

ANNUAL FINANCIAL REPORT
HICKMAN COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2016



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT
HICKMAN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2016**

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

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

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

HICKMAN COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Hickman County, Tennessee
For the Year Ended June 30, 2016

Scope

We have audited the basic financial statements of Hickman County as of and for the year ended June 30, 2016.

Results

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

Our audit resulted in two 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

The following are summaries of the audit findings:

HICKMAN COUNTY HEALTH FOUNDATION

- ◆ The Hickman County Health Foundation did not require a depository to adequately collateralize funds.

DEPARTMENT OF SOLID WASTE

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Hickman County Officials
June 30, 2016

Officials

Shaun Lawson, County Mayor
Ronald Coates, Road Superintendent
Dr. 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

Keith Nash, Chairman	Steve Phillips
Christie McDaniel	Kenneth Bates
Billy Blackwell	Ricky Murray
Danny Clark	Todd Collins
Claude Callicott	Clay Chessor
Tom Isbell	Gary Hanes
John Deal	Wayne Thomasson
Dusty Jordan	Ronny George
James Hassell	Susan Sullivan
Mark McFarlin	Frankye Ward
John Porch	

Financial Management Committee

Shaun Lawson, County Mayor, Chairman	Keith Nash
Tom Isbell	Danny Clark
John Porch	Ronald Coates, Road Superintendent
Dr. Jerry Nash, Director of Schools	

Highway Commission

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

(Continued)

Hickman County Officials (Cont.)

Board of Education

Jackie Deitmen, Chairman
Michael W. Thomasson, Jr.
Amy Bryant
Timothy Hobbs

Jewell Prince
Kathy Redden
James Hudgins

Health Foundation Board of Directors

James Hassell, Chairman
John Porch
Kenneth Bates
Danny Clark

Jack Keller
Chris Chilton
Annette Elliott, Finance Director

Audit Committee

Robert Bowman, Chairman
Keith Nash
Wayne Thomasson
Todd Collins

Dave Mensel
Cindy Ellis
Steve Phillips

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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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, 2016, 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, 2016, 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.

Change in Accounting Principle

As described in Note V.B., Hickman County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedule of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of school's funding progress - other postemployment benefits plan on pages 90-97 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 by us. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, 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 1, 2016, 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,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 1, 2016

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Hickman County, Tennessee
Statement of Net Position
 June 30, 2016

	Primary Government			Component Units	
	Governmental	Business-type	Total	Hickman	Hickman
	Activities	Activities		County School Department	County Health Foundation
<u>ASSETS</u>					
Cash	\$ 16,831	\$ 550	\$ 17,381	\$ 1,707,512	\$ 2,219,928
Equity in Pooled Cash and Investments	5,202,896	428,246	5,631,142	5,648,621	0
Accounts Receivable	3,838,060	653,846	4,491,906	95,611	0
Allowance for Uncollectibles	(2,646,852)	(461,324)	(3,108,176)	0	0
Due from Other Governments	798,626	4,241	802,867	326,888	0
Property Taxes Receivable	8,308,042	0	8,308,042	3,301,644	0
Allowance for Uncollectible Property Taxes	(181,041)	0	(181,041)	(73,519)	0
Restricted Assets:					
Other Restricted Assets	164,650	0	164,650	0	0
Net Pension Asset - Teacher Retirement Pension Plan	0	0	0	11,440	0
Capital Assets:					
Assets Not Depreciated:					
Land	209,514	111,004	320,518	1,018,261	0
Construction in Progress	1,325,786	0	1,325,786	0	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	9,605,315	688,170	10,293,485	35,329,505	0
Other Capital Assets	1,753,857	469,078	2,222,935	3,749,001	0
Infrastructure	21,973,870	0	21,973,870	18,138	0
Total Assets	\$ 50,369,554	\$ 1,893,811	\$ 52,263,365	\$ 51,133,102	\$ 2,219,928
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Pension Changes in Experience	\$ 51,752	\$ 3,223	\$ 54,975	\$ 142,117	\$ 0
Pension Changes in Investment Earnings	552,863	34,426	587,289	2,861,623	0
Pension Changes in Contributions after Measurement Date	733,623	49,363	782,986	1,612,982	0
Total Deferred Outflows of Resources	\$ 1,338,238	\$ 87,012	\$ 1,425,250	\$ 4,616,722	\$ 0
<u>LIABILITIES</u>					
Accounts Payable	\$ 43,622	\$ 29,660	\$ 73,282	\$ 208	\$ 0
Payroll Deduction Payable	0	0	0	299,231	0
Contracts Payable	197,386	0	197,386	0	0
Retainage Payable	53,320	0	53,320	0	0
Accrued Interest Payable	15,152	0	15,152	0	0
Noncurrent Liabilities:					
Due Within One Year	2,758,101	55,566	2,813,667	0	0
Due in More Than One Year	25,553,391	249,297	25,802,688	1,692,008	0
Total Liabilities	\$ 28,620,972	\$ 334,523	\$ 28,955,495	\$ 1,991,447	\$ 0

