

ANNUAL FINANCIAL REPORT
GIBSON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



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FOR THE YEAR ENDED JUNE 30, 2015

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

GIBSON COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Gibson County, Tennessee
For the Year Ended June 30, 2015

Scope

We have audited the basic financial statements of Gibson County as of and for the year ended June 30, 2015.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The office had deficiencies in budget operations.
 - ◆ The office did not always comply with the travel policy adopted by the County Commission.
-

OFFICE OF CLERK AND MASTER

- ◆ The office did not review its software audit logs.
-

OFFICE OF REGISTER OF DEEDS

- ◆ Duties were not segregated adequately.
-

OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS

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

OFFICE OF SHERIFF

- ◆ An investigation of the operations of the former Gibson County sheriff resulted in a cash shortage of at least \$109,429.

INTRODUCTORY SECTION

Gibson County Officials

June 30, 2015

Officials

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

Board of County Commissioners

Tom Witherspoon, County Mayor, Chairman	Michael Longmire
Donna Bivens	Don McEwen
Lenford Carr	Nelson McLin
Cody Childress	Kevin Morgan
Bobby Cotham	Sandra Moss
Nelson Cunningham	Lynn Nance
Eric Egbert	Tony Pillow
Mark Flake	Marvin Sikes
Stephen Hughes	Keith Steele
Larry Kimery	Robin Summers
Todd Lawson	Jason Tubbs
Todd Littleton	Dennis Wall
Rickey Locke	Coy Yergin

Highway Commission

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

Audit Committee

Ashley Comstock
Bill Joyner
Michael Longmire

FINANCIAL SECTION



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

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Gibson County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.8. to the financial statements, which describes a prior-period adjustment reducing the beginning fund balance of the Highway/Public Works Fund by \$101,561. This adjustment was necessary due to the write-off of a prior-year receivable that was overestimated. We also draw attention to Note I.D.9. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$1,159,683 on the Government-wide Statement of Activities. This restatement was necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios and the schedule of county contributions on pages 70-72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

governmental funds and the General Debt Service Fund, and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2015, on our consideration of Gibson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gibson County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 25, 2015

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Gibson County, Tennessee
Statement of Net Position
June 30, 2015

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Emergency Communications District</u>
<u>ASSETS</u>		
Cash	\$ 13,586	\$ 945,529
Equity in Pooled Cash and Investments	15,339,490	0
Accounts Receivable	6,793,376	5,144
Allowance for Uncollectibles	(3,852,360)	0
Due from Other Governments	782,677	0
Property Taxes Receivable	7,523,357	0
Allowance for Uncollectible Property Taxes	(247,140)	0
Prepaid Items	0	5,897
Accrued Interest Receivable	0	890
Net Pension Asset	1,315,703	198,437
Capital Assets:		
Assets Not Depreciated:		
Land	5,313,966	66,400
Construction in Progress	67,472	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	11,404,315	364,608
Infrastructure	14,520,174	0
Other Capital Assets	3,465,907	422,161
Total Assets	<u>\$ 62,440,523</u>	<u>\$ 2,009,066</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Contributions After Measurement Date	\$ 504,832	\$ 32,044
Total Deferred Outflows of Resources	<u>\$ 504,832</u>	<u>\$ 32,044</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 3,889	\$ 8,170
Payroll Deductions Payable	9,888	0
Accrued Leave	0	13,638
Accrued Interest Payable	29,989	0
Health Insurance Payments	588	0
Unearned Revenue	0	303,333
Noncurrent Liabilities:		
Due Within One Year	1,056,681	0
Due in More Than One Year (net of unamortized premium on debt)	16,462,366	0
Total Liabilities	<u>\$ 17,563,401</u>	<u>\$ 325,141</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 7,038,810	\$ 0
Pension Changes in Experience	804,202	35,732
Pension Changes in Investment Earnings	1,510,637	60,212
Total Deferred Inflows of Resources	<u>\$ 9,353,649</u>	<u>\$ 95,944</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Emergency Communications District</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 20,281,434	\$ 853,169
Restricted for:		
General Government	1,825,490	0
Administration of Justice	86,255	0
Public Safety	786,099	0
Public Health and Welfare	321,367	0
Social, Cultural, and Recreational Services	211,837	0
Highways/Public Works	179,001	0
Capital Projects	345,800	0
Other Purposes	1,315,703	198,437
Unrestricted	<u>10,675,319</u>	<u>568,419</u>
Total Net Position	<u>\$ 36,028,305</u>	<u>\$ 1,620,025</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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total Activities	Unit Emergency Communications District
Primary Government:						
Governmental Activities:						
General Government	\$ 1,923,503	\$ 247,048	\$ 99,548	\$ 17,725	\$ (1,559,182)	\$ 0
Finance	1,423,210	1,293,248	0	0	(129,962)	0
Administration of Justice	1,726,788	837,867	54,377	0	(834,544)	0
Public Safety	5,490,474	1,600,045	140,338	0	(3,750,091)	0
Public Health and Welfare	3,625,102	2,909,818	755,588	345,800	386,104	0
Social, Cultural, and Recreational Services	532,763	67,246	201,836	0	(263,681)	0
Agriculture and Natural Resources	290,651	0	71,876	0	(218,775)	0
Highways	5,284,691	46,413	2,288,354	414,370	(2,535,554)	0
Interest on Long-term Debt	370,172	0	4,089	0	(366,083)	0
Total Primary Government	\$ 20,667,354	\$ 7,001,685	\$ 3,616,006	\$ 777,895	\$ (9,271,768)	\$ 0
Component Unit:						
Emergency Communications District	\$ 986,536	\$ 593,914	\$ 132,745	\$ 428	\$ 0	\$ (259,449)
Total Component Unit	\$ 986,536	\$ 593,914	\$ 132,745	\$ 428	\$ 0	\$ (259,449)

(Continued)

Exhibit B

Gibson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total Activities	Unit Emergency Communications District
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 7,050,833	\$ 0	
Property Taxes Levied for Debt Service				161,499	0	
Local Option Sales Taxes				384,479	0	
Wheel Tax				1,475,929	0	
Litigation Tax				156,293	0	
Business Tax				388,404	0	
Other Local Taxes				140,996	0	
Grants and Contributions Not Restricted for Specific Programs				1,263,247	0	
Unrestricted Investment Income				163,243	5,221	
Miscellaneous				83,852	106,555	
Pension Income				160,547	0	
Total General Revenues				<u>\$ 11,429,322</u>	<u>\$ 111,776</u>	
Change in Net Position				\$ 2,157,554	\$ (147,673)	
Net Position, July 1, 2014				35,131,995	1,654,788	
Prior-period Adjustment (see Note I.D.8)				(101,561)	0	
Restatement - Pension Liability (see Note I.D.9)				(1,159,683)	0	
Restatement - Pension Liability (see Note VI.D.4)				0	112,910	
Net Position, June 30, 2015				<u>\$ 36,028,305</u>	<u>\$ 1,620,025</u>	

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

Exhibit C-1

Gibson County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2015

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Capital Projects	Funds Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,586	\$ 13,586
Equity in Pooled Cash and Investments	6,072,940	1,618,340	3,833,546	2,990,698	823,966	15,339,490
Accounts Receivable	6,787,247	1,277	31	0	4,821	6,793,376
Allowance for Uncollectibles	(3,852,360)	0	0	0	0	(3,852,360)
Due from Other Governments	259,310	462,811	35,360	0	25,196	782,677
Due from Other Funds	56,940	0	0	0	0	56,940
Property Taxes Receivable	6,314,332	1,047,821	161,204	0	0	7,523,357
Allowance for Uncollectible Property Taxes	(207,424)	(34,420)	(5,296)	0	0	(247,140)
Total Assets	\$ 15,430,985	\$ 3,095,829	\$ 4,024,845	\$ 2,990,698	\$ 867,569	\$ 26,409,926
<u>LIABILITIES</u>						
Accounts Payable	\$ 3,889	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,889
Payroll Deductions Payable	6,408	3,480	0	0	0	9,888
Due to Other Funds	0	0	0	0	56,940	56,940
Health Insurance Payments	588	0	0	0	0	588
Total Liabilities	\$ 10,885	\$ 3,480	\$ 0	\$ 0	\$ 56,940	\$ 71,305
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 5,907,653	\$ 980,336	\$ 150,821	\$ 0	\$ 0	\$ 7,038,810
Deferred Delinquent Property Taxes	177,074	30,837	4,518	0	0	212,429
Other Deferred/Unavailable Revenue	2,823,202	217,551	0	0	0	3,040,753
Total Deferred Inflows of Resources	\$ 8,907,929	\$ 1,228,724	\$ 155,339	\$ 0	\$ 0	\$ 10,291,992

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Capital Projects	Funds Other Govern- mental Funds	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 77,205	\$ 0	\$ 0	\$ 1,748,285	\$ 0	\$ 1,825,490
Restricted for Administration of Justice	86,255	0	0	0	0	86,255
Restricted for Public Safety	28,312	0	0	721,009	36,778	786,099
Restricted for Public Health and Welfare	11,800	0	0	309,567	0	321,367
Restricted for Social, Cultural, and Recreational Services	0	0	0	211,837	0	211,837
Restricted for Capital Projects	0	0	0	0	345,800	345,800
Committed:						
Committed for General Government	4,000	0	0	0	0	4,000
Committed for Public Health and Welfare	0	0	0	0	105,612	105,612
Committed for Other Operations	41,249	0	0	0	0	41,249
Committed for Highways/Public Works	0	1,863,625	0	0	0	1,863,625
Committed for Debt Service	0	0	3,869,506	0	0	3,869,506
Committed for Capital Projects	0	0	0	0	322,439	322,439
Unassigned	6,263,350	0	0	0	0	6,263,350
Total Fund Balances	\$ 6,512,171	\$ 1,863,625	\$ 3,869,506	\$ 2,990,698	\$ 810,629	\$ 16,046,629
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,430,985	\$ 3,095,829	\$ 4,024,845	\$ 2,990,698	\$ 867,569	\$ 26,409,926

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

Exhibit C-2

Gibson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2015

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 16,046,629
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 5,313,966	
Add: construction in progress	67,472	
Add: buildings and improvements net of accumulated depreciation	11,404,315	
Add: infrastructure net of accumulated depreciation	14,520,174	
Add: other capital assets net of accumulated depreciation	<u>3,465,907</u>	34,771,834
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (17,395,000)	
Less: compensated absences payable	(37,949)	
Less: accrued interest on bonds	(29,989)	
Less: other deferred revenue - premium on debt	<u>(86,098)</u>	(17,549,036)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 504,832	
Less: deferred inflows of resources related to pensions	<u>(2,314,839)</u>	(1,810,007)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		1,315,703
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,253,182</u>
Net position of governmental activities (Exhibit A)		<u>\$ 36,028,305</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, 2015

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 7,236,894	\$ 2,262,387	\$ 448,582	\$ 0	\$ 0	\$ 9,947,863
Licenses and Permits	115,309	0	0	0	0	115,309
Fines, Forfeitures, and Penalties	291,788	0	0	0	15,684	307,472
Charges for Current Services	2,962,430	2,509	0	0	56,285	3,021,224
Other Local Revenues	265,456	67,919	163,243	0	346	496,964
Fees Received From County Officials	1,808,732	0	0	0	0	1,808,732
State of Tennessee	2,529,859	2,497,144	734,815	0	345,800	6,107,618
Federal Government	554,527	182,209	0	0	0	736,736
Other Governments and Citizens Groups	89,693	0	0	0	25,197	114,890
Total Revenues	\$ 15,854,688	\$ 5,012,168	\$ 1,346,640	\$ 0	\$ 443,312	\$ 22,656,808
<u>Expenditures</u>						
Current:						
General Government	\$ 1,272,084	\$ 0	\$ 0	\$ 0	\$ 50,554	\$ 1,322,638
Finance	1,457,758	0	0	0	0	1,457,758
Administration of Justice	1,740,987	0	0	0	7,408	1,748,395
Public Safety	5,619,777	0	0	0	22,332	5,642,109
Public Health and Welfare	3,524,733	0	0	0	91,111	3,615,844
Social, Cultural, and Recreational Services	506,294	0	0	0	0	506,294
Agriculture and Natural Resources	272,423	0	0	0	0	272,423
Other Operations	817,905	0	0	0	0	817,905
Highways	0	4,673,620	0	0	0	4,673,620
Debt Service:						
Principal on Debt	0	0	905,000	0	0	905,000
Interest on Debt	0	0	368,914	0	0	368,914
Other Debt Service	0	0	17,030	0	0	17,030

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Capital Projects	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 70,773	\$ 121,832	\$ 192,605
Total Expenditures	\$ 15,211,961	\$ 4,673,620	\$ 1,290,944	\$ 70,773	\$ 293,237	\$ 21,540,535
Excess (Deficiency) of Revenues Over Expenditures	\$ 642,727	\$ 338,548	\$ 55,696	\$ (70,773)	\$ 150,075	\$ 1,116,273
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 3,025,000	\$ 0	\$ 3,025,000
Premiums on Debt Sold	0	0	0	36,471	0	36,471
Insurance Recovery	6,539	0	0	0	0	6,539
Transfers In	0	94,146	0	0	444,271	538,417
Transfers Out	(94,146)	0	(444,271)	0	0	(538,417)
Total Other Financing Sources (Uses)	\$ (87,607)	\$ 94,146	\$ (444,271)	\$ 3,061,471	\$ 444,271	\$ 3,068,010
Net Change in Fund Balances	\$ 555,120	\$ 432,694	\$ (388,575)	\$ 2,990,698	\$ 594,346	\$ 4,184,283
Prior-period Adjustment	0	(101,561)	0	0	0	(101,561)
Fund Balance, July 1, 2014	5,957,051	1,532,492	4,258,081	0	216,283	11,963,907
Fund Balance, June 30, 2015	\$ 6,512,171	\$ 1,863,625	\$ 3,869,506	\$ 2,990,698	\$ 810,629	\$ 16,046,629

