

ANNUAL FINANCIAL REPORT

GIBSON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
GIBSON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2019

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

GIBSON COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		5
<u>INTRODUCTORY SECTION</u>		6
Gibson County Officials		7
<u>FINANCIAL SECTION</u>		8
Independent Auditor's Report		9-11
BASIC FINANCIAL STATEMENTS:		12
Government-wide Financial Statements:		
Statement of Net Position	A	13-14
Statement of Activities	B	15-16
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	17-18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	20-21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	22
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	23-24
Highway/Public Works Fund	C-6	25
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	26
Index and Notes to the Financial Statements		27-67
REQUIRED SUPPLEMENTARY INFORMATION:		68
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Gibson County Employees	E-1	69
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Gibson County Board of Education	E-2	70
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Gibson County Employees	E-3	71
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Gibson County Board of Education	E-4	72
Notes to the Required Supplementary Information		73-74

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		75
Nonmajor Governmental Funds:		76
Combining Balance Sheet	F-1	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	78-81
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Solid Waste/Sanitation Fund	F-3	82
Drug Control Fund	F-4	83
Major Governmental Fund:		84
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	85
Fiduciary Funds:		86
Combining Statement of Fiduciary Assets and Liabilities	H-1	87
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	88-89
Miscellaneous Schedules:		90
Schedule of Changes in Long-term Note and Bonds	I-1	91
Schedule of Long-term Debt Requirements by Year	I-2	92
Schedule of Transfers	I-3	93
Schedule of Salaries and Official Bonds of Principal Officials	I-4	94
Schedule of Detailed Revenues – All Governmental Fund Types	I-5	95-108
Schedule of Detailed Expenditures – All Governmental Fund Types	I-6	109-131
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	I-7	132
<u>FINDINGS AND RECOMMENDATIONS SECTION</u>		133
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		134-135
Schedule of Expenditures of Federal Awards and State Grants		136-137
Summary Schedule of Prior-year Findings		138
Findings and Recommendations		139-140
Auditee Reporting Responsibilities		141
Management's Corrective Action Plan		142-144
Best Practice		145

Summary of Audit Findings

Annual Financial Report
Gibson County, Tennessee
For the Year Ended June 30, 2019

Scope

We have audited the basic financial statements of Gibson County as of and for the year ended June 30, 2019.

Results

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

Our audit resulted in two findings and recommendations, which we have reviewed with Gibson County management. Detailed findings, recommendations, and management's responses are included in the Findings and Recommendations section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The office had purchasing deficiencies.
- ◆ Employee bonuses were not subjected to retirement withholdings and the required employer match. Also, the bonuses and applicable withholdings and employer match were not reported to the Tennessee Consolidated Retirement System.

INTRODUCTORY SECTION

Gibson County Officials

June 30, 2019

Officials

Tom Witherspoon, County Mayor
Carl Stoppenhagen, Road Supervisor
Melissa Workman, Trustee
Gary Paschall, Assessor of Property
Joyce Brown, County Clerk
Cynthia Flowers, Circuit and General Sessions Courts Clerk
Shonna Smith, Clerk and Master - Trenton
Amanda Brown, Clerk and Master - Humboldt
Barbara Davidson, Register of Deeds
Paul Thomas, Sheriff

Board of County Commissioners

Tom Witherspoon, County Mayor, Chairman	Rickey Locke
Cody Childress	Michael Longmire
Bobby Cotham	Don McEwen
Alecia Craig	Kevin Morgan
Nelson Cunningham	Lynn Nance
Eric Egbert	Bradley Owens
Mark Flake	Tony Pillow
Jerry Gordon	Nathan Reed
Steve Hemann	Keith Steele
Larry Kimery	Robin Summers
Travis Landrum	Jason Tubbs
Todd Lawson	Clayton White
Todd Littleton	Yahweh Yahweh

Highway Commission

Tom Witherspoon, County Mayor, Chairman
Gerald Davis
Roger Hanks
Andrew Johnson
Mark McGill

Audit Committee

Bill Joyner, Chairman
Ashley Comstock
Michael Longmire

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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 units, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Gibson County Emergency Communications District, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Gibson County Emergency Communications District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair

presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparisons 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.

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 schedules of changes in the county's net pension liability (asset) and related ratios and schedules of county contributions on pages 69-74 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, miscellaneous schedules, and the other information such as the introductory section

and management's corrective action plan are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

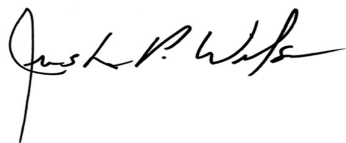
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and the management's corrective action plan have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated August 29, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Gibson County's 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

August 29, 2019

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Gibson County, Tennessee
Statement of Net Position
June 30, 2019

	Primary Government Governmental Activities	Component Unit Emergency Communications District
<u>ASSETS</u>		
Cash	\$ 1,604	\$ 913,640
Equity in Pooled Cash and Investments	15,070,823	0
Accounts Receivable	6,112,522	8,271
Allowance for Uncollectibles	(3,095,499)	0
Due from Other Governments	1,260,942	0
Property Taxes Receivable	8,307,539	0
Allowance for Uncollectible Property Taxes	(149,229)	0
Prepaid Items	0	3,531
Accrued Interest Receivable	0	890
Cash Shortage	75,527	0
Net Pension Asset - Gibson County Employees Agent Plan	2,231,261	0
Net Pension Asset - Gibson County Board of Education Agent Plan	191,454	0
Net Pension Asset - Emergency Communications District Plan	0	8,954
Capital Assets:		
Assets Not Depreciated:		
Land	5,313,966	66,400
Construction in Progress	209,345	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	12,483,245	312,651
Infrastructure	15,206,166	0
Other Capital Assets	4,281,729	258,861
Total Assets	<u>\$ 67,501,395</u>	<u>\$ 1,573,198</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 209,138	\$ 0
Pension Changes in Experience	280,597	195,401
Pension Other Deferrals	458,008	23,769
Pension Contributions After Measurement Date	808,497	31,955
Total Deferred Outflows of Resources	<u>\$ 1,756,240</u>	<u>\$ 251,125</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 87,197	\$ 23,348
Payroll Deductions Payable	140,771	0
Contracts Payable	1,381,990	0
Accrued Leave	0	5,537
Accrued Interest Payable	25,132	0
Unearned Revenue	0	191,333
Noncurrent Liabilities:		
Due Within One Year - Debt	1,015,000	0
Due Within One Year - Other	1,567	0
Due in More Than One Year - Debt	12,389,945	0
Due in More Than One Year - Other	29,771	0
Total Liabilities	<u>\$ 15,071,373</u>	<u>\$ 220,218</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 8,094,192	\$ 0
Pension Changes in Experience	1,093,002	87,709
Pension Changes on Investment Earnings	118,470	6,938
Total Deferred Inflows of Resources	<u>\$ 9,305,664</u>	<u>\$ 94,647</u>

(Continued)

Exhibit A

Gibson County, Tennessee
Statement of Net Position (Cont.)

	Primary Government Governmental Activities	Component Unit Emergency Communications District
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 24,089,506	\$ 637,912
Restricted for:		
General Government	124,347	0
Finance	74,312	0
Administration of Justice	146,632	0
Public Safety	70,696	0
Public Health and Welfare	17,176	0
Social, Cultural, and Recreational Services	24,800	0
Highways/Public Works	1,241,661	0
Debt Service	189,684	0
Pensions	2,422,715	8,954
Unrestricted	16,479,069	862,592
Total Net Position	<u>\$ 44,880,598</u>	<u>\$ 1,509,458</u>

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

Exhibit B

Gibson County, Tennessee
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Government Total Governmental Activities	Unit Emergency Communications District
Primary Government:						
Governmental Activities:						
General Government	\$ 2,077,502	\$ 498,688	\$ 247,939	\$ 87,300	\$ (1,243,575)	\$ 0
Finance	1,456,683	1,175,749	0	0	(280,934)	0
Administration of Justice	2,046,992	868,470	87,162	97,295	(994,065)	0
Public Safety	7,338,593	2,069,578	126,101	95,146	(5,047,768)	0
Public Health and Welfare	4,265,626	3,448,120	472,076	20,000	(325,430)	0
Social, Cultural, and Recreational Services	498,497	54,988	175,906	4,572	(263,031)	0
Agriculture and Natural Resources	309,871	0	0	0	(309,871)	0
Highways	6,210,885	27,829	2,691,148	2,117,813	(1,374,095)	0
Interest on Long-term Debt	337,321	0	7,256	0	(330,065)	0
Total Primary Government	<u>\$ 24,541,970</u>	<u>\$ 8,143,422</u>	<u>\$ 3,807,588</u>	<u>\$ 2,422,126</u>	<u>\$ (10,168,834)</u>	<u>\$ 0</u>
Component Unit:						
Emergency Communications District	\$ 1,026,849	\$ 1,017,206	\$ 40,000	\$ 0	\$ 0	\$ 30,357
Total Component Unit	<u>\$ 1,026,849</u>	<u>\$ 1,017,206</u>	<u>\$ 40,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,357</u>

(Continued)

Exhibit B

Gibson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Emergency Communications District
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 6,914,248	\$ 0
Property Taxes Levied for Debt Service					988,915	0
Local Option Sales Taxes					766,861	0
Wheel Tax					2,175,699	0
Litigation Tax					454,953	0
Business Tax					166,904	0
Other Local Taxes					127,124	0
Grants and Contributions Not Restricted for Specific Programs					1,435,913	0
Unrestricted Investment Income					355,197	4,238
Miscellaneous					6,098	3,269
Total General Revenues					<u>\$ 13,391,912</u>	<u>\$ 7,507</u>
Change in Net Position					\$ 3,223,078	\$ 37,864
Net Position, July 1, 2018					<u>41,657,520</u>	<u>1,471,594</u>
Net Position, June 30, 2019					<u><u>\$ 44,880,598</u></u>	<u><u>\$ 1,509,458</u></u>

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

Exhibit C-1

Gibson County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,604	\$ 1,604
Equity in Pooled Cash and Investments	9,418,208	3,248,766	1,664,171	664,742	14,995,887
Accounts Receivable	5,116,362	995,189	0	971	6,112,522
Allowance for Uncollectibles	(3,095,499)	0	0	0	(3,095,499)
Due from Other Governments	264,480	897,109	54,253	45,100	1,260,942
Due from Other Funds	76,540	0	0	1,000	77,540
Property Taxes Receivable	7,420,417	0	887,122	0	8,307,539
Allowance for Uncollectible Property Taxes	(132,721)	0	(16,508)	0	(149,229)
Cash Shortage	74,527	0	0	1,000	75,527
Total Assets	\$ 19,142,314	\$ 5,141,064	\$ 2,589,038	\$ 714,417	\$ 27,586,833
<u>LIABILITIES</u>					
Accounts Payable	\$ 87,197	\$ 0	\$ 0	\$ 0	\$ 87,197
Payroll Deductions Payable	140,080	691	0	0	140,771
Contracts Payable	0	1,381,990	0	0	1,381,990
Due to Other Funds	1,000	0	0	1,604	2,604
Total Liabilities	\$ 228,277	\$ 1,382,681	\$ 0	\$ 1,604	\$ 1,612,562
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 7,231,606	\$ 0	\$ 862,586	\$ 0	\$ 8,094,192
Deferred Delinquent Property Taxes	36,586	0	5,678	0	42,264
Other Deferred/Unavailable Revenue	1,824,781	1,272,999	0	0	3,097,780
Total Deferred Inflows of Resources	\$ 9,092,973	\$ 1,272,999	\$ 868,264	\$ 0	\$ 11,234,236

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 124,347	\$ 0	\$ 0	\$ 0	\$ 124,347
Restricted for Finance	74,312	0	0	0	74,312
Restricted for Administration of Justice	146,632	0	0	0	146,632
Restricted for Public Safety	40,278	0	0	30,418	70,696
Restricted for Public Health and Welfare	17,176	0	0	0	17,176
Restricted for Social, Cultural, and Recreational Services	24,800	0	0	0	24,800
Committed:					
Committed for General Government	1,609,307	0	0	0	1,609,307
Committed for Public Health and Welfare	0	0	0	121,658	121,658
Committed for Other Operations	197,181	0	0	0	197,181
Committed for Highways/Public Works	0	2,485,384	0	0	2,485,384
Committed for Debt Service	0	0	1,720,774	0	1,720,774
Committed for Capital Projects	0	0	0	560,737	560,737
Unassigned	7,587,031	0	0	0	7,587,031
Total Fund Balances	<u>\$ 9,821,064</u>	<u>\$ 2,485,384</u>	<u>\$ 1,720,774</u>	<u>\$ 712,813</u>	<u>\$ 14,740,035</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,142,314</u>	<u>\$ 5,141,064</u>	<u>\$ 2,589,038</u>	<u>\$ 714,417</u>	<u>\$ 27,586,833</u>

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

Exhibit C-2

Gibson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2019

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)		\$ 14,740,035
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 5,313,966	
Add: construction in progress	209,345	
Add: buildings and improvements net of accumulated depreciation	12,483,245	
Add: infrastructure net of accumulated depreciation	15,206,166	
Add: other capital assets net of accumulated depreciation	<u>4,281,729</u>	37,494,451
(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	\$ (13,335,000)	
Add: deferred amount on refunding	209,138	
Less: compensated absences payable	(31,338)	
Less: accrued interest on bonds	(25,132)	
Less: other deferred revenue - premium on debt	<u>(69,945)</u>	(13,252,277)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 1,547,102	
Less: deferred inflows of resources related to pensions	<u>(1,211,472)</u>	335,630
(4) Net pension assets of the agent plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - Gibson County Employees Agent Plan	\$ 2,231,261	
Add: net pension asset - Gibson County Board of Education Agent Plan	<u>191,454</u>	2,422,715
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
		<u>3,140,044</u>
Net position of governmental activities (Exhibit A)		<u>\$ 44,880,598</u>

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

Exhibit C-3

Gibson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 7,965,329	\$ 2,755,445	\$ 1,089,264	\$ 0	\$ 11,810,038
Licenses and Permits	123,593	0	0	0	123,593
Fines, Forfeitures, and Penalties	305,664	0	0	45,569	351,233
Charges for Current Services	2,938,057	1,882	0	79,038	3,018,977
Other Local Revenues	427,112	48,934	355,197	124	831,367
Fees Received From County Officials	1,945,008	0	0	0	1,945,008
State of Tennessee	3,544,044	4,032,673	95,748	97,295	7,769,760
Federal Government	222,649	0	0	131,294	353,943
Other Governments and Citizens Groups	222,052	0	0	48,363	270,415
Total Revenues	\$ 17,693,508	\$ 6,838,934	\$ 1,540,209	\$ 401,683	\$ 26,474,334
<u>Expenditures</u>					
Current:					
General Government	\$ 1,310,273	\$ 0	\$ 0	\$ 0	\$ 1,310,273
Finance	1,541,204	0	0	0	1,541,204
Administration of Justice	2,042,205	0	0	118,993	2,161,198
Public Safety	6,677,707	0	0	233,486	6,911,193
Public Health and Welfare	4,028,282	0	0	383,491	4,411,773
Social, Cultural, and Recreational Services	487,483	0	0	0	487,483
Agriculture and Natural Resources	302,357	0	0	0	302,357
Other Operations	709,260	0	0	77,703	786,963
Highways	0	6,962,830	0	0	6,962,830
Debt Service:					
Principal on Debt	0	0	1,182,887	0	1,182,887
Interest on Debt	0	0	321,194	0	321,194
Other Debt Service	0	0	28,422	0	28,422

