

**ANNUAL FINANCIAL REPORT  
HICKMAN COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2013**



**ANNUAL FINANCIAL REPORT**  
**HICKMAN COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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

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

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***DONYA WADE, CFE***  
***WENDY HEATH, CFE***  
***State Auditors***

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

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## HICKMAN COUNTY, TENNESSEE

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

***Scope***

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

***Results***

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

Our audit resulted in 11 findings and recommendations, which we have reviewed with Hickman County management. The detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

***Findings and Best Practice***

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

**OFFICE OF COUNTY MAYOR**

- ◆ The Landfill Office's receipting software did not have adequate application controls.
- ◆ Multiple employees in the Office of Planning and Zoning operated from the same cash drawer.

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**OFFICE OF FINANCE DIRECTOR**

- ◆ The General Capital Projects Fund required material audit adjustments for proper financial statement presentation.
- ◆ Amounts withheld from contractor payments were not deposited into an escrow account.
- ◆ The office had deficiencies in purchasing procedures.

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**OFFICE OF ASSESSOR OF PROPERTY**

- ◆ The assessor did not maintain an adequate program of sales verification.
  - ◆ The assessor did not adequately perform visual inspections and correct the visual inspection errors found by the state Division of Property Assessments.
-

## **OFFICE OF SHERIFF**

- ◆ The office had deficiencies in the operation of a commissary.
  - ◆ The sheriff maintained an unauthorized bank account.
  - ◆ The annual financial report was not accurate.
- 

## **DEPARTMENT OF SOLID WASTE AND THE OFFICE OF CLERK AND MASTER**

- ◆ Duties were not segregated adequately.
- 

## **BEST PRACTICE**

Hickman County does not have an Audit Committee. The Division of Local Government Audit strongly believes that an Audit Committee is a best practice that should be adopted by the governing body to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

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# INTRODUCTORY SECTION

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# Hickman County Officials

## June 30, 2013

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### **Officials**

Steve Gregory, County Mayor  
Ronald Coates, Road Superintendent  
Jerry Nash, Director of Schools  
Cheryl Chessor, Trustee  
Delton Mayberry, Assessor of Property  
Casey Dorton, County Clerk  
Dana Nicholson, Circuit and General Sessions Courts Clerk  
Linda Gossett, Clerk and Master  
Patty Sisk, Register of Deeds  
Randall Ward, Sheriff  
Annette Elliott, Finance Director

### **Board of County Commissioners**

Steve Gregory, County Mayor, Chairman	Lloyd Mangrum
Roy Crews	Kenneth Bates
Billy Blackwell	Ricky Murray
Charles Booker	Keith Nash
Chris Chilton	Brad Leeper
Robert Capps	Gary Hanes
John Deal	Wayne Thomasson
Dusty Jordan	Ronny George
James Hassell	Susan Sullivan
Ron Puckett	Frankye Ward
Ronald Gammons	Todd Collins

### **Financial Management Committee**

Brad Leeper, Chairman	Keith Nash
Steve Gregory, County Mayor	Ron Puckett
Gary Hanes	Ronald Coates, Road Superintendent
Jerry Nash, Director of Schools	

### **Highway Commission**

Sheree Rudd, Chairman	Carl Sullivan
James Creech	G.C. Tinsley
Louis Bryan	Roy Potts
Danny Mathis	

(Continued)

## Hickman County Officials (Cont.)

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### **Board of Education**

Jackie Deitmen, Chairman  
Michael W. Thomasson, Jr.  
Lana Beard  
Timothy Hobbs

Jewell Prince  
Kathy Redden  
James Hudgins

### **Health Foundation Board of Directors**

James Hassell, Chairman  
Charles Booker  
Kenneth Bates  
Ronald Gammons

Jack Keller  
Chris Chilton  
Annette Elliott, Finance Director

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## **FINANCIAL SECTION**

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

Independent Auditor's Report

Hickman County Mayor and  
Board of County Commissioners  
Hickman 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hickman County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hickman County, Tennessee, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We draw attention to Note I.D.9. in the financial statements, which describes a restatement to the beginning balance of the Government-wide financial statements totaling \$264,355. This restatement was necessary because items noted as construction in progress (\$260,000) were completed and included in assets in the prior year. Also, prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. An adjustment to beginning net position totaling \$4,355 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

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

## ***Other Matters***

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the schedule of funding progress – pension plans and other postemployment benefits plans on pages 74-76 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 Hickman 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, combining and individual fund financial statements of the Hickman County School Department and the Hickman County Health Foundation (discretely presented component units), 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, combining and individual fund financial statements of the Hickman County School Department and the Hickman County Health Foundation (discretely presented component units), 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

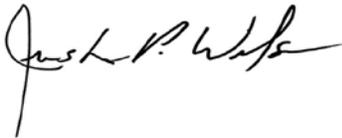
statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Hickman County School Department and the Hickman County Health Foundation (discretely presented component units), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2013, on our consideration of Hickman 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 Hickman County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

September 16, 2013

JPW/yu

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	Primary Government		Total	Component Units		
	Governmental Activities	Business-type Activities		Hickman County School Department	Hickman County Health Foundation	
Deferred Current Property Taxes	\$ 6,014,203	\$ 0	\$ 6,014,203	\$ 3,007,101	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 6,014,203	\$ 0	\$ 6,014,203	\$ 3,007,101	\$ 0	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>						
<u>NET POSITION</u>						
Net Investment in Capital Assets	\$ 25,058,724	\$ 903,990	\$ 25,962,714	\$ 43,403,616	\$ 0	\$ 0
Restricted for:						
Endowment	165,000	0	165,000	0	0	0
Capital Projects	588,675	0	588,675	0	0	0
Debt Service	2,819,920	0	2,819,920	0	0	0
Highway/Public Works	902,699	0	902,699	0	0	0
Adequate Facilities/Development Tax	292,935	0	292,935	0	0	0
Ambulance Service	296,436	0	296,436	0	0	0
Library	181,603	0	181,603	0	0	0
Drug Control	170,797	0	170,797	0	0	0
Health Reimbursement Account	36,592	0	36,592	0	0	0
Courthouse and Jail Maintenance	530,630	0	530,630	0	0	0
Alcohol and Drug Treatment	54,799	0	54,799	0	0	0
Computer System - Register	36,663	0	36,663	0	0	0
Computer System - Sessions	47,319	0	47,319	0	0	0
Central Cafeteria	0	0	0	462,923	0	0
School Federal Projects	0	0	0	157,025	0	0
Other Postemployment Benefits Liability	0	0	0	1,349,009	0	0
Public Health and Welfare	0	0	0	0	2,267,647	0
Other Purposes	63,091	0	63,091	8,427	0	0
Unrestricted	(23,107,629)	609,608	(22,498,021)	5,078,514	0	0
Total Net Position	\$ 8,138,254	\$ 1,513,598	\$ 9,651,852	\$ 50,459,514	\$ 2,267,647	\$ 2,267,647

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

Exhibit B

Hickman County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2013

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Primary Government Business-type Activities	Total	Hickman County School Department	Hickman County Health Foundation
<b>Primary Government:</b>										
General Government	\$ 2,375,310	\$ 262,308	\$ 24,291	\$ 564,968	\$ (1,523,743)	\$ 0	\$ (1,523,743)	\$ 0	\$ 0	0
Finance	1,166,595	529,272	0	0	(637,323)	0	(637,323)	0	0	0
Administration of Justice	888,793	598,204	0	0	(290,589)	0	(290,589)	0	0	0
Public Safety	3,515,808	613,453	26,339	72,734	(2,803,282)	0	(2,803,282)	0	0	0
Public Health and Welfare	1,693,302	1,055,283	294,033	0	(343,986)	0	(343,986)	0	0	0
Social, Cultural, and Recreational Services	202,965	1,269	0	70,035	(131,661)	0	(131,661)	0	0	0
Agriculture and Natural Resources	140,559	0	0	0	(140,559)	0	(140,559)	0	0	0
Other Operations	314,901	0	0	0	(314,901)	0	(314,901)	0	0	0
Highways	3,181,991	5,702	1,847,165	549,000	(780,124)	0	(780,124)	0	0	0
Education	5,674,902	0	0	0	(5,674,902)	0	(5,674,902)	0	0	0
Interest on Long-term Debt	269,413	0	0	0	(269,413)	0	(269,413)	0	0	0
Debt Service	307,769	0	0	0	(307,769)	0	(307,769)	0	0	0
<b>Total Governmental Activities</b>	<b>\$ 19,732,308</b>	<b>\$ 3,065,491</b>	<b>\$ 2,191,828</b>	<b>\$ 1,256,737</b>	<b>\$ (13,218,252)</b>	<b>\$ 0</b>	<b>\$ (13,218,252)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<b>Business-type Activities:</b>										
Solid Waste Disposal	\$ 1,076,870	\$ 991,160	\$ 49,959	\$ 0	\$ 0	\$ (35,751)	\$ (35,751)	\$ 0	\$ 0	0
<b>Total Business-type Activities</b>	<b>\$ 1,076,870</b>	<b>\$ 991,160</b>	<b>\$ 49,959</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (35,751)</b>	<b>\$ (35,751)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<b>Total Primary Government</b>	<b>\$ 20,809,178</b>	<b>\$ 4,056,651</b>	<b>\$ 2,241,787</b>	<b>\$ 1,256,737</b>	<b>\$ (13,218,252)</b>	<b>\$ (35,751)</b>	<b>\$ (13,254,003)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<b>Component Units:</b>										
Hickman County School Department	\$ 31,752,871	\$ 790,518	\$ 4,378,918	\$ 5,643,402	\$ 0	\$ 0	\$ 0	\$ (20,940,033)	\$ 0	0
Hickman County Health Foundation	91,748	0	100,000	0	0	0	0	0	0	8,252
<b>Total Component Units</b>	<b>\$ 31,844,619</b>	<b>\$ 790,518</b>	<b>\$ 4,478,918</b>	<b>\$ 5,643,402</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (20,940,033)</b>	<b>\$ 0</b>	<b>8,252</b>

(Continued)

Exhibit B

Hickman County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units	
					Governmental Activities	Business-type Activities	Hickman County School Department	Hickman County Health Foundation
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes		\$ 5,041,306	\$ 0	\$ 0	\$ 5,041,306	\$ 3,159,751	\$ 0	0
Property Taxes Levied for Debt Service		299,964	0	0	299,964	0	0	0
Local Option Sales Tax		696,583	0	0	696,583	1,273,495	0	0
Wheel Tax		1,005,245	0	0	1,005,245	0	0	0
Wholesale Beer Tax		191,695	0	0	191,695	0	0	0
Adequate Facilities/Development Tax		76,365	0	0	76,365	0	0	0
Litigation Tax - General		104,181	0	0	104,181	0	0	0
Mineral Severance Tax		51,634	0	0	51,634	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse		92,964	0	0	92,964	0	0	0
Business Tax		56,515	0	0	56,515	0	0	0
Other Local Taxes		40,254	0	0	40,254	35,415	0	0
Grants and Contributions Not Restricted to Specific Programs		662,342	0	0	662,342	20,880,376	0	0
Unrestricted Investment Income		26,874	1,087	0	27,961	311	17,661	0
Miscellaneous		36,454	133,197	0	169,651	334,777	0	0
Total General Revenues		\$ 8,382,376	\$ 134,284	\$ 0	\$ 8,516,660	\$ 25,684,125	\$ 17,661	0
Change in Net Position		\$ (4,835,876)	\$ 98,533	\$ (4,737,343)		\$ 4,744,092	\$ 25,913	0
Net Position, July 1, 2012		13,238,485	1,415,065	14,653,550		45,715,422	2,241,734	0
Prior-period Adjustments		(264,355)	0	(264,355)		0	0	0
Net Position, June 30, 2013		\$ 8,138,254	\$ 1,513,598	\$ 9,651,852		\$ 50,459,514	\$ 2,267,647	0

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

Hickman County, Tennessee  
 Balance Sheet  
 Governmental Funds  
 June 30, 2013

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
<b>ASSETS</b>							
Cash	\$ 42,771	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,771
Equity in Pooled Cash and Investments	3,034,876	593,304	2,412,931	1,720,184	660,452	0	8,421,747
Accounts Receivable	1,045,862	11,238	55,073	0	26,514	0	1,138,687
Allowance for Uncollectibles	(562,829)	0	0	0	0	0	(562,829)
Due from Other Governments	167,042	325,608	118,401	0	0	0	611,051
Property Taxes Receivable	5,343,983	245,485	881,011	0	0	0	6,470,479
Allowance for Uncollectible Property Taxes	(120,810)	(5,581)	(18,486)	0	0	0	(144,877)
Restricted Assets:							
Other Restricted Assets	165,000	0	0	0	0	0	165,000
<b>Total Assets</b>	<b>\$ 9,115,895</b>	<b>\$ 1,170,054</b>	<b>\$ 3,448,930</b>	<b>\$ 1,720,184</b>	<b>\$ 686,966</b>	<b>\$ 0</b>	<b>\$ 16,142,029</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 35,934	\$ 529	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,463
Payroll Deductions Payable	2,579	0	0	0	0	0	2,579
Contracts Payable	0	0	0	863,277	0	0	863,277
Retainage Payable	0	0	0	268,232	0	0	268,232
Due to Other Funds	0	660	0	0	0	0	660
<b>Total Liabilities</b>	<b>\$ 38,513</b>	<b>\$ 1,189</b>	<b>\$ 0</b>	<b>\$ 1,131,509</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,171,211</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Current Property Taxes	\$ 4,942,707	\$ 226,397	\$ 845,099	\$ 0	\$ 0	\$ 0	\$ 6,014,203
Deferred Delinquent Property Taxes	264,901	12,758	16,457	0	0	0	294,116
Other Deferred/Unavailable Revenue	385,302	162,804	59,201	0	0	0	607,307
<b>Total Deferred Inflows of Resources</b>	<b>\$ 5,592,910</b>	<b>\$ 401,959</b>	<b>\$ 920,757</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,915,626</b>

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service	General Capital Projects	Other	Governmental Funds	
\$ 165,000 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	165,000
40,445	0	0	0	0	292,935	0	333,380
629,737	0	0	0	0	0	0	629,737
44,113	0	0	0	0	170,797	0	214,910
54,799	0	0	0	0	0	0	54,799
181,603	0	0	0	0	0	0	181,603
0	766,906	0	0	0	0	0	766,906
0	0	2,528,173	0	0	223,234	0	2,751,407
0	0	0	588,675	0	0	0	588,675
36,592	0	0	0	0	0	0	36,592
16,000	0	0	0	0	0	0	16,000
3,261	0	0	0	0	0	0	3,261
2,312,922	0	0	0	0	0	0	2,312,922
\$ 3,484,472 \$	766,906 \$	2,528,173 \$	588,675 \$	686,966 \$	0	0	8,055,192
\$ 9,115,895 \$	1,170,054 \$	3,448,930 \$	1,720,184 \$	686,966 \$	0	0	16,142,029

FUND BALANCES

Nonspendable:	
Endowments	
Restricted:	
Restricted for General Government	
Restricted for Administration of Justice	
Restricted for Public Safety	
Restricted for Public Health and Welfare	
Restricted for Social, Cultural, and Recreational Services	
Restricted for Highways/Public Works	
Restricted for Debt Service	
Restricted for Capital Projects	
Committed:	
Committed for General Government	
Assigned:	
Assigned for Finance	
Assigned for Public Health and Welfare	
Unassigned	
Total Fund Balances	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	

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

Exhibit C-2

Hickman County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	8,055,192
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	209,514	
Add: buildings and improvements net of accumulated depreciation		8,584,285	
Add: infrastructure net of accumulated depreciation		23,375,394	
Add: other capital assets net of accumulated depreciation		<u>497,325</u>	32,666,518
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(591,794)	
Less: other loans payable		(32,528,117)	
Less: compensated absences payable		(277,935)	
Less: other postemployment benefits liability		(79,888)	
Less: accrued interest on bonds and notes		<u>(7,145)</u>	(33,484,879)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>901,423</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>8,138,254</u></u>

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

Hickman County, Tennessee  
 Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2013

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds		
<u>Revenues</u>							
Local Taxes	\$ 5,363,582	\$ 288,892	\$ 1,717,361	\$ 0	\$ 377,984	\$ 7,747,819	
Licenses and Permits	77,506	0	0	0	0	77,506	
Fines, Forfeitures, and Penalties	165,328	0	0	0	35,224	200,552	
Charges for Current Services	988,581	4,050	0	0	50	992,681	
Other Local Revenues	83,211	4,853	26,195	0	0	114,259	
Fees Received from County Officials	1,085,856	0	0	0	0	1,085,856	
State of Tennessee	1,377,300	2,421,765	27,453	335,813	0	4,162,331	
Federal Government	72,734	33,470	0	195,685	0	301,889	
Other Governments and Citizens Groups	70,230	0	0	0	0	70,230	
<b>Total Revenues</b>	<b>\$ 9,284,328</b>	<b>\$ 2,753,030</b>	<b>\$ 1,771,009</b>	<b>\$ 531,498</b>	<b>\$ 413,258</b>	<b>\$ 14,753,123</b>	
<u>Expenditures</u>							
Current:							
General Government	\$ 1,165,456	\$ 0	\$ 0	\$ 0	\$ 763	\$ 1,166,219	
Finance	804,327	0	0	0	0	804,327	
Administration of Justice	636,595	0	0	0	50	636,645	
Public Safety	2,550,723	0	0	0	50,276	2,600,999	
Public Health and Welfare	1,433,153	0	0	0	0	1,433,153	
Social, Cultural, and Recreational Services	196,038	0	0	0	0	196,038	
Agriculture and Natural Resources	92,283	0	0	26,009	0	118,292	
Other Operations	2,583,015	0	0	0	0	2,583,015	
Highways	0	2,828,550	0	0	0	2,828,550	
Debt Service:							
Principal on Debt	0	0	3,940,044	0	555,000	4,495,044	
Interest on Debt	0	0	255,475	0	14,765	270,240	
Other Debt Service	0	0	278,090	0	29,679	307,769	
Capital Projects	0	0	0	6,237,619	0	6,237,619	
<b>Total Expenditures</b>	<b>\$ 9,461,590</b>	<b>\$ 2,828,550</b>	<b>\$ 4,473,609</b>	<b>\$ 6,263,628</b>	<b>\$ 650,533</b>	<b>\$ 23,677,910</b>	
Excess (Deficiency) of Revenues Over Expenditures	\$ (177,262)	\$ (75,520)	\$ (2,702,600)	\$ (5,732,130)	\$ (237,275)	\$ (8,924,787)	
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 5,250,000	\$ 0	\$ 5,250,000	
Insurance Recovery	10,532	22,554	0	0	0	33,086	
Transfers In	31,121	23,160	2,507,575	0	275,000	2,836,856	
Transfers Out	(23,160)	(31,121)	(275,000)	(2,507,575)	0	(2,836,856)	
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 18,493</b>	<b>\$ 14,593</b>	<b>\$ 2,232,575</b>	<b>\$ 2,742,425</b>	<b>\$ 275,000</b>	<b>\$ 5,283,086</b>	

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
Net Change in Fund Balances	\$ (158,769)	\$ (60,927)	\$ (470,025)	\$ (2,989,705)	\$ 37,725	\$ (3,641,701)	
Fund Balance, July 1, 2012	3,643,241	827,833	2,998,198	3,578,380	649,241	11,696,893	
Fund Balance, June 30, 2013	\$ 3,484,472	\$ 766,906	\$ 2,528,173	\$ 588,675	\$ 686,966	\$ 8,055,192	