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, 2015

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)		\$ 4,184,283
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,716,423	
Less: current-year depreciation expense	<u>(2,247,799)</u>	(531,376)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(8,223)
(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, 2015	\$ 3,253,182	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(3,249,718)</u>	3,464
(4) The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: bond proceeds	\$ (3,025,000)	
Less: change in premium on debt issuances	(32,382)	
Add: principal payments on bonds	<u>905,000</u>	(2,152,382)
(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	\$ 753	
Change in compensated absences payable	(4,344)	
Change in net pension asset	2,475,386	
Change in deferred outflows related to pensions	504,832	
Change in deferred inflows related to pensions	<u>(2,314,839)</u>	661,788
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,157,554</u>

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

Exhibit C-5

Gibson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 7,236,894	\$ 7,106,769	\$ 7,106,769	\$ 130,125
Licenses and Permits	115,309	92,300	92,300	23,009
Fines, Forfeitures, and Penalties	291,788	302,600	302,600	(10,812)
Charges for Current Services	2,962,430	2,988,550	2,988,550	(26,120)
Other Local Revenues	265,456	418,487	183,493	81,963
Fees Received From County Officials	1,808,732	1,654,000	1,860,917	(52,185)
State of Tennessee	2,529,859	2,182,264	2,267,970	261,889
Federal Government	554,527	97,000	658,178	(103,651)
Other Governments and Citizens Groups	89,693	101,332	101,332	(11,639)
Total Revenues	\$ 15,854,688	\$ 14,943,302	\$ 15,562,109	\$ 292,579
Expenditures				
<u>General Government</u>				
County Commission	\$ 51,496	\$ 60,759	\$ 60,759	\$ 9,263
Board of Equalization	2,500	2,691	2,691	191
County Mayor/Executive	216,583	220,097	220,097	3,514
County Attorney	22,277	35,100	35,100	12,823
Election Commission	235,413	234,729	235,663	250
Register of Deeds	242,205	281,723	281,723	39,518
Development	63,863	69,452	69,452	5,589
County Buildings	436,135	515,168	528,658	92,523
Other Facilities	0	2,800	2,800	2,800
Preservation of Records	1,612	1,890	1,890	278
<u>Finance</u>				
Accounting and Budgeting	136,181	67,312	150,414	14,233
Property Assessor's Office	322,356	337,419	337,419	15,063
Reappraisal Program	47,372	68,499	68,499	21,127
County Trustee's Office	290,006	293,886	293,886	3,880
County Clerk's Office	661,843	683,839	683,839	21,996
<u>Administration of Justice</u>				
Circuit Court	415,093	445,710	445,710	30,617
General Sessions Court	234,066	232,748	235,990	1,924
Drug Court	42,710	43,450	43,451	741
Chancery Court	305,507	311,676	311,676	6,169
Juvenile Court	320,098	331,490	344,156	24,058
Other Administration of Justice	373,193	395,786	395,787	22,594
Victim Assistance Programs	50,320	50,000	50,000	(320)
<u>Public Safety</u>				
Sheriff's Department	2,376,334	2,438,326	2,527,863	151,529
Jail	2,251,107	2,324,511	2,324,511	73,404
Fire Prevention and Control	377,837	363,208	404,064	26,227
Rural Fire Protection	365,358	0	426,690	61,332
Civil Defense	185,985	209,075	209,029	23,044
Other Emergency Management	20,863	0	20,886	23
County Coroner/Medical Examiner	42,293	45,000	45,000	2,707
<u>Public Health and Welfare</u>				
Local Health Center	118,303	123,137	123,137	4,834
Rabies and Animal Control	67,475	78,542	78,543	11,068

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Ambulance/Emergency Medical Services	\$ 2,918,103	\$ 2,911,103	\$ 3,002,064	\$ 83,961
Alcohol and Drug Programs	49,850	50,000	50,000	150
Crippled Children Services	2,859	2,859	2,859	0
Other Local Health Services	15,131	22,950	22,950	7,819
General Welfare Assistance	1,500	1,500	1,500	0
Other Local Welfare Services	25,500	25,500	25,500	0
Sanitation Education/Information	52,401	54,441	54,441	2,040
Other Public Health and Welfare	273,611	358,324	359,524	85,913
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	294,669	348,081	348,750	54,081
Libraries	188,880	188,467	192,969	4,089
Parks and Fair Boards	20,400	20,400	20,400	0
Other Social, Cultural, and Recreational	2,345	1,000	3,500	1,155
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	138,187	139,888	141,173	2,986
Soil Conservation	104,236	103,522	104,610	374
Flood Control	30,000	40,500	40,500	10,500
<u>Other Operations</u>				
Tourism	11,031	9,516	12,150	1,119
Industrial Development	11,275	20,000	20,000	8,725
Other Economic and Community Development	9,633	0	10,000	367
Airport	211,427	255,303	336,203	124,776
Veterans' Services	55,885	53,235	56,539	654
Other Charges	188,111	172,800	172,300	(15,811)
Contributions to Other Agencies	86,200	72,500	97,820	11,620
Employee Benefits	244,343	141,100	232,100	(12,243)
<u>Capital Projects</u>				
Other General Government Projects	0	2,500	0	0
Total Expenditures	\$ 15,211,961	\$ 15,263,512	\$ 16,267,235	\$ 1,055,274
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 642,727	\$ (320,210)	\$ (705,126)	\$ 1,347,853
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 6,539	\$ 0	\$ 4,285	\$ 2,254
Transfers Out	(94,146)	(139,995)	(139,995)	45,849
Total Other Financing Sources	\$ (87,607)	\$ (139,995)	\$ (135,710)	\$ 48,103
Net Change in Fund Balance				
Fund Balance, July 1, 2014	\$ 555,120	\$ (460,205)	\$ (840,836)	\$ 1,395,956
	5,957,051	5,854,620	5,854,620	102,431
Fund Balance, June 30, 2015	\$ 6,512,171	\$ 5,394,415	\$ 5,013,784	\$ 1,498,387

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

Exhibit C-6

Gibson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,262,387	\$ 0	\$ 0	\$ 2,262,387	\$ 2,213,515	\$ 2,213,515	\$ 48,872
Charges for Current Services	2,509	0	0	2,509	4,000	4,000	(1,491)
Other Local Revenues	67,919	0	0	67,919	40,500	204,500	(136,581)
State of Tennessee	2,497,144	0	0	2,497,144	3,200,755	3,200,755	(703,611)
Federal Government	182,209	0	0	182,209	1,500	1,500	180,709
Total Revenues	\$ 5,012,168	\$ 0	\$ 0	\$ 5,012,168	\$ 5,460,270	\$ 5,624,270	\$ (612,102)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 185,871	\$ 0	\$ 0	\$ 185,871	\$ 190,045	\$ 192,395	\$ 6,524
Highway and Bridge Maintenance	2,095,876	0	0	2,095,876	2,145,000	2,360,000	264,124
Operation and Maintenance of Equipment	661,063	0	0	661,063	843,000	843,000	181,937
Other Charges	182,236	0	0	182,236	260,500	260,500	78,264
Employee Benefits	275,310	0	0	275,310	467,800	467,800	192,490
Capital Outlay	1,273,264	(338,239)	778,784	1,713,809	1,985,000	2,031,650	317,841
Total Expenditures	\$ 4,673,620	\$ (338,239)	\$ 778,784	\$ 5,114,165	\$ 5,891,345	\$ 6,155,345	\$ 1,041,180
Excess (Deficiency) of Revenues Over Expenditures	\$ 338,548	\$ 338,239	\$ (778,784)	\$ (101,997)	\$ (431,075)	\$ (531,075)	\$ 429,078
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,000	\$ 1,000	\$ (1,000)
Transfers In	94,146	0	0	94,146	94,146	94,146	0
Total Other Financing Sources	\$ 94,146	\$ 0	\$ 0	\$ 94,146	\$ 95,146	\$ 95,146	\$ (1,000)
Net Change in Fund Balance	\$ 432,694	\$ 338,239	\$ (778,784)	\$ (7,851)	\$ (335,929)	\$ (435,929)	\$ 428,078
Prior-period Adjustment	(101,561)	0	0	(101,561)	0	0	(101,561)
Fund Balance, July 1, 2014	1,532,492	(338,239)	0	1,194,253	662,874	762,874	431,379
Fund Balance, June 30, 2015	\$ 1,863,625	\$ 0	\$ (778,784)	\$ 1,084,841	\$ 326,945	\$ 326,945	\$ 757,896

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, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,574,678
Equity in Pooled Cash and Investments	117,857
Due from Other Governments	1,894,467
Taxes Receivable	12,301,014
Allowance for Uncollectible Property Taxes	<u>(405,971)</u>
Total Assets	<u>\$ 15,482,045</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 13,815,237
Due to Litigants, Heirs, and Others	<u>1,666,808</u>
Total Liabilities	<u>\$ 15,482,045</u>

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

GIBSON COUNTY, TENNESSEE
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GIBSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

Administrative Office:

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

Fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Gibson County reports the following major governmental funds:

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

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

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

Other Capital Projects Fund – This fund accounts for bond proceeds issued for various capital improvement projects of the county.

Additionally, Gibson County reports the following fund type:

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

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

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

1. Deposits and Investments

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

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

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.73 percent of total taxes levied.

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable

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

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

3. Capital Assets

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

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

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

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

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

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

4. Deferred Outflows/Inflows of Resources

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

outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category. Accordingly, this item is reported in the government-wide Statement of Net Position and is for employer contributions made to the pension plan after the measurement date.

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

5. Compensated Absences

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

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

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

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or

a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

7. Net Position and Fund Balance

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

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

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

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

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

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

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

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

8. Prior-period Adjustment

During the prior year, the Highway/Public Works Fund recorded a receivable for a state aid road project that was overestimated. Consequently, the beginning fund balance of the Highway/Public Works Fund was reduced by \$101,561, the balance of the state aid funds not received.

9. Restatement

In prior years, the government was not required to recognize a liability for its defined benefit pension plan. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a new pension liability in their Statement of Net Position.

Therefore, a restatement decreasing Gibson County's beginning net position by \$1,159,683 has been recognized on the Statement of Activities.

E. Pension Plan

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2015, Gibson County reported the following significant encumbrances:

Major Fund	Description	Amount
Highway/Public Works	Dump truck	\$ 136,000
"	Bridge construction	313,905
"	Road construction	328,879

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) of the General Fund:

Major Appropriation Category	Amount Overspent
Victim Assistance Programs	\$ 320
Other Charges	15,811
Employee Benefits	12,243

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed

in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase. The county had no pooled and nonpooled investments as of June 30, 2015.

B. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 5,313,966	\$ 0	\$ 0	\$ 5,313,966
Construction in Progress	0	67,472	0	67,472
Total Capital Assets Not Depreciated	\$ 5,313,966	\$ 67,472	\$ 0	\$ 5,381,438
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,689,212	\$ 123,330	\$ 0	\$ 14,812,542
Roads and Bridges	33,201,603	659,020	0	33,860,623
Other Capital Assets	10,314,792	866,601	(58,843)	11,122,550
Total Capital Assets Depreciated	\$ 58,205,607	\$ 1,648,951	\$ (58,843)	\$ 59,795,715
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,111,938	\$ 296,289	\$ 0	\$ 3,408,227
Roads and Bridges	18,087,424	1,253,025	0	19,340,449
Other Capital Assets	7,008,778	698,485	(50,620)	7,656,643
Total Accumulated Depreciation	\$ 28,208,140	\$ 2,247,799	\$ (50,620)	\$ 30,405,319
Total Capital Assets Depreciated, Net	\$ 29,997,467	\$ (598,848)	\$ (8,223)	\$ 29,390,396
Governmental Activities Capital Assets, Net	\$ 35,311,433	\$ (531,376)	\$ (8,223)	\$ 34,771,834

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

Governmental Activities:

General Government	\$	121,218
Finance		121
Administration of Justice		47,921
Public Safety		470,791
Public Health and Welfare		205,549
Social, Cultural, and Recreational Services		11,643
Agriculture and Natural Resources		3,484
Highway/Public Works		<u>1,387,072</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>2,247,799</u></u>

C. Construction Commitments

At June 30, 2015, the Highway Department had uncompleted contracts of approximately \$313,905 for the construction of a bridge and approximately \$328,879 for three road construction projects. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 56,940

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, 2015, consisted of the following amounts:

Transfers Out	Transfers In	
	Highway/ Public Works Fund	Nonmajor Governmental Fund
General Fund	\$ 94,146	\$ 0
General Debt Service Fund	0	444,271
Total	<u>\$ 94,146</u>	<u>\$ 444,271</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

E. Long-term Obligations

General Obligation Bonds

Gibson County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds were issued for original terms of up to 24 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds	1 to 2.5 %	6-1-30	\$ 5,275,000	\$ 4,270,000
General Obligation Bonds - Refunding	.5 to 4.3	6-1-33	14,310,000	13,125,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2015, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 1,055,000	\$ 421,960	\$ 1,476,960
2017	1,065,000	413,389	1,478,389
2018	1,090,000	399,276	1,489,276
2019	1,110,000	383,146	1,493,146
2020	965,000	364,846	1,329,846
2021-2025	4,700,000	1,537,056	6,237,056
2026-2030	4,695,000	1,009,805	5,704,805
2031-2033	2,715,000	234,949	2,949,949
Total	<u>\$ 17,395,000</u>	<u>\$ 4,764,427</u>	<u>\$ 22,159,427</u>

