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# ANNUAL FINANCIAL REPORT GIBSON COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2012



**ANNUAL FINANCIAL REPORT  
GIBSON COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2012**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT  
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Director***

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ELISHA CROWELL, CFE  
State Auditors***

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

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***Audit Highlights***  
Annual Financial Report  
Gibson County, Tennessee  
For the Year Ended June 30, 2012

***Scope***

We have audited the basic financial statements of Gibson County as of and for the year ended June 30, 2012.

***Results***

Our report on governmental activities is qualified because an actuarial valuation of other postemployment benefits has not been performed. Our report on the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information is unqualified.

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

***Findings and Best Practice***

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

**OFFICE OF COUNTY MAYOR**

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

**OFFICE OF ASSESSOR OF PROPERTY**

- ◆ The assessor did not maintain an adequate program of sales verification.
- 

**OFFICES OF CLERK AND MASTER AND REGISTER**

- ◆ Multiple employees operated from the same cash drawer.
-

## **OFFICE OF REGISTER**

- ◆ Duties were not segregated adequately.
- 

## **BEST PRACTICE**

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

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# INTRODUCTORY SECTION

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# Gibson County Officials

## June 30, 2012

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### **Officials**

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

### **Board of County Commissioners**

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

### **Highway Commission**

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

### **Audit Committee**

Mitchell Bennett  
Nolan Bradford  
Ashley Johnson  
Robert Shelton

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## **FINANCIAL SECTION**

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

**INDEPENDENT AUDITOR'S REPORT**

November 27, 2012

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Gibson County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Gibson County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Gibson County Emergency Communications District, which represent 100 percent of the assets and revenues of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose report thereon 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 on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

As discussed in Note V.F., Gibson County did not obtain an actuarial valuation to determine the data necessary for the measurement, recognition, and display of other postemployment benefits (OPEB) necessary to prepare government-wide financial statements and note disclosures as required by Governmental Accounting Standards Board Statement No. 45. The effects on the government-wide financial statements and note disclosures are not determinable since the actuarial valuation has not been performed; however, we do not believe the amount is material to the government-wide financial statements as of June 30, 2012.

In our opinion, except for the effects of not including OPEB information, as discussed in the previous paragraph, the financial statements referred to above present fairly, in all material aspects, the respective financial position of the governmental activities of Gibson County, Tennessee, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of June 30, 2012, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2012, on our consideration of Gibson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

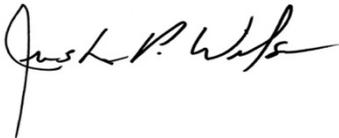
Management has omitted the management's discussion and analysis and OPEB funding information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial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

Accounting principles generally accepted in the United States of America require that the budgetary comparison and pension information on pages 50 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gibson County's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Gibson County, Tennessee  
Statement of Net Assets  
June 30, 2012

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Emergency Communications District</u>
<u>ASSETS</u>		
Cash	\$ 22,677	\$ 844,972
Equity in Pooled Cash and Investments	7,902,053	0
Accounts Receivable	4,855,425	40,375
Allowance for Uncollectibles	(2,747,012)	0
Due from Other Governments	1,571,098	0
Property Taxes Receivable	7,271,816	0
Allowance for Uncollectible Property Taxes	(317,901)	0
Prepaid Items	0	2,445
Accrued Interest Receivable	0	979
Other Current Assets	0	527
Deferred Charges - Debt Issuance Costs	155,063	0
Capital Assets:		
Assets Not Depreciated:		
Land	5,313,966	66,400
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	12,485,392	426,608
Infrastructure	16,029,038	0
Other Capital Assets	2,627,385	426,799
Total Assets	<u>\$ 55,169,000</u>	<u>\$ 1,809,105</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 60,051	\$ 6,644
Payroll Deductions Payable	3,822	0
Accrued Leave	0	12,895
Contracts Payable	855,220	0
Accrued Interest Payable	63,588	0
Deferred Revenue - Current Property Taxes	6,733,230	0
Other Deferred Revenue	0	387,333
Noncurrent Liabilities:		
Due Within One Year	554,212	0
Due in More Than One Year	14,755,021	0
Total Liabilities	<u>\$ 23,025,144</u>	<u>\$ 406,872</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 21,210,781	\$ 0
Invested in Capital Assets	0	919,807
Restricted for:		
General Government	52,238	0
Finance	570	0
Administration of Justice	160,214	0
Public Safety	43,528	0
Social, Cultural, and Recreational Services	65,040	0
Other Operations	3,000	0
Highway/Public Works	211,647	0
Debt Service	1,523,500	0
Unrestricted	8,873,338	482,426
Total Net Assets	<u>\$ 32,143,856</u>	<u>\$ 1,402,233</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, 2012

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary		
					Governmental Activities		Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	\$ 1,097,740	\$ 234,854	\$ 40,983	\$ 65,658	\$ (756,245)	\$ 0	
Finance	1,320,135	1,155,403	0	0	(164,732)	0	
Administration of Justice	1,676,772	915,832	9,000	0	(751,940)	0	
Public Safety	5,214,088	1,091,534	182,220	54,305	(3,886,029)	0	
Public Health and Welfare	3,186,889	2,749,289	318,988	(182,732)	(301,344)	0	
Social, Cultural, and Recreational Services	594,581	98,085	231,066	46,187	(219,243)	0	
Agriculture and Natural Resources	364,272	0	24,948	0	(339,324)	0	
Other Operations	742,941	349,981	6,981	564,414	178,435	0	
Highways	5,872,556	27,639	2,478,313	750,937	(2,615,667)	0	
Interest on Long-term Debt	686,022	0	0	0	(686,022)	0	
Other Debt Service	33,768	0	0	0	(33,768)	0	
<b>Total Primary Government</b>	<b>\$ 20,789,764</b>	<b>\$ 6,622,617</b>	<b>\$ 3,292,499</b>	<b>\$ 1,298,769</b>	<b>\$ (9,575,879)</b>	<b>\$ 0</b>	
Component Unit:							
Emergency Communications District	\$ 795,378	\$ 542,572	\$ 555,633	\$ 0	\$ 0	\$ 302,827	
<b>Total Component Unit</b>	<b>\$ 795,378</b>	<b>\$ 542,572</b>	<b>\$ 555,633</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 302,827</b>	

(Continued)

Exhibit B

Gibson County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
				Governmental Activities	Unit Communications District
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 6,379,569	\$ 0
Property Taxes Levied for Debt Service				554,014	0
Local Option Sales Taxes				350,328	0
Wheel Tax				1,442,322	0
Litigation Tax				172,587	0
Business Tax				366,661	0
Other Local Taxes				128,065	0
Grants and Contributions Not Restricted for Specific Programs				1,182,764	0
Unrestricted Investment Income				159,437	5,800
Miscellaneous				59,710	10,724
Total General Revenues				\$ 10,795,457	\$ 16,524
Change in Net Assets				\$ 1,219,578	\$ 319,351
Net Assets, July 1, 2011				30,924,278	1,082,882
Net Assets, June 30, 2012				\$ 32,143,856	\$ 1,402,233

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, 2012

	Major Funds			Nonmajor	Total
	General	Highway /	General	Other	
		Public	Debt	Governmental	
	Works	Service	Funds	Governmental	
				Funds	Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 22,677	\$ 22,677
Equity in Pooled Cash and Investments	3,177,041	931,490	3,610,171	183,351	7,902,053
Accounts Receivable	4,829,289	237	12,824	13,075	4,855,425
Allowance for Uncollectibles	(2,747,012)	0	0	0	(2,747,012)
Due from Other Governments	290,822	1,197,318	78,105	4,853	1,571,098
Due from Other Funds	1,620	0	0	0	1,620
Property Taxes Receivable	5,871,263	928,317	472,236	0	7,271,816
Allowance for Uncollectible Property Taxes	(253,645)	(40,583)	(23,673)	0	(317,901)
Total Assets	<u>\$ 11,169,378</u>	<u>\$ 3,016,779</u>	<u>\$ 4,149,663</u>	<u>\$ 223,956</u>	<u>\$ 18,559,776</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 20,051	\$ 40,000	\$ 0	\$ 0	\$ 60,051
Payroll Deductions Payable	222	3,600	0	0	3,822
Contracts Payable	0	855,220	0	0	855,220
Due to Other Funds	0	0	0	1,620	1,620
Deferred Revenue - Current Property Taxes	5,443,888	859,561	429,781	0	6,733,230
Deferred Revenue - Delinquent Property Taxes	154,177	25,002	16,668	0	195,847
Other Deferred Revenues	1,822,406	230,629	24,829	0	2,077,864
Total Liabilities	<u>\$ 7,440,744</u>	<u>\$ 2,014,012</u>	<u>\$ 471,278</u>	<u>\$ 1,620</u>	<u>\$ 9,927,654</u>
<u>Fund Balances</u>					
Restricted:					
Restricted for General Government	\$ 52,238	\$ 0	\$ 0	\$ 0	\$ 52,238
Restricted for Finance	570	0	0	0	570
Restricted for Administration of Justice	66,524	0	0	93,690	160,214
Restricted for Public Safety	10,420	0	0	33,108	43,528
Restricted for Social, Cultural, and Recreational Services	65,040	0	0	0	65,040
Restricted for Other Operations	3,000	0	0	0	3,000
Restricted for Debt Service	0	0	1,570,420	0	1,570,420
Committed:					
Committed for General Government	0	0	0	21,057	21,057
Committed for Public Health and Welfare	4,929	0	0	74,481	79,410
Committed for Social, Cultural, and Recreational Services	56,446	0	0	0	56,446
Committed for Other Operations	69,471	0	0	0	69,471
Committed for Highways/Public Works	0	1,002,767	0	0	1,002,767
Committed for Debt Service	0	0	2,107,965	0	2,107,965
Unassigned	3,399,996	0	0	0	3,399,996
Total Fund Balances	<u>\$ 3,728,634</u>	<u>\$ 1,002,767</u>	<u>\$ 3,678,385</u>	<u>\$ 222,336</u>	<u>\$ 8,632,122</u>
Total Liabilities and Fund Balances	<u>\$ 11,169,378</u>	<u>\$ 3,016,779</u>	<u>\$ 4,149,663</u>	<u>\$ 223,956</u>	<u>\$ 18,559,776</u>

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

Exhibit C-2

Gibson County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
June 30, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 8,632,122
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 5,313,966	
Add: buildings and improvements net of accumulated depreciation	12,485,392	
Add: infrastructure net of accumulated depreciation	16,029,038	
Add: other capital assets net of accumulated depreciation	<u>2,627,385</u>	36,455,781
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (892,000)	
Less: bonds payable	(14,353,000)	
Less: compensated absences payable	(64,233)	
Less: accrued interest on notes and bonds	(63,588)	
Add: deferred charges - debt issuance costs	<u>155,063</u>	(15,217,758)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>2,273,711</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 32,143,856</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, 2012

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 6,570,514	\$ 2,067,225	\$ 865,714	\$ 0	\$ 9,503,453
Licenses and Permits	100,138	0	0	0	100,138
Fines, Forfeitures, and Penalties	269,257	0	0	26,474	295,731
Charges for Current Services	2,684,048	4,902	0	205,214	2,894,164
Other Local Revenues	263,956	39,456	265,950	1,204	570,566
Fees Received from County Officials	1,739,491	0	0	0	1,739,491
State of Tennessee	1,817,984	2,788,875	743,605	29,696	5,380,160
Federal Government	794,492	441,805	0	0	1,236,297
Other Governments and Citizens Groups	97,960	13,774	0	24,240	135,974
<b>Total Revenues</b>	<b>\$ 14,337,840</b>	<b>\$ 5,356,037</b>	<b>\$ 1,875,269</b>	<b>\$ 286,828</b>	<b>\$ 21,855,974</b>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,040,568	\$ 0	\$ 0	\$ 191,991	\$ 1,232,559
Finance	1,138,581	0	0	0	1,138,581
Administration of Justice	1,466,845	0	0	28,715	1,495,560
Public Safety	4,211,797	0	0	17,017	4,228,814
Public Health and Welfare	2,966,537	0	0	84,993	3,051,530
Social, Cultural, and Recreational Services	521,649	0	0	0	521,649
Agriculture and Natural Resources	231,189	0	0	0	231,189
Other Operations	2,488,628	0	0	0	2,488,628
Highways	0	5,607,489	0	0	5,607,489
Debt Service:					
Principal on Debt	0	0	535,000	0	535,000
Interest on Debt	0	0	691,382	0	691,382
Other Debt Service	0	0	26,384	0	26,384
Capital Projects	58,750	0	0	0	58,750
<b>Total Expenditures</b>	<b>\$ 14,124,544</b>	<b>\$ 5,607,489</b>	<b>\$ 1,252,766</b>	<b>\$ 322,716</b>	<b>\$ 21,307,515</b>
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 213,296	\$ (251,452)	\$ 622,503	\$ (35,888)	\$ 548,459
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 64,532	\$ 1,180	\$ 0	\$ 0	\$ 65,712
Transfers In	0	0	0	22,493	22,493
Transfers Out	(22,493)	0	0	0	(22,493)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 42,039</b>	<b>\$ 1,180</b>	<b>\$ 0</b>	<b>\$ 22,493</b>	<b>\$ 65,712</b>
Net Change in Fund Balances					
Fund Balance, July 1, 2011	\$ 3,473,299	\$ (250,272)	\$ 622,503	\$ (13,395)	\$ 614,171
<b>Fund Balance, June 30, 2012</b>	<b>\$ 3,728,634</b>	<b>\$ 1,002,767</b>	<b>\$ 3,678,385</b>	<b>\$ 222,336</b>	<b>\$ 8,632,122</b>

