



**ANNUAL FINANCIAL REPORT  
GIBSON COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2014**



**ANNUAL FINANCIAL REPORT**  
**GIBSON COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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

*DIVISION OF LOCAL GOVERNMENT AUDIT*  
*JAMES R. ARNETTE*  
*Director*

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*Audit Manager*

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*LAUREN JEWELL*  
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*State Auditors*

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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# *Summary of Audit Findings*

Annual Financial Report  
Gibson County, Tennessee  
For the Year Ended June 30, 2014

## *Scope*

We have audited the basic financial statements of Gibson County as of and for the year ended June 30, 2014.

## *Results*

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

Our audit resulted in four 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*

The following are summaries of the audit findings:

### **OFFICE OF ROAD SUPERVISOR**

- ◆ The office did not purchase from the lowest bidder.
- 

### **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.
- 

### **OFFICE OF SHERIFF**

- ◆ Firearms and equipment were missing from the Sheriff's Department.

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# INTRODUCTORY SECTION

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# Gibson County Officials

## June 30, 2014

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### **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  
Allen Barker  
Lenford Carr  
Cody Childress  
Jimmy Copous  
Bobby Cotham  
Nelson Cunningham  
Mark Flake  
Larry Kimery  
Allen Leitherland  
James Longmire  
Michael Longmire  
Nelson McLin

Melvin Morris  
Wayne Morris  
Sandra Moss  
Jim Overall  
Robert Shelton  
Marvin Sikes  
Leon Smith  
Keith Steele  
Greg Stone  
Valess Stults  
Robin Summers  
Bruce Williams  
Coy Yergin

### **Highway Commission**

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

### **Audit Committee**

Nolan Bradford, Chairman  
Mitchell Bennett  
Ashley Comstock  
Robert Shelton

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## **FINANCIAL SECTION**

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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

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, 2014, 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 Communication 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, 2014, and the respective changes in financial position and the respective 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.

### ***Change in Accounting Principle***

As described in Note V.B., Gibson County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

### ***Emphasis of Matter***

We draw attention to Note I.D.8. in the financial statements, which describes a prior-period adjustment to the beginning net position of the government-wide financial statements totaling \$1,063,434. This adjustment was necessary due to the unrecorded disposition of a capital asset in the prior year. Our opinion is not modified with respect to this matter.

## ***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 plan on pages 60-61 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 by us. 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

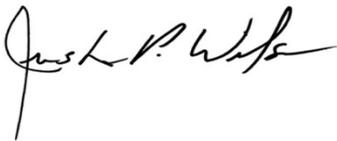
miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 November 19, 2014, 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

November 19, 2014

JPW/kp

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# BASIC FINANCIAL STATEMENTS

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Gibson County, Tennessee  
Statement of Net Position  
June 30, 2014

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Emergency Communications District</u>
<u>ASSETS</u>		
Cash	\$ 51,600	\$ 973,845
Equity in Pooled Cash and Investments	10,822,428	0
Accounts Receivable	6,333,094	22,298
Allowance for Uncollectibles	(3,379,169)	0
Due from Other Governments	1,184,924	0
Property Taxes Receivable	7,327,495	0
Allowance for Uncollectible Property Taxes	(250,983)	0
Prepaid Items	0	5,641
Accrued Interest Receivable	0	890
Other Current Assets	0	68
Capital Assets:		
Assets Not Depreciated:		
Land	5,313,966	66,400
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	11,577,274	391,781
Infrastructure	15,114,179	0
Other Capital Assets	3,306,014	550,071
Total Assets	<u>\$ 57,400,822</u>	<u>\$ 2,010,994</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 37,119	\$ 11,359
Payroll Deductions Payable	2,456	0
Accrued Leave	0	13,514
Accrued Interest Payable	30,742	0
Unearned Revenue	0	331,333
Noncurrent Liabilities:		
Due Within One Year	906,680	0
Due in More Than One Year (net of unamortized premium on debt)	14,455,641	0
Total Liabilities	<u>\$ 15,432,638</u>	<u>\$ 356,206</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 6,836,189	\$ 0
Total Deferred Inflows of Resources	<u>\$ 6,836,189</u>	<u>\$ 0</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 20,076,863	\$ 1,008,252
Restricted for:		
General Government	73,038	0
Administration of Justice	64,307	0
Public Safety	101,730	0
Public Health and Welfare	10,400	0
Highway/Public Works	165,276	0
Debt Service	206,902	0
Unrestricted	14,433,479	646,536
Total Net Position	<u>\$ 35,131,995</u>	<u>\$ 1,654,788</u>

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

Gibson County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2014

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
					Governmental Total	Unit Emergency Communications District
Primary Government:						
Governmental Activities:						
General Government	\$ 1,738,484	\$ 510,008	\$ 136,630	\$ 23,029	\$ (1,068,817)	\$ 0
Finance	1,386,522	1,071,194	0	0	(315,328)	0
Administration of Justice	2,024,324	856,739	50,746	0	(1,116,839)	0
Public Safety	5,491,820	1,482,711	448,054	137,241	(3,423,814)	0
Public Health and Welfare	3,493,050	2,967,137	444,891	162,685	81,663	0
Social, Cultural, and Recreational Services	542,236	55,498	217,018	0	(269,720)	0
Agriculture and Natural Resources	271,447	0	70,551	0	(200,896)	0
Highways	5,344,858	21,429	2,067,147	362,693	(2,893,589)	0
Interest on Long-term Debt	380,168	0	4,089	0	(376,079)	0
Total Primary Government	\$ 20,672,909	\$ 6,964,716	\$ 3,439,126	\$ 685,648	\$ (9,583,419)	\$ 0
Component Unit:						
Emergency Communications District	\$ 939,983	\$ 425,304	\$ 343,843	\$ 164,240	\$ 0	\$ (6,596)
Total Component Unit	\$ 939,983	\$ 425,304	\$ 343,843	\$ 164,240	\$ 0	\$ (6,596)

(Continued)

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 Governmental Total	Component Unit Emergency Communications District
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 6,575,884	\$ 0
Property Taxes Levied for Debt Service				448,347	0
Local Option Sales Taxes				388,994	0
Wheel Tax				1,461,991	0
Litigation Tax				167,934	0
Business Tax				368,357	0
Other Local Taxes				126,929	0
Grants and Contributions Not Restricted for Specific Programs				1,201,500	0
Unrestricted Investment Income				179,701	4,983
Miscellaneous				40,348	64,429
Total General Revenues				\$ 10,959,985	\$ 69,412
Change in Net Position				\$ 1,376,566	\$ 62,816
Net Position, July 1, 2013				34,818,863	1,591,972
Prior-period Adjustment - See Note I.D.8.				(1,063,434)	0
Net Position, June 30, 2014				\$ 35,131,995	\$ 1,654,788

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

Gibson County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service	Other Governmental Funds	Governmental Funds	
\$	0	0	0	51,600	0	51,600
Cash	5,438,229	1,008,983	4,224,761	150,455	0	10,822,428
Equity in Pooled Cash and Investments	6,324,372	848	187	7,687	0	6,333,094
Accounts Receivable	(3,379,169)	0	0	0	0	(3,379,169)
Allowance for Uncollectibles	383,499	762,184	31,544	7,697	0	1,184,924
Due from Other Governments	1,156	0	0	0	0	1,156
Due from Other Funds	6,138,670	1,016,288	172,537	0	0	7,327,495
Property Taxes Receivable	(206,773)	(33,493)	(10,717)	0	0	(250,983)
Allowance for Uncollectible Property Taxes						
Total Assets	\$ 14,699,984	\$ 2,754,810	\$ 4,418,312	\$ 217,439	\$ 0	\$ 22,090,545

ASSETS

Cash	0	0	0	51,600	0	51,600
Equity in Pooled Cash and Investments	5,438,229	1,008,983	4,224,761	150,455	0	10,822,428
Accounts Receivable	6,324,372	848	187	7,687	0	6,333,094
Allowance for Uncollectibles	(3,379,169)	0	0	0	0	(3,379,169)
Due from Other Governments	383,499	762,184	31,544	7,697	0	1,184,924
Due from Other Funds	1,156	0	0	0	0	1,156
Property Taxes Receivable	6,138,670	1,016,288	172,537	0	0	7,327,495
Allowance for Uncollectible Property Taxes	(206,773)	(33,493)	(10,717)	0	0	(250,983)

LIABILITIES

Accounts Payable	0	37,119	0	0	0	37,119
Payroll Deductions Payable	0	2,456	0	0	0	2,456
Due to Other Funds	0	0	0	1,156	0	1,156
Total Liabilities	\$ 0	\$ 39,575	\$ 0	\$ 1,156	\$ 0	\$ 40,731

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	5,737,593	952,116	146,480	0	0	6,836,189
Deferred Delinquent Property Taxes	174,181	27,502	13,751	0	0	215,434
Other Deferred/Unavailable Revenue	2,831,159	203,125	0	0	0	3,034,284
Total Deferred Inflows of Resources	\$ 8,742,933	\$ 1,182,743	\$ 160,231	\$ 0	\$ 0	\$ 10,085,907

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service	Other Governmental Funds		
<b>FUND BALANCES</b>						
Restricted:						
Restricted for General Government	\$ 73,038	\$ 0	\$ 0	\$ 0	\$ 0	73,038
Restricted for Administration of Justice	64,307	0	0	0	0	64,307
Restricted for Public Safety	58,304	0	0	43,426	0	101,730
Restricted for Public Health and Welfare	10,400	0	0	0	0	10,400
Restricted for Capital Outlay	94,146	0	0	0	0	94,146
Restricted for Debt Service	0	0	223,893	0	0	223,893
Committed:						
Committed for General Government	4,000	0	0	50,444	0	54,444
Committed for Public Health and Welfare	0	0	0	122,413	0	122,413
Committed for Other Operations	30,833	0	0	0	0	30,833
Committed for Highways/Public Works	0	1,532,492	0	0	0	1,532,492
Committed for Debt Service	0	0	4,034,188	0	0	4,034,188
Unassigned	5,622,023	0	0	0	0	5,622,023
<b>Total Fund Balances</b>	<b>\$ 5,957,051</b>	<b>\$ 1,532,492</b>	<b>\$ 4,258,081</b>	<b>\$ 216,283</b>	<b>\$ 0</b>	<b>\$ 11,963,907</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 14,699,984</b>	<b>\$ 2,754,810</b>	<b>\$ 4,418,312</b>	<b>\$ 217,439</b>	<b>\$ 0</b>	<b>\$ 22,090,545</b>

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

Gibson County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2014

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)		\$ 11,963,907
(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	11,577,274	
Add: infrastructure net of accumulated depreciation	15,114,179	
Add: other capital assets net of accumulated depreciation	<u>3,306,014</u>	35,311,433
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (15,275,000)	
Less: compensated absences payable	(33,605)	
Less: accrued interest on bonds	(30,742)	
Less: other deferred revenue - premium on debt	<u>(53,716)</u>	(15,393,063)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,249,718</u>
Net position of governmental activities (Exhibit A)		<u>\$ 35,131,995</u>

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

Gibson County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
<u>Revenues</u>						
Local Taxes	\$ 6,876,022	\$ 2,173,077	\$ 741,308	\$ 0	\$ 0	\$ 9,790,407
Licenses and Permits	94,453	0	0	0	0	94,453
Fines, Forfeitures, and Penalties	306,718	0	0	17,446	0	324,164
Charges for Current Services	2,867,583	3,306	0	212,212	0	3,083,101
Other Local Revenues	174,542	51,857	250,906	773	0	478,078
Fees Received from County Officials	1,641,189	0	0	0	0	1,641,189
State of Tennessee	2,231,444	2,419,233	697,145	31,674	0	5,379,496
Federal Government	893,671	12,817	0	0	0	906,488
Other Governments and Citizens Groups	103,590	0	0	25,697	0	129,287
Total Revenues	\$ 15,189,212	\$ 4,660,290	\$ 1,689,359	\$ 287,802	\$ 0	\$ 21,826,663

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
<u>Expenditures</u>						
Current:						
General Government	\$ 1,316,272	\$ 0	\$ 0	\$ 175,416	\$ 0	\$ 1,491,688
Finance	1,356,832	0	0	0	0	1,356,832
Administration of Justice	1,755,623	0	0	2,484	0	1,758,107
Public Safety	5,093,493	0	0	5,685	0	5,099,178
Public Health and Welfare	3,439,211	0	0	81,792	0	3,521,003
Social, Cultural, and Recreational Services	501,180	0	0	0	0	501,180
Agriculture and Natural Resources	248,191	0	0	0	0	248,191
Other Operations	996,392	0	0	0	0	996,392
Highways	0	4,580,158	0	0	0	4,580,158
Debt Service:						
Principal on Debt	0	0	975,000	0	0	975,000
Interest on Debt	0	0	378,924	0	0	378,924
Other Debt Service	0	0	24,445	0	0	24,445