There is \$3,869,506 available in the General Debt Service Fund to service long-term debt. Debt per capita for the outstanding bonds totaled \$350, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities:

	Compensated	
	Bonds	Absences
Balance, July 1, 2014	\$ 15,275,000	\$ 33,605
Additions	3,025,000	44,254
Reductions	(905,000)	(39,910)
Balance, June 30, 2015	<u>\$ 17,395,000</u>	<u>\$ 37,949</u>
Balance Due Within One Year	<u>\$ 1,055,000</u>	<u>\$ 1,681</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 17,432,949
Less: Balance Due Within One Year	(1,056,681)
Add: Unamortized Premium on Debt	<u>86,098</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 16,462,366</u>

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

V. OTHER INFORMATION

A. Risk Management

Employee Health Insurance

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

All full-time employees of Gibson County are eligible to participate. In November 2011, the county adopted a resolution providing that retirees are not allowed to remain in the employee health insurance program. The premium charges are based on the rates paid for coverage under the previous health insurance plan. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims liabilities are established based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year-End
2013-14	\$ 93,724	\$ 1,164,586	\$ 1,258,310	\$ 0
2014-15	0	1,250,413	1,250,413	0

Workers' Compensation Insurance

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

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

Liability, Property, and Casualty

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

C. Contingent Liabilities

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

D. Changes in Administration

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

E. Joint Venture

The Twenty-eight Judicial District Drug Task Force (DTF) is participating in a joint venture formed by an interlocal agreement between the district attorney generals of the Twenty-eighth Judicial District, the Twenty-ninth Judicial District, the Thirtieth Judicial District, the Gibson County Sheriff's Department, and the West Tennessee Judicial Violent Crime and Drug Task Force (WTJDTF). The purpose of the entity is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities and highway criminal interdiction. Funds for the operations of the entity come primarily from federal grants, fines, and the forfeiture of assets to the entity. Gibson County made no contributions to the WTJDTF for the year ended June 30, 2015.

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

Administrative Office:

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

F. Jointly Governed Organizations

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

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

G. Retirement Commitments

Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

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

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

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	108
Inactive Employees Entitled to But Not Yet Receiving Benefits	158
Active Employees	<u>208</u>
Total	<u>474</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Gibson County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Gibson County were \$504,832 based on a rate of 6.24 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Gibson County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Gibson County's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period

July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
Short-term Securities	0.98	29
	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Gibson County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 22,382,418	\$ 20,740,836	\$ 1,641,582
Changes for the year:			
Service Cost	\$ 639,578	\$ 0	\$ 639,578
Interest	1,687,432	0	1,687,432
Differences Between Expected and Actual Experience	(965,043)	0	(965,043)
Contributions-Employer	0	481,899	(481,899)
Contributions-Employees	0	408,490	(408,490)
Net Investment Income	0	3,437,699	(3,437,699)
Benefit Payments, Including Refunds of Employee Contributions	(1,045,803)	(1,045,803)	0
Administrative Expense	0	(8,836)	8,836
Net Changes	\$ 316,164	\$ 3,273,449	\$ (2,957,285)
Balance, June 30, 2014	\$ 22,698,582	\$ 24,014,285	\$ (1,315,703)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Gibson County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

Gibson County	1% Decrease	Current Discount Rate	1% Increase
	6.5%	7.5%	8.5%
Net Pension Liability	\$ 1,488,094	\$ (1,315,703)	\$ (3,653,944)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Income. For the year ended June 30, 2015, Gibson County recognized pension income of \$160,547.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Gibson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 0	\$ 804,202
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,510,637
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>504,832</u>	<u>N/A</u>
Total	<u>\$ 504,832</u>	<u>\$ 2,314,839</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

<u>Year Ended June 30</u>	<u>Amount</u>
2016	\$ (538,500)
2017	(538,500)
2018	(538,500)
2019	(538,500)
2020	(160,839)
Thereafter	0

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

H. Purchasing Laws

Office of County Mayor

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

Office of Road Supervisor

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

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

A. Significant Accounting Policies

1. Organization and Reporting Entity

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

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

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

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

The district is accounted for as a single enterprise fund as prescribed by the state. Enterprise funds are a type of proprietary fund, and as such, are reported in accordance with generally accepted accounting principles for proprietary funds as defined by the Governmental Audit

Standards Board. Proprietary fund types are reported using the economic resources measurement focus and the accrual basis of accounting. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entities net position. The accrual basis of accounting recognizes income as it is earned and expenses as they are incurred, whether or not cash is received or paid out at that time.

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

3. Assets, Liabilities, and Net Position

a. Deposits and Investments

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

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

b. Accounts Receivable and Credit Risk

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

c. Capital Assets and Depreciation

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

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

d. Compensated Absences

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

The employee is limited to accumulating up to two weeks of leave per year to be taken in pay, and cannot carry any unused vacation leave at December 31 over to the next calendar year. At June 30, 2015, the liability for accrued leave was \$13,638.

e. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of June 30, 2015, the district has one item that is reported as deferred outflows of resources: pension contributions subsequent to the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. As of June 30, 2015, the district has two items that are reported as deferred inflows of resources: pensions – difference between expected and actual experience and pension difference between expected and actual earnings of pension plan investments.

f. Net Position Flow Assumption

Sometimes the district will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to

report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

g. Net Position

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

- Net investment in capital assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any payables that are attributable to the acquisition, construction, or improvement of those assets. When no payables are associated, it is referred to as investment in capital assets.
- Restricted – net position when constraints are placed on their use by external third parties or imposed by law.
- Unrestricted – all other net position that do not meet the definition of the other categories.

h. Revenues

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

i. Impact of Recently Issued Accounting Pronouncements

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

contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans - an Amendment of GASB Statement 25*, and Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. Statement No. 67, effective for fiscal years beginning after June 15, 2013, revises existing standards of financial reporting by state and local government pension plans and will be adopted by the pension plan itself. Statement No. 68 will affect the governments that participate as employers in these plans and is effective for fiscal years beginning after June 15, 2014. For governments to adopt Statement No. 68, the underlying pension plans must first adopt Statement No. 67. These statements establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement - determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. Statement No. 68 details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. The objective of Statement No. 68 is to improve accounting and financial reporting by state and local governments for pensions. These pension standards include significant changes to how governmental employers will report liabilities related to pension obligations. In addition to GASB Statement No. 68, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. GASB Statement No. 68 and Statement No. 71 were implemented in the year ended June 30, 2015, and resulted in the reporting of deferred inflows/outflows of resources and pension asset.

B. Stewardship, Compliance, and Accountability

Budgetary Compliance

The district adopts a budget in accordance with the requirements of the Tennessee Emergency Communications Board and *Tennessee Code Annotated*, Section 7-86-120. This budget is adopted on another comprehensive basis of accounting, which is not in accordance with generally accepted accounting

principles. The budgetary basis of accounting includes expenditures for capital assets but does not include depreciation.

Expenditures are required to be within budgetary limits at the line-item level of control. For the year ended 2015, there were nine line-items that exceeded the budgeted amounts: overtime by \$935, janitorial services by \$485, maintenance contracts by \$613, communications equipment by \$7,965, office building repairs by \$91, mowing and landscaping by \$455, licensing and fees by \$30, premiums on fidelity bonds by \$1,060, and depreciation expense by \$6,702.

C. Detailed Notes on Accounts

1. Deposits and Investments

The district's policies limit deposits and investments to those instruments allowed by applicable state laws and are described below. State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district's agent in the district's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the district to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2015, all bank deposits were fully collateralized or insured.

2. Unearned Revenue

The district received \$700,000 from Gibson County in May 2001, which represented advance payments of dispatch fees for the period May 2001 through April 2026. Revenue of \$2,333 will be recognized each month during the life of the contract.

3. Capital Assets

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

	Balance 7-1-14	Increases	Balance 6-30-15
Capital Assets Not Depreciated:			
Land	\$ 66,400	\$ 0	\$ 66,400
Capital Assets Depreciated:			
Buildings and Improvements	\$ 736,365	\$ 0	\$ 736,365
Office Equipment	194,777	1,150	195,927
Communications Equipment	991,952	42,315	1,034,267
Vehicles	20,941	0	20,941
Total Capital Assets Depreciated:	\$ 1,944,035	\$ 43,465	\$ 1,987,500
Less: Accumulated Depreciation For:			
Buildings and Improvements	\$ 344,584	\$ 27,173	\$ 371,757
Office Equipment	104,201	23,220	127,421
Communications Equipment	543,228	144,469	687,697
Vehicles	10,170	3,686	13,856
Total Accumulated Depreciation	\$ 1,002,183	\$ 198,548	\$ 1,200,731
Capital Assets, Net	\$ 1,008,252	\$ (155,083)	\$ 853,169

D. Other Information

1. Funding Sources

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

2. Retirement Plan

Plan Description

Employees of the Gibson County Emergency Communications District are provided a defined benefit pension plan through the Public

Employee Retirement Plan, an agent multiple-employer pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

Member and beneficiary annuitants are entitled to an automatic cost-of-living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	2
Inactive Employees Entitled to But Not Yet Receiving Benefits	6
Active Employees	<u>9</u>
Total	<u><u>17</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees of the district do not contribute any percentage of their salary. The district makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Gibson County Emergency Communications District were \$32,044 based on a rate of 7.51 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Gibson County Emergency Communications District's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The Gibson County Emergency Communications District's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	%	Percentage Target Allocations	%
U.S. Equity Developed Market	6.46	%	33	%
International Equity Emerging Market	6.26		17	
International Equity Private Equity and Strategic Lending	6.40		5	
U.S. Fixed Income Real Estate	4.61		8	
Short-term Securities	0.98		29	
	4.73		7	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from the district will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 736,438	\$ 814,994	\$ (78,556)
Changes for the year:			
Service Cost	\$ 34,775	\$ 0	\$ 34,775
Interest	57,624	0	57,624
Differences Between Expected and Actual Experience	(40,837)	0	(40,837)
Contributions-Employer	0	34,354	(34,354)
Contributions-Employees	0	0	0
Net Investment Income	0	137,447	(137,447)
Benefit Payments, Including Refunds of Employee Contributions	(5,789)	(5,789)	0
Administrative Expense	0	(358)	358
Net Changes	\$ 45,773	\$ 165,654	\$ (119,881)
Balance, June 30, 2014	\$ 782,211	\$ 980,648	\$ (198,437)

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the district calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent) than the current rate:

	1% Decrease 6.5%	Discount Rate 7.5%	1% Increase 8.5%
Gibson County Emergency Communications District			
Net Pension Liability (Asset)	\$ (74,140)	\$ (198,437)	\$ (302,082)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense. For the year ended June 30, 2015, the district recognized pension expense of \$10,417.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 35,732
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	60,212
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>32,044</u>	<u>N/A</u>
Total	<u>\$ 32,044</u>	<u>\$ 95,944</u>

(1) The amount shown above for “Contributions subsequent to the measurement date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ending June 30	Amount
2016	\$ (20,158)
2017	(20,158)
2018	(20,158)
2019	(20,158)
2020	(5,105)
Thereafter	(10,207)

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

Payable to the Pension Plan

At June 30, 2015, the district reported a payable of \$2,855 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

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.

4. Restatement of Beginning Net Position - GASB Statements No. 68 and 71 Implementation

As of July 1, 2014, a restatement of beginning net position was made for net pension liability and deferred inflows/outflows of resources on pension plan investments due to the system implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*. The implementation of GASB Statements No. 68 and 71 resulted in a restatement increasing the district's beginning net position by \$112,910.