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, 2012

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)		\$	614,171
(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	\$	2,339,635	
Less: current-year depreciation expense		<u>(2,268,086)</u>	71,549
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			
Less: loss on disposal of capital assets	\$	(105,951)	
Less: proceeds received from the disposal of capital assets		<u>(23,500)</u>	(129,451)
(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, 2012	\$	2,273,711	
Less: deferred delinquent property taxes and other deferred June 30, 2011		<u>(2,110,343)</u>	163,368
(4) The issuance of long-term debt (e.g., notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on notes	\$	410,000	
Add: principal payments on bonds		125,000	
Less: change in deferred debt issuance costs		<u>(7,384)</u>	527,616
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	5,360	
Change in compensated absences payable		<u>(33,035)</u>	<u>(27,675)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ 1,219,578</u>

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

Exhibit D

Gibson County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,624,965
Equity in Pooled Cash and Investments	75,299
Accounts Receivable	75
Due from Other Governments	1,632,819
Taxes Receivable	12,014,324
Allowance for Uncollectible Taxes	<u>(525,701)</u>
Total Assets	<u>\$ 14,821,781</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 13,196,816
Due to Litigants, Heirs, and Others	<u>1,624,965</u>
Total Liabilities	<u>\$ 14,821,781</u>

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

**GIBSON COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2012**

**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 Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Gibson County does not have any business-type activities to report. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they

are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Gibson County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. However, Gibson County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. Fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Gibson County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Gibson County reports the following major governmental funds:

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

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

**General Debt Service Fund** – This fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, Gibson County reports the following fund type:

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Gibson County, and special school districts’ share of educational revenues. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer’s Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county’s own legally issued bonds or notes.

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

## **2. Receivables and Payables**

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.31 percent of total taxes levied.

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

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

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

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

### **3. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$15,000 or more (\$5,000 or more for vehicles) and an estimated useful life of more than five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Building and Improvements	25 - 50
Other Capital Assets	5 - 10
Infrastructure:	
Roads	20
Bridges	15 - 30

**4. Compensated Absences**

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

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

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

**5. Long-term Obligations**

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

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

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

**6. Net Assets and Fund Equity**

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

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

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’s Budget/Finance Committee is the authorized body to make assignments.

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

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Assets**

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

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

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the changes in net assets of governmental activities reported in the government-wide Statement of Activities.

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investments

Gibson County participates in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets represents non-pooled amounts held separately by individual funds.

##### Deposits

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

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

**Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county’s own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer’s Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase. The county had no pooled and nonpooled investments as of June 30, 2012.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 5,313,966	\$ 0	\$ 0	\$ 5,313,966
Construction in Progress	486,547	458,108	944,655	0
Total Capital Assets Not Depreciated	<u>\$ 5,800,513</u>	<u>\$ 458,108</u>	<u>\$ 944,655</u>	<u>\$ 5,313,966</u>

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 14,641,902	\$ 490,585	\$ 0	\$ 15,132,487
Roads and Bridges	29,839,775	1,768,232	93,029	31,514,978
Other Capital Assets	9,090,733	567,365	215,624	9,442,474
Total Capital Assets				
Depreciated	<u>\$ 53,572,410</u>	<u>\$ 2,826,182</u>	<u>\$ 308,653</u>	<u>\$ 56,089,939</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 2,352,441	\$ 294,654	\$ 0	\$ 2,647,095
Roads and Bridges	14,231,534	1,273,787	19,381	15,485,940
Other Capital Assets	6,275,265	699,645	159,821	6,815,089
Total Accumulated				
Depreciation	<u>\$ 22,859,240</u>	<u>\$ 2,268,086</u>	<u>\$ 179,202</u>	<u>\$ 24,948,124</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 30,713,170</u>	<u>\$ 558,096</u>	<u>\$ 129,451</u>	<u>\$ 31,141,815</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 36,513,683</u>	<u>\$ 1,016,204</u>	<u>\$ 1,074,106</u>	<u>\$ 36,455,781</u>

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

**Governmental Activities:**

General Government	\$ 38,680
Administration of Justice	32,789
Public Safety	550,966
Public Health and Welfare	124,418
Social, Cultural, and Recreational Services	10,606
Agriculture and Natural Resources	3,485
Other Operations	68,015
Highway/Public Works	<u>1,439,127</u>
Total Depreciation Expense -	
Governmental Activities	<u>\$ 2,268,086</u>

**C. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2012, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 1,620

This balance resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2012, consisted of the following amount:

<u>Transfer Out</u>	<u>Transfer In</u> <u>Nonmajor</u> <u>Governmental</u> <u>Fund</u>
General Fund	\$ 22,493

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

**D. Long-term Debt**

**General Obligation Bonds and Notes**

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other loans. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 25 years for bonds and up to nine years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as

interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2012, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bonds	4 to 5.2 %	6-1-29	\$ 10,725,000	\$ 10,203,000
General Obligation Bonds - Refunding	3 to 4.3	6-1-33	4,450,000	4,150,000
Capital Outlay Notes	4.25 to 4.985	4-1-15	2,397,000	892,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2012, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 126,000	\$ 624,917	\$ 750,917
2014	127,000	620,682	747,682
2015	478,000	616,400	1,094,400
2016	529,000	597,070	1,126,070
2017	556,000	574,692	1,130,692
2018-2022	3,180,000	2,493,095	5,673,095
2023-2027	4,057,000	1,719,864	5,776,864
2028-2032	4,350,000	755,455	5,105,455
2033	950,000	40,850	990,850
<b>Total</b>	<b>\$ 14,353,000</b>	<b>\$ 8,043,025</b>	<b>\$ 22,396,025</b>

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 425,000	\$ 42,902	\$ 467,902
2014	445,000	22,642	467,642
2015	22,000	1,096	23,096
<b>Total</b>	<b>\$ 892,000</b>	<b>\$ 66,640</b>	<b>\$ 958,640</b>

There is \$3,678,385 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$289, based on the 2010 federal census. Debt per capita, including bonds and notes totaled \$307, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2011	\$ 14,478,000	\$ 1,302,000
Reductions	<u>(125,000)</u>	<u>(410,000)</u>
Balance, June 30, 2012	<u>\$ 14,353,000</u>	<u>\$ 892,000</u>
Balance Due Within One Year	<u>\$ 126,000</u>	<u>\$ 425,000</u>

	<u>Compensated Absences</u>
Balance, July 1, 2011	\$ 31,198
Additions	74,175
Reductions	<u>(41,140)</u>
Balance, June 30, 2012	<u>\$ 64,233</u>
Balance Due Within One Year	<u>\$ 3,212</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 15,309,233
Less: Balance Due Within One Year	<u>(554,212)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 14,755,021</u>

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

V. **OTHER INFORMATION**

A. **Risk Management**

**Employee Health Insurance**

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

All full-time employees of Gibson County are eligible to participate. The premium charges are based on the rates paid for coverage under the previous health insurance plan. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims liabilities are established based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past fiscal year are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year-End
2010-11	\$ 63,000	\$ 1,137,219	\$ 1,140,219	\$ 60,000
2011-12	60,000	1,222,234	1,222,234	60,000

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

**Workers' Compensation Insurance**

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

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

**Liability, Property, and Casualty**

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

**B. Subsequent Event**

On September 10, 2012, Gibson County issued \$2,250,000 in general obligation refunding bonds.

**C. Contingent Liabilities**

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

**D. Jointly Governed Organizations**

The Gibson County Railroad Authority (GCRA) was created by the county, in conjunction with Madison County and the cities of Trenton, Humboldt, Dyer, Rutherford, and Kenton. The GCRA's board includes the mayors of Gibson and Madison counties; the city mayors of Trenton, Humboldt, Dyer, Rutherford, and Kenton; and one at-large member from each of these areas. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity.

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

**E. Retirement Commitments**

**Plan Description**

Employees of Gibson County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System

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

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

### **Funding Policy**

Gibson County requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, was 6.53 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ended June 30, 2012, Gibson County's annual pension cost of \$464,572 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using

techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 20 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

**Trend Information**

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

**Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the plan was 95.73 percent funded. The actuarial accrued liability for benefits was \$20.73 million, and the actuarial value of assets was \$19.84 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.89 million. The covered payroll (annual payroll of active employees covered by the plan) was \$7 million, and the ratio of the UAAL to the covered payroll was 12.65 percent.

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

**F. Other Postemployment Benefits (OPEB)**

The Gibson County general government provides postemployment healthcare benefits through a self-insurance plan that allows pre-65 age retirees to remain in the plan at the active employees' rate if the retiree pays 100 percent of the premium; therefore, the county is providing an implicit rate subsidy. On November 14, 2011, the county adopted a resolution providing that future retirees are not allowed to remain in the employee health insurance program. Gibson County did not obtain an actuarial valuation to determine the data necessary for the measurement, recognition, and display of other postemployment benefits necessary to prepare government-wide financial statements and note disclosures as required by Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. However, we believe the omission of this data is not

material to the government-wide financial statements for the year ended June 30, 2012.

**G. Purchasing Laws**

Office of County Mayor

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

Office of Road Supervisor

Chapter 111, Private Acts of 1929, as amended, and Section 54-7-113, *TCA*, (Uniform Road Law), govern purchasing procedures for the Highway Department. These statutes provide for the Highway Commission to approve all purchases and for sealed bids to be solicited on all purchases exceeding \$10,000.

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

**A. Significant Accounting Policies**

**1. Organization and Reporting Entity**

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

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

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

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

The district's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of

America as set forth in the pronouncements of the *Governmental Accounting Standards Board (GASB)*, *Financial Accounting Standards Board Statements and Interpretations*, *Accounting Principle Board Opinions*, and *Accounting Research Bulletins* issued on or before November 30, 1989. After this date the district has elected to apply only the GASB pronouncements.

Basis of accounting refers to when revenue and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The district is considered an enterprise fund, which uses the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a cost of services or “economic resources” measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with this activity are included on their statement of position. Enterprise fund operating statements present increases (revenues) and decreases (expenses) in total net assets.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during reporting. Actual results differ from those estimates used in preparation of the financial statements.

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

#### **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 are included in the caption cash and cash equivalents.

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

**b. Accounts Receivable and Credit Risk**

Accounts receivable represent amounts due from telephone companies for user fees, and amounts due from local customers for dispatch services. Other accounts receivable represent amounts due from the Tennessee Emergency Communications Board.

**c. Capital Assets and Depreciation**

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

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

**d. Compensated Absences**

Employees who have earned six months of work service receive one week of vacation time. Employees who have earned one year of work service receive two weeks of vacation time.

There is no accumulation of vacation time or sick leave. Vacation time is lost if not used within the calendar year. At June 30, 2012, the liability for accrued leave was \$12,895.

**e. Net Assets**

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

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

**B. Stewardship, Compliance, and Accountability**

**Budgetary Compliance**

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

The line-item expense overruns were dispatcher salaries of \$7,434; social security tax of \$32; Medicare tax of \$7; advertising of \$36; repairs and maintenance of \$1,124; and depreciation expense of \$27,288.

**C. Detailed Notes on Accounts**

**1. Deposits and Investments**

The district's policies limit deposits and investments to those instruments allowed by applicable state laws and described below. State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district's agent in the district's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the district to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, the state pooled investment fund, and mutual funds. 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, 2012, all bank deposits were fully collateralized or insured.