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental	Business-type	Total	Hickman	Hickman
	Activities	Activities		County School Department	County Health Foundation
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 7,848,940	\$ 0	\$ 7,848,940	\$ 3,088,229	\$ 0
Pension Changes in Proportionate Share of NPL	0	0	0	68,511	0
Pension Changes in Experience	733,421	8,171	741,592	2,279,417	0
Pension Changes in Investment Earnings	131,227	45,669	176,896	3,874,122	0
Total Deferred Inflows of Resources	<u>\$ 8,713,588</u>	<u>\$ 53,840</u>	<u>\$ 8,767,428</u>	<u>\$ 9,310,279</u>	<u>\$ 0</u>
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 29,152,378	\$ 1,155,752	\$ 30,308,130	\$ 40,114,905	\$ 0
Restricted for:					
General Government	607,599	0	607,599	0	0
Administration of Justice	180,893	0	180,893	0	0
Public Safety	710,198	0	710,198	0	0
Public Health and Welfare	70,457	0	70,457	0	2,219,928
Social, Cultural, and Recreational Services	327,814	0	327,814	0	0
Highway	1,595,091	0	1,595,091	0	0
Debt Service	2,307,135	0	2,307,135	0	0
Capital Projects	27,249	0	27,249	0	0
Education	0	0	0	41,118	0
Unrestricted	(20,605,582)	436,708	(20,168,874)	4,292,075	0
Total Net Position	<u>\$ 14,373,232</u>	<u>\$ 1,592,460</u>	<u>\$ 15,965,692</u>	<u>\$ 44,448,098</u>	<u>\$ 2,219,928</u>

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, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Hickman County School Department	Hickman County Health Foundation
					Governmental Activities	Business-type Activities	Total		
Primary Government:									
Governmental Activities:									
General Government	\$ 3,060,300	\$ 251,896	\$ 149,337	\$ 44,247	\$ (2,614,820)	\$ 0	\$ (2,614,820)	\$ 0	\$ 0
Finance	1,323,698	578,038	0	0	(745,660)	0	(745,660)	0	0
Administration of Justice	971,755	492,055	13,500	0	(466,200)	0	(466,200)	0	0
Public Safety	3,918,397	759,254	(602)	508,349	(2,651,396)	0	(2,651,396)	0	0
Public Health and Welfare	1,968,756	1,407,786	293,831	0	(267,139)	0	(267,139)	0	0
Social, Cultural, and Recreational Services	219,439	1,114	2,199	0	(216,126)	0	(216,126)	0	0
Agriculture and Natural Resources	99,847	0	0	0	(99,847)	0	(99,847)	0	0
Highways	3,612,416	4,147	1,987,375	1,366,713	(254,181)	0	(254,181)	0	0
Education	182,779	0	0	0	(182,779)	0	(182,779)	0	0
Interest on Long-term Debt	196,469	0	0	0	(196,469)	0	(196,469)	0	0
Total Governmental Activities	\$ 15,553,856	\$ 3,494,290	\$ 2,445,640	\$ 1,919,309	\$ (7,694,617)	\$ 0	\$ (7,694,617)	\$ 0	\$ 0
Business-type Activities:									
Solid Waste Disposal	\$ 1,246,575	\$ 1,038,843	\$ 50,815	\$ 0	\$ 0	\$ (156,917)	\$ (156,917)	\$ 0	\$ 0
Total Business-type Activities	\$ 1,246,575	\$ 1,038,843	\$ 50,815	\$ 0	\$ 0	\$ (156,917)	\$ (156,917)	\$ 0	\$ 0
Total Primary Government	\$ 16,800,431	\$ 4,533,133	\$ 2,496,455	\$ 1,919,309	\$ (7,694,617)	\$ (156,917)	\$ (7,851,534)	\$ 0	\$ 0
Component Units:									
Hickman County School Department	\$ 31,276,587	\$ 268,178	\$ 4,087,791	\$ 0	\$ 0	\$ 0	\$ 0	\$ (26,920,618)	\$ 0
Hickman County Health Foundation	16,290	0	0	0	0	0	0	0	(16,290)
Total Component Units	\$ 31,292,877	\$ 268,178	\$ 4,087,791	\$ 0	\$ 0	\$ 0	\$ 0	\$ (26,920,618)	\$ (16,290)

(Continued)

Exhibit B

Hickman County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Hickman County School Department	Hickman County Health Foundation
					Governmental Activities	Business-type Activities	Total		
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 5,488,108	\$ 0	\$ 5,488,108	\$ 3,233,007	\$ 0
Property Taxes Levied for Debt Service					938,746	0	938,746	0	0
Local Option Sales Tax					721,810	0	721,810	1,406,653	0
Wheel Tax					1,044,896	0	1,044,896	0	0
Wholesale Beer Tax					212,853	0	212,853	0	0
Adequate Facilities/Development Tax					126,724	0	126,724	0	0
Litigation Tax - General					78,847	0	78,847	0	0
Mineral Severance Tax					53,893	0	53,893	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					72,290	0	72,290	0	0
Business Tax					67,186	0	67,186	0	0
Other Local Taxes					45,794	0	45,794	35,851	0
Grants and Contributions Not Restricted to Specific Programs					729,440	0	729,440	21,625,968	0
Unrestricted Investment Income					16,291	404	16,695	181	17,779
Miscellaneous					166,170	105,907	272,077	260,168	0
Total General Revenues					\$ 9,763,048	\$ 106,311	\$ 9,869,359	\$ 26,561,828	\$ 17,779
Change in Net Position					\$ 2,068,431	\$ (50,606)	\$ 2,017,825	\$ (358,790)	\$ 1,489
Net Position, July 1, 2015					12,304,801	1,643,066	13,947,867	44,806,888	2,218,439
Net Position, June 30, 2016					\$ 14,373,232	\$ 1,592,460	\$ 15,965,692	\$ 44,448,098	\$ 2,219,928