(Continued)

Gibson County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	Governmental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 1,983	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,983
Total Expenditures	\$ 14,709,177	\$ 4,580,158	\$ 1,378,369	\$ 265,377	\$ 20,933,081	\$ 20,933,081
Excess (Deficiency) of Revenues Over Expenditures	\$ 480,035	\$ 80,132	\$ 310,990	\$ 22,425	\$ 893,582	\$ 893,582
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 60,610	\$ 650	\$ 0	\$ 0	\$ 61,260	\$ 61,260
Transfers In	0	0	0	26,125	26,125	26,125
Transfers Out	(26,125)	0	0	0	(26,125)	(26,125)
Total Other Financing Sources (Uses)	\$ 34,485	\$ 650	\$ 0	\$ 26,125	\$ 61,260	\$ 61,260
Net Change in Fund Balances	\$ 514,520	\$ 80,782	\$ 310,990	\$ 48,550	\$ 954,842	\$ 954,842
Fund Balance, July 1, 2013	5,442,531	1,451,710	3,947,091	167,733	11,009,065	11,009,065
Fund Balance, June 30, 2014	\$ 5,957,051	\$ 1,532,492	\$ 4,258,081	\$ 216,283	\$ 11,963,907	\$ 11,963,907

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

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, 2014

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)		\$	954,842
(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	\$	1,447,038	
Less: current-year depreciation expense		<u>(2,235,915)</u>	(788,877)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of capital assets disposed			(6,133)
(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, 2014	\$	3,249,718	
Less: deferred delinquent property taxes and other deferred June 30, 2013		<u>(3,024,862)</u>	224,856
(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.			
Add: change in premium on debt issuances	\$	4,089	
Add: principal payment on note		455,000	
Add: principal payments on bonds		<u>520,000</u>	979,089
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	1,366	
Change in compensated absences payable		<u>11,423</u>	<u>12,789</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 1,376,566</u>

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

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 6,876,022	\$ 0	\$ 6,876,022	\$ 6,676,489	\$ 6,676,489	\$ 199,533
Licenses and Permits	94,453	0	94,453	88,300	88,300	6,153
Fines, Forfeitures, and Penalties	306,718	0	306,718	261,310	270,310	36,408
Charges for Current Services	2,867,583	0	2,867,583	2,992,650	2,992,650	(125,067)
Other Local Revenues	174,542	0	174,542	395,319	152,119	22,423
Fees Received from County Officials	1,641,189	0	1,641,189	1,730,500	1,730,500	(89,311)
State of Tennessee	2,231,444	0	2,231,444	1,921,734	2,045,702	185,742
Federal Government	893,671	0	893,671	132,558	713,532	180,139
Other Governments and Citizens Groups	103,590	0	103,590	99,715	102,965	625
Total Revenues	\$ 15,189,212	\$ 0	\$ 15,189,212	\$ 14,298,575	\$ 14,772,567	\$ 416,645
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 47,236	\$ 0	\$ 47,236	\$ 60,759	\$ 60,759	\$ 13,523
Board of Equalization	2,490	0	2,490	2,691	2,691	201
County Mayor/Executive	211,072	0	211,072	216,094	220,801	9,729
County Attorney	34,936	0	34,936	35,100	35,100	164
Election Commission	301,558	(75)	301,483	200,596	309,498	8,015
Register of Deeds	59,352	0	59,352	282,496	109,411	50,059
Development	64,314	0	64,314	69,200	69,200	4,886
County Buildings	592,517	(896)	591,621	449,973	649,500	57,879
Other Facilities	1,960	0	1,960	2,800	2,800	840
Preservation of Records	837	0	837	1,849	1,849	1,012
<u>Finance</u>						
Accounting and Budgeting	64,336	0	64,336	65,253	65,253	917
Property Assessor's Office	317,851	0	317,851	327,390	327,390	9,539
Reappraisal Program	55,738	0	55,738	67,141	67,141	11,403

(Continued)

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 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
County Trustee's Office	\$ 283,756	\$ 0	\$ 283,756	\$ 284,068	\$ 284,068	\$ 312
County Clerk's Office	635,151	0	635,151	662,452	662,452	27,301
<u>Administration of Justice</u>						
Circuit Court	438,411	0	438,411	436,963	446,219	7,808
General Sessions Court	225,165	0	225,165	226,119	226,119	954
Drug Court	42,232	0	42,232	42,995	42,995	763
Chancery Court	309,127	0	309,127	302,949	312,814	3,687
Juvenile Court	288,244	0	288,244	317,977	322,605	34,361
Other Administration of Justice	399,270	(1,200)	398,070	381,181	404,851	6,781
Victims Assistance Programs	53,174	0	53,174	50,000	59,000	5,826
<u>Public Safety</u>						
Sheriff's Department	2,167,307	(5,890)	2,161,417	2,373,066	2,382,322	220,905
Jail	2,037,205	(26,310)	2,010,895	2,270,457	2,275,658	264,763
Juvenile Services	8,986	0	8,986	9,000	9,000	14
Fire Prevention and Control	308,990	(288)	308,702	309,729	316,933	8,231
Rural Fire Protection	247,574	0	247,574	0	284,083	36,509
Civil Defense	224,996	0	224,996	204,840	237,464	12,468
Other Emergency Management	56,396	0	56,396	39,498	56,396	0
County Coroner/Medical Examiner	42,039	0	42,039	38,750	48,175	6,136
<u>Public Health and Welfare</u>						
Local Health Center	123,059	0	123,059	123,137	123,136	77
Rabies and Animal Control	58,412	0	58,412	67,029	67,029	8,617
Ambulance/Emergency Medical Services	2,827,968	0	2,827,968	2,757,729	2,945,260	117,292
Alcohol and Drug Programs	45,703	0	45,703	0	49,998	4,295
Crippled Children Services	2,859	0	2,859	2,859	2,859	0
Other Local Health Services	18,614	0	18,614	3,647	36,732	18,118

(Continued)

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 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
General Welfare Assistance	\$ 1,500	\$ 0	\$ 1,500	\$ 1,500	\$ 1,500	\$ 0
Other Local Welfare Services	13,125	0	13,125	13,125	13,125	0
Sanitation Education/Information	52,340	0	52,340	53,190	53,190	850
Other Public Health and Welfare	295,631	0	295,631	374,690	374,690	79,059
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	299,155	(1,817)	297,338	334,410	335,558	38,220
Libraries	181,549	(269)	181,280	183,378	185,283	4,003
Parks and Fair Boards	18,976	0	18,976	20,405	20,405	1,429
Other Social, Cultural, and Recreational	1,500	(500)	1,000	1,000	1,000	0
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	109,414	0	109,414	126,177	126,176	16,762
Soil Conservation	99,829	0	99,829	100,517	100,518	689
Flood Control	38,948	0	38,948	35,000	38,948	0
<u>Other Operations</u>						
Tourism	11,031	0	11,031	8,397	12,150	1,119
Industrial Development	14,573	0	14,573	12,000	30,116	15,543
Other Economic and Community Development	325,551	0	325,551	0	328,040	2,489
Airport	190,083	0	190,083	239,818	252,363	62,280
Veterans' Services	47,478	0	47,478	51,458	51,458	3,980
Other Charges	170,384	0	170,384	172,800	170,414	30
Contributions to Other Agencies	56,894	0	56,894	47,500	67,500	10,606
Employee Benefits	180,398	0	180,398	141,100	212,704	32,306
<u>Capital Projects</u>						
Other General Government Projects	1,983	0	1,983	2,500	2,500	517
Total Expenditures	\$ 14,709,177	\$ (37,245)	\$ 14,671,932	\$ 14,604,752	\$ 15,895,199	\$ 1,223,267

(Continued)

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 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ 480,035 \$	37,245 \$	517,280 \$	(306,177) \$	(1,122,632) \$	1,639,912
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 60,610 \$	0 \$	60,610 \$	0 \$	93,594 \$	(32,984)
Transfers Out	(26,125)	0	(26,125)	(26,125)	(26,125)	0
Total Other Financing Sources	\$ 34,485 \$	0 \$	34,485 \$	(26,125) \$	67,469 \$	(32,984)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 514,520 \$	37,245 \$	551,765 \$	(332,302) \$	(1,055,163) \$	1,606,928
	5,442,531	(37,245)	5,405,286	4,520,276	4,520,276	885,010
Fund Balance, June 30, 2014	\$ 5,957,051 \$	0 \$	5,957,051 \$	4,187,974 \$	3,465,113 \$	2,491,938

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

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,173,077	\$ 0	\$ 0	\$ 2,173,077	\$ 2,101,365	\$ 2,101,365	\$ 71,712
Charges for Current Services	3,306	0	0	3,306	4,000	4,000	(694)
Other Local Revenues	51,857	0	0	51,857	30,000	30,000	21,857
State of Tennessee	2,419,233	0	0	2,419,233	2,671,848	2,671,848	(252,615)
Federal Government	12,817	0	0	12,817	55,067	55,067	(42,250)
Total Revenues	\$ 4,660,290	\$ 0	\$ 0	\$ 4,660,290	\$ 4,862,280	\$ 4,862,280	\$ (201,990)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 174,522	\$ 0	\$ 0	\$ 174,522	\$ 183,849	\$ 183,849	\$ 9,327
Highway and Bridge Maintenance	2,130,680	0	0	2,130,680	2,141,000	2,296,000	165,320
Operation and Maintenance of Equipment	745,220	0	0	745,220	815,500	815,500	70,280
Other Charges	161,674	0	0	161,674	271,000	271,000	109,326
Employee Benefits	364,241	0	0	364,241	502,800	502,800	138,559
Capital Outlay	1,003,821	(388,976)	338,239	953,084	1,581,000	1,581,000	627,916
Total Expenditures	\$ 4,580,158	\$ (388,976)	\$ 338,239	\$ 4,529,421	\$ 5,495,149	\$ 5,650,149	\$ 1,120,728
Excess (Deficiency) of Revenues Over Expenditures	\$ 80,132	\$ 388,976	\$ (338,239)	\$ 130,869	\$ (632,869)	\$ (787,869)	\$ 918,738
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 650	\$ 0	\$ 0	\$ 650	\$ 1,000	\$ 1,000	\$ (350)
Total Other Financing Sources	\$ 650	\$ 0	\$ 0	\$ 650	\$ 1,000	\$ 1,000	\$ (350)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 80,782	\$ 388,976	\$ (338,239)	\$ 131,519	\$ (631,869)	\$ (786,869)	\$ 918,388
Fund Balance, July 1, 2013	1,451,710	(388,976)	0	1,062,734	888,388	888,388	174,346
Fund Balance, June 30, 2014	\$ 1,532,492	\$ 0	\$ (338,239)	\$ 1,194,253	\$ 256,519	\$ 101,519	\$ 1,092,734

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

Gibson County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,434,797
Equity in Pooled Cash and Investments	116,429
Accounts Receivable	4,482
Due from Other Governments	1,890,061
Taxes Receivable	12,138,793
Allowance for Uncollectible Property Taxes	<u>(416,028)</u>
Total Assets	<u>\$ 15,168,534</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 13,632,723
Due to Litigants, Heirs, and Others	<u>1,535,811</u>
Total Liabilities	<u>\$ 15,168,534</u>

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

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## GIBSON COUNTY, TENNESSEE

### Index of Notes to the Financial Statements

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**GIBSON COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**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 1.8 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.
- c. 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.
- d. 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 Adjustment**

Capital assets were restated \$1,063,434 from the prior year because a building had been included in Gibson County's assets that had actually been disposed of in April 2013. The county had received the building in 2008 as a donation from a local bank with the stipulation that it must be used for community based services for five years. At the end of the five-year period, the county determined that they no longer had a use for the building plus it needed extensive renovations. In April 2013, the building was given to an out-of-state company in the hopes of recruiting them to relocate their headquarters in Gibson County and provide jobs for the area. In exchange for the building, the company paid a \$70,000 liability previously incurred by the county for contracted services with a vendor. The disposition of the building was

approved by the County Commission as being in the best interest of the county.

## 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**

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/Executive, 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, 2014, Gibson County reported one significant encumbrance of \$338,239 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 nonpooled amounts held separately by individual funds.