**2. Deferred 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 7-1-11	Increases	Balance 6-30-12
Capital Assets Not Depreciated:			
Land	\$ 66,400	\$ 0	\$ 66,400
Capital Assets Depreciated:			
Buildings and Improvements	\$ 717,023	\$ 0	\$ 717,023
Office Equipment	88,063	1,229	89,292
Communication Equipment	655,314	279,718	935,032
Vehicles	4,879	18,427	23,306
Total Capital Assets Depreciated	\$ 1,465,279	\$ 299,374	\$ 1,764,653
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 264,652	\$ 25,763	\$ 290,415
Office Equipment	73,234	6,234	79,468
Communication Equipment	471,679	66,026	537,705
Vehicles	2,397	1,261	3,658
Total Accumulated Depreciation	\$ 811,962	\$ 99,284	\$ 911,246
Capital Assets, Net	\$ 719,717	\$ 200,090	\$ 919,807

**D. Other Information**

**1. Funding Sources**

Funding for the district's operations is provided by monthly fees from service users in Gibson County and by the Tennessee Emergency Communications Board. Three service suppliers in Gibson County – South Central Bell, West Kentucky Telephone Company, and West Tennessee Telephone Company, collect service fees and remit the funds to the district. South Central Bell retains one percent of the collections as an administrative fee, as does West Kentucky Telephone Company. West Tennessee Telephone Company retains three percent as an administrative fee.

The state remits a percentage of its shared wireless charges based on the district's population.

## **2. Retirement Plan**

### **Plan Description**

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

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

### **Funding Policy**

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

### Annual Pension Cost

For the year ended June 30, 2012, the district's annual pension cost of \$35,046 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen initial liability actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual inflation rate, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was ten years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

### **Trend Information**

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

### Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date available, the plan was 90.03 percent funded. The actuarial accrued liability for benefits was \$.6 million, and the actuarial value of assets was \$.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.3 million, and the ratio of the UAAL to the covered payroll was 21.41 percent.

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

3. **Risk Management**

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

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

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

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Gibson County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 6,570,514	\$ 0	0	\$ 6,570,514	\$ 6,399,462	\$ 6,407,462	\$ 163,052
Licenses and Permits	100,138	0	0	100,138	82,900	82,900	17,238
Fines, Forfeitures, and Penalties	269,257	0	0	269,257	268,800	278,800	(9,543)
Charges for Current Services	2,684,048	0	0	2,684,048	2,508,915	2,568,915	115,133
Other Local Revenues	263,956	0	0	263,956	368,683	175,779	88,177
Fees Received from County Officials	1,739,491	0	0	1,739,491	1,514,840	1,514,840	224,651
State of Tennessee	1,817,984	0	0	1,817,984	1,662,098	2,013,130	(195,146)
Federal Government	794,492	0	0	794,492	864,914	1,320,123	(525,631)
Other Governments and Citizens Groups	97,960	0	0	97,960	63,663	63,663	34,297
<b>Total Revenues</b>	<b>\$ 14,337,840</b>	<b>\$ 0</b>	<b>0</b>	<b>\$ 14,337,840</b>	<b>\$ 13,734,275</b>	<b>\$ 14,425,612</b>	<b>\$ (87,772)</b>
<b>Expenditures</b>							
<u>General Government</u>							
County Commission	\$ 44,072	\$ 0	0	\$ 44,072	\$ 51,077	\$ 65,434	\$ 21,362
Board of Equalization	1,755	0	0	1,755	1,615	2,163	408
County Mayor/Executive	177,838	0	0	177,838	183,003	185,623	7,785
County Attorney	34,937	0	0	34,937	35,100	35,100	163
Election Commission	167,706	0	0	167,706	172,291	172,291	4,585
Register of Deeds	44,470	0	0	44,470	243,062	72,936	28,466
Development	57,545	0	0	57,545	71,125	71,125	13,580
County Buildings	511,596	(39,837)	0	471,759	488,869	591,298	119,539
Other Facilities	649	0	0	649	2,800	2,800	2,151
<u>Finance</u>							
Accounting and Budgeting	55,199	0	0	55,199	52,525	55,199	0
Property Assessor's Office	266,120	0	0	266,120	269,555	269,555	3,435

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Reappraisal Program	\$ 49,307	\$ 0	\$ 0	\$ 49,307	\$ 50,950	\$ 50,950	\$ 1,643
County Trustee's Office	239,204	0	0	239,204	241,585	241,584	2,380
County Clerk's Office	528,751	0	0	528,751	558,721	558,721	29,970
<u>Administration of Justice</u>							
Circuit Court	356,625	0	0	356,625	367,606	367,607	10,982
General Sessions Court	214,707	0	0	214,707	212,958	215,446	739
Drug Court	36,627	0	0	36,627	41,759	41,759	5,132
Chancery Court	252,563	0	0	252,563	251,591	255,630	3,067
Juvenile Court	220,254	0	0	220,254	230,297	231,238	10,984
Other Administration of Justice	340,086	0	0	340,086	328,850	346,317	6,231
Victims Assistance Programs	45,983	0	0	45,983	40,000	50,000	4,017
<u>Public Safety</u>							
Sheriff's Department	1,916,958	0	0	1,916,958	1,949,835	1,997,599	80,641
Jail	1,845,815	0	0	1,845,815	1,984,455	1,957,141	111,326
Juvenile Services	9,553	0	0	9,553	9,580	9,580	27
Fire Prevention and Control	217,710	0	0	217,710	202,345	225,701	7,991
Rural Fire Protection	16,118	0	0	16,118	81,800	375,800	359,682
Civil Defense	133,112	0	0	133,112	156,111	156,111	22,999
Other Emergency Management	42,511	0	0	42,511	69,783	151,272	108,761
County Coroner/Medical Examiner	30,020	0	0	30,020	42,700	42,700	12,680
<u>Public Health and Welfare</u>							
Local Health Center	118,110	0	0	118,110	118,250	118,249	139
Rabies and Animal Control	53,973	0	0	53,973	64,530	64,530	10,557
Ambulance/Emergency Medical Services	2,230,270	0	0	2,230,270	2,316,304	2,321,333	91,063

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Crippled Children Services	\$ 2,859	\$ 0	\$ 0	\$ 2,859	\$ 2,859	\$ 2,859	\$ 0
Other Local Health Services	244,048	(59,816)	0	184,232	395,789	395,789	211,557
General Welfare Assistance	1,500	0	0	1,500	1,500	1,500	0
Other Local Welfare Services	13,875	0	0	13,875	13,875	13,875	0
Sanitation Education/Information	55,910	0	0	55,910	44,390	59,110	3,200
Other Public Health and Welfare	245,992	0	0	245,992	281,842	299,369	53,377
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	329,546	0	0	329,546	505,389	505,388	175,842
Libraries	155,490	0	0	155,490	160,635	163,681	8,191
Parks and Fair Boards	35,613	0	0	35,613	20,405	35,730	117
Other Social, Cultural, and Recreational	1,000	0	0	1,000	1,000	1,000	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	99,846	0	0	99,846	124,994	124,994	25,148
Soil Conservation	108,843	0	0	108,843	112,622	112,622	3,779
Flood Control	22,500	0	0	22,500	35,055	87,375	64,875
<u>Other Operations</u>							
Tourism	8,397	0	0	8,397	9,247	9,247	850
Industrial Development	100,126	0	0	100,126	207,500	108,000	7,874
Other Economic and Community Development	93,497	0	0	93,497	0	100,000	6,503
Airport	658,619	(472,053)	0	186,566	827,239	692,906	506,340
Veterans' Services	44,372	0	0	44,372	49,124	49,124	4,752
Other Charges	527,614	0	0	527,614	584,988	548,488	20,874
Contributions to Other Agencies	42,886	0	0	42,886	39,900	47,900	5,014
Employee Benefits	1,013,117	0	0	1,013,117	750,872	1,109,007	95,890

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Capital Projects</u>							
Public Health and Welfare Projects	\$ 57,070	0	65,040	122,110	0	221,400	\$ 99,290
Other General Government Projects	1,680	0	0	1,680	2,500	3,395	1,715
Total Expenditures	\$ 14,124,544	\$ (571,706)	\$ 65,040	\$ 13,617,878	\$ 15,062,757	\$ 15,995,551	\$ 2,377,673
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 213,296	\$ 571,706	\$ (65,040)	\$ 719,962	\$ (1,328,482)	\$ (1,569,939)	\$ 2,289,901
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 64,532	0	0	64,532	0	47,758	\$ 16,774
Transfers In	0	0	0	0	2,500	2,500	(2,500)
Transfers Out	(22,493)	0	0	(22,493)	(22,493)	(22,493)	0
Total Other Financing Sources (Uses)	\$ 42,039	\$ 0	\$ 0	\$ 42,039	\$ (19,993)	\$ 27,765	\$ 14,274
Net Change in Fund Balance	\$ 255,335	\$ 571,706	\$ (65,040)	\$ 762,001	\$ (1,348,475)	\$ (1,542,174)	\$ 2,304,175
Fund Balance, July 1, 2011	3,473,299	(571,706)	0	2,901,593	3,439,003	3,439,003	(537,410)
Fund Balance, June 30, 2012	\$ 3,728,634	\$ 0	\$ (65,040)	\$ 3,663,594	\$ 2,090,528	\$ 1,896,829	\$ 1,766,765

Exhibit E-2

Gibson County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,067,225	\$ 2,058,365	\$ 2,058,365	\$ 8,860
Charges for Current Services	4,902	5,000	5,000	(98)
Other Local Revenues	39,456	12,700	12,700	26,756
State of Tennessee	2,788,875	2,777,635	2,777,635	11,240
Federal Government	441,805	241,500	241,500	200,305
Other Governments and Citizens Groups	13,774	0	0	13,774
Total Revenues	<u>\$ 5,356,037</u>	<u>\$ 5,095,200</u>	<u>\$ 5,095,200</u>	<u>\$ 260,837</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 161,288	\$ 161,829	\$ 188,869	\$ 27,581
Highway and Bridge Maintenance	2,090,649	2,186,000	2,186,000	95,351
Operation and Maintenance of Equipment	797,330	740,500	815,500	18,170
Other Charges	248,014	261,000	266,000	17,986
Employee Benefits	487,782	508,000	533,000	45,218
Capital Outlay	1,822,426	1,851,000	1,851,000	28,574
Total Expenditures	<u>\$ 5,607,489</u>	<u>\$ 5,708,329</u>	<u>\$ 5,840,369</u>	<u>\$ 232,880</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (251,452)</u>	<u>\$ (613,129)</u>	<u>\$ (745,169)</u>	<u>\$ 493,717</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 1,180	\$ 0	\$ 0	\$ 1,180
Total Other Financing Sources (Uses)	<u>\$ 1,180</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,180</u>
Net Change in Fund Balance	\$ (250,272)	\$ (613,129)	\$ (745,169)	\$ 494,897
Fund Balance, July 1, 2011	1,253,039	1,260,053	1,260,053	(7,014)
Fund Balance, June 30, 2012	<u>\$ 1,002,767</u>	<u>\$ 646,924</u>	<u>\$ 514,884</u>	<u>\$ 487,883</u>

Exhibit E-3

Gibson County, Tennessee  
Schedule of Funding Progress – Pension Plan  
June 30, 2012

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 19,845	\$ 20,731	\$ 886	95.73 %	\$ 7,002	12.65 %
7-1-09	16,606	19,052	2,446	87.16	6,947	35.2
7-1-07	15,516	15,516	0	100	6,524	0

Exhibit E-4

Gibson County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Discretely Presented Hardeman County Emergency Communications District  
June 30, 2012

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	\$ 449	\$ 513	\$ 60	88.21 %	\$ 259	23.17 %
7-1-09	533	592	53	90.96	276	19.22
7-1-11	717	762	45	94.06	292	15.5

**GIBSON COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2012**

**BUDGETARY INFORMATION**

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the Gibson County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

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

Gibson County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
\$	0 \$	0 \$	0 \$	22,677 \$		22,677
	57,924	33,108	92,319	0		183,351
	13,075	0	0	0		13,075
	3,482	0	1,371	0		4,853
\$	74,481 \$	33,108 \$	93,690 \$	22,677 \$		223,956

ASSETS

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

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>					
Due to Other Funds	0 \$	0 \$	0 \$	1,620 \$	1,620
Total Liabilities	0 \$	0 \$	0 \$	1,620 \$	1,620
<u>Fund Balances</u>					
Restricted:					
Restricted for Administration of Justice	0 \$	0 \$	93,690 \$	0 \$	93,690
Restricted for Public Safety	0	33,108	0	0	33,108
Committed:					
Committed for General Government	0	0	0	21,057	21,057
Committed for Public Health and Welfare	74,481	0	0	0	74,481
Total Fund Balances	74,481 \$	33,108 \$	93,690 \$	21,057 \$	222,336
Total Liabilities and Fund Balances	74,481 \$	33,108 \$	93,690 \$	22,677 \$	223,956