E. Other Matters

Effective January 1, 2015, service fees assessed to non-wireless telephone subscribers in the county are remitted by the collecting telephone companies directly to the Tennessee Emergency Communications Board (TECB). The TECB

allocates the collected revenue by jurisdiction and makes payments to the local emergency communications districts. Prior to January 1, 2015, the district collected revenues from individual telephone companies one month in arrears of the time the charges were actually assessed to telephone subscribers and therefore always had one month of accrued, uncollected revenue receivable at the end of any month. At point of the change in the collection process mandated by the TECB, their decision was to account for revenues on an as collected basis so the district did not and will not collect the accrued revenues for December 2014. The effect of this change is to reflect only eleven months of revenue from non-wireless subscribers in the fiscal year ended June 30, 2015. This change did not affect operating cash flows as there were twelve months of actual collections of revenues.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

	<u>2014</u>
Total Pension Liability (Asset)	
Service Cost	\$ 639,578
Interest	1,687,432
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(965,043)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	(1,045,803)
Net Change in Total Pension Liability (Asset)	<u>\$ 316,164</u>
Total Pension Liability (Asset), Beginning	<u>22,382,418</u>
Total Pension Liability (Asset), Ending (a)	<u>\$ 22,698,582</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 481,899
Contributions - Employee	408,490
Net Investment Income	3,437,699
Benefit Payments, Including Refunds of Employee Contributions	(1,045,803)
Administrative Expense	(8,836)
Net Change in Plan Fiduciary Net Position	<u>\$ 3,273,449</u>
Plan Fiduciary Net Position, Beginning	<u>20,740,836</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 24,014,285</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (1,315,703)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.80%
Covered Employee Payroll	\$ 7,624,991
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	17.26%

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

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 481,899	\$ 504,832
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(481,899)</u>	<u>(504,832)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 7,624,991	\$ 8,245,808
Contributions as a Percentage of Covered Employee Payroll	6.32%	6.12%

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

GIBSON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	5 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Capital Projects Fund

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

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

Exhibit F-1

Gibson County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 13,586	\$ 13,586	\$ 0	\$ 13,586
Equity in Pooled Cash and Investments	118,949	36,778	0	155,727	668,239	823,966
Accounts Receivable	4,821	0	0	4,821	0	4,821
Due from Other Governments	25,196	0	0	25,196	0	25,196
Total Assets	<u>\$ 148,966</u>	<u>\$ 36,778</u>	<u>\$ 13,586</u>	<u>\$ 199,330</u>	<u>\$ 668,239</u>	<u>\$ 867,569</u>
<u>LIABILITIES</u>						
Due to Other Funds	\$ 43,354	\$ 0	\$ 13,586	\$ 56,940	\$ 0	\$ 56,940
Total Liabilities	<u>\$ 43,354</u>	<u>\$ 0</u>	<u>\$ 13,586</u>	<u>\$ 56,940</u>	<u>\$ 0</u>	<u>\$ 56,940</u>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 36,778	\$ 0	\$ 36,778	\$ 0	\$ 36,778
Restricted for Capital Projects	0	0	0	0	345,800	345,800
Committed:						
Committed for Public Health and Welfare	105,612	0	0	105,612	0	105,612
Committed for Capital Projects	0	0	0	0	322,439	322,439
Total Fund Balances	<u>\$ 105,612</u>	<u>\$ 36,778</u>	<u>\$ 0</u>	<u>\$ 142,390</u>	<u>\$ 668,239</u>	<u>\$ 810,629</u>
Total Liabilities and Fund Balances	<u>\$ 148,966</u>	<u>\$ 36,778</u>	<u>\$ 13,586</u>	<u>\$ 199,330</u>	<u>\$ 668,239</u>	<u>\$ 867,569</u>

Exhibit F-2

Gibson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds				Capital	Total
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Projects Fund General Capital Projects	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 0	\$ 15,684	\$ 0	\$ 15,684	\$ 0	\$ 15,684
Charges for Current Services	48,767	0	7,518	56,285	0	56,285
Other Local Revenues	346	0	0	346	0	346
State of Tennessee	0	0	0	0	345,800	345,800
Other Governments and Citizens Groups	25,197	0	0	25,197	0	25,197
Total Revenues	\$ 74,310	\$ 15,684	\$ 7,518	\$ 97,512	\$ 345,800	\$ 443,312
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 50,554	\$ 50,554	\$ 0	\$ 50,554
Administration of Justice	0	0	7,408	7,408	0	7,408
Public Safety	0	22,332	0	22,332	0	22,332
Public Health and Welfare	91,111	0	0	91,111	0	91,111
Capital Projects	0	0	0	0	121,832	121,832
Total Expenditures	\$ 91,111	\$ 22,332	\$ 57,962	\$ 171,405	\$ 121,832	\$ 293,237
Excess (Deficiency) of Revenues Over Expenditures	\$ (16,801)	\$ (6,648)	\$ (50,444)	\$ (73,893)	\$ 223,968	\$ 150,075
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 444,271	\$ 444,271
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 444,271	\$ 444,271

(Continued)

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	
Net Change in Fund Balances	\$ (16,801)	\$ (6,648)	\$ (50,444)	\$ (73,893)	\$ 668,239	\$ 594,346
Fund Balance, July 1, 2014	122,413	43,426	50,444	216,283	0	216,283
Fund Balance, June 30, 2015	\$ 105,612	\$ 36,778	\$ 0	\$ 142,390	\$ 668,239	\$ 810,629

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 48,767	\$ 20,000	\$ 20,000	\$ 28,767
Other Local Revenues	346	750	750	(404)
State of Tennessee	0	44,000	44,000	(44,000)
Other Governments and Citizens Groups	25,197	26,780	26,780	(1,583)
Total Revenues	\$ 74,310	\$ 91,530	\$ 91,530	\$ (17,220)
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 48,831	\$ 51,629	\$ 51,629	\$ 2,798
Other Waste Disposal	42,280	20,000	64,000	21,720
Total Expenditures	\$ 91,111	\$ 71,629	\$ 115,629	\$ 24,518
Excess (Deficiency) of Revenues Over Expenditures	\$ (16,801)	\$ 19,901	\$ (24,099)	\$ 7,298
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 44,849	\$ 44,849	\$ (44,849)
Total Other Financing Sources	\$ 0	\$ 44,849	\$ 44,849	\$ (44,849)
Net Change in Fund Balance	\$ (16,801)	\$ 64,750	\$ 20,750	\$ (37,551)
Fund Balance, July 1, 2014	122,413	94,173	94,173	28,240
Fund Balance, June 30, 2015	\$ 105,612	\$ 158,923	\$ 114,923	\$ (9,311)

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 15,684	\$ 18,000	\$ 18,000	\$ (2,316)
Charges for Current Services	0	450	450	(450)
Total Revenues	\$ 15,684	\$ 18,450	\$ 18,450	\$ (2,766)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 22,332	\$ 9,650	\$ 27,150	\$ 4,818
Total Expenditures	\$ 22,332	\$ 9,650	\$ 27,150	\$ 4,818
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,648)	\$ 8,800	\$ (8,700)	\$ 2,052
Net Change in Fund Balance	\$ (6,648)	\$ 8,800	\$ (8,700)	\$ 2,052
Fund Balance, July 1, 2014	43,426	43,328	43,328	98
Fund Balance, June 30, 2015	\$ 36,778	\$ 52,128	\$ 34,628	\$ 2,150

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Gibson County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 General Debt Service Fund
 For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 448,582	\$ 446,230	\$ 446,230	\$ 2,352
Other Local Revenues	163,243	221,205	221,205	(57,962)
State of Tennessee	734,815	49,000	49,000	685,815
Total Revenues	<u>\$ 1,346,640</u>	<u>\$ 716,435</u>	<u>\$ 716,435</u>	<u>\$ 630,205</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 905,000	\$ 905,000	\$ 905,000	\$ 0
<u>Interest on Debt</u>				
General Government	368,914	368,914	368,914	0
<u>Other Debt Service</u>				
General Government	17,030	473,271	29,000	11,970
Total Expenditures	<u>\$ 1,290,944</u>	<u>\$ 1,747,185</u>	<u>\$ 1,302,914</u>	<u>\$ 11,970</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 55,696</u>	<u>\$ (1,030,750)</u>	<u>\$ (586,479)</u>	<u>\$ 642,175</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (444,271)	\$ 0	\$ (444,271)	\$ 0
Total Other Financing Sources	<u>\$ (444,271)</u>	<u>\$ 0</u>	<u>\$ (444,271)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (388,575)	\$ (1,030,750)	\$ (1,030,750)	\$ 642,175
Fund Balance, July 1, 2014	<u>4,258,081</u>	<u>3,918,891</u>	<u>3,918,891</u>	<u>339,190</u>
Fund Balance, June 30, 2015	<u>\$ 3,869,506</u>	<u>\$ 2,888,141</u>	<u>\$ 2,888,141</u>	<u>\$ 981,365</u>

Fiduciary Funds

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

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

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

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

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

Exhibit H-1

Gibson County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

	Agency Funds				
	Cities - Sales Tax	Special School District	Constitu- tional Officers - Agency	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,574,678	\$ 0	\$ 1,574,678
Equity in Pooled Cash and Investments	0	26,452	0	91,405	117,857
Due from Other Governments	915,183	978,559	0	725	1,894,467
Property Taxes Receivable	0	12,301,014	0	0	12,301,014
Allowance for Uncollectible Property Taxes	0	(405,971)	0	0	(405,971)
Total Assets	<u>\$ 915,183</u>	<u>\$ 12,900,054</u>	<u>\$ 1,574,678</u>	<u>\$ 92,130</u>	<u>\$ 15,482,045</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 915,183	\$ 12,900,054	\$ 0	\$ 0	\$ 13,815,237
Due to Litigants, Heirs, and Others	0	0	1,574,678	92,130	1,666,808
Total Liabilities	<u>\$ 915,183</u>	<u>\$ 12,900,054</u>	<u>\$ 1,574,678</u>	<u>\$ 92,130</u>	<u>\$ 15,482,045</u>

Exhibit H-2

Gibson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 5,366,465	\$ 5,366,465	\$ 0
Due from Other Governments	909,014	915,183	909,014	915,183
Total Assets	\$ 909,014	\$ 6,281,648	\$ 6,275,479	\$ 915,183
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 909,014	\$ 6,281,648	\$ 6,275,479	\$ 915,183
Total Liabilities	\$ 909,014	\$ 6,281,648	\$ 6,275,479	\$ 915,183
<u>Special School District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 16,316	\$ 17,600,041	\$ 17,589,905	\$ 26,452
Accounts Receivable	4,482	0	4,482	0
Due from Other Governments	980,146	978,559	980,146	978,559
Taxes Receivable	12,138,793	12,301,014	12,138,793	12,301,014
Allowance for Uncollectible Taxes	(416,028)	(405,971)	(416,028)	(405,971)
Total Assets	\$ 12,723,709	\$ 30,473,643	\$ 30,297,298	\$ 12,900,054
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 12,723,709	\$ 30,473,643	\$ 30,297,298	\$ 12,900,054
Total Liabilities	\$ 12,723,709	\$ 30,473,643	\$ 30,297,298	\$ 12,900,054
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,434,797	\$ 8,405,622	\$ 8,265,741	\$ 1,574,678
Total Assets	\$ 1,434,797	\$ 8,405,622	\$ 8,265,741	\$ 1,574,678
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,434,797	\$ 8,405,622	\$ 8,265,741	\$ 1,574,678
Total Liabilities	\$ 1,434,797	\$ 8,405,622	\$ 8,265,741	\$ 1,574,678

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 100,113	\$ 16,113	\$ 24,821	\$ 91,405
Due from Other Governments	901	725	901	725
Total Assets	\$ 101,014	\$ 16,838	\$ 25,722	\$ 92,130
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 101,014	\$ 16,838	\$ 25,722	\$ 92,130
Total Liabilities	\$ 101,014	\$ 16,838	\$ 25,722	\$ 92,130
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,434,797	\$ 8,405,622	\$ 8,265,741	\$ 1,574,678
Equity in Pooled Cash and Investments	116,429	22,982,619	22,981,191	117,857
Accounts Receivable	4,482	0	4,482	0
Due from Other Governments	1,890,061	1,894,467	1,890,061	1,894,467
Taxes Receivable	12,138,793	12,301,014	12,138,793	12,301,014
Allowance for Uncollectible Taxes	(416,028)	(405,971)	(416,028)	(405,971)
Total Assets	\$ 15,168,534	\$ 45,177,751	\$ 44,864,240	\$ 15,482,045
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 13,632,723	\$ 36,755,291	\$ 36,572,777	\$ 13,815,237
Due to Litigants, Heirs, and Others	1,535,811	8,422,460	8,291,463	1,666,808
Total Liabilities	\$ 15,168,534	\$ 45,177,751	\$ 44,864,240	\$ 15,482,045

MISCELLANEOUS SCHEDULES

Exhibit I-1

Gibson County, Tennessee
Schedule of Changes in Long-term Bonds
For the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-15
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Refunding, Series 2009	\$ 4,450,000	3 to 4.3 %	10-1-09	6-1-33	\$ 3,950,000	\$ 0	\$ 0	\$ 3,950,000
General Obligation Refunding, Series 2012	9,860,000	.5 to 2.4	4-12-12	6-1-29	9,735,000	0	560,000	9,175,000
General Obligation, Series 2012B	2,250,000	1 to 2	9-10-12	6-1-26	1,590,000	0	345,000	1,245,000
General Obligation, Series 2015	3,025,000	2 to 2.5	6-30-15	6-1-30	0	3,025,000	0	3,025,000
Total Bonds Payable					\$ 15,275,000	\$ 3,025,000	\$ 905,000	\$ 17,395,000

Exhibit I-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 1,055,000	\$ 421,960	\$ 1,476,960
2017	1,065,000	413,389	1,478,389
2018	1,090,000	399,276	1,489,276
2019	1,110,000	383,146	1,493,146
2020	965,000	364,846	1,329,846
2021	980,000	347,134	1,327,134
2022	940,000	327,109	1,267,109
2023	975,000	307,871	1,282,871
2024	920,000	287,471	1,207,471
2025	885,000	267,471	1,152,471
2026	920,000	247,676	1,167,676
2027	965,000	226,356	1,191,356
2028	970,000	203,461	1,173,461
2029	870,000	180,031	1,050,031
2030	970,000	152,281	1,122,281
2031	860,000	114,788	974,788
2032	905,000	79,311	984,311
2033	950,000	40,850	990,850
Total	\$ 17,395,000	\$ 4,764,427	\$ 22,159,427

Exhibit I-3

Gibson County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Highway/Public Works	Capital outlay	\$ 94,146
General Debt Service	General Capital Projects	"	<u>444,271</u>
Total Transfers			<u>\$ 538,417</u>

Exhibit I-4

Gibson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
For the Year Ended June 30, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> , and Chapter 111, Private Acts of 1929	\$ 89,270	\$ 100,000	RLI Insurance Company
Road Supervisor	Section 8-24-102, <i>TCA</i>	82,771	100,000	"
Trustee:				
LeAnne Smith (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	12,711 (1)	1,044,330	"
Dana Davidson (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	58,552	1,204,121	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	71,263 (1)	50,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	71,263 (1)	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	71,263 (1)	50,000	"
Clerk and Master - Trenton	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	70,263 (2)	115,000	"
Clerk and Master - Humboldt	Section 8-24-102, <i>TCA</i>	71,263 (1)	65,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	71,263 (1)	50,000	"
Sheriff:				
Charles Arnold (9-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i> and County Commission	14,770 (3) (4)	25,000	"
Paul Thomas (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i> and County Commission	71,449 (3) (5)	100,000	"
Employee Blanket Bonds:				
All Employees			150,000	Local Government Property and Casualty Fund

- (1) Includes a certified public administrator supplement of \$1,000.
- (2) Does not include special commissioner fees of \$7,408.
- (3) Includes a law enforcement training supplement of \$600.
- (4) Includes \$1,288 for supervising the county workhouse.
- (5) Includes \$6,441 for supervising the county workhouse.