##### **Deposits**

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

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

##### **Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government

sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase. The county had no pooled and nonpooled investments as of June 30, 2014.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2014, was as follows:

**Governmental Activities:**

	*Restated			
	Balance			Balance
	7-1-13	Increases	Decreases	6-30-14
<b>Capital Assets Not Depreciated:</b>				
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>
<b>Capital Assets Depreciated:</b>				
Buildings and Improvements	\$ 14,574,871	\$ 114,341	\$ 0	\$ 14,689,212
Roads and Bridges	32,815,270	386,333	0	33,201,603
Other Capital Assets	9,574,136	946,364	205,708	10,314,792
Total Capital Assets Depreciated	<u>\$ 56,964,277</u>	<u>\$ 1,447,038</u>	<u>\$ 205,708</u>	<u>\$ 58,205,607</u>
<b>Less Accumulated Depreciation For:</b>				
Buildings and Improvements	\$ 2,794,983	\$ 316,955	\$ 0	\$ 3,111,938
Roads and Bridges	16,802,195	1,285,229	0	18,087,424
Other Capital Assets	6,574,622	633,731	199,575	7,008,778
Total Accumulated Depreciation	<u>\$ 26,171,800</u>	<u>\$ 2,235,915</u>	<u>\$ 199,575</u>	<u>\$ 28,208,140</u>
Total Capital Assets Depreciated, Net	<u>\$ 30,792,477</u>	<u>\$ (788,877)</u>	<u>\$ 6,133</u>	<u>\$ 29,997,467</u>
Governmental Activities Capital Assets, Net	<u>\$ 36,106,443</u>	<u>\$ (788,877)</u>	<u>\$ 6,133</u>	<u>\$ 35,311,433</u>

\* See note I.D.8. for prior-period adjustment.

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

**Governmental Activities:**

General Government	\$ 43,236
Administration of Justice	46,257
Public Safety	427,250
Public Health and Welfare	183,684
Social, Cultural, and Recreational Services	11,734
Agriculture and Natural Resources	3,484
Other Operations	99,967
Highway/Public Works	<u>1,420,303</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 2,235,915</u></u>

**C. Construction Commitments**

At June 30, 2014, the Highway Department had uncompleted construction contracts of approximately \$338,239 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, 2014, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 1,156

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, 2014, consisted of the following amount:

Transfer Out	Transfer In Nonmajor Governmental Fund
General Fund	\$ 26,125

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 were issued for original terms of up to 24 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issued	Balance 6-30-14
General Obligation Bonds	1 to 2 %	6-1-26	\$ 2,250,000	\$ 1,590,000
General Obligation Bonds - Refunding	.5 to 4.3	6-1-33	14,310,000	13,685,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2014, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2020-2024	3,905,000	1,461,692	5,366,692
2025-2029	3,890,000	1,050,620	4,940,620
2030-2033	3,530,000	383,355	3,913,355
Total	<u>\$ 15,275,000</u>	<u>\$ 4,655,143</u>	<u>\$ 19,930,143</u>

There is \$4,258,081 available in the General Debt Service Fund to service long-term debt. Debt per capita for the outstanding bonds totaled \$307, based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Bonds	Note	Compensated Absences
Balance, July 1, 2013	\$ 15,795,000	\$ 455,000	\$ 45,028
Additions	0	0	46,225
Reductions	(520,000)	(455,000)	(57,648)
Balance, June 30, 2014	<u>\$ 15,275,000</u>	<u>\$ 0</u>	<u>\$ 33,605</u>
Balance Due Within One Year	<u>\$ 905,000</u>	<u>\$ 0</u>	<u>\$ 1,680</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 15,308,605
Less: Balance Due Within One Year	(906,680)
Add: Unamortized Premium on Debt	<u>53,716</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 14,455,641</u>

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

V. OTHER INFORMATION

A. Risk Management

Employee Health Insurance

Gibson County has chosen to become self-insured for risks associated with the employees' health insurance plan. This activity is currently being accounted for in the General and Highway/Public Works funds. The county retains the risk of loss to a limit of \$50,000 per specific loss and approximately \$1,300,000 overall. The county obtained an excess risk insurance policy to cover claims beyond any amounts exceeding these limits. The premiums for the excess risk insurance and administration fees are paid directly to the administrator of the county's employee insurance plan by the General and Highway/Public Works funds.

All full-time employees of Gibson County are eligible to participate. 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 two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year-End
2012-13	\$ 60,000	\$ 1,236,963	\$ 1,203,239	\$ 93,724
2013-14	93,724	1,164,586	1,258,310	0

Workers' Compensation Insurance

Gibson County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under provisions of Section 29-20-401, *Tennessee Code Annotated*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF

is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

#### Liability, Property, and Casualty

The county is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

#### **B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70 relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

#### **C. Subsequent Events**

On August 31, 2014, LeAnne Smith left the Office of Trustee and was succeeded by Dana Davidson, and Charles Arnold left the Office of Sheriff and was succeeded by Paul Thomas.

#### **D. 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.

#### **E. 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 Gibson County in conjunction with the counties of Chester, 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.

## **F. Retirement Commitments**

### **Plan Description**

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

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

### **Funding Policy**

Gibson County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an

actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 6.32 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, 2014, Gibson County’s annual pension cost of \$481,899 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2011, 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, 2011, was five 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
6-30-14	\$481,899	100%	\$0
6-30-13	467,685	100	0
6-30-12	464,572	100	0

**Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the plan was 95.46 percent funded. The actuarial accrued liability for benefits was \$22.98 million, and the actuarial value of assets was \$21.94 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.04 million. The covered payroll (annual payroll of active employees covered by the plan) was \$7.34 million, and the ratio of the UAAL to the covered payroll was 14.19 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.

**G. 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 55, Private Acts of 1951, as amended, and Section 54-7-113, *TCA*, (Uniform Road Law), govern purchasing procedures for the Highway Department. These statutes require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

**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 nonoperating revenues. The state has defined grants and reimbursements from the Tennessee Emergency Communications Board to be nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating 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 thresholds and estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>	<u>Threshold</u>
Equipment	15 - 20	\$ 2,500
Office Equipment	3 - 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, 2014, the liability for accrued leave was \$13,514.

**e. Deferred Outflows/Inflows of Resources**

During the year ended June 30, 2014, 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, 2014.

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 did not have any items that qualify for reporting in this category as of June 30, 2014.

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.

g. **Net Position**

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.

h. **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.

i. **Impact of Recently Issued Accounting Pronouncements**

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. This statement is effective for financial periods beginning after December 15, 2012. As of June 30, 2014, the district had no items affected by the changes.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement 25, and Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27. Statement No. 67, effective for fiscal years beginning after June 15, 2013, revises existing standards of financial reporting by state and local government pension plans and will be adopted by the pension plan itself. Statement No. 68 will affect the governments that participate as employers in these plans and is effective for fiscal years beginning after June 15, 2014. For governments to adopt Statement No. 68, the underlying pension plans must first adopt Statement No. 67. These statements establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. Statement No. 68 details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. The objective of Statement No. 68 is to improve accounting and financial reporting by state and local governments for pensions. These pension standards include significant changes to how governmental employers will report liabilities related to pension obligations. Management is currently evaluating the impact the adoption of Statement No. 68 will have on the entity's financial statements.

**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 2014, there were eight line-items that exceeded the budgeted amounts: overtime by \$1,782, medical insurance by \$1,992, office supplies by \$623, uniforms and shirts by \$50, direct deposit fees by \$52, travel by \$240, security by \$327, and depreciation expense by \$73,633.

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 are 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, 2014, all bank deposits were fully collateralized or insured.

2. **Unearned Revenue**

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.

3. **Capital Assets**

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

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 66,400	\$ 0	\$ 0	\$ 66,400
Capital Assets Depreciated:				
Buildings and Improvements	\$ 736,365	\$ 0	\$ 0	\$ 736,365
Office Equipment	87,878	106,899	0	194,777
Communications Equipment	959,659	86,273	53,980	991,952
Vehicles	20,941	0	0	20,941
Total Capital Assets Depreciated:	\$ 1,804,843	\$ 193,172	\$ 53,980	\$ 1,944,035
Less: Accumulated Depreciation For:				
Buildings and Improvements	\$ 317,148	\$ 27,436	\$ 0	\$ 344,584
Office Equipment	82,112	22,089	0	104,201
Communications Equipment	460,051	137,157	53,980	543,228
Vehicles	6,191	3,979	0	10,170
Total Accumulated Depreciation	\$ 865,502	\$ 190,661	\$ 53,980	\$ 1,002,183
Capital Assets, Net	\$ 1,005,741	\$ 2,511	\$ 0	\$ 1,008,252

**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**

### **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, 10<sup>th</sup> 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, 2014, was 10.79 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, 2014, the district's annual pension cost of \$34,354 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2011, 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, 2011, was four years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

#### **Trend Information**

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6-30-14	\$ 34,354	100%	\$ 0
6-30-13	33,345	100	0
6-30-12	35,046	100	0

### **Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date available, the plan was 97.26 percent funded. The actuarial accrued liability for benefits was \$.86 million, and the actuarial value of assets was \$.02 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 \$.33 million, and the ratio of the UAAL to the covered payroll was 7.46 percent.

### **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.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Gibson County, Tennessee  
Schedule of Funding Progress – Pension Plan  
June 30, 2014

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) Frozen 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)
7-1-13	\$ 21,936	\$ 22,979	\$ 1,042	95.46 %	\$ 7,344	14.19 %
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

**GIBSON COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2014**

NONE

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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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.

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 of deeds, and sheriff.

Gibson County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2014

<u>Special Revenue Funds</u>				
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total Nonmajor Governmental Funds
\$	0	0	51,600	\$ 51,600
	107,029	43,426	0	150,455
	7,687	0	0	7,687
	7,697	0	0	7,697
\$	122,413	43,426	51,600	\$ 217,439

ASSETS

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

Total Assets

LIABILITIES

Due to Other Funds  
Total Liabilities

FUND BALANCES

Restricted:  
Restricted for Public Safety  
Committed:  
Committed for General Government  
Committed for Public Health and Welfare  
Total Fund Balances

Total Liabilities and Fund Balances

Gibson County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2014

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees		
<u>Revenues</u>					
Fines, Forfeitures, and Penalties	\$ 0	\$ 17,446	\$ 0	\$ 0	\$ 17,446
Charges for Current Services	25,060	0	187,152		212,212
Other Local Revenues	773	0	0		773
State of Tennessee	31,674	0	0		31,674
Other Governments and Citizens Groups	25,697	0	0		25,697
Total Revenues	\$ 83,204	\$ 17,446	\$ 187,152	\$ 0	\$ 287,802
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 175,416	\$ 0	\$ 175,416
Administration of Justice	0	0	2,484		2,484
Public Safety	0	5,685	0		5,685
Public Health and Welfare	81,792	0	0		81,792
Total Expenditures	\$ 81,792	\$ 5,685	\$ 177,900	\$ 0	\$ 265,377
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,412	\$ 11,761	\$ 9,252	\$ 0	\$ 22,425
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 26,125	\$ 0	\$ 0	\$ 0	\$ 26,125
Total Other Financing Sources (Uses)	\$ 26,125	\$ 0	\$ 0	\$ 0	\$ 26,125

(Continued)

Gibson County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees		
Net Change in Fund Balances	\$ 27,537	\$ 11,761	\$ 9,252	\$ 48,550	
Fund Balance, July 1, 2013	94,876	31,665	41,192	167,733	
Fund Balance, June 30, 2014	\$ 122,413	\$ 43,426	\$ 50,444	\$ 216,283	

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 25,060	\$ 0	\$ 25,060	\$ 15,000	\$ 15,000	\$ 10,060
Other Local Revenues	773	0	773	1,200	1,200	(427)
State of Tennessee	31,674	0	31,674	44,000	51,329	(19,655)
Other Governments and Citizens Groups	25,697	0	25,697	25,697	25,697	0
Total Revenues	\$ 83,204	\$ 0	\$ 83,204	\$ 85,897	\$ 93,226	\$ (10,022)
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Sanitation Management	\$ 48,055	\$ 0	\$ 48,055	\$ 50,244	\$ 50,244	\$ 2,189
Other Waste Disposal	33,737	(10,092)	23,645	44,000	51,329	27,684
Total Expenditures	\$ 81,792	\$ (10,092)	\$ 71,700	\$ 94,244	\$ 101,573	\$ 29,873
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,412	\$ 10,092	\$ 11,504	\$ (8,347)	\$ (8,347)	\$ 19,851
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 26,125	\$ 0	\$ 26,125	\$ 24,119	\$ 24,119	\$ 2,006
Total Other Financing Sources	\$ 26,125	\$ 0	\$ 26,125	\$ 24,119	\$ 24,119	\$ 2,006
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 27,537	\$ 10,092	\$ 37,629	\$ 15,772	\$ 15,772	\$ 21,857
	94,876	(10,092)	84,784	85,182	85,182	(398)
Fund Balance, June 30, 2014	\$ 122,413	\$ 0	\$ 122,413	\$ 100,954	\$ 100,954	\$ 21,459

Gibson County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 17,446	\$ 7,000	\$ 7,000	\$ 10,446
Charges for Current Services	0	700	700	(700)
Other Local Revenues	0	300	300	(300)
Total Revenues	<u>\$ 17,446</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 9,446</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 5,685	\$ 9,600	\$ 9,600	\$ 3,915
Total Expenditures	<u>\$ 5,685</u>	<u>\$ 9,600</u>	<u>\$ 9,600</u>	<u>\$ 3,915</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 11,761</u>	<u>\$ (1,600)</u>	<u>\$ (1,600)</u>	<u>\$ 13,361</u>
Net Change in Fund Balance	\$ 11,761	\$ (1,600)	\$ (1,600)	\$ 13,361
Fund Balance, July 1, 2013	<u>31,665</u>	<u>21,103</u>	<u>21,103</u>	<u>10,562</u>
Fund Balance, June 30, 2014	<u>\$ 43,426</u>	<u>\$ 19,503</u>	<u>\$ 19,503</u>	<u>\$ 23,923</u>

# Major Governmental Fund

## General Debt Service Fund

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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.