Gibson County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2012

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 0	\$ 5,680	\$ 20,794	\$ 0	\$ 0	\$ 26,474
Charges for Current Services	21,200	705	0	183,309	0	205,214
Other Local Revenues	1,204	0	0	0	0	1,204
State of Tennessee	29,696	0	0	0	0	29,696
Other Governments and Citizens Groups	24,240	0	0	0	0	24,240
Total Revenues	\$ 76,340	\$ 6,385	\$ 20,794	\$ 183,309	\$ 0	\$ 286,828
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 191,991	\$ 0	\$ 191,991
Administration of Justice	0	0	19,795	8,920	0	28,715
Public Safety	0	17,017	0	0	0	17,017
Public Health and Welfare	84,993	0	0	0	0	84,993
Total Expenditures	\$ 84,993	\$ 17,017	\$ 19,795	\$ 200,911	\$ 0	\$ 322,716
Excess (Deficiency) of Revenues Over Expenditures	\$ (8,653)	\$ (10,632)	\$ 999	\$ (17,602)	\$ 0	\$ (35,888)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 22,493	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,493
Total Other Financing Sources (Uses)	\$ 22,493	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,493
Net Change in Fund Balances	\$ 13,840	\$ (10,632)	\$ 999	\$ (17,602)	\$ 0	\$ (13,395)
Fund Balance, July 1, 2011	60,641	43,740	92,691	38,659	0	235,731
Fund Balance, June 30, 2012	\$ 74,481	\$ 33,108	\$ 93,690	\$ 21,057	\$ 0	\$ 222,336

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 21,200	\$ 6,000	\$ 6,000	\$ 15,200
Other Local Revenues	1,204	500	500	704
State of Tennessee	29,696	44,000	44,000	(14,304)
Other Governments and Citizens Groups	24,240	24,004	24,004	236
Total Revenues	<u>\$ 76,340</u>	<u>\$ 74,504</u>	<u>\$ 74,504</u>	<u>\$ 1,836</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 44,524	\$ 46,733	\$ 46,733	\$ 2,209
Other Waste Disposal	40,469	44,000	44,000	3,531
Total Expenditures	<u>\$ 84,993</u>	<u>\$ 90,733</u>	<u>\$ 90,733</u>	<u>\$ 5,740</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (8,653)</u>	<u>\$ (16,229)</u>	<u>\$ (16,229)</u>	<u>\$ 7,576</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 22,493	\$ 22,273	\$ 22,273	\$ 220
Total Other Financing Sources (Uses)	<u>\$ 22,493</u>	<u>\$ 22,273</u>	<u>\$ 22,273</u>	<u>\$ 220</u>
Net Change in Fund Balance	\$ 13,840	\$ 6,044	\$ 6,044	\$ 7,796
Fund Balance, July 1, 2011	60,641	65,156	65,156	(4,515)
Fund Balance, June 30, 2012	<u>\$ 74,481</u>	<u>\$ 71,200</u>	<u>\$ 71,200</u>	<u>\$ 3,281</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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 5,680	\$ 15,800	\$ 15,800	\$ (10,120)
Charges for Current Services	705	1,000	1,000	(295)
Total Revenues	<u>\$ 6,385</u>	<u>\$ 16,800</u>	<u>\$ 16,800</u>	<u>\$ (10,415)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 17,017	\$ 22,600	\$ 22,600	\$ 5,583
Total Expenditures	<u>\$ 17,017</u>	<u>\$ 22,600</u>	<u>\$ 22,600</u>	<u>\$ 5,583</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,632)</u>	<u>\$ (5,800)</u>	<u>\$ (5,800)</u>	<u>\$ (4,832)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (2,500)	\$ (2,500)	\$ 2,500
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (2,500)</u>	<u>\$ (2,500)</u>	<u>\$ 2,500</u>
Net Change in Fund Balance	\$ (10,632)	\$ (8,300)	\$ (8,300)	\$ (2,332)
Fund Balance, July 1, 2011	<u>43,740</u>	<u>46,345</u>	<u>46,345</u>	<u>(2,605)</u>
Fund Balance, June 30, 2012	<u><u>\$ 33,108</u></u>	<u><u>\$ 38,045</u></u>	<u><u>\$ 38,045</u></u>	<u><u>\$ (4,937)</u></u>

Exhibit F-5

Gibson County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
District Attorney General Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 20,794	\$ 25,500	\$ 25,500	\$ (4,706)
Total Revenues	\$ 20,794	\$ 25,500	\$ 25,500	\$ (4,706)
<u>Expenditures</u>				
<u>Administration of Justice</u>				
District Attorney General	\$ 19,795	\$ 30,550	\$ 30,550	\$ 10,755
Total Expenditures	\$ 19,795	\$ 30,550	\$ 30,550	\$ 10,755
Excess (Deficiency) of Revenues Over Expenditures	\$ 999	\$ (5,050)	\$ (5,050)	\$ 6,049
Net Change in Fund Balance	\$ 999	\$ (5,050)	\$ (5,050)	\$ 6,049
Fund Balance, July 1, 2011	92,691	59,441	59,441	33,250
Fund Balance, June 30, 2012	\$ 93,690	\$ 54,391	\$ 54,391	\$ 39,299

# Major Governmental Fund

## General Debt Service Fund

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

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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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 865,714	\$ 837,843	\$ 837,843	\$ 27,871
Other Local Revenues	265,950	164,000	164,000	101,950
State of Tennessee	743,605	500,000	500,000	243,605
Total Revenues	<u>\$ 1,875,269</u>	<u>\$ 1,501,843</u>	<u>\$ 1,501,843</u>	<u>\$ 373,426</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 535,000	\$ 535,000	\$ 535,000	\$ 0
<u>Interest on Debt</u>				
General Government	691,382	691,407	691,407	25
<u>Other Debt Service</u>				
General Government	26,384	21,500	26,500	116
Total Expenditures	<u>\$ 1,252,766</u>	<u>\$ 1,247,907</u>	<u>\$ 1,252,907</u>	<u>\$ 141</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 622,503</u>	<u>\$ 253,936</u>	<u>\$ 248,936</u>	<u>\$ 373,567</u>
Net Change in Fund Balance	\$ 622,503	\$ 253,936	\$ 248,936	\$ 373,567
Fund Balance, July 1, 2011	<u>3,055,882</u>	<u>2,717,828</u>	<u>2,717,828</u>	<u>338,054</u>
Fund Balance, June 30, 2012	<u>\$ 3,678,385</u>	<u>\$ 2,971,764</u>	<u>\$ 2,966,764</u>	<u>\$ 711,621</u>

# Fiduciary Funds

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

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

Watershed District Fund – The Watershed District Fund is used to account for acreage assessments collected in prior years on drainage district properties located in the county. These funds are held in trust for the benefit of the watershed district. This fund was closed during the 2011-12 year.

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

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

Exhibit H-1

Gibson County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2012

	<u>Agency Funds</u>			Total
	Cities - Sales Tax	Special School District	Constitu- tional Officers - Agency	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,624,965	\$ 1,624,965
Equity in Pooled Cash and Investments	0	75,299	0	75,299
Accounts Receivable	0	75	0	75
Due from Other Governments	775,273	857,546	0	1,632,819
Taxes Receivable	0	12,014,324	0	12,014,324
Allowance for Uncollectible Taxes	0	(525,701)	0	(525,701)
Total Assets	<u>\$ 775,273</u>	<u>\$ 12,421,543</u>	<u>\$ 1,624,965</u>	<u>\$ 14,821,781</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 775,273	\$ 12,421,543	\$ 0	\$ 13,196,816
Due to Litigants, Heirs, and Others	0	0	1,624,965	1,624,965
Total Liabilities	<u>\$ 775,273</u>	<u>\$ 12,421,543</u>	<u>\$ 1,624,965</u>	<u>\$ 14,821,781</u>

Exhibit H-2

Gibson County, Tennessee  
Combining Statement of Changes in Assets  
and Liabilities - All Agency Funds  
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,054,808	\$ 4,054,808	\$ 0
Due from Other Governments	664,166	775,273	664,166	775,273
Total Assets	\$ 664,166	\$ 4,830,081	\$ 4,718,974	\$ 775,273
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 664,166	\$ 4,830,081	\$ 4,718,974	\$ 775,273
Total Liabilities	\$ 664,166	\$ 4,830,081	\$ 4,718,974	\$ 775,273
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 5,977	\$ 0	\$ 5,977	\$ 0
Total Assets	\$ 5,977	\$ 0	\$ 5,977	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 5,977	\$ 0	\$ 5,977	\$ 0
Total Liabilities	\$ 5,977	\$ 0	\$ 5,977	\$ 0
<u>Special School District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 19,702	\$ 15,889,436	\$ 15,833,839	\$ 75,299
Accounts Receivable	5,338	75	5,338	75
Due from Other Governments	724,321	857,546	724,321	857,546
Taxes Receivable	11,933,124	12,014,324	11,933,124	12,014,324
Allowance for Uncollectible Taxes	(437,029)	(525,701)	(437,029)	(525,701)
Total Assets	\$ 12,245,456	\$ 28,235,680	\$ 28,059,593	\$ 12,421,543
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 12,245,456	\$ 28,235,680	\$ 28,059,593	\$ 12,421,543
Total Liabilities	\$ 12,245,456	\$ 28,235,680	\$ 28,059,593	\$ 12,421,543

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,229,039	\$ 8,800,539	\$ 8,404,613	\$ 1,624,965
Total Assets	\$ 1,229,039	\$ 8,800,539	\$ 8,404,613	\$ 1,624,965
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,229,039	\$ 8,800,539	\$ 8,404,613	\$ 1,624,965
Total Liabilities	\$ 1,229,039	\$ 8,800,539	\$ 8,404,613	\$ 1,624,965
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,229,039	\$ 8,800,539	\$ 8,404,613	\$ 1,624,965
Equity in Pooled Cash and Investments	25,679	19,944,244	19,894,624	75,299
Accounts Receivable	5,338	75	5,338	75
Due from Other Governments	1,388,487	1,632,819	1,388,487	1,632,819
Taxes Receivable	11,933,124	12,014,324	11,933,124	12,014,324
Allowance for Uncollectible Taxes	(437,029)	(525,701)	(437,029)	(525,701)
Total Assets	\$ 14,144,638	\$ 41,866,300	\$ 41,189,157	\$ 14,821,781
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 12,915,599	\$ 33,065,761	\$ 32,784,544	\$ 13,196,816
Due to Litigants, Heirs, and Others	1,229,039	8,800,539	8,404,613	1,624,965
Total Liabilities	\$ 14,144,638	\$ 41,866,300	\$ 41,189,157	\$ 14,821,781

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## MISCELLANEOUS SCHEDULES

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Exhibit I-1

Gibson County, Tennessee  
Schedule of Changes in Long-term Notes and Bonds  
For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Paid and/or		
						Matured During Period	Outstanding 6-30-12	
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Industrial Park Property	\$ 2,000,000	4.25 to 4.8 %	3-17-05	4-1-14	\$ 980,000	\$ 310,000	\$ 670,000	
"	397,000	4.985	3-31-08	4-1-15	322,000	100,000	222,000	
Total Notes Payable					\$ 1,302,000	\$ 410,000	\$ 892,000	
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation, Series 2001	725,000	4.2 to 5.2	4-27-01	3-1-26	\$ 528,000	\$ 25,000	\$ 503,000	
General Obligation, Series 2004	10,000,000	4 to 4.65	9-16-04	6-1-29	9,700,000	0	9,700,000	
General Obligation Refunding, Series 2009	4,450,000	3 to 4.3	10-1-09	6-1-33	4,250,000	100,000	4,150,000	
Total Bonds Payable					\$ 14,478,000	\$ 125,000	\$ 14,353,000	

Exhibit I-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 425,000	\$ 42,902	\$ 467,902
2014	445,000	22,642	467,642
2015	22,000	1,096	23,096
Total	<u>\$ 892,000</u>	<u>\$ 66,640</u>	<u>\$ 958,640</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 126,000	\$ 624,917	\$ 750,917
2014	127,000	620,682	747,682
2015	478,000	616,400	1,094,400
2016	529,000	597,070	1,126,070
2017	556,000	574,692	1,130,692
2018	582,000	551,030	1,133,030
2019	609,000	525,991	1,134,991
2020	636,000	499,786	1,135,786
2021	663,000	472,413	1,135,413
2022	690,000	443,875	1,133,875
2023	742,000	413,845	1,155,845
2024	769,000	380,861	1,149,861
2025	797,000	345,948	1,142,948
2026	849,000	309,379	1,158,379
2027	900,000	269,831	1,169,831
2028	925,000	227,981	1,152,981
2029	845,000	184,969	1,029,969
2030	815,000	148,406	963,406
2031	860,000	114,788	974,788
2032	905,000	79,311	984,311
2033	950,000	40,850	990,850
Total	<u>\$ 14,353,000</u>	<u>\$ 8,043,025</u>	<u>\$ 22,396,025</u>

Exhibit I-3

Gibson County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Solid Waste/Sanitation	Operations	\$ 22,493
Total Transfers			\$ 22,493

Exhibit I-4

Gibson County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
For the Year Ended June 30, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA, and Chapter 111, Private Acts of 1929	\$ 81,254	\$ 50,000	RLI Insurance Company
Road Supervisor	Section 8-24-102, TCA	75,777	100,000	"
Trustee	Section 8-24-102, TCA	63,954	1,044,330	"
Assessor of Property	Section 8-24-102, TCA	63,954	10,000	"
County Clerk	Section 8-24-102, TCA	63,954	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	63,954	50,000	"
Clerk and Master - Trenton	Section 8-24-102, TCA	63,954 (1)	65,000	"
Clerk and Master - Humboldt	and Chancery Court Judge Section 8-24-102, TCA	63,954 (2)	65,000	"
Register	and Chancery Court Judge Section 8-24-102, TCA	63,954	25,000	"
Sheriff	Section 8-24-102, TCA and County Commission	77,385 (3)	25,000	"
Employee Blanket Bonds: All Employees			150,000	Local Government Property and Casualty Fund

(1) Does not include special commissioner fees of \$2,420.