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 83,645	\$ 83,645
Total Expenditures	\$ 17,098,771	\$ 6,962,830	\$ 1,532,503	\$ 897,318	\$ 26,491,422
Excess (Deficiency) of Revenues Over Expenditures	\$ 594,737	\$ (123,896)	\$ 7,706	\$ (495,635)	\$ (17,088)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 6,248	\$ 0	\$ 0	\$ 13,635	\$ 19,883
Transfers In	0	0	0	415,795	415,795
Transfers Out	(400,000)	0	0	(15,795)	(415,795)
Total Other Financing Sources (Uses)	\$ (393,752)	\$ 0	\$ 0	\$ 413,635	\$ 19,883
Net Change in Fund Balances	\$ 200,985	\$ (123,896)	\$ 7,706	\$ (82,000)	\$ 2,795
Fund Balance, July 1, 2018	9,620,079	2,609,280	1,713,068	794,813	14,737,240
Fund Balance, June 30, 2019	\$ 9,821,064	\$ 2,485,384	\$ 1,720,774	\$ 712,813	\$ 14,740,035

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

Exhibit C-4

Gibson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	2,795
(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	\$	2,771,737	
Less: current-year depreciation expense		(2,930,126)	(158,389)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: proceeds received from the disposal of capital assets			(83,979)
(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, 2019	\$	3,140,044	
Less: deferred delinquent property taxes and other deferred June 30, 2018		(1,772,607)	1,367,437
(4) The issuance of long-term debt (e.g., notes and 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 net effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on note	\$	47,887	
Add: principal payments on bonds		1,135,000	
Add: change in premium on debt issuances		7,256	
Less: change in deferred amount on refunding debt		(17,895)	1,172,248
(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 net pension asset - Gibson County Employees Agent Plan	\$	1,507,687	
Change in net pension asset - Gibson County Board of Education Agent Plan		13,204	
Change in deferred outflows related to pensions		(177,430)	
Change in deferred inflows related to pensions		(424,462)	
Change in accrued interest payable		1,768	
Change in compensated absences payable		2,199	922,966
Change in net position of governmental activities (Exhibit B)		\$	<u>3,223,078</u>

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

Exhibit C-5

Gibson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 7,965,329	\$ 7,716,715	\$ 7,716,715	\$ 248,614
Licenses and Permits	123,593	124,300	124,300	(707)
Fines, Forfeitures, and Penalties	305,664	359,300	359,300	(53,636)
Charges for Current Services	2,938,057	2,963,900	2,963,900	(25,843)
Other Local Revenues	427,112	401,050	401,050	26,062
Fees Received From County Officials	1,945,008	1,810,000	1,810,000	135,008
State of Tennessee	3,544,044	4,000,518	4,089,778	(545,734)
Federal Government	222,649	489,902	510,653	(288,004)
Other Governments and Citizens Groups	222,052	205,000	206,952	15,100
Total Revenues	\$ 17,693,508	\$ 18,070,685	\$ 18,182,648	\$ (489,140)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 54,130	\$ 60,292	\$ 60,292	\$ 6,162
Board of Equalization	2,500	2,691	2,691	191
County Mayor/Executive	229,144	233,848	237,598	8,454
County Attorney	12,604	35,100	35,100	22,496
Election Commission	269,190	272,307	276,057	6,867
Register of Deeds	259,091	255,095	268,074	8,983
Development	84,035	82,392	84,892	857
County Buildings	393,546	440,388	444,188	50,642
Preservation of Records	6,033	7,871	7,871	1,838
<u>Finance</u>				
Accounting and Budgeting	100,000	98,665	100,565	565
Property Assessor's Office	403,912	442,458	439,858	35,946
County Trustee's Office	317,789	316,729	323,229	5,440
County Clerk's Office	719,503	724,169	739,322	19,819
<u>Administration of Justice</u>				
Circuit Court	481,643	480,213	491,113	9,470
General Sessions Court	259,542	251,566	263,266	3,724
Drug Court	51,267	55,828	53,128	1,861
Chancery Court	354,135	345,636	355,036	901
Juvenile Court	408,539	370,185	424,185	15,646
District Attorney General	38,530	0	42,415	3,885
Other Administration of Justice	409,411	432,888	429,988	20,577
Victim Assistance Programs	39,138	50,000	50,000	10,862
<u>Public Safety</u>				
Sheriff's Department	2,769,786	2,688,109	2,788,292	18,506
Jail	3,251,722	3,000,266	3,196,636	(55,086)
Fire Prevention and Control	259,801	276,315	273,615	13,814
Civil Defense	184,030	201,464	205,214	21,184
Other Emergency Management	18,326	0	20,751	2,425
County Coroner/Medical Examiner	65,440	46,000	72,025	6,585
Public Safety Grants Program	128,602	402,902	402,902	274,300
<u>Public Health and Welfare</u>				
Local Health Center	118,468	120,020	120,020	1,552
Rabies and Animal Control	74,497	82,595	82,595	8,098
Ambulance/Emergency Medical Services	3,425,732	3,317,137	3,502,137	76,405

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Alcohol and Drug Programs	\$ 48,307	\$ 50,000	\$ 50,000	\$ 1,693
Other Local Health Services	6,193	0	7,844	1,651
Sanitation Education/Information	50,884	65,840	67,740	16,856
Other Public Health and Welfare	304,201	520,395	540,100	235,899
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	252,632	300,061	301,961	49,329
Libraries	205,628	198,373	207,564	1,936
Parks and Fair Boards	22,996	23,068	23,068	72
Other Social, Cultural, and Recreational	6,227	8,000	8,000	1,773
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	138,806	140,698	140,698	1,892
Soil Conservation	101,551	98,568	104,868	3,317
Flood Control	62,000	65,000	65,000	3,000
<u>Other Operations</u>				
Tourism	45,611	56,925	56,925	11,314
Industrial Development	113,302	154,343	154,343	41,041
Other Economic and Community Development	44,250	51,320	51,320	7,070
Airport	171,884	189,620	190,920	19,036
Veterans' Services	48,601	57,162	57,162	8,561
Other Charges	229,389	236,371	242,521	13,132
Contributions to Other Agencies	35,000	35,000	35,000	0
Employee Benefits	21,223	33,435	45,034	23,811
Total Expenditures	\$ 17,098,771	\$ 17,377,308	\$ 18,143,123	\$ 1,044,352
Excess (Deficiency) of Revenues Over Expenditures	\$ 594,737	\$ 693,377	\$ 39,525	\$ 555,212
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 6,248	\$ 0	\$ 4,554	\$ 1,694
Transfers Out	(400,000)	(400,000)	(400,000)	0
Total Other Financing Sources	\$ (393,752)	\$ (400,000)	\$ (395,446)	\$ 1,694
Net Change in Fund Balance	\$ 200,985	\$ 293,377	\$ (355,921)	\$ 556,906
Fund Balance, July 1, 2018	9,620,079	7,771,690	7,771,690	1,848,389
Fund Balance, June 30, 2019	\$ 9,821,064	\$ 8,065,067	\$ 7,415,769	\$ 2,405,295

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

Exhibit C-6

Gibson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 2,755,445	\$ 0	\$ 2,755,445	\$ 2,520,000	\$ 2,520,000	\$ 235,445
Charges for Current Services	1,882	0	1,882	3,000	3,000	(1,118)
Other Local Revenues	48,934	0	48,934	21,500	21,500	27,434
State of Tennessee	4,032,673	0	4,032,673	3,870,850	4,870,850	(838,177)
Federal Government	0	0	0	10,000	10,000	(10,000)
Total Revenues	\$ 6,838,934	\$ 0	\$ 6,838,934	\$ 6,425,350	\$ 7,425,350	\$ (586,416)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 209,846	\$ 0	\$ 209,846	\$ 218,637	\$ 218,636	\$ 8,790
Highway and Bridge Maintenance	2,763,404	0	2,763,404	2,663,000	2,913,000	149,596
Operation and Maintenance of Equipment	595,349	0	595,349	798,500	798,500	203,151
Other Charges	132,667	0	132,667	180,500	180,500	47,833
Employee Benefits	334,369	0	334,369	478,000	478,000	143,631
Capital Outlay	2,927,195	849,089	3,776,284	2,766,000	3,866,000	89,716
Total Expenditures	\$ 6,962,830	\$ 849,089	\$ 7,811,919	\$ 7,104,637	\$ 8,454,636	\$ 642,717
Excess (Deficiency) of Revenues Over Expenditures	\$ (123,896)	\$ (849,089)	\$ (972,985)	\$ (679,287)	\$ (1,029,286)	\$ 56,301
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)
Net Change in Fund Balance	\$ (123,896)	\$ (849,089)	\$ (972,985)	\$ (674,287)	\$ (1,024,286)	\$ 51,301
Fund Balance, July 1, 2018	2,609,280	0	2,609,280	1,640,284	1,640,284	968,996
Fund Balance, June 30, 2019	\$ 2,485,384	\$ (849,089)	\$ 1,636,295	\$ 965,997	\$ 615,998	\$ 1,020,297

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

Exhibit D

Gibson County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,496,333
Equity in Pooled Cash and Investments	110,141
Due from Other Governments	2,066,994
Property Taxes Receivable	13,957,164
Allowance for Uncollectible Property Taxes	<u>(455,292)</u>
Total Assets	<u>\$ 17,175,340</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 15,612,962
Due to Litigants, Heirs, and Others	<u>1,562,378</u>
Total Liabilities	<u>\$ 17,175,340</u>

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

GIBSON COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	28
B. Government-wide and Fund Financial Statements	29
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	29
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	31
2. Receivables and Payables	32
3. Capital Assets	33
4. Deferred Outflows/Inflows of Resources	33
5. Compensated Absences	34
6. Long-term Debt and Long-term Obligations	34
7. Net Position and Fund Balance	35
E. Pension Plan	36
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	37
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	37
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	37
B. Cash Shortage - Prior Year	38
C. Expenditures Exceeded Appropriations	38
IV. Detailed Notes on All Funds	
A. Deposits and Investments	38
B. Capital Assets	39
C. Construction Commitments	41
D. Interfund Receivables, Payables, and Transfers	41
E. Long-term Debt	42
F. Long-term Obligations	43
V. Other Information	
A. Risk Management	44
B. Accounting Changes	45
C. Contingent Liabilities	46
D. Change in Administration	46
E. Joint Venture	46
F. Jointly Governed Organizations	47
G. Retirement Commitments	47
H. Purchasing Laws	54
VI. Other Notes – Discretely Presented Gibson County Emergency Communications District	55

GIBSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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 types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Gibson County, 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 amortized cost using a stable net asset value. 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 1.42 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 \$15,000 or more and an estimated useful life of more than five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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. Deferred outflows of resources represent 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 items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for the deferred charge on refunding, pension changes in experience, pension changes in proportionate share of contributions, as

well as employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent 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 items are from the following sources: current and delinquent property taxes, pension changes in experience and investment earnings, and various receivables for revenues, which do not meet the availability criteria for 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 Debt and 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 are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

7. Net Position and Fund Balance

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

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

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

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on

the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

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

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

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

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

E. Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Gibson County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Gibson County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

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

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/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, 2019, Gibson County had significant outstanding encumbrances in the Highway/Public Works Fund totaling \$814,617 for bridge construction and \$34,472 for a paving project.

B. Cash Shortage – Prior Year

On December 1, 2015, an investigative report by the Comptroller's Division of Investigations revealed that for the period July 1, 2013, through October 16, 2014, the Sheriff's Department had a cash shortage of at least \$109,429 as a result of numerous irregularities. On November 30, 2015, the Gibson County Grand Jury returned indictments on former Sheriff Chuck Arnold and several of his former employees on numerous charges including official misconduct, theft, and forgery. Three employees subsequently pled guilty to various charges and have been ordered to pay restitution totaling \$6,589. On October 21, 2016, the former sheriff and several former employees were ordered to pay restitution totaling \$62,395. County officials continue to pursue collection of the remaining shortage. As of June 30, 2019, the cash shortage outstanding totaled \$75,527, which included the General (\$74,527) and Drug Control (\$1,000) funds.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Jail major appropriations category (the legal level of control) of the General Fund by \$55,086. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

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, 2019.

B. Capital Assets

Capital assets activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 5,313,966	\$ 0	\$ 0	\$ 5,313,966
Construction in Progress	7,150	202,195	0	209,345
Total Capital Assets Not Depreciated	<u>\$ 5,321,116</u>	<u>\$ 202,195</u>	<u>\$ 0</u>	<u>\$ 5,523,311</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 17,191,176	\$ 0	\$ 0	\$ 17,191,176
Roads and Bridges	38,101,822	1,429,098	0	39,530,920
Other Capital Assets	13,975,196	1,140,444	(467,460)	14,648,180
Total Capital Assets Depreciated	<u>\$ 69,268,194</u>	<u>\$ 2,569,542</u>	<u>\$ (467,460)</u>	<u>\$ 71,370,276</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,365,913	\$ 342,018	\$ 0	\$ 4,707,931
Roads and Bridges	23,042,404	1,282,350	0	24,324,754
Other Capital Assets	9,444,174	1,305,758	(383,481)	10,366,451
Total Accumulated Depreciation	<u>\$ 36,852,491</u>	<u>\$ 2,930,126</u>	<u>\$ (383,481)</u>	<u>\$ 39,399,136</u>
Total Capital Assets Depreciated, Net	<u>\$ 32,415,703</u>	<u>\$ (360,584)</u>	<u>\$ (83,979)</u>	<u>\$ 31,971,140</u>
Governmental Activities Capital Assets, Net	<u>\$ 37,736,819</u>	<u>\$ (158,389)</u>	<u>\$ (83,979)</u>	<u>\$ 37,494,451</u>

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

Governmental Activities:

General Government	\$ 267,133
Finance	1,448
Administration of Justice	74,095
Public Safety	732,185
Public Health and Welfare	339,928
Social, Cultural, and Recreational Services	7,204
Agriculture and Natural Resources	3,484
Highway/Public Works	<u>1,504,649</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,930,126</u></u>

C. Construction Commitments

At June 30, 2019, the Highway Department had uncompleted construction contracts of approximately \$814,617 for bridge construction and \$34,472 for a paving project. Funding for these future expenditures is expected to be received from state grants.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General	Highway/Public Works	\$ 74,936
"	Nonmajor governmental	1,604
Nonmajor governmental	General	1,000

These balances 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.

The receivable in the General Fund totaling \$74,936 was in transit from the Highway/Public Works Fund at June 30, 2019.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2019, consisted of the following amounts:

Transfers Out	<u>Transfers In</u> Nonmajor Governmental Fund	Purpose
General Fund	\$ 400,000	Capital Expenditures
Nonmajor governmental fund	<u>15,795</u>	"
Total	<u>\$ 415,795</u>	

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance

various programs accounted for in other funds in accordance with budgetary authorizations.