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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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 741,308	\$ 707,712	\$ 707,712	\$ 33,596
Other Local Revenues	250,906	169,000	169,000	81,906
State of Tennessee	697,145	549,000	549,000	148,145
Total Revenues	<u>\$ 1,689,359</u>	<u>\$ 1,425,712</u>	<u>\$ 1,425,712</u>	<u>\$ 263,647</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 975,000	\$ 975,000	\$ 975,000	\$ 0
<u>Interest on Debt</u>				
General Government	378,924	378,925	378,925	1
<u>Other Debt Service</u>				
General Government	24,445	29,000	29,000	4,555
Total Expenditures	<u>\$ 1,378,369</u>	<u>\$ 1,382,925</u>	<u>\$ 1,382,925</u>	<u>\$ 4,556</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 310,990</u>	<u>\$ 42,787</u>	<u>\$ 42,787</u>	<u>\$ 268,203</u>
Net Change in Fund Balance	\$ 310,990	\$ 42,787	\$ 42,787	\$ 268,203
Fund Balance, July 1, 2013	3,947,091	4,416,225	4,416,225	(469,134)
Fund Balance, June 30, 2014	<u>\$ 4,258,081</u>	<u>\$ 4,459,012</u>	<u>\$ 4,459,012</u>	<u>\$ (200,931)</u>

# Fiduciary Funds

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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.

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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 of deeds, 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.

Gibson County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2014

	Agency Funds					Total
	Cities - Sales Tax	Special School District	Constitu- tional Officers - Agency	District Attorney General		
Cash	\$ 0	\$ 0	\$ 1,434,797	\$ 0	\$ 0	\$ 1,434,797
Equity in Pooled Cash and Investments	0	16,316	0	100,113		116,429
Accounts Receivable	0	4,482	0	0		4,482
Due from Other Governments	909,014	980,146	0	901		1,890,061
Taxes Receivable	0	12,138,793	0	0		12,138,793
Allowance for Uncollectible Taxes	0	(416,028)	0	0		(416,028)
Total Assets	\$ 909,014	\$ 12,723,709	\$ 1,434,797	\$ 101,014	\$ 15,168,534	
Due to Other Taxing Units	\$ 909,014	\$ 12,723,709	\$ 0	\$ 0	\$ 13,632,723	
Due to Litigants, Heirs, and Others	0	0	1,434,797	101,014	1,535,811	
Total Liabilities	\$ 909,014	\$ 12,723,709	\$ 1,434,797	\$ 101,014	\$ 15,168,534	

Gibson County, Tennessee  
Combining Statement of Changes in Assets  
and Liabilities - All Agency Funds  
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 5,079,991	\$ 5,079,991	\$ 0
Due from Other Governments	775,273	909,014	775,273	909,014
<b>Total Assets</b>	<b>\$ 775,273</b>	<b>\$ 5,989,005</b>	<b>\$ 5,855,264</b>	<b>\$ 909,014</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 775,273	\$ 5,989,005	\$ 5,855,264	\$ 909,014
<b>Total Liabilities</b>	<b>\$ 775,273</b>	<b>\$ 5,989,005</b>	<b>\$ 5,855,264</b>	<b>\$ 909,014</b>
<u>Special School District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 34,746	\$ 17,154,117	\$ 17,172,547	\$ 16,316
Accounts Receivable	2,879	4,482	2,879	4,482
Due from Other Governments	857,427	980,146	857,427	980,146
Taxes Receivable	11,824,775	12,138,793	11,824,775	12,138,793
Allowance for Uncollectible Taxes	(402,843)	(416,028)	(402,843)	(416,028)
<b>Total Assets</b>	<b>\$ 12,316,984</b>	<b>\$ 29,861,510</b>	<b>\$ 29,454,785</b>	<b>\$ 12,723,709</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 12,316,984	\$ 29,861,510	\$ 29,454,785	\$ 12,723,709
<b>Total Liabilities</b>	<b>\$ 12,316,984</b>	<b>\$ 29,861,510</b>	<b>\$ 29,454,785</b>	<b>\$ 12,723,709</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,301,557	\$ 8,978,303	\$ 8,845,063	\$ 1,434,797
<b>Total Assets</b>	<b>\$ 1,301,557</b>	<b>\$ 8,978,303</b>	<b>\$ 8,845,063</b>	<b>\$ 1,434,797</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,301,557	\$ 8,978,303	\$ 8,845,063	\$ 1,434,797
<b>Total Liabilities</b>	<b>\$ 1,301,557</b>	<b>\$ 8,978,303</b>	<b>\$ 8,845,063</b>	<b>\$ 1,434,797</b>

(Continued)

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	\$ 95,344	\$ 23,669	\$ 18,900	\$ 100,113
Due from Other Governments	898	901	898	901
Total Assets	<u>\$ 96,242</u>	<u>\$ 24,570</u>	<u>\$ 19,798</u>	<u>\$ 101,014</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 96,242	\$ 24,570	\$ 19,798	\$ 101,014
Total Liabilities	<u>\$ 96,242</u>	<u>\$ 24,570</u>	<u>\$ 19,798</u>	<u>\$ 101,014</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,301,557	\$ 8,978,303	\$ 8,845,063	\$ 1,434,797
Equity in Pooled Cash and Investments	130,090	22,257,777	22,271,438	116,429
Accounts Receivable	2,879	4,482	2,879	4,482
Due from Other Governments	1,633,598	1,890,061	1,633,598	1,890,061
Taxes Receivable	11,824,775	12,138,793	11,824,775	12,138,793
Allowance for Uncollectible Taxes	(402,843)	(416,028)	(402,843)	(416,028)
Total Assets	<u>\$ 14,490,056</u>	<u>\$ 44,853,388</u>	<u>\$ 44,174,910</u>	<u>\$ 15,168,534</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 13,092,257	\$ 35,850,515	\$ 35,310,049	\$ 13,632,723
Due to Litigants, Heirs, and Others	1,397,799	9,002,873	8,864,861	1,535,811
Total Liabilities	<u>\$ 14,490,056</u>	<u>\$ 44,853,388</u>	<u>\$ 44,174,910</u>	<u>\$ 15,168,534</u>

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## MISCELLANEOUS SCHEDULES

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Gibson County, Tennessee  
Schedule of Changes in Long-term Note and Bonds  
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Paid and/or Matured During Period	Outstanding 6-30-14
<u>NOTE PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Capital Outlay Refunding Note, Series 2012	\$ 910,000	.6 to .7	4-12-12	4-1-14	\$ 455,000	\$ 455,000	\$ 0
Total Note Payable					\$ 455,000	\$ 455,000	\$ 0
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Refunding, Series 2009	4,450,000	3 to 4.3	10-1-09	6-1-33	\$ 4,050,000	\$ 100,000	\$ 3,950,000
General Obligation Refunding, Series 2012	9,860,000	.5 to 2.4	4-12-12	6-1-29	9,810,000	75,000	9,735,000
General Obligation, Series 2012B	2,250,000	1 to 2	9-10-12	6-1-26	1,935,000	345,000	1,590,000
Total Bonds Payable					\$ 15,795,000	\$ 520,000	\$ 15,275,000

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
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	\$ 15,275,000	\$ 4,655,143	\$ 19,930,143

Gibson County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Solid Waste/Sanitation	Operations	<u>\$ 26,125</u>
Total Transfers			<u><u>\$ 26,125</u></u>

Gibson County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
For the Year Ended June 30, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA, and Chapter 111, Private Acts of 1929	\$ 86,359	\$ 50,000	RLI Insurance Company
Road Supervisor	Section 8-24-102, TCA	80,174	100,000	"
Trustee	Section 8-24-102, TCA	68,973 (1)	1,044,330	"
Assessor of Property	Section 8-24-102, TCA	68,973 (1)	50,000	"
County Clerk	Section 8-24-102, TCA	68,973 (1)	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	68,973 (1)	50,000	"
Clerk and Master - Trenton	Section 8-24-102, TCA and Chancery Court Judge	68,973 (1) (2)	65,000	"
Clerk and Master - Humboldt	Section 8-24-102, TCA	68,973 (1)	65,000	"
Register of Deeds	Section 8-24-102, TCA	68,973 (1)	25,000	"
Sheriff	Section 8-24-102, TCA and County Commission	82,247 (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 \$2,484.

(3) Includes \$7,477 for supervising the county workhouse. Does not include a clothing allowance of \$490.