(2) Does not include special commissioner fees of \$6,500.

(3) Includes \$7,035 for supervising the county workhouse. Does not include a training supplement of \$600 and a clothing allowance of \$104.

Exhibit I-5

Gibson County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2012

	Special Revenue Funds							Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 5,127,372	\$ 0	\$ 0	\$ 0	\$ 0	\$ 831,467	\$ 554,310	\$ 6,513,149	
Trustee's Collections - Prior Year	170,999	0	0	0	0	27,733	18,486	217,218	
Trustee's Collections - Bankruptcy	2,011	0	0	0	0	373	129	2,513	
Circuit/Clerk & Master Collections - Prior Years	127,770	0	0	0	0	20,720	13,813	162,303	
Interest and Penalty	33,112	0	0	0	0	5,379	3,575	42,066	
Payments in-Lieu-of Taxes - T.V.A.	83	0	0	0	0	14	9	106	
Payments in-Lieu-of Taxes - Local Utilities	67,945	0	0	0	0	10,470	6,979	85,394	
Payments in-Lieu-of Taxes - Other	1,683	0	0	0	0	273	182	2,138	
<u>County Local Option Taxes</u>									
Local Option Sales Tax	0	0	0	0	0	336,328	0	336,328	
Hotel/Motel Tax	51,698	0	0	0	0	0	0	51,698	
Wheel Tax	412,093	0	0	0	0	824,182	206,047	1,442,322	
Litigation Tax - General	107,017	0	0	0	0	0	0	107,017	
Litigation Tax - Special Purpose	13,101	0	0	0	0	0	0	13,101	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	52,469	52,469	
Business Tax	366,661	0	0	0	0	0	0	366,661	
<u>Statutory Local Taxes</u>									
Bank Excise Tax	19,430	0	0	0	0	9,715	9,715	38,860	
Wholesale Beer Tax	68,949	0	0	0	0	0	0	68,949	
Interstate Telecommunications Tax	590	0	0	0	0	571	0	1,161	
Total Local Taxes	\$ 6,570,514	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,067,225	\$ 865,714	\$ 9,503,453	
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Animal Vaccination	\$ 10,100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,100	
Cable TV Franchise	57,503	0	0	0	0	0	0	57,503	
<u>Permits</u>									
Beer Permits	841	0	0	0	0	0	0	841	
Building Permits	31,694	0	0	0	0	0	0	31,694	
Total Licenses and Permits	\$ 100,138	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,138	

(Continued)

Exhibit I-5

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 1,840	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,840	
Officers Costs	11,327	0	0	0	0	0	0	11,327	
Drug Control Fines	0	0	1,466	0	0	0	0	1,466	
Drug Court Fees	1,224	0	0	0	0	0	0	1,224	
Jail Fees	5,645	0	0	0	0	0	0	5,645	
District Attorney General Fees	0	0	0	1,003	0	0	0	1,003	
DUI Treatment Fines	570	0	0	0	0	0	0	570	
Data Entry Fee - Circuit Court	502	0	0	0	0	0	0	502	
Courtroom Security Fee	10	0	0	0	0	0	0	10	
Victims Assistance Assessments	2,287	0	0	0	0	0	0	2,287	
<u>General Sessions Court</u>									
Fines	9,773	0	0	0	0	0	0	9,773	
Officers Costs	28,557	0	0	0	0	0	0	28,557	
Game and Fish Fines	140	0	0	0	0	0	0	140	
Drug Control Fines	0	0	446	0	0	0	0	446	
Drug Court Fees	1,903	0	0	0	0	0	0	1,903	
Jail Fees	9,719	0	0	0	0	0	0	9,719	
District Attorney General Fees	0	0	0	3,665	0	0	0	3,665	
DUI Treatment Fines	3,216	0	0	0	0	0	0	3,216	
Data Entry Fee - General Sessions Court	4,496	0	0	0	0	0	0	4,496	
Courtroom Security Fee	1,700	0	0	0	0	0	0	1,700	
Victims Assistance Assessments	12,070	0	0	0	0	0	0	12,070	
<u>Juvenile Court</u>									
Fines	2,656	0	0	0	0	0	0	2,656	
Officers Costs	11,803	0	0	0	0	0	0	11,803	
Data Entry Fee - Juvenile Court	1,213	0	0	0	0	0	0	1,213	
<u>Chancery Court</u>									
Officers Costs	2,299	0	0	0	0	0	0	2,299	
Data Entry Fee - Chancery Court	2,788	0	0	0	0	0	0	2,788	
Courtroom Security Fee	1,247	0	0	0	0	0	0	1,247	

(Continued)

Exhibit I-5

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

	Special Revenue Funds							Total
	Debt Service Fund				General Debt Service			
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Other Courts - In-county</u>								
Fines	\$ 5,011	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,011
Officers Costs	53,656	0	0	0	0	0	0	53,656
Drug Control Fines	119	0	3,693	0	0	0	0	3,812
Drug Court Fees	6,393	0	0	0	0	0	0	6,393
Jail Fees	28,941	0	0	0	0	0	0	28,941
District Attorney General Fees	0	0	0	11,059	0	0	0	11,059
DUI Treatment Fines	8,865	0	0	0	0	0	0	8,865
<u>Courts in Other District Counties</u>								
District Attorney General Fees	0	0	0	5,067	0	0	0	5,067
<u>Judicial District Drug Program</u>								
Data Entry Fee - Other Courts	5,382	0	0	0	0	0	0	5,382
Courtroom Security Fee	435	0	0	0	0	0	0	435
Victims Assistance Assessments	33,814	0	0	0	0	0	0	33,814
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	75	0	0	0	0	75
Other Fines, Forfeitures, and Penalties	9,656	0	0	0	0	0	0	9,656
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 269,257</b>	<b>\$ 0</b>	<b>\$ 5,680</b>	<b>\$ 20,794</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 295,731</b>
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Tipping Fees	0	21,200	0	0	0	0	0	21,200
Patient Charges	2,364,255	0	0	0	0	0	0	2,364,255
Other General Service Charges	5,725	0	0	0	0	0	0	5,725
Service Charges	82,416	0	705	0	0	0	0	83,121
<u>Fees</u>								
Airport Fees	126,176	0	0	0	0	0	0	126,176
Recreation Fees	60	0	0	0	0	0	0	60
Copy Fees	277	0	0	0	0	0	0	277
Library Fees	7,993	0	0	0	0	0	0	7,993
Telephone Commissions	65,805	0	0	0	0	0	0	65,805

(Continued)

Exhibit I-5

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Charges for Current Services (Cont.)</u>									
<u>Fees (Cont.)</u>									
Vending Machine Collections	\$ 380	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,902	\$ 0	\$ 5,282	
Constitutional Officers' Fees and Commissions	0	0	0	0	183,309	0	0	183,309	
Data Processing Fee - Register	14,714	0	0	0	0	0	0	14,714	
Data Processing Fee - Sheriff	12,017	0	0	0	0	0	0	12,017	
Sexual Offender Registration Fees - Sheriff	3,660	0	0	0	0	0	0	3,660	
Data Processing Fee - County Clerk	570	0	0	0	0	0	0	570	
<b>Total Charges for Current Services</b>	<b>\$ 2,684,048</b>	<b>\$ 21,200</b>	<b>\$ 705</b>	<b>\$ 0</b>	<b>\$ 183,309</b>	<b>\$ 4,902</b>	<b>\$ 0</b>	<b>\$ 2,894,164</b>	
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 159,437	\$ 159,437	
Lease/Rentals	124,592	0	0	0	0	0	106,513	231,105	
Sale of Materials and Supplies	1,231	0	0	0	0	14,503	0	15,734	
Commissary Sales	55,532	0	0	0	0	0	0	55,532	
Sale of Recycled Materials	10	1,204	0	0	0	7,003	0	8,217	
Refund of Telecommunication and Internet Fees (E-Rate)	1,740	0	0	0	0	0	0	1,740	
Sale of Animals/Livestock	3,975	0	0	0	0	0	0	3,975	
Miscellaneous Refunds	49,833	0	0	0	0	8,450	0	58,283	
<u>Nonrecurring Items</u>									
Sale of Equipment	861	0	0	0	0	9,500	0	10,361	
Sale of Property	1,066	0	0	0	0	0	0	1,066	
Damages Recovered from Individuals	10	0	0	0	0	0	0	10	
Contributions and Gifts	12,871	0	0	0	0	0	0	12,871	
<u>Other Local Revenues</u>									
Other Local Revenues	12,235	0	0	0	0	0	0	12,235	
<b>Total Other Local Revenues</b>	<b>\$ 263,956</b>	<b>\$ 1,204</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 39,456</b>	<b>\$ 265,950</b>	<b>\$ 570,566</b>	
<u>Fees Received from County Officials</u>									
<u>Excess Fees</u>									
Register	\$ 24,489	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,489	

(Continued)

Exhibit I-5

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Fees Received from County Officials (Cont.)</u>									
<u>Fees in-Lieu-of Salary</u>									
County Clerk	\$ 513,667	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 513,667	
Circuit Court Clerk	87,132	0	0	0	0	0	0	87,132	
General Sessions Court Clerk	136,073	0	0	0	0	0	0	136,073	
Clerk and Master	159,024	0	0	0	0	0	0	159,024	
Sheriff	16,938	0	0	0	0	0	0	16,938	
Trustee	560,843	0	0	0	0	0	0	560,843	
Other Officials	241,325	0	0	0	0	0	0	241,325	
<b>Total Fees Received from County Officials</b>	<b>\$ 1,739,491</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,739,491</b>	

State of Tennessee

<u>General Government Grants</u>								
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Airport Maintenance Program	6,981	0	0	0	0	0	0	6,981
Aging Programs	193,207	0	0	0	0	0	0	193,207
Solid Waste Grants	0	29,696	0	0	0	0	0	29,696
Other General Government Grants	65,658	0	0	0	0	0	0	65,658
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	18,000	0	0	0	0	0	0	18,000
Other Public Safety Grants	11,881	0	0	0	0	0	0	11,881
<u>Health and Welfare Grants</u>								
Health Department Programs	241,646	0	0	0	0	0	0	241,646
<u>Public Works Grants</u>								
Bridge Program	0	0	0	0	0	520,949	0	520,949
State Aid Program	0	0	0	0	0	229,988	0	229,988
Litter Program	41,146	0	0	0	0	0	0	41,146
<u>Other State Revenues</u>								
Income Tax	0	0	0	0	0	0	49,657	49,657
Beer Tax	18,421	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	80,575	0	0	0	0	0	0	80,575
Mixed Drink Tax	1,209	0	0	0	0	0	0	1,209

(Continued)

Exhibit I-5

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

	Special Revenue Funds						Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works		
<u>State of Tennessee (Cont.)</u>								
<u>Other State Revenues (Cont.)</u>								
State Revenue Sharing - T.V.A.	\$ 231,316	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 693,948	\$ 925,264
Contracted Prisoner Boarding	881,545	0	0	0	0	0	0	881,545
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,002,090	0	2,002,090
Petroleum Special Tax	0	0	0	0	0	35,848	0	35,848
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	15,164
Other State Grants	2,235	0	0	0	0	0	0	2,235
<b>Total State of Tennessee</b>	<b>\$ 1,817,984</b>	<b>\$ 29,696</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,788,875</b>	<b>\$ 743,605</b>	<b>\$ 5,380,160</b>
<u>Federal Government</u>								
<u>Federal Through State</u>								
USDA - Other	\$ 24,948	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,948
Community Development	610,601	0	0	0	0	0	0	610,601
Civil Defense Reimbursement	77,500	0	0	0	0	0	0	77,500
Disaster Relief	0	0	0	0	0	435,161	0	435,161
Homeland Security Grants	42,424	0	0	0	0	0	0	42,424
Other Federal through State	25,819	0	0	0	0	0	0	25,819
<u>Direct Federal Revenue</u>								
Forest Service	0	0	0	0	0	6,644	0	6,644
Other Direct Federal Revenue	13,200	0	0	0	0	0	0	13,200
<b>Total Federal Government</b>	<b>\$ 794,492</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 441,805</b>	<b>\$ 0</b>	<b>\$ 1,236,297</b>
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,774	\$ 0	\$ 13,774
Contributions	39,500	0	0	0	0	0	0	39,500
Contracted Services	55,836	24,240	0	0	0	0	0	80,076
<u>Citizens Groups</u>								
Donations	2,624	0	0	0	0	0	0	2,624
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 97,960</b>	<b>\$ 24,240</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,774</b>	<b>\$ 0</b>	<b>\$ 135,974</b>
<b>Total</b>	<b>\$ 14,337,840</b>	<b>\$ 76,340</b>	<b>\$ 6,385</b>	<b>\$ 20,794</b>	<b>\$ 183,309</b>	<b>\$ 5,356,037</b>	<b>\$ 1,875,269</b>	<b>\$ 21,855,974</b>