Exhibit I-5

Gibson County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2015

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,729,051	\$ 0	\$ 0	\$ 0	\$ 947,273	\$ 146,268
Trustee's Collections - Prior Year	154,159	0	0	0	26,418	12,170
Trustee's Collections - Bankruptcy	2,354	0	0	0	374	198
Circuit Clerk/Clerk and Master Collections - Prior Years	127,325	0	0	0	20,104	10,052
Interest and Penalty	32,444	0	0	0	5,103	2,044
Payments in-Lieu-of Taxes - T.V.A.	89	0	0	0	15	2
Payments in-Lieu-of Taxes - Local Utilities	76,738	0	0	0	12,560	2,046
Payments in-Lieu-of Taxes - Other	14,771	0	0	0	2,437	469
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	384,900	0
Hotel/Motel Tax	70,391	0	0	0	0	0
Wheel Tax	421,695	0	0	0	843,386	210,848
Litigation Tax - General	97,745	0	0	0	0	0
Litigation Tax - Special Purpose	12,861	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	45,687
Business Tax	388,404	0	0	0	0	0
Mixed Drink Tax	1,359	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	37,595	0	0	0	18,798	18,798
Wholesale Beer Tax	69,064	0	0	0	0	0
Interstate Telecommunications Tax	849	0	0	0	1,019	0
Total Local Taxes	\$ 7,236,894	\$ 0	\$ 0	\$ 0	\$ 2,262,387	\$ 448,582

(Continued)

Exhibit I-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Vaccination	\$ 7,440	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	72,666	0	0	0	0	0
<u>Permits</u>						
Beer Permits	729	0	0	0	0	0
Building Permits	34,474	0	0	0	0	0
Total Licenses and Permits	<u>\$ 115,309</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 442	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	7,441	0	0	0	0	0
Drug Court Fees	1,694	0	0	0	0	0
Jail Fees	5,187	0	0	0	0	0
DUI Treatment Fines	285	0	0	0	0	0
Data Entry Fee - Circuit Court	545	0	0	0	0	0
Victims Assistance Assessments	1,923	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	9,539	0	0	0	0	0
Officers Costs	38,847	0	0	0	0	0
Game and Fish Fines	288	0	0	0	0	0
Drug Control Fines	0	0	2,632	0	0	0
Drug Court Fees	2,413	0	0	0	0	0
Jail Fees	9,269	0	0	0	0	0
DUI Treatment Fines	3,887	0	0	0	0	0
Data Entry Fee - General Sessions Court	8,292	0	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					Debt Service
	General	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Courtroom Security Fee	\$ 1,372	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Victims Assistance Assessments	10,331	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	3,277	0	0	0	0	0
Officers Costs	14,511	0	0	0	0	0
Data Entry Fee - Juvenile Court	2,380	0	0	0	0	0
Courtroom Security Fee	304	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,930	0	0	0	0	0
Data Entry Fee - Chancery Court	5,606	0	0	0	0	0
Courtroom Security Fee	503	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	4,809	0	0	0	0	0
Officers Costs	49,030	0	0	0	0	0
Drug Control Fines	119	0	9,075	0	0	0
Drug Court Fees	5,169	0	0	0	0	0
Jail Fees	22,078	0	0	0	0	0
DUI Treatment Fines	9,074	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Data Entry Fee - Other Courts	7,437	0	0	0	0	0
Courtroom Security Fee	1,035	0	0	0	0	0
Victims Assistance Assessments	34,569	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	3,977	0	0	0
Other Fines, Forfeitures, and Penalties	28,202	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 291,788	\$ 0	\$ 15,684	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 17,902	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	30,865	0	0	0	0
Patient Charges	2,758,696	0	0	0	0	0
Other General Service Charges	2,150	0	0	0	0	0
Service Charges	52,708	0	0	0	0	0
<u>Fees</u>						
Airport Fees	67,332	0	0	0	0	0
Recreation Fees	180	0	0	0	0	0
Copy Fees	15	0	0	0	0	0
Library Fees	4,803	0	0	0	0	0
Telephone Commissions	46,081	0	0	0	0	0
Vending Machine Collections	743	0	0	0	2,509	0
Constitutional Officers' Fees and Commissions	0	0	0	7,518	0	0
Data Processing Fee - Register	14,266	0	0	0	0	0
Data Processing Fee - Sheriff	10,319	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,450	0	0	0	0	0
Data Processing Fee - County Clerk	687	0	0	0	0	0
Total Charges for Current Services	\$ 2,962,430	\$ 48,767	\$ 0	\$ 7,518	\$ 2,509	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 163,243
Lease/Rentals	46,873	0	0	0	0	0
Sale of Materials and Supplies	35,438	0	0	0	19,054	0
Commissary Sales	91,886	0	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Recycled Materials	\$ 0	\$ 346	\$ 0	\$ 0	\$ 0	\$ 0
E-Rate Funding	2,299	0	0	0	0	0
Sale of Animals/Livestock	3,350	0	0	0	0	0
Miscellaneous Refunds	8,855	0	0	0	21,506	0
<u>Nonrecurring Items</u>						
Sale of Equipment	5,000	0	0	0	27,359	0
Sale of Property	10,708	0	0	0	0	0
Damages Recovered from Individuals	300	0	0	0	0	0
Contributions and Gifts	7,256	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	53,491	0	0	0	0	0
Total Other Local Revenues	\$ 265,456	\$ 346	\$ 0	\$ 0	\$ 67,919	\$ 163,243
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
Register	\$ 217,257	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees In-Lieu-of Salary</u>						
County Clerk	478,296	0	0	0	0	0
Circuit Court Clerk	42,580	0	0	0	0	0
General Sessions Court Clerk	131,065	0	0	0	0	0
Clerk and Master	148,915	0	0	0	0	0
Sheriff	19,031	0	0	0	0	0
Trustee	588,912	0	0	0	0	0
Other Officials	182,676	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,808,732	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	84,384	0	0	0	0	0
Aging Programs	164,800	0	0	0	0	0
Other General Government Grants	17,725	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	15,000	0	0	0	0	0
Drug Control Grants	49,877	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	280,673	0	0	0	0	0
Other Health and Welfare Grants	29,776	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	414,370	0
Litter Program	46,971	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	34,487
Beer Tax	8,357	0	0	0	0	0
Vehicle Certificate of Title Fees	8,920	0	0	0	0	0
Alcoholic Beverage Tax	100,831	0	0	0	0	0
State Revenue Sharing - T.V.A.	233,443	0	0	0	0	700,328
Contracted Prisoner Boarding	1,467,235	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,046,926	0
Petroleum Special Tax	0	0	0	0	35,848	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	2,203	0	0	0	0	0
Total State of Tennessee	\$ 2,529,859	\$ 0	\$ 0	\$ 0	\$ 2,497,144	\$ 734,815

(Continued)

Exhibit I-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 71,876	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	107,840	0	0	0	0	0
Disaster Relief	0	0	0	0	164,711	0
Homeland Security Grants	365,011	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Forest Service	0	0	0	0	17,498	0
Other Direct Federal Revenue	9,800	0	0	0	0	0
Total Federal Government	<u>\$ 554,527</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 182,209</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 35,160	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	52,675	25,197	0	0	0	0
<u>Citizens Groups</u>						
Donations	1,858	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 89,693</u>	<u>\$ 25,197</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 15,854,688</u>	<u>\$ 74,310</u>	<u>\$ 15,684</u>	<u>\$ 7,518</u>	<u>\$ 5,012,168</u>	<u>\$ 1,346,640</u>

(Continued)

Exhibit I-5

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

	<u>Capital Projects Fund</u>		
	General	Capital	
	Projects	Projects	Total
<hr/>			
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$	0	\$ 6,822,592
Trustee's Collections - Prior Year		0	192,747
Trustee's Collections - Bankruptcy		0	2,926
Circuit Clerk/Clerk and Master Collections - Prior Years		0	157,481
Interest and Penalty		0	39,591
Payments in-Lieu-of Taxes - T.V.A.		0	106
Payments in-Lieu-of Taxes - Local Utilities		0	91,344
Payments in-Lieu-of Taxes - Other		0	17,677
<u>County Local Option Taxes</u>			
Local Option Sales Tax		0	384,900
Hotel/Motel Tax		0	70,391
Wheel Tax		0	1,475,929
Litigation Tax - General		0	97,745
Litigation Tax - Special Purpose		0	12,861
Litigation Tax - Jail, Workhouse, or Courthouse		0	45,687
Business Tax		0	388,404
Mixed Drink Tax		0	1,359
<u>Statutory Local Taxes</u>			
Bank Excise Tax		0	75,191
Wholesale Beer Tax		0	69,064
Interstate Telecommunications Tax		0	1,868
Total Local Taxes	<u>\$</u>	<u>0</u>	<u>\$ 9,947,863</u>

(Continued)

Exhibit I-5

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

	Capital Projects Fund	
	General Capital Projects	Total
<hr/>		
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Animal Vaccination	\$ 0	\$ 7,440
Cable TV Franchise	0	72,666
<u>Permits</u>		
Beer Permits	0	729
Building Permits	0	34,474
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 115,309</u>
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	\$ 0	\$ 442
Officers Costs	0	7,441
Drug Court Fees	0	1,694
Jail Fees	0	5,187
DUI Treatment Fines	0	285
Data Entry Fee - Circuit Court	0	545
Victims Assistance Assessments	0	1,923
<u>General Sessions Court</u>		
Fines	0	9,539
Officers Costs	0	38,847
Game and Fish Fines	0	288
Drug Control Fines	0	2,632
Drug Court Fees	0	2,413
Jail Fees	0	9,269
DUI Treatment Fines	0	3,887
Data Entry Fee - General Sessions Court	0	8,292

(Continued)

Exhibit I-5

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

	Capital Projects Fund	
	General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>General Sessions Court (Cont.)</u>		
Courtroom Security Fee	\$ 0	\$ 1,372
Victims Assistance Assessments	0	10,331
<u>Juvenile Court</u>		
Fines	0	3,277
Officers Costs	0	14,511
Data Entry Fee - Juvenile Court	0	2,380
Courtroom Security Fee	0	304
<u>Chancery Court</u>		
Officers Costs	0	1,930
Data Entry Fee - Chancery Court	0	5,606
Courtroom Security Fee	0	503
<u>Other Courts - In-county</u>		
Fines	0	4,809
Officers Costs	0	49,030
Drug Control Fines	0	9,194
Drug Court Fees	0	5,169
Jail Fees	0	22,078
DUI Treatment Fines	0	9,074
<u>Judicial District Drug Program</u>		
Data Entry Fee - Other Courts	0	7,437
Courtroom Security Fee	0	1,035
Victims Assistance Assessments	0	34,569
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	0	3,977
Other Fines, Forfeitures, and Penalties	0	28,202
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 307,472

(Continued)

Exhibit I-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Tipping Fees	\$ 0	\$ 17,902
Surcharge - Waste Tire Disposal	0	30,865
Patient Charges	0	2,758,696
Other General Service Charges	0	2,150
Service Charges	0	52,708
<u>Fees</u>		
Airport Fees	0	67,332
Recreation Fees	0	180
Copy Fees	0	15
Library Fees	0	4,803
Telephone Commissions	0	46,081
Vending Machine Collections	0	3,252
Constitutional Officers' Fees and Commissions	0	7,518
Data Processing Fee - Register	0	14,266
Data Processing Fee - Sheriff	0	10,319
Sexual Offender Registration Fee - Sheriff	0	4,450
Data Processing Fee - County Clerk	0	687
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 3,021,224</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 163,243
Lease/Rentals	0	46,873
Sale of Materials and Supplies	0	54,492
Commissary Sales	0	91,886

(Continued)

Exhibit I-5

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

	Capital Projects Fund General Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>		
<u>Recurring Items (Cont.)</u>		
Sale of Recycled Materials	\$ 0	\$ 346
E-Rate Funding	0	2,299
Sale of Animals/Livestock	0	3,350
Miscellaneous Refunds	0	30,361
<u>Nonrecurring Items</u>		
Sale of Equipment	0	32,359
Sale of Property	0	10,708
Damages Recovered from Individuals	0	300
Contributions and Gifts	0	7,256
<u>Other Local Revenues</u>		
Other Local Revenues	0	53,491
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 496,964</u>
<u>Fees Received From County Officials</u>		
<u>Excess Fees</u>		
Register	\$ 0	\$ 217,257
<u>Fees In-Lieu-of Salary</u>		
County Clerk	0	478,296
Circuit Court Clerk	0	42,580
General Sessions Court Clerk	0	131,065
Clerk and Master	0	148,915
Sheriff	0	19,031
Trustee	0	588,912
Other Officials	0	182,676
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 1,808,732</u>

(Continued)