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

Exhibit C-1

Hickman County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2016

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Funds Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 16,831	\$ 0	\$ 0	\$ 0	\$ 16,831
Equity in Pooled Cash and Investments	1,378,282	1,243,615	1,763,128	817,871	5,202,896
Accounts Receivable	3,443,653	21,246	344,272	28,889	3,838,060
Allowance for Uncollectibles	(2,646,852)	0	0	0	(2,646,852)
Due from Other Governments	107,103	363,366	128,200	199,957	798,626
Property Taxes Receivable	7,092,909	278,153	936,980	0	8,308,042
Allowance for Uncollectible Property Taxes	(154,045)	(6,180)	(20,816)	0	(181,041)
Restricted Assets	164,650	0	0	0	164,650
Total Assets	\$ 9,402,531	\$ 1,900,200	\$ 3,151,764	\$ 1,046,717	\$ 15,501,212
<u>LIABILITIES</u>					
Accounts Payable	\$ 40,746	\$ 1,455	\$ 0	\$ 1,421	\$ 43,622
Contracts Payable	0	0	0	197,386	197,386
Retainage Payable	0	0	0	53,320	53,320
Total Liabilities	\$ 40,746	\$ 1,455	\$ 0	\$ 252,127	\$ 294,328
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,711,132	\$ 260,453	\$ 877,355	\$ 0	\$ 7,848,940
Deferred Delinquent Property Taxes	226,960	11,482	38,675	0	277,117
Other Deferred/Unavailable Revenue	630,790	175,081	64,100	0	869,971
Total Deferred Inflows of Resources	\$ 7,568,882	\$ 447,016	\$ 980,130	\$ 0	\$ 8,996,028

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Funds Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Nonspendable:					
Endowments	\$ 164,650	\$ 0	\$ 0	\$ 0	\$ 164,650
Restricted:					
Restricted for General Government	45,177	0	0	562,422	607,599
Restricted for Administration of Justice	180,893	0	0	0	180,893
Restricted for Public Safety	553,156	0	0	157,042	710,198
Restricted for Public Health and Welfare	70,457	0	0	0	70,457
Restricted for Social, Cultural, and Recreational Services	163,164	0	0	0	163,164
Restricted for Highways/Public Works	0	1,451,729	0	0	1,451,729
Restricted for Debt Service	0	0	2,171,634	47,877	2,219,511
Restricted for Capital Projects	0	0	0	27,249	27,249
Committed:					
Committed for General Government	396,601	0	0	0	396,601
Assigned:					
Assigned for Finance	8,000	0	0	0	8,000
Assigned for Public Safety	1,785	0	0	0	1,785
Assigned for Public Health and Welfare	3,262	0	0	0	3,262
Assigned for Social, Cultural, and Recreational Services	143	0	0	0	143
Unassigned	205,615	0	0	0	205,615
Total Fund Balances	<u>\$ 1,792,903</u>	<u>\$ 1,451,729</u>	<u>\$ 2,171,634</u>	<u>\$ 794,590</u>	<u>\$ 6,210,856</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,402,531</u>	<u>\$ 1,900,200</u>	<u>\$ 3,151,764</u>	<u>\$ 1,046,717</u>	<u>\$ 15,501,212</u>

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, 2016

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)		\$	6,210,856
(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: construction in progress		1,325,786	
Add: buildings and improvements net of accumulated depreciation		9,605,315	
Add: other capital assets net of accumulated depreciation		1,753,857	
Add: infrastructure net of accumulated depreciation		<u>21,973,870</u>	34,868,342
(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	\$	(244,902)	
Less: other loans payable		(27,167,168)	
Less: compensated absences payable		(218,525)	
Less: other postemployment benefits liability		(380,329)	
Less: net pension liability - agent plan		(300,568)	
Less: accrued interest on bonds and notes		<u>(15,152)</u>	(28,326,644)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,338,238	
Less: deferred inflows of resources related to pensions		<u>(864,648)</u>	473,590
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,147,088</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>14,373,232</u></u>

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

Exhibit C-3

Hickman County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 5,792,534	\$ 323,984	\$ 2,358,597	\$ 440,193	\$ 8,915,308
Licenses and Permits	90,353	0	0	0	90,353
Fines, Forfeitures, and Penalties	145,466	0	0	56,849	202,315
Charges for Current Services	1,404,606	4,521	0	100	1,409,227
Other Local Revenues	42,321	96,750	10,128	0	149,199
Fees Received From County Officials	1,016,372	0	0	0	1,016,372
State of Tennessee	1,593,184	2,750,020	77,386	0	4,420,590
Federal Government	78,174	620,304	0	508,349	1,206,827
Other Governments and Citizens Groups	110,000	3,322	0	0	113,322
Total Revenues	\$ 10,273,010	\$ 3,798,901	\$ 2,446,111	\$ 1,005,491	\$ 17,523,513
<u>Expenditures</u>					
Current:					
General Government	\$ 1,290,669	\$ 0	\$ 11,818	\$ 1,297	\$ 1,303,784
Finance	883,747	0	0	0	883,747
Administration of Justice	666,929	0	0	100	667,029
Public Safety	2,731,373	0	0	66,997	2,798,370
Public Health and Welfare	1,767,190	0	0	0	1,767,190
Social, Cultural, and Recreational Services	214,840	0	0	0	214,840
Agriculture and Natural Resources	76,652	0	0	0	76,652
Other Operations	3,305,509	0	0	0	3,305,509
Highways	0	4,130,377	0	0	4,130,377
Debt Service:					
Principal on Debt	0	0	1,997,840	647,000	2,644,840
Interest on Debt	0	0	193,297	5,986	199,283
Other Debt Service	0	0	261,158	24,157	285,315

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 539,457	\$ 539,457
Total Expenditures	\$ 10,936,909	\$ 4,130,377	\$ 2,464,113	\$ 1,284,994	\$ 18,816,393
Excess (Deficiency) of Revenues Over Expenditures	\$ (663,899)	\$ (331,476)	\$ (18,002)	\$ (279,503)	\$ (1,292,880)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 45,592	\$ 8,844	\$ 0	\$ 0	\$ 54,436
Transfers In	33,044	32,879	326,873	330,506	723,302
Transfers Out	(310,719)	(33,044)	(330,506)	(49,033)	(723,302)
Total Other Financing Sources (Uses)	\$ (232,083)	\$ 8,679	\$ (3,633)	\$ 281,473	\$ 54,436
Net Change in Fund Balances	\$ (895,982)	\$ (322,797)	\$ (21,635)	\$ 1,970	\$ (1,238,444)
Fund Balance, July 1, 2015	2,688,885	1,774,526	2,193,269	792,620	7,449,300
Fund Balance, June 30, 2016	\$ 1,792,903	\$ 1,451,729	\$ 2,171,634	\$ 794,590	\$ 6,210,856