Gibson County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2014

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 5,412,153	\$ 0	\$ 0	\$ 0	851,378
Trustee's Collections - Prior Year	149,154	0	0	0	26,555
Trustee's Collections - Bankruptcy	3,199	0	0	0	552
Circuit/Clerk and Master Collections - Prior Years	110,432	0	0	0	17,437
Interest and Penalty	32,424	0	0	0	5,376
Payments in-Lieu-of Taxes - T.V.A.	86	0	0	0	14
Payments in-Lieu-of Taxes - Local Utilities	72,852	0	0	0	11,835
Payments in-Lieu-of Taxes - Other	9,118	0	0	0	1,440
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	395,485
Hotel/Motel Tax	58,402	0	0	0	0
Wheel Tax	417,713	0	0	0	835,421
Litigation Tax - General	105,049	0	0	0	0
Litigation Tax - Special Purpose	13,515	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	368,357	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	53,172	0	0	0	26,586
Wholesale Beer Tax	69,304	0	0	0	0
Interstate Telecommunications Tax	1,092	0	0	0	998
Total Local Taxes	\$ 6,876,022	\$ 0	\$ 0	\$ 0	2,173,077
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Vaccination	\$ 7,419	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	50,965	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	769 \$	0 \$	0 \$	0 \$	0
Building Permits	35,300	0	0	0	0
Total Licenses and Permits	94,453 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	5,827 \$	0 \$	0 \$	0 \$	0
Officers Costs	12,756	0	0	0	0
Drug Control Fines	0	0	2,036	0	0
Drug Court Fees	2,358	0	0	0	0
Jail Fees	11,726	0	0	0	0
DUI Treatment Fines	1,092	0	0	0	0
Data Entry Fee - Circuit Court	748	0	0	0	0
Courtroom Security Fee	2	0	0	0	0
Victims Assistance Assessments	2,592	0	0	0	0
<u>General Sessions Court</u>					
Fines	12,884	0	0	0	0
Officers Costs	30,936	0	0	0	0
Game and Fish Fines	176	0	0	0	0
Drug Control Fines	0	0	1,820	0	0
Drug Court Fees	1,862	0	0	0	0
Jail Fees	10,157	0	0	0	0
DUI Treatment Fines	4,779	0	0	0	0
Data Entry Fee - General Sessions Court	8,576	0	0	0	0
Courtroom Security Fee	1,613	0	0	0	0
Victims Assistance Assessments	11,105	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 1,731	\$ 0	\$ 0	\$ 0	0
Officers Costs	13,915	0	0	0	0
Data Entry Fee - Juvenile Court	2,110	0	0	0	0
Courtroom Security Fee	136	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	2,390	0	0	0	0
Data Entry Fee - Chancery Court	4,666	0	0	0	0
Courtroom Security Fee	641	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	3,861	0	0	0	0
Officers Costs	53,391	0	0	0	0
Drug Control Fines	119	0	2,760	0	0
Drug Court Fees	6,544	0	0	0	0
Jail Fees	30,997	0	0	0	0
DUI Treatment Fines	10,262	0	0	0	0
<u>Judicial District Drug Program</u>					
Data Entry Fee - Other Courts	7,724	0	0	0	0
Courtroom Security Fee	707	0	0	0	0
Victims Assistance Assessments	38,685	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	10,830	0	0
Other Fines, Forfeitures, and Penalties	9,650	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 306,718	\$ 0	\$ 17,446	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 25,060	\$ 0	\$ 0	\$ 0
Patient Charges	2,627,648	0	0	0	0
Other General Service Charges	4,314	0	0	0	0
Service Charges	48,228	0	0	0	0
<u>Fees</u>					
Airport Fees	106,905	0	0	0	0
Copy Fees	25	0	0	0	0
Library Fees	4,855	0	0	0	0
Telephone Commissions	47,560	0	0	0	0
Vending Machine Collections	409	0	0	0	3,306
Constitutional Officers' Fees and Commissions	0	0	0	187,152	0
Data Processing Fee - Register	13,187	0	0	0	0
Data Processing Fee - Sheriff	11,159	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,700	0	0	0	0
Data Processing Fee - County Clerk	593	0	0	0	0
Total Charges for Current Services	\$ 2,867,583	\$ 25,060	\$ 0	\$ 187,152	\$ 3,306
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	45,725	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	18,123
Commissary Sales	92,690	0	0	0	0
Sale of Recycled Materials	61	773	0	0	0
E-Rate Funding	1,906	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Sale of Animals/Livestock	\$ 2,550	\$ 0	\$ 0	\$ 0	\$ 0
Miscellaneous Refunds	2,496	0	0	0	19,742
<u>Nonrecurring Items</u>					
Sale of Equipment	5,644	0	0	0	13,992
Sale of Property	4,607	0	0	0	0
Damages Recovered from Individuals	2,114	0	0	0	0
Contributions and Gifts	6,839	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	9,910	0	0	0	0
Total Other Local Revenues	\$ 174,542	\$ 773	\$ 0	\$ 0	\$ 51,857
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
Register	\$ 2,452	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees in-Lieu-of Salary</u>					
County Clerk	489,585	0	0	0	0
Circuit Court Clerk	62,971	0	0	0	0
General Sessions Court Clerk	136,317	0	0	0	0
Clerk and Master	147,441	0	0	0	0
Sheriff	19,095	0	0	0	0
Trustee	577,781	0	0	0	0
Other Officials	205,547	0	0	0	0
Total Fees Received from County Officials	\$ 1,641,189	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	0
Airport Maintenance Program	10,128	0	0	0	0
Aging Programs	165,678	0	0	0	0
Solid Waste Grants	0	31,674	0	0	0
Other General Government Grants	10,019	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	16,800	0	0	0	0
Drug Control Grants	46,246	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	299,174	0	0	0	0
Other Health and Welfare Grants	33,085	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	41,128
State Aid Program	0	0	0	0	321,565
Litter Program	48,901	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	0
Beer Tax	17,806	0	0	0	0
Vehicle Certificate of Title Fees	748	0	0	0	0
Alcoholic Beverage Tax	86,869	0	0	0	0
Mixed Drink Tax	1,101	0	0	0	0
State Revenue Sharing - T.V.A.	222,136	0	0	0	0
Contracted Prisoner Boarding	1,251,599	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,020,691
Petroleum Special Tax	0	0	0	0	35,849

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Registrar's Salary Supplement	\$ 15,164	\$ 0	\$ 0	\$ 0	\$ 0
Other State Grants	1,490	0	0	0	0
Total State of Tennessee	\$ 2,231,444	\$ 31,674	\$ 0	\$ 0	\$ 2,419,233
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA - Other	\$ 70,551	\$ 0	\$ 0	\$ 0	\$ 0
Community Development	312,936	0	0	0	0
Civil Defense Reimbursement	121,998	0	0	0	0
Disaster Relief	0	0	0	0	12,817
Homeland Security Grants	264,684	0	0	0	0
Other Federal through State	108,902	0	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	14,600	0	0	0	0
Total Federal Government	\$ 893,671	\$ 0	\$ 0	\$ 0	\$ 12,817
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 39,360	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	61,558	25,697	0	0	0
<u>Citizens Groups</u>					
Donations	2,672	0	0	0	0
Total Other Governments and Citizens Groups	\$ 103,590	\$ 25,697	\$ 0	\$ 0	\$ 0
Total	\$ 15,189,212	\$ 83,204	\$ 17,446	\$ 187,152	\$ 4,660,290

(Continued)

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

	<u>Debt Service Fund</u>		
	General Debt Service	Total	
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	424,100 \$	6,687,631	
Trustee's Collections - Prior Year	14,337	190,046	
Trustee's Collections - Bankruptcy	295	4,046	
Circuit/Clerk and Master Collections - Prior Years	8,718	136,587	
Interest and Penalty	2,567	40,367	
Payments in-Lieu-of Taxes - T.V.A.	7	107	
Payments in-Lieu-of Taxes - Local Utilities	5,751	90,438	
Payments in-Lieu-of Taxes - Other	720	11,278	
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	395,485	
Hotel/Motel Tax	0	58,402	
Wheel Tax	208,857	1,461,991	
Litigation Tax - General	0	105,049	
Litigation Tax - Special Purpose	0	13,515	
Litigation Tax - Jail, Workhouse, or Courthouse	49,370	49,370	
Business Tax	0	368,357	
<u>Statutory Local Taxes</u>			
Bank Excise Tax	26,586	106,344	
Wholesale Beer Tax	0	69,304	
Interstate Telecommunications Tax	0	2,090	
Total Local Taxes	<u>741,308 \$</u>	<u>9,790,407</u>	
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Animal Vaccination	0 \$	7,419	
Cable TV Franchise	0	50,965	

(Continued)

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

	Debt Service Fund	General Debt Service	Total
<u>Licenses and Permits (Cont.)</u>			
<u>Permits</u>			
Beer Permits	0 \$	769	
Building Permits	0	35,300	
Total Licenses and Permits	0 \$	94,453	
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	0 \$	5,827	
Officers Costs	0	12,756	
Drug Control Fines	0	2,036	
Drug Court Fees	0	2,358	
Jail Fees	0	11,726	
DUI Treatment Fines	0	1,092	
Data Entry Fee - Circuit Court	0	748	
Courtroom Security Fee	0	2	
Victims Assistance Assessments	0	2,592	
<u>General Sessions Court</u>			
Fines	0	12,884	
Officers Costs	0	30,936	
Game and Fish Fines	0	176	
Drug Control Fines	0	1,820	
Drug Court Fees	0	1,862	
Jail Fees	0	10,157	
DUI Treatment Fines	0	4,779	
Data Entry Fee - General Sessions Court	0	8,576	
Courtroom Security Fee	0	1,613	
Victims Assistance Assessments	0	11,105	

(Continued)

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

	Debt Service Fund	General Debt Service	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>Juvenile Court</u>			
Fines	\$ 0	\$ 1,731	1,731
Officers Costs	0	13,915	13,915
Data Entry Fee - Juvenile Court	0	2,110	2,110
Courtroom Security Fee	0	136	136
<u>Chancery Court</u>			
Officers Costs	0	2,390	2,390
Data Entry Fee - Chancery Court	0	4,666	4,666
Courtroom Security Fee	0	641	641
<u>Other Courts - In-county</u>			
Fines	0	3,861	3,861
Officers Costs	0	53,391	53,391
Drug Control Fines	0	2,879	2,879
Drug Court Fees	0	6,544	6,544
Jail Fees	0	30,997	30,997
DUI Treatment Fines	0	10,262	10,262
<u>Judicial District Drug Program</u>			
Data Entry Fee - Other Courts	0	7,724	7,724
Courtroom Security Fee	0	707	707
Victims Assistance Assessments	0	38,685	38,685
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	10,830	10,830
Other Fines, Forfeitures, and Penalties	0	9,650	9,650
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 324,164	324,164

(Continued)

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

	<u>Debt Service</u>		
	<u>Fund</u>		
	General	Debt	Total
	Service	Service	Total
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Tipping Fees	0	\$	25,060
Patient Charges	0		2,627,648
Other General Service Charges	0		4,314
Service Charges	0		48,228
<u>Fees</u>			
Airport Fees	0		106,905
Copy Fees	0		25
Library Fees	0		4,855
Telephone Commissions	0		47,560
Vending Machine Collections	0		3,715
Constitutional Officers' Fees and Commissions	0		187,152
Data Processing Fee - Register	0		13,187
Data Processing Fee - Sheriff	0		11,159
Sexual Offender Registration Fee - Sheriff	0		2,700
Data Processing Fee - County Clerk	0		593
Total Charges for Current Services	0	\$	<u>3,083,101</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	179,701	\$	179,701
Lease/Rentals	71,205		116,930
Sale of Materials and Supplies	0		18,123
Commissary Sales	0		92,690
Sale of Recycled Materials	0		834
E-Rate Funding	0		1,906

(Continued)

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

	Debt Service Fund	General Debt Service	Total
<u>Other Local Revenues (Cont.)</u>			
<u>Recurring Items (Cont.)</u>			
Sale of Animals/Livestock	0	0	2,550
Miscellaneous Refunds	0		22,238
<u>Nonrecurring Items</u>			
Sale of Equipment		0	19,636
Sale of Property		0	4,607
Damages Recovered from Individuals		0	2,114
Contributions and Gifts		0	6,839
<u>Other Local Revenues</u>			
Other Local Revenues		0	9,910
Total Other Local Revenues		250,906	478,078
<u>Fees Received from County Officials</u>			
<u>Excess Fees</u>			
Register	0		2,452
<u>Fees in-Lieu-of Salary</u>			
County Clerk		0	489,585
Circuit Court Clerk		0	62,971
General Sessions Court Clerk		0	136,317
Clerk and Master		0	147,441
Sheriff		0	19,095
Trustee		0	577,781
Other Officials		0	205,547
Total Fees Received from County Officials		0	1,641,189

(Continued)

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

	Debt Service Fund	General Debt Service	Total
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 0	4,500
Airport Maintenance Program			10,128
Aging Programs			165,678
Solid Waste Grants			31,674
Other General Government Grants			10,019
<u>Public Safety Grants</u>			
Law Enforcement Training Programs			16,800
Drug Control Grants			46,246
<u>Health and Welfare Grants</u>			
Health Department Programs			299,174
Other Health and Welfare Grants			33,085
<u>Public Works Grants</u>			
Bridge Program			41,128
State Aid Program			321,565
Litter Program			48,901
<u>Other State Revenues</u>			
Income Tax	30,738		30,738
Beer Tax			17,806
Vehicle Certificate of Title Fees			748
Alcoholic Beverage Tax			86,869
Mixed Drink Tax			1,101
State Revenue Sharing - T.V.A.	666,407		888,543
Contracted Prisoner Boarding			1,251,599
Gasoline and Motor Fuel Tax			2,020,691
Petroleum Special Tax			35,849

(Continued)

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

	Debt Service Fund	General Debt Service	Total
<u>State of Tennessee (Cont.)</u>			
<u>Other State Revenues (Cont.)</u>			
Registrar's Salary Supplement	0 \$		15,164
Other State Grants	0		1,490
Total State of Tennessee	<u>697,145 \$</u>		<u>5,379,496</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA - Other	0 \$		70,551
Community Development	0		312,936
Civil Defense Reimbursement	0		121,998
Disaster Relief	0		12,817
Homeland Security Grants	0		264,684
Other Federal through State	0		108,902
<u>Direct Federal Revenue</u>	<u>0</u>		<u>14,600</u>
Other Direct Federal Revenue	0 \$		906,488
Total Federal Government			
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	0 \$		39,360
Contracted Services	0		87,255
<u>Citizens Groups</u>			
Donations	0		2,672
Total Other Governments and Citizens Groups	<u>0 \$</u>		<u>129,287</u>
Total	<u>1,689,359 \$</u>		<u>21,826,663</u>

Gibson County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	15,350	
Other Per Diem and Fees		9,600	
Social Security		1,547	
Employer Medicare		362	
Audit Services		14,905	
Consultants		2,450	
Dues and Memberships		1,800	
Legal Notices, Recording, and Court Costs		1,168	
Other Charges		54	
Total County Commission			\$ 47,236

Board of Equalization

Board and Committee Members Fees	\$	2,150	
Travel		340	
Total Board of Equalization			2,490

County Mayor/Executive

County Official/Administrative Officer	\$	86,359	
Deputy(ies)		37,839	
Part-time Personnel		16,727	
Educational Incentive - Other County Employees		1,000	
Overtime Pay		600	
In-service Training		165	
Social Security		8,704	
State Retirement		7,887	
Employee and Dependent Insurance		13,038	
Employer Medicare		2,036	
Communication		2,138	
Dues and Memberships		1,800	
Legal Notices, Recording, and Court Costs		40	
Maintenance Agreements		9,930	
Postal Charges		989	
Printing, Stationery, and Forms		562	
Rentals		2,844	
Travel		4,647	
Office Supplies		4,558	
Other Supplies and Materials		132	
Liability Insurance		1,458	
Workers' Compensation Insurance		128	
Data Processing Equipment		7,326	
Office Equipment		165	
Total County Mayor/Executive			211,072