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

Exhibit C-4

Hickman County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2013

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (3,641,701)
(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	\$ 756,910	
Less: current-year depreciation expense	<u>(1,331,573)</u>	(574,663)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2012	\$ (758,114)	
Add: deferred delinquent property taxes and other deferred June 30, 2013	<u>901,423</u>	143,309
(3) The issuance of long-term debt (e.g., notes, other loans) 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. This amount is the net effect of these differences in the treatment of long-term debt and related items		
Less: other loan proceeds	\$ (5,250,000)	
Add: principal payments on notes	2,689,044	
Add: principal payments on other loans	<u>1,806,000</u>	(754,956)
(4) 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	\$ 827	
Change in compensated absences payable	29,020	
Change in other postemployment benefits liability	<u>(37,712)</u>	(7,865)
Change in net position of governmental activities (Exhibit B)		<u>\$ (4,835,876)</u>

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

Exhibit C-5

Hickman County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund  
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,363,582	\$ 5,278,872	\$ 5,278,872	\$ 84,710
Licenses and Permits	77,506	67,500	67,500	10,006
Fines, Forfeitures, and Penalties	165,328	127,341	127,341	37,987
Charges for Current Services	988,581	1,030,539	1,030,539	(41,958)
Other Local Revenues	83,211	42,400	48,266	34,945
Fees Received from County Officials	1,085,856	810,784	810,784	275,072
State of Tennessee	1,377,300	1,389,764	1,394,764	(17,464)
Federal Government	72,734	80,783	80,783	(8,049)
Other Governments and Citizens Groups	70,230	105,000	105,100	(34,870)
<b>Total Revenues</b>	<b>\$ 9,284,328</b>	<b>\$ 8,932,983</b>	<b>\$ 8,943,949</b>	<b>\$ 340,379</b>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 63,685	\$ 73,900	\$ 73,900	\$ 10,215
Board of Equalization	2,550	3,500	3,500	950
Beer Board	29	1,000	1,000	971
County Mayor/Executive	111,678	114,974	114,974	3,296
County Attorney	10,975	15,000	15,000	4,025
Election Commission	160,274	198,920	198,920	38,646
Register of Deeds	150,646	132,792	156,792	6,146
Planning	80,518	92,248	92,248	11,730
County Buildings	200,961	246,917	246,917	45,956
Other Facilities	347,901	455,500	455,500	107,599
Other General Administration	7,483	7,500	7,500	17
Preservation of Records	28,756	32,448	37,548	8,792
<u>Finance</u>				
Accounting and Budgeting	224,796	238,250	238,250	13,454
Property Assessor's Office	188,818	210,864	210,864	22,046
County Trustee's Office	168,636	172,593	172,593	3,957
County Clerk's Office	222,077	229,403	229,403	7,326
<u>Administration of Justice</u>				
Circuit Court	271,893	279,468	279,468	7,575
General Sessions Court	194,692	202,754	202,754	8,062
Chancery Court	139,431	143,871	143,981	4,550
Judicial Commissioners	29,754	31,411	31,411	1,657
Courtroom Security	825	0	1,200	375
<u>Public Safety</u>				
Sheriff's Department	1,451,751	1,577,587	1,579,857	128,106
Jail	931,077	993,546	998,142	67,065
Fire Prevention and Control	2,000	2,000	2,000	0
Civil Defense	151,747	186,461	186,461	34,714
Rescue Squad	3,750	3,750	3,750	0
County Coroner/Medical Examiner	10,398	26,400	26,400	16,002
<u>Public Health and Welfare</u>				
Local Health Center	46,214	50,601	50,601	4,387
Ambulance/Emergency Medical Services	1,184,510	1,323,417	1,329,783	145,273
Alcohol and Drug Programs	22,496	23,834	28,701	6,205

(Continued)

## Exhibit C-5

Hickman 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>				
Other Local Health Services	\$ 179,933	\$ 280,300	\$ 280,300	\$ 100,367
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	7,500	7,500	7,500	0
Libraries	188,538	194,747	194,747	6,209
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	49,076	49,261	49,261	185
Soil Conservation	35,427	35,427	35,427	0
Storm Water Management	7,780	0	7,780	0
<u>Other Operations</u>				
Tourism	1,000	1,000	1,000	0
Industrial Development	44,766	51,267	44,767	1
Other Economic and Community Development	45	1,000	1,000	955
Veterans' Services	0	11,000	11,000	11,000
Other Charges	488,515	508,900	518,063	29,548
Employee Benefits	1,949,116	1,985,800	2,016,144	67,028
Miscellaneous	99,573	111,800	111,800	12,227
Total Expenditures	\$ 9,461,590	\$ 10,308,911	\$ 10,398,207	\$ 936,617
<u>Excess (Deficiency) of Revenues</u>				
Over Expenditures	\$ (177,262)	\$ (1,375,928)	\$ (1,454,258)	\$ 1,276,996
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 10,532	\$ 25,000	\$ 31,367	\$ (20,835)
Transfers In	31,121	31,121	31,121	0
Transfers Out	(23,160)	(23,160)	(23,160)	0
Total Other Financing Sources	\$ 18,493	\$ 32,961	\$ 39,328	\$ (20,835)
Net Change in Fund Balance	\$ (158,769)	\$ (1,342,967)	\$ (1,414,930)	\$ 1,256,161
Fund Balance, July 1, 2012	3,643,241	3,300,000	3,300,000	343,241
Fund Balance, June 30, 2013	\$ 3,484,472	\$ 1,957,033	\$ 1,885,070	\$ 1,599,402

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 288,892	\$ 322,747	\$ 322,747	\$ (33,855)
Charges for Current Services	4,050	2,400	2,400	1,650
Other Local Revenues	4,853	2,500	2,500	2,353
State of Tennessee	2,421,765	2,623,305	2,623,305	(201,540)
Federal Government	33,470	750,000	750,000	(716,530)
Total Revenues	<u>\$ 2,753,030</u>	<u>\$ 3,700,952</u>	<u>\$ 3,700,952</u>	<u>\$ (947,922)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 184,507	\$ 193,783	\$ 193,783	\$ 9,276
Highway and Bridge Maintenance	1,010,231	1,464,249	1,464,249	454,018
Operation and Maintenance of Equipment	401,579	515,275	515,275	113,696
Other Charges	66,882	91,700	91,700	24,818
Employee Benefits	616,758	678,203	678,203	61,445
Capital Outlay	548,593	748,750	748,750	200,157
Total Expenditures	<u>\$ 2,828,550</u>	<u>\$ 3,691,960</u>	<u>\$ 3,691,960</u>	<u>\$ 863,410</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (75,520)</u>	<u>\$ 8,992</u>	<u>\$ 8,992</u>	<u>\$ (84,512)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 22,554	\$ 0	\$ 0	\$ 22,554
Transfers In	23,160	23,160	23,160	0
Transfers Out	(31,121)	(31,121)	(31,121)	0
Total Other Financing Sources	<u>\$ 14,593</u>	<u>\$ (7,961)</u>	<u>\$ (7,961)</u>	<u>\$ 22,554</u>
Net Change in Fund Balance	\$ (60,927)	\$ 1,031	\$ 1,031	\$ (61,958)
Fund Balance, July 1, 2012	<u>827,833</u>	<u>500,000</u>	<u>500,000</u>	<u>327,833</u>
Fund Balance, June 30, 2013	<u>\$ 766,906</u>	<u>\$ 501,031</u>	<u>\$ 501,031</u>	<u>\$ 265,875</u>

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

Exhibit D-1

Hickman County, Tennessee  
Statement of Net Position  
Proprietary Fund  
June 30, 2013

	<u>Business-type Activities - Major Enterprise Fund Solid Waste Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 550
Equity in Pooled Cash and Investments	630,624
Due from Other Governments	6,512
Due from Other Funds	660
Accounts Receivable	547,740
Allowance for Uncollectibles	(381,029)
Total Current Assets	<u>\$ 805,057</u>
Noncurrent Assets:	
Assets Not Depreciated:	
Land	\$ 111,004
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	768,990
Other Capital Assets	248,996
Total Noncurrent Assets	<u>\$ 1,128,990</u>
Total Assets	<u>\$ 1,934,047</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 19,780
Capital Outlay Notes Payable	37,500
Accrued Liability for Landfill Closure/Postclosure Care Costs	10,862
Accrued Leave	3,910
Total Current Liabilities	<u>\$ 72,052</u>
Noncurrent Liabilities:	
Capital Outlay Notes Payable	\$ 187,500
Accrued Leave	11,730
Accrued Liability for Landfill Closure/Postclosure Care Costs	143,022
Other Long-term Liabilities	6,145
Total Noncurrent Liabilities	<u>\$ 348,397</u>
Total Liabilities	<u>\$ 420,449</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 903,990
Unrestricted	<u>609,608</u>
Total Net Position	<u>\$ 1,513,598</u>

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

Exhibit D-2

Hickman County, Tennessee  
Statement of Revenues, Expenses, and  
Changes in Net Position  
Proprietary Fund  
For the Year Ended June 30, 2013

	Business-type Activities - Major Enterprise Fund <hr/> Solid Waste Disposal Fund <hr/>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 991,160
Other Local Revenues	133,197
Total Operating Revenues	<hr/> \$ 1,124,357 <hr/>
<u>Operating Expenses</u>	
Sanitation Management	\$ 944,361
Litter and Trash Collection	41,376
Depreciation	80,388
Total Operating Expenses	<hr/> \$ 1,066,125 <hr/>
Operating Income (Loss)	<hr/> \$ 58,232 <hr/>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 1,087
Interest Expense	(10,745)
Solid Waste Grants	49,959
Total Nonoperating Revenues (Expenses)	<hr/> \$ 40,301 <hr/>
Change in Net Position	\$ 98,533
Net Position, July 1, 2012	<hr/> 1,415,065 <hr/>
Net Position, June 30, 2013	<hr/> <hr/> \$ 1,513,598 <hr/> <hr/>

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

Exhibit D-3

Hickman County, Tennessee  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2013

	Business-type Activities - Major Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 989,854
Other Cash Receipts (Payments)	133,197
Payments to Employees	(520,842)
Waste Collection and Disposal Activity	(473,499)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 128,710</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Notes	\$ (37,500)
Interest Paid on Notes	(10,745)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (48,245)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 49,959
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 49,959</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 1,087
Net Cash Provided By (Used In) Investing Activities	<u>\$ 1,087</u>
Increase (Decrease) in Cash	\$ 131,511
Cash, July 1, 2012	<u>499,663</u>
Cash, June 30, 2013	<u><u>\$ 631,174</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 58,232
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	80,388
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(8,891)
(Increase) Decrease in Allowance for Uncollectibles	91
Increase (Decrease) in Accrued Expenses	(10,942)
Increase (Decrease) in Due from Other Governments	8,154
Increase (Decrease) in Due from Other Funds	(660)
Increase (Decrease) in Other Postemployment Benefits	2,901
Increase (Decrease) in Accounts Payable	(563)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 128,710</u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Cash Per Net Position	\$ 550
Equity in Pooled Cash and Investments Per Net Position	<u>630,624</u>
Cash, June 30, 2013	<u><u>\$ 631,174</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 471,043
Accounts Receivable	3,722
Due from Other Governments	<u>100,184</u>
Total Assets	<u>\$ 574,949</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 100,184
Due to Litigants, Heirs, and Others	<u>474,765</u>
Total Liabilities	<u>\$ 574,949</u>

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

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**HICKMAN COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Hickman 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 Hickman County:

**A. Reporting Entity**

Hickman County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Hickman County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

**Discretely Presented Component Units** – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Hickman County School Department operates the public school system in the county, and the voters of Hickman County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Hickman County Health Foundation was created as a result of litigation involving the Hickman County Hospital, and the Hickman County Commission appoints its governing body. The purpose of the health foundation is to promote and advance the health, medical care, general well being, and quality of life of the residents of Hickman County. The health foundation is funded primarily by contributions from Baptist Hospital and interest earnings.

The Hickman County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Hickman County, and the Hickman 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 financial statements of the Hickman County Emergency Communications District were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

The Industrial Development Board of Hickman County promotes industrial development to provide additional job opportunities within Hickman County. The county mayor nominates and the Hickman County Commission confirms the board members. The financial statements of the Industrial Development Board of Hickman County were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

The Hickman County School Department and the Hickman County Health Foundation do not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department and the Health Foundation are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Hickman County Emergency Communications District and the Industrial Development Board of Hickman County were not available in time for inclusion, as previously mentioned. Complete financial statements of the Hickman County Emergency Communications District and the Industrial Development Board of Hickman County can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Hickman County Emergency Communications District  
102 East Swan Street  
Centerville, TN 37033

Industrial Development Board of Hickman County  
Hickman County Mayor  
5640 Hwy 100  
Centerville, TN 37033

**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 units. 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. Likewise, the primary government is reported

separately from certain legally separate component units for which the primary government is financially accountable. The Hickman County School Department component unit only reports governmental activities in the government-wide financial statements.

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.

Hickman County issues all debt for the discretely presented Hickman County School Department. No debt issues were contributed by the county to the School Department during the year ended June 30, 2013.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund 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 proprietary fund and 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 Hickman 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/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Hickman County only reports one proprietary fund, an enterprise fund. It has no internal service funds to report.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the major enterprise fund 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. The 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. Hickman 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 debt service funds 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.

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

Hickman 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 the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**General Capital Projects Fund** – This fund accounts for capital projects of the general government.

Hickman County reports the following major proprietary fund:

**Solid Waste Disposal Fund** – This fund accounts for the county's solid waste landfill operations.

Additionally, Hickman County reports the following fund type:

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Hickman County. 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.

The discretely presented Hickman County School Department reports the following major governmental fund:

**General Purpose School Fund** – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Hickman County School Department reports the following fund type:

**Special Revenue Funds** – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The discretely presented Hickman County Health Foundation reports the following major governmental fund:

**Health Foundation Fund** – This is the foundation's only operating fund. It accounts for all financial resources of the foundation.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund used to account for solid waste activities. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations.

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

**1. Deposits and Investments**

For purposes of the Statement of Cash Flows, cash includes cash on hand and cash on deposit with the county trustee.

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 funds and the discretely presented Hickman County School Department. 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. Hickman County and the School Department have 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.

Cash and cash equivalents for the discretely presented Hickman County Health Foundation consist of demand deposits and certificates of deposit all with original maturities of three months or less. All deposits in financial institutions are fully protected by federal depository insurance.

## **2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/due from other funds (i.e., the current portion of interfund loans) or advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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 two percent of current property taxes.

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.

Retainage payable in the primary government's major governmental fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the General Capital Projects Fund.

**3. Nonspendable Assets**

Certain resources set aside for General Fund library operations are classified as nonspendable assets on the governmental fund balance sheet because the principal is required to be invested, and only the income from investments is available for expenditures.

**4. 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 and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than two 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. Interest incurred during the construction phase of capital assets of the enterprise fund is included as part of the capitalized value of the assets constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15 - 40
Other Capital Assets	3 - 25
Infrastructure:	
Roads	50
Bridges	20 - 50

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government had no items that qualified for reporting in this category.

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

**6. Compensated Absences**

**Primary Government**

It is the county's general policy to permit employees (excluding the Highway Department, which closes the week of July 4th and two weeks during the Christmas holidays) to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation and sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

**Discretely Presented Hickman County School Department**

The School Department permits professional personnel (teachers) to accumulate an unlimited amount of unused sick leave days. There is no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the School Department.

**7. Long-term Obligations**

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable

governmental activities or proprietary fund type 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, other postemployment benefits, and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

## **8. Net Position and Fund Balance**

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

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

As of June 30, 2013, Hickman County had \$25,512,117 in outstanding debt for capital purposes for the discretely presented Hickman County School Department. This debt is a liability of Hickman County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Hickman County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's 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 the Board of Education, the School Department'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/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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

**9. Prior-period Adjustments**

Capital assets were restated \$260,000 from the prior year because items noted as construction in progress were completed and included in assets in the prior year.

An adjustment to beginning net position totaling \$4,355 has been recognized for accumulated debt issuance cost on the government-wide financial statements. See note V.B.

**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**

**Primary Government**

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.

**Discretely Presented Hickman County School Department**

Exhibit J-3 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.

**Discretely Presented Hickman County Health Foundation**

The Hickman County Health Foundation did not have capital assets, debt, and accruals or deferrals to report; therefore, the only reconciling items from the governmental fund financial statements to the government-wide financial statements were reclassifications and are noted on Exhibits K-1 and K-2.

**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**

### **Primary Government**

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.

### **Discretely Presented Hickman County School Department**

Exhibit J-5 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**

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

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the General Capital Projects Fund, which adopts 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, Beer Board, County Mayor/Executive, 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 GAAP basis is presented on the face of each budgetary schedule.

**B. Health Foundation Accountability**

As previously noted, the Hickman County Health Foundation was created pursuant to a lawsuit settlement agreement related to the sale of the Hickman County Hospital. During the year ended June 30, 1999, the foundation received net funds related to the sale of the Hickman County Hospital to Baptist Hospital. The settlement agreement required these funds to be used for health-related projects in Hickman County and administered by a board of directors. In addition to the initial amounts paid, Baptist Hospital agreed to make annual contributions of \$100,000 per year to the foundation for 15 years. The foundation agreed to pay Baptist Hospital \$37,500 for the first five years and \$20,000 each year for the next ten years for indigent care. Also, in November 2008, the foundation agreed to pay Baptist Hospital \$620,000 over the next five years for emergency room expansion. The Hickman County Finance Office maintains the books and records of the foundation in a separate governmental fund at no cost to the foundation.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Hickman County and the Hickman County School Department participate 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.

**Investment Balances.** As of June 30, 2013, Hickman County had the following investments carried at fair value. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Hickman County and the discretely presented Hickman County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
State Treasurer's Investment Pool	11 to 138	N/A	\$ 703,747

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Hickman

County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Hickman County has no investment policy that would further limit its investment choices. As of June 30, 2013, Hickman County's investment in the State Treasurer's Investment Pool was unrated.

**B. Capital Assets**

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

**Primary Government**

<b>Governmental Activities:</b>	* Restated		
	Balance		Balance
	7-1-12	Increases	6-30-13
Capital Assets Not Depreciated:			
Land	\$ 209,514	\$ 0	\$ 209,514
Construction in Progress	0	0	0
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 209,514</b>	<b>\$ 0</b>	<b>\$ 209,514</b>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 11,076,308	\$ 0	\$ 11,076,308
Infrastructure	48,450,985	629,599	49,080,584
Other Capital Assets	2,965,043	127,311	3,092,354
<b>Total Capital Assets Depreciated</b>	<b>\$ 62,492,336</b>	<b>\$ 756,910</b>	<b>\$ 63,249,246</b>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 2,221,675	\$ 270,348	\$ 2,492,023
Infrastructure	24,808,641	896,549	25,705,190
Other Capital Assets	2,430,353	164,676	2,595,029
<b>Total Accumulated Depreciation</b>	<b>\$ 29,460,669</b>	<b>\$ 1,331,573</b>	<b>\$ 30,792,242</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 33,031,667</b>	<b>\$ (574,663)</b>	<b>\$ 32,457,004</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 33,241,181</b>	<b>\$ (574,663)</b>	<b>\$ 32,666,518</b>

\* See footnote I.D.9. for prior-period adjustment.