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, 2016

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)		\$ (1,238,444)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,175,886	
Less: current-year depreciation expense	<u>(1,516,810)</u>	659,076
(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, 2015	\$ (1,102,750)	
Add: deferred delinquent property taxes and other deferred June 30, 2016	<u>1,147,088</u>	44,338
(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.		
Add: principal payments on notes	\$ 207,836	
Add: principal payments on other loans	<u>2,437,004</u>	2,644,840
(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	\$ 2,814	
Change in compensated absences payable	5,375	
Change in net pension liability/asset	(263,112)	
Change in deferred outflows related to pensions	560,921	
Change in deferred inflows related to pensions	(133,898)	
Change in other postemployment benefits liability	<u>(213,479)</u>	<u>(41,379)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,068,431</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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 5,792,534	\$ 5,606,366	\$ 5,606,366	\$ 186,168
Licenses and Permits	90,353	73,200	73,200	17,153
Fines, Forfeitures, and Penalties	145,466	158,835	158,835	(13,369)
Charges for Current Services	1,404,606	1,475,888	1,478,388	(73,782)
Other Local Revenues	42,321	41,000	46,000	(3,679)
Fees Received From County Officials	1,016,372	1,019,000	1,019,000	(2,628)
State of Tennessee	1,593,184	1,634,677	1,645,685	(52,501)
Federal Government	78,174	41,928	69,827	8,347
Other Governments and Citizens Groups	110,000	70,000	70,000	40,000
Total Revenues	\$ 10,273,010	\$ 10,120,894	\$ 10,167,301	\$ 105,709
Expenditures				
General Government				
County Commission	\$ 62,736	\$ 68,900	\$ 69,650	\$ 6,914
Board of Equalization	2,550	3,500	3,500	950
Beer Board	190	1,000	1,000	810
County Mayor/Executive	117,777	125,252	125,252	7,475
County Attorney	74,983	15,000	83,558	8,575
Election Commission	163,580	206,191	206,191	42,611
Register of Deeds	142,328	142,509	147,509	5,181
Planning	96,430	103,675	103,675	7,245
County Buildings	210,489	282,548	282,548	72,059
Other Facilities	368,113	455,250	432,550	64,437
Other General Administration	21,984	19,000	29,000	7,016
Preservation of Records	29,509	33,975	33,975	4,466
Finance				
Accounting and Budgeting	234,105	244,490	244,490	10,385
Property Assessor's Office	215,600	256,405	256,405	40,805
County Trustee's Office	177,473	182,151	182,151	4,678
County Clerk's Office	256,569	259,721	259,721	3,152
Administration of Justice				
Circuit Court	278,664	298,428	298,428	19,764
General Sessions Court	197,252	199,872	199,872	2,620
Chancery Court	157,151	166,741	166,741	9,590
Judicial Commissioners	33,432	37,832	37,832	4,400
Courtroom Security	430	500	500	70
Public Safety				
Sheriff's Department	1,596,696	1,859,354	1,860,361	263,665
Administration of the Sexual Offender Registry	8,713	0	12,500	3,787
Jail	927,547	1,029,635	1,029,635	102,088
Fire Prevention and Control	2,000	2,000	2,000	0
Civil Defense	143,515	171,946	175,193	31,678
Rescue Squad	15,000	15,000	15,000	0
County Coroner/Medical Examiner	37,902	31,400	41,100	3,198
Public Health and Welfare				
Local Health Center	40,927	50,601	50,601	9,674
Ambulance/Emergency Medical Services	1,479,316	1,543,651	1,625,754	146,438
Alcohol and Drug Programs	22,505	26,461	26,461	3,956

(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	\$ 184,538	\$ 273,400	\$ 273,400	\$ 88,862
Other Public Health and Welfare	39,904	40,713	40,713	809
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	7,500	7,500	7,500	0
Libraries	207,340	215,016	223,057	15,717
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	46,180	54,555	54,555	8,375
Soil Conservation	30,472	30,472	30,472	0
<u>Other Operations</u>				
Tourism	1,000	1,000	1,000	0
Industrial Development	46,067	55,861	55,861	9,794
Other Economic and Community Development	300	2,000	2,000	1,700
Veterans' Services	21,069	21,500	22,500	1,431
Other Charges	565,933	605,000	596,000	30,067
Employee Benefits	2,551,092	2,572,000	2,597,000	45,908
Miscellaneous	120,048	134,800	138,420	18,372
Total Expenditures	\$ 10,936,909	\$ 11,846,805	\$ 12,045,631	\$ 1,108,722
Excess (Deficiency) of Revenues Over Expenditures				
	\$ (663,899)	\$ (1,725,911)	\$ (1,878,330)	\$ 1,214,431
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 45,592	\$ 10,000	\$ 55,592	\$ (10,000)
Transfers In	33,044	33,044	533,044	(500,000)
Transfers Out	(310,719)	(34,879)	(810,720)	500,001
Total Other Financing Sources	\$ (232,083)	\$ 8,165	\$ (222,084)	\$ (9,999)
Net Change in Fund Balance	\$ (895,982)	\$ (1,717,746)	\$ (2,100,414)	\$ 1,204,432
Fund Balance, July 1, 2015	2,688,885	2,500,000	2,500,000	188,885
Fund Balance, June 30, 2016	\$ 1,792,903	\$ 782,254	\$ 399,586	\$ 1,393,317