Exhibit I-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 4,500
Airport Maintenance Program	0	84,384
Aging Programs	0	164,800
Other General Government Grants	0	17,725
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	15,000
Drug Control Grants	0	49,877
<u>Health and Welfare Grants</u>		
Health Department Programs	0	280,673
Other Health and Welfare Grants	345,800	375,576
<u>Public Works Grants</u>		
Bridge Program	0	414,370
Litter Program	0	46,971
<u>Other State Revenues</u>		
Income Tax	0	34,487
Beer Tax	0	8,357
Vehicle Certificate of Title Fees	0	8,920
Alcoholic Beverage Tax	0	100,831
State Revenue Sharing - T.V.A.	0	933,771
Contracted Prisoner Boarding	0	1,467,235
Gasoline and Motor Fuel Tax	0	2,046,926
Petroleum Special Tax	0	35,848
Registrar's Salary Supplement	0	15,164
Other State Grants	0	2,203
Total State of Tennessee	<u>\$ 345,800</u>	<u>\$ 6,107,618</u>

(Continued)

Exhibit I-5

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

	<u>Capital Projects Fund</u>		
	General	Capital	
	Projects		Total
<hr/>			
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA - Other	\$	0	\$ 71,876
Civil Defense Reimbursement		0	107,840
Disaster Relief		0	164,711
Homeland Security Grants		0	365,011
<u>Direct Federal Revenue</u>			
Forest Service		0	17,498
Other Direct Federal Revenue		0	9,800
Total Federal Government	<u>\$</u>	<u>0</u>	<u>\$ 736,736</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$	0	\$ 35,160
Contracted Services		0	77,872
<u>Citizens Groups</u>			
Donations		0	1,858
Total Other Governments and Citizens Groups	<u>\$</u>	<u>0</u>	<u>\$ 114,890</u>
Total	<u>\$</u>	<u>345,800</u>	<u>\$ 22,656,808</u>

Exhibit I-6

Gibson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	15,900	
Other Per Diem and Fees		8,050	
Social Security		1,485	
Employer Medicare		347	
Audit Services		14,905	
Consultants		4,378	
Dues and Memberships		2,000	
Legal Notices, Recording, and Court Costs		3,015	
Travel		962	
Other Charges		454	
Total County Commission			\$ 51,496

Board of Equalization

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

County Mayor/Executive

County Official/Administrative Officer	\$	89,270	
Deputy(ies)		39,353	
Part-time Personnel		18,765	
Educational Incentive - Other County Employees		1,000	
Social Security		9,040	
State Retirement		8,035	
Employee and Dependent Insurance		13,038	
Employer Medicare		2,114	
Communication		2,454	
Dues and Memberships		1,938	
Legal Notices, Recording, and Court Costs		139	
Maintenance Agreements		9,896	
Maintenance and Repair Services - Equipment		673	
Postal Charges		998	
Printing, Stationery, and Forms		1,123	
Rentals		2,565	
Travel		8,036	
Office Supplies		5,030	
Liability Insurance		1,458	
Workers' Compensation Insurance		120	
In Service/Staff Development		100	
Data Processing Equipment		1,438	
Total County Mayor/Executive			216,583

County Attorney

Dues and Memberships	\$	100	
Legal Services		22,177	
Total County Attorney			22,277

(Continued)

Exhibit I-6

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	65,112	
Deputy(ies)		26,568	
Part-time Personnel		11,385	
Board and Committee Members Fees		3,225	
Election Workers		48,686	
Social Security		6,225	
State Retirement		5,727	
Employee and Dependent Insurance		13,038	
Employer Medicare		1,456	
Contracts with Private Agencies		10,265	
Legal Notices, Recording, and Court Costs		14,644	
Maintenance Agreements		12,400	
Maintenance and Repair Services - Office Equipment		650	
Postal Charges		4,459	
Printing, Stationery, and Forms		2,652	
Travel		2,995	
Office Supplies		3,947	
Liability Insurance		1,849	
Workers' Compensation Insurance		130	
Total Election Commission			\$ 235,413

Register of Deeds

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		92,902	
Educational Incentive - Official/Admin Officer		1,000	
In-service Training		275	
Social Security		9,741	
State Retirement		10,192	
Employee and Dependent Insurance		26,076	
Employer Medicare		2,278	
Dues and Memberships		522	
Maintenance Agreements		9,138	
Postal Charges		1,491	
Printing, Stationery, and Forms		1,812	
Travel		866	
Data Processing Supplies		1,571	
Liability Insurance		3,147	
Workers' Compensation Insurance		232	
In Service/Staff Development		600	
Data Processing Equipment		10,099	
Total Register of Deeds			242,205

Development

Contracts with Government Agencies	\$	52,403
Contracts with Private Agencies		8,652
Legal Notices, Recording, and Court Costs		42
Maintenance and Repair Services - Office Equipment		125

(Continued)

Exhibit I-6

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

General Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Postal Charges	\$	288	
Travel		1,564	
Office Supplies		333	
Office Equipment		456	
Total Development			\$ 63,863

County Buildings

Custodial Personnel	\$	80,171	
Social Security		4,790	
State Retirement		4,734	
Employee and Dependent Insurance		19,557	
Employer Medicare		1,120	
Communication		45,734	
Engineering Services		11,604	
Maintenance and Repair Services - Buildings		58,432	
Maintenance and Repair Services - Equipment		51,759	
Maintenance and Repair Services - Vehicles		269	
Permits		165	
Custodial Supplies		3,205	
Food Supplies		435	
Gasoline		699	
Natural Gas		25,256	
Utilities		99,217	
Other Supplies and Materials		1,081	
Liability Insurance		25,416	
Workers' Compensation Insurance		2,192	
Heating and Air Conditioning Equipment		299	
Total County Buildings			436,135

Preservation of Records

In-service Training	\$	85	
Travel		195	
Other Supplies and Materials		472	
Data Processing Equipment		860	
Total Preservation of Records			1,612

Finance

Accounting and Budgeting

Supervisor/Director	\$	60,816	
Educational Incentive - Other County Employees		1,000	
Other Salaries and Wages		54,954	
Social Security		7,204	
State Retirement		3,798	
Employee and Dependent Insurance		6,519	
Employer Medicare		1,685	
Workers' Compensation Insurance		105	
In Service/Staff Development		100	
Total Accounting and Budgeting			136,181

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		117,802	
Part-time Personnel		11,951	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		2,000	
In-service Training		550	
Social Security		11,548	
State Retirement		11,748	
Employee and Dependent Insurance		26,076	
Employer Medicare		2,701	
Data Processing Services		17,336	
Dues and Memberships		1,975	
Maintenance Agreements		3,513	
Maintenance and Repair Services - Office Equipment		37	
Postal Charges		10,604	
Printing, Stationery, and Forms		391	
Travel		4,620	
Other Contracted Services		21,560	
Office Supplies		2,481	
Liability Insurance		2,111	
Workers' Compensation Insurance		281	
Furniture and Fixtures		1,808	
Total Property Assessor's Office			\$ 322,356

Reappraisal Program

Deputy(ies)	\$	28,000	
Social Security		1,323	
State Retirement		1,749	
Employee and Dependent Insurance		6,519	
Employer Medicare		309	
Data Processing Services		5,707	
Travel		2,510	
Workers' Compensation Insurance		1,255	
Total Reappraisal Program			47,372

County Trustee's Office

County Official/Administrative Officer	\$	70,263
Deputy(ies)		96,065
Part-time Personnel		10,230
Educational Incentive - Official/Admin Officer		1,000
Educational Incentive - Other County Employees		4,000
Social Security		11,002
State Retirement		10,391
Employee and Dependent Insurance		32,596
Employer Medicare		2,573
Dues and Memberships		847
Legal Notices, Recording, and Court Costs		196

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Maintenance Agreements	\$	17,491	
Postal Charges		10,115	
Printing, Stationery, and Forms		2,821	
Travel		3,559	
Office Supplies		4,540	
Liability Insurance		692	
Workers' Compensation Insurance		238	
In Service/Staff Development		400	
Data Processing Equipment		10,645	
Furniture and Fixtures		342	
Total County Trustee's Office			\$ 290,006

County Clerk's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		369,906	
Part-time Personnel		16,481	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		1,000	
In-service Training		800	
Social Security		26,541	
State Retirement		27,433	
Employee and Dependent Insurance		65,161	
Employer Medicare		6,207	
Dues and Memberships		947	
Maintenance Agreements		19,780	
Maintenance and Repair Services - Office Equipment		105	
Postal Charges		10,112	
Printing, Stationery, and Forms		2,556	
Rentals		7,891	
Travel		2,472	
Maintenance and Repair Services - Records		200	
Other Contracted Services		741	
Library Books/Media		1,846	
Office Supplies		10,769	
Liability Insurance		4,097	
Workers' Compensation Insurance		797	
Data Processing Equipment		14,645	
Office Equipment		93	
Total County Clerk's Office			661,843

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		192,238	
Salary Supplements		1,800	
Part-time Personnel		10,680	
Educational Incentive - Official/Admin Officer		1,000	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Educational Incentive - Other County Employees	\$	6,000	
Jury and Witness Expense		13,747	
Social Security		16,452	
State Retirement		16,491	
Employee and Dependent Insurance		45,634	
Employer Medicare		3,848	
Contracts with Private Agencies		1,050	
Dues and Memberships		767	
Legal Notices, Recording, and Court Costs		228	
Maintenance Agreements		10,692	
Maintenance and Repair Services - Office Equipment		3,119	
Postal Charges		4,997	
Printing, Stationery, and Forms		881	
Travel		2,438	
Data Processing Supplies		706	
Office Supplies		4,742	
Liability Insurance		2,928	
Workers' Compensation Insurance		486	
In Service/Staff Development		700	
Data Processing Equipment		3,206	
Total Circuit Court			\$ 415,093

General Sessions Court

Judge(s)	\$	158,636	
Supervisor/Director		34,658	
Educational Assistants		4,800	
Part-time Personnel		1,600	
Social Security		9,845	
State Retirement		12,318	
Employer Medicare		2,885	
Communication		360	
Dues and Memberships		520	
Postal Charges		98	
Travel		1,123	
Office Supplies		1,835	
Liability Insurance		3,242	
Workers' Compensation Insurance		80	
Office Equipment		2,066	
Total General Sessions Court			234,066

Drug Court

Supervisor/Director	\$	29,166
In-service Training		913
Social Security		1,808
State Retirement		1,822
Employer Medicare		423
Travel		2,291

(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.)

Drugs and Medical Supplies	\$	5,989	
Other Supplies and Materials		146	
Workers' Compensation Insurance		59	
Other Charges		93	
Total Drug Court			\$ 42,710

Chancery Court

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		148,784	
Educational Incentive - Other County Employees		2,000	
Social Security		13,192	
State Retirement		13,481	
Employee and Dependent Insurance		26,076	
Employer Medicare		3,085	
Data Processing Services		8,775	
Dues and Memberships		817	
Maintenance Agreements		216	
Maintenance and Repair Services - Office Equipment		91	
Postal Charges		1,197	
Rentals		3,789	
Travel		56	
Office Supplies		6,233	
Liability Insurance		3,382	
Workers' Compensation Insurance		309	
In Service/Staff Development		900	
Data Processing Equipment		252	
Office Equipment		2,609	
Total Chancery Court			305,507

Juvenile Court

Judge(s)	\$	55,890
Youth Service Officer(s)		49,796
Part-time Personnel		15,968
Other Salaries and Wages		88,961
In-service Training		70
Social Security		10,575
State Retirement		11,574
Employee and Dependent Insurance		32,596
Employer Medicare		2,473
Communication		1,026
Dues and Memberships		540
Legal Notices, Recording, and Court Costs		350
Maintenance Agreements		7,166
Maintenance and Repair Services - Office Equipment		990
Postal Charges		2,926
Printing, Stationery, and Forms		465
Travel		1,197

(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.)

Other Contracted Services	\$	6,551	
Office Supplies		2,359	
Liability Insurance		9,558	
Workers' Compensation Insurance		335	
Data Processing Equipment		13,964	
Furniture and Fixtures		3,595	
Office Equipment		675	
Other Equipment		498	
Total Juvenile Court			\$ 320,098

Other Administration of Justice

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		155,597	
Salary Supplements		2,109	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		3,000	
Jury and Witness Expense		21,209	
In-service Training		100	
Social Security		13,735	
State Retirement		14,260	
Employee and Dependent Insurance		32,596	
Employer Medicare		3,212	
Contracts with Government Agencies		2,400	
Dues and Memberships		842	
Maintenance Agreements		18,387	
Maintenance and Repair Services - Office Equipment		85	
Postal Charges		3,734	
Printing, Stationery, and Forms		784	
Rentals		14,766	
Travel		261	
Data Processing Supplies		624	
Office Supplies		6,357	
Liability Insurance		1,612	
Workers' Compensation Insurance		360	
Furniture and Fixtures		5,900	
Total Other Administration of Justice			373,193

Victim Assistance Programs

Contributions	\$	50,320	
Total Victim Assistance Programs			50,320

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	85,019	
Assistant(s)		51,921	
Deputy(ies)		877,584	
Youth Service Officer(s)		33,932	

(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.)