There were no decreases in capital assets to report during the year ended June 30, 2013.

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

**Governmental Activities:**

General Government	\$ 55,843
Administration of Justice	39,896
Public Safety	168,833
Public Health and Welfare	128,736
Social, Cultural, and Recreational Services	6,344
Highway/Public Works	<u>931,921</u>

Total Depreciation Expense - Governmental Activities \$ 1,331,573

**Business-type Activities:**

	Balance 7-1-12	Increases	Balance 6-30-13
Capital Assets Not Depreciated:			
Land	\$ 111,004	\$ 0	\$ 111,004
Total Capital Assets Not Depreciated	<u>\$ 111,004</u>	<u>\$ 0</u>	<u>\$ 111,004</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 1,077,579	\$ 0	\$ 1,077,579
Other Capital Assets	841,635	0	841,635
Total Capital Assets Depreciated	<u>\$ 1,919,214</u>	<u>\$ 0</u>	<u>\$ 1,919,214</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 281,650	\$ 26,939	\$ 308,589
Other Capital Assets	539,190	53,449	592,639
Total Accumulated Depreciation	<u>\$ 820,840</u>	<u>\$ 80,388</u>	<u>\$ 901,228</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,098,374</u>	<u>\$ (80,388)</u>	<u>\$ 1,017,986</u>
Business-type Activities Capital Assets, Net	<u><u>\$ 1,209,378</u></u>	<u><u>\$ (80,388)</u></u>	<u><u>\$ 1,128,990</u></u>

There were no decreases in capital assets to report during the year ended June 30, 2013.

Depreciation expense was charged to functions of the Solid Waste Disposal Fund (enterprise fund), as follows:

**Business-type Activities:**

Sanitation Management \$ 80,388

**Discretely Presented Hickman County School Department**

**Governmental Activities:**

	Balance 7-1-12	Increases	Balance 6-30-13
Capital Assets Not Depreciated:			
Land	\$ 1,018,261	\$ 0	\$ 1,018,261
Construction in Progress	0	5,643,402	5,643,402
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 1,018,261</b>	<b>\$ 5,643,402</b>	<b>\$ 6,661,663</b>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 53,470,197	\$ 140,050	\$ 53,610,247
Infrastructure	27,206	0	27,206
Other Capital Assets	7,619,660	360,564	7,980,224
<b>Total Capital Assets Depreciated</b>	<b>\$ 61,117,063</b>	<b>\$ 500,614</b>	<b>\$ 61,617,677</b>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 19,597,742	\$ 1,390,926	\$ 20,988,668
Infrastructure	3,627	1,360	4,987
Other Capital Assets	3,429,267	452,802	3,882,069
<b>Total Accumulated Depreciation</b>	<b>\$ 23,030,636</b>	<b>\$ 1,845,088</b>	<b>\$ 24,875,724</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 38,086,427</b>	<b>\$ (1,344,474)</b>	<b>\$ 36,741,953</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 39,104,688</b>	<b>\$ 4,298,928</b>	<b>\$ 43,403,616</b>

There were no decreases in capital assets to report during the year ended June 30, 2013.

Depreciation expense was charged to functions of the discretely presented Hickman County School Department as follows:

**Governmental Activities:**

Instruction	\$ 13,754
Support Services	1,817,036
Operation of Non-Instructional Services	<u>14,298</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,845,088</u></u>

**C. Construction Commitments**

At June 30, 2013, the county had uncompleted construction contracts of approximately \$1,348,935 for the reroofing and HVAC replacement at one of the schools. Funding for these future expenditures is expected to be received from other loans.

**D. Interfund Receivables, Payable, Transfers**

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: Solid Waste Disposal	Highway/Public Works	\$ 660

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

<u>Transfers Out</u>	<u>Transfers In</u>			
	<u>General Fund</u>	<u>Highway/ Public Works Fund</u>	<u>General Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>
General Fund	\$ 0	\$ 23,160	\$ 0	\$ 0
Highway/Public Works Fund	31,121	0	0	0
General Debt Service Fund	0	0	0	275,000
General Capital Projects Fund	<u>0</u>	<u>0</u>	<u>2,507,575</u>	<u>0</u>
 Total	 <u><u>\$ 31,121</u></u>	 <u><u>\$ 23,160</u></u>	 <u><u>\$ 2,507,575</u></u>	 <u><u>\$ 275,000</u></u>

**Discretely Presented Hickman County School Department**

Transfer Out	<u>Transfer In</u> General Purpose School Fund
School Federal Projects Fund	\$ 15,166

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

**E. Long-term Obligations**

**Primary Government**

Notes and Other Loans

Hickman County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

Capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 12 years for notes and up to 27 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2013, will be retired from the General Debt Service or Education Debt Service funds.

Capital outlay notes and other loans outstanding as of June 30, 2013, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
Capital Outlay Notes	0 to 4.15 %	6-30-20	\$ 1,407,642	\$ 591,794
Other Loans	variable	5-25-33	46,746,117	32,528,117

In prior years, Hickman County entered into loan agreements with the Montgomery County Public Building Authority. These loan agreements provided for the authority to loan \$8,949,117, \$1,750,000, \$22,000,000, \$6,140,000, and \$2,000,000 to Hickman County on an as-needed basis for various renovation and construction projects. These loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with these loans. At June 30, 2013, the variable interest rate was .31 percent, and other fees totaled \$60 per month per loan (trustee), 1.2 percent (letter of credit), and .09 percent (remarketing) of the outstanding loan principal for the \$8,949,117 loan. At June 30, 2013, the variable interest rate was .33 percent, and other fees totaled \$60 per month (trustee), 1.2 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal for the \$6,140,000, \$22,000,000, and \$2,000,000 loans. At June 30, 2013, the variable interest rate was .31 percent, and other fees totaled \$60 per month per loan (trustee), 1.2 percent (letter of credit), and .1 percent (remarketing) of the outstanding loan principal for the \$1,750,000 loan.

Also, in prior years, Hickman County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$1,000,000 available for loan to Hickman County on an as-needed basis for various renovation and construction projects. Hickman County had borrowed \$657,000 of the loan at June 30, 2013. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2013, the variable interest rate was .33 percent, and other fees totaled \$60 per month (trustee), 1.2 percent (letter of credit), and .09 percent (remarketing) of the outstanding loan principal.

During the year, Hickman County entered into a loan agreement with the Public Building Authority of the City of Clarksville. This loan agreement provided for the authority to loan \$5,250,000 to Hickman County on an as-needed basis for various renovation and construction projects. This loan is repayable at a fixed interest rate of 2.71 percent.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2013, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 189,047	\$ 23,906	\$ 212,953
2015	91,667	18,718	110,385
2016	91,667	14,911	106,578
2017	91,663	11,085	102,748
2018	81,250	7,251	88,501
2019-2020	46,500	8,060	54,560
Total	<u>\$ 591,794</u>	<u>\$ 83,931</u>	<u>\$ 675,725</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2014	\$ 2,068,000	\$ 228,934	\$ 354,924	\$ 2,651,858
2015	2,155,000	217,467	330,774	2,703,241
2016	2,237,000	205,494	305,681	2,748,175
2017	2,320,000	193,129	279,612	2,792,741
2018	2,258,117	180,366	252,415	2,690,898
2019-2023	8,070,000	729,179	949,774	9,748,953
2024-2028	9,330,000	432,916	483,157	10,246,073
2029-2033	4,090,000	113,141	57,754	4,260,895
Total	<u>\$ 32,528,117</u>	<u>\$ 2,300,626</u>	<u>\$ 3,014,091</u>	<u>\$ 37,842,834</u>

There is \$2,528,173 available in the General Debt Service Fund and \$223,234 in the Education Debt Service Fund to service long-term debt. Debt per capita, including notes and other loans, totaled \$1,341, based on the 2010 federal census.

#### Changes in Long-term Obligations

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

Governmental Activities:

	Notes	Other Loans
Balance, July 1, 2012	\$ 3,280,838	\$ 29,084,117
Additions	0	5,250,000
Reductions	(2,689,044)	(1,806,000)
Balance, June 30, 2013	<u>\$ 591,794</u>	<u>\$ 32,528,117</u>
Balance Due Within One Year	<u>\$ 189,047</u>	<u>\$ 2,068,000</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2012	\$ 306,955	\$ 42,176
Additions	296,414	61,116
Reductions	(325,434)	(23,404)
Balance, June 30, 2013	<u>\$ 277,935</u>	<u>\$ 79,888</u>
Balance Due Within One Year	<u>\$ 69,484</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 33,477,734
Less: Balance Due Within One Year	<u>(2,326,531)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 31,151,203</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

**Hickman County Solid Waste Disposal Fund (enterprise fund)**

Capital outlay notes outstanding as of June 30, 2013, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
Capital Outlay Notes	4.05 %	3-23-19	\$ 450,000	\$ 225,000

The annual requirements to amortize all notes outstanding as of June 30, 2013, including interest payments, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 37,500	\$ 9,239	\$ 46,739
2015	37,500	7,699	45,199
2016	37,500	6,176	43,676
2017	37,500	4,620	42,120
2018	37,500	3,080	40,580
2019	37,500	1,561	39,061
Total	\$ 225,000	\$ 32,375	\$ 257,375

Changes in Long-term Obligations

Long-term obligation activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2013, was as follows:

	Notes		Compensated Absences	
Balance, July 1, 2012	\$ 262,500	\$	17,531	
Additions	0		33,805	
Reductions	(37,500)		(35,696)	
Balance, June 30, 2013	\$ 225,000	\$	15,640	
Balance Due Within One Year	\$ 37,500	\$	3,910	
	Postclosure Care Costs		Other Postemployment Benefits	
Balance, July 1, 2012	\$ 162,935	\$	3,244	
Additions	2,869		4,663	
Reductions	(11,920)		(1,762)	
Balance, June 30, 2013	\$ 153,884	\$	6,145	
Balance Due Within One Year	\$ 10,862	\$	0	

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 400,669
Less: Balance Due Within One Year	<u>(52,272)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 348,397</u></u>

**Discretely Presented Hickman County School Department**

Changes in Long-term Obligations

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

Governmental Activities:	<u>Other Postemployment Benefits</u>
Balance, July 1, 2012	\$ 286,462
Additions	423,295
Reductions	<u>(144,803)</u>
Balance, June 30, 2013	<u><u>\$ 564,954</u></u>
Balance Due Within One Year	<u><u>\$ 0</u></u>

Other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

**F. On-Behalf Payments – Discretely Presented Hickman County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hickman County School Department. These payments are made by the state to the Local Education Group Insurance Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2013, were \$66,637. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

## V. OTHER INFORMATION

### A. Risk Management

It is the policy of the county to purchase commercial insurance for the risks of losses to which it is exposed for employee health. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Hickman County and the School Department participate in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. Hickman County and the School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The discretely presented Hickman County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

### B. Accounting Changes

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. An adjustment to beginning net position totaling \$4,355 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

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

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

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

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

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

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

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

**C. Subsequent Event**

Subsequent to year end, Hickman County requested drawdowns of \$2,000,000 from an energy efficient schools initiative loan. As of the date of this audit report, these funds have not been received.

**D. Contingent Liabilities**

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

**E. Landfill Closure/Postclosure Care Costs**

Hickman County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Hickman County closed its sanitary landfill in 1997. The \$153,884 reported as postclosure care liability at June 30, 2013, represents amounts based on what it would cost to perform all postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Ventures**

Hickman County and the Town of Centerville entered into a joint venture to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. This joint venture is administered by the Hickman County Economic and Community Development Association Board (Vision 21). Hickman County contributed \$44,766 to the Hickman County Joint Economic and Community Development Association Board for the year ended June 30, 2013.

The Twenty-first Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-first Judicial District, Williamson, Lewis, Hickman, and Perry counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney

general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Hickman County did not contribute to the DTF for the year ended June 30, 2013.

Hickman County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Hickman County Joint Economic Development Board and the DTF can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Hickman County Joint Economic Development Board (Vision 21)  
P.O. Box 204  
Centerville, TN 37033

Office of District Attorney General  
Twenty-first Judicial District Drug Task Force  
P.O. Box 937  
Franklin, TN 37065

**G. Jointly Governed Organization**

The South Central Tennessee Railroad Authority (SCTRA) was created by the county in conjunction with Lewis, Perry, and Wayne counties and the cities of Centerville, Linden, Hohenwald, and Waynesboro. The SCTRA's board includes 16 members who are the elected county mayor/executive or city mayor and an appointed member of the County Commission or City Council from each of the respective counties or cities. Hickman County did not appropriate any funds for this operation during the year, and the county does not have any ongoing financial interest or responsibility for the entity. Funding sources for SCTRA are lease payments, switching fees, interest income, and grants.

**H. Retirement Commitments**

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

**1. Tennessee Consolidated Retirement System (TCRS)**

**Plan Description**

Employees of Hickman County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits, as well as death and disability benefits. Benefits are determined by a

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

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

### **Funding Policy**

The county has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, was 13.55 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ended June 30, 2012, the county's annual pension cost of \$1,052,817 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on

salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was ten years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$1,052,817	100%	\$0
6-30-11	940,920	100	0
6-30-10	1,057,772	100	0

**Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the plan was 91.71 percent funded. The actuarial accrued liability for benefits was \$21.74 million, and the actuarial value of assets was \$19.94 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.8 million. The covered payroll (annual payroll of active employees covered by the plan) was \$7.79 million, and the ratio of the UAAL to the covered payroll was 23.14 percent.

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

**SCHOOL TEACHERS**

**Plan Description**

The Hickman County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high

five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2012, 2011, and 2010, were \$1,247,710, \$1,231,811, and \$893,800 respectively, equal to the required contributions for each year.

## **2. Deferred Compensation – Primary Government**

Hickman County offers its employees a deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

## **Deferred Compensation – Discretely Presented Hickman County School Department**

The Discretely Presented Hickman County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 457 and the Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 457 and 403(b) establish participation, contribution, and withdrawal provisions for the plans.

### **I. Other Postemployment Benefits (OPEB)**

#### **Primary Government - Commercial Plan**

##### Plan Description

In addition to the retirement commitments described above, Hickman County provides commercial health care benefits for its employees. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by recommendation of a salaries and benefits committee and approved by the County Commission.

##### Funding Policy

The premium requirements of plan members are established and may be amended by the salaries and benefits committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums.

Hickman County employees becomes eligible for retiree health coverage once the employee retires from the county with at least 25 years of service or retires from the Highway Department with at least 20 years of accumulated service from state, local city and/or county government, is a vested member of Tennessee Consolidated Retirement System, at least 50 years of age and employed with the Hickman County Highway Department the last five years of employment. The county pays 58 percent of medical premiums for retirees and their dependents (family coverage) and 85 percent of medical premiums for retirees (single coverage). The Highway Department pays 75 percent of medical and dental premiums for retirees and their dependents (family coverage) and 100 percent of medical and dental premiums for retirees (single coverage). In addition, Hickman County contributes up to \$3,000 (single coverage) and up to \$6,000 (family coverage) to a Health Reimbursement Account administered by the insurance carrier to cover employees' health

insurance deductibles. Expenditures for postretirement health care benefits are recognized as employees report claims and include a provision for estimated claims incurred but not reported to the county. During the year, expenditures totaling \$25,166 were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	<u>Commercial Plan</u>
ARC	\$ 65,779
Interest on the NOPEBO	0
Adjustment to the ARC	0
Annual OPEB cost	<u>\$ 65,779</u>
Amount of contribution	<u>(25,166)</u>
Increase/decrease in NOPEBO	\$ 40,613
Net OPEB obligation, 7-1-12	<u>45,420</u>
 Net OPEB obligation, 6-30-13	 <u><u>\$ 86,033</u></u>

Fiscal Year Ended*	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Commercial Insurance	\$ 65,779	38.3%	\$ 86,033
6-30-12	"	63,381	28.3	45,420

\*Data only available for two years.

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

(dollars in thousands)

	<u>Commercial Plan</u>
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	\$ 502
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 502
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 4,848
UAAL as a % of covered payroll	10%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2011, actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a three percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of seven percent starting July 1, 2011. The trend will be reduced each year by .25 percent until 2.5 percent is reached. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2011.

#### **Discretely Presented School Department**

##### Plan Description

The Hickman County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plans are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants, however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2013, the School Department made contributions totaling \$144,803 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 424,000
Interest on the NOPEBO	11,458
Adjustment to the ARC	(12,163)
Annual OPEB cost	<hr/> \$ 423,295
Amount of contribution	(144,803)
Increase/decrease in NOPEBO	<hr/> \$ 278,492
Net OPEB obligation, 7-1-12	<hr/> 286,462
	<hr/>
Net OPEB obligation, 6-30-13	<u><u>\$ 564,954</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
<hr/>				
6-30-11	Local Education Group	\$ 137,051	109	\$ 8,671
6-30-12	"	420,979	34	286,462
6-30-13	"	423,295	34	564,954

## Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

(dollars in thousands)

	<u>Local Education Group</u>
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	\$ 2,817
Actuarial value of plan assets	\$ 838
Unfunded actuarial accrued liability (UAAL)	\$ 1,979
Actuarial value of assets as a % of the AAL	30%
Covered payroll (active plan members)	\$ 16,218
UAAL as a % of covered payroll	17%

The Board of Education has placed funds with the Tennessee School Board Association (TSBA) GASB 45 Trust to be used to pre-fund a portion of the OPEB liability. The assets of the GASB 45 Trust are commingled with other participants' funds for investment purposes, but are held in an irrevocable trust for each plan participant and may be used only for the payment of benefits to the members of the plan in accordance with the terms of their plan. The TSBA GASB 45 Trust obtains an annual audit, which may be obtained from the TSBA at 525 Brick Church Park Drive, Nashville, TN 37207; however, audits for the years ended June 30, 2012, and 2013 were not available from other auditors as of the date of this report.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2011, actuarial valuation, for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.75 percent for fiscal year 2013. The trend will decrease to 8.25 percent in fiscal year 2014 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

**J. Office of Central Accounting, Budgeting, and Purchasing**

Office of Director of Finance

Hickman County operates under provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. This act also provides for the creation of a Finance Department operated under the direction of the finance director.

**K. Purchasing Law**

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Hickman County. All purchase orders are issued by the Finance Department. All purchases exceeding \$10,000 for the Office of County Mayor, the Highway Department, and the discretely presented School Department are required to be competitively bid.

**L. Financial Policy – Health Foundation**

The discretely presented Hickman County Health Foundation's general policy requires all bank account decisions and all disbursements to be individually approved at meetings of the board of directors.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

Hickman County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Hickman County School Department  
June 30, 2013

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 19,942	\$ 21,744	\$ 1,802	91.71 %	\$ 7,786	23.14 %
7-1-09	16,142	16,291	149	99.09	7,452	2.00
7-1-07	15,005	15,172	167	98.90	6,639	2.52

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

Exhibit F-2

Hickman County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Hickman County School Department  
June 30, 2013

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a
							Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Commercial Insurance*	7-1-11	\$ 0	\$ 502	\$ 502	0	\$ 4,848	10 %
"	7-1-12	0	522	522	0	4,848	11
<u>DISCRETELY PRESENTED HICKMAN COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	237	1,324	1,087	17.9	15,740	8
"	7-1-10	487	1,367	880	35.6	16,962	8
"	7-1-11	838	2,817	1,979	29.7	16,218	17

\*Data for three actuarial valuations will be presented when available.