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 323,984	\$ 352,960	\$ 352,960	\$ (28,976)
Charges for Current Services	4,521	6,200	6,200	(1,679)
Other Local Revenues	96,750	4,500	4,500	92,250
State of Tennessee	2,750,020	2,504,890	2,504,890	245,130
Federal Government	620,304	1,013,158	1,013,158	(392,854)
Other Governments and Citizens Groups	3,322	0	0	3,322
Total Revenues	\$ 3,798,901	\$ 3,881,708	\$ 3,881,708	\$ (82,807)
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 191,136	\$ 209,556	\$ 196,364	\$ 5,228
Highway and Bridge Maintenance	1,288,723	1,698,864	1,634,332	345,609
Operation and Maintenance of Equipment	375,283	700,059	695,639	320,356
Other Charges	79,210	116,000	119,215	40,005
Employee Benefits	699,298	820,715	820,715	121,417
Capital Outlay	1,496,727	1,104,000	1,513,544	16,817
Total Expenditures	\$ 4,130,377	\$ 4,649,194	\$ 4,979,809	\$ 849,432
Excess (Deficiency) of Revenues Over Expenditures	\$ (331,476)	\$ (767,486)	\$ (1,098,101)	\$ 766,625
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 8,844	\$ 0	\$ 0	\$ 8,844
Transfers In	32,879	34,879	34,879	(2,000)
Transfers Out	(33,044)	(33,044)	(33,044)	0
Total Other Financing Sources	\$ 8,679	\$ 1,835	\$ 1,835	\$ 6,844
Net Change in Fund Balance	\$ (322,797)	\$ (765,651)	\$ (1,096,266)	\$ 773,469
Fund Balance, July 1, 2015	1,774,526	1,500,000	1,500,000	274,526
Fund Balance, June 30, 2016	\$ 1,451,729	\$ 734,349	\$ 403,734	\$ 1,047,995

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

Hickman County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2016

	Business-type Activities - Major <u>Enterprise Fund</u> Solid Waste Disposal Fund
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 550
Equity in Pooled Cash and Investments	428,246
Accounts Receivable	653,846
Allowance for Uncollectibles	(461,324)
Due from Other Governments	4,241
Total Current Assets	<u>\$ 625,559</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 111,004
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	688,170
Other Capital Assets	469,078
Total Noncurrent Assets	<u>\$ 1,268,252</u>
Total Assets	<u>\$ 1,893,811</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 3,223
Pension Changes in Investment Earnings	34,426
Pension Contributions After Measurement Date	49,363
Total Deferred Outflows of Resources	<u>\$ 87,012</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 29,660
Capital Outlay Notes Payable	37,500
Accrued Leave	7,341
Accrued Liability for Landfill Closure/Postclosure Care Costs	10,725
Total Current Liabilities	<u>\$ 85,226</u>
Noncurrent Liabilities:	
Capital Outlay Notes Payable	\$ 75,000
Accrued Leave	22,023
Accrued Liability for Landfill Closure/Postclosure Care Costs	107,373
Net Pension Liability	18,716
Other Postemployment Benefits	26,185
Total Noncurrent Liabilities	<u>\$ 249,297</u>
Total Liabilities	<u>\$ 334,523</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 8,171
Pension Changes in Investment Earnings	45,669
Total Deferred Inflows of Resources	<u>\$ 53,840</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 1,155,752
Unrestricted	436,708
Total Net Position	<u>\$ 1,592,460</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, 2016

	Business-type Activities - Major Enterprise Fund <u>Solid Waste Disposal Fund</u>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 995,357
Other Local Revenues	149,393
Total Operating Revenues	<u>\$ 1,144,750</u>
<u>Operating Expenses</u>	
Sanitation Management	\$ 1,092,251
Litter and Trash Collection	35,206
Depreciation	112,942
Total Operating Expenses	<u>\$ 1,240,399</u>
Operating Income (Loss)	<u>\$ (95,649)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 404
Interest Expense	(6,176)
Solid Waste Grants	50,815
Total Nonoperating Revenues (Expenses)	<u>\$ 45,043</u>
Change in Net Position	\$ (50,606)
Net Position, July 1, 2015	<u>1,643,066</u>
Net Position, June 30, 2016	<u><u>\$ 1,592,460</u></u>

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, 2016

	Business-type Activities - Major <u>Enterprise Fund</u> Solid Waste Disposal Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 1,137,174
Payments to Employees	(615,689)
Payments for Waste Collection and Disposal Activity	(520,311)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,174</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Notes	\$ (37,500)
Interest Paid on Notes	(6,176)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (43,676)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 46,574
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 46,574</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 404
Net Cash Provided By (Used In) Investing Activities	<u>\$ 404</u>
Increase (Decrease) in Cash	\$ 4,476
Cash, July 1, 2015	<u>424,320</u>
Cash, June 30, 2016	<u><u>\$ 428,796</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (95,649)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	112,942
Changes in pension related inflows and outflows of resources	(31,284)
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(988)
(Increase) Decrease in Allowance for Uncollectibles	(6,588)
Increase (Decrease) in Accounts Payable	(1,201)
Increase (Decrease) in Accrued Leave	4,591
Increase (Decrease) in Accrued Liability for Landfill Closure/Postclosure	(10,600)
Increase (Decrease) in Net Pension Liability	16,325
Increase (Decrease) in Other Postemployment Benefits	13,626
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,174</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>428,246</u>
Cash, June 30, 2016	<u><u>\$ 428,796</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, 2016

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,182,433
Accounts Receivable	1,785
Due from Other Governments	107,397
Cash Shortage	<u>486</u>
Total Assets	<u>\$ 1,292,101</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 107,397
Due to Litigants, Heirs, and Others	<u>1,184,704</u>
Total Liabilities	<u>\$ 1,292,101</u>

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

HICKMAN COUNTY, TENNESSEE
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HICKMAN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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. Although required by GAAP, the financial statements of the Hickman County Emergency Communications District and the Industrial Development Board of Hickman County, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission is not material to the aggregate discretely presented component units and will not affect our opinion thereon. 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 Saint Thomas/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 material to the component units' opinion unit and therefore have been omitted from this report.