Exhibit I-6

Gibson County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	7,625	
Other Per Diem and Fees		5,100	
Social Security		789	
Employer Medicare		185	
Audit Services		19,699	
Consultants		950	
Dues and Memberships		1,800	
Legal Notices, Recording, and Court Costs		1,827	
Postal Charges		6	
Travel		879	
Other Charges		376	
Other Equipment		4,836	
Total County Commission	\$		44,072

Board of Equalization

Board and Committee Members Fees	\$	1,755	
Total Board of Equalization			1,755

County Mayor/Executive

County Official/Administrative Officer	\$	81,254	
Deputy(ies)		31,576	
Part-time Personnel		16,050	
Overtime Pay		542	
In-Service Training		700	
Social Security		7,926	
State Retirement		7,403	
Employer Medicare		1,854	
Communication		2,013	
Dues and Memberships		1,600	
Legal Notices, Recording, and Court Costs		730	
Maintenance Agreements		8,584	
Maintenance and Repair Services - Equipment		150	
Postal Charges		1,582	
Printing, Stationery, and Forms		167	
Rentals		2,466	
Travel		6,056	
Office Supplies		4,565	
Data Processing Equipment		2,620	
Total County Mayor/Executive			177,838

(Continued)

Exhibit I-6

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

Legal Services	\$ 34,937	
Total County Attorney		\$ 34,937

Election Commission

County Official/Administrative Officer	\$ 57,559	
Deputy(ies)	24,563	
Part-time Personnel	12,999	
Other Salaries and Wages	17,115	
Board and Committee Members Fees	3,150	
Social Security	5,729	
State Retirement	5,363	
Employer Medicare	1,340	
Contracts with Private Agencies	4,575	
Legal Notices, Recording, and Court Costs	5,943	
Maintenance Agreements	10,952	
Maintenance and Repair Services - Equipment	583	
Maintenance and Repair Services - Office Equipment	669	
Postal Charges	6,887	
Printing, Stationery, and Forms	5,251	
Travel	2,187	
Office Supplies	2,841	
Total Election Commission		167,706

Register of Deeds

In-Service Training	\$ 175	
Social Security	4,483	
State Retirement	4,870	
Employer Medicare	1,048	
Dues and Memberships	512	
Maintenance Agreements	21,867	
Postal Charges	1,907	
Printing, Stationery, and Forms	1,715	
Travel	178	
Data Processing Supplies	1,170	
Data Processing Equipment	6,521	
Office Equipment	24	
Total Register of Deeds		44,470

Development

Contracts with Government Agencies	\$ 49,533	
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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.)

Development (Cont.)

Contracts with Private Agencies	\$	4,800	
Legal Notices, Recording, and Court Costs		132	
Maintenance and Repair Services - Office Equipment		113	
Postal Charges		247	
Travel		1,492	
Office Supplies		455	
Refunds		173	
Office Equipment		600	
Total Development			\$ 57,545

County Buildings

Custodial Personnel	\$	65,283	
Social Security		3,971	
State Retirement		4,263	
Employer Medicare		929	
Architects		2,539	
Communication		38,471	
Contracts with Private Agencies		3,250	
Legal Notices, Recording, and Court Costs		318	
Maintenance and Repair Services - Buildings		70,795	
Maintenance and Repair Services - Equipment		19,711	
Maintenance and Repair Services - Vehicles		25	
Travel		866	
Permits		236	
Custodial Supplies		7,585	
Food Supplies		631	
Natural Gas		12,560	
Utilities		98,367	
Other Supplies and Materials		435	
Other Charges		95	
Building Improvements		150,019	
Communication Equipment		2,383	
Furniture and Fixtures		1,425	
Heating and Air Conditioning Equipment		21,913	
Maintenance Equipment		40	
Other Equipment		5,486	
Total County Buildings			511,596

Other Facilities

Maintenance and Repair Services - Equipment	\$	649	
Total Other Facilities			649

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Finance

Accounting and Budgeting

Supervisor/Director	\$	46,002	
Overtime Pay		2,342	
Social Security		2,997	
State Retirement		3,157	
Employer Medicare		701	
Total Accounting and Budgeting			\$ 55,199

Property Assessor's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		119,504	
Part-time Personnel		7,464	
In-Service Training		985	
Social Security		11,076	
State Retirement		11,935	
Employer Medicare		2,591	
Data Processing Services		18,534	
Dues and Memberships		1,775	
Maintenance and Repair Services - Office Equipment		428	
Postal Charges		1,250	
Printing, Stationery, and Forms		1,157	
Travel		5,432	
Other Contracted Services		16,579	
Office Supplies		2,548	
Data Processing Equipment		518	
Furniture and Fixtures		390	
Total Property Assessor's Office			266,120

Reappraisal Program

Deputy(ies)	\$	29,174	
Social Security		1,800	
State Retirement		1,905	
Employee and Dependent Insurance		5,439	
Employer Medicare		421	
Data Processing Services		5,649	
Postal Charges		500	
Travel		4,419	
Total Reappraisal Program			49,307

County Trustee's Office

County Official/Administrative Officer	\$	63,954	
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(Continued)

Exhibit I-6

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Deputy(ies)	\$	83,721	
Part-time Personnel		13,731	
Overtime Pay		3,137	
Social Security		9,978	
State Retirement		9,822	
Employer Medicare		2,334	
Dues and Memberships		737	
Legal Notices, Recording, and Court Costs		440	
Maintenance Agreements		13,639	
Postal Charges		14,870	
Printing, Stationery, and Forms		3,793	
Travel		2,290	
Office Supplies		5,708	
Data Processing Equipment		11,050	
Total County Trustee's Office			\$ 239,204

County Clerk's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		332,264	
Part-time Personnel		14,572	
Social Security		24,170	
State Retirement		25,913	
Employer Medicare		5,653	
Dues and Memberships		722	
Maintenance Agreements		19,220	
Maintenance and Repair Services - Office Equipment		680	
Postal Charges		14,100	
Printing, Stationery, and Forms		3,498	
Rentals		7,644	
Travel		2,119	
Other Contracted Services		1,430	
Library Books/Media		964	
Office Supplies		9,544	
Other Supplies and Materials		53	
Furniture and Fixtures		109	
Office Equipment		2,142	
Total County Clerk's Office			528,751

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		213,707	
Salary Supplements		1,800	
Jury and Witness Expense		9,208	
Social Security		16,530	
State Retirement		18,249	
Employer Medicare		3,866	
Contracts with Private Agencies		649	
Data Processing Services		8,915	
Dues and Memberships		782	
Legal Notices, Recording, and Court Costs		351	
Maintenance and Repair Services - Office Equipment		3,023	
Postal Charges		3,985	
Printing, Stationery, and Forms		2,077	
Travel		1,227	
Data Processing Supplies		1,998	
Office Supplies		5,500	
Furniture and Fixtures		804	
Total Circuit Court			\$ 356,625

General Sessions Court

Judge(s)	\$	148,330	
Supervisor/Director		32,043	
Part-time Personnel		100	
In-Service Training		4,800	
Social Security		8,687	
State Retirement		11,778	
Employer Medicare		2,597	
Communication		480	
Dues and Memberships		1,229	
Maintenance and Repair Services - Office Equipment		185	
Travel		1,794	
Office Supplies		2,684	
Total General Sessions Court			214,707

Drug Court

Supervisor/Director	\$	26,965
In-Service Training		475
Social Security		1,672
State Retirement		1,761

(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.)

Employer Medicare	\$	391	
Travel		691	
Drugs and Medical Supplies		4,472	
Other Charges		200	
Total Drug Court			\$ 36,627

Chancery Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		136,205	
Social Security		11,765	
State Retirement		13,070	
Employer Medicare		2,752	
Data Processing Services		7,211	
Dues and Memberships		612	
Postal Charges		2,432	
Travel		583	
Office Supplies		6,297	
In-Service/Staff Development		900	
Data Processing Equipment		4,100	
Office Equipment		2,682	
Total Chancery Court			252,563

Juvenile Court

Judge(s)	\$	52,263	
Youth Service Officer(s)		42,745	
Part-time Personnel		1,350	
Other Salaries and Wages		73,850	
In-Service Training		445	
Social Security		10,276	
State Retirement		7,613	
Employer Medicare		2,403	
Communication		855	
Dues and Memberships		440	
Maintenance Agreements		1,592	
Maintenance and Repair Services - Office Equipment		712	
Postal Charges		1,476	
Printing, Stationery, and Forms		486	
Travel		4,288	
Other Contracted Services		12,734	
Office Supplies		900	

(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.)

Data Processing Equipment	\$	3,652	
Furniture and Fixtures		1,148	
Office Equipment		293	
Other Equipment		733	
Total Juvenile Court			\$ 220,254

Other Administration of Justice

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		162,499	
Salary Supplements		2,091	
Jury and Witness Expense		24,313	
In-Service Training		300	
Social Security		13,654	
State Retirement		14,924	
Employer Medicare		3,193	
Contracts with Government Agencies		600	
Dues and Memberships		757	
Maintenance Agreements		15,964	
Maintenance and Repair Services - Office Equipment		147	
Postal Charges		3,631	
Printing, Stationery, and Forms		1,998	
Travel		240	
Office Supplies		12,122	
Other Charges		12,900	
Data Processing Equipment		6,799	
Total Other Administration of Justice			340,086

Victims Assistance Programs

Contributions	\$	45,983	
Total Victims Assistance Programs			45,983

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	77,385	
Assistant(s)		48,004	
Deputy(ies)		840,796	
Youth Service Officer(s)		31,260	
Accountants/Bookkeepers		26,934	
Salary Supplements		18,000	
Clerical Personnel		75,704	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Overtime Pay	\$	67,605	
Other Salaries and Wages		117,614	
In-Service Training		14,489	
Social Security		79,595	
State Retirement		83,932	
Employer Medicare		18,615	
Communication		2,650	
Contracts with Government Agencies		7,109	
Contracts with Private Agencies		30,000	
Maintenance and Repair Services - Buildings		9,888	
Maintenance and Repair Services - Vehicles		55,895	
Postal Charges		5,458	
Printing, Stationery, and Forms		7,822	
Transportation - Other than Students		2,000	
Travel		4,363	
Gasoline		160,648	
Law Enforcement Supplies		4,937	
Office Supplies		2,342	
Uniforms		14,727	
Other Supplies and Materials		8,392	
Data Processing Equipment		20,166	
Law Enforcement Equipment		26,075	
Motor Vehicles		54,553	
Total Sheriff's Department			\$ 1,916,958

Jail

Guards	\$	873,029
Clerical Personnel		29,220
Cafeteria Personnel		27,203
Overtime Pay		56,938
Social Security		59,686
State Retirement		64,410
Employer Medicare		13,959
Maintenance and Repair Services - Buildings		34,098
Medical and Dental Services		274,616
Custodial Supplies		25,639
Food Supplies		174,676
Natural Gas		19,294
Uniforms		6,245
Utilities		137,937

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Supplies and Materials	\$	28,142	
Other Charges		8,956	
Food Service Equipment		4,100	
Law Enforcement Equipment		7,667	
Total Jail			\$ 1,845,815

Juvenile Services

Salary Supplements	\$	6,589	
In-Service Training		50	
Social Security		389	
State Retirement		430	
Employer Medicare		91	
Travel		472	
Office Supplies		1,532	
Total Juvenile Services			9,553

Fire Prevention and Control

Supervisor/Director	\$	50,409	
Temporary Personnel		3,201	
In-Service Training		1,497	
Social Security		2,952	
State Retirement		2,874	
Employer Medicare		691	
Communication		2,400	
Contracts with Private Agencies		2,000	
Dues and Memberships		496	
Licenses		35	
Maintenance and Repair Services - Buildings		884	
Maintenance and Repair Services - Equipment		10,763	
Maintenance and Repair Services - Vehicles		27,955	
Rentals		400	
Travel		243	
Custodial Supplies		82	
Food Supplies		324	
Gasoline		18,645	
Office Supplies		997	
Uniforms		179	
Utilities		22,249	
Other Supplies and Materials		9,922	
Communication Equipment		8,765	

(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.)