County Attorney

Legal Services	\$	34,936	
Total County Attorney			34,936

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	61,175	
Deputy(ies)		25,546	
Part-time Personnel		10,932	
Board and Committee Members Fees		2,355	
Election Workers		22,671	
Social Security		5,877	
State Retirement		5,481	
Employee and Dependent Insurance		13,038	
Employer Medicare		1,374	
Contracts with Private Agencies		4,790	
Legal Notices, Recording, and Court Costs		4,294	
Maintenance Agreements		12,400	
Maintenance and Repair Services - Office Equipment		590	
Postal Charges		5,688	
Printing, Stationery, and Forms		4,412	
Travel		1,833	
Office Supplies		5,137	
Liability Insurance		1,849	
Workers' Compensation Insurance		139	
Other Charges		75	
Data Processing Equipment		1,540	
Office Equipment		3,000	
Voting Machines		107,362	
Total Election Commission			\$ 301,558

Register of Deeds

In-service Training	\$	175	
State Retirement		2,049	
Employee and Dependent Insurance		26,076	
Dues and Memberships		522	
Maintenance Agreements		13,734	
Postal Charges		1,578	
Printing, Stationery, and Forms		1,649	
Travel		435	
Data Processing Supplies		323	
Office Supplies		194	
Liability Insurance		3,147	
Workers' Compensation Insurance		248	
Data Processing Equipment		9,222	
Total Register of Deeds			59,352

Development

Contracts with Government Agencies	\$	52,403	
Contracts with Private Agencies		8,400	
Legal Notices, Recording, and Court Costs		49	
Maintenance and Repair Services - Office Equipment		585	
Postal Charges		266	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Printing, Stationery, and Forms	\$	25	
Travel		1,559	
Office Supplies		427	
Office Equipment		600	
Total Development			\$ 64,314

County Buildings

Custodial Personnel	\$	66,963	
Social Security		3,997	
State Retirement		4,232	
Employee and Dependent Insurance		19,557	
Employer Medicare		935	
Communication		42,626	
Engineering Services		5,000	
Evaluation and Testing		1,858	
Maintenance and Repair Services - Buildings		42,781	
Maintenance and Repair Services - Equipment		67,911	
Maintenance and Repair Services - Vehicles		598	
Permits		55	
Custodial Supplies		8,967	
Food Supplies		383	
Gasoline		476	
Natural Gas		35,694	
Utilities		109,021	
Other Supplies and Materials		510	
Liability Insurance		22,283	
Workers' Compensation Insurance		2,064	
Building Improvements		136,318	
Heating and Air Conditioning Equipment		18,837	
Maintenance Equipment		555	
Other Equipment		896	
Total County Buildings			592,517

Other Facilities

Maintenance and Repair Services - Equipment	\$	1,960	
Total Other Facilities			1,960

Preservation of Records

In-service Training	\$	85	
Travel		194	
Other Supplies and Materials		35	
Furniture and Fixtures		523	
Total Preservation of Records			837

Finance

Accounting and Budgeting

Supervisor/Director	\$	47,842	
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(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Educational Incentive - Other County Employees	\$	1,000	
Overtime Pay		1,484	
In-service Training		300	
Social Security		3,120	
State Retirement		3,117	
Employee and Dependent Insurance		6,519	
Employer Medicare		730	
Travel		112	
Workers' Compensation Insurance		112	
Total Accounting and Budgeting			\$ 64,336

Property Assessor's Office

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		113,271	
Part-time Personnel		14,573	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		2,000	
In-service Training		905	
Social Security		11,460	
State Retirement		11,454	
Employee and Dependent Insurance		26,076	
Employer Medicare		2,680	
Data Processing Services		18,015	
Dues and Memberships		2,010	
Maintenance Agreements		4,196	
Maintenance and Repair Services - Office Equipment		486	
Postal Charges		12,500	
Printing, Stationery, and Forms		1,576	
Travel		5,492	
Other Contracted Services		16,479	
Office Supplies		2,430	
Liability Insurance		2,111	
Workers' Compensation Insurance		295	
Data Processing Equipment		738	
Furniture and Fixtures		131	
Total Property Assessor's Office			317,851

Reappraisal Program

Deputy(ies)	\$	26,000	
Social Security		1,209	
State Retirement		1,643	
Employee and Dependent Insurance		6,519	
Employer Medicare		283	
Data Processing Services		5,496	
Postal Charges		10,616	
Printing, Stationery, and Forms		176	
Travel		2,454	
Workers' Compensation Insurance		1,342	
Total Reappraisal Program			55,738

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		109,069	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		4,000	
Social Security		11,003	
State Retirement		11,189	
Employee and Dependent Insurance		32,596	
Employer Medicare		2,573	
Dues and Memberships		747	
Legal Notices, Recording, and Court Costs		513	
Maintenance Agreements		16,111	
Postal Charges		6,991	
Printing, Stationery, and Forms		1,189	
Travel		2,545	
Office Supplies		9,424	
Liability Insurance		692	
Workers' Compensation Insurance		254	
In Service/Staff Development		195	
Data Processing Equipment		3,579	
Furniture and Fixtures		2,113	
Total County Trustee's Office			\$ 283,756

County Clerk's Office

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		352,577	
Part-time Personnel		13,867	
Educational Incentive - Official/Admin Officer		1,000	
Social Security		25,567	
State Retirement		26,579	
Employee and Dependent Insurance		65,161	
Employer Medicare		5,979	
Dues and Memberships		907	
Maintenance Agreements		22,168	
Maintenance and Repair Services - Office Equipment		1,281	
Postal Charges		15,106	
Printing, Stationery, and Forms		4,682	
Rentals		7,763	
Travel		1,809	
Maintenance and Repair Services - Records		522	
Other Contracted Services		880	
Library Books/Media		1,669	
Office Supplies		8,420	
Liability Insurance		4,097	
Workers' Compensation Insurance		852	
Furniture and Fixtures		1,190	
Office Equipment		5,102	
Total County Clerk's Office			635,151

(Continued)

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		211,283	
Salary Supplements		1,650	
Part-time Personnel		3,560	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		7,000	
Jury and Witness Expense		15,166	
Social Security		16,943	
State Retirement		17,753	
Employee and Dependent Insurance		45,634	
Employer Medicare		3,962	
Contracts with Government Agencies		600	
Dues and Memberships		792	
Legal Notices, Recording, and Court Costs		273	
Maintenance Agreements		9,847	
Maintenance and Repair Services - Office Equipment		3,119	
Postal Charges		5,191	
Printing, Stationery, and Forms		1,455	
Travel		2,399	
Data Processing Supplies		1,734	
Office Supplies		4,891	
Liability Insurance		2,928	
Workers' Compensation Insurance		519	
Data Processing Equipment		3,483	
Other Equipment		9,256	
Total Circuit Court			\$ 438,411

General Sessions Court

Judge(s)	\$	156,292	
Supervisor/Director		33,325	
Educational Assistants		4,800	
Part-time Personnel		575	
Social Security		9,459	
State Retirement		12,262	
Employer Medicare		2,802	
Communication		280	
Dues and Memberships		385	
Postal Charges		49	
Travel		2,190	
Office Supplies		1,924	
Workers' Compensation Insurance		86	
Office Equipment		736	
Total General Sessions Court			225,165

Drug Court

Supervisor/Director	\$	28,044	
In-service Training		605	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Social Security	\$	1,739	
State Retirement		1,753	
Employer Medicare		407	
Contracts with Private Agencies		3,988	
Travel		2,974	
Drugs and Medical Supplies		1,302	
Workers' Compensation Insurance		63	
Other Charges		330	
Data Processing Equipment		1,027	
Total Drug Court			\$ 42,232

Chancery Court

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		141,653	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		5,000	
Social Security		12,699	
State Retirement		12,842	
Employee and Dependent Insurance		26,076	
Employer Medicare		2,970	
Data Processing Services		7,961	
Dues and Memberships		742	
Maintenance Agreements		248	
Maintenance and Repair Services - Office Equipment		327	
Postal Charges		2,136	
Rentals		4,309	
Travel		536	
Office Supplies		6,464	
Liability Insurance		3,382	
Workers' Compensation Insurance		330	
Data Processing Equipment		7,736	
Office Equipment		115	
Other Equipment		4,628	
Total Chancery Court			309,127

Juvenile Court

Judge(s)	\$	55,069	
Youth Service Officer(s)		47,881	
Part-time Personnel		15,471	
Other Salaries and Wages		75,117	
In-service Training		445	
Social Security		11,266	
State Retirement		7,773	
Employee and Dependent Insurance		32,596	
Employer Medicare		2,635	
Communication		1,056	
Dues and Memberships		265	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Maintenance Agreements	\$	2,066	
Maintenance and Repair Services - Office Equipment		599	
Postal Charges		2,928	
Printing, Stationery, and Forms		418	
Travel		2,509	
Other Contracted Services		7,237	
Office Supplies		790	
Liability Insurance		8,542	
Workers' Compensation Insurance		358	
Data Processing Equipment		3,000	
Furniture and Fixtures		3,229	
Office Equipment		1,399	
Other Equipment		5,595	
Total Juvenile Court			\$ 288,244

Other Administration of Justice

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		168,998	
Salary Supplements		2,225	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		3,000	
Jury and Witness Expense		12,587	
In-service Training		800	
Social Security		14,409	
State Retirement		15,117	
Employee and Dependent Insurance		32,596	
Employer Medicare		3,370	
Contracts with Government Agencies		1,800	
Dues and Memberships		767	
Maintenance Agreements		18,951	
Maintenance and Repair Services - Office Equipment		300	
Postal Charges		4,614	
Rentals		12,900	
Travel		98	
Office Supplies		6,495	
Liability Insurance		1,612	
Workers' Compensation Insurance		385	
Data Processing Equipment		9,604	
Furniture and Fixtures		15,041	
Other Equipment		4,628	
Total Other Administration of Justice			399,270

Victim Assistance Programs

Contributions	\$	53,174	
Total Victim Assistance Programs			53,174

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	82,247	
Assistant(s)		32,866	
Deputy(ies)		807,863	
Youth Service Officer(s)		32,529	
Accountants/Bookkeepers		33,887	
Clerical Personnel		80,888	
Overtime Pay		76,369	
Other Salaries and Wages		122,792	
In-service Training		11,403	
Social Security		77,369	
State Retirement		79,373	
Employee and Dependent Insurance		189,057	
Employer Medicare		18,094	
Communication		1,593	
Contracts with Government Agencies		7,781	
Contracts with Private Agencies		30,000	
Maintenance and Repair Services - Buildings		11,263	
Maintenance and Repair Services - Vehicles		43,044	
Postal Charges		5,405	
Printing, Stationery, and Forms		7,476	
Transportation - Other than Students		1,767	
Travel		1,763	
Gasoline		143,197	
Law Enforcement Supplies		5,325	
Uniforms		12,668	
Other Supplies and Materials		8,500	
Liability Insurance		136,551	
Workers' Compensation Insurance		33,779	
Data Processing Equipment		690	
Law Enforcement Equipment		10,468	
Motor Vehicles		61,300	
Total Sheriff's Department			\$ 2,167,307

Jail

Guards	\$	923,763
Clerical Personnel		30,406
Cafeteria Personnel		16,223
Overtime Pay		50,378
Social Security		61,349
State Retirement		64,512
Employee and Dependent Insurance		169,494
Employer Medicare		14,348
Maintenance and Repair Services - Buildings		25,046
Medical and Dental Services		192,307
Custodial Supplies		22,892
Food Supplies		187,994
Natural Gas		29,634

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Uniforms	\$	9,503	
Utilities		143,329	
Other Supplies and Materials		22,840	
Liability Insurance		18,298	
Workers' Compensation Insurance		31,981	
Other Charges		10,516	
Law Enforcement Equipment		12,392	
Total Jail			\$ 2,037,205

Juvenile Services

Salary Supplements	\$	5,000	
Social Security		300	
State Retirement		316	
Employer Medicare		70	
Travel		789	
Office Supplies		2,511	
Total Juvenile Services			8,986