Accountants/Bookkeepers	\$	32,957	
Salary Supplements		31,800	
Clerical Personnel		72,597	
Overtime Pay		64,453	
Other Salaries and Wages		106,655	
In-service Training		12,448	
Social Security		82,678	
State Retirement		81,717	
Employee and Dependent Insurance		189,057	
Employer Medicare		19,336	
Communication		2,265	
Contracts with Government Agencies		4,171	
Contracts with Private Agencies		30,000	
Maintenance and Repair Services - Buildings		9,672	
Maintenance and Repair Services - Vehicles		47,340	
Postal Charges		5,335	
Printing, Stationery, and Forms		11,425	
Travel		16,922	
Gasoline		120,375	
Law Enforcement Supplies		5,245	
Uniforms		15,793	
Other Supplies and Materials		8,470	
Liability Insurance		136,551	
Workers' Compensation Insurance		34,361	
Data Processing Equipment		44,761	
Law Enforcement Equipment		42,965	
Motor Vehicles		98,529	
Total Sheriff's Department			\$ 2,376,334

Jail

Guards	\$	1,042,459
Clerical Personnel		31,306
Cafeteria Personnel		30,930
Overtime Pay		39,107
Social Security		68,576
State Retirement		70,877
Employee and Dependent Insurance		169,494
Employer Medicare		16,018
Maintenance and Repair Services - Buildings		34,957
Medical and Dental Services		242,949
Custodial Supplies		25,350
Food Supplies		199,750
Natural Gas		30,179
Uniforms		13,079
Utilities		147,249
Other Supplies and Materials		19,822
Liability Insurance		18,298

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Workers' Compensation Insurance	\$	30,996	
Other Charges		11,988	
Law Enforcement Equipment		7,723	
Total Jail			\$ 2,251,107

Fire Prevention and Control

Supervisor/Director	\$	41,543	
In-service Training		28,100	
Social Security		2,084	
State Retirement		2,595	
Employee and Dependent Insurance		6,519	
Employer Medicare		488	
Communication		3,404	
Contracts with Private Agencies		4,000	
Dues and Memberships		570	
Legal Notices, Recording, and Court Costs		322	
Licenses		35	
Maintenance and Repair Services - Buildings		2,320	
Maintenance and Repair Services - Equipment		10,209	
Maintenance and Repair Services - Vehicles		20,253	
Travel		754	
Diesel Fuel		8,588	
Food Supplies		283	
Gasoline		9,238	
Natural Gas		64	
Office Supplies		1,091	
Uniforms		304	
Utilities		25,204	
Other Supplies and Materials		8,551	
Liability Insurance		39,460	
Workers' Compensation Insurance		18,488	
Communication Equipment		2,650	
Motor Vehicles		10,000	
Office Equipment		625	
Other Equipment		130,095	
Total Fire Prevention and Control			377,837

Rural Fire Protection

In-service Training	\$	500	
Other Equipment		364,858	
Total Rural Fire Protection			365,358

Civil Defense

Supervisor/Director	\$	43,883	
Other Salaries and Wages		36,731	
Social Security		4,843	
State Retirement		5,036	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Employee and Dependent Insurance	\$	13,038	
Employer Medicare		1,133	
Communication		5,805	
Dues and Memberships		315	
Maintenance and Repair Services - Buildings		1,204	
Maintenance and Repair Services - Equipment		13,064	
Postal Charges		98	
Travel		1,106	
Food Supplies		361	
Gasoline		3,415	
Office Supplies		2,411	
Uniforms		945	
Utilities		21,497	
Vehicle Parts		6	
Liability Insurance		19,279	
Workers' Compensation Insurance		9,458	
Communication Equipment		634	
Data Processing Equipment		174	
Office Equipment		1,071	
Other Equipment		478	
Total Civil Defense			\$ 185,985

Other Emergency Management

Communication Equipment	\$	19,667	
Other Equipment		1,196	
Total Other Emergency Management			20,863

County Coroner/Medical Examiner

In-service Training	\$	2,250	
Contracts with Government Agencies		32,100	
Contracts with Private Agencies		6,515	
Travel		1,428	
Total County Coroner/Medical Examiner			42,293

Public Health and Welfare

Local Health Center

Communication	\$	1,364	
Contracts with Other Public Agencies		46,223	
Dues and Memberships		148	
Janitorial Services		30,595	
Maintenance and Repair Services - Buildings		10,332	
Postal Charges		316	
Custodial Supplies		1,062	
Drugs and Medical Supplies		1,691	
Office Supplies		2,542	
Utilities		19,143	
Liability Insurance		4,887	
Total Local Health Center			118,303

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control

Supervisor/Director	\$	24,138	
Part-time Personnel		10,953	
Social Security		2,176	
State Retirement		1,508	
Employee and Dependent Insurance		6,519	
Employer Medicare		509	
Advertising		1,400	
Communication		829	
Contracts with Private Agencies		5,143	
Maintenance and Repair Services - Equipment		517	
Travel		5,764	
Animal Food and Supplies		2,930	
Diesel Fuel		2,527	
Office Supplies		28	
Liability Insurance		659	
Refunds		550	
Workers' Compensation Insurance		314	
Building Improvements		784	
Other Equipment		227	
Total Rabies and Animal Control			\$ 67,475

Ambulance/Emergency Medical Services

Assistant(s)	\$	52,012
Supervisor/Director		50,132
Equipment Operators		1,333,402
Part-time Personnel		6,922
Overtime Pay		336,652
Other Salaries and Wages		30,298
In-service Training		2,004
Social Security		109,249
State Retirement		96,352
Employee and Dependent Insurance		162,978
Employer Medicare		25,470
Communication		2,504
Contracts with Private Agencies		15,419
Data Processing Services		4,800
Dues and Memberships		440
Laundry Service		6,593
Legal Notices, Recording, and Court Costs		213
Licenses		3,310
Maintenance and Repair Services - Buildings		726
Maintenance and Repair Services - Equipment		11,582
Maintenance and Repair Services - Vehicles		70,759
Postal Charges		7,376
Rentals		10,372
Travel		792
Diesel Fuel		115,717

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Drugs and Medical Supplies	\$	99,719	
Food Supplies		562	
Gasoline		3,649	
Office Supplies		9,780	
Uniforms		6,290	
Utilities		7,739	
Other Supplies and Materials		6,954	
Liability Insurance		43,018	
Workers' Compensation Insurance		133,694	
Furniture and Fixtures		1,500	
Motor Vehicles		145,824	
Other Equipment		3,300	
Total Ambulance/Emergency Medical Services	\$		2,918,103

Alcohol and Drug Programs

Guidance Personnel	\$	32,400	
Part-time Personnel		6,360	
Social Security		2,384	
State Retirement		2,421	
Employer Medicare		558	
Medical and Dental Services		2,783	
Printing, Stationery, and Forms		2,551	
Workers' Compensation Insurance		393	
Total Alcohol and Drug Programs			49,850

Crippled Children Services

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

Other Local Health Services

Contributions	\$	1,500	
Instructional Supplies and Materials		8,086	
Other Supplies and Materials		5,545	
Total Other Local Health Services			15,131

General Welfare Assistance

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

Other Local Welfare Services

Contributions	\$	25,500	
Total Other Local Welfare Services			25,500

Sanitation Education/Information

Supervisor/Director	\$	29,088	
Social Security		1,747	
State Retirement		1,737	

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Employee and Dependent Insurance	\$	6,519	
Employer Medicare		409	
Other Supplies and Materials		2,530	
Workers' Compensation Insurance		59	
Other Charges		10,312	
Total Sanitation Education/Information			\$ 52,401

Other Public Health and Welfare

Social Workers	\$	36,612	
Medical Personnel		58,673	
Part-time Personnel		23,093	
Other Salaries and Wages		81,202	
Social Security		12,016	
State Retirement		9,935	
Employee and Dependent Insurance		29,001	
Employer Medicare		2,810	
Communication		201	
Travel		10,908	
Other Supplies and Materials		4,802	
Liability Insurance		2,000	
Workers' Compensation Insurance		2,358	
Total Other Public Health and Welfare			273,611

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$	28,282	
Supervisor/Director		38,865	
Accountants/Bookkeepers		11,127	
Other Salaries and Wages		75,482	
In-service Training		500	
Social Security		9,363	
State Retirement		4,194	
Employee and Dependent Insurance		6,519	
Employer Medicare		2,190	
Communication		3,710	
Contracts with Government Agencies		780	
Contracts with Private Agencies		31,651	
Dues and Memberships		492	
Legal Notices, Recording, and Court Costs		250	
Licenses		1,813	
Maintenance Agreements		2,062	
Maintenance and Repair Services - Buildings		2,697	
Maintenance and Repair Services - Equipment		670	
Maintenance and Repair Services - Vehicles		847	
Medical and Dental Services		115	
Postal Charges		924	
Rentals		2,000	

(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.)

Travel	\$	27,411	
Other Contracted Services		1,460	
Food Supplies		14,544	
Gasoline		2,105	
Office Supplies		1,661	
Other Supplies and Materials		3,529	
Liability Insurance		6,848	
Refunds		625	
Workers' Compensation Insurance		5,158	
Criminal Investigation of Applicants - TBI		130	
Data Processing Equipment		170	
Office Equipment		3,583	
Other Equipment		2,912	
Total Senior Citizens Assistance	\$		294,669

Libraries

Assistant(s)	\$	21,991	
Supervisor/Director		34,256	
Librarians		21,798	
Part-time Personnel		14,801	
Social Security		5,485	
State Retirement		4,875	
Employee and Dependent Insurance		13,038	
Employer Medicare		1,283	
Communication		2,957	
Contracts with Other Public Agencies		20,000	
Contributions		2,500	
Maintenance Agreements		1,270	
Postal Charges		372	
Travel		563	
Instructional Supplies and Materials		2,719	
Library Books/Media		20,664	
Periodicals		267	
Utilities		7,721	
Other Supplies and Materials		1,043	
Liability Insurance		2,754	
Workers' Compensation Insurance		188	
Other Charges		1,316	
Other Equipment		7,019	
Total Libraries			188,880

Parks and Fair Boards

Maintenance and Repair Services - Buildings	\$	6,500	
Natural Gas		1,500	
Utilities		12,400	
Total Parks and Fair Boards			20,400

(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.)

Other Social, Cultural, and Recreational

Contributions	\$	1,000	
Site Development		1,345	
Total Other Social, Cultural, and Recreational			\$ 2,345

Agriculture and Natural Resources

Agricultural Extension Service

Temporary Personnel	\$	2,667	
In-service Training		990	
Social Security		165	
Employer Medicare		39	
Communication		1,389	
Contracts with Government Agencies		124,741	
Licenses		52	
Postal Charges		1,000	
Rentals		2,463	
Travel		1,543	
Gasoline		13	
Office Supplies		1,591	
Liability Insurance		1,285	
Workers' Compensation Insurance		249	
Total Agricultural Extension Service			138,187

Soil Conservation

Secretary(ies)	\$	32,030	
Clerical Personnel		37,798	
Part-time Personnel		2,000	
Social Security		4,340	
State Retirement		4,362	
Employee and Dependent Insurance		13,038	
Employer Medicare		1,015	
Communication		584	
Maintenance and Repair Services - Equipment		1,008	
Maintenance and Repair Services - Office Equipment		145	
Postal Charges		300	
Travel		1,113	
Office Supplies		654	
Other Supplies and Materials		113	
Liability Insurance		1,982	
Refunds		402	
Workers' Compensation Insurance		1,050	
Furniture and Fixtures		1,504	
Office Equipment		798	
Total Soil Conservation			104,236

Flood Control

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

(Continued)

Exhibit I-6

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

General Fund (Cont.)

Other Operations

Tourism

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

Industrial Development

Architects	\$ 8,000	
Contracts with Private Agencies	230	
Other Supplies and Materials	3,045	
Total Industrial Development		11,275

Other Economic and Community Development

Contracts with Private Agencies	\$ 2,000	
Other Supplies and Materials	7,633	
Total Other Economic and Community Development		9,633

Airport

Attendants	\$ 30,160	
Part-time Personnel	7,512	
Social Security	2,258	
State Retirement	1,884	
Employee and Dependent Insurance	6,519	
Employer Medicare	528	
Communication	3,022	
Contracts with Private Agencies	45,368	
Dues and Memberships	47	
Legal Notices, Recording, and Court Costs	282	
Maintenance and Repair Services - Buildings	20,631	
Maintenance and Repair Services - Equipment	2,751	
Matching Share	4,045	
Postal Charges	98	
Travel	1,326	
Remittance of Revenue Collected	4,147	
Permits	370	
Diesel Fuel	19,060	
Gasoline	41,461	
Office Supplies	416	
Utilities	10,152	
Liability Insurance	7,974	
Workers' Compensation Insurance	1,416	
Total Airport		211,427

Veterans' Services

Supervisor/Director	\$ 30,352
Secretary(ies)	12,742
Social Security	2,672
State Retirement	455
Employer Medicare	625
Maintenance Agreements	399

(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.)

Rentals	\$	780	
Travel		2,009	
Office Supplies		1,244	
Periodicals		22	
Liability Insurance		569	
Workers' Compensation Insurance		84	
Data Processing Equipment		2,977	
Office Equipment		955	
Total Veterans' Services			\$ 55,885

Other Charges

Liability Insurance	\$	4,639	
Premiums on Corporate Surety Bonds		8,508	
Trustee's Commission		172,610	
Other Charges		2,354	
Total Other Charges			188,111

Contributions to Other Agencies

Contributions	\$	86,200	
Total Contributions to Other Agencies			86,200

Employee Benefits

State Retirement	\$	81,698	
Employee and Dependent Insurance		150,953	
Life Insurance		4,257	
Unemployment Compensation		7,435	
Total Employee Benefits			244,343

Total General Fund \$ 15,211,961

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	32,186	
Social Security		1,792	
State Retirement		2,010	
Employee and Dependent Insurance		6,519	
Employer Medicare		419	
Communication		833	
Data Processing Services		290	
Dues and Memberships		225	
Postal Charges		98	
Travel		4,031	
Liability Insurance		358	
Workers' Compensation Insurance		70	
Total Sanitation Management			\$ 48,831

(Continued)

Exhibit I-6

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Disposal

Contracts with Private Agencies	\$	35,108	
Trustee's Commission		516	
Other Charges		117	
Solid Waste Equipment		6,539	
Total Other Waste Disposal			\$ 42,280

Total Solid Waste/Sanitation Fund \$ 91,111

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	1,000	
Other Supplies and Materials		5,740	
Trustee's Commission		154	
Other Charges		831	
Data Processing Equipment		3,065	
Law Enforcement Equipment		6,500	
Motor Vehicles		5,042	
Total Drug Enforcement			\$ 22,332

Total Drug Control Fund 22,332

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	50,554	
Total Register of Deeds			\$ 50,554

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	7,408	
Total Chancery Court			7,408

Total Constitutional Officers - Fees Fund 57,962

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	82,771	
Accountants/Bookkeepers		51,676	
Secretary(ies)		750	
Board and Committee Members Fees		5,800	
Communication		669	
Data Processing Services		6,375	
Confidential Drug Enforcement Payments		1,383	
Dues and Memberships		5,742	
Janitorial Services		3,080	

(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.)