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

**Budgetary Information**

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

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

Adequate Facilities/Development Tax Fund – The Adequate Facilities/Development Tax Fund is used to account for the fee assessed on square footage on all new residential, industrial, and commercial buildings.

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

## Debt Service Fund

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

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Education Debt Service Fund – The Education Debt Service Fund is used to account for the accumulation of resources for, and the payment of, education long-term debt principal, interest, and related costs.

Exhibit G-1

Hickman County, Tennessee  
 Combining Balance Sheet  
Nonmajor Governmental Funds  
 June 30, 2013

	Special Revenue Funds			Debt Service Fund		Total Nonmajor Governmental Funds
	Drug Control	Adequate Facilities/ Development Tax	Total	Education Debt Service		
\$	166,917	292,935	459,852	200,600	\$	660,452
	3,880	0	3,880	22,634		26,514
\$	170,797	292,935	463,732	223,234	\$	686,966
<u>ASSETS</u>						
Equity in Pooled Cash and Investments						
Accounts Receivable						
Total Assets						
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	0	292,935	292,935	0	\$	292,935
Restricted for Public Safety	170,797	0	170,797	0		170,797
Restricted for Debt Service	0	0	0	223,234		223,234
Total Fund Balances	170,797	292,935	463,732	223,234	\$	686,966

Exhibit G-2

Hickman County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2013

	Special Revenue Funds				Debt Service Fund		Total Nonmajor Governmental Funds
	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Total	Education Debt Service		
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 76,365	\$ 0	\$ 76,365	\$ 301,619	\$ 377,984	
Fines, Forfeitures, and Penalties	35,224	0	0	35,224	0	35,224	
Charges for Current Services	0	0	50	50	0	50	
Total Revenues	\$ 35,224	\$ 76,365	\$ 50	\$ 111,639	\$ 301,619	\$ 413,258	
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 763	\$ 0	\$ 763	\$ 0	\$ 763	
Administration of Justice	0	0	50	50	0	50	
Public Safety	50,276	0	0	50,276	0	50,276	
Debt Service:							
Principal on Debt	0	0	0	0	555,000	555,000	
Interest on Debt	0	0	0	0	14,765	14,765	
Other Debt Service	0	0	0	0	29,679	29,679	
Total Expenditures	\$ 50,276	\$ 763	\$ 50	\$ 51,089	\$ 599,444	\$ 650,533	
Excess (Deficiency) of Revenues Over Expenditures	\$ (15,052)	\$ 75,602	\$ 0	\$ 60,550	\$ (297,825)	\$ (237,275)	
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 275,000	\$ 275,000	
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 275,000	\$ 275,000	
Net Change in Fund Balances	\$ (15,052)	\$ 75,602	\$ 0	\$ 60,550	\$ (22,825)	\$ 37,725	
Fund Balance, July 1, 2012	185,849	217,333	0	403,182	246,059	649,241	
Fund Balance, June 30, 2013	\$ 170,797	\$ 292,935	\$ 0	\$ 463,732	\$ 223,234	\$ 686,966	

Exhibit G-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 35,224	\$ 41,500	\$ 41,500	\$ (6,276)
Total Revenues	\$ 35,224	\$ 41,500	\$ 41,500	\$ (6,276)
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 50,276	\$ 35,000	\$ 51,771	\$ 1,495
Total Expenditures	\$ 50,276	\$ 35,000	\$ 51,771	\$ 1,495
Excess (Deficiency) of Revenues Over Expenditures	\$ (15,052)	\$ 6,500	\$ (10,271)	\$ (4,781)
Net Change in Fund Balance	\$ (15,052)	\$ 6,500	\$ (10,271)	\$ (4,781)
Fund Balance, July 1, 2012	185,849	137,634	137,634	48,215
Fund Balance, June 30, 2013	\$ 170,797	\$ 144,134	\$ 127,363	\$ 43,434

Exhibit G-4

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Adequate Facilities/Development Tax Fund  
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 76,365	\$ 65,000	\$ 65,000	\$ 11,365
Total Revenues	\$ 76,365	\$ 65,000	\$ 65,000	\$ 11,365
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 763	\$ 650	\$ 763	\$ 0
Total Expenditures	\$ 763	\$ 650	\$ 763	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 75,602	\$ 64,350	\$ 64,237	\$ 11,365
Net Change in Fund Balance	\$ 75,602	\$ 64,350	\$ 64,237	\$ 11,365
Fund Balance, July 1, 2012	217,333	217,969	217,969	(636)
Fund Balance, June 30, 2013	\$ 292,935	\$ 282,319	\$ 282,206	\$ 10,729

Exhibit G-5

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Education Debt Service Fund  
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 301,619	\$ 264,000	\$ 264,000	\$ 37,619
Total Revenues	\$ 301,619	\$ 264,000	\$ 264,000	\$ 37,619
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 555,000	\$ 555,000	\$ 555,000	\$ 0
<u>Interest on Debt</u>				
Education	14,765	112,384	102,184	87,419
<u>Other Debt Service</u>				
General Government	3,052	3,000	3,200	148
Education	26,627	17,308	27,308	681
Total Expenditures	\$ 599,444	\$ 687,692	\$ 687,692	\$ 88,248
Excess (Deficiency) of Revenues Over Expenditures	\$ (297,825)	\$ (423,692)	\$ (423,692)	\$ 125,867
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 275,000	\$ 322,768	\$ 322,768	\$ (47,768)
Total Other Financing Sources	\$ 275,000	\$ 322,768	\$ 322,768	\$ (47,768)
Net Change in Fund Balance	\$ (22,825)	\$ (100,924)	\$ (100,924)	\$ 78,099
Fund Balance, July 1, 2012	246,059	200,000	200,000	46,059
Fund Balance, June 30, 2013	\$ 223,234	\$ 99,076	\$ 99,076	\$ 124,158

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit H

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,717,361	\$ 1,592,111	\$ 1,592,111	\$ 125,250
Other Local Revenues	26,195	40,000	40,000	(13,805)
State of Tennessee	27,453	27,757	27,757	(304)
Total Revenues	<u>\$ 1,771,009</u>	<u>\$ 1,659,868</u>	<u>\$ 1,659,868</u>	<u>\$ 111,141</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 3,015,377	\$ 2,015,378	\$ 3,015,378	\$ 1
Highways and Streets	41,667	41,667	41,667	0
Education	883,000	883,000	883,000	0
<u>Interest on Debt</u>				
General Government	115,365	303,942	309,417	194,052
Highways and Streets	11,581	11,612	11,612	31
Education	128,529	538,620	477,620	349,091
<u>Other Debt Service</u>				
General Government	114,112	127,760	129,860	15,748
Education	163,978	106,533	167,533	3,555
Total Expenditures	<u>\$ 4,473,609</u>	<u>\$ 4,028,512</u>	<u>\$ 5,036,087</u>	<u>\$ 562,478</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,702,600)</u>	<u>\$ (2,368,644)</u>	<u>\$ (3,376,219)</u>	<u>\$ 673,619</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 2,507,575	\$ 1,500,000	\$ 2,507,575	\$ 0
Transfers Out	(275,000)	(322,768)	(322,768)	47,768
Total Other Financing Sources	<u>\$ 2,232,575</u>	<u>\$ 1,177,232</u>	<u>\$ 2,184,807</u>	<u>\$ 47,768</u>
Net Change in Fund Balance	\$ (470,025)	\$ (1,191,412)	\$ (1,191,412)	\$ 721,387
Fund Balance, July 1, 2012	<u>2,998,198</u>	<u>2,900,000</u>	<u>2,900,000</u>	<u>98,198</u>
Fund Balance, June 30, 2013	<u>\$ 2,528,173</u>	<u>\$ 1,708,588</u>	<u>\$ 1,708,588</u>	<u>\$ 819,585</u>

# Fiduciary Funds

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

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

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, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit I-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 471,043	\$ 471,043
Accounts Receivable	0	3,722	3,722
Due from Other Governments	100,184	0	100,184
Total Assets	<u>\$ 100,184</u>	<u>\$ 474,765</u>	<u>\$ 574,949</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 100,184	\$ 0	\$ 100,184
Due to Litigants, Heirs, and Others	0	474,765	474,765
Total Liabilities	<u>\$ 100,184</u>	<u>\$ 474,765</u>	<u>\$ 574,949</u>

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 570,888	\$ 570,888	\$ 0
Due from Other Governments	90,464	100,184	90,464	100,184
Total Assets	<u>\$ 90,464</u>	<u>\$ 671,072</u>	<u>\$ 661,352</u>	<u>\$ 100,184</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 90,464	\$ 671,072	\$ 661,352	\$ 100,184
Total Liabilities	<u>\$ 90,464</u>	<u>\$ 671,072</u>	<u>\$ 661,352</u>	<u>\$ 100,184</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 531,657	\$ 5,384,636	\$ 5,445,250	\$ 471,043
Accounts Receivable	1,553	3,722	1,553	3,722
Total Assets	<u>\$ 533,210</u>	<u>\$ 5,388,358</u>	<u>\$ 5,446,803</u>	<u>\$ 474,765</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 533,210	\$ 5,388,358	\$ 5,446,803	\$ 474,765
Total Liabilities	<u>\$ 533,210</u>	<u>\$ 5,388,358</u>	<u>\$ 5,446,803</u>	<u>\$ 474,765</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 531,657	\$ 5,384,636	\$ 5,445,250	\$ 471,043
Equity in Pooled Cash and Investments	0	570,888	570,888	0
Due from Other Governments	90,464	100,184	90,464	100,184
Accounts Receivable	1,553	3,722	1,553	3,722
Total Assets	<u>\$ 623,674</u>	<u>\$ 6,059,430</u>	<u>\$ 6,108,155</u>	<u>\$ 574,949</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 90,464	\$ 671,072	\$ 661,352	\$ 100,184
Due to Litigants, Heirs, and Others	533,210	5,388,358	5,446,803	474,765
Total Liabilities	<u>\$ 623,674</u>	<u>\$ 6,059,430</u>	<u>\$ 6,108,155</u>	<u>\$ 574,949</u>

# Hickman County School Department

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This section presents combining and individual fund financial statements for the Hickman County School Department, a discretely presented component unit. The School Department uses a General Fund and two Special Revenue Funds.

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General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Exhibit J-1

Hickman County, Tennessee  
Statement of Activities  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 17,321,203	\$ 102,548	\$ 2,864,977	\$ 0	\$ (14,353,678)
Support Services	11,582,349	0	0	5,643,402	(5,938,947)
Operation of Non-Instructional Services	2,849,319	687,970	1,513,941	0	(647,408)
Total Governmental Activities	\$ 31,752,871	\$ 790,518	\$ 4,378,918	\$ 5,643,402	\$ (20,940,033)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,159,751
Local Option Sales Tax					1,273,495
Other Local Taxes					35,415
Grants and Contributions Not Restricted to Specific Programs					20,880,376
Unrestricted Investment Income					311
Miscellaneous					334,777
Total General Revenues					\$ 25,684,125
Change in Net Position					\$ 4,744,092
Net Position, July 1, 2012					45,715,422
Net Position, June 30, 2013					\$ 50,459,514

Exhibit J-2

Hickman County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Hickman County School Department  
June 30, 2013

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
	School	Funds	Funds
<u>ASSETS</u>			
Cash	\$ 1,349,009	\$ 3,463	\$ 1,352,472
Equity in Pooled Cash and Investments	5,228,458	609,086	5,837,544
Accounts Receivable	23,327	0	23,327
Due from Other Governments	218,585	7,399	225,984
Property Taxes Receivable	3,265,059	0	3,265,059
Allowance for Uncollectible Property Taxes	(74,417)	0	(74,417)
Total Assets	<u>\$ 10,010,021</u>	<u>\$ 619,948</u>	<u>\$ 10,629,969</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,016	\$ 0	\$ 2,016
Total Liabilities	<u>\$ 2,016</u>	<u>\$ 0</u>	<u>\$ 2,016</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,007,101	\$ 0	\$ 3,007,101
Deferred Delinquent Property Taxes	173,347	0	173,347
Other Deferred/Unavailable Revenue	109,293	0	109,293
Total Deferred Inflows of Resources	<u>\$ 3,289,741</u>	<u>\$ 0</u>	<u>\$ 3,289,741</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 8,427	\$ 469,948	\$ 478,375
Committed:			
Committed for Education	1,349,009	150,000	1,499,009
Unassigned	5,360,828	0	5,360,828
Total Fund Balances	<u>\$ 6,718,264</u>	<u>\$ 619,948</u>	<u>\$ 7,338,212</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,010,021</u>	<u>\$ 619,948</u>	<u>\$ 10,629,969</u>

Exhibit J-3

Hickman County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
Discretely Presented Hickman County School Department  
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	7,338,212
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,018,261	
Add: construction-in-progress		5,643,402	
Add: buildings and improvements net of accumulated depreciation		32,621,579	
Add: infrastructure net of accumulated depreciation		22,219	
Add: other capital assets net of accumulated depreciation		<u>4,098,155</u>	43,403,616
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other postemployment benefits liability			(564,954)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>282,640</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>50,459,514</u></u>

Exhibit J-4

Hickman County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2013

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 4,503,443	\$ 0	\$ 4,503,443
Licenses and Permits	1,537	0	1,537
Charges for Current Services	102,765	687,753	790,518
Other Local Revenues	512,500	444	512,944
State of Tennessee	21,076,294	0	21,076,294
Federal Government	123,851	3,862,685	3,986,536
Total Revenues	<u>\$ 26,320,390</u>	<u>\$ 4,550,882</u>	<u>\$ 30,871,272</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 15,376,178	\$ 1,652,779	\$ 17,028,957
Support Services	9,038,776	697,988	9,736,764
Operation of Non-Instructional Services	575,986	2,259,035	2,835,021
Capital Outlay	529,163	0	529,163
Total Expenditures	<u>\$ 25,520,103</u>	<u>\$ 4,609,802</u>	<u>\$ 30,129,905</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 800,287</u>	<u>\$ (58,920)</u>	<u>\$ 741,367</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 7,114	\$ 0	\$ 7,114
Transfers In	15,166	0	15,166
Transfers Out	0	(15,166)	(15,166)
Total Other Financing Sources (Uses)	<u>\$ 22,280</u>	<u>\$ (15,166)</u>	<u>\$ 7,114</u>
Net Change in Fund Balances	\$ 822,567	\$ (74,086)	\$ 748,481
Fund Balance, July 1, 2012	<u>5,895,697</u>	<u>694,034</u>	<u>6,589,731</u>
Fund Balance, June 30, 2013	<u>\$ 6,718,264</u>	<u>\$ 619,948</u>	<u>\$ 7,338,212</u>

Exhibit J-5

Hickman County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2013

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$	748,481
(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	\$	500,614	
Less: current-year depreciation expense		<u>(1,845,088)</u>	(1,344,474)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Add: assets donated and capitalized			5,643,402
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2012	\$	(307,465)	
Add: deferred delinquent property taxes and other deferred June 30, 2013		<u>282,640</u>	(24,825)
(4) 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 other postemployment benefits liability			<u>(278,492)</u>
Change in net position of governmental activities (Exhibit B)		\$	<u>4,744,092</u>

Exhibit J-6

Hickman County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Hickman County School Department  
June 30, 2013

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 3,463	\$ 3,463
Equity in Pooled Cash and Investments	149,626	459,460	609,086
Due from Other Governments	7,399	0	7,399
	<hr/>		
Total Assets	\$ 157,025	\$ 462,923	\$ 619,948
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 7,025	\$ 462,923	\$ 469,948
Committed:			
Committed for Education	150,000	0	150,000
	<hr/>		
Total Fund Balances	\$ 157,025	\$ 462,923	\$ 619,948
	<hr/>		

Exhibit J-7

Hickman County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2013

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 687,753	\$ 687,753
Other Local Revenues	0	444	444
Federal Government	2,368,916	1,493,769	3,862,685
Total Revenues	<u>\$ 2,368,916</u>	<u>\$ 2,181,966</u>	<u>\$ 4,550,882</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,652,779	\$ 0	\$ 1,652,779
Support Services	697,988	0	697,988
Operation of Non-Instructional Services	0	2,259,035	2,259,035
Total Expenditures	<u>\$ 2,350,767</u>	<u>\$ 2,259,035</u>	<u>\$ 4,609,802</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 18,149</u>	<u>\$ (77,069)</u>	<u>\$ (58,920)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (15,166)	\$ 0	\$ (15,166)
Total Other Financing Sources (Uses)	<u>\$ (15,166)</u>	<u>\$ 0</u>	<u>\$ (15,166)</u>
Net Change in Fund Balances	\$ 2,983	\$ (77,069)	\$ (74,086)
Fund Balance, July 1, 2012	154,042	539,992	694,034
Fund Balance, June 30, 2013	<u>\$ 157,025</u>	<u>\$ 462,923</u>	<u>\$ 619,948</u>

Exhibit J-8

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Hickman County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,503,443	\$ 4,413,579	\$ 4,413,579	\$ 89,864
Licenses and Permits	1,537	1,400	1,400	137
Charges for Current Services	102,765	118,500	118,500	(15,735)
Other Local Revenues	512,500	381,500	495,018	17,482
State of Tennessee	21,076,294	20,775,095	20,841,732	234,562
Federal Government	123,851	425,000	425,000	(301,149)
Total Revenues	\$ 26,320,390	\$ 26,115,074	\$ 26,295,229	\$ 25,161
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 11,849,760	\$ 12,540,750	\$ 12,540,750	\$ 690,990
Alternative Instruction Program	155,321	157,500	157,500	2,179
Special Education Program	2,074,837	2,189,500	2,189,500	114,663
Vocational Education Program	1,202,522	1,345,102	1,345,102	142,580
Adult Education Program	93,738	289,606	289,606	195,868
<u>Support Services</u>				
Attendance	133,087	137,200	137,200	4,113
Health Services	225,905	231,702	231,702	5,797
Other Student Support	722,413	747,182	747,182	24,769
Regular Instruction Program	1,130,547	1,161,865	1,161,865	31,318
Alternative Instruction Program	198	400	400	202
Special Education Program	91,909	95,000	95,000	3,091
Vocational Education Program	85,520	91,400	91,400	5,880
Adult Programs	86,177	87,000	87,000	823
Other Programs	124,496	58,000	124,637	141
Board of Education	492,976	504,000	504,000	11,024
Director of Schools	245,881	257,049	257,049	11,168
Office of the Principal	1,357,052	1,385,140	1,385,140	28,088
Fiscal Services	31,541	194,900	194,900	163,359
Operation of Plant	1,698,852	1,894,500	1,894,500	195,648
Maintenance of Plant	958,108	959,607	959,607	1,499
Transportation	1,436,113	1,493,567	1,493,567	57,454
Central and Other	218,001	232,500	232,500	14,499
<u>Operation of Non-Instructional Services</u>				
Food Service	20,182	21,000	21,000	818
Community Services	133,192	150,000	150,000	16,808
Early Childhood Education	422,612	425,995	425,995	3,383
<u>Capital Outlay</u>				
Regular Capital Outlay	529,163	530,000	530,000	837
Total Expenditures	\$ 25,520,103	\$ 27,180,465	\$ 27,247,102	\$ 1,726,999
Excess (Deficiency) of Revenues Over Expenditures	\$ 800,287	\$ (1,065,391)	\$ (951,873)	\$ 1,752,160
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 7,114	\$ 5,000	\$ 5,000	\$ 2,114