Data Processing Equipment	\$	777	
Motor Vehicles		3,000	
Other Equipment		45,970	
Total Fire Prevention and Control			\$ 217,710

Rural Fire Protection

Contracts with Private Agencies	\$	16,118	
Total Rural Fire Protection			16,118

Civil Defense

Supervisor/Director	\$	38,409	
Other Salaries and Wages		31,532	
Social Security		4,204	
State Retirement		4,567	
Employer Medicare		983	
Communication		5,266	
Dues and Memberships		730	
Maintenance and Repair Services - Buildings		1,944	
Maintenance and Repair Services - Equipment		9,821	
Postal Charges		134	
Travel		799	
Food Supplies		596	
Gasoline		4,067	
Office Supplies		2,702	
Uniforms		92	
Utilities		17,827	
Vehicle Parts		1,280	
Communication Equipment		1,554	
Office Equipment		782	
Other Equipment		5,823	
Total Civil Defense			133,112

Other Emergency Management

Maintenance and Repair Services - Equipment	\$	2,350	
Communication Equipment		10,536	
Motor Vehicles		28,188	
Other Equipment		1,437	
Total Other Emergency Management			42,511

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Contracts with Government Agencies	\$	17,600	
Contracts with Private Agencies		7,290	
Travel		5,130	
Total County Coroner/Medical Examiner			\$ 30,020

Public Health and Welfare

Local Health Center

In-Service Training	\$	58	
Communication		1,784	
Contracts with Other Public Agencies		17,037	
Dues and Memberships		271	
Janitorial Services		18,936	
Maintenance and Repair Services - Buildings		48,415	
Maintenance and Repair Services - Office Equipment		894	
Postal Charges		280	
Custodial Supplies		727	
Drugs and Medical Supplies		808	
Office Supplies		4,480	
Utilities		24,170	
Office Equipment		250	
Total Local Health Center			118,110

Rabies and Animal Control

Supervisor/Director	\$	15,209	
Part-time Personnel		13,613	
Overtime Pay		475	
Social Security		1,799	
State Retirement		999	
Employer Medicare		421	
Communication		742	
Contracts with Private Agencies		3,891	
Dues and Memberships		480	
Legal Notices, Recording, and Court Costs		1,085	
Maintenance and Repair Services - Equipment		194	
Travel		6,333	
Animal Food and Supplies		3,724	
Diesel Fuel		3,378	
Refunds		650	
Building Improvements		949	
Other Equipment		31	
Total Rabies and Animal Control			53,973

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services

Assistant(s)	\$	34,922	
Supervisor/Director		46,350	
Equipment Operators		1,118,467	
Secretary(ies)		8,767	
Part-time Personnel		6,402	
Overtime Pay		190,098	
Other Salaries and Wages		22,828	
In-Service Training		1,600	
Social Security		86,094	
State Retirement		73,202	
Employer Medicare		20,135	
Communication		1,847	
Contracts with Private Agencies		13,466	
Data Processing Services		4,800	
Dues and Memberships		280	
Laundry Service		6,125	
Legal Notices, Recording, and Court Costs		263	
Licenses		3,356	
Maintenance and Repair Services - Buildings		9,175	
Maintenance and Repair Services - Equipment		64,661	
Postal Charges		9,920	
Rentals		7,319	
Travel		1,278	
Drugs and Medical Supplies		84,056	
Food Supplies		322	
Gasoline		133,452	
Office Supplies		6,399	
Uniforms		5,532	
Utilities		4,142	
Other Supplies and Materials		8,380	
Data Processing Equipment		1,004	
Motor Vehicles		235,198	
Other Equipment		20,430	
Total Ambulance/Emergency Medical Services			\$ 2,230,270

Crippled Children Services

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

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Contributions	\$	1,500	
Building Improvements		242,548	
Total Other Local Health Services			\$ 244,048

General Welfare Assistance

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

Other Local Welfare Services

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

Sanitation Education/Information

Supervisor/Director	\$	26,893	
Social Security		1,634	
State Retirement		1,756	
Employee and Dependent Insurance		4,906	
Life Insurance		31	
Employer Medicare		382	
Other Supplies and Materials		4,070	
Workers' Compensation Insurance		688	
Other Charges		15,550	
Total Sanitation Education/Information			55,910

Other Public Health and Welfare

Social Workers	\$	64,136	
Medical Personnel		73,930	
Other Salaries and Wages		57,606	
Social Security		12,003	
State Retirement		7,026	
Employee and Dependent Insurance		7,378	
Employer Medicare		2,807	
Travel		10,826	
Other Supplies and Materials		10,280	
Total Other Public Health and Welfare			245,992

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$	26,148	
Supervisor/Director		35,933	

(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.)

Accountants/Bookkeepers	\$	9,908	
Overtime Pay		140	
Other Salaries and Wages		110,126	
In-Service Training		400	
Social Security		11,126	
State Retirement		4,054	
Employer Medicare		2,602	
Communication		3,544	
Contracts with Government Agencies		390	
Contracts with Private Agencies		39,093	
Dues and Memberships		445	
Legal Notices, Recording, and Court Costs		150	
Licenses		2,258	
Maintenance Agreements		2,710	
Maintenance and Repair Services - Buildings		2,029	
Maintenance and Repair Services - Office Equipment		603	
Maintenance and Repair Services - Vehicles		695	
Postal Charges		1,254	
Rentals		1,800	
Travel		29,162	
Other Contracted Services		2,257	
Data Processing Supplies		100	
Food Supplies		14,703	
Gasoline		4,300	
Office Supplies		2,190	
Periodicals		32	
Other Supplies and Materials		3,842	
Refunds		14,604	
Criminal Investigation of Applicants - TBI		25	
Data Processing Equipment		1,677	
Office Equipment		480	
Other Equipment		766	
Total Senior Citizens Assistance			\$ 329,546

Libraries

Assistant(s)	\$	20,179
Supervisor/Director		31,940
Librarians		20,000
Other Salaries and Wages		12,987
Social Security		4,623

(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.)

State Retirement	\$	4,709	
Employer Medicare		1,081	
Communication		2,327	
Contracts with Other Public Agencies		20,000	
Contributions		1,500	
Legal Notices, Recording, and Court Costs		101	
Maintenance Agreements		476	
Travel		272	
Instructional Supplies and Materials		1,900	
Library Books/Media		17,018	
Periodicals		222	
Utilities		6,821	
Other Supplies and Materials		1,416	
Other Charges		1,335	
Other Equipment		6,583	
Total Libraries			\$ 155,490

Parks and Fair Boards

Maintenance and Repair Services - Buildings	\$	2,705	
Natural Gas		601	
Utilities		16,502	
Other Equipment		15,805	
Total Parks and Fair Boards			35,613

Other Social, Cultural, and Recreational

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

Agriculture and Natural Resources

Agriculture Extension Service

Temporary Personnel	\$	5,864	
In-Service Training		887	
Social Security		364	
Employer Medicare		85	
Communication		1,234	
Contracts with Government Agencies		82,018	
Licenses		52	
Maintenance and Repair Services - Equipment		528	
Postal Charges		1,000	
Rentals		2,057	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Travel	\$	2,318	
Gasoline		37	
Office Supplies		2,517	
Data Processing Equipment		885	
Total Agriculture Extension Service			\$ 99,846

Soil Conservation

Secretary(ies)	\$	24,677	
Clerical Personnel		34,946	
Part-time Personnel		3,000	
Other Salaries and Wages		29,355	
Social Security		5,441	
State Retirement		5,810	
Employer Medicare		1,272	
Communication		512	
Maintenance and Repair Services - Office Equipment		200	
Travel		1,368	
Office Supplies		500	
Other Supplies and Materials		271	
Furniture and Fixtures		1,239	
Office Equipment		252	
Total Soil Conservation			108,843

Flood Control

Other Contracted Services	\$	22,500	
Total Flood Control			22,500

Other Operations

Tourism

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

Industrial Development

Communication	\$	5,154	
Contracts with Other Public Agencies		68,400	
Contracts with Private Agencies		17,234	
Maintenance and Repair Services - Buildings		228	
Utilities		4,196	
Other Supplies and Materials		3,915	
Other Equipment		999	
Total Industrial Development			100,126

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

Communication	\$	8,096	
Contracts with Other Public Agencies		68,400	
Maintenance and Repair Services - Buildings		1,401	
Utilities		5,400	
Data Processing Equipment		9,083	
Other Equipment		1,117	
Total Other Economic and Community Development	\$		93,497

Airport

Attendants	\$	16,570	
Temporary Personnel		4,318	
Social Security		1,262	
State Retirement		1,082	
Employer Medicare		295	
Communication		2,766	
Contracts with Private Agencies		431,343	
Dues and Memberships		90	
Engineering Services		40,710	
Legal Notices, Recording, and Court Costs		372	
Maintenance and Repair Services - Buildings		21,525	
Maintenance and Repair Services - Equipment		3,633	
Matching Share		950	
Postal Charges		182	
Travel		1,359	
Remittance of Revenue Collected		5,350	
Permits		520	
Gasoline		110,222	
Office Supplies		417	
Utilities		8,219	
Liability Insurance		2,884	
Refunds		500	
Land		1,700	
Maintenance Equipment		2,350	
Total Airport			658,619

Veterans' Services

Supervisor/Director	\$	26,858
Secretary(ies)		11,658
Social Security		2,388
State Retirement		1,754

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Employer Medicare	\$	559	
Postal Charges		83	
Travel		528	
Office Supplies		429	
Data Processing Equipment		115	
Total Veterans' Services			\$ 44,372

Other Charges

Liability Insurance	\$	233,847	
Premiums on Corporate Surety Bonds		434	
Trustee's Commission		156,256	
Workers' Compensation Insurance		117,848	
Other Charges		19,229	
Total Other Charges			527,614

Contributions to Other Agencies

Contributions	\$	42,886	
Total Contributions to Other Agencies			42,886

Employee Benefits

State Retirement	\$	112,799	
Employee and Dependent Insurance		875,467	
Life Insurance		4,153	
Unemployment Compensation		20,698	
Total Employee Benefits			1,013,117

Capital Projects

Public Health and Welfare Projects

Consultants	\$	4,607	
Contracts with Private Agencies		41,108	
Engineering Services		10,920	
Legal Notices, Recording, and Court Costs		435	
Total Public Health and Welfare Projects			57,070

Other General Government Projects

Site Development	\$	785	
Other Construction		895	
Total Other General Government Projects			1,680

Total General Fund \$ 14,124,544

(Continued)

Exhibit I-6

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	29,758	
Social Security		1,693	
State Retirement		1,943	
Employee and Dependent Insurance		4,906	
Employer Medicare		396	
Communication		577	
Data Processing Services		132	
Dues and Memberships		318	
Legal Notices, Recording, and Court Costs		586	
Postal Charges		90	
Travel		3,094	
Office Supplies		122	
Other Supplies and Materials		675	
Trustee's Commission		179	
Other Charges		55	
Total Sanitation Management			\$ 44,524

Other Waste Disposal

Contracts with Private Agencies	\$	40,469	
Total Other Waste Disposal			40,469

Total Solid Waste/Sanitation Fund \$ 84,993

Drug Control Fund

Public Safety

Drug Enforcement

Trustee's Commission	\$	77	
Other Charges		3,190	
Motor Vehicles		13,750	
Total Drug Enforcement			\$ 17,017

Total Drug Control Fund 17,017

District Attorney General Fund

Administration of Justice

District Attorney General

In-Service Training	\$	2,250	
Communication		655	
Contracts with Private Agencies		7,642	
Dues and Memberships		230	

(Continued)

Exhibit I-6

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

District Attorney General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

Rentals	\$	2,639	
Travel		2,362	
Library Books/Media		544	
Office Supplies		767	
Trustee's Commission		200	
Other Charges		857	
Data Processing Equipment		1,649	
Total District Attorney General			\$ 19,795

Total District Attorney General Fund \$ 19,795

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	191,991	
Total Register of Deeds			\$ 191,991

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	8,920	
Total Chancery Court			8,920

Total Constitutional Officers - Fees Fund 200,911

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	75,777	
Accountants/Bookkeepers		42,240	
Secretary(ies)		900	
Board and Committee Members Fees		6,000	
Communication		1,363	
Data Processing Services		4,000	
Confidential Drug Enforcement Payments		1,812	
Dues and Memberships		5,592	
Janitorial Services		1,733	
Legal Notices, Recording, and Court Costs		228	
Maintenance and Repair Services - Office Equipment		2,097	
Postal Charges		1,185	
Printing, Stationery, and Forms		214	

(Continued)