Fire Prevention and Control

Supervisor/Director	\$	39,945	
In-service Training		4,760	
Social Security		2,001	
State Retirement		2,525	
Employee and Dependent Insurance		6,519	
Employer Medicare		468	
Communication		3,112	
Contracts with Private Agencies		2,000	
Dues and Memberships		481	
Legal Notices, Recording, and Court Costs		1,047	
Maintenance and Repair Services - Buildings		900	
Maintenance and Repair Services - Equipment		3,395	
Maintenance and Repair Services - Vehicles		34,524	
Custodial Supplies		174	
Food Supplies		1,076	
Gasoline		19,119	
Office Supplies		1,888	
Uniforms		306	
Utilities		31,040	
Other Supplies and Materials		9,697	
Liability Insurance		35,113	
Workers' Compensation Insurance		15,275	
Communication Equipment		5,830	
Data Processing Equipment		807	
Motor Vehicles		8,300	
Other Equipment		78,688	
Total Fire Prevention and Control			308,990

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Rural Fire Protection

In-service Training	\$	2,763	
Contracts with Private Agencies		3,900	
Travel		487	
Communication Equipment		16,500	
Other Equipment		223,924	
Total Rural Fire Protection			\$ 247,574

Civil Defense

Supervisor/Director	\$	41,945	
Other Salaries and Wages		34,793	
Social Security		4,612	
State Retirement		4,850	
Employee and Dependent Insurance		13,038	
Employer Medicare		1,079	
Communication		4,548	
Dues and Memberships		885	
Legal Notices, Recording, and Court Costs		50	
Maintenance and Repair Services - Buildings		3,044	
Maintenance and Repair Services - Equipment		21,776	
Postal Charges		144	
Travel		878	
Food Supplies		402	
Gasoline		4,101	
Office Supplies		1,493	
Uniforms		165	
Utilities		21,139	
Vehicle Parts		149	
Liability Insurance		19,279	
Workers' Compensation Insurance		12,314	
Communication Equipment		2,619	
Data Processing Equipment		834	
Motor Vehicles		27,458	
Office Equipment		349	
Other Equipment		3,052	
Total Civil Defense			224,996

Other Emergency Management

Communication Equipment	\$	8,336	
Other Equipment		48,060	
Total Other Emergency Management			56,396

County Coroner/Medical Examiner

Contracts with Government Agencies	\$	31,200	
Contracts with Private Agencies		9,590	
Pauper Burials		415	
Other Supplies and Materials		834	
Total County Coroner/Medical Examiner			42,039

(Continued)

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Communication	\$	1,787	
Contracts with Other Public Agencies		41,837	
Dues and Memberships		257	
Janitorial Services		28,200	
Maintenance and Repair Services - Buildings		15,800	
Maintenance and Repair Services - Equipment		4,605	
Postal Charges		296	
Custodial Supplies		552	
Drugs and Medical Supplies		209	
Office Supplies		2,294	
Utilities		20,335	
Liability Insurance		4,887	
Office Equipment		2,000	
Total Local Health Center			\$ 123,059

Rabies and Animal Control

Supervisor/Director	\$	23,210	
Part-time Personnel		1,040	
Social Security		1,503	
State Retirement		1,467	
Employee and Dependent Insurance		6,519	
Employer Medicare		352	
Advertising		1,500	
Communication		897	
Contracts with Private Agencies		6,378	
Legal Notices, Recording, and Court Costs		1,050	
Maintenance and Repair Services - Equipment		192	
Travel		5,037	
Animal Food and Supplies		2,207	
Diesel Fuel		2,427	
Liability Insurance		659	
Refunds		300	
Workers' Compensation Insurance		348	
Building Improvements		3,230	
Other Equipment		96	
Total Rabies and Animal Control			58,412

Ambulance/Emergency Medical Services

Assistant(s)	\$	36,319	
Supervisor/Director		48,204	
Equipment Operators		1,241,906	
Part-time Personnel		11,776	
Overtime Pay		254,366	
Other Salaries and Wages		27,133	
In-service Training		1,905	
Social Security		97,395	
State Retirement		82,975	

(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.)

Employee and Dependent Insurance	\$	162,978	
Employer Medicare		22,778	
Communication		2,273	
Contracts with Private Agencies		14,758	
Data Processing Services		4,800	
Dues and Memberships		400	
Laundry Service		6,368	
Legal Notices, Recording, and Court Costs		875	
Licenses		4,172	
Maintenance and Repair Services - Buildings		4,175	
Maintenance and Repair Services - Equipment		6,659	
Maintenance and Repair Services - Vehicles		64,443	
Postal Charges		1,813	
Rentals		9,306	
Travel		1,209	
Diesel Fuel		139,260	
Drugs and Medical Supplies		93,948	
Food Supplies		499	
Gasoline		4,750	
Office Supplies		8,544	
Uniforms		8,012	
Utilities		8,344	
Other Supplies and Materials		4,620	
Liability Insurance		27,058	
Workers' Compensation Insurance		125,290	
Data Processing Equipment		1,208	
Furniture and Fixtures		800	
Motor Vehicles		279,000	
Other Equipment		17,649	
Total Ambulance/Emergency Medical Services			\$ 2,827,968

Alcohol and Drug Programs

Guidance Personnel	\$	27,000	
Part-time Personnel		2,715	
Social Security		1,827	
State Retirement		1,878	
Employer Medicare		427	
Medical and Dental Services		542	
Postal Charges		50	
Printing, Stationery, and Forms		2,278	
Travel		650	
Drugs and Medical Supplies		2,494	
Other Supplies and Materials		2,722	
Workers' Compensation Insurance		420	
Other Charges		2,700	
Total Alcohol and Drug Programs			45,703

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Crippled Children Services

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

Other Local Health Services

Contributions	\$ 1,500	
Other Contracted Services	11,635	
Other Supplies and Materials	3,332	
Workers' Compensation Insurance	2,147	
Total Other Local Health Services		18,614

General Welfare Assistance

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

Other Local Welfare Services

Contributions	\$ 13,125	
Total Other Local Welfare Services		13,125

Sanitation Education/Information

Supervisor/Director	\$ 27,969	
Social Security	1,687	
State Retirement	1,768	
Employee and Dependent Insurance	6,519	
Employer Medicare	395	
Other Supplies and Materials	1,752	
Workers' Compensation Insurance	63	
Other Charges	12,187	
Total Sanitation Education/Information		52,340

Other Public Health and Welfare

Social Workers	\$ 39,897	
Medical Personnel	58,171	
Part-time Personnel	10,264	
Other Salaries and Wages	104,281	
Social Security	12,935	
State Retirement	8,573	
Employee and Dependent Insurance	32,596	
Employer Medicare	3,025	
Communication	499	
Travel	12,085	
Other Supplies and Materials	10,909	
Workers' Compensation Insurance	2,396	
Total Other Public Health and Welfare		295,631

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$ 27,194	
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(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Supervisor/Director	\$	37,370	
Accountants/Bookkeepers		7,834	
Overtime Pay		66	
Other Salaries and Wages		91,581	
In-service Training		80	
Social Security		10,043	
State Retirement		4,080	
Employee and Dependent Insurance		6,519	
Employer Medicare		2,349	
Communication		3,285	
Contracts with Government Agencies		229	
Contracts with Private Agencies		24,116	
Dues and Memberships		422	
Legal Notices, Recording, and Court Costs		267	
Licenses		1,785	
Maintenance Agreements		2,338	
Maintenance and Repair Services - Buildings		5,158	
Maintenance and Repair Services - Equipment		430	
Maintenance and Repair Services - Office Equipment		335	
Maintenance and Repair Services - Vehicles		904	
Medical and Dental Services		28	
Postal Charges		1,293	
Rentals		2,000	
Travel		29,232	
Other Contracted Services		1,700	
Food Supplies		13,105	
Gasoline		2,963	
Office Supplies		2,285	
Other Supplies and Materials		3,361	
Liability Insurance		6,848	
Refunds		2,849	
Workers' Compensation Insurance		3,070	
Criminal Investigation of Applicants - TBI		130	
Data Processing Equipment		874	
Furniture and Fixtures		2,354	
Other Equipment		678	
Total Senior Citizens Assistance			\$ 299,155

Libraries

Assistant(s)	\$	20,986
Supervisor/Director		33,218
Librarians		20,800
Other Salaries and Wages		13,538
Social Security		5,188
State Retirement		4,740
Employee and Dependent Insurance		13,038
Employer Medicare		1,213

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Communication	\$	3,238	
Contracts with Other Public Agencies		20,000	
Contributions		4,000	
Maintenance Agreements		1,270	
Postal Charges		138	
Travel		654	
Instructional Supplies and Materials		2,780	
Library Books/Media		16,789	
Periodicals		249	
Utilities		8,305	
Other Supplies and Materials		1,184	
Liability Insurance		2,754	
Workers' Compensation Insurance		201	
Other Charges		1,350	
Other Equipment		5,916	
Total Libraries			\$ 181,549

Parks and Fair Boards

Maintenance and Repair Services - Buildings	\$	5,610	
Natural Gas		1,490	
Utilities		11,276	
Other Equipment		600	
Total Parks and Fair Boards			18,976

Other Social, Cultural, and Recreational

Contributions	\$	1,500	
Total Other Social, Cultural, and Recreational			1,500

Agriculture and Natural Resources

Agricultural Extension Service

Temporary Personnel	\$	8,802	
In-service Training		920	
Social Security		546	
Employer Medicare		128	
Communication		745	
Contracts with Government Agencies		87,313	
Licenses		52	
Maintenance and Repair Services - Equipment		539	
Postal Charges		1,000	
Rentals		2,315	
Travel		2,650	
Gasoline		35	
Office Supplies		1,875	
Other Supplies and Materials		642	
Workers' Compensation Insurance		183	
Data Processing Equipment		1,669	
Total Agricultural Extension Service			109,414

(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		2,100	
Social Security		4,199	
State Retirement		4,243	
Employee and Dependent Insurance		13,038	
Employer Medicare		982	
Communication		494	
Maintenance and Repair Services - Office Equipment		1,448	
Postal Charges		300	
Travel		2,000	
Office Supplies		579	
Other Supplies and Materials		200	
Liability Insurance		1,982	
Workers' Compensation Insurance		1,122	
Total Soil Conservation			\$ 99,829

Flood Control

Contracts with Government Agencies	\$	8,948	
Other Contracted Services		30,000	
Total Flood Control			38,948

Other Operations

Tourism

Dues and Memberships	\$	11,031	
Total Tourism			11,031

Industrial Development

Communication	\$	1,053	
Contracts with Other Public Agencies		10,120	
Contracts with Private Agencies		2,885	
Other Supplies and Materials		515	
Total Industrial Development			14,573

Other Economic and Community Development

Contracts with Other Public Agencies	\$	12,650	
Travel		2,492	
Other Supplies and Materials		10,019	
Other Charges		464	
Motor Vehicles		299,926	
Total Other Economic and Community Development			325,551

Airport

Attendants	\$	29,000	
Part-time Personnel		6,317	
Social Security		2,122	
State Retirement		1,833	

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Airport (Cont.)