E. Long-term Debt

General Obligation Bonds

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. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 17 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, 2019, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2019, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-19
General Obligation Bonds	1 to 2.5 %	6-1-30	\$ 5,275,000	\$ 2,400,000
General Obligation Bonds - Refunding	.5 to 2.65	6-1-33	14,150,000	10,935,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2019, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 1,015,000	\$ 301,590	\$ 1,316,590
2021	1,030,000	283,153	1,313,153
2022	1,015,000	262,402	1,277,402
2023	1,000,000	242,078	1,242,078
2024	970,000	221,315	1,191,315
2025-2029	4,865,000	778,377	5,643,377
2030-2033	3,440,000	219,025	3,659,025
Total	\$ 13,335,000	\$ 2,307,940	\$ 15,642,940

There is \$1,720,744 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$268, based on the 2010 federal census. Total debt per capita, including bonds and unamortized debt premiums, totaled \$270, based on the 2010 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Note</u>
Balance, July 1, 2018	\$ 14,470,000	\$ 47,887
Reductions	<u>(1,135,000)</u>	<u>(47,887)</u>
Balance, June 30, 2019	<u>\$ 13,335,000</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 1,015,000</u>	<u>\$ 0</u>

Governmental Activities:

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 13,335,000
Less: Balance Due Within One Year - Debt	(1,015,000)
Add: Unamortized Premium on Debt	<u>69,945</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 12,389,945</u>

F. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	Compensated Absences
Balance, July 1, 2018	\$ 33,537
Additions	42,857
Reductions	<u>(45,056)</u>
Balance, June 30, 2019	<u>\$ 31,338</u>
Balance Due Within One Year	<u>\$ 1,567</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 31,338
Less: Balance Due Within One Year - Other	<u>(1,567)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 29,771</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, Solid Waste/Sanitation, and Highway/Public Works funds. The county retains the risk of loss to a limit of \$70,000 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, Solid Waste/Sanitation, 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 three fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year-End
2016-17	\$ 0	\$ 1,230,651	\$ 1,230,651	\$ 0
2017-18	0	979,561	979,561	0
2018-19	0	1,213,177	1,213,177	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. 83, *Certain Asset Retirement Obligations*; Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* became effective for the year ended June 30, 2019. In addition, Gibson County early implemented the provisions of GASB Statement No. 89, *Accounting for*

Interest Costs Incurred Before the End of a Construction Period.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, establishes accounting and reporting requirements for certain asset retirement obligations (AROs) associated with tangible capital assets. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, and expense/expenditures. In addition, this standard establishes note disclosure requirements for AROs.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*, addresses note disclosure requirements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should report when disclosing information related to debt. These required disclosures include direct borrowings and direct placements, unused lines of credit, assets pledged as collateral for debt, terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant acceleration clauses.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, amends paragraphs five through 22 of GASB Statement No. 62. This standard establishes that interest cost incurred before the end of a construction period should be recognized as an expense/expenditure. The changes adopted to conform with this standard are to be applied prospectively.

C. Contingent Liabilities

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

D. Change in Administration

On August 31, 2018, Dana Davidson left the Office of Trustee and was succeeded by Melissa Workman.

E. Joint Venture

The Twenty-eighth Judicial District Drug Task Force (DTF) is participating in a joint venture formed by an interlocal agreement between the district attorney generals of the Twenty-eighth Judicial District, the Twenty-ninth Judicial District, the Thirtieth Judicial District, the Gibson County Sheriff's Department, and the West Tennessee Judicial Violent Crime and Drug Task Force (WTJDTF). The purpose of the entity is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities and highway criminal interdiction. Funds for the operations of the entity come primarily from federal grants, fines, and the forfeiture of assets to

the entity. Gibson County made no contributions to the WTJDTF for the year ended June 30, 2019.

Gibson County does not have an equity interest in the above-noted joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following addresses:

Administrative Office:

Office of District Attorney General
Twenty-eighth Judicial District
P.O. Box 145
Trenton, TN 38382

F. Jointly Governed Organizations

The Gibson County Railroad Authority (GCRA) was created by the county in conjunction with Madison County and the cities of Trenton, Humboldt, Dyer, Rutherford, and Kenton. The GCRA's board includes the 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.

G. Retirement Commitments

Tennessee Consolidated Retirement System (TCRS)

General Information About the Pension Plan

Plan Description. Employees of Gibson County are provided a defined benefit pension plan (Gibson County Employees Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. In addition, certain former county employees are provided a defined benefit pension plan (Gibson County Board of Education Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The Gibson County Board of Education Plan is closed to new membership. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative

branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Gibson County Employees:

Inactive Employees or Beneficiaries Currently Receiving Benefits	130
Inactive Employees Entitled to But Not Yet Receiving Benefits	203
Active Employees	237
Total	<u><u>570</u></u>

Gibson County Board of Education:

Inactive Employees or Beneficiaries Currently Receiving Benefits	34
Inactive Employees Entitled to But Not Yet Receiving Benefits	6
Active Employees	0
Total	<u>40</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Gibson County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the employer contribution for the Gibson County Employees Plan was \$808,497 based on a rate of 8.24 percent of covered payroll. At the measurement date of June 30, 2018, the Gibson County Board of Education Plan was fully funded; therefore, no additional employer contributions will be required. By law, employer contributions are required to be paid. The TCRS may intercept Gibson County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Gibson County's net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	5.69	31
Developed Market		
International Equity	5.29	14
Emerging Market		
International Equity	6.36	4
Private Equity and		
Strategic Lending	5.79	20
U.S. Fixed Income	2.01	20
Real Estate	4.32	10
Short-term Securities	0.00	1
Total		100

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Gibson County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be

paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

Gibson County Employees:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	\$ 26,444,408	\$ 27,167,982	\$ (723,574)
Changes for the Year:			
Service Cost	\$ 776,976	\$ 0	\$ 776,976
Interest	1,932,026	0	1,932,026
Differences Between Expected and Actual Experience	(732,139)	0	(732,139)
Contributions-Employer	0	777,187	(777,187)
Contributions-Employees	0	471,800	(471,800)
Net Investment Income	0	2,258,449	(2,258,449)
Benefit Payments, Including Refunds of Employee Contributions	(1,145,492)	(1,145,492)	0
Administrative Expense	0	(22,886)	22,886
Net Changes	\$ 831,371	\$ 2,339,058	\$ (1,507,687)
Balance, June 30, 2018	\$ 27,275,779	\$ 29,507,040	\$ (2,231,261)

Gibson County Board of Education:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	\$ 440,036	\$ 618,286	\$ (178,250)
Changes for the Year:			
Service Cost	\$ 619	\$ 0	\$ 619
Interest	30,005	0	30,005
Differences Between Expected and Actual Experience	5,270	0	5,270
Net Investment Income	0	49,098	(49,098)
Benefit Payments, Including Refunds of Employee Contributions	(53,581)	(53,581)	0
Net Changes	\$ (17,687)	\$ (4,483)	\$ (13,204)
Balance, June 30, 2018	\$ 422,349	\$ 613,803	\$ (191,454)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.

The following presents the net pension liability (asset) of Gibson County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Gibson County Employees:			

Net Pension Liability (Asset)	\$ 1,226,971	\$ (2,231,261)	\$ (5,106,753)
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	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Gibson County Board of Education:			

Net Pension Liability (Asset)	\$ (166,191)	\$ (191,454)	\$ (214,161)
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Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense or Negative Pension Expense. For the year ended June 30, 2019, the Gibson County Employee Plan and the Gibson County Board of

Education Plan recognized (negative) pension expense of (\$100,687) and (\$10,520), respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, Gibson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Gibson County Employees:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 280,597	\$ 1,093,002
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	115,566
Changes in Assumptions	458,008	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	808,497	N/A
Total	<u>\$ 1,547,102</u>	<u>\$ 1,208,568</u>

Gibson County Board of Education:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,904
Changes in Assumptions	0	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	0	N/A
Total	<u>\$ 0</u>	<u>\$ 2,904</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” will be recognized as a reduction

(increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Gibson County Employees:

Year Ending June 30	Amount
2020	(10,514)
2021	(59,290)
2022	(247,403)
2023	(152,756)
2024	0
Thereafter	0

Gibson County Board of Education:

Year Ending June 30	Amount
2020	4,132
2021	(349)
2022	(5,443)
2023	(1,244)
2024	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

H. **Purchasing Laws**

Office of County Mayor

The County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, govern purchasing for the general county government. This act provides for all purchases exceeding \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Road Supervisor

Chapter 111, Private Acts of 1929, as amended, and Section 54-7-113, *TCA*, (Uniform Road Law), govern purchasing procedures for the Highway Department. These statutes 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 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 Accounting 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

Accounts receivable represent amounts due from local customers for dispatch services. The district doesn't have an allowance due to all accounts receivable being fully collectible.

c. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

d. 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	5 - 20	\$ 2,500
Office Equipment	3 - 10	1,000
Furniture and Fixtures	5 - 10	1,000
Vehicles	5	5,000
Building	30	10,000

e. 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 unused vacation leave at December 31 over to the next calendar year. At June 30, 2019, the liability for accrued leave was \$5,537.

f. 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of June 30, 2019, the district has three items that are reported as deferred outflows of resources: pension contributions subsequent to the measurement date, changes in assumption, and difference between expected and actual experience.

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. As of June 30, 2019, the district has two items that are reported as deferred inflows of resources: pensions – difference between expected and actual experience and difference between projected and actual earnings on pension plan investments.

g. 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.

h. 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. When no payables are associated, it is referred to as investment in capital 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 does not meet the definition of the other categories.

i. Revenues

The district receives remittances from 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. Fees collected for 911 services are considered operating revenues.

j. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Gibson County Emergency Communications District's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the district's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

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 an accrual basis of accounting, which is in accordance with generally accepted accounting principles.

Expenditures are required to be within budgetary limits at the line-item level of control. For the year ended June 30, 2019, there were three line-items that exceeded the budgeted amounts: retirement expense exceeded budgeted amount by \$6,816, due to additional expenses resulting from pension related adjustments; direct deposit fee exceeded budgeted amount by \$1; and loss on disposal of property exceeded budgeted amount by \$5,940.

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, 2019, 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 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 66,400	\$ 0	\$ 0	\$ 66,400
Capital Assets Depreciated:				
Buildings and Improvements	\$ 744,484	\$ 24,928	\$ 0	\$ 769,412
Office Equipment	195,844	0	91,393	104,451
Communications Equipment	1,243,346	163,202	483,338	923,210
Furniture and Fixtures	0	10,175	0	10,175
Vehicles	20,941	0	2,514	18,427
Total Capital Assets Depreciated:	\$ 2,204,615	\$ 198,305	\$ 577,245	\$ 1,825,675
Less: Accumulated Depreciation For:				
Buildings and Improvements	\$ 433,728	\$ 23,033	\$ 0	\$ 456,761
Office Equipment	193,719	2,011	91,393	104,337
Communications Equipment	1,082,403	69,209	477,398	674,214
Furniture and Fixtures	0	424	0	424
Vehicles	20,941	0	2,514	18,427
Total Accumulated Depreciation	\$ 1,730,791	\$ 94,677	\$ 571,305	\$ 1,254,163
Capital Assets, Net	\$ 540,224	\$ 103,628	\$ 5,940	\$ 637,912

D. Other Information

1. Funding Sources

Funding for the district's operations is provided by monthly fees from service users in Gibson County, which are collected by the Tennessee Emergency Communications Board and remitted to the district at a set percentage.

2. **Retirement Plan**

Plan Description

Employees of the Gibson County Emergency Communications District are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/BoardandGovernance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	3
Inactive Employees Entitled to But Not Yet Receiving Benefits	9
Active Employees	<u>10</u>
Total	<u><u>22</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees of the district do not contribute any percentage of their salary. The district makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, employer contributions for Gibson County Emergency Communications District were \$31,955 based on a rate of 8.34 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Gibson County Emergency Communications District's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The Gibson County Emergency Communications District's net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and Strategic Lending	6.36		4	
U.S. Fixed Income	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		10	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from the district will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	\$ 1,033,013	\$ 1,248,212	\$ (215,199)
Changes for the year:			
Service Cost	\$ 45,868	\$ 0	\$ 45,868
Interest	77,159	0	77,159
Differences Between Expected and Actual Experience	218,803	0	218,803
Contributions-Employer	0	32,860	(32,860)
Net Investment Income	0	103,718	(103,718)
Benefit Payments, Including Refunds of Employee Contributions	(29,244)	(29,244)	0
Administrative Expense	0	(993)	993
Net Changes	\$ 312,586	\$ 106,341	\$ 206,245
Balance, June 30, 2017	\$ 1,345,599	\$ 1,354,553	\$ (8,954)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the district calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Gibson County Emergency Communications District	6.25%	7.25%	8.25%
Net Pension Liability (Asset)	\$ 168,938	\$ (8,954)	\$ (157,261)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense. For the year ended June 30, 2019, the district recognized pension expense of \$44,910.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the district reported deferred

outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 195,401	\$ 87,709
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	6,938
Changes in Assumptions	23,769	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	31,955	N/A
Total	<u>\$ 251,125</u>	<u>\$ 94,647</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 26,533
2021	17,757
2022	7,575
2023	21,207
2024	23,833
Thereafter	27,618

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

3. **Risk Management**

The district is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district decided it was more

economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for general liability, auto liability, errors and omissions, workers compensation and automobile physical damage coverage. The district joined the Tennessee Municipal League Risk Pool, which is a public entity risk pool established in 1979 by the Tennessee Municipal League.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

Gibson County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Gibson County Employees
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 639,578	\$ 619,501	\$ 636,715	\$ 718,592	\$ 776,976
Interest	1,687,432	1,695,891	1,752,633	1,877,560	1,932,026
Differences Between Actual and Expected Experience	(965,043)	(275,449)	561,196	(381,954)	(732,139)
Changes in Assumptions	0	0	0	687,012	0
Benefit Payments, Including Refunds of Employee Contributions	(1,045,803)	(1,412,416)	(1,188,777)	(1,544,678)	(1,145,492)
Net Change in Total Pension Liability	\$ 316,164	\$ 627,527	\$ 1,761,767	\$ 1,356,532	\$ 831,371
Total Pension Liability, Beginning	22,382,418	22,698,582	23,326,109	25,087,876	26,444,408
Total Pension Liability, Ending (a)	\$ 22,698,582	\$ 23,326,109	\$ 25,087,876	\$ 26,444,408	\$ 27,275,779
Plan Fiduciary Net Position					
Contributions - Employer	\$ 481,899	\$ 503,674	\$ 546,710	\$ 766,654	\$ 777,187
Contributions - Employee	408,490	403,585	438,069	465,208	471,800
Net Investment Income	3,437,699	733,633	641,505	2,782,339	2,258,449
Benefit Payments, Including Refunds of Employee Contributions	(1,045,803)	(1,412,416)	(1,188,777)	(1,544,678)	(1,145,492)
Administrative Expense	(8,836)	(10,992)	(17,966)	(20,815)	(22,886)
Other	0	0	67,964	0	0
Net Change in Plan Fiduciary Net Position	\$ 3,273,449	\$ 217,484	\$ 487,505	\$ 2,448,708	\$ 2,339,058
Plan Fiduciary Net Position, Beginning	20,740,836	24,014,285	24,231,769	24,719,274	27,167,982
Plan Fiduciary Net Position, Ending (b)	\$ 24,014,285	\$ 24,231,769	\$ 24,719,274	\$ 27,167,982	\$ 29,507,040
Net Pension Liability (Asset), Ending (a - b)	\$ (1,315,703)	\$ (905,660)	\$ 368,602	\$ (723,574)	\$ (2,231,261)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.80%	103.88%	98.53%	102.74%	108.18%
Covered Payroll	\$ 7,624,991	\$ 8,071,700	\$ 8,761,372	\$ 9,304,054	\$ 9,431,889
Net Pension Liability (Asset) as a Percentage of Covered Payroll	17.26%	11.22%	4.21%	(7.78)%	(23.66)%

Note: Ten years of data will be presented when available.