Exhibit I-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Travel	\$	1,406	
Drugs and Medical Supplies		170	
Electricity		6,688	
Natural Gas		417	
Office Supplies		1,847	
Water and Sewer		1,489	
Other Supplies and Materials		50	
In Service/Staff Development		400	
Other Charges		5,680	
Total Administration			\$ 161,288

Highway and Bridge Maintenance

Foremen	\$	162,460	
Equipment Operators		348,780	
Laborers		274,948	
Contracts with Private Agencies		135,231	
Rentals		3,798	
Asphalt - Liquid		493,044	
Concrete		2,838	
Crushed Stone		513,230	
Pipe		122,968	
Road Signs		11,057	
Small Tools		697	
Wood Products		20,387	
Other Supplies and Materials		1,211	
Total Highway and Bridge Maintenance			2,090,649

Operation and Maintenance of Equipment

Mechanic(s)	\$	159,802	
Maintenance and Repair Services - Buildings		7,733	
Maintenance and Repair Services - Equipment		46,041	
Diesel Fuel		232,877	
Equipment and Machinery Parts		212,250	
Garage Supplies		11,467	
Gasoline		51,797	
Lubricants		18,038	
Small Tools		5,224	
Tires and Tubes		49,989	
Office Equipment		2,112	
Total Operation and Maintenance of Equipment			797,330

(Continued)

Exhibit I-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Liability Insurance	\$	119,550	
Premiums on Corporate Surety Bonds		422	
Trustee's Commission		49,864	
Workers' Compensation Insurance		78,178	
Total Other Charges			\$ 248,014

Employee Benefits

Social Security	\$	65,388	
State Retirement		60,282	
Employee and Dependent Insurance		346,767	
Life Insurance		176	
Employer Medicare		15,169	
Total Employee Benefits			487,782

Capital Outlay

Bridge Construction	\$	601,272	
Highway Construction		436,248	
Highway Equipment		212,843	
State Aid Projects		511,838	
Other Capital Outlay		60,225	
Total Capital Outlay			<u>1,822,426</u>

Total Highway/Public Works Fund \$ 5,607,489

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	125,000	
Principal on Notes		410,000	
Total General Government			\$ 535,000

Interest on Debt

General Government

Interest on Bonds	\$	629,105	
Interest on Notes		62,277	
Total General Government			691,382

Other Debt Service

General Government

Bank Charges	\$	1,990	
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(Continued)

Exhibit I-6

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Other Debt Service (Cont.)</u>			
<u>General Government (Cont.)</u>			
Trustee's Commission	\$	<u>24,394</u>	
Total General Government			\$ <u>26,384</u>
Total General Debt Service Fund			\$ <u>1,252,766</u>
Total Governmental Funds - Primary Government			\$ <u>21,307,515</u>

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, 2012

	Cities Sales Tax Fund	Special School District Fund	Total
<u>Cash Receipts</u>			
Local Option Sales Tax	\$ 4,054,808	\$ 4,379,776	\$ 8,434,584
Interstate Telecommunications Tax	0	2,765	2,765
City/School District Property Taxes:			
Current Property Tax	0	10,804,302	10,804,302
Prior Year's Property Tax	0	627,927	627,927
Interest and Penalty	0	70,234	70,234
Marriage Licenses	0	3,316	3,316
Mixed Drink Tax	0	1,116	1,116
Total Cash Receipts	<u>\$ 4,054,808</u>	<u>\$ 15,889,436</u>	<u>\$ 19,944,244</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 4,014,260	\$ 15,562,464	\$ 19,576,724
Trustee's Commission	40,548	271,375	311,923
Total Cash Disbursements	<u>\$ 4,054,808</u>	<u>\$ 15,833,839</u>	<u>\$ 19,888,647</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ 55,597	\$ 55,597
Cash Balance, July 1, 2011	0	19,702	19,702
Cash Balance, June 30, 2012	<u>\$ 0</u>	<u>\$ 75,299</u>	<u>\$ 75,299</u>

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## **SINGLE AUDIT SECTION**

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

REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

November 27, 2012

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise a portion of Gibson County's basic financial statements and have issued our report thereon dated November 27, 2012. Our report on the governmental activities is qualified because an actuarial valuation had not been obtained to determine the data necessary for the measurement and recognition of other postemployment benefits. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors 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

The management of Gibson County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Gibson County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gibson County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Gibson County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 12.02.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 12.03, 12.05, and 12.06.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 12.01 and 12.04.

Gibson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Gibson County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the county mayor, road supervisor, County Commission, others within Gibson County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
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PHONE (615) 401-7841

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

Independent Auditor's Report

November 27, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Gibson County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Gibson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Gibson County's management. Our responsibility is to express an opinion on Gibson County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with

the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Gibson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Gibson County's compliance with those requirements.

In our opinion, Gibson County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

### Internal Control Over Compliance

The management of Gibson County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Gibson County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Gibson County's internal control over compliance.

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

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

### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Gibson County as of and for the year ended June 30, 2012, and have issued our report thereon dated November 27, 2012. Our report on the governmental activities is qualified because an actuarial valuation had not been obtained to determine the data necessary for the measurement and recognition of other postemployment benefits. Our audit was performed for the purpose of forming our opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of

additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Gibson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Gibson County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the county mayor, road supervisor, County Commission, others within Gibson County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

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

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

Gibson County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2012

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Environmental Quality Incentives Program	10.912	N/A	\$ 24,948
Long-term Standing Agreements for Storage, Transportation, and Lease	10.999	N/A	62,412
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-1132941	44,988
Total U.S. Department of Agriculture			<u>\$ 132,348</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	GG-11723900	\$ 11,881
Total U.S. Department of Housing and Urban Development			<u>\$ 11,881</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	\$ 9,000
Total U.S. Department of Justice			<u>\$ 9,000</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	3-47-SBGP-27	\$ 467,892
Total U.S. Department of Transportation			<u>\$ 467,892</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(2)	\$ 2,235
Total U.S. Institute of Museum and Library Services			<u>\$ 2,235</u>
U.S. Department of Energy:			
Passed-through State Department of Economic and Community Development:			
Energy Efficiency and Conservation Block Grant Program (EECBG), Recovery Act	81.128	GG-1133549	\$ 65,658
Total U.S. Department of Energy			<u>\$ 65,658</u>
U.S. Delta Regional Authority:			
Direct Program:			
Delta Area Economic Development	90.201	N/A	\$ 100,170
Total U.S. Delta Regional Authority			<u>\$ 100,170</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 159,407
Total U.S. Department of Health and Human Services			<u>\$ 159,407</u>

(Continued)

Gibson County, Tennessee

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 435,161
Emergency Management Performance Grants	97.042	(2)	77,500
Homeland Security Grant Program	97.067	(2)	42,424
Total U.S. Department of Homeland Security			<u>\$ 555,085</u>
Total Expenditures of Federal Awards			<u>\$ 1,503,676</u>
<u>State Grants</u>			
Airport Maintenance Program - State Department of Transportation	N/A	(2)	\$ 6,981
Homemaker and Personal Care Services - Northwest Tennessee Development District	N/A	(2)	33,800
Litter Program - State Department of Transportation	N/A	(2)	41,146
Preventive Health and Human Services - State Department of Health	N/A	(2)	241,646
Waste Tire Collection Grant - State Department of Environment and Conservation	N/A	(2)	<u>29,696</u>
Total State Grants			<u>\$ 353,269</u>

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

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

(2) Information not available.

Gibson County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2012

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Gibson County, Tennessee, for the year ended June 30, 2011, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.01	114	Government-wide financial statements did not include other postemployment benefits as required by generally accepted accounting principles
11.02	115	The General Fund required material audit adjustments for proper financial statement presentation
11.03	115	The office had not established a formal purchase order system

**OFFICE OF REGISTER**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.06	118	Duties were not segregated adequately in the office

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**GIBSON COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2012**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the governmental activities is qualified. Our report on the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Gibson County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Gibson County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Airport Improvement Program (CFDA No. 20.106) and Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Gibson County did not qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The county mayor provided written responses on certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

### **OFFICE OF COUNTY MAYOR**

#### **FINDING 12.01      **GOVERNMENT-WIDE FINANCIAL STATEMENTS DID NOT INCLUDE OTHER POSTEMPLOYMENT BENEFITS AS REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES****

(Noncompliance Under *Government Auditing Standards*)

Gibson County general government provides postemployment healthcare benefits through a self-insured plan that allows pre-65 age retirees to remain in the plan at the active employee rates. Gibson County did not obtain an actuarial valuation to determine the data necessary for the measurement and recognition of other postemployment benefits (OPEB). This data is necessary for the preparation of government-wide financial statements and note disclosures as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB is the standard-setting body for accounting principles that state and local governments are required to follow. Statement No. 45 establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information. This deficiency exists because management failed to correct the finding noted in the prior-year audit report. The effects on the government-wide financial statements and note disclosures are not determinable since the actuarial valuation had not been performed; however, we do not believe the amount is material to the government-wide financial statements as of June 30, 2012. Because of this omission, we have qualified our opinion on the governmental activities opinion unit.

#### **RECOMMENDATION**

Gibson County should present government-wide financial statements and note disclosures in conformity with generally accepted accounting principles. The county should contract for a biennial actuarial valuation of the plan and provide the necessary information for the measurement, recognition, and display of OPEB.

#### **MANAGEMENT'S RESPONSE – COUNTY MAYOR**

We concur with this finding. At the November 2011 meeting, the Gibson County Commission voted to end its practice of offering postemployment benefits (health insurance) to employees retiring early. This change in policy should be reflected in the upcoming year's audit and hopefully rectify the finding.

**FINDING 12.02      THE GENERAL FUND REQUIRED MATERIAL AUDIT  
ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT  
PRESENTATION**  
(Internal Control – Material Weakness Under *Government Auditing  
Standards*)

At June 30, 2012, various general ledger account balances of the General Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Gibson County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

**RECOMMENDATION**

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

**MANAGEMENT'S RESPONSE – COUNTY MAYOR**

We concur with this finding. The budget director posted revenue from patient charges from both the trustee's monthly report for June and also posted from the operation's report for the fiscal year from the Gibson County Emergency Medical Service when setting up accounts receivable. The budget director has since made it clear that a notation should be made for future reference, and a special effort will be made when setting up accounts receivable at year-end so this double posting of revenue will not occur again.

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**FINDING 12.03      THE OFFICE HAD NOT ESTABLISHED A FORMAL PURCHASE  
ORDER SYSTEM**  
(Internal Control – Significant Deficiency Under *Government Auditing  
Standards*)

The office had not established a formal purchase order system. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. This deficiency can be attributed to the failure of management to correct this finding noted in the prior-year audit report. The absence of a formal purchase order system increases the risks of unauthorized purchases.

## RECOMMENDATION

The office should establish a formal purchase order system to improve internal controls over the purchasing process and to document purchasing commitments.

## MANAGEMENT'S RESPONSE – COUNTY MAYOR

The Office of County Mayor (in cooperation with county department heads) has, as of July 1, 2012, implemented a formal purchase order system. We hope that this change will be reflected in next year's audit as we are committed to working toward achieving a clean audit and providing the taxpayers of Gibson County the oversight they deserve.

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## OFFICE OF ASSESSOR OF PROPERTY

### FINDING 12.04      **THE ASSESSOR DID NOT MAINTAIN AN ADEQUATE PROGRAM OF SALES VERIFICATION** (Noncompliance Under *Government Auditing Standards*)

The assessor did not maintain an adequate program of sales verification requirements. Section 67-5-1601, *Tennessee Code Annotated*, requires the assessor to maintain an adequate program of real property sales verifications in accordance with procedures and rules established by the state board of equalization. This deficiency can be attributed to the failure of management to maintain adequate records of sales and rejections in analyzing reappraisals, sales ratio studies, current value update programs and other reporting services. This resulted in a lack of sufficient documentation to verify sales during reappraisals, sales ratio studies, and current value update programs.

## RECOMMENDATION

The assessor should maintain an adequate program of sales verifications as required by state statute.

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## OFFICES OF CLERK AND MASTER AND REGISTER

### FINDING 12.05      **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER** (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees operated from the same cash drawer in the Offices of Clerk and Master and Register. Good internal controls dictate that each employee should have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but the beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the

event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision by the officials resulting in a loss of control over assets.

**RECOMMENDATION**

Officials should assign each employee their own cash drawer.

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**OFFICE OF REGISTER**

**FINDING 12.06 DUTIES WERE NOT SEGREGATED ADEQUATELY**

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

Duties were not segregated adequately among the official and employees in the office. Employees who are responsible for maintaining the accounting records were also involved in receipting, depositing, posting receipts to the cash journal, reconciling bank statements, reconciling receipts with cash, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management’s decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management’s failure to correct the finding noted in the prior-year audit report.

**RECOMMENDATION**

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

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**BEST PRACTICE**

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

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

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

There were no findings and questioned costs for federal programs.

**GIBSON COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2012**

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