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 material to the component units' opinion unit and therefore have been omitted from this report.

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. 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. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2016.

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 and the enterprise fund 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.

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 types:

Capital Projects Fund – The General Capital Projects Fund accounts for capital projects of the general government.

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.

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

All ambulance, property taxes, and solid waste receivables are shown with an allowance for uncollectibles. Ambulance and solid waste 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 nonmajor governmental funds 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 nonmajor governmental funds.

3. Restricted Assets

Certain resources set aside for library operations are classified as restricted assets on the governmental funds 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.

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 has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience, pension changes in investment earnings, and pension changes in employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. 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 items are from the following sources: current and delinquent property taxes, pension changes in investment earnings, changes in proportionate share of contributions, pension changes in experience, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

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 are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, pension liabilities, 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, 2016, Hickman County had \$21,696,106 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 by resolution 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.

E. Pension Plans

Primary Government

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

Discretely Presented Hickman County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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. The Hickman County Finance Office maintains the books and records of the foundation in a separate governmental fund at no cost to the foundation.

C. Cash Shortage – Prior Year

The audit of Hickman County for the 2014-15 year reported a cash shortage of \$1,106 in the Office of Circuit and General Sessions Courts Clerk. During the 2015-16 fiscal year, the office discovered funds of \$620 in the safe and deposited them into the office bank account. As of June 30, 2016, the outstanding cash shortage balance is \$486.

D. The County Had Deposits Exposed to Custodial Credit Risk

The Hickman County Health Foundation did not require one depository holding county funds to pledge adequate securities to protect funds that

exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2016, deposits at this depository exceeded FDIC coverage and collateral securities pledged by \$412,698. Section 5-8-201, *Tennessee Code Annotated*, requires any bank that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of such county funds.

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 and investments reflected on the balance sheets or statements of net position represent 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.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, Hickman County's deposits may not be returned to it. Hickman County does not have a formal policy that limits custodial credit risk for deposits. Separate disclosures concerning bank balances of pooled deposits cannot be made for Hickman County since both pool their deposits and investments through the county trustee. As of June 30, 2016, the bank

balance of \$412,698 was exposed to custodial credit risk. This amount of a nonpooled bank balance was exposed to custodial credit risk as uninsured and uncollateralized. This \$412,698 consisted of a certificate of deposit reported in the discretely presented Hickman County Health Foundation Fund. Uninsured and uncollateralized deposits are a violation of state statutes.

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, 2016, 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	Amortized Cost
State Treasurer's Investment Pool	4 to 117	N/A	\$ 706,909

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, 2016, 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, 2016, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 209,514	\$ 0	\$ 0	\$ 209,514
Construction in Progress	818,588	507,198	0	1,325,786
Total Capital Assets Not Depreciated	\$ 1,028,102	\$ 507,198	\$ 0	\$ 1,535,300
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,973,294	\$ 0	\$ 0	\$ 12,973,294
Other Capital Assets	4,100,047	798,912	(197,137)	4,701,822
Infrastructure	49,531,428	869,776	0	50,401,204
Total Capital Assets Depreciated	\$ 66,604,769	\$ 1,668,688	\$ (197,137)	\$ 68,076,320
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,049,666	\$ 318,313	\$ 0	\$ 3,367,979
Other Capital Assets	2,859,990	285,112	(197,137)	2,947,965
Infrastructure	27,513,949	913,385	0	28,427,334
Total Accumulated Depreciation	\$ 33,423,605	\$ 1,516,810	\$ (197,137)	\$ 34,743,278
Total Capital Assets Depreciated, Net	\$ 33,181,164	\$ 151,878	\$ 0	\$ 33,333,042
Governmental Activities Capital Assets, Net	\$ 34,209,266	\$ 659,076	\$ 0	\$ 34,868,342

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

Governmental Activities:

General Government	\$ 49,350
Administration of Justice	39,896
Public Safety	280,755
Public Health and Welfare	99,163
Social, Cultural, and Recreational Services	8,398
Highway/Public Works	<u>1,039,248</u>

Total Depreciation Expense - Governmental Activities \$ 1,516,810

Business-type Activities:

	Balance 7-1-15	Increases	Balance 6-30-16
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	1,301,152	0	1,301,152
Total Capital Assets Depreciated	<u>\$ 2,378,731</u>	<u>\$ 0</u>	<u>\$ 2,378,731</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 362,468	\$ 26,941	\$ 389,409
Other Capital Assets	746,073	86,001	832,074
Total Accumulated Depreciation	<u>\$ 1,108,541</u>	<u>\$ 112,942</u>	<u>\$ 1,221,483</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,270,190</u>	<u>\$ (112,942)</u>	<u>\$ 1,157,248</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,381,194</u>	<u>\$ (112,942)</u>	<u>\$ 1,268,252</u>

There were no decreases in capital assets to report during the year ended June 30, 2016.

Depreciation expense totaling \$112,942 was charged to the Sanitation Management function of the Solid Waste Disposal Fund (enterprise fund).