Exhibit E-2

Gibson County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Gibson County Board of Education
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 1,488	\$ 666	\$ 652	\$ 659	\$ 619
Interest	46,796	41,117	33,691	30,581	30,005
Differences Between Actual and Expected Experience	(50,633)	(73,404)	(13,231)	7,546	5,270
Changes in Assumptions	0	0	0	22,464	0
Benefit Payments, Including Refunds of Employee Contributions	(78,924)	(66,177)	(68,563)	(56,609)	(53,581)
Net Change in Total Pension Liability	\$ (81,273)	\$ (97,798)	\$ (47,451)	\$ 4,641	\$ (17,687)
Total Pension Liability, Beginning	661,917	580,644	482,846	435,395	440,036
Total Pension Liability, Ending (a)	\$ 580,644	\$ 482,846	\$ 435,395	\$ 440,036	\$ 422,349
Plan Fiduciary Net Position					
Contributions - Employer	\$ 98,988	\$ 70,246	\$ 70,246	\$ 72,662	\$ 0
Contributions - Employee	0	0	0	0	0
Net Investment Income	70,164	15,611	13,933	62,109	49,098
Benefit Payments, Including Refunds of Employee Contributions	(78,924)	(66,177)	(68,563)	(56,609)	(53,581)
Administrative Expense	(32)	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 90,196	\$ 19,680	\$ 15,616	\$ 78,162	\$ (4,483)
Plan Fiduciary Net Position, Beginning	414,632	504,828	524,508	540,124	618,286
Plan Fiduciary Net Position, Ending (b)	\$ 504,828	\$ 524,508	\$ 540,124	\$ 618,286	\$ 613,803
Net Pension Liability (Asset), Ending (a - b)	\$ 75,816	\$ (41,662)	\$ (104,729)	\$ (178,250)	\$ (191,454)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.94%	108.63%	124.05%	140.51%	145.33%
Covered Payroll	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Pension Liability (Asset) as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Ten years of data will be presented when available.

Exhibit E-3

Gibson County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Gibson County Employees
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 481,899	\$ 503,674	\$ 546,710	\$ 580,573	\$ 777,187	\$ 808,497
Less Contributions in Relation to the						
Actuarially Determined Contribution	(481,899)	(503,674)	(546,710)	(766,654)	(777,187)	(808,497)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (186,081)	\$ 0	\$ 0
Covered Payroll	\$ 7,624,991	\$ 8,071,700	\$ 8,761,372	\$ 9,304,054	\$ 9,431,889	\$ 9,811,876
Contributions as a Percentage of Covered Payroll	6.32%	6.24%	6.24%	8.24%	8.24%	8.24%

Note: Ten years of data will be presented when available.

Exhibit E-4

Gibson County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Gibson County Board of Education
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 98,988	\$ 70,246	\$ 70,246	\$ 72,662	\$ 0	\$ 0
Less Contributions in Relation to the Actuarially Determined Contribution	(98,988)	(70,246)	(70,246)	(72,662)	0	0
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

Note: Ten years of data will be presented when available. At June 30, 2017, the Gibson County Board of Education Plan was fully funded; therefore, no additional employer contributions were required.

GIBSON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2017, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Gibson County Employees:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%.
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

Gibson County Board of Education:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%.
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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.

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for debt issued for various capital improvement projects of the county.

Exhibit F-1

Gibson County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	
ASSETS						
Cash	\$ 0	\$ 0	\$ 1,604	\$ 1,604	\$ 0	\$ 1,604
Equity in Pooled Cash and Investments	120,687	29,418	0	150,105	514,637	664,742
Accounts Receivable	971	0	0	971	0	971
Due from Other Governments	0	0	0	0	45,100	45,100
Due from Other Funds	0	0	0	0	1,000	1,000
Cash Shortage	0	1,000	0	1,000	0	1,000
Total Assets	\$ 121,658	\$ 30,418	\$ 1,604	\$ 153,680	\$ 560,737	\$ 714,417
LIABILITIES						
Due to Other Funds	\$ 0	\$ 0	\$ 1,604	\$ 1,604	\$ 0	\$ 1,604
Total Liabilities	\$ 0	\$ 0	\$ 1,604	\$ 1,604	\$ 0	\$ 1,604
FUND BALANCES						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 30,418	\$ 0	\$ 30,418	\$ 0	\$ 30,418
Committed:						
Committed for Public Health and Welfare	121,658	0	0	121,658	0	121,658
Committed for Capital Projects	0	0	0	0	560,737	560,737
Total Fund Balances	\$ 121,658	\$ 30,418	\$ 0	\$ 152,076	\$ 560,737	\$ 712,813
Total Liabilities and Fund Balances	\$ 121,658	\$ 30,418	\$ 1,604	\$ 153,680	\$ 560,737	\$ 714,417

Exhibit F-2

Gibson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>					
Fines, Forfeitures, and Penalties	\$ 0	\$ 45,569	\$ 0	\$ 45,569	\$ 0
Charges for Current Services	68,153	0	10,885	79,038	0
Other Local Revenues	124	0	0	124	0
State of Tennessee	0	0	0	0	97,295
Federal Government	0	0	0	0	131,294
Other Governments and Citizens Groups	28,363	0	0	28,363	20,000
Total Revenues	<u>\$ 96,640</u>	<u>\$ 45,569</u>	<u>\$ 10,885</u>	<u>\$ 153,094</u>	<u>\$ 248,589</u>
<u>Expenditures</u>					
Current:					
Administration of Justice	\$ 0	\$ 0	\$ 10,885	\$ 10,885	\$ 108,108
Public Safety	0	52,672	0	52,672	180,814
Public Health and Welfare	82,563	0	0	82,563	300,928
Other Operations	0	0	0	0	77,703
Capital Projects	0	0	0	0	83,645
Total Expenditures	<u>\$ 82,563</u>	<u>\$ 52,672</u>	<u>\$ 10,885</u>	<u>\$ 146,120</u>	<u>\$ 751,198</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 14,077</u>	<u>\$ (7,103)</u>	<u>\$ 0</u>	<u>\$ 6,974</u>	<u>\$ (502,609)</u>
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,635
Transfers In	0	0	0	0	415,795
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 429,430</u>

(Continued)

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
Net Change in Fund Balances	\$ 14,077	\$ (7,103)	\$ 0	\$ 6,974	\$ (73,179)
Fund Balance, July 1, 2018	107,581	37,521	0	145,102	633,916
Fund Balance, June 30, 2019	\$ 121,658	\$ 30,418	\$ 0	\$ 152,076	\$ 560,737

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
<u>Revenues</u>			
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 45,569
Charges for Current Services	0	0	79,038
Other Local Revenues	0	0	124
State of Tennessee	0	97,295	97,295
Federal Government	0	131,294	131,294
Other Governments and Citizens Groups	0	20,000	48,363
Total Revenues	<u>\$ 0</u>	<u>\$ 248,589</u>	<u>\$ 401,683</u>
<u>Expenditures</u>			
Current:			
Administration of Justice	\$ 0	\$ 108,108	\$ 118,993
Public Safety	0	180,814	233,486
Public Health and Welfare	0	300,928	383,491
Other Operations	0	77,703	77,703
Capital Projects	0	83,645	83,645
Total Expenditures	<u>\$ 0</u>	<u>\$ 751,198</u>	<u>\$ 897,318</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ (502,609)</u>	<u>\$ (495,635)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$ 13,635	\$ 13,635
Transfers In	0	415,795	415,795
Transfers Out	(15,795)	(15,795)	(15,795)
Total Other Financing Sources (Uses)	<u>\$ (15,795)</u>	<u>\$ 413,635</u>	<u>\$ 413,635</u>

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
Net Change in Fund Balances	\$ (15,795)	\$ (88,974)	\$ (82,000)
Fund Balance, July 1, 2018	15,795	649,711	794,813
Fund Balance, June 30, 2019	\$ 0	\$ 560,737	\$ 712,813

Exhibit F-3

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 68,153	\$ 66,000	\$ 66,000	\$ 2,153
Other Local Revenues	124	500	500	(376)
Other Governments and Citizens Groups	28,363	20,722	20,722	7,641
Total Revenues	<u>\$ 96,640</u>	<u>\$ 87,222</u>	<u>\$ 87,222</u>	<u>\$ 9,418</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 52,093	\$ 51,806	\$ 51,806	\$ (287)
Other Waste Disposal	30,470	62,972	62,972	32,502
Total Expenditures	<u>\$ 82,563</u>	<u>\$ 114,778</u>	<u>\$ 114,778</u>	<u>\$ 32,215</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 14,077</u>	<u>\$ (27,556)</u>	<u>\$ (27,556)</u>	<u>\$ 41,633</u>
Net Change in Fund Balance	\$ 14,077	\$ (27,556)	\$ (27,556)	\$ 41,633
Fund Balance, July 1, 2018	<u>107,581</u>	<u>66,301</u>	<u>66,301</u>	<u>41,280</u>
Fund Balance, June 30, 2019	<u><u>\$ 121,658</u></u>	<u><u>\$ 38,745</u></u>	<u><u>\$ 38,745</u></u>	<u><u>\$ 82,913</u></u>

Exhibit F-4

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 45,569	\$ 37,835	\$ 37,835	\$ 7,734
Total Revenues	\$ 45,569	\$ 37,835	\$ 37,835	\$ 7,734
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 52,672	\$ 37,835	\$ 57,835	\$ 5,163
Total Expenditures	\$ 52,672	\$ 37,835	\$ 57,835	\$ 5,163
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,103)	\$ 0	\$ (20,000)	\$ 12,897
Net Change in Fund Balance	\$ (7,103)	\$ 0	\$ (20,000)	\$ 12,897
Fund Balance, July 1, 2018	37,521	36,201	36,201	1,320
Fund Balance, June 30, 2019	\$ 30,418	\$ 36,201	\$ 16,201	\$ 14,217

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Gibson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,089,264	\$ 1,061,441	\$ 1,061,441	\$ 27,823
Other Local Revenues	355,197	150,000	150,000	205,197
State of Tennessee	95,748	40,000	40,000	55,748
Total Revenues	<u>\$ 1,540,209</u>	<u>\$ 1,251,441</u>	<u>\$ 1,251,441</u>	<u>\$ 288,768</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,182,887	\$ 1,182,886	\$ 1,182,886	\$ (1)
<u>Interest on Debt</u>				
General Government	321,194	321,194	321,194	0
<u>Other Debt Service</u>				
General Government	28,422	29,046	29,046	624
Total Expenditures	<u>\$ 1,532,503</u>	<u>\$ 1,533,126</u>	<u>\$ 1,533,126</u>	<u>\$ 623</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 7,706</u>	<u>\$ (281,685)</u>	<u>\$ (281,685)</u>	<u>\$ 289,391</u>
Net Change in Fund Balance	\$ 7,706	\$ (281,685)	\$ (281,685)	\$ 289,391
Fund Balance, July 1, 2018	<u>1,713,068</u>	<u>1,659,033</u>	<u>1,659,033</u>	<u>54,035</u>
Fund Balance, June 30, 2019	<u><u>\$ 1,720,774</u></u>	<u><u>\$ 1,377,348</u></u>	<u><u>\$ 1,377,348</u></u>	<u><u>\$ 343,426</u></u>

Fiduciary Funds

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

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master in Trenton, clerk and master in Humboldt, register 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.

Exhibit H-1

Gibson County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	Agency Funds				
	Cities - Sales Tax	Special School District	Constitu- tional Officers - Agency	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,496,333	\$ 0	\$ 1,496,333
Equity in Pooled Cash and Investments	0	44,778	0	65,363	110,141
Due from Other Governments	994,190	1,072,122	0	682	2,066,994
Property Taxes Receivable	0	13,957,164	0	0	13,957,164
Allowance for Uncollectible Property Taxes	0	(455,292)	0	0	(455,292)
Total Assets	<u>\$ 994,190</u>	<u>\$ 14,618,772</u>	<u>\$ 1,496,333</u>	<u>\$ 66,045</u>	<u>\$ 17,175,340</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 994,190	\$ 14,618,772	\$ 0	\$ 0	\$ 15,612,962
Due to Litigants, Heirs, and Others	0	0	1,496,333	66,045	1,562,378
Total Liabilities	<u>\$ 994,190</u>	<u>\$ 14,618,772</u>	<u>\$ 1,496,333</u>	<u>\$ 66,045</u>	<u>\$ 17,175,340</u>

Exhibit H-2

Gibson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 5,888,914	\$ 5,888,914	\$ 0
Due from Other Governments	987,731	994,190	987,731	994,190
Total Assets	\$ 987,731	\$ 6,883,104	\$ 6,876,645	\$ 994,190
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 987,731	\$ 6,883,104	\$ 6,876,645	\$ 994,190
Total Liabilities	\$ 987,731	\$ 6,883,104	\$ 6,876,645	\$ 994,190
<u>Special School District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 13,073	\$ 20,285,217	\$ 20,253,512	\$ 44,778
Due from Other Governments	1,057,200	1,072,122	1,057,200	1,072,122
Taxes Receivable	14,154,809	13,957,164	14,154,809	13,957,164
Allowance for Uncollectible Taxes	(309,083)	(455,292)	(309,083)	(455,292)
Total Assets	\$ 14,915,999	\$ 34,859,211	\$ 35,156,438	\$ 14,618,772
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 14,915,999	\$ 34,859,211	\$ 35,156,438	\$ 14,618,772
Total Liabilities	\$ 14,915,999	\$ 34,859,211	\$ 35,156,438	\$ 14,618,772
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,075,784	\$ 11,803,355	\$ 12,382,806	\$ 1,496,333
Total Assets	\$ 2,075,784	\$ 11,803,355	\$ 12,382,806	\$ 1,496,333
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,075,784	\$ 11,803,355	\$ 12,382,806	\$ 1,496,333
Total Liabilities	\$ 2,075,784	\$ 11,803,355	\$ 12,382,806	\$ 1,496,333

(Continued)

Exhibit H-2

Gibson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 71,576	\$ 17,497	\$ 23,710	\$ 65,363
Due from Other Governments	501	682	501	682
Total Assets	<u>\$ 72,077</u>	<u>\$ 18,179</u>	<u>\$ 24,211</u>	<u>\$ 66,045</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 72,077	\$ 18,179	\$ 24,211	\$ 66,045
Total Liabilities	<u>\$ 72,077</u>	<u>\$ 18,179</u>	<u>\$ 24,211</u>	<u>\$ 66,045</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,075,784	\$ 11,803,355	\$ 12,382,806	\$ 1,496,333
Equity in Pooled Cash and Investments	84,649	26,191,628	26,166,136	110,141
Due from Other Governments	2,045,432	2,066,994	2,045,432	2,066,994
Taxes Receivable	14,154,809	13,957,164	14,154,809	13,957,164
Allowance for Uncollectible Taxes	(309,083)	(455,292)	(309,083)	(455,292)
Total Assets	<u>\$ 18,051,591</u>	<u>\$ 53,563,849</u>	<u>\$ 54,440,100</u>	<u>\$ 17,175,340</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 15,903,730	\$ 41,742,315	\$ 42,033,083	\$ 15,612,962
Due to Litigants, Heirs, and Others	2,147,861	11,821,534	12,407,017	1,562,378
Total Liabilities	<u>\$ 18,051,591</u>	<u>\$ 53,563,849</u>	<u>\$ 54,440,100</u>	<u>\$ 17,175,340</u>