(Continued)

Exhibit J-8

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Hickman County School Department  
General Purpose School Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>				
Transfers In	\$ 15,166	\$ 30,000	\$ 30,000	\$ (14,834)
Total Other Financing Sources	\$ 22,280	\$ 35,000	\$ 35,000	\$ (12,720)
Net Change in Fund Balance	\$ 822,567	\$ (1,030,391)	\$ (916,873)	\$ 1,739,440
Fund Balance, July 1, 2012	5,895,697	5,000,000	5,000,000	895,697
Fund Balance, June 30, 2013	\$ 6,718,264	\$ 3,969,609	\$ 4,083,127	\$ 2,635,137

Exhibit J-9

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Hickman County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,368,916	\$ 2,412,916	\$ 2,584,669	\$ (215,753)
Total Revenues	\$ 2,368,916	\$ 2,412,916	\$ 2,584,669	\$ (215,753)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,119,431	\$ 957,531	\$ 1,185,894	\$ 66,463
Special Education Program	477,103	713,927	509,420	32,317
Vocational Education Program	56,245	50,649	56,245	0
<u>Support Services</u>				
Other Student Support	148,063	141,456	173,794	25,731
Regular Instruction Program	247,307	335,501	319,940	72,633
Special Education Program	294,795	183,057	301,074	6,279
Transportation	7,823	10,000	11,995	4,172
Total Expenditures	\$ 2,350,767	\$ 2,392,121	\$ 2,558,362	\$ 207,595
Excess (Deficiency) of Revenues Over Expenditures	\$ 18,149	\$ 20,795	\$ 26,307	\$ (8,158)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (15,166)	\$ (20,795)	\$ (26,307)	\$ 11,141
Total Other Financing Sources	\$ (15,166)	\$ (20,795)	\$ (26,307)	\$ 11,141
Net Change in Fund Balance	\$ 2,983	\$ 0	\$ 0	\$ 2,983
Fund Balance, July 1, 2012	154,042	0	0	154,042
Fund Balance, June 30, 2013	\$ 157,025	\$ 0	\$ 0	\$ 157,025

Exhibit J-10

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Hickman County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 687,753	\$ 670,000	\$ 670,000	\$ 17,753
Other Local Revenues	444	900	900	(456)
Federal Government	1,493,769	1,730,000	1,730,000	(236,231)
Total Revenues	<u>\$ 2,181,966</u>	<u>\$ 2,400,900</u>	<u>\$ 2,400,900</u>	<u>\$ (218,934)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,259,035	\$ 2,557,500	\$ 2,557,500	\$ 298,465
Total Expenditures	<u>\$ 2,259,035</u>	<u>\$ 2,557,500</u>	<u>\$ 2,557,500</u>	<u>\$ 298,465</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (77,069)</u>	<u>\$ (156,600)</u>	<u>\$ (156,600)</u>	<u>\$ 79,531</u>
Net Change in Fund Balance	\$ (77,069)	\$ (156,600)	\$ (156,600)	\$ 79,531
Fund Balance, July 1, 2012	<u>539,992</u>	<u>343,100</u>	<u>343,100</u>	<u>196,892</u>
Fund Balance, June 30, 2013	<u>\$ 462,923</u>	<u>\$ 186,500</u>	<u>\$ 186,500</u>	<u>\$ 276,423</u>

# Hickman County Health Foundation

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This section presents fund financial statements for the Hickman County Health Foundation, a discretely presented component unit. The Health Foundation uses a General Fund.

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Health Foundation Fund – The Health Foundation Fund was created as a result of litigation involving the Hickman County Hospital. The fund is used to promote and advance the health, medical care, general well being, and quality of life for residents of Hickman County.

Exhibit K-1

Hickman County, Tennessee  
Statement of Net Position and Governmental Fund Balance Sheet  
Discretely Presented Hickman County Health Foundation  
June 30, 2013

	Health Foundation Fund	Adjustments	Statement of Net Position
	<hr/>		<hr/>
<u>ASSETS</u>			
Cash	\$ 2,267,647	\$ 0	\$ 2,267,647
Total Assets	<u>\$ 2,267,647</u>	<u>\$ 0</u>	<u>\$ 2,267,647</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund Balance:			
Restricted for Public Health and Welfare	\$ 2,267,647	\$ (2,267,647)	\$ 0
Total Fund Balance	<u>\$ 2,267,647</u>	<u>\$ (2,267,647)</u>	<u>\$ 0</u>
Total Fund Balance	<u>\$ 2,267,647</u>		
Net Position:			
Restricted for Public Health and Welfare		<u>\$ 2,267,647</u>	<u>\$ 2,267,647</u>
Total Net Position		<u>\$ 2,267,647</u>	<u>\$ 2,267,647</u>

Exhibit K-2

Hickman County, Tennessee  
Statement of Activities and Governmental Fund Revenues, Expenditures,  
and Changes in Fund Balance/Net Position  
Discretely Presented Hickman County Health Foundation  
For the Year Ended June 30, 2013

	Health Foundation Fund	Adjustments	Statement of Activities
<b>Expenditures/Expenses:</b>			
<b>General Government:</b>			
County Commission	\$ 592	\$ 0	\$ 592
<b>Public Safety:</b>			
Rescue Squad	9,999	0	9,999
<b>Public Health and Welfare:</b>			
Ambulance/Emergency Medical Services	11,157	0	11,157
Other Public Health and Welfare	70,000	0	70,000
<b>Total Expenditures/Expenses</b>	<b>\$ 91,748</b>	<b>\$ 0</b>	<b>\$ 91,748</b>
<b>Program Revenues:</b>			
<b>Operating Grants and Contributions:</b>			
Public Health and Welfare	\$ 100,000	\$ 0	\$ 100,000
<b>Net Program Expense</b>			<b>\$ (8,252)</b>
<b>General Revenues:</b>			
Investment Income	\$ 17,661	\$ 0	\$ 17,661
<b>Total General Revenues</b>	<b>\$ 17,661</b>	<b>\$ 0</b>	<b>\$ 17,661</b>
<b>Excess of Revenues Over Expenditures</b>	<b>\$ 25,913</b>	<b>\$ (25,913)</b>	<b>\$ 0</b>
<b>Change in Net Position</b>	<b>0</b>	<b>25,913</b>	<b>25,913</b>
<b>Fund Balance/Net Position:</b>			
July 1, 2012	2,241,734	0	2,241,734
June 30, 2013	\$ 2,267,647	\$ 0	\$ 2,267,647

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## MISCELLANEOUS SCHEDULES

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Exhibit L-1

Hickman County, Tennessee  
Schedule of Changes in Long-term Notes and Other Loans  
For the Year Ended June 30, 2013

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-13
<b>GOVERNMENTAL ACTIVITIES</b>								
<b>NOTES PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
Highway Capital Outlay Note	\$ 125,000	4.15 %	8-2-04	8-2-16	\$ 52,081	\$ 0	10,417	\$ 41,664
MLEC Building	605,000	4.1	1-12-07	1-12-19	309,000	0	50,000	259,000
Energy Efficiency	62,142	0	3-14-07	4-15-14	17,757	0	8,877	8,880
Highway Capital Outlay Note	350,000	4	6-30-08	6-30-20	225,000	0	31,250	193,750
Flood Disaster Capital Outlay Note No. 1	2,000,000	2.76	5-28-10	5-28-13	1,000,000	0	1,000,000	0
Flood Disaster Capital Outlay Note No. 2	2,000,000	3.03	8-31-10	4-25-13	1,500,000	0	1,500,000	0
Ambulance Capital Outlay Note	265,500	3	11-3-10	12-1-13	177,000	0	88,500	88,500
Total Notes Payable					\$ 3,280,838	\$ 0	2,689,044	\$ 591,794
<b>OTHER LOANS PAYABLE</b>								
<u>Payable through Education Debt Service Fund</u>								
School Construction	8,949,117	Variable	12-15-1997	5-25-18	\$ 3,746,117	\$ 0	555,000	\$ 3,191,117
Total Payable through Education Debt Service Fund					\$ 3,746,117	\$ 0	555,000	\$ 3,191,117
<u>Payable through General Debt Service Fund</u>								
Court Facility	1,750,000	Variable	2-9-1998	5-25-18	\$ 630,000	\$ 0	107,000	\$ 523,000
School Construction	22,000,000	Variable	6-28-04	5-25-29	17,523,000	0	820,000	16,703,000
Jail Construction	6,140,000	Variable	10-27-05	5-25-31	5,098,000	0	199,000	4,899,000
Sewer Line	2,000,000	Variable	3-30-06	5-25-33	1,656,000	0	62,000	1,594,000
School Construction	(1)	Variable	8-27-07	5-25-19	431,000	0	63,000	368,000
School Roofing and HVAC	5,250,000	2.71	12-17-12	12-1-32	0	5,250,000	0	5,250,000
Total Payable through General Debt Service Fund					\$ 25,338,000	\$ 5,250,000	1,251,000	\$ 29,337,000
Total Other Loans Payable					\$ 29,084,117	\$ 5,250,000	1,806,000	\$ 32,528,117
<b>BUSINESS-TYPE ACTIVITIES</b>								
<b>NOTES PAYABLE</b>								
<u>Payable through Solid Waste Disposal Fund</u>								
Recycling Center	450,000	4.05	3-23-07	3-23-19	\$ 262,500	\$ 0	37,500	\$ 225,000

(1) Total amount available for draws from the Montgomery County Public Building Authority is \$343,000 of an authorized \$1,000,000.

Exhibit L-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 189,047	\$ 23,906	\$ 212,953
2015	91,667	18,718	110,385
2016	91,667	14,911	106,578
2017	91,663	11,085	102,748
2018	81,250	7,251	88,501
2019	40,250	7,757	48,007
2020	6,250	303	6,553
Total	\$ 591,794	\$ 83,931	\$ 675,725

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2014	\$ 2,068,000	\$ 228,934	\$ 354,924	\$ 2,651,858
2015	2,155,000	217,467	330,774	2,703,241
2016	2,237,000	205,494	305,681	2,748,175
2017	2,320,000	193,129	279,612	2,792,741
2018	2,258,117	180,366	252,415	2,690,898
2019	1,528,000	167,616	224,077	1,919,693
2020	1,566,000	157,030	207,516	1,930,546
2021	1,610,000	146,141	190,455	1,946,596
2022	1,659,000	134,949	172,907	1,966,856
2023	1,707,000	123,443	154,819	1,985,262
2024	1,758,000	111,623	136,191	2,005,814
2025	1,811,000	99,453	116,999	2,027,452
2026	1,865,000	86,932	97,230	2,049,162
2027	1,919,000	74,066	76,856	2,069,922
2028	1,977,000	60,842	55,881	2,093,723
2029	2,035,000	37,235	34,263	2,106,498
2030	640,860	33,249	11,282	685,391
2031	559,140	23,658	7,023	589,821
2032	422,000	14,136	3,209	439,345
2033	433,000	4,863	1,977	439,840
Total	\$ 32,528,117	\$ 2,300,626	\$ 3,014,091	\$ 37,842,834

(Continued)

Exhibit L-2

Hickman County, Tennessee

Schedule of Long-term Debt Requirements by Year (Cont.)

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Notes		Total
	Principal	Interest	
2014	\$ 37,500	\$ 9,239	\$ 46,739
2015	37,500	7,699	45,199
2016	37,500	6,176	43,676
2017	37,500	4,620	42,120
2018	37,500	3,080	40,580
2019	37,500	1,561	39,061
Total	<u>\$ 225,000</u>	<u>\$ 32,375</u>	<u>\$ 257,375</u>

Exhibit L-3

Hickman County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2013

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General			\$ 23,160
Highway/Public Works	Highway/Public Works	Fund information technology position	31,121
General Debt Service	General	Administrative costs	275,000
General Capital Projects	Education Debt Service	Debt retirement	2,507,575
	General Debt Service	Reimbursement for disaster funds	<u>2,507,575</u>
Total Transfers Primary Government			<u>\$ 2,836,856</u>
<u>DISCRETELY PRESENTED HICKMAN</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 15,166
Total Transfers Discretely Presented Hickman County School Department			<u>\$ 15,166</u>

Exhibit L-4

Hickman County, Tennessee  
 Schedule of Salaries and Official Bonds of Principal Officials  
 Primary Government and Discretely Presented Hickman County School Department  
 For the Year Ended June 30, 2013

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 72,721 (1)	\$ 50,000	State Farm Fire and Casualty Company
Road Superintendent	Section 8-24-102, TCA	70,513 (5)	100,000	"
Director of Schools	State Board of Education and Local Board of Education	110,649 (2)	(6)	"
Trustee	Section 8-24-102, TCA	62,997 (1)	1,029,435	"
Assessor of Property	Section 8-24-102, TCA	63,997 (1) (3)	50,000	"
County Clerk	Section 8-24-102, TCA	62,997 (1)	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	62,739	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Judge	62,739	55,000	"
Register of Deeds	Section 8-24-102, TCA	62,997 (1)	25,000	"
Sheriff	Section 8-24-102, TCA	69,613 (4)	25,000	Travelers Casualty and Surety Company
Finance Director	County Commission	64,239 (5)	50,000	State Farm Fire and Casualty Company
<u>Other Bonds</u>				
Employee Blanket Bond			150,000	Tennessee Risk Management Trust
School Employees			150,000	"

- (1) Includes \$258 for the county's portion of certified public administrator supplement.
- (2) Includes \$1,000 for a chief executive officer training supplement.
- (3) Includes \$1,000 as a training supplement.
- (4) Includes \$600 as a law enforcement training supplement.
- (5) Includes \$1,500 as a training supplement.
- (6) The director of schools is covered under the department's blanket bond.

Exhibit L-5

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

	Special Revenue Funds					Debt Service Funds			Capital Projects Fund	
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Total	
<u>Local Taxes</u>										
County Property Taxes										
Current Property Tax	\$ 4,486,284	\$ 0	\$ 0	\$ 0	\$ 216,068	\$ 278,754	\$ 0	\$ 0	\$ 4,981,106	
Trustee's Collections - Prior Year	214,902	0	0	0	10,353	13,301	0	0	238,556	
Circuit/Clerk & Master Collections - Prior Years	111,411	0	0	0	6,300	8,126	0	0	125,837	
Interest and Penalty	37,276	0	0	0	1,795	2,331	0	0	41,402	
Payments in-Lieu-of Taxes - T.V.A.	6,047	0	0	0	291	413	0	0	6,751	
Payments in-Lieu-of Taxes - Local Utilities	8,609	0	0	0	0	0	0	0	8,609	
Payments in-Lieu-of Taxes - Other	18,086	0	0	0	0	0	0	0	18,086	
<u>County Local Option Taxes</u>										
Local Option Sales Tax	3,696	0	0	0	0	695,676	0	0	699,372	
Hotel/Motel Tax	3,879	0	0	0	0	0	0	0	3,879	
Wheel Tax	0	0	0	0	0	703,626	301,619	0	1,005,245	
Litigation Tax - General	104,181	0	0	0	0	0	0	0	104,181	
Litigation Tax - Special Purpose	14,757	0	0	0	0	0	0	0	14,757	
Litigation Tax - Jail, Workhouse, or Courthouse	92,964	0	0	0	0	0	0	0	92,964	
Business Tax	50,901	0	0	0	2,451	3,163	0	0	56,515	
Mineral Severance Tax	0	0	0	0	51,634	0	0	0	51,634	
Adequate Facilities/Development Tax	0	0	76,365	0	0	0	0	0	76,365	
<u>Statutory Local Taxes</u>										
Bank Excise Tax	9,247	0	0	0	0	0	0	0	9,247	
Wholesale Beer Tax	191,695	0	0	0	0	0	0	0	191,695	
Interstate Telecommunications Tax	9,647	0	0	0	0	0	0	0	9,647	
Other Statutory Local Taxes	0	0	0	0	0	11,971	0	0	11,971	
Total Local Taxes	\$ 5,363,582	\$ 0	\$ 76,365	\$ 0	\$ 288,892	\$ 1,717,361	\$ 301,619	\$ 0	\$ 7,747,819	
<u>Licenses and Permits</u>										
Cable TV Franchise Permits	\$ 37,097	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,097	
Beer Permits	2,992	0	0	0	0	0	0	0	2,992	
Building Permits	37,417	0	0	0	0	0	0	0	37,417	
Total Licenses and Permits	\$ 77,506	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 77,506	
<u>Fines, Forfeitures, and Penalties</u>										
Circuit Court Fines	\$ 19,327	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,327	
Officers Costs	7,614	0	0	0	0	0	0	0	7,614	

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Funds			Capital Projects Fund	
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>Circuit Court (Cont.)</u>									
Drug Control Fines	\$ 0	6,348	0	0	0	0	0	0	6,348
Drug Court Fees	2,135	0	0	0	0	0	0	0	2,135
Jail Fees	2,261	0	0	0	0	0	0	0	2,261
DUI Treatment Fines	380	0	0	0	0	0	0	0	380
Data Entry Fee - Circuit Court Criminal Court	624	0	0	0	0	0	0	0	624
<u>DUI Treatment Fines</u>	390	0	0	0	0	0	0	0	390
<u>General Sessions Court</u>									
Fines	22,558	0	0	0	0	0	0	0	22,558
Officers Costs	35,977	0	0	0	0	0	0	0	35,977
Game and Fish Fines	1,407	0	0	0	0	0	0	0	1,407
Drug Control Fines	0	21,095	0	0	0	0	0	0	21,095
Drug Court Fees	7,096	0	0	0	0	0	0	0	7,096
Jail Fees	18,006	0	0	0	0	0	0	0	18,006
DUI Treatment Fines	5,226	0	0	0	0	0	0	0	5,226
Data Entry Fee - General Sessions Court	12,244	0	0	0	0	0	0	0	12,244
<u>Chancery Court</u>									
Officers Costs	2,914	0	0	0	0	0	0	0	2,914
Data Entry Fee - Chancery Court	2,898	0	0	0	0	0	0	0	2,898
<u>Judicial District Drug Program</u>									
Courtroom Security Fee	19,007	0	0	0	0	0	0	0	19,007
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	3,602	7,781	0	0	0	0	0	0	11,383
Other Fines, Forfeitures, and Penalties	1,662	0	0	0	0	0	0	0	1,662
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 165,328</b>	<b>\$ 35,224</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 200,552</b>
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Other Employee Benefit Charges/Contributions	\$ 37,480	0	0	0	1,446	0	0	0	38,926
Tipping Fees	11	0	0	0	0	0	0	0	11
Patient Charges	910,858	0	0	0	0	0	0	0	910,858
<u>Fees</u>									
Copy Fees	4,537	0	0	0	0	0	0	0	4,537
Library Fees	1,269	0	0	0	0	0	0	0	1,269
Archives and Records Management Fee - County Clerk	18,125	0	0	0	0	0	0	0	18,125
Vending Machine Collections	0	0	0	0	2,604	0	0	0	2,604

(Continued)