Discretely Presented Hickman County School Department

	Balance 7-1-15	Increases	Balance 6-30-16
	<hr/>		<hr/>
Capital Assets Not Depreciated:			
Land	\$ 1,018,261	\$ 0	\$ 1,018,261
Total Capital Assets Not Depreciated	<hr/> \$ 1,018,261	<hr/> \$ 0	<hr/> \$ 1,018,261
Capital Assets Depreciated:			
Buildings and Improvements	\$ 61,137,588	\$ 190,928	\$ 61,328,516
Other Capital Assets	8,860,950	95,212	8,956,162
Infrastructure	27,206	0	27,206
Total Capital Assets Depreciated	<hr/> \$ 70,025,744	<hr/> \$ 286,140	<hr/> \$ 70,311,884
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 24,311,436	\$ 1,687,575	\$ 25,999,011
Other Capital Assets	4,769,352	437,809	5,207,161
Infrastructure	7,708	1,360	9,068
Total Accumulated Depreciation	<hr/> \$ 29,088,496	<hr/> \$ 2,126,744	<hr/> \$ 31,215,240
Total Capital Assets Depreciated, Net	<hr/> \$ 40,937,248	<hr/> \$ (1,840,604)	<hr/> \$ 39,096,644
Governmental Activities Capital Assets, Net	<hr/> \$ 41,955,509	<hr/> \$ (1,840,604)	<hr/> \$ 40,114,905

There were no decreases in capital assets to report during the year ended June 30, 2016.

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

Governmental Activities:

Instruction	\$ 6,771
Support Services	2,109,852
Operation of Non-instructional Services	<hr/> 10,121
Total Depreciation Expense - Governmental Activities	<hr/> \$ 2,126,744

C. Construction Commitments

At June 30, 2016, the county had uncompleted construction contracts of approximately \$510,363 for various public safety projects. Funding for these future expenditures is expected to be received from federal grants.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2016, was as follows:

Interfund Transfers:

Interfund transfers for the year ended June 30, 2016, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In			
	General Fund	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 32,879	\$ 277,840	\$ 0
Highway/Public Works Fund	33,044	0	0	0
General Debt Service Fund	0	0	0	330,506
Nonmajor governmental fund	0	0	49,033	0
Total	\$ 33,044	\$ 32,879	\$ 326,873	\$ 330,506

Transfers Out	Transfers In General Purpose School Fund
Nonmajor governmental fund	\$ 19,500

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, 2016, will be retired from the General Debt Service or Education Debt Service funds.

Capital outlay notes and other loans outstanding as of June 30, 2016, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-16
Capital Outlay Notes	1.25 to 4.15 %	1-12-18	\$ 1,430,000	\$ 244,902
Other Loans	variable	5-25-33	48,746,117	27,167,168

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, \$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, 2016, the variable interest rate ranged from .58 to .61 percent, and other fees totaled \$60 per month per loan (trustee), 1.2 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal.

Also, in a prior 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 \$22,000,000 to Hickman County on an as-needed basis for a school construction project. This loan is 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, 2016, the variable interest rate was .58 percent, and other fees totaled \$60 per month (trustee), 1.2 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal.

Also, in a prior year, 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 borrowed \$657,000 of the authorized amount. This 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, 2016, the variable interest rate was .58 percent, and other fees totaled \$60 per month (trustee), 1.2 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal.

Additionally, in a prior 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.

Furthermore, in a prior year, Hickman County entered into a loan agreement with the Energy Efficient Schools Council. This loan agreement provided for the authority to loan \$2,000,000 to Hickman County for a school energy efficiency HVAC project. This loan is repayable for principal only with no interest requirements.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2016, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2017	\$ 183,466	\$ 5,926	\$ 189,392
2018	61,436	1,646	63,082
Total	<u>\$ 244,902</u>	<u>\$ 7,572</u>	<u>\$ 252,474</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2017	\$ 2,520,004	\$ 245,429	\$ 274,146	\$ 3,039,579
2018	2,458,121	227,004	247,121	2,932,246
2019	1,728,004	208,844	219,704	2,156,552
2020	1,766,004	194,987	202,430	2,163,421
2021	1,810,004	180,775	185,418	2,176,197
2022-2026	9,249,969	676,188	653,761	10,579,918
2027-2031	6,780,062	264,325	164,120	7,208,507
2032-2033	855,000	19,729	5,117	879,846
Total	<u>\$ 27,167,168</u>	<u>\$ 2,017,281</u>	<u>\$ 1,951,817</u>	<u>\$ 31,136,266</u>

There is \$2,171,634 available in the General Debt Service Fund and \$47,877 in the Education Debt Service Fund to service long-term debt. Debt per capita, including notes and other loans, totaled \$1,110, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2016, was as follows:

Governmental Activities:

	Notes	Other Loans	Compensated Absences
Balance, July 1, 2015	\$ 452,738	\$ 29,604,172	\$ 223,900
Additions	0	0	315,842
Reductions	(207,836)	(2,437,004)	(321,217)
Balance, June 30, 2016	<u>\$ 244,902</u>	<u>\$ 27,167,168</u>	<u>\$ 218,525</u>
Balance Due Within One Year	<u>\$ 183,466</u>	<u>\$ 2,520,004</u>	<u>\$ 54,631</u>

	Net Pension Liability - Agent Plan	Other Postemployment Benefits
Balance, July 1, 2015	\$ 37,456	\$ 166,850
Additions	536,412	246,395
Reductions	(273,300)	(32,916)
Balance, June 30, 2016	<u>\$ 300,568</u>	<u>\$ 380,329</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 28,311,492
Less: Balance Due Within One Year	<u>(2,758,101)</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 25,553,391</u>
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Compensated absences, net pension liability, 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 were issued with original terms of up to 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt.