MISCELLANEOUS SCHEDULES

Exhibit I-1

Gibson County, Tennessee
Schedule of Changes in Long-term Note and Bonds
For the Year Ended June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Paid and/or Matured During Period	Outstanding 6-30-19
<u>NOTE PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Sheriff's Patrol Cars (7)	\$ 189,459	1.68	% 2-1-16	4-1-19	\$ 47,887	\$ 47,887	\$ 0
Total Note Payable					\$ 47,887	\$ 47,887	\$ 0
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Refunding, Series 2012	9,860,000	.5 to 2.4	4-12-12	6-1-29	\$ 7,350,000	\$ 625,000	\$ 6,725,000
General Obligation, Series 2012B	2,250,000	1 to 2	9-10-12	6-1-26	805,000	155,000	650,000
General Obligation, Series 2015	3,025,000	2 to 2.5	6-30-15	6-1-30	2,080,000	330,000	1,750,000
General Obligation Refunding, Series 2017	4,290,000	1.45 to 2.65	10-18-17	6-1-33	4,235,000	25,000	4,210,000
Total Bonds Payable					\$ 14,470,000	\$ 1,135,000	\$ 13,335,000

Exhibit I-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 1,015,000	\$ 301,590	\$ 1,316,590
2021	1,030,000	283,153	1,313,153
2022	1,015,000	262,402	1,277,402
2023	1,000,000	242,078	1,242,078
2024	970,000	221,315	1,191,315
2025	960,000	200,315	1,160,315
2026	970,000	179,020	1,149,020
2027	990,000	156,625	1,146,625
2028	995,000	133,192	1,128,192
2029	950,000	109,225	1,059,225
2030	890,000	87,275	977,275
2031	850,000	65,025	915,025
2032	850,000	44,200	894,200
2033	850,000	22,525	872,525
Total	<u>\$ 13,335,000</u>	<u>\$ 2,307,940</u>	<u>\$ 15,642,940</u>

Exhibit I-3

Gibson County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2019

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	General Capital Projects	Capital expenditures	\$ 400,000
Other Capital Projects	"	"	<u>15,795</u>
Total Transfers			<u>\$ 415,795</u>

Gibson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
For the Year Ended June 30, 2019

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> , and Chapter 111, Private Acts of 1929	\$ 100,092	\$ 400,000	Local Government Property and Casualty Fund
Road Supervisor	Section 8-24-102, <i>TCA</i>	93,017	100,000	RLI Insurance Company
Trustee:				
Dana Davidson (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	14,130 (1)	1,204,121	"
Melissa Workman (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	65,652	1,016,824	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	79,782 (1)	50,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	79,782 (1)	400,000	Local Government Property and Casualty Fund
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	79,782 (1)	400,000	"
Clerk and Master - Trenton	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	79,782 (1),(2)	115,000	RLI Insurance Company
Clerk and Master - Humboldt	Section 8-24-102, <i>TCA</i>	79,782 (1),(3)	400,000	Local Government Property and Casualty Fund
Register of Deeds	Section 8-24-102, <i>TCA</i>	78,782	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i> and County Commission	95,926 (4)	400,000	"
Employee Blanket Bonds:				
All Employees			400,000	Local Government Property and Casualty Fund

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

(2) Does not include special commissioner fees of \$9,078.

(3) Does not include special commissioner fees of \$1,807.

(4) Includes a law enforcement training supplement of \$600, and includes \$8,666
for supervising the county workhouse.

Exhibit I-5

Gibson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2019

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,819,102	\$ 0	\$ 0	\$ 0	\$ 0	\$ 975,518
Trustee's Collections - Prior Year	144,917	0	0	0	0	18,705
Trustee's Collections - Bankruptcy	1,782	0	0	0	198	105
Circuit Clerk/Clerk and Master Collections - Prior Years	104,761	0	0	0	0	13,388
Interest and Penalty	30,268	0	0	0	8	3,945
Payments in-Lieu-of Taxes - Local Utilities	88,091	0	0	0	0	12,345
Payments in-Lieu-of Taxes - Other	53,329	0	0	0	0	7,220
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	568,885	0
Hotel/Motel Tax	79,221	0	0	0	0	0
Wheel Tax	0	0	0	0	2,175,699	0
Litigation Tax - General	103,715	0	0	0	0	0
Litigation Tax - Special Purpose	15,806	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	47,383
Business Tax	454,953	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	21,311	0	0	0	10,655	10,655
Wholesale Beer Tax	48,073	0	0	0	0	0
Total Local Taxes	\$ 7,965,329	\$ 0	\$ 0	\$ 0	\$ 2,755,445	\$ 1,089,264
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Vaccination	\$ 5,834	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	62,229	0	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 704	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	54,826	0	0	0	0	0
Total Licenses and Permits	\$ 123,593	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 2,102	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	12,455	0	0	0	0	0
Drug Control Fines	436	0	405	0	0	0
Drug Court Fees	773	0	0	0	0	0
Jail Fees	4,019	0	0	0	0	0
DUI Treatment Fines	380	0	0	0	0	0
Data Entry Fee - Circuit Court	2,106	0	0	0	0	0
Courtroom Security Fee	66	0	0	0	0	0
Victims Assistance Assessments	1,658	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	18,107	0	0	0	0	0
Officers Costs	43,052	0	0	0	0	0
Game and Fish Fines	171	0	0	0	0	0
Drug Control Fines	1,338	0	2,315	0	0	0
Drug Court Fees	3,723	0	0	0	0	0
Jail Fees	11,114	0	0	0	0	0
DUI Treatment Fines	4,907	0	0	0	0	0
Data Entry Fee - General Sessions Court	8,640	0	0	0	0	0
Courtroom Security Fee	1,728	0	0	0	0	0
Victims Assistance Assessments	9,163	0	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 5,509	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	22,118	0	0	0	0	0
Drug Control Fines	665	0	142	0	0	0
Data Entry Fee - Juvenile Court	3,182	0	0	0	0	0
Courtroom Security Fee	22	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	4,493	0	0	0	0	0
Data Entry Fee - Chancery Court	5,039	0	0	0	0	0
Courtroom Security Fee	829	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	2,379	0	0	0	0	0
Officers Costs	55,034	0	0	0	0	0
Drug Control Fines	1,302	0	5,970	0	0	0
Drug Court Fees	7,101	0	0	0	0	0
Jail Fees	13,738	0	0	0	0	0
DUI Treatment Fines	4,732	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Data Entry Fee - Other Courts	7,267	0	0	0	0	0
Courtroom Security Fee	1,651	0	0	0	0	0
Victims Assistance Assessments	25,716	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	10,515	0	36,737	0	0	0
Other Fines, Forfeitures, and Penalties	8,434	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 305,664	\$ 0	\$ 45,569	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 17,980	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	50,173	0	0	0	0
Patient Charges	2,803,736	0	0	0	0	0
Other General Service Charges	1,445	0	0	0	0	0
Service Charges	21,058	0	0	0	0	0
<u>Fees</u>						
Airport Fees	53,866	0	0	0	0	0
Recreation Fees	480	0	0	0	0	0
Copy Fees	200	0	0	0	0	0
Library Fees	22,892	0	0	0	0	0
Greenbelt Late Application Fee	250	0	0	0	0	0
Vending Machine Collections	348	0	0	0	1,882	0
Constitutional Officers' Fees and Commissions	0	0	0	10,885	0	0
Data Processing Fee - Register	15,278	0	0	0	0	0
Data Processing Fee - Sheriff	10,359	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	5,850	0	0	0	0	0
Data Processing Fee - County Clerk	840	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	1,455	0	0	0	0	0
Total Charges for Current Services	\$ 2,938,057	\$ 68,153	\$ 0	\$ 10,885	\$ 1,882	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 355,197
Lease/Rentals	112,501	0	0	0	0	0
Sale of Materials and Supplies	145,003	0	0	0	18,975	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Commissary Sales	\$ 125,058	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Recycled Materials	60	124	0	0	0	0
Sale of Animals/Livestock	2,500	0	0	0	0	0
Miscellaneous Refunds	3,784	0	0	0	2,314	0
<u>Nonrecurring Items</u>						
Sale of Equipment	170	0	0	0	26,940	0
Sale of Property	13,638	0	0	0	0	0
Damages Recovered from Individuals	100	0	0	0	705	0
Contributions and Gifts	11,608	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	12,690	0	0	0	0	0
Total Other Local Revenues	\$ 427,112	\$ 124	\$ 0	\$ 0	\$ 48,934	\$ 355,197
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 486,928	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	66,975	0	0	0	0	0
General Sessions Court Clerk	158,214	0	0	0	0	0
Clerk and Master	145,065	0	0	0	0	0
Juvenile Court Clerk	79	0	0	0	0	0
Register	185,376	0	0	0	0	0
Sheriff	32,284	0	0	0	0	0
Trustee	678,382	0	0	0	0	0
Other Officials	191,705	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,945,008	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Airport Maintenance Program	\$ 15,751	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	97,806	0	0	0	0	0
Other General Government Grants	38,856	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	18,000	0	0	0	0	0
Drug Control Grants	48,306	0	0	0	0	0
Other Public Safety Grants	363	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	392,149	0	0	0	0	0
Other Health and Welfare Grants	20,000	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	873,436	0
State Aid Program	0	0	0	0	321,602	0
Litter Program	79,577	0	0	0	0	0
Other Public Works Grants	1,106	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	95,748
Beer Tax	17,959	0	0	0	0	0
Vehicle Certificate of Title Fees	8,144	0	0	0	0	0
Alcoholic Beverage Tax	112,578	0	0	0	0	0
State Revenue Sharing - T.V.A.	980,440	0	0	0	0	0
State Revenue Sharing - Telecommunications	25,582	0	0	0	0	0
Contracted Prisoner Boarding	1,651,598	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,801,787	0
Petroleum Special Tax	0	0	0	0	35,848	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Registrar's Salary Supplement	\$ 15,164	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other State Grants	4,572	0	0	0	0	0
Other State Revenues	16,093	0	0	0	0	0
Total State of Tennessee	<u>\$ 3,544,044</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,032,673</u>	<u>\$ 95,748</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Community Development	0	0	0	0	0	0
Civil Defense Reimbursement	107,738	0	0	0	0	0
Homeland Security Grants	106,711	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	8,200	0	0	0	0	0
Total Federal Government	<u>\$ 222,649</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 33,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	189,011	28,363	0	0	0	0
<u>Citizens Groups</u>						
Donations	41	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 222,052</u>	<u>\$ 28,363</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 17,693,508</u>	<u>\$ 96,640</u>	<u>\$ 45,569</u>	<u>\$ 10,885</u>	<u>\$ 6,838,934</u>	<u>\$ 1,540,209</u>

(Continued)

Exhibit I-5

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

	<u>Capital Projects Fund</u>		
	General		
	Capital		
	Projects	Total	
<hr/>			
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 0	\$ 7,794,620	
Trustee's Collections - Prior Year	0	163,622	
Trustee's Collections - Bankruptcy	0	2,085	
Circuit Clerk/Clerk and Master Collections - Prior Years	0	118,149	
Interest and Penalty	0	34,221	
Payments in-Lieu-of Taxes - Local Utilities	0	100,436	
Payments in-Lieu-of Taxes - Other	0	60,549	
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	568,885	
Hotel/Motel Tax	0	79,221	
Wheel Tax	0	2,175,699	
Litigation Tax - General	0	103,715	
Litigation Tax - Special Purpose	0	15,806	
Litigation Tax - Jail, Workhouse, or Courthouse	0	47,383	
Business Tax	0	454,953	
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0	42,621	
Wholesale Beer Tax	0	48,073	
Total Local Taxes	<u>\$ 0</u>	<u>\$ 11,810,038</u>	
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Animal Vaccination	\$ 0	\$ 5,834	
Cable TV Franchise	0	62,229	

(Continued)

Exhibit I-5

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

	Capital Projects Fund	
	General	
	Capital Projects	Total
<hr/>		
<u>Licenses and Permits (Cont.)</u>		
<u>Permits</u>		
Beer Permits	\$ 0	\$ 704
Building Permits	0	54,826
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 123,593</u>
 <u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	\$ 0	\$ 2,102
Officers Costs	0	12,455
Drug Control Fines	0	841
Drug Court Fees	0	773
Jail Fees	0	4,019
DUI Treatment Fines	0	380
Data Entry Fee - Circuit Court	0	2,106
Courtroom Security Fee	0	66
Victims Assistance Assessments	0	1,658
<u>General Sessions Court</u>		
Fines	0	18,107
Officers Costs	0	43,052
Game and Fish Fines	0	171
Drug Control Fines	0	3,653
Drug Court Fees	0	3,723
Jail Fees	0	11,114
DUI Treatment Fines	0	4,907
Data Entry Fee - General Sessions Court	0	8,640
Courtroom Security Fee	0	1,728
Victims Assistance Assessments	0	9,163

(Continued)

Exhibit I-5

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

	Capital Projects Fund	
	General	
	Capital	
	Projects	Total
<hr/>		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>Juvenile Court</u>		
Fines	\$ 0	\$ 5,509
Officers Costs	0	22,118
Drug Control Fines	0	807
Data Entry Fee - Juvenile Court	0	3,182
Courtroom Security Fee	0	22
<u>Chancery Court</u>		
Officers Costs	0	4,493
Data Entry Fee - Chancery Court	0	5,039
Courtroom Security Fee	0	829
<u>Other Courts - In-county</u>		
Fines	0	2,379
Officers Costs	0	55,034
Drug Control Fines	0	7,272
Drug Court Fees	0	7,101
Jail Fees	0	13,738
DUI Treatment Fines	0	4,732
<u>Judicial District Drug Program</u>		
Data Entry Fee - Other Courts	0	7,267
Courtroom Security Fee	0	1,651
Victims Assistance Assessments	0	25,716
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	0	47,252
Other Fines, Forfeitures, and Penalties	0	8,434
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 351,233</u>

(Continued)

Exhibit I-5

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

	<u>Capital Projects Fund</u>		
	<u>General</u>		
	<u>Capital</u>		
	<u>Projects</u>		<u>Total</u>
<hr/>			
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Tipping Fees	\$	0	\$ 17,980
Surcharge - Waste Tire Disposal		0	50,173
Patient Charges		0	2,803,736
Other General Service Charges		0	1,445
Service Charges		0	21,058
<u>Fees</u>			
Airport Fees		0	53,866
Recreation Fees		0	480
Copy Fees		0	200
Library Fees		0	22,892
Greenbelt Late Application Fee		0	250
Vending Machine Collections		0	2,230
Constitutional Officers' Fees and Commissions		0	10,885
Data Processing Fee - Register		0	15,278
Data Processing Fee - Sheriff		0	10,359
Sexual Offender Registration Fee - Sheriff		0	5,850
Data Processing Fee - County Clerk		0	840
Vehicle Insurance Coverage and Reinstatement Fees		0	1,455
Total Charges for Current Services	<u>\$</u>	<u>0</u>	<u>\$ 3,018,977</u>
<hr/>			
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$	0	\$ 355,197
Lease/Rentals		0	112,501
Sale of Materials and Supplies		0	163,978

(Continued)

Exhibit I-5

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

	Capital Projects Fund		
	General Capital Projects		Total
<hr/>			
Other Local Revenues (Cont.)			
Recurring Items (Cont.)			
Commissary Sales	\$	0	\$ 125,058
Sale of Recycled Materials		0	184
Sale of Animals/Livestock		0	2,500
Miscellaneous Refunds		0	6,098
Nonrecurring Items			
Sale of Equipment		0	27,110
Sale of Property		0	13,638
Damages Recovered from Individuals		0	805
Contributions and Gifts		0	11,608
Other Local Revenues			
Other Local Revenues		0	12,690
Total Other Local Revenues	\$	0	\$ 831,367
<hr/>			
Fees Received From County Officials			
Fees In-Lieu-of Salary			
County Clerk	\$	0	\$ 486,928
Circuit Court Clerk		0	66,975
General Sessions Court Clerk		0	158,214
Clerk and Master		0	145,065
Juvenile Court Clerk		0	79
Register		0	185,376
Sheriff		0	32,284
Trustee		0	678,382
Other Officials		0	191,705
Total Fees Received From County Officials	\$	0	\$ 1,945,008