Exhibit L-5

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

	Special Revenue Funds					Debt Service Funds			Capital Projects Fund	
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Total	
<u>Charges for Current Services (Cont.)</u>										
<u>Fees (Cont.)</u>										
Constitutional Officers' Fees and Commissions	\$ 0 \$	0 \$	0 \$	50 \$	0 \$	0 \$	0 \$	0 \$	50	
Data Processing Fee - Register	9,506	0	0	0	0	0	0	0	9,506	
Probation Fees	2,882	0	0	0	0	0	0	0	2,882	
Data Processing Fee - Sheriff	380	0	0	0	0	0	0	0	380	
Sexual Offender Registration Fees - Sheriff	3,175	0	0	0	0	0	0	0	3,175	
Data Processing Fee - County Clerk	358	0	0	0	0	0	0	0	358	
Total Charges for Current Services	\$ 988,581 \$	0 \$	0 \$	50 \$	4,050 \$	0 \$	0 \$	0 \$	992,681	
<u>Other Local Revenues</u>										
<u>Recurring Items</u>										
Investment Income	\$ 679 \$	0 \$	0 \$	0 \$	0 \$	26,195 \$	0 \$	0 \$	26,874	
Lease/Rentals	6,414	0	0	0	0	0	0	0	6,414	
Commissary Sales	29,253	0	0	0	0	0	0	0	29,253	
Sale of Recycled Materials	0	0	0	0	4,256	0	0	0	4,256	
Refund of Telecommunication & Internet Fees (E-Rate)	1,332	0	0	0	0	0	0	0	1,332	
Miscellaneous Refunds	11,183	0	0	0	597	0	0	0	11,780	
<u>Nonrecurring Items</u>										
Sale of Property	21,351	0	0	0	0	0	0	0	21,351	
Damages Recovered from Individuals	474	0	0	0	0	0	0	0	474	
Contributions and Gifts	10,525	0	0	0	0	0	0	0	10,525	
<u>Other Local Revenues</u>										
Other Local Revenues	2,000	0	0	0	0	0	0	0	2,000	
Total Other Local Revenues	\$ 83,211 \$	0 \$	0 \$	0 \$	4,853 \$	26,195 \$	0 \$	0 \$	114,259	
<u>Fees Received from County Officials</u>										
<u>Fees in-Lieu-of Salary</u>										
County Clerk	\$ 222,942 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	222,942	
Circuit Court Clerk	56,511	0	0	0	0	0	0	0	56,511	
General Sessions Court Clerk	214,311	0	0	0	0	0	0	0	214,311	
Clerk and Master	119,787	0	0	0	0	0	0	0	119,787	
Juvenile Court Clerk	17,156	0	0	0	0	0	0	0	17,156	
Register	106,136	0	0	0	0	0	0	0	106,136	
Sheriff	43,041	0	0	0	0	0	0	0	43,041	
Trustee	305,972	0	0	0	0	0	0	0	305,972	
Total Fees Received from County Officials	\$ 1,085,856 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,085,856	

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Funds			Capital Projects Fund	
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Total
<u>State of Tennessee</u>									
<u>General Government Grants</u>									
Juvenile Services Program	\$ 13,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,500
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	13,200	0	0	0	0	0	0	0	13,200
<u>Health and Welfare Grants</u>									
Health Department Programs	254,860	0	0	0	0	0	0	0	254,860
<u>Public Works Grants</u>									
Bridge Program	0	0	0	0	20,425	0	0	0	20,425
State Aid Program	0	0	0	0	528,575	0	0	0	528,575
<u>Other State Revenues</u>									
Income Tax	41,933	0	0	0	0	0	0	0	41,933
Beer Tax	18,586	0	0	0	0	0	0	0	18,586
Alcoholic Beverage Tax	58,017	0	0	0	0	0	0	0	58,017
State Revenue Sharing - T.V.A.	441,854	0	0	0	21,281	27,453	0	0	490,588
Contracted Prisoner Boarding	524,559	0	0	0	0	0	0	0	524,559
Gasoline and Motor Fuel Tax	0	0	0	0	1,827,085	0	0	0	1,827,085
Petroleum Special Tax	0	0	0	0	17,815	0	0	0	17,815
Registrar's Salary Supplement	3,791	0	0	0	0	0	0	0	3,791
Other State Grants	6,000	0	0	0	6,584	0	0	0	348,397
Other State Revenues	1,000	0	0	0	0	0	0	0	1,000
Total State of Tennessee	\$ 1,377,300	\$ 0	\$ 0	\$ 0	\$ 2,421,765	\$ 27,453	\$ 0	\$ 335,813	\$ 4,162,331
<u>Federal Government</u>									
<u>Federal Through State</u>									
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,809	\$ 26,809
Homeland Security Grants	72,734	0	0	0	0	0	0	0	72,734
Other Federal through State	0	0	0	0	0	0	0	143,079	143,079
<u>Direct Federal Revenue</u>									
Other Direct Federal Revenue	0	0	0	0	33,470	0	0	25,797	59,267
Total Federal Government	\$ 72,734	\$ 0	\$ 0	\$ 0	\$ 33,470	\$ 0	\$ 0	\$ 195,685	\$ 301,889
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Contributions	\$ 70,035	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 70,035
<u>Citizens Groups</u>									
Donations	195	0	0	0	0	0	0	0	195
Total Other Governments and Citizens Groups	\$ 70,230	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 70,230
<u>Total</u>	\$ 9,284,328	\$ 35,224	\$ 76,365	\$ 50	\$ 2,753,030	\$ 1,771,009	\$ 301,619	\$ 531,498	\$ 14,753,123

## Exhibit L-6

Hickman County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2013

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 2,935,860	\$ 0	\$ 0	\$ 2,935,860
Trustee's Collections - Prior Year	140,782	0	0	140,782
Circuit/Clerk & Master Collections - Prior Years	85,597	0	0	85,597
Interest and Penalty	24,408	0	0	24,408
Payments in-Lieu-of Taxes - T.V.A.	3,957	0	0	3,957
Payments in-Lieu-of Taxes - Local Utilities	6,000	0	0	6,000
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,271,424	0	0	1,271,424
Business Tax	33,310	0	0	33,310
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	2,105	0	0	2,105
Total Local Taxes	\$ 4,503,443	\$ 0	\$ 0	\$ 4,503,443
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,537	\$ 0	\$ 0	\$ 1,537
Total Licenses and Permits	\$ 1,537	\$ 0	\$ 0	\$ 1,537
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 25,614	\$ 0	\$ 0	\$ 25,614
Lunch Payments - Children	0	0	268,133	268,133
Lunch Payments - Adults	0	0	65,787	65,787
Income from Breakfast	0	0	71,372	71,372
A la carte Sales	0	0	282,461	282,461
Receipts from Individual Schools	76,934	0	0	76,934
Community Service Fees - Adults	217	0	0	217
Total Charges for Current Services	\$ 102,765	\$ 0	\$ 687,753	\$ 790,518
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 311	\$ 311
Lease/Rentals	3,023	0	0	3,023
Refund of Telecommunication & Internet Fees (E-Rate)	34,431	0	0	34,431
Miscellaneous Refunds	162,179	0	0	162,179
<u>Nonrecurring Items</u>				
Gain on Retirement of Debt	113,518	0	0	113,518
Sale of Equipment	12,443	0	133	12,576
Damages Recovered from Individuals	1,892	0	0	1,892
Contributions and Gifts	184,970	0	0	184,970
<u>Other Local Revenues</u>				
Other Local Revenues	44	0	0	44
Total Other Local Revenues	\$ 512,500	\$ 0	\$ 444	\$ 512,944
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 66,637	\$ 0	\$ 0	\$ 66,637
<u>State Education Funds</u>				
Basic Education Program	19,892,150	0	0	19,892,150
Early Childhood Education	422,611	0	0	422,611
School Food Service	20,172	0	0	20,172
Driver Education	13,360	0	0	13,360
Other State Education Funds	217,875	0	0	217,875
Career Ladder Program	116,335	0	0	116,335
Career Ladder - Extended Contract	36,800	0	0	36,800

(Continued)

Exhibit L-6

Hickman County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department (Cont.)

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	\$ 289,154	\$ 0	\$ 0	\$ 289,154
Other State Grants	1,200	0	0	1,200
Total State of Tennessee	\$ 21,076,294	\$ 0	\$ 0	\$ 21,076,294
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 974,406	\$ 974,406
USDA - Commodities	0	0	101,190	101,190
Breakfast	0	0	418,173	418,173
Adult Education State Grant Program	60,344	0	0	60,344
Vocational Education - Basic Grants to States	0	65,876	0	65,876
Title I Grants to Local Education Agencies	0	1,067,089	0	1,067,089
Special Education - Grants to States	0	753,201	0	753,201
Special Education Preschool Grants	0	19,646	0	19,646
Rural Education	0	92,748	0	92,748
Eisenhower Professional Development State Grants	0	165,286	0	165,286
Race-to-the-Top - ARRA	0	205,070	0	205,070
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	63,507	0	0	63,507
Total Federal Government	\$ 123,851	\$ 2,368,916	\$ 1,493,769	\$ 3,986,536
Total	\$ 26,320,390	\$ 2,368,916	\$ 2,181,966	\$ 30,871,272

Exhibit L-7

Hickman County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Hickman County Health Foundation  
For the Year Ended June 30, 2013

	Special Revenue Fund		Other Special Revenue	Total
<hr/>				
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$	17,661	\$	17,661
<u>Nonrecurring Items</u>				
Contributions and Gifts		100,000		100,000
Total Other Local Revenues	\$	117,661	\$	117,661
Total	\$	117,661	\$	117,661

Exhibit L-8

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$ 50,400	
Accounting Services	439	
Audit Services	7,407	
Legal Notices, Recording, and Court Costs	3,291	
Travel	2,148	
Total County Commission		\$ 63,685

Board of Equalization

Board and Committee Members Fees	\$ 2,550	
Total Board of Equalization		2,550

Beer Board

Criminal Investigation of Applicants - TBI	\$ 29	
Total Beer Board		29

County Mayor/Executive

County Official/Administrative Officer	\$ 72,721	
Salary Supplements	750	
Secretary(ies)	23,761	
Longevity Pay	1,500	
Legal Notices, Recording, and Court Costs	627	
Travel	5,181	
Other Contracted Services	4,244	
Office Supplies	1,767	
Office Equipment	1,127	
Total County Mayor/Executive		111,678

County Attorney

Legal Services	\$ 6,745	
Judgments	4,230	
Total County Attorney		10,975

Election Commission

County Official/Administrative Officer	\$ 56,465	
Deputy(ies)	24,555	
Part-time Personnel	10,555	
Longevity Pay	900	
Election Commission	5,800	
Election Workers	31,209	
Data Processing Services	3,622	
Legal Notices, Recording, and Court Costs	2,279	
Printing, Stationery, and Forms	3,295	
Rentals	850	
Travel	3,538	
Other Contracted Services	13,714	
Office Supplies	2,785	
Office Equipment	707	
Total Election Commission		160,274

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	62,997	
Deputy(ies)		24,949	
Salary Supplements		3,000	
Clerical Personnel		22,634	
Longevity Pay		1,500	
In-Service Training		175	
Data Processing Services		7,998	
Maintenance and Repair Services - Office Equipment		682	
Travel		978	
Other Contracted Services		8,881	
Office Supplies		1,492	
Office Equipment		15,360	
Total Register of Deeds			\$ 150,646

Planning

Supervisor/Director	\$	32,004	
Deputy(ies)		23,093	
Salary Supplements		1,500	
Longevity Pay		900	
Board and Committee Members Fees		1,775	
In-Service Training		886	
Contracts with Government Agencies		8,800	
Data Processing Services		1,192	
Legal Notices, Recording, and Court Costs		957	
Maintenance and Repair Services - Vehicles		1,063	
Printing, Stationery, and Forms		467	
Travel		1,365	
Other Contracted Services		900	
Gasoline		974	
Office Supplies		495	
Other Supplies and Materials		433	
Motor Vehicles		2,818	
Office Equipment		896	
Total Planning			80,518

County Buildings

Supervisor/Director	\$	41,849	
Custodial Personnel		24,168	
Longevity Pay		1,900	
Maintenance and Repair Services - Buildings		113,830	
Maintenance and Repair Services - Equipment		280	
Maintenance and Repair Services - Vehicles		1,206	
Travel		200	
Custodial Supplies		8,328	
Gasoline		6,061	
Uniforms		2,964	
Other Charges		175	
Total County Buildings			200,961

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities

Communication	\$	66,325	
Pest Control		5,500	
Electricity		194,975	
Utilities		81,101	
Total Other Facilities			\$ 347,901

Other General Administration

Maintenance and Repair Services - Equipment	\$	2,500	
Other Contracted Services		984	
Other Supplies and Materials		500	
Office Equipment		3,499	
Total Other General Administration			7,483

Preservation of Records

Clerical Personnel	\$	18,752	
Travel		517	
Other Contracted Services		7,405	
Office Supplies		2,022	
Other Charges		60	
Total Preservation of Records			28,756

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	64,239	
Assistant(s)		31,971	
Accountants/Bookkeepers		23,761	
Data Processing Personnel		22,634	
Salary Supplements		7,125	
Clerical Personnel		44,548	
Longevity Pay		5,400	
In-Service Training		225	
Data Processing Services		9,853	
Legal Notices, Recording, and Court Costs		3,216	
Printing, Stationery, and Forms		4,292	
Travel		2,428	
Office Supplies		3,233	
Premiums on Corporate Surety Bonds		199	
Office Equipment		1,672	
Total Accounting and Budgeting			224,796

Property Assessor's Office

County Official/Administrative Officer	\$	63,997	
Deputy(ies)		23,910	
Assessment Personnel		20,511	
Salary Supplements		1,500	
Secretary(ies)		22,261	
Clerical Personnel		19,692	
Longevity Pay		1,500	
In-Service Training		1,665	
Contracts with Private Agencies		3,500	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Data Processing Services	\$	13,421	
Legal Notices, Recording, and Court Costs		71	
Maintenance and Repair Services - Office Equipment		852	
Maintenance and Repair Services - Vehicles		585	
Travel		4,670	
Other Contracted Services		1,212	
Gasoline		755	
Office Supplies		2,309	
Premiums on Corporate Surety Bonds		528	
Office Equipment		5,879	
Total Property Assessor's Office			\$ 188,818

County Trustee's Office

County Official/Administrative Officer	\$	62,997	
Deputy(ies)		25,763	
Data Processing Personnel		22,634	
Salary Supplements		4,125	
Clerical Personnel		23,964	
Part-time Personnel		3,194	
Longevity Pay		3,900	
Data Processing Services		6,544	
Legal Notices, Recording, and Court Costs		105	
Printing, Stationery, and Forms		4,746	
Travel		542	
Office Supplies		2,570	
Office Equipment		7,552	
Total County Trustee's Office			168,636

County Clerk's Office

County Official/Administrative Officer	\$	62,997	
Deputy(ies)		24,949	
Salary Supplements		6,750	
Secretary(ies)		23,009	
Clerical Personnel		68,525	
Part-time Personnel		11,234	
Longevity Pay		3,500	
Data Processing Services		14,673	
Printing, Stationery, and Forms		191	
Travel		2,097	
Office Supplies		1,584	
Office Equipment		2,568	
Total County Clerk's Office			222,077

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	62,739	
Deputy(ies)		143,425	
Part-time Personnel		4,760	
Longevity Pay		6,050	
Other Salaries and Wages		17,257	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Jury and Witness Expense	\$	10,872	
Data Processing Services		10,523	
Legal Notices, Recording, and Court Costs		671	
Maintenance and Repair Services - Office Equipment		3,663	
Travel		554	
Office Supplies		4,632	
Premiums on Corporate Surety Bonds		128	
Office Equipment		6,619	
Total Circuit Court			\$ 271,893

General Sessions Court

Judge(s)	\$	103,554	
Guidance Personnel		56,509	
Salary Supplements		1,500	
Secretary(ies)		25,661	
Longevity Pay		2,200	
Travel		2,908	
Library Books/Media		536	
Office Supplies		1,074	
Office Equipment		750	
Total General Sessions Court			194,692

Chancery Court

County Official/Administrative Officer	\$	62,739	
Assistant(s)		24,646	
Deputy(ies)		22,549	
Part-time Personnel		12,911	
Longevity Pay		1,850	
Data Processing Services		7,956	
Travel		862	
Office Supplies		4,875	
Office Equipment		1,043	
Total Chancery Court			139,431

Judicial Commissioners

Part-time Personnel	\$	7,837	
Other Salaries and Wages		17,198	
In-Service Training		150	
Travel		3,960	
Office Supplies		249	
Other Charges		360	
Total Judicial Commissioners			29,754

Courtroom Security

Other Charges	\$	825	
Total Courtroom Security			825

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	69,613	
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(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Deputy(ies)	\$ 670,345	
Salary Supplements	12,900	
Dispatchers/Radio Operators	225,829	
Secretary(ies)	24,879	
Clerical Personnel	24,270	
Longevity Pay	15,800	
Overtime Pay	47,957	
Other Salaries and Wages	33,118	
In-Service Training	9,294	
Advertising	26	
Data Processing Services	9,742	
Legal Services	78	
Maintenance and Repair Services - Equipment	1,912	
Maintenance and Repair Services - Vehicles	34,663	
Medical and Dental Services	363	
Postal Charges	435	
Travel	1,310	
Gasoline	126,940	
Law Enforcement Supplies	37,339	
Office Supplies	7,696	
Tires and Tubes	13,503	
Uniforms	12,592	
Premiums on Corporate Surety Bonds	1,114	
Motor Vehicles	66,603	
Office Equipment	3,430	
Total Sheriff's Department		\$ 1,451,751

Jail

Guards	\$ 390,641	
Longevity Pay	3,800	
Overtime Pay	29,975	
Other Salaries and Wages	8,317	
Medical and Dental Services	153,080	
Other Contracted Services	67,035	
Custodial Supplies	13,552	
Drugs and Medical Supplies	55,088	
Food Supplies	186,657	
Office Supplies	4,434	
Prisoners Clothing	7,003	
Uniforms	4,313	
Other Supplies and Materials	977	
Data Processing Equipment	2,000	
Office Equipment	4,205	
Total Jail		931,077

Fire Prevention and Control

Contracts with Government Agencies	\$ 2,000	
Total Fire Prevention and Control		2,000

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Supervisor/Director	\$	55,880	
Longevity Pay		500	
Other Salaries and Wages		21,201	
In-Service Training		250	
Operating Lease Payments		2,400	
Maintenance and Repair Services - Equipment		7,346	
Maintenance and Repair Services - Vehicles		12,918	
Travel		875	
Drugs and Medical Supplies		140	
Gasoline		2,500	
Office Supplies		563	
Uniforms		385	
Other Supplies and Materials		27,121	
Other Charges		260	
Communication Equipment		19,408	
Total Civil Defense			\$ 151,747

Rescue Squad

Contributions	\$	3,750	
Total Rescue Squad			3,750

County Coroner/Medical Examiner

Medical Personnel	\$	3,510	
Other Contracted Services		6,888	
Total County Coroner/Medical Examiner			10,398

Public Health and Welfare

Local Health Center

Contributions	\$	39,031	
Other Contracted Services		5,122	
Office Supplies		1,549	
Other Supplies and Materials		187	
Other Charges		325	
Total Local Health Center			46,214

Ambulance/Emergency Medical Services

Medical Personnel	\$	541,963	
Part-time Personnel		124,382	
Longevity Pay		13,100	
Overtime Pay		124,882	
In-Service Training		9,360	
Other Per Diem and Fees		400	
Dues and Memberships		490	
Maintenance and Repair Services - Buildings		2,453	
Maintenance and Repair Services - Equipment		2,025	
Maintenance and Repair Services - Vehicles		38,077	
Travel		697	
Other Contracted Services		98,138	
Custodial Supplies		1,554	
Diesel Fuel		53,498	