Legal Notices, Recording, and Court Costs	\$	179	
Maintenance and Repair Services - Office Equipment		3,541	
Postal Charges		986	
Printing, Stationery, and Forms		352	
Travel		1,811	
Drugs and Medical Supplies		269	
Electricity		8,279	
Natural Gas		676	
Office Supplies		2,343	
Water and Sewer		2,304	
In Service/Staff Development		675	
Other Charges		6,210	
Total Administration	\$		185,871

Highway and Bridge Maintenance

Foremen	\$	182,517	
Equipment Operators		351,766	
Laborers		288,046	
Contracts with Private Agencies		164,646	
Rentals		3,723	
Asphalt - Liquid		423,395	
Concrete		111	
Crushed Stone		511,095	
Fertilizer, Lime, and Seed		2,190	
Pipe		133,411	
Road Signs		7,327	
Small Tools		763	
Wood Products		24,085	
Other Supplies and Materials		2,801	
Total Highway and Bridge Maintenance			2,095,876

Operation and Maintenance of Equipment

Mechanic(s)	\$	156,917	
Maintenance and Repair Services - Buildings		6,235	
Maintenance and Repair Services - Equipment		25,547	
Diesel Fuel		193,846	
Equipment and Machinery Parts		154,629	
Garage Supplies		12,007	
Gasoline		35,177	
Lubricants		14,459	
Small Tools		4,686	
Tires and Tubes		51,852	
Other Supplies and Materials		161	
Office Equipment		5,547	
Total Operation and Maintenance of Equipment			661,063

(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	\$	43,533	
Premiums on Corporate Surety Bonds		390	
Trustee's Commission		53,229	
Workers' Compensation Insurance		85,084	
Total Other Charges	\$		182,236

Employee Benefits

Social Security	\$	66,742	
State Retirement		61,001	
Employee and Dependent Insurance		131,739	
Life Insurance		192	
Employer Medicare		15,636	
Total Employee Benefits			275,310

Capital Outlay

Bridge Construction	\$	450,707	
Highway Construction		414,114	
Highway Equipment		70,106	
State Aid Projects		338,337	
Total Capital Outlay			1,273,264

Total Highway/Public Works Fund \$ 4,673,620

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	905,000	
Total General Government	\$		905,000

Interest on Debt

General Government

Interest on Bonds	\$	368,914	
Total General Government			368,914

Other Debt Service

General Government

Bank Charges	\$	2,011	
Trustee's Commission		15,019	
Total General Government			17,030

Total General Debt Service Fund 1,290,944

General Capital Projects Fund

Capital Projects

Public Safety Projects

Building Improvements	\$	75,653	
Other Equipment		35,679	
Total Public Safety Projects	\$		111,332

(Continued)

Exhibit I-6

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Other General Government Projects</u>			
Highway Construction	\$	10,500	
Total Other General Government Projects			\$ 10,500
Total General Capital Projects Fund			\$ 121,832
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Other Debt Issuance Charges	\$	70,773	
Total General Administration Projects			\$ 70,773
Total Other Capital Projects Fund			70,773
Total Governmental Funds - Primary Government			<u>\$ 21,540,535</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, 2015

	Cities Sales Tax Fund	Special School District Fund	Total
<u>Cash Receipts</u>			
Local Option Sales Tax	\$ 5,366,465	\$ 5,745,026	\$ 11,111,491
Mixed Drink Tax	0	1,225	1,225
Interstate Telecommunications Tax	0	4,756	4,756
City/School District Property Taxes:			
Current Property Tax	0	11,264,715	11,264,715
Prior Year's Property Tax	0	507,069	507,069
Interest and Penalty	0	62,549	62,549
Payments in Lieu of Taxes - Other	0	11,709	11,709
Marriage Licenses	0	2,992	2,992
Total Cash Receipts	<u>\$ 5,366,465</u>	<u>\$ 17,600,041</u>	<u>\$ 22,966,506</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 5,312,800	\$ 17,296,343	\$ 22,609,143
Trustee's Commission	53,665	293,562	347,227
Total Cash Disbursements	<u>\$ 5,366,465</u>	<u>\$ 17,589,905</u>	<u>\$ 22,956,370</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ 10,136	\$ 10,136
Cash Balance, July 1, 2014	0	16,316	16,316
Cash Balance, June 30, 2015	<u>\$ 0</u>	<u>\$ 26,452</u>	<u>\$ 26,452</u>

SINGLE AUDIT SECTION



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

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Gibson County's basic financial statements, and have issued our report thereon dated November 25, 2015. Our report includes a reference to other auditors who audited the financial statements of the Gibson County Emergency Communications District, as described in our report on Gibson County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented,

or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2015-001(A), 2015-003, 2015-004, and 2015-005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibson County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2015-001(B), 2015-002, and 2015-06.

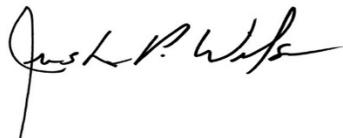
Gibson County's Responses to Findings

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 25, 2015

JPW/kp



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Gibson County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Gibson County's major federal programs for the year ended June 30, 2015. Gibson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Gibson County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform

the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Gibson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Gibson County's compliance.

Opinion on Each Major Federal Program

In our opinion, Gibson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Gibson County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Gibson County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Gibson County's internal control over compliance.

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

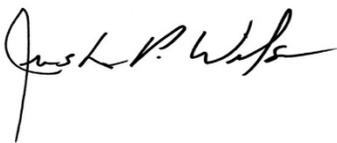
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gibson County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Gibson County's basic financial statements. We issued our report thereon dated November 25, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 25, 2015

JPW/kp

Gibson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2015

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Forestry:			
Schools and Roads - Grants to States	10.665	(2)	\$ 17,498
Direct Program:			
Long-term Standing Agreements for Storage, Transportation, and Lease	10.999	N/A	<u>71,876</u>
Total U.S. Department of Agriculture			<u>\$ 89,374</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)	<u>\$ 4,500</u>
Total U.S. Department of Justice			<u>\$ 4,500</u>
U.S. Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(2)	<u>\$ 2,203</u>
Total U.S. Institute of Museum and Library Services			<u>\$ 2,203</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)	\$ 35,778
Medical Assistance Program	93.778	(2)	<u>97,367</u>
Total U.S. Department of Health and Human Services			<u>\$ 133,145</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4189-DR-TN	\$ 164,711
Assistance to Firefighters Grant	97.044	(3)	365,011
Homeland Security Grant Program	97.067	(2)	<u>107,840</u>
Total U.S. Department of Homeland Security			<u>\$ 637,562</u>
Total Expenditures of Federal Awards			<u>\$ 866,784</u>

(Continued)

Gibson County, Tennessee
 Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Airport Maintenance Program - State Department of Transportation	N/A	(4)	\$ 84,384
Homemaker and Personal Care Services - Northwest Tennessee Development District	N/A	(2)	16,325
Three Star Program - State Department of Economic and Community Development	N/A	(2)	12,125
Select Tennessee Certified Sites Program - State Department of Economic and Community Development	N/A	(2)	5,600
Drug Court Grant - State Department of Mental Health and Substance Abuse Services	N/A	(2)	49,877
Preventive Health and Human Services - State Department of Health	N/A	(2)	280,673
Health Department Building Grant - State Department of Health	N/A	(2)	345,800
Litter Program - State Department of Transportation	N/A	(2)	<u>46,971</u>
Total State Grants			<u>\$ 841,755</u>

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

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

(2) Information not available.

(3) EMW-2012-FO-01324: \$7,623; EMW-2013-FO-00723: \$357,388.

(4) 27-555-0134-04: \$8,934; 27-555-0139-04: \$5,229; 27-555-0331-04: \$42; 27-555-0742-04: \$46,736; 27-555-1564-04: \$11,248; 99-555-1239-04: \$12,195.

Gibson County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2015

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, 2014, which have not been corrected.

OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-002	128	Multiple employees operated from the same cash drawer

OFFICE OF REGISTER OF DEEDS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-003	128	Duties were not segregated adequately

GIBSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Gibson County is unmodified.
2. The audit of the financial statements of Gibson County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that was material to the financial statements of Gibson County.
4. The audit reported no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Assistance to Firefighters Grant (CFDA No. 97.044) was determined to be a major program.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Gibson County qualified 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 and the director of finance 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 2015-001 **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

(A. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. – Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies in budget operations:

- A. A budget amendment totaling \$60,000 transferring appropriations between major categories of the General Fund was approved by the County Commission after the June 30, 2015, fiscal year end. Sound business practices dictate that management should adopt budget amendments within the applicable fiscal year; therefore, we have recognized only those budget amendments that were properly approved prior to June 30, 2015, in the financial statements of this report.
- B. Expenditures exceeded appropriations in three of 56 major appropriation categories (the legal level of control) of the General Fund as reflected in the following table:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Victim Assistance Programs	\$ 320
Other Charges	15,811
Employee Benefits	12,243

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.” These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Only those budget amendments approved by the County Commission within the applicable fiscal year should be posted to the financial records. Expenditures should be held within appropriations approved by the County Commission.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

These findings were a result of not knowing all expenditures for medical claims, employee benefits, and the victim assistance program that would occur before June 30, 2015. It is difficult to estimate all expenditures, and we fell short at the end of the fiscal year. We will have to overestimate these expenditures in the future since the last County Commission meeting to amend the budget is held in May. We will make every effort to correct these findings going forward.

FINDING 2015-002

THE OFFICE DID NOT ALWAYS COMPLY WITH THE TRAVEL POLICY ADOPTED BY THE COUNTY COMMISSION

(Noncompliance Under *Government Auditing Standards*)

During the year ended June 30, 2015, the county mayor was reimbursed for five travel claims that included charges for 3,534 miles totaling \$1,661. These expenses were described only as “county miles” and were not supported by a listing of locations or specific dates for the travel. Gibson County has adopted the State of Tennessee’s travel regulations, which require daily itemization of locations, as its guidance for official travel. Section 8-26-109, *Tennessee Code Annotated*, also requires county officers to file itemized expense accounts showing the date, amount of each separate item, and the purpose for which it was expended. Detailed travel claims were submitted by other county officials and employees. The failure to follow the county’s travel policy increases the risks of unauthorized expenditures.

RECOMMENDATION

The County Mayor’s Office should adhere to the county’s travel policy when submitting expense claims for business related travel. All travel reimbursements should be supported by detailed travel claims, including dates and locations for all travel being reimbursed.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

My office receives a total of \$8,100 a year for travel, which covers mileage and lodging for business travel as well as training fees for me and my staff. I average 30,000 miles a year on my personal vehicle and have never come close to turning in all the miles I travel for the county. In the past, I have always logged and detailed any travel taking place outside the county and simply listed a portion of my locally accumulated miles as "county miles" to avoid detailing and documenting every trip to the post office, Walmart, etc. We were told in the past that this would suffice, apparently this is no longer the case. That said, my staff and I have begun and will continue to provide detailed descriptions and documentation for

all miles presented for reimbursement and as always work within the confines of the travel budget afforded me by the County Commission.

AUDITOR'S COMMENT

Auditors examined all travel reimbursement claims made by the county mayor for the year ended June 30, 2015. The county mayor's first reimbursement request with undocumented "county miles" was on the travel claim for the period beginning December 18, 2014. The next four travel claims through June 30, 2015, also included the undocumented mileage. Travel reimbursement claims prior to December 2014, were adequately documented.

OFFICE OF CLERK AND MASTER

FINDING 2015-003

THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS

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

The software application used by the office generated a log that displayed information relating to when parcels are deleted. This log provided the only audit trail of these transactions and should be reviewed for inappropriate activity. Although the official was aware of the importance of this log, it was not reviewed. When the importance of this log was brought to management's attention again in April 2015, the review process was resumed. Procedures for reviewing this log are currently in place.

RECOMMENDATION

Management should review the audit log on a routine basis. Any unusual transactions should be investigated.

OFFICE OF REGISTER OF DEEDS

FINDING 2015-004

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

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

unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS

FINDING 2015-005 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

Officials should assign each employee their own cash drawer.

OFFICE OF SHERIFF

FINDING 2015-006 **AN INVESTIGATION OF THE OPERATIONS OF THE FORMER GIBSON COUNTY SHERIFF RESULTED IN A CASH SHORTAGE OF AT LEAST \$109,429**
(Material Noncompliance Under *Government Auditing Standards*)

A joint investigation by the Tennessee Bureau of Investigation and the state Comptroller's Office of Financial and Compliance Investigations resulted in a cash shortage of at least \$109,429 in Gibson County. On November 30, 2015, the Gibson County Grand Jury returned indictments on former Sheriff Chuck Arnold and several of his former employees on numerous charges. Details of the shortage and related indictments can be found in a report released by

the Financial and Compliance Investigations section of the Comptroller's Office at www.comptroller.tn.gov.

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

There were no findings and questioned costs for federal programs.

BEST PRACTICE

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

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Gibson County.

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

Gibson County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

**GIBSON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2015**

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