Employee and Dependent Insurance	\$	6,519	
Employer Medicare		496	
Communication		2,887	
Contracts with Private Agencies		9,883	
Dues and Memberships		92	
Legal Notices, Recording, and Court Costs		186	
Maintenance and Repair Services - Buildings		21,383	
Maintenance and Repair Services - Equipment		4,729	
Postal Charges		98	
Travel		1,205	
Remittance of Revenue Collected		5,978	
Permits		520	
Diesel Fuel		41,144	
Gasoline		36,318	
Office Supplies		374	
Utilities		9,000	
Liability Insurance		7,974	
Refunds		200	
Workers' Compensation Insurance		1,400	
Airport Improvement		425	
Total Airport			\$ 190,083

Veterans' Services

Supervisor/Director	\$	27,932	
Secretary(ies)		12,163	
Social Security		2,486	
State Retirement		1,765	
Employer Medicare		581	
Postal Charges		46	
Rentals		65	
Travel		680	
Office Supplies		399	
Liability Insurance		569	
Workers' Compensation Insurance		90	
Data Processing Equipment		602	
Office Equipment		100	
Total Veterans' Services			47,478

Other Charges

Liability Insurance	\$	469	
Premiums on Corporate Surety Bonds		473	
Trustee's Commission		165,972	
Other Charges		3,470	
Total Other Charges			170,384

Contributions to Other Agencies

Contributions	\$	56,894	
Total Contributions to Other Agencies			56,894

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

State Retirement	\$	98,846	
Employee and Dependent Insurance		74,823	
Life Insurance		4,595	
Unemployment Compensation		2,134	
Total Employee Benefits			\$ 180,398

Capital Projects

Other General Government Projects

Site Development	\$	1,983	
Total Other General Government Projects			1,983

Total General Fund \$ 14,709,177

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	30,948	
Social Security		1,730	
State Retirement		1,956	
Employee and Dependent Insurance		6,519	
Employer Medicare		405	
Communication		678	
Dues and Memberships		295	
Postal Charges		98	
Travel		4,628	
Office Supplies		123	
Other Supplies and Materials		465	
Trustee's Commission		210	
Total Sanitation Management			\$ 48,055

Other Waste Disposal

Contracts with Private Agencies	\$	33,737	
Total Other Waste Disposal			33,737

Total Solid Waste/Sanitation Fund 81,792

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	1,000	
Trustee's Commission		185	
Motor Vehicles		4,500	
Total Drug Enforcement			\$ 5,685

Total Drug Control Fund 5,685

(Continued)

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

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 175,416	
Total Register of Deeds		\$ 175,416

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 2,484	
Total Chancery Court		<u>2,484</u>

Total Constitutional Officers - Fees Fund		\$ 177,900
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 80,174	
Accountants/Bookkeepers	48,408	
Secretary(ies)	750	
Board and Committee Members Fees	6,000	
Communication	735	
Data Processing Services	4,434	
Confidential Drug Enforcement Payments	1,631	
Dues and Memberships	5,592	
Janitorial Services	2,744	
Legal Notices, Recording, and Court Costs	368	
Maintenance and Repair Services - Office Equipment	3,019	
Postal Charges	1,060	
Printing, Stationery, and Forms	494	
Travel	1,873	
Drugs and Medical Supplies	405	
Electricity	7,365	
Natural Gas	733	
Office Supplies	1,914	
Water and Sewer	1,744	
Other Supplies and Materials	58	
Other Charges	<u>5,021</u>	
Total Administration		\$ 174,522

Highway and Bridge Maintenance

Foremen	\$ 178,024
Equipment Operators	356,493
Laborers	295,162
Contracts with Private Agencies	150,993
Rentals	3,362
Asphalt - Liquid	443,856
Concrete	638
Crushed Stone	546,107
Fertilizer, Lime, and Seed	124
Pipe	124,592

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Road Signs	\$	4,972	
Small Tools		852	
Wood Products		24,280	
Other Supplies and Materials		1,225	
Total Highway and Bridge Maintenance			\$ 2,130,680

Operation and Maintenance of Equipment

Mechanic(s)	\$	173,789	
Maintenance and Repair Services - Buildings		5,831	
Maintenance and Repair Services - Equipment		28,231	
Diesel Fuel		236,580	
Equipment and Machinery Parts		160,833	
Garage Supplies		10,984	
Gasoline		46,518	
Lubricants		11,304	
Small Tools		5,089	
Tires and Tubes		57,355	
Other Supplies and Materials		50	
Office Equipment		8,656	
Total Operation and Maintenance of Equipment			745,220

Other Charges

Liability Insurance	\$	38,874	
Premiums on Corporate Surety Bonds		1,044	
Trustee's Commission		50,864	
Workers' Compensation Insurance		70,892	
Total Other Charges			161,674

Employee Benefits

Social Security	\$	69,089	
State Retirement		66,240	
Employee and Dependent Insurance		212,171	
Life Insurance		158	
Unemployment Compensation		10	
Employer Medicare		16,573	
Total Employee Benefits			364,241

Capital Outlay

Bridge Construction	\$	371,441	
Highway Construction		377,839	
Highway Equipment		254,541	
Total Capital Outlay			1,003,821

Total Highway/Public Works Fund \$ 4,580,158

(Continued)

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 520,000	
Principal on Notes	455,000	
Total General Government	<u>975,000</u>	\$ 975,000

Interest on Debt

General Government

Interest on Bonds	\$ 375,739	
Interest on Notes	3,185	
Total General Government	<u>378,924</u>	378,924

Other Debt Service

General Government

Bank Charges	\$ 2,610	
Trustee's Commission	21,835	
Total General Government	<u>24,445</u>	24,445

Total General Debt Service Fund \$ 1,378,369

Total Governmental Funds - Primary Government \$ 20,933,081

Gibson County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balances - City Agency Funds  
For the Year Ended June 30, 2014

	Cities Sales Tax Fund	Special School District Fund	Total
<u>Cash Receipts</u>			
Local Option Sales Tax	\$ 5,079,991	\$ 5,473,724	\$ 10,553,715
Interstate Telecommunications Tax	0	5,018	5,018
City/School District Property Taxes:			
Current Property Tax	0	11,042,219	11,042,219
Prior Year's Property Tax	0	559,216	559,216
Interest and Penalty	0	67,564	67,564
Payments in Lieu of Taxes - Other	0	1,667	1,667
Marriage Licenses	0	3,496	3,496
Mixed Drink Tax	0	1,213	1,213
Total Cash Receipts	<u>\$ 5,079,991</u>	<u>\$ 17,154,117</u>	<u>\$ 22,234,108</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 5,029,191	\$ 16,884,874	\$ 21,914,065
Trustee's Commission	50,800	287,673	338,473
Total Cash Disbursements	<u>\$ 5,079,991</u>	<u>\$ 17,172,547</u>	<u>\$ 22,252,538</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ (18,430)	\$ (18,430)
Cash Balance, July 1, 2013	0	34,746	34,746
Cash Balance, June 30, 2014	<u>\$ 0</u>	<u>\$ 16,316</u>	<u>\$ 16,316</u>

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# SINGLE AUDIT SECTION

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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, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Gibson County's basic financial statements, and have issued our report thereon dated November 19, 2014. 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 does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit 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. 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: 2014-002, 2014-003, and 2014-004.

### **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 2014-001.

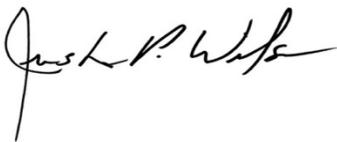
### **Gibson County's Response to the Findings**

Gibson County's response to the findings 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,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

November 19, 2014

JPW/kp



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
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**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, 2014. 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 a 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, 2014.

### **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.

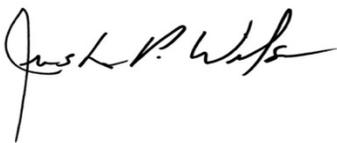
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2014, and the related notes to the financial statements, which collectively comprise Gibson County's basic financial statements. We issued our report thereon dated November 19, 2014, 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 basic 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 basic 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 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

November 19, 2014

JPW/kp

Gibson County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2014

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Long-term Standing Agreements for Storage, Transportation, and Lease	10.999	N/A	\$ 70,551
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG1338768	38,563 (3)
Total U.S. Department of Agriculture			<u>\$ 109,114</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	\$ 312,936
Total U.S. Department of Housing and Urban Development			<u>\$ 312,936</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)	\$ 4,500
Total U.S. Department of Justice			<u>\$ 4,500</u>
U.S. Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(2)	\$ 1,490
Total U.S. Institute of Museum and Library Services			<u>\$ 1,490</u>
U. S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	30510-00213.47	\$ 108,902
Total U.S. Election Assistance Commission			<u>\$ 108,902</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)	\$ 33,754
Medical Assistance Program	93.778	(2)	94,707 (4)
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG1338768	2,732 (3)
Family Planning Services	93.217	GG1338768	7,201 (3)
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG1338768	10,736 (3)
Medical Assistance Program	93.778	GG1338768	25,549 (3),(4)
HIV Prevention Activities - Health Department Based	93.940	GG1338768	1,118 (3)
Maternal and Child Health Services Block Grant to the States	93.994	GG1338768	12,772 (3)
Total U.S. Department of Health and Human Services			<u>\$ 188,569</u>

(Continued)

Gibson County, Tennessee

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 12,817
Emergency Management Performance Grants	97.042	(2)	121,998
Assistance to Firefighters Grant	97.044	EMW-2012-F0-01324	247,807
Homeland Security Grant Program	97.067	(2)	16,877
Total U.S. Department of Homeland Security			<u>\$ 399,499</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,125,010</u></u>
		<u>Contract Number</u>	
<u>State Grants</u>			
Airport Maintenance Program - State Department of Transportation	N/A	(2)	\$ 10,128
Homemaker and Personal Care Services - Northwest Tennessee Development District	N/A	(2)	26,917
Three Star Program - State Department of Economic and Community Development	N/A	33007-16913	10,019
Drug Court Grant - State Department of Mental Health and Substance Abuse Services	N/A	(2)	46,246
Preventive Health and Human Services - State Department of Health	N/A	GG1338768	200,503 (3)
Litter Program - State Department of Transportation	N/A	(2)	48,901
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	<u>31,674</u>
Total State Grants			<u><u>\$ 374,388</u></u>

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

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

(2) Information not available.

(3) Total for GG1338768 is \$299,174.

(4) Total for CFDA No. 93.778 is \$120,256.

Gibson County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2014

*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, 2013, 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>
2013-002	116	Multiple employees operated from the same cash drawer

**OFFICE OF REGISTER OF DEEDS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-003	116	Duties were not segregated adequately

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**GIBSON COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2014**

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**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 was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Gibson County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An 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), Help America Vote Act Requirements Payments (CFDA No. 90.401), 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, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The road supervisor 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 ROAD SUPERVISOR**

**FINDING 2014-001**                      **THE OFFICE DID NOT PURCHASE FROM THE  
LOWEST BIDDER**  
(Noncompliance Under *Government Auditing Standards*)

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. In August 2013, the Highway Department solicited bids for the purchase of a new excavator. The department received six bids ranging in price from \$118,921 to \$156,029, and the Highway Commission awarded the purchase of the excavator to the highest bidder. Five other bids (\$118,921, \$131,970, \$143,901, \$149,425, and \$153,563) were received that were less than the price paid. Also, in October 2013, the Highway Department solicited bids for the purchase of a new dump truck. The department received five bids ranging in price from \$95,905 to \$138,500, and the Highway Commission awarded the purchase of the dump truck to the second lowest bidder at \$98,629. Highway Commission minutes did not provide any written documentation to support the decision to reject the lowest bids.

In the case of *Owen of Georgia, Inc., versus Shelby County*, 442F, 314 (w.b. Tenn. 1977), the court stated that “to reject the bid of the lowest bidder there must be such evidence of the irresponsibility of the bidder as would cause fair-minded and reasonable men to believe that it was not for the best interest of the municipality to award the contract to the lowest bidder.”

### **RECOMMENDATION**

Bids should be awarded to the vendor submitting the lowest price bid that meets bid specifications unless adequate written documentation is provided supporting the decision to reject the lowest bid.

### **MANAGEMENT’S RESPONSE – ROAD SUPERVISOR**

The Highway Department considers each bid through the five-member Highway Commission who bases their independent decisions on the “lowest and best bid.” As owners of a large number of heavy trucks and equipment for a considerable time, judgments are also based on past performance, service and parts availability, and resale values. In the case of the excavator purchase, the new and controversial Interim Tier IV engine was a major concern. After separate interviews with each bidder, the awarded bidder guaranteed support including total replacement if problems were unresolvable. This major aspect made

it the best bid. In the case of the dump truck, the lowest bidder had a recent history of problems with previously purchased trucks and unresolved issues causing considerable down time. The commission's determination of the second lowest bidder as the best bid recognized good performance with their units in our fleet. In the future, we will provide greater detail in the Highway Commission minutes to reflect reasons for purchasing from other than low bidders.

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## **OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS**

### **FINDING 2014-002**

#### **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.

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## **OFFICE OF REGISTER OF DEEDS**

### **FINDING 2014-003**

#### **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.

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#### OFFICE OF SHERIFF

##### FINDING 2014-004

##### **FIREARMS AND EQUIPMENT WERE MISSING FROM THE SHERIFF'S DEPARTMENT**

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

Sheriff Charles Arnold left office on August 31, 2014. On September 2, 2014, newly elected Sheriff Paul Thomas informed our office that numerous items were purportedly missing from the Sheriff's Department. These items included firearms, radios, a television, and computer hardware. Subsequently, our office performed an investigation; however, due to the lack of inventory records, we could not determine what, if anything, was missing from the department. On September 10, 2014, Charles Arnold turned in several firearms and other items, including radios and laptops, to the neighboring Crockett County Sheriff's Department and requested that these items be delivered to Gibson County. That same day, personnel from Crockett County delivered these items to the Gibson County Sheriff's Department. Mr. Arnold has not provided us any explanation of who removed these items from Gibson County or why they were in his possession. Due to the lack of inventory records, we could not determine if other items could still be missing from the department.

We have discussed this finding with the district attorney general.

#### RECOMMENDATION

The Sheriff's Department should review its internal control procedures related to the security of its assets. Management should maintain inventory records for all assets.

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

There were no findings and questioned costs for federal programs.

## **BEST PRACTICE**

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below 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.

### **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. 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.

**GIBSON COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2014**

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