(Continued)

Hickman 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	\$ 44,892	
Gasoline	7,371	
Office Supplies	3,547	
Tires and Tubes	7,867	
Uniforms	6,904	
Other Supplies and Materials	3,210	
Motor Vehicles	99,700	
Total Ambulance/Emergency Medical Services		\$ 1,184,510

Alcohol and Drug Programs

Probation Officer(s)	\$ 8,656	
Other Contracted Services	176	
Office Supplies	728	
Other Charges	12,936	
Total Alcohol and Drug Programs		22,496

Other Local Health Services

Medical Personnel	\$ 147,298	
Educational Assistants	20,281	
Travel	11,484	
Other Supplies and Materials	402	
Liability Insurance	468	
Total Other Local Health Services		179,933

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 7,500	
Total Senior Citizens Assistance		7,500

Libraries

Assistant(s)	\$ 92,470	
Librarians	33,627	
Longevity Pay	5,100	
Other Salaries and Wages	16,649	
Data Processing Services	3,345	
Dues and Memberships	140	
Maintenance and Repair Services - Buildings	1,336	
Postal Charges	2,478	
Travel	495	
Library Books/Media	5,932	
Office Supplies	4,439	
Utilities	4,278	
Other Supplies and Materials	632	
Other Charges	6,480	
Other Equipment	9,905	
Other Capital Outlay	1,232	
Total Libraries		188,538

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources

Agriculture Extension Service

Contributions	\$ 47,067	
Dues and Memberships	285	
Travel	849	
Custodial Supplies	147	
Office Supplies	728	
Total Agriculture Extension Service		\$ 49,076

Soil Conservation

Secretary(ies)	\$ 27,427	
Other Contracted Services	5,000	
Office Supplies	3,000	
Total Soil Conservation		35,427

Storm Water Management

Other Contracted Services	\$ 7,780	
Total Storm Water Management		7,780

Other Operations

Tourism

Contributions	\$ 1,000	
Total Tourism		1,000

Industrial Development

Supervisor/Director	\$ 18,065	
Contributions	26,701	
Total Industrial Development		44,766

Other Economic and Community Development

Other Charges	\$ 45	
Total Other Economic and Community Development		45

Other Charges

Consultants	\$ 9,900	
Liability Insurance	234,050	
Refunds	9,163	
Trustee's Commission	130,176	
Workers' Compensation Insurance	105,226	
Total Other Charges		488,515

Employee Benefits

Social Security	\$ 322,250	
State Retirement	501,246	
Life Insurance	26,608	
Medical Insurance	1,084,352	
Unemployment Compensation	14,660	
Total Employee Benefits		1,949,116

Miscellaneous

Contracts with Government Agencies	\$ 12,920	
Contributions	26,500	

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Dues and Memberships	\$ 11,970	
Postal Charges	44,699	
Rentals	2,500	
Other Charges	984	
Total Miscellaneous		\$ 99,573

Total General Fund \$ 9,461,590

Drug Control Fund

Public Safety

Sheriff's Department

Motor Vehicles	\$ 34,570	
Office Equipment	15,706	
Total Sheriff's Department		\$ 50,276

Total Drug Control Fund 50,276

Adequate Facilities/Development Tax Fund

General Government

Building

Trustee's Commission	\$ 763	
Total Building		\$ 763

Total Adequate Facilities/Development Tax Fund 763

Constitutional Officers - Fees Fund

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 50	
Total Circuit Court		\$ 50

Total Constitutional Officers - Fees Fund 50

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 70,513	
Salary Supplements	258	
Secretary(ies)	32,169	
Overtime Pay	1,429	
Other Salaries and Wages	47,941	
Board and Committee Members Fees	16,800	
In-Service Training	285	
Contributions	3,000	
Dues and Memberships	3,085	
Legal Notices, Recording, and Court Costs	245	
Travel	1,544	
Other Contracted Services	6,439	
Office Supplies	105	
Premiums on Corporate Surety Bonds	43	
Office Equipment	651	
Total Administration		\$ 184,507

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Salary Supplements	\$	1,500	
Foremen		185,508	
Equipment Operators		308,247	
Laborers		208,347	
Overtime Pay		20,443	
Explosive and Drilling Services		1,280	
Asphalt - Cold Mix		41,287	
Asphalt - Liquid		121,704	
Crushed Stone		80,507	
General Construction Materials		569	
Other Road Supplies		10,620	
Pipe		17,534	
Road Signs		5,122	
Small Tools		2,319	
Wood Products		144	
Chemicals		5,100	
Total Highway and Bridge Maintenance			\$ 1,010,231

Operation and Maintenance of Equipment

Foremen	\$	31,396	
Mechanic(s)		28,908	
Overtime Pay		1,923	
Laundry Service		5,728	
Diesel Fuel		150,619	
Equipment and Machinery Parts		87,071	
Garage Supplies		24,182	
Gasoline		25,017	
Lubricants		11,108	
Tires and Tubes		35,627	
Total Operation and Maintenance of Equipment			401,579

Other Charges

Communication	\$	2,654	
Legal Services		420	
Electricity		4,820	
Water and Sewer		4,937	
Liability Insurance		30,286	
Trustee's Commission		23,765	
Total Other Charges			66,882

Employee Benefits

Social Security	\$	69,133	
State Retirement		115,855	
Employee and Dependent Insurance		291,101	
Unemployment Compensation		10,399	
Workers' Compensation Insurance		127,822	
Other Charges		2,448	
Total Employee Benefits			616,758

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Bridge Construction	\$ 240,227	
Communication Equipment	2,858	
Highway Construction	282,279	
Motor Vehicles	22,370	
Other Construction	859	
Total Capital Outlay	<u>548,593</u>	\$ 548,593

Total Highway/Public Works Fund \$ 2,828,550

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$ 2,647,377	
Principal on Other Loans	368,000	
Total General Government	<u>3,015,377</u>	\$ 3,015,377

Highways and Streets

Principal on Notes	\$ 41,667	
Total Highways and Streets	<u>41,667</u>	41,667

Education

Principal on Other Loans	\$ 883,000	
Total Education	<u>883,000</u>	883,000

Interest on Debt

General Government

Interest on Notes	\$ 88,897	
Interest on Other Loans	26,468	
Total General Government	<u>115,365</u>	115,365

Highways and Streets

Interest on Notes	\$ 11,581	
Total Highways and Streets	<u>11,581</u>	11,581

Education

Interest on Other Loans	\$ 128,529	
Total Education	<u>128,529</u>	128,529

Other Debt Service

General Government

Trustee's Commission	\$ 20,293	
Other Debt Service	93,819	
Total General Government	<u>114,112</u>	114,112

Education

Other Debt Service	\$ 163,978	
Total Education	<u>163,978</u>	163,978

Total General Debt Service Fund 4,473,609

(Continued)

Exhibit L-8

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

<u>Education Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>Education</u>		
Principal on Other Loans	\$ 555,000	
Total Education		\$ 555,000
<u>Interest on Debt</u>		
<u>Education</u>		
Interest on Other Loans	\$ 14,765	
Total Education		14,765
<u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 3,052	
Total General Government		3,052
<u>Education</u>		
Other Debt Service	\$ 26,627	
Total Education		<u>26,627</u>
Total Education Debt Service Fund		\$ 599,444
<u>General Capital Projects Fund</u>		
<u>Agriculture and Natural Resources</u>		
<u>Other Agriculture and Natural Resources</u>		
Other Contracted Services	\$ 26,009	
Total Other Agriculture and Natural Resources		\$ 26,009
<u>Capital Projects</u>		
<u>Public Health and Welfare Projects</u>		
Building Improvements	\$ 126,313	
Total Public Health and Welfare Projects		126,313
<u>Public Utility Projects</u>		
Building Improvements	\$ 16,800	
Total Public Utility Projects		16,800
<u>Other General Government Projects</u>		
Site Development	\$ 335,289	
Total Other General Government Projects		335,289
<u>Highway and Street Capital Projects</u>		
Crushed Stone	\$ 1,776	
Other Road Supplies	9,300	
Highway Construction	73,239	
Total Highway and Street Capital Projects		<u>84,315</u>
<u>Education Capital Projects</u>		
Other Debt Issuance Charges	\$ 31,500	
Building Construction	5,643,402	
Total Education Capital Projects		<u>5,674,902</u>
Total General Capital Projects Fund		<u>6,263,628</u>
Total Governmental Funds - Primary Government		<u>\$ 23,677,910</u>

Exhibit L-9

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2013

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,440,877	
Career Ladder Program	101,200	
Career Ladder Extended Contracts	25,432	
Homebound Teachers	6,565	
Educational Assistants	371,070	
Other Salaries and Wages	346,715	
Non-certified Substitute Teachers	169,343	
Social Security	637,578	
State Retirement	676,416	
Medical Insurance	1,666,884	
Other Contracted Services	2,000	
Instructional Supplies and Materials	166,322	
Textbooks	226,135	
Other Supplies and Materials	6,307	
Other Charges	2,119	
Regular Instruction Equipment	4,797	
Total Regular Instruction Program		\$ 11,849,760

Alternative Instruction Program

Teachers	\$ 86,047	
Educational Assistants	29,668	
Social Security	8,395	
State Retirement	11,700	
Medical Insurance	19,000	
Instructional Supplies and Materials	95	
Other Supplies and Materials	416	
Total Alternative Instruction Program		155,321

Special Education Program

Teachers	\$ 1,401,447	
Homebound Teachers	41,724	
Educational Assistants	102,300	
Speech Pathologist	153,221	
Social Security	124,275	
State Retirement	160,000	
Other Contracted Services	86,905	
Other Supplies and Materials	4,965	
Total Special Education Program		2,074,837

Vocational Education Program

Teachers	\$ 830,966	
Non-certified Substitute Teachers	9,480	
Social Security	63,634	
State Retirement	86,000	
Medical Insurance	200,000	
Instructional Supplies and Materials	11,075	
Other Charges	1,367	
Total Vocational Education Program		1,202,522

(Continued)

Exhibit L-9

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program

Teachers	\$	27,612	
Other Salaries and Wages		32,881	
In-Service Training		981	
Social Security		4,213	
State Retirement		8,206	
Medical Insurance		16,000	
Travel		637	
Instructional Supplies and Materials		2,208	
Other Charges		1,000	
Total Adult Education Program			\$ 93,738

Support Services

Attendance

Supervisor/Director	\$	65,238	
Other Salaries and Wages		26,853	
Social Security		6,915	
State Retirement		9,600	
Medical Insurance		9,300	
Travel		2,738	
Other Supplies and Materials		2,901	
Other Charges		9,542	
Total Attendance			133,087

Health Services

Medical Personnel	\$	75,451	
Other Salaries and Wages		82,252	
Social Security		11,675	
State Retirement		14,400	
Medical Insurance		32,000	
Travel		1,179	
Other Contracted Services		4,160	
Drugs and Medical Supplies		3,482	
Other Supplies and Materials		1,112	
Other Charges		194	
Total Health Services			225,905

Other Student Support

Guidance Personnel	\$	462,095	
Social Security		34,885	
State Retirement		42,780	
Medical Insurance		80,000	
Evaluation and Testing		17,162	
Payments to Schools - Other		14,000	
Travel		1,017	
Other Contracted Services		7,132	
Other Supplies and Materials		839	
Other Charges		62,503	
Total Other Student Support			722,413

(Continued)

Exhibit L-9

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$ 63,206	
Librarians	261,563	
Secretary(ies)	154,117	
Clerical Personnel	144,763	
Other Salaries and Wages	82,210	
Social Security	52,806	
State Retirement	87,200	
Medical Insurance	89,500	
Maintenance and Repair Services - Equipment	15,386	
Travel	5,219	
Other Contracted Services	430	
Library Books/Media	20,000	
Other Supplies and Materials	500	
In Service/Staff Development	845	
Other Charges	79,738	
Regular Instruction Equipment	73,064	
Total Regular Instruction Program		\$ 1,130,547

Alternative Instruction Program

Travel	\$ 198	
Total Alternative Instruction Program		198

Special Education Program

Supervisor/Director	\$ 61,794	
In-Service Training	2,480	
Social Security	5,133	
State Retirement	6,000	
Medical Insurance	8,000	
Maintenance and Repair Services - Equipment	4,262	
Travel	4,240	
Total Special Education Program		91,909

Vocational Education Program

Supervisor/Director	\$ 63,738	
Social Security	4,876	
State Retirement	5,800	
Medical Insurance	7,800	
Maintenance and Repair Services - Equipment	1,310	
Travel	1,416	
Other Supplies and Materials	580	
Total Vocational Education Program		85,520

Adult Programs

Supervisor/Director	\$ 59,338	
Social Security	4,317	
State Retirement	5,400	
Medical Insurance	12,000	
Travel	5,122	
Total Adult Programs		86,177

(Continued)

Exhibit L-9

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs

Medical Insurance	\$	57,859	
On-Behalf Payments to OPEB		66,637	
Total Other Programs			\$ 124,496

Board of Education

Board and Committee Members Fees	\$	8,996	
In-Service Training		5,265	
Social Security		688	
Audit Services		20,878	
Dues and Memberships		25,029	
Legal Services		51,665	
Liability Insurance		44,991	
Trustee's Commission		112,443	
Workers' Compensation Insurance		220,009	
Refund to Applicant for Criminal Investigation		3,012	
Total Board of Education			492,976

Director of Schools

County Official/Administrative Officer	\$	110,649	
Secretary(ies)		66,660	
Other Salaries and Wages		6,350	
Social Security		13,038	
State Retirement		18,900	
Medical Insurance		11,000	
Communication		1,248	
Maintenance and Repair Services - Equipment		10,435	
Postal Charges		1,080	
Travel		2,783	
Office Supplies		970	
Other Charges		2,768	
Total Director of Schools			245,881

Office of the Principal

Principals	\$	573,245	
Assistant Principals		442,600	
Social Security		75,501	
State Retirement		89,000	
Medical Insurance		75,000	
Postal Charges		9,360	
Travel		275	
Other Charges		77,716	
Other Equipment		14,355	
Total Office of the Principal			1,357,052

Fiscal Services

Other Salaries and Wages	\$	13,280	
Social Security		953	
Other Contracted Services		7,700	
Other Charges		9,608	
Total Fiscal Services			31,541

(Continued)

Exhibit L-9

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Communication	\$ 47,702	
Other Contracted Services	480,303	
Custodial Supplies	20,581	
Electricity	754,307	
Natural Gas	58,475	
Water and Sewer	201,000	
Boiler Insurance	1,955	
Building and Contents Insurance	134,529	
Total Operation of Plant		\$ 1,698,852

Maintenance of Plant

Supervisor/Director	\$ 51,450	
Secretary(ies)	9,467	
Other Salaries and Wages	147,859	
Social Security	15,501	
State Retirement	35,050	
Medical Insurance	10,000	
Maintenance and Repair Services - Buildings	291,181	
Maintenance and Repair Services - Equipment	175,055	
Travel	59	
Other Contracted Services	71,358	
Building Improvements	151,128	
Total Maintenance of Plant		958,108

Transportation

Supervisor/Director	\$ 52,018	
Mechanic(s)	80,606	
Bus Drivers	535,898	
Secretary(ies)	9,467	
Social Security	49,217	
State Retirement	98,000	
Medical Insurance	90,000	
Other Fringe Benefits	4,051	
Other Contracted Services	16,351	
Diesel Fuel	289,353	
Equipment and Machinery Parts	475	
Garage Supplies	1,407	
Gasoline	45,109	
Lubricants	6,832	
Tires and Tubes	53,883	
Vehicle Parts	47,614	
Vehicle and Equipment Insurance	45,000	
Other Charges	2,524	
Plant Operation Equipment	8,308	
Total Transportation		1,436,113

Central and Other

Unemployment Compensation	\$ 28,465	
Other Fringe Benefits	29,252	

(Continued)

Exhibit L-9

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Contributions	\$ 105,000	
Other Contracted Services	55,284	
Total Central and Other		\$ 218,001

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 15,000	
Social Security	1,148	
State Retirement	2,244	
Travel	290	
In Service/Staff Development	1,500	
Total Food Service		20,182

Community Services

Supervisor/Director	\$ 38,766	
Part-time Personnel	16,398	
Other Salaries and Wages	51,250	
Social Security	8,136	
State Retirement	11,921	
Medical Insurance	6,000	
Other Supplies and Materials	721	
Total Community Services		133,192

Early Childhood Education

Supervisor/Director	\$ 30,000	
Teachers	142,052	
Educational Assistants	55,920	
Other Salaries and Wages	15,999	
Non-certified Substitute Teachers	12,079	
Social Security	16,546	
State Retirement	22,500	
Medical Insurance	38,572	
Unemployment Compensation	1,000	
Travel	959	
Other Contracted Services	389	
Instructional Supplies and Materials	51,356	
Other Supplies and Materials	20,021	
Other Equipment	15,219	
Total Early Childhood Education		422,612

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$ 529,163	
Total Regular Capital Outlay		529,163

Total General Purpose School Fund \$ 25,520,103

(Continued)

Exhibit L-9

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department (Cont.)