(Continued)

Exhibit I-5

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

	Capital Projects Fund	
	General	
	Capital	
	Projects	Total
<hr/>		
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Airport Maintenance Program	\$ 0	\$ 15,751
Aging Programs	0	97,806
Other General Government Grants	0	38,856
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	18,000
Drug Control Grants	0	48,306
Other Public Safety Grants	0	363
<u>Health and Welfare Grants</u>		
Health Department Programs	0	392,149
Other Health and Welfare Grants	0	20,000
<u>Public Works Grants</u>		
Bridge Program	0	873,436
State Aid Program	0	321,602
Litter Program	0	79,577
Other Public Works Grants	0	1,106
<u>Other State Revenues</u>		
Income Tax	0	95,748
Beer Tax	0	17,959
Vehicle Certificate of Title Fees	0	8,144
Alcoholic Beverage Tax	0	112,578
State Revenue Sharing - T.V.A.	0	980,440
State Revenue Sharing - Telecommunications	0	25,582
Contracted Prisoner Boarding	0	1,651,598
Gasoline and Motor Fuel Tax	0	2,801,787
Petroleum Special Tax	0	35,848

(Continued)

Exhibit I-5

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

	Capital Projects Fund General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>		
<u>Other State Revenues (Cont.)</u>		
Registrar's Salary Supplement	\$ 0	\$ 15,164
Other State Grants	97,295	101,867
Other State Revenues	0	16,093
Total State of Tennessee	<u>\$ 97,295</u>	<u>\$ 7,769,760</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
USDA - Other	\$ 45,100	\$ 45,100
Community Development	9,355	9,355
Civil Defense Reimbursement	0	107,738
Homeland Security Grants	0	106,711
Other Federal through State	76,839	76,839
<u>Direct Federal Revenue</u>		
Other Direct Federal Revenue	0	8,200
Total Federal Government	<u>\$ 131,294</u>	<u>\$ 353,943</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 0	\$ 33,000
Contracted Services	0	217,374
<u>Citizens Groups</u>		
Donations	20,000	20,041
Total Other Governments and Citizens Groups	<u>\$ 20,000</u>	<u>\$ 270,415</u>
Total	<u>\$ 248,589</u>	<u>\$ 26,474,334</u>

Exhibit I-6

Gibson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2019

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	25,170	
Other Per Diem and Fees		850	
Social Security		1,613	
Employer Medicare		377	
Audit Services		18,880	
Dues and Memberships		1,950	
Legal Notices, Recording, and Court Costs		3,926	
Travel		1,284	
Office Supplies		80	
Total County Commission			\$ 54,130

Board of Equalization

Board and Committee Members Fees	\$	2,500	
Total Board of Equalization			2,500

County Mayor/Executive

County Official/Administrative Officer	\$	100,092	
Deputy(ies)		41,966	
Part-time Personnel		13,899	
Educational Incentive - Other County Employees		1,000	
Social Security		9,455	
Pensions		11,706	
Employee and Dependent Insurance		13,127	
Employer Medicare		2,211	
Communication		2,582	
Data Processing Services		14,895	
Dues and Memberships		1,837	
Legal Notices, Recording, and Court Costs		14	
Maintenance Agreements		3,055	
Postal Charges		955	
Printing, Stationery, and Forms		1,502	
Travel		6,694	
Office Supplies		1,157	
Liability Insurance		591	
Workers' Compensation Insurance		87	
In Service/Staff Development		540	
Data Processing Equipment		1,324	
Office Equipment		455	
Total County Mayor/Executive			229,144

County Attorney

Dues and Memberships	\$	100	
Legal Services		12,504	
Total County Attorney			12,604

Election Commission

County Official/Administrative Officer	\$	70,904	
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(Continued)

Exhibit I-6

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

General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

Deputy(ies)	\$	28,332	
Part-time Personnel		13,812	
Overtime Pay		535	
Board and Committee Members Fees		1,680	
Election Workers		56,559	
Social Security		8,181	
Pensions		8,177	
Employee and Dependent Insurance		13,127	
Employer Medicare		1,913	
Contracts with Private Agencies		12,724	
Dues and Memberships		200	
Legal Notices, Recording, and Court Costs		12,960	
Maintenance Agreements		13,920	
Maintenance and Repair Services - Office Equipment		316	
Postal Charges		4,496	
Printing, Stationery, and Forms		4,614	
Travel		1,334	
Office Supplies		3,889	
Building and Contents Insurance		1,002	
Liability Insurance		4,148	
Workers' Compensation Insurance		265	
In Service/Staff Development		1,200	
Data Processing Equipment		2,605	
Furniture and Fixtures		1,997	
Office Equipment		300	
Total Election Commission			\$ 269,190

Register of Deeds

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		93,697	
Social Security		10,266	
Pensions		14,212	
Employee and Dependent Insurance		26,254	
Employer Medicare		2,401	
Dues and Memberships		770	
Maintenance Agreements		19,352	
Postal Charges		1,433	
Printing, Stationery, and Forms		296	
Travel		1,497	
Data Processing Supplies		1,109	
Office Supplies		481	
Liability Insurance		788	
Workers' Compensation Insurance		146	
Data Processing Equipment		7,326	
Office Equipment		281	
Total Register of Deeds			259,091

(Continued)

Exhibit I-6

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

General Fund (Cont.)General Government (Cont.)Development

Communication	\$	962	
Contracts with Government Agencies		70,915	
Contracts with Private Agencies		8,652	
Legal Notices, Recording, and Court Costs		385	
Maintenance and Repair Services - Office Equipment		349	
Postal Charges		312	
Travel		1,929	
Office Supplies		231	
Office Equipment		300	
Total Development			\$ 84,035

County Buildings

Supervisor/Director	\$	29,781	
Custodial Personnel		63,949	
Overtime Pay		4,111	
Social Security		5,758	
Pensions		7,917	
Employee and Dependent Insurance		18,485	
Employer Medicare		1,347	
Communication		19,782	
Laundry Service		2,520	
Maintenance Agreements		9,582	
Maintenance and Repair Services - Buildings		64,370	
Maintenance and Repair Services - Equipment		26,666	
Maintenance and Repair Services - Vehicles		1,073	
Permits		115	
Custodial Supplies		9,417	
Food Supplies		509	
Gasoline		1,538	
Natural Gas		8,880	
Office Supplies		79	
Utilities		56,270	
Building and Contents Insurance		25,468	
Liability Insurance		591	
Vehicle and Equipment Insurance		250	
Workers' Compensation Insurance		2,490	
Heating and Air Conditioning Equipment		19,833	
Maintenance Equipment		475	
Other Equipment		12,290	
Total County Buildings			393,546

Preservation of Records

Communication	\$	1,135	
Maintenance and Repair Services - Buildings		633	
Natural Gas		590	
Utilities		2,730	
Building and Contents Insurance		945	
Total Preservation of Records			6,033

(Continued)

Exhibit I-6

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

General Fund (Cont.)FinanceAccounting and Budgeting

Supervisor/Director	\$	79,981	
Social Security		4,837	
Pensions		6,590	
Employee and Dependent Insurance		6,563	
Employer Medicare		1,131	
Travel		26	
Liability Insurance		197	
Workers' Compensation Insurance		125	
In Service/Staff Development		550	
Total Accounting and Budgeting			\$ 100,000

Property Assessor's Office

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		153,650	
Part-time Personnel		11,945	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		1,000	
Social Security		13,589	
Pensions		19,152	
Employee and Dependent Insurance		39,381	
Employer Medicare		3,178	
Data Processing Services		24,053	
Dues and Memberships		2,645	
Legal Notices, Recording, and Court Costs		174	
Maintenance Agreements		3,978	
Maintenance and Repair Services - Office Equipment		114	
Postal Charges		13,090	
Printing, Stationery, and Forms		892	
Travel		8,735	
Other Contracted Services		24,855	
Office Supplies		1,205	
Liability Insurance		1,576	
Workers' Compensation Insurance		259	
In Service/Staff Development		659	
Total Property Assessor's Office			403,912

County Trustee's Office

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		126,928	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		4,000	
Social Security		12,060	
Pensions		16,951	
Employee and Dependent Insurance		26,254	
Employer Medicare		2,820	
Dues and Memberships		1,670	
Legal Notices, Recording, and Court Costs		320	

(Continued)

Exhibit I-6

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

General Fund (Cont.)Finance (Cont.)County Trustee's Office (Cont.)

Maintenance Agreements	\$	25,032	
Postal Charges		9,467	
Printing, Stationery, and Forms		6,267	
Travel		1,431	
Office Supplies		3,176	
Liability Insurance		985	
Workers' Compensation Insurance		198	
In Service/Staff Development		323	
Data Processing Equipment		125	
Total County Trustee's Office			\$ 317,789

County Clerk's Office

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		394,253	
Part-time Personnel		18,662	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		2,000	
Other Salaries and Wages		1,800	
Social Security		29,023	
Pensions		39,226	
Employee and Dependent Insurance		78,762	
Employer Medicare		6,788	
Dues and Memberships		1,950	
Maintenance Agreements		22,733	
Maintenance and Repair Services - Office Equipment		120	
Postal Charges		13,465	
Printing, Stationery, and Forms		3,751	
Rentals		7,320	
Travel		2,033	
Other Contracted Services		50	
Library Books/Media		957	
Office Supplies		9,098	
Liability Insurance		3,152	
Workers' Compensation Insurance		645	
Office Equipment		3,933	
Total County Clerk's Office			719,503

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		230,474	
Salary Supplements		1,800	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		1,000	
Jury and Witness Expense		16,048	
Social Security		18,576	
Pensions		25,796	

(Continued)

Exhibit I-6

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

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

Employee and Dependent Insurance	\$	48,394	
Employer Medicare		4,344	
Contracts with Private Agencies		1,130	
Dues and Memberships		905	
Legal Notices, Recording, and Court Costs		192	
Maintenance Agreements		13,118	
Maintenance and Repair Services - Office Equipment		3,240	
Postal Charges		4,777	
Printing, Stationery, and Forms		1,257	
Travel		2,017	
Data Processing Supplies		1,298	
Natural Gas		1,604	
Office Supplies		5,331	
Utilities		13,564	
Building and Contents Insurance		1,889	
Liability Insurance		1,576	
Workers' Compensation Insurance		363	
In Service/Staff Development		615	
Office Equipment		2,553	
Total Circuit Court			\$ 481,643

General Sessions Court

Judge(s)	\$	166,865	
Supervisor/Director		36,967	
Educational Assistants		3,800	
Part-time Personnel		1,500	
Social Security		10,646	
Pensions		16,886	
Employer Medicare		3,018	
Communication		40	
Contracts with Government Agencies		11,700	
Dues and Memberships		563	
Postal Charges		94	
Travel		1,541	
Office Supplies		1,778	
Building and Contents Insurance		1,889	
Liability Insurance		788	
Workers' Compensation Insurance		66	
Office Equipment		1,401	
Total General Sessions Court			259,542

Drug Court

Supervisor/Director	\$	31,096	
Social Security		1,620	
Pensions		2,562	
Employee and Dependent Insurance		6,563	
Employer Medicare		379	

(Continued)

Exhibit I-6

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

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

Travel	\$	1,407	
Drugs and Medical Supplies		5,273	
Liability Insurance		394	
Workers' Compensation Insurance		49	
In Service/Staff Development		1,874	
Other Charges		50	
Total Drug Court			\$ 51,267

Chancery Court

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		157,102	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		3,000	
Social Security		14,301	
Pensions		19,684	
Employee and Dependent Insurance		32,817	
Employer Medicare		3,345	
Data Processing Services		11,682	
Dues and Memberships		1,080	
Maintenance Agreements		423	
Postal Charges		1,400	
Rentals		3,656	
Travel		1,066	
Natural Gas		1,922	
Office Supplies		6,155	
Utilities		9,986	
Building and Contents Insurance		2,453	
Liability Insurance		1,182	
Workers' Compensation Insurance		369	
In Service/Staff Development		600	
Office Equipment		580	
Other Equipment		1,550	
Total Chancery Court			354,135

Juvenile Court

Judge(s)	\$	58,789	
Youth Service Officer(s)		52,844	
Part-time Personnel		18,341	
Other Salaries and Wages		93,574	
Social Security		12,508	
Pensions		16,909	
Employee and Dependent Insurance		26,254	
Employer Medicare		2,925	
Communication		600	
Dues and Memberships		895	
Legal Notices, Recording, and Court Costs		72	
Maintenance Agreements		7,615	

(Continued)

Exhibit I-6

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

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

Maintenance and Repair Services - Office Equipment	\$	926	
Postal Charges		1,757	
Travel		2,349	
Other Contracted Services		78,616	
Natural Gas		2,351	
Office Supplies		2,411	
Utilities		11,737	
Building and Contents Insurance		9,979	
Liability Insurance		1,182	
Workers' Compensation Insurance		257	
In Service/Staff Development		220	
Data Processing Equipment		4,448	
Furniture and Fixtures		463	
Office Equipment		272	
Other Equipment		245	
Total Juvenile Court			\$ 408,539

District Attorney General

Other Salaries and Wages	\$	26,250	
Social Security		1,571	
Pensions		2,163	
Employee and Dependent Insurance		5,000	
Employer Medicare		367	
Travel		384	
Liability Insurance		197	
Workers' Compensation Insurance		387	
Office Equipment		2,211	
Total District Attorney General			38,530

Other Administration of Justice

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		189,582	
Salary Supplements		2,066	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		4,000	
Jury and Witness Expense		9,113	
Social Security		15,967	
Pensions		20,979	
Employee and Dependent Insurance		29,759	
Employer Medicare		3,734	
Communication		1,495	
Dues and Memberships		905	
Maintenance Agreements		23,386	
Maintenance and Repair Services - Office Equipment		465	
Postal Charges		3,973	
Printing, Stationery, and Forms		1,084	
Rentals		14,491	

(Continued)

Exhibit I-6

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

General Fund (Cont.)Administration of Justice (Cont.)Other Administration of Justice (Cont.)

