transportation			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(2)	\$ 2,822
Total U.S. Department of Transportation			<u>\$ 2,822</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(2)	\$ 2,100
Total U.S. Institute of Museum and Library Services			<u>\$ 2,100</u>
U.S. Delta Regional Authority:			
Direct Program:			
Delta Area Economic Development	90.201	(2)	\$ 162,448
Total U.S. Delta Regional Authority			<u>\$ 162,448</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)	\$ 45,531
Medical Assistance Program	93.778	(2)	65,750
Total U.S. Department of Health and Human Services			<u>\$ 111,281</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 26,898
Emergency Management Performance Grants	97.042	(2)	82,500
Assistance to Firefighters Grant	97.044	EMW-2012-F0-01324	288,983
Homeland Security Grant Program	97.067	(2)	81,489
Total U.S. Department of Homeland Security			<u>\$ 479,870</u>
Total Expenditures of Federal Awards			<u>\$ 1,143,355</u>

(Continued)

Gibson County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

<u>Federal/Pass-through Agency/State Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
<u>State Grants</u>			
Airport Maintenance Program - State Department of Transportation	N/A	(2)	\$ 105,142
Homemaker and Personal Care Services - Northwest Tennessee Development District	N/A	(2)	72,935
Litter Program - State Department of Transportation	N/A	(2)	68,789
Preventive Health and Human Services - State Department of Health	N/A	GG1338768	303,881
Waste Tire Collection Grant - State Department of Environment and Conservation	N/A	(2)	<u>26,316</u>
Total State Grants			<u>\$ 577,063</u>

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

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

(2) Information not available.

Gibson County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2013

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, 2012, which have not been corrected.

OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.05	120	Multiple employees operated from the same cash drawer

OFFICE OF REGISTER OF DEEDS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.06	121	Duties were not segregated adequately

GIBSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Gibson County is unmodified.
2. The audit of the financial statements of Gibson County disclosed significant deficiencies in internal control. None of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Gibson County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified 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 Community Development Block Grants/State's Program (CFDA No. 14.228) and Assistance to Firefighters Grant (CFDA No. 97.044) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Gibson County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination and the annual monitoring of assessors of property by the state Division of Property Assessments, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The assessor of property provided a written response on his finding, which is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF ASSESSOR OF PROPERTY

FINDING 2013-001

MOBILE HOME SCHEDULES WERE NOT MAILED TO THE LAND OWNER WHERE THE MOBILE HOME WAS LOCATED

(Noncompliance Under *Government Auditing Standards*)

Mobile home schedules were not mailed to the owner of the land where the mobile homes were located. Section 67-5-802, *Tennessee Code Annotated (TCA)*, requires the assessor to furnish a schedule to each land owner of a mobile home park by March 1 each year. It is the land owner's responsibility to complete the schedule to report the number of mobile homes, make, serial number, size, original cost, and any other information necessary for proper assessment of the mobile homes. This deficiency occurred because the assessor failed to follow the state statute, which could result in the inaccurate assessment of the property.

RECOMMENDATION

The assessor should provide to land owners where mobile homes are located a schedule of assessed values of each mobile home before March 1 of each tax year and should review them for accuracy.

MANAGEMENT'S RESPONSE – ASSESSOR OF PROPERTY

The finding of the monitoring report does not indicate what the Assessor's Office was doing. Section 67-5-802, *TCA*, states that the assessor shall furnish the property owners a schedule. It does not state they should be mailed. For the five years I have been the assessor and for years before that I am told, the reviewer for Gibson County would physically visit each mobile home park and review that status of each location in the park with the owner of the park. Thus, it appears to me that the Gibson County Assessor Reviewer has been going above and beyond the requirements as stated in Section 67-5-802, *TCA*. On the date the visit was made, I was out of the office, and our office had recently lost our reviewer to retirement. In the changeover, it appears the prior verification forms may have been lost. Bottom line is that the object of the forms is to gather information, and we have been doing that since September 2008.

DIVISION OF PROPERTY ASSESSMENT'S COMMENT

Section 67-5-802, *TCA*, is very clear, the assessor is to furnish a schedule for the land owner to fill out and return. However they choose to furnish the schedule, it must be furnished to

the land owner who owns the mobile home park. Physically visiting the mobile home parks each year would be part of the visual inspection process, which we would monitor. There clearly is no allowance in the statute to substitute a field review for a schedule to the land owner. It is the personal responsibility of land owners, where the park is located, to accurately complete and return these schedules to the local assessor of property. The assessor of property is also required by statute to furnish each owner of land used as a mobile home park a schedule of assessed value of each moveable structure on or before July 1 of each year. If a land owner is not provided a schedule, he cannot complete the statutory requirement since the assessor failed to provide him a schedule.

OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS

FINDING 2013-002

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees operated from the same cash drawer in the Offices of Clerk and Master and Register of Deeds. Good internal controls dictate that each employee should have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but the beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision by the officials resulting in a loss of control over assets. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

OFFICE OF REGISTER OF DEEDS

FINDING 2013-003

DUTIES WERE NOT SEGREGATED ADEQUATELY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the official and employees in the office. Employees 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 of deeds 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 Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve the 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, 2013**

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