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	792,503	
Other Salaries and Wages		12,000	
Non-certified Substitute Teachers		14,056	
Social Security		57,045	
State Retirement		67,750	
Medical Insurance		129,120	
Unemployment Compensation		1,700	
Instructional Supplies and Materials		34,887	
Textbooks		10,370	
Total Regular Instruction Program			\$ 1,119,431

Special Education Program

Educational Assistants	\$	315,656	
Other Salaries and Wages		9,211	
Non-certified Substitute Teachers		30,000	
Social Security		24,717	
State Retirement		46,592	
Medical Insurance		34,500	
Unemployment Compensation		2,300	
Instructional Supplies and Materials		7,294	
Other Supplies and Materials		1,071	
Special Education Equipment		5,762	
Total Special Education Program			477,103

Vocational Education Program

Educational Assistants	\$	15,795	
Social Security		1,285	
State Retirement		2,220	
Medical Insurance		1,500	
Unemployment Compensation		100	
Other Contracted Services		1,000	
Other Supplies and Materials		16,124	
Vocational Instruction Equipment		18,221	
Total Vocational Education Program			56,245

Support Services

Other Student Support

Other Salaries and Wages	\$	23,644	
Social Security		427	
State Retirement		89	
Evaluation and Testing		111,831	
Travel		8,043	
In Service/Staff Development		4,029	
Total Other Student Support			148,063

Regular Instruction Program

Supervisor/Director	\$	63,738	
Secretary(ies)		18,075	
Other Salaries and Wages		2,755	

(Continued)

Exhibit L-9

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Social Security	\$	6,419	
State Retirement		8,281	
Medical Insurance		9,268	
Communication		550	
Consultants		14,000	
Travel		7,004	
Periodicals		741	
Other Supplies and Materials		11,647	
In Service/Staff Development		97,866	
Other Charges		6,963	
Total Regular Instruction Program			\$ 247,307

Special Education Program

Supervisor/Director	\$	5,300	
Psychological Personnel		110,846	
Clerical Personnel		28,099	
Social Security		9,864	
State Retirement		14,034	
Medical Insurance		17,036	
Unemployment Compensation		300	
Other Contracted Services		99,316	
Other Supplies and Materials		10,000	
Total Special Education Program			294,795

Transportation

Other Salaries and Wages	\$	5,178	
Social Security		382	
State Retirement		1,009	
Contracts with Parents		1,254	
Total Transportation			7,823

Total School Federal Projects Fund \$ 2,350,767

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	29,170	
Accountants/Bookkeepers		125,311	
Cafeteria Personnel		467,602	
Social Security		47,506	
State Retirement		67,968	
Medical Insurance		90,000	
Unemployment Compensation		5,500	
Communication		3,842	
Maintenance and Repair Services - Equipment		37,573	
Transportation - Other than Students		9,205	
Travel		2,267	
Other Contracted Services		85,719	
Food Supplies		918,563	

(Continued)

Exhibit L-9

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Utilities	\$ 129,651	
USDA - Commodities	101,190	
Other Supplies and Materials	74,479	
Other Charges	24,726	
Food Service Equipment	38,763	
Total Food Service	<u>                    </u>	<u>\$ 2,259,035</u>

Total Central Cafeteria Fund \$ 2,259,035

Total Governmental Funds - Hickman County School Department \$ 30,129,905

Exhibit L-10

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County Health Foundation  
For the Year Ended June 30, 2013

<u>Other Special Revenue Fund</u>		
<u>General Government</u>		
<u>County Commission</u>		
Audit Services	\$ 572	
Legal Notices, Recording, and Court Costs	20	
Total County Commission		\$ 592
<u>Public Safety</u>		
<u>Rescue Squad</u>		
Contributions	\$ 9,999	
Total Rescue Squad		9,999
<u>Public Health and Welfare</u>		
<u>Ambulance/Emergency Medical Services</u>		
Contributions	\$ 1,534	
Other Contracted Services	2,500	
Drugs and Medical Supplies	4,623	
Motor Vehicles	2,500	
Total Ambulance/Emergency Medical Services		11,157
<u>Other Public Health and Welfare</u>		
Contributions	\$ 70,000	
Total Other Public Health and Welfare		<u>70,000</u>
Total Other Special Revenue Fund		<u>\$ 91,748</u>
Total Governmental Funds - Hickman County Health Foundation		<u><u>\$ 91,748</u></u>

Hickman County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Solid Waste Disposal Fund  
For the Year Ended June 30, 2013

	Major Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Commercial and Industrial Waste Collection Charge	\$ 123,198
Residential Waste Collection Charge	142,510
Tipping Fees	33,639
Solid Waste Disposal Fees	691,813
Total Charges for Current Services	<hr/> \$ 991,160
 <u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Lease/Rentals	\$ 5,832
Sale of Recycled Materials	127,365
Total Other Local Revenues	<hr/> \$ 133,197
Total Operating Revenues	<hr/> \$ 1,124,357
 <u>Nonoperating Revenues</u>	
Investment Income	\$ 1,087
Litter Program	42,648
Solid Waste Grants	7,311
Total Nonoperating Revenues	<hr/> \$ 51,046
Total Revenues	<hr/> <hr/> \$ 1,175,403
 <u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Sanitation Management</u>	
Supervisor/Director	\$ 46,117
Deputies	25,924
Data Processing Personnel	22,277
Equipment Operators	30,483

(Continued)

Hickman County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Solid Waste Disposal Fund (Cont.)

	Major Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Equipment Operators - Heavy	\$ 31,039
Laborers	122,860
Clerical Personnel	23,376
Part-time Personnel	32,735
Longevity	8,200
Overtime Pay	4,771
Social Security	27,160
State Retirement	43,331
Medical Insurance	83,828
Advertising	849
Communication	2,922
Data Processing Services	2,955
Debt Collection Services	7,445
Legal Services	576
Maintenance and Repair Services - Buildings	5,238
Maintenance and Repair Services - Equipment	17,333
Maintenance and Repair Services - Vehicles	2,595
Pest Control	1,210
Postal Charges	3,207
Printing, Stationery, and Forms	500
Rentals	1,000
Travel	1,204
Disposal Fees	267,628
Other Contracted Services	3,548
Custodial Supplies	1,096
Diesel Fuel	41,236
Electricity	16,730
Gasoline	1,252

(Continued)

Hickman County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Solid Waste Disposal Fund (Cont.)

	Major Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Lubricants	\$ 1,641
Office Supplies	2,384
Tires and Tubes	6,756
Uniforms	2,518
Utilities	2,930
Wire	2,121
Other Supplies and Materials	7,208
Trustee's Commission	9,811
Depreciation	80,388
Surcharge	5,500
Office Equipment	1,573
Solid Waste Equipment	17,000
Other Construction	4,294
Total Sanitation Management	<hr/> \$ 1,024,749 <hr/>
<u>Litter and Trash Collection</u>	
Supervisor/Director	\$ 18,741
Instructional Supplies and Material	9,800
Other Charges	12,835
Total Other Charges	<hr/> \$ 41,376 <hr/>
<u>Nonoperating Expenses</u>	
Interest on Notes	\$ 10,745
Total Nonoperating Expenses	<hr/> \$ 10,745 <hr/>
Total Expenses	<hr/> <hr/> \$ 1,076,870 <hr/> <hr/>

Exhibit L-12

Hickman County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2013

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 570,888
Total Cash Receipts	<u>\$ 570,888</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 565,179
Trustee's Commission	5,709
Total Cash Disbursements	<u>\$ 570,888</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2012	<u>0</u>
 Cash Balance, June 30, 2013	 <u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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

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

Independent Auditor's Report

Hickman County Mayor and  
Board of County Commissioners  
Hickman 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hickman County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Hickman County's basic financial statements, and have issued our report thereon dated September 16, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Hickman 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 Hickman County's internal control. Accordingly, we do not express an opinion on the effectiveness of Hickman County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a

deficiency, or 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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weaknesses: 2013-003.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2013-001, 2013-002, 2013-005, 2013-008, 2013-009(B,C), and 2013-011.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Hickman 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: 2013-004, 2013-006, 2013-007, 2013-009(A,D), and 2013-010.

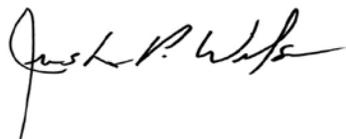
### **Hickman County's Response to Findings**

Hickman County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Hickman 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 Hickman 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

September 16, 2013

JPW/yu



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

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

### ***Opinion on Each Major Federal Program***

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

### **Report on Internal Control Over Compliance**

Management of Hickman 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 Hickman 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 Hickman 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

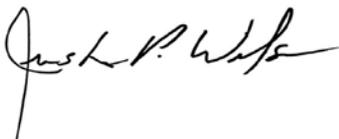
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hickman County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Hickman County's basic financial statements. We issued our report thereon dated September 16, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

September 16, 2013

JPW/yu

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 101,190 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	418,173
National School Lunch Program	10.555	N/A	974,406 (3)
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	59,267
Total U.S. Department of Agriculture			<u>\$ 1,553,036</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Community Development Block Grant/State's Program and Non Entitlement in Hawaii	14.228	N/A	\$ 16,800
Home Investment Partnership Program	14.239	N/A	126,279
Total U.S. Department of Housing and Urban Development			<u>\$ 143,079</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	N/A	\$ 60,344
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	1,062,028
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	753,782
Special Education - Preschool Grants	84.173	N/A	20,527
Career and Technical Education - Basic Grants to States	84.048	N/A	65,876
Improving Teacher Quality State Grants	84.367	N/A	165,538
Rural Education	84.358	N/A	92,748
State Fiscal Stabilization Fund - Race-to-the-Top, Incentive Grants, Recovery Act	84.395	N/A	205,434
Total U.S. Department of Education			<u>\$ 2,426,277</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	\$ 26,809
Homeland Security Grant Program	97.067	N/A	72,734
Total U.S. Department of Homeland Security			<u>\$ 99,543</u>
Total Expenditures of Federal Grants			<u>\$ 4,221,935</u>

(Continued)

Hickman 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>			
Early Childhood Education - State Department of Education	N/A	(2)	\$ 422,611
Family Resource - State Department of Education	N/A	(2)	71,217
Coordinated School Health - State Department of Education	N/A	(2)	90,000
Statewide Student Management System - State Department of Education	N/A	(2)	9,542
Safe Schools Act - State Department of Education	N/A	(2)	22,500
Arts Student Ticket Subsidy - State Department of Education	N/A	(2)	1,200
ACT/Explorer/Plan Testing - State Department of Education	N/A	(2)	4,501
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	20,115
Local Health Services - State Department of Health	N/A	(4)	254,860
Litter Grant - State Department of Transportation	N/A	(2)	42,648
SNAP Grant - Tennessee State Library and Archives	N/A	(2)	6,000
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	7,311
State Supplement Juvenile Court Improvement - State Commission on Children and Youth	N/A	(2)	13,500
Disaster Grants - State Department of Military	N/A	(2)	6,854
Accurate Energetic Systems - State Department of Economic and Community Development	N/A	GG-11-34343	335,543
Total State Grants			<u>\$ 1,308,402</u>

CFDA = Catalog of Federal Domestic Assistance  
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total CFDA No. 10.555: \$1,075,596.
- (4) Z-12-43832: \$51,352; GG-13-38797: \$203,508.

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

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Hickman County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.01	154	The receipting software for the Landfill Office did not have adequate application controls

**OFFICE OF FINANCE DIRECTOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.02 (A, B)	154	The office had deficiencies in purchasing procedures

**OFFICE OF SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.04	155	The office had deficiencies in the operation of a commissary

**DEPARTMENT OF SOLID WASTE AND THE OFFICE OF CLERK AND MASTER**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.05	156	Duties were not segregated adequately

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**HICKMAN COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2013**

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

1. Our report on the financial statements of Hickman County is unmodified.
2. The audit of the financial statements of Hickman County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Hickman County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the State Fiscal Stabilization Fund – Race-to-the-Top, Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Hickman County did not qualify as a low-risk auditee.

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

### OFFICE OF COUNTY MAYOR

FINDING 2013-001                    **THE LANDFILL OFFICE'S RECEIPTING SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Landfill Office's software application did not provide a record of changes to previously issued receipts. Users had the capability to change information on receipts, leaving no evidence of the original information. Sound business practices dictate that proper application controls be implemented. This deficiency exists because management failed to correct the finding noted in the prior-year audit report. Since the vendor did not design the system with proper controls, inappropriate system activity could occur.

### RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the application that would provide an audit trail for any changes to receipts.

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FINDING 2013-002                    **MULTIPLE EMPLOYEES IN THE OFFICE OF PLANNING AND ZONING OPERATED FROM THE SAME CASH DRAWER**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees in the Office of Planning and Zoning operated from the same cash drawer. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that 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 in internal controls was the result of a lack of management oversight for risks related to safeguarding assets.

RECOMMENDATION

Management should assign each employee their own cash drawer.

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OFFICE OF FINANCE DIRECTOR

FINDING 2013-003

**THE GENERAL CAPITAL PROJECTS FUND  
REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR  
PROPER FINANCIAL STATEMENT PRESENTATION**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2013, a general ledger account balance in the General Capital Projects Fund was not materially correct, and audit adjustments totaling \$268,232 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Hickman County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

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FINDING 2013-004

**AMOUNTS WITHHELD FROM CONTRACTOR  
PAYMENTS WERE NOT DEPOSITED INTO AN  
ESCROW ACCOUNT**

(Noncompliance Under *Government Auditing Standards*)

The county had contracts in excess of \$500,000 and did not deposit amounts withheld from contractor payments (\$268,232) into an escrow account. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account for contracts of \$500,000 or more. Management advised that they were not aware that amounts withheld from contractor payments had to be deposited into an escrow account. This noncompliance could result in the loss of interest earnings for the contractor.

## RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into an escrow account in compliance with state statute.

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### FINDING 2013-005

#### **THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 40 disbursements totaling \$576,896 from a population of 7,307 vendor checks totaling \$40,239,026. Our examination revealed the following deficiencies, which are the result of a lack of management oversight and management's failure to correct audit findings noted in prior-year audit reports.

- A. Our sample revealed that purchase orders were not issued in five of 40 applicable purchases. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. The failure to issue purchase orders in all required instances increases the risks of unauthorized purchases.
- B. In two of 40 applicable instances, purchase orders were issued after the purchases were made. This practice defeats the purpose of the purchase order and makes it an approval of payment rather than an approval of the purchase.

## RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before purchases are made.

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## OFFICE OF ASSESSOR OF PROPERTY

### FINDING 2013-006

#### **THE ASSESSOR DID NOT MAINTAIN AN ADEQUATE PROGRAM OF SALES VERIFICATION**

(Noncompliance Under *Government Auditing Standards*)

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

services. This resulted in a lack of sufficient documentation to verify sales during reappraisals, sales ratio studies, and current value update programs.

### RECOMMENDATION

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

### MANAGEMENT'S RESPONSE – ASSESSOR OF PROPERTY

I disagree with this finding. The finding is based on a small number of sales data, that there was an abnormal number of sales with 100 percent financing that was offered for sale within 18 months of the previous sale, and that the procedures for sales data collection and verification used by the majority of assessor's statewide is out-dated.

### REBUTTAL – STATE DIVISION OF PROPERTY ASSESSMENTS

The sales guide we use for the verification of sales data and the entry of that data is still relevant for the current system the assessor is on. As to the criteria for verifying sales, this is taught in entry level appraisal courses. Although the financing for these properties may have been unusual, there are procedures for adjusting sales for financial circumstances, which may be “creative” or uncommon in the market place. The assessor failed to look into this procedure or inquire from the division as to whether or not we could assist him with this.

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### FINDING 2013-007

### **THE ASSESSOR DID NOT ADEQUATELY PERFORM VISUAL INSPECTIONS AND CORRECT THE VISUAL INSPECTION ERRORS FOUND BY THE STATE DIVISION OF PROPERTY ASSESSMENTS**

*(Noncompliance Under Government Auditing Standards)*

The assessor did not adequately perform visual inspections required to maintain accurate property record cards. In addition, the state Division of Property Assessments performed certain visual inspections of property and reported changes that needed to be made to property records to the assessor; however, the assessor failed to make the necessary changes to the property records. Section 67-5-1601, *Tennessee Code Annotated*, requires the assessor to complete an on-site review of each parcel of real property over a five-year cycle. The review of property is reported to the state Division of Property Assessments. This deficiency can be attributed to the failure of management to maintain an adequate system of internal controls to ensure accurate reporting of on-site reviews. This deficiency resulted in inaccurate property records and could affect the assessment of some properties.

### RECOMMENDATION

The assessor should properly perform on-site visual inspections and should correct all errors noted during visual inspections.

## MANAGEMENT'S RESPONSE – ASSESSOR OF PROPERTY

I disagree with this finding. The finding was created as the result of the number of errors on my monitoring report; however, the state Division of Property Assessment's reviewer made numerous errors in that report. Some of the errors noted are only the opinion of one person versus another. We have conducted visual inspections using the same method for the last nine years, so it seems unusual to have an audit finding after this length of time while using the same procedures under state supervision.

## REBUTTAL – STATE DIVISION OF PROPERTY ASSESSMENTS

As to the visual inspection errors, it is our understanding the assessor refused to correct the errors, and we are unaware of any discussion prior to the monitoring report where he asked for any clarification. The assessor had the opportunity to respond to the state Division of Property Assessments within 14 days to the issues on the monitoring report and chose not to do so.

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## OFFICE OF SHERIFF

### FINDING 2013-008

### **THE OFFICE HAD DEFICIENCIES IN THE OPERATION OF A COMMISSARY**

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

Our examination of commissary transactions revealed the following deficiencies. These deficiencies can be attributed to a lack of management oversight, inadequate maintenance of accounting records, and management's failure to correct the finding noted in the prior-year audit report.

- A. Duties related to the commissary operation were not segregated adequately among employees. The employee responsible for maintaining accounting records was also involved in receipting, depositing, and disbursing funds. In March 2013, the record keeping for the commissary operations was transferred to the commissary vendor.
- B. Adequate documentation was not on file to support three journal entries totaling \$32 that were posted to the accounting records. As a result, auditors were not able to determine if the journal entries were appropriate.
- C. Bank statements were not reconciled properly with cash control records during the year.
- D. The commissary bank account had a cash overdraft of \$246 at June 30, 2013.

## RECOMMENDATION

The sheriff should segregate duties to the extent possible using available resources. The office should maintain adequate documentation for all journal entries. Bank statements should be reconciled properly with cash control records monthly. The office should not issue checks in excess of available funds on deposit.

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### FINDING 2013-009

#### **THE SHERIFF MAINTAINED AN UNAUTHORIZED BANK ACCOUNT**

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

During our examination, auditors became aware of an unauthorized bank account maintained by the sheriff for canine operations. Our audit revealed the following accounting deficiencies, which can be attributed to a lack of management oversight.

- A. From September 2011 through June 2013, the sheriff expended \$2,852 from an account set up to pay for various canine related expenditures. Deposits to the account were from donations and contributions ordered by the General Sessions Judge on certain drug cases. Section 39-17-420, *Tennessee Code Annotated (TCA)*, requires funds received from drug enforcement activities to be paid to the county trustee, and for the funds to be deposited to a special revenue fund maintained by the county. Also, the expenditures from this account were not accounted for through the county's budgetary process. Section 5-9-401, *TCA*, 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 of the various departments, commissions, institutions, boards, offices, and agencies of county government shall be appropriated to such use by the county legislative bodies." In addition, adequate documentation was not provided to support expenditures of \$422.
- B. Duties related to the canine operations were not segregated adequately among the sheriff and employees. The sheriff was responsible for receiving, depositing, and disbursing all funds as well as maintaining the bank account.
- C. Transactions for the canine operations account were not included in the official cash journal. The official cash journal is the office's control record and should reflect all financial activity. Receipts (\$5,332) and disbursements (\$2,852) from September 2011 through June 2013 were not included in the cash journal. Additionally, the office did not include the activity in its annual financial report. These operations were determined by substantive testing and alternative auditing procedures and have been included in the financial statements of this report.

- D. Receipts were not issued for collections deposited to the canine account. Section 9-2-103, *TCA*, requires official prenumbered receipts to be issued when collections are received. Without official prenumbered receipts, we were unable to determine if all funds have been accounted for.

RECOMMENDATION

The sheriff should close the unauthorized bank account and deposit the balance into the county's Drug Control Fund. All donations and contributions ordered by the General Sessions Judge for drug fund cases should be deposited to the Drug Control Fund.

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FINDING 2013-010                    **THE ANNUAL FINANCIAL REPORT WAS NOT ACCURATE**  
(Noncompliance Under *Government Auditing Standards*)

The office prepared and filed the annual financial report as required by Section 5-8-505, *Tennessee Code Annotated*; however, this report did not include funds from the operation of the commissary, the sex offender registry, and funds deposited to the canine bank account. This deficiency is the result of management's oversight.

RECOMMENDATION

All financial activity of the office should be reflected on the annual financial report.

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**DEPARTMENT OF SOLID WASTE AND THE OFFICE OF CLERK AND MASTER**

FINDING 2013-011                    **DUTIES WERE NOT SEGREGATED ADEQUATELY**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees in the Department of Solid Waste and in the Office of Clerk and Master. Employees who were responsible for maintaining accounting records in the offices were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of 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

Officials should segregate duties to the extent possible using available resources.

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## **BEST PRACTICE**

### **HICKMAN COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

Hickman County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee would significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of Local Government Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

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

There were no findings and questioned costs for federal awards.

**HICKMAN COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2013**

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