Travel	\$	130	
Office Supplies		6,035	
Building and Contents Insurance		163	
Liability Insurance		1,379	
Workers' Compensation Insurance		423	
In Service/Staff Development		500	
Total Other Administration of Justice			\$ 409,411

Victim Assistance Programs

Contributions	\$	39,138	
Total Victim Assistance Programs			39,138

Public SafetySheriff's Department

County Official/Administrative Officer	\$	95,326	
Assistant(s)		55,661	
Deputy(ies)		1,075,620	
Youth Service Officer(s)		76,442	
Salary Supplements		18,000	
Clerical Personnel		165,389	
Part-time Personnel		30,748	
Educational Incentive - Other County Employees		3,000	
Overtime Pay		101,038	
Other Salaries and Wages		223,828	
Social Security		110,698	
Pensions		145,923	
Employee and Dependent Insurance		191,549	
Employer Medicare		25,889	
Communication		3,193	
Contracts with Government Agencies		8,501	
Contracts with Private Agencies		30,000	
Confidential Drug Enforcement Payments		1,000	
Maintenance and Repair Services - Buildings		9,509	
Maintenance and Repair Services - Vehicles		51,588	
Postal Charges		3,451	
Printing, Stationery, and Forms		9,428	
Travel		14,709	
Gasoline		123,772	
Law Enforcement Supplies		10,288	
Office Supplies		7,756	
Uniforms		21,083	
Building and Contents Insurance		44	
Liability Insurance		70,013	
Vehicle and Equipment Insurance		21,009	
Workers' Compensation Insurance		30,762	
In Service/Staff Development		16,533	
Data Processing Equipment		9,114	
Law Enforcement Equipment		8,922	
Total Sheriff's Department			2,769,786

(Continued)

Exhibit I-6

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

General Fund (Cont.)Public Safety (Cont.)Jail

Guards	\$ 1,412,002	
Part-time Personnel	14,031	
Overtime Pay	32,744	
Social Security	87,645	
Pensions	118,827	
Employee and Dependent Insurance	192,031	
Employer Medicare	20,498	
Maintenance Agreements	18,163	
Maintenance and Repair Services - Buildings	33,384	
Medical and Dental Services	519,089	
Custodial Supplies	27,237	
Food Supplies	251,730	
Natural Gas	23,827	
Office Supplies	11,122	
Uniforms	13,473	
Utilities	272,414	
Building and Contents Insurance	42,118	
Liability Insurance	71,604	
Workers' Compensation Insurance	32,848	
Other Charges	46,784	
Law Enforcement Equipment	10,151	
Total Jail		\$ 3,251,722

Fire Prevention and Control

Supervisor/Director	\$ 44,302
Part-time Personnel	10,236
Social Security	2,813
Pensions	3,650
Employee and Dependent Insurance	6,563
Employer Medicare	658
Communication	8,722
Contracts with Private Agencies	2,550
Dues and Memberships	755
Legal Notices, Recording, and Court Costs	177
Licenses	64
Maintenance and Repair Services - Buildings	3,168
Maintenance and Repair Services - Equipment	9,686
Maintenance and Repair Services - Vehicles	32,630
Diesel Fuel	8,995
Food Supplies	288
Gasoline	4,691
Natural Gas	11,127
Office Supplies	1,951
Uniforms	644
Utilities	13,795
Other Supplies and Materials	19,303
Building and Contents Insurance	2,574

(Continued)

Exhibit I-6

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

General Fund (Cont.)Public Safety (Cont.)Fire Prevention and Control (Cont.)

Liability Insurance	\$	394	
Vehicle and Equipment Insurance		43,533	
Workers' Compensation Insurance		5,155	
In Service/Staff Development		18,059	
Communication Equipment		736	
Data Processing Equipment		2,403	
Office Equipment		179	
Total Fire Prevention and Control			\$ 259,801

Civil Defense

Supervisor/Director	\$	46,722	
Other Salaries and Wages		39,245	
Social Security		4,948	
Pensions		7,084	
Employee and Dependent Insurance		13,127	
Employer Medicare		1,157	
Communication		10,640	
Dues and Memberships		645	
Maintenance and Repair Services - Buildings		3,072	
Maintenance and Repair Services - Equipment		11,905	
Postal Charges		100	
Travel		2,157	
Food Supplies		370	
Gasoline		2,529	
Natural Gas		2,830	
Office Supplies		1,874	
Uniforms		116	
Utilities		23,058	
Building and Contents Insurance		4,675	
Liability Insurance		394	
Vehicle and Equipment Insurance		3,836	
Workers' Compensation Insurance		262	
Communication Equipment		2,114	
Office Equipment		454	
Other Equipment		716	
Total Civil Defense			184,030

Other Emergency Management

Printing, Stationery, and Forms	\$	1,204	
Communication Equipment		17,122	
Total Other Emergency Management			18,326

County Coroner/Medical Examiner

Contracts with Government Agencies	\$	45,240	
Contracts with Private Agencies		19,000	
Pauper Burials		1,200	
Total County Coroner/Medical Examiner			65,440

(Continued)

Exhibit I-6

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

General Fund (Cont.)Public Safety (Cont.)Public Safety Grants Program

Part-time Personnel	\$	102,600	
Social Security		6,273	
Employer Medicare		1,467	
Liability Insurance		394	
Workers' Compensation Insurance		9,698	
In Service/Staff Development		691	
Other Equipment		7,479	
Total Public Safety Grants Program			\$ 128,602

Public Health and WelfareLocal Health Center

Communication	\$	480	
Contracts with Government Agencies		38,330	
Dues and Memberships		400	
Janitorial Services		29,075	
Maintenance Agreements		249	
Maintenance and Repair Services - Buildings		2,367	
Maintenance and Repair Services - Equipment		1,764	
Postal Charges		390	
Custodial Supplies		818	
Drugs and Medical Supplies		1,100	
Natural Gas		1,286	
Office Supplies		3,118	
Utilities		22,613	
Building and Contents Insurance		3,668	
Building Improvements		2,350	
Communication Equipment		10,460	
Total Local Health Center			118,468

Rabies and Animal Control

Supervisor/Director	\$	31,365	
Part-time Personnel		10,452	
Social Security		2,593	
Pensions		2,585	
Employer Medicare		606	
Communication		990	
Contracts with Private Agencies		1,879	
Maintenance and Repair Services - Equipment		591	
Travel		5,046	
Animal Food and Supplies		2,536	
Diesel Fuel		2,383	
Office Supplies		15	
Utilities		8,025	
Building and Contents Insurance		216	
Liability Insurance		394	
Refunds		200	
Workers' Compensation Insurance		440	

(Continued)

Exhibit I-6

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

General Fund (Cont.)Public Health and Welfare (Cont.)Rabies and Animal Control (Cont.)

Building Improvements	\$	4,099	
Other Equipment		82	
Total Rabies and Animal Control			\$ 74,497

Ambulance/Emergency Medical Services

Assistant(s)	\$	61,852	
Supervisor/Director		53,461	
Equipment Operators		1,359,635	
Part-time Personnel		127,997	
Overtime Pay		467,126	
Other Salaries and Wages		32,310	
Social Security		125,148	
Pensions		161,679	
Employee and Dependent Insurance		188,994	
Employer Medicare		29,269	
Communication		5,565	
Contracts with Government Agencies		60,853	
Contracts with Private Agencies		80,897	
Data Processing Services		4,950	
Dues and Memberships		600	
Laundry Service		7,416	
Licenses		3,365	
Maintenance and Repair Services - Buildings		2,165	
Maintenance and Repair Services - Equipment		16,031	
Maintenance and Repair Services - Vehicles		105,772	
Postal Charges		9,261	
Rentals		12,228	
Travel		749	
Diesel Fuel		192,513	
Drugs and Medical Supplies		103,544	
Food Supplies		239	
Gasoline		169	
Natural Gas		1,792	
Office Supplies		12,320	
Uniforms		4,979	
Utilities		8,030	
Other Supplies and Materials		2,490	
Building and Contents Insurance		416	
Liability Insurance		11,819	
Vehicle and Equipment Insurance		32,933	
Workers' Compensation Insurance		122,775	
In Service/Staff Development		13,500	
Furniture and Fixtures		890	
Total Ambulance/Emergency Medical Services			3,425,732

Alcohol and Drug Programs

Guidance Personnel	\$	32,400	
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(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Alcohol and Drug Programs (Cont.)

Part-time Personnel	\$	9,136	
Social Security		2,405	
Pensions		1,997	
Employer Medicare		563	
Medical and Dental Services		1,548	
Workers' Compensation Insurance		258	
Total Alcohol and Drug Programs			\$ 48,307

Other Local Health Services

Other Supplies and Materials	\$	6,193	
Total Other Local Health Services			6,193

Sanitation Education/Information

Supervisor/Director	\$	31,402	
Social Security		1,880	
Pensions		2,587	
Employee and Dependent Insurance		6,563	
Employer Medicare		440	
Maintenance and Repair Services - Vehicles		135	
Other Supplies and Materials		411	
Liability Insurance		197	
Workers' Compensation Insurance		712	
Other Charges		6,557	
Total Sanitation Education/Information			50,884

Other Public Health and Welfare

Social Workers	\$	43,920	
Medical Personnel		79,353	
Part-time Personnel		24,693	
Other Salaries and Wages		71,329	
Social Security		13,150	
Pensions		15,962	
Employee and Dependent Insurance		29,375	
Employer Medicare		3,075	
Maintenance and Repair Services - Equipment		1,092	
Travel		13,518	
Other Supplies and Materials		1,669	
Liability Insurance		1,576	
Workers' Compensation Insurance		4,532	
Criminal Investigation of Applicants - TBI		58	
Other Charges		899	
Total Other Public Health and Welfare			304,201

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$	30,176	
Supervisor/Director		41,446	

(Continued)

Exhibit I-6

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Senior Citizens Assistance (Cont.)

Part-time Personnel	\$	63,644	
Educational Incentive - Official/Admin Officer		1,000	
Social Security		8,298	
Pensions		5,983	
Employee and Dependent Insurance		7,209	
Employer Medicare		1,941	
Communication		3,832	
Contracts with Government Agencies		5,901	
Contracts with Private Agencies		7,372	
Dues and Memberships		246	
Legal Notices, Recording, and Court Costs		95	
Licenses		1,884	
Maintenance Agreements		2,148	
Maintenance and Repair Services - Buildings		2,260	
Maintenance and Repair Services - Office Equipment		262	
Maintenance and Repair Services - Vehicles		595	
Postal Charges		824	
Rentals		1,753	
Travel		20,119	
Food Preparation Supplies		505	
Food Supplies		10,764	
Gasoline		1,929	
Natural Gas		1,110	
Office Supplies		2,180	
Utilities		9,312	
Other Supplies and Materials		3,055	
Building and Contents Insurance		102	
Liability Insurance		1,576	
Refunds		2,903	
Vehicle and Equipment Insurance		1,276	
Workers' Compensation Insurance		3,104	
In Service/Staff Development		1,623	
Criminal Investigation of Applicants - TBI		65	
Data Processing Equipment		1,668	
Office Equipment		648	
Other Equipment		3,824	
Total Senior Citizens Assistance			\$ 252,632

Libraries

Assistant(s)	\$	23,348
Supervisor/Director		36,486
Librarians		23,348
Part-time Personnel		23,276
Social Security		6,404
Pensions		6,614
Employee and Dependent Insurance		13,127
Employer Medicare		1,498

(Continued)

Exhibit I-6

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Libraries (Cont.)

Communication	\$	7,214	
Contracts with Other Public Agencies		20,000	
Maintenance Agreements		799	
Postal Charges		100	
Travel		1,202	
Instructional Supplies and Materials		2,728	
Library Books/Media		16,735	
Natural Gas		1,238	
Periodicals		159	
Utilities		9,596	
Other Supplies and Materials		1,114	
Building and Contents Insurance		1,856	
Liability Insurance		1,182	
Workers' Compensation Insurance		166	
Other Charges		987	
Other Equipment		6,451	
Total Libraries			\$ 205,628

Parks and Fair Boards

Maintenance and Repair Services - Buildings	\$	6,500	
Natural Gas		1,500	
Utilities		12,400	
Building and Contents Insurance		2,596	
Total Parks and Fair Boards			22,996

Other Social, Cultural, and Recreational

Other Supplies and Materials	\$	6,227	
Total Other Social, Cultural, and Recreational			6,227

Agriculture and Natural ResourcesAgricultural Extension Service

Communication	\$	884	
Contracts with Government Agencies		129,751	
Licenses		38	
Maintenance and Repair Services - Equipment		154	
Postal Charges		224	
Rentals		775	
Travel		1,292	
Office Supplies		222	
Building and Contents Insurance		1,286	
Vehicle and Equipment Insurance		51	
In Service/Staff Development		450	
Data Processing Equipment		3,679	
Total Agricultural Extension Service			138,806

Soil Conservation

Secretary(ies)	\$	34,157	
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(Continued)

Exhibit I-6

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

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Soil Conservation (Cont.)

Clerical Personnel	\$	38,377	
Social Security		4,374	
Pensions		5,977	
Employee and Dependent Insurance		11,072	
Employer Medicare		1,023	
Communication		509	
Maintenance and Repair Services - Equipment		432	
Maintenance and Repair Services - Office Equipment		210	
Postal Charges		300	
Travel		2,000	
Office Supplies		495	
Other Supplies and Materials		156	
Building and Contents Insurance		1,286	
Liability Insurance		394	
Vehicle and Equipment Insurance		94	
Workers' Compensation Insurance		619	
Office Equipment		76	
Total Soil Conservation			\$ 101,551

Flood Control

Contracts with Government Agencies	\$	62,000	
Total Flood Control			62,000

Other OperationsTourism

Contributions	\$	43,076	
Dues and Memberships		95	
Utilities		705	
Other Charges		1,735	
Total Tourism			45,611

Industrial Development

Supervisor/Director	\$	75,000	
Social Security		4,556	
Pensions		6,180	
Employee and Dependent Insurance		7,500	
Employer Medicare		1,066	
Travel		17,697	
Liability Insurance		197	
Workers' Compensation Insurance		1,106	
Total Industrial Development			113,302

Other Economic and Community Development

Contracts with Other Public Agencies	\$	1,000	
Contributions		43,250	
Total Other Economic and Community Development			44,250

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Other Operations (Cont.)

Airport

Attendants	\$	32,163	
Part-time Personnel		13,326	
Social Security		2,748	
Pensions		2,650	
Employee and Dependent Insurance		5,965	
Employer Medicare		643	
Communication		4,977	
Dues and Memberships		286	
Legal Notices, Recording, and Court Costs		353	
Maintenance and Repair Services - Buildings		17,582	
Maintenance and Repair Services - Equipment		1,469	
Postal Charges		7	
Travel		1,081	
Remittance of Revenue Collected		3,314	
Permits		200	
Diesel Fuel		19,234	
Gasoline		31,167	
Office Supplies		601	
Utilities		10,341	
Building and Contents Insurance		5,222	
Liability Insurance		591	
Vehicle and Equipment Insurance		19	
Workers' Compensation Insurance		1,372	
Airport Improvement		16,573	
Total Airport			\$ 171,884

Veterans' Services

Supervisor/Director	\$	30,978	
Part-time Personnel		8,353	
Social Security		2,439	
Employer Medicare		570	
Dues and Memberships		65	
Maintenance Agreements		549	
Rentals		895	
Travel		3,349	
Office Supplies		539	
Liability Insurance		394	
Workers' Compensation Insurance		470	
Total Veterans' Services			48,601

Other Charges

Bank Charges	\$	260	
Evaluation and Testing		5,145	
Liability Insurance		1,786	
Premiums on Corporate Surety Bonds		10,650	
Trustee's Commission		198,114	
Other Charges		13,434	
Total Other Charges			229,389

(Continued)

Exhibit I-6

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

General Fund (Cont.)Other Operations (Cont.)Contributions to Other Agencies

Contributions	\$ 35,000	
Total Contributions to Other Agencies		\$ 35,000

Employee Benefits

Bonus Payments	\$ 11,050	
Social Security	652	
Life Insurance	3,982	
Unemployment Compensation	2,679	
Employer Medicare	152	
Fines, Assessments, and Penalties	2,708	
Total Employee Benefits		21,223

Total General Fund \$ 17,098,771

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Management

Supervisor/Director	\$ 34,323	
Social Security	1,875	
Pensions	2,828	
Employee and Dependent Insurance	7,500	
Employer Medicare	439	
Communication	705	
Data Processing Services	151	
Dues and Memberships	200	
Travel	3,102	
Office Supplies	170	
Building and Contents Insurance	97	
Liability Insurance	197	
Workers' Compensation Insurance	506	
Total Sanitation Management		\$ 52,093

Other Waste Disposal

Contracts with Private Agencies	\$ 29,220	
Trustee's Commission	672	
Other Charges	578	
Total Other Waste Disposal		30,470

Total Solid Waste/Sanitation Fund 82,563

Drug Control FundPublic SafetyDrug Enforcement

Travel	\$ 3,611	
Animal Food and Supplies	5,008	
Other Supplies and Materials	5,823	
Refunds	533	

(Continued)

Exhibit I-6

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

Drug Control Fund (Cont.)Public Safety (Cont.)Drug Enforcement (Cont.)

Trustee's Commission	\$	535	
Other Charges		1,162	
Motor Vehicles		36,000	
Total Drug Enforcement			\$ 52,672

Total Drug Control Fund \$ 52,672

Constitutional Officers - Fees FundAdministration of JusticeChancery Court

Constitutional Officers' Operating Expenses	\$	10,885	
Total Chancery Court			\$ 10,885

Total Constitutional Officers - Fees Fund 10,885

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	93,017	
Accountants/Bookkeepers		60,726	
Board and Committee Members Fees		5,700	
Communication		1,300	
Data Processing Services		10,757	
Dues and Memberships		6,465	
Evaluation and Testing		1,326	
Janitorial Services		2,161	
Legal Notices, Recording, and Court Costs		334	
Maintenance and Repair Services - Office Equipment		4,452	
Postal Charges		1,310	
Printing, Stationery, and Forms		477	
Travel		427	
Drugs and Medical Supplies		377	
Electricity		11,103	
Natural Gas		328	
Office Supplies		1,761	
Water and Sewer		3,255	
In Service/Staff Development		559	
Other Charges		4,011	
Total Administration			\$ 209,846

Highway and Bridge Maintenance

Foremen	\$	201,745
Equipment Operators		380,385
Laborers		274,942
Contracts with Private Agencies		243,682
Rentals		2,628
Asphalt - Liquid		649,471

(Continued)

Exhibit I-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Concrete	\$	367	
Crushed Stone		769,885	
Fertilizer, Lime, and Seed		1,468	
Pipe		198,327	
Road Signs		7,750	
Small Tools		1,288	
Wood Products		30,000	
Other Supplies and Materials		1,466	
Total Highway and Bridge Maintenance			\$ 2,763,404

Operation and Maintenance of Equipment

Mechanic(s)	\$	107,846	
Maintenance and Repair Services - Buildings		11,905	
Maintenance and Repair Services - Equipment		43,315	
Diesel Fuel		157,035	
Equipment and Machinery Parts		167,172	
Garage Supplies		8,489	
Gasoline		39,901	
Lubricants		10,784	
Small Tools		414	
Tires and Tubes		41,134	
Other Supplies and Materials		1,024	
Office Equipment		6,330	
Total Operation and Maintenance of Equipment			595,349

Other Charges

Liability Insurance	\$	43,544	
Trustee's Commission		56,036	
Workers' Compensation Insurance		33,087	
Total Other Charges			132,667

Employee Benefits

Social Security	\$	66,643	
Pensions		89,061	
Employee and Dependent Insurance		161,861	
Life Insurance		1,218	
Employer Medicare		15,586	
Total Employee Benefits			334,369

Capital Outlay

Bridge Construction	\$	971,535	
Highway Construction		1,022,552	
Highway Equipment		582,983	
State Aid Projects		350,125	
Total Capital Outlay			2,927,195

Total Highway/Public Works Fund \$ 6,962,830

(Continued)

Exhibit I-6

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

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$ 1,135,000	
Principal on Notes	47,887	
Total General Government		\$ 1,182,887

Interest on DebtGeneral Government

Interest on Bonds	\$ 320,390	
Interest on Notes	804	
Total General Government		321,194

Other Debt ServiceGeneral Government

Bank Charges	\$ 3,619	
Trustee's Commission	24,803	
Total General Government		28,422

Total General Debt Service Fund \$ 1,532,503

General Capital Projects FundAdministration of JusticeCourtroom Security

Other Equipment	\$ 108,108	
Total Courtroom Security		\$ 108,108

Public SafetySheriff's Department

Law Enforcement Equipment	\$ 19,425	
Total Sheriff's Department		19,425

Fire Prevention and Control

Motor Vehicles	\$ 60,200	
Other Equipment	91,259	
Total Fire Prevention and Control		151,459

Rural Fire Protection

Other Equipment	\$ 9,930	
Total Rural Fire Protection		9,930

Public Health and WelfareAmbulance/Emergency Medical Services

Motor Vehicles	\$ 300,928	
Total Ambulance/Emergency Medical Services		300,928

Other OperationsAirport

Airport Improvement	\$ 77,703	
Total Airport		77,703

(Continued)

Exhibit I-6

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

General Capital Projects Fund (Cont.)

Capital Projects

Public Safety Projects

Building Improvements	\$	4,800	
Heating and Air Conditioning Equipment		23,463	
Motor Vehicles		28,825	
Building Purchases		<u>26,557</u>	
Total Public Safety Projects			<u>\$ 83,645</u>

Total General Capital Projects Fund			<u>\$ 751,198</u>
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Total Governmental Funds - Primary Government			<u><u>\$ 26,491,422</u></u>
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Exhibit I-7

Gibson County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2019

	Cities Sales Tax Fund	Special School District Fund	Total
<u>Cash Receipts</u>			
Local Option Sales Tax	\$ 5,888,914	\$ 6,433,498	\$ 12,322,412
City/School District Property Taxes:			
Current Property Tax	0	13,223,429	13,223,429
Prior Year's Property Tax	0	495,022	495,022
Interest and Penalty	0	60,025	60,025
Payments in Lieu of Taxes - Other	0	12,871	12,871
Marriage Licenses	0	2,574	2,574
State Revenue Sharing -Telecommunications	0	57,798	57,798
Total Cash Receipts	<u>\$ 5,888,914</u>	<u>\$ 20,285,217</u>	<u>\$ 26,174,131</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 5,830,025	\$ 19,914,327	\$ 25,744,352
Trustee's Commission	58,889	339,185	398,074
Total Cash Disbursements	<u>\$ 5,888,914</u>	<u>\$ 20,253,512</u>	<u>\$ 26,142,426</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ 31,705	\$ 31,705
Cash Balance, July 1, 2018	0	13,073	13,073
Cash Balance, June 30, 2019	<u>\$ 0</u>	<u>\$ 44,778</u>	<u>\$ 44,778</u>

FINDINGS AND RECOMMENDATIONS SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**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 units, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Gibson County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated August 29, 2019. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Recommendations as items: 2019-001 and 2019-002.

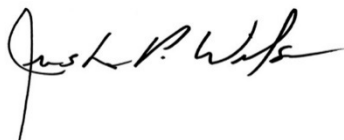
Gibson County's Responses to Findings

Gibson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Recommendations. Gibson County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

August 29, 2019

JPW/kp

Gibson County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (2)

For the Year Ended June 30, 2019

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	34360-16619	\$ 40,634
Direct Programs:			
Community Facilities Loans and Grants	10.766	N/A	45,100
Long-term Standing Agreements for Storage, Transportation, and Lease	10.999	N/A	70,551
Total U.S. Department of Agriculture			<u>\$ 156,285</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	N/A	\$ 9,355
Total U.S. Department of Housing and Urban Development			<u>\$ 9,355</u>
U. S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	AERO-17-257-00	\$ 76,839
Total U.S. Department of Transportation			<u>\$ 76,839</u>
U.S. Institute of Museum and Library Services:			
Passed through Tennessee Secretary of State:			
Grants to States	45.310	30504-00517-59	\$ 4,572
Total U.S. Institute of Museum and Library Services			<u>\$ 4,572</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Aging Cluster:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive			
Services and Senior Centers	93.044	(3)	\$ 41,966
Medical Assistance Program	93.778	(3)	20,140
Passed-through State Department of Health:			
Family Planning Services	93.217	34360-16619	6,340
Consolidated Health Centers	93.224	34360-16619	73,211
National Based Tobacco Control Programs	93.305	34360-16619	19,324
HIV Prevention Activities - Health Department Based	93.940	34360-16619	2,864
Maternal and Child Health Services Block Grant to States	93.994	34360-16619	12,526
Total U. S. Department of Health and Human Services			<u>\$ 176,371</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-03917	\$ 107,738
Homeland Security Grant Program	97.067	34101-24315	106,711
Total U.S. Department of Homeland Security			<u>\$ 214,449</u>
Total Expenditures of Federal Awards			<u>\$ 637,871</u>

(Continued)

Gibson County, TennesseeSchedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA	Contract Number	Expenditures
<u>State Grants</u>			
Airport Maintenance Program - State Department of Transportation	N/A	40100-45315	\$ 15,751
Homemaker and Personal Care Services - Northwest Tennessee Development District	N/A	N/A	35,700
Victims of Crime Act - Office of Criminal Justice Programs	N/A	N/A	38,856
Drug Court Grant - State Department of Mental Health and Substance Abuse Services	N/A	N/A	48,306
High Visibility Law Enforcement Grant - State Department of Transportation	N/A	Z18THS121	363
Preventive Health and Human Services - State Department of Health	N/A	34360-16619	237,250
Access to Health through Healthy Active Built Environments Grant - State Department of Health	N/A	N/A	20,000
Litter Grant - State Department of Transportation	N/A	Z19LIT049	79,577
Economic Development Partnership Funding - Tennessee Valley Authority	N/A	N/A	1,000
Courtroom Security Grant - Administrative Office of the Courts	N/A	N/A	97,295
Total State Grants			\$ 574,098

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) Gibson County elected not to use the 10% de minimus cost rate permitted by the Uniform Guidance.

(3) Information not available.

Gibson County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2019

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Gibson County, Tennessee, for the year ended June 30, 2019.

Prior-year Financial Statement Findings

There were no prior-year financial statement findings to report.

Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

FINDINGS AND RECOMMENDATIONS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans are presented separately in the Management's Corrective Action Plan in the Findings and Recommendations Section of this report.

FINDING 2019-001

THE OFFICE HAD PURCHASING DEFICIENCIES

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 61 disbursements totaling \$508,370 from a population of 5,189 vendor checks totaling \$9,303,911. Our examination revealed the following deficiencies, which are the result of a lack of management oversight and a failure to comply with state statutes.

- A. Competitive bids were not solicited for the purchase of a Polaris Ranger (\$16,219) and the purchase and installation of bullet resistant material for courtroom benches (\$19,993). Competitive bids were not solicited through newspaper advertisement for the purchase of three courtroom x-ray machines (87,189) and two HVAC units for the Sheriff's Department (23,463). Purchasing procedures for the county are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000. As a result of not properly soliciting competitive bids, the best and lowest price may not have been obtained for these purchases.
- B. A construction manager completed the installation of the bullet resistant material on the courtroom benches without making a good faith effort to solicit bids. Section 12-4-107(b)(1), *TCA*, states "A construction manager agent or advisor is prohibited from undertaking actual construction work on a project over which the construction manager agent or advisor coordinates or oversees the planning, bid, or construction phases of the project, except in instances when bids have been solicited twice and no bids have been submitted."

RECOMMENDATION

All purchases should be made in compliance with the County Purchasing Law of 1983, Sections 5-14-201 through 5-14.206, *TCA*. The construction manager should not perform work on a project unless bids have been solicited twice and no bids were received.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

Chancery Court requested bids from two different companies for the courtroom x-ray machines; however, they failed to advertise in the newspaper for bids. The sheriff mistakenly thought that since funds were donated by a local industry for the purchase of the Polaris Ranger, that competitive bids were not required. The sheriff did request bids on the HVAC units; however, he failed to advertise in the newspaper. On the bullet resistant material project, we were under the impression that we could turn the work over to the construction manager. We tried unsuccessfully to find a company to do the work.

FINDING 2019-002

EMPLOYEE BONUSES WERE NOT SUBJECTED TO RETIREMENT WITHHOLDINGS AND THE REQUIRED EMPLOYER MATCH. ALSO, THE BONUSES AND APPLICABLE WITHHOLDINGS AND EMPLOYER MATCH WERE NOT REPORTED TO THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

(Noncompliance Under *Government Auditing Standards*)

Employee bonuses totaling \$95,114 were not subjected to retirement withholdings and the required employer match. Also, the bonuses and applicable withholdings and employer match were not reported to the Tennessee Consolidated Retirement System (TCRS). Section 8-34-101(14)(b), *Tennessee Code Annotated (TCA)*, states, "Earnable compensation includes ... any bonus or incentive payment; provided that: ... Such payment is authorized by resolution legally adopted and approved by the chief governing body of an employer participating in the retirement system ... and is not made for the purpose of increasing a member's retirement benefit or inducing a member to retire." Furthermore, Section 8-37-502(a), *TCA*, requires that salaries and contributions be reported to TCRS on or before the tenth day of the month for the compensation of employees and contributions of employers for the preceding calendar month. These amounts were reflected on the employees' federal Forms W-2 as income. As a result of this deficiency, employees have not received the proper retirement credit, and the county could face possible penalties for not subjecting all wages to retirement withholdings and not remitting the deductions and required employer match to TCRS. This deficiency was the result of a lack of management oversight and the failure to follow state statutes. We have reported this finding to TCRS.

RECOMMENDATION

All employee bonuses should be subjected to retirement withholdings and the required employer match, and these amounts should be currently reported to TCRS. The office should contact TCRS to find out what steps should be taken to correct this deficiency.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

We were not aware that all payments to employees, if added to gross wages, were subject to retirement withholdings. All pay types in our payroll system that add to gross pay have been revised to be reported to TCRS.

GIBSON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2019

There were no findings and questioned costs related to federal awards for the year ended June 30, 2019.

Gibson County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2019

We reviewed the financial statement findings and recommendations with management to provide an opportunity for their response as required by Section 9-3-407, *Tennessee Code Annotated*. Management's corrective action plans for all financial statement findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF COUNTY MAYOR

2019-001	The Office had Purchasing Deficiencies	143
2019-002	Employee Bonuses were not Subjected to Retirement Withholdings and the Required Employer Match. Also, the Bonuses and Applicable Withholdings and Employer Match were not Reported to the Tennessee Consolidated Retirement System	143-144

Tom Witherspoon
County Mayor



Telephone: 731-855-7613
Trenton, Tennessee 38382

GIBSON COUNTY COURTHOUSE

Corrective Action Plan

FINDING: THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

Response and Corrective Action Plan Prepared by:
Greg Pillow, Director of Finance

Person Responsible for Implementing the Corrective Action:
Greg Pillow, Director of Finance

Anticipated Completion Date of Corrective Action:
9/9/2019

Repeat Finding:
No

Planned Corrective Action:
We will be revising the Purchasing Policy at the September 9, 2019 County Commission Meeting. Our current policy states that advertised bids have to run for 3 days. If we run in our County Papers, 3 publications can turn into 3 extra weeks in the process. We will be changing our policy to match the State Law that requires an ad to be placed. Once the policy is approved on 9/9/2019, I will send out the revised policy to all departments with a reminder that all purchases over \$10,000 has to be advertised for bid.

FINDING: EMPLOYEE BONUSES WERE NOT SUBJECTED TO RETIREMENT WITHHOLDINGS AND WERE NOT REPORTED TO THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Response and Corrective Action Plan Prepared by:
Greg Pillow, Director of Finance

Person Responsible for Implementing the Corrective Action:
Greg Pillow, Director of Finance

Anticipated Completion Date of Corrective Action:
Immediate

Repeat Finding:
No

Planned Corrective Action:
All Pay Types in our Payroll System that add to gross pay for employees has been revised to withhold TCRS.

Signature: 

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.