Capital outlay notes outstanding as of June 30, 2016, for business-type activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-16</u>
Capital Outlay Notes	4.05 %	3-23-19	\$ 450,000	\$ 112,500

The annual requirements to amortize all notes outstanding as of June 30, 2016, including interest payments, are presented in the following table:

<u>Year Ending June 30</u>	<u>Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 37,500	\$ 4,620	\$ 42,120
2018	37,500	3,080	40,580
2019	37,500	1,594	39,094
Total	<u>\$ 112,500</u>	<u>\$ 9,294</u>	<u>\$ 121,794</u>

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2016, was as follows:

Business-type Activities:

	Notes	Compensated Absences	Closure/ Postclosure Care Costs
Balance, July 1, 2015	\$ 150,000	\$ 24,773	\$ 128,698
Additions	0	32,356	1,400
Reductions	(37,500)	(27,765)	(12,000)
Balance, June 30, 2016	<u>\$ 112,500</u>	<u>\$ 29,364</u>	<u>\$ 118,098</u>
Balance Due Within One Year	<u>\$ 37,500</u>	<u>\$ 7,341</u>	<u>\$ 10,725</u>

	Net Pension Liability - Agent Plan	Other Post- employment Benefits
Balance, July 1, 2015	\$ 2,391	\$ 12,559
Additions	38,480	15,727
Reductions	(22,155)	(2,101)
Balance, June 30, 2016	<u>\$ 18,716</u>	<u>\$ 26,185</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 304,863
Less: Balance Due Within One Year	<u>(55,566)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 249,297</u>

Discretely Presented Hickman County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Hickman County School Department for the year ended June 30, 2016, was as follows:

Governmental Activities:

	Net Pension Liability - Agent Plan	Net Pension Liability - Legacy Plan*	Other Postemployment Benefits
Balance, July 1, 2015	\$ 41,012	\$ (56,973)	\$ 1,050,776
Additions	295,507	2,528,072	504,842
Reductions	(170,938)	(2,329,539)	(170,751)
Balance, June 30, 2016	<u>\$ 165,581</u>	<u>\$ 141,560</u>	<u>\$ 1,384,867</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

* - At July 1, 2015, the Teacher Legacy Pension Plan had a net asset balance.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 1,692,008
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,692,008</u>

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

F. On-Behalf Payments – Primary Government and Discretely Presented Hickman County School Department

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Hickman County. These payments are made by the state to the Medicare Supplement 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 Medicare Supplement Plan for the year ended June 30, 2016, were \$750. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

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 and the Medicare Supplement Plan. Both of these plans are 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 and the Medicare Supplement Plan for the year ended June 30, 2016, were \$55,059 and \$22,275, respectively. 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

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*; Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; Statement No. 79, *Certain External Investment Pools and Pool Participants*

became effective for the year ended June 30, 2016. In addition, Hickman County has early implemented Statement No. 82, *Pension Issues, an amendment to GASB Statements No. 67, No. 68, and No. 73.*

GASB Statement No. 72, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. This standard supersedes previous statements as they relate to measuring fair value of certain assets and liabilities.

GASB Statement No. 73, establishes accounting and reporting requirements for pensions that are not administered through a trust account and also addresses changes made to Statements No. 67 and No. 68. The changes to Statements No. 67 and No. 68 require new RSI disclosures concerning plan investments, address specific payables to defined benefit plans, and address specific payables to defined benefit plans.

GASB Statement No. 76, addresses changes made to the hierarchy of generally accepted accounting principles. This standard supersedes Statement No. 55 and reduces the hierarchy from four to two categories.

GASB Statement No. 79, addresses issues related to certain external investment pools and pool participants because of changes in Security and Exchange rules relative to money market funds. This standard establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost rather than fair value for financial reporting purposes standards.

C. Subsequent Events

Director of Schools Dr. Jerry Nash retired June 30, 2016, and was succeeded by Michelle Gilbert effective July 1, 2016.

Clerk and Master, Linda Gossett retired June 30, 2016, and was succeeded by Elizabeth Harlow effective July 1, 2016.

D. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney has not responded to requests to provide estimates of the potential claims not covered by insurance. However, management believes that any claims 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 \$118,098 reported as postclosure care liability at June 30, 2016, represents amounts based on what it would cost to perform all postclosure care in 2016. 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 \$11,866 to the Hickman County Joint Economic and Community Development Association Board for the year ended June 30, 2016.

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, 2016.

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

Discretely Presented Hickman County School Department

The discretely presented School Department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Hickman County, Coffee County, Dickson County, Fayetteville City, Houston County, Humphreys County, Manchester City, Marshall County, Maury County, Robertson County, and Stewart County. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated*. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Stewart County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, comprising one representative from each of the member districts; and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Complete financial statements for the Volunteer State Cooperative can be obtained from its administrative office at the following address:

Administrative Office:

Volunteer State Cooperative
1800 Wilson Parkway
Fayetteville, TN 37334

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

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Hickman County and non-certified employees of the discretely presented Hickman County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 65.85 percent and the non-certified employees of the discretely present School Department comprise 34.15 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous

year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	213
Inactive Employees Entitled to But Not Yet Receiving Benefits	244
Active Employees	<u>333</u>
 Total	 <u><u>790</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are noncontributory. Hickman County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarially Determined Contribution (ADC) for Hickman County was \$1,173,742 based on a rate of 13.58 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Hickman County’s state shared taxes if required employer contributions are not remitted. The employer’s ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Hickman County’s net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2014	\$ 25,283,025	\$ 25,202,166	\$ 80,859
Changes for the Year:			
Service Cost	\$ 696,494	\$ 0	\$ 696,494
Interest	1,909,251	0	1,909,251
Differences Between Expected and Actual Experience	(264,612)	0	(264,612)
Contributions-Employer	0	1,173,742	(1,173,742)
Contributions-Employees	0	0	0
Net Investment Income	0	779,537	(779,537)
Benefit Payments, Including Refunds of Employee Contributions	(1,045,668)	(1,045,668)	0
Administrative Expense	0	(16,152)	16,152
Other Changes	0	0	0
Net Changes	\$ 1,295,465	\$ 891,459	\$ 404,006
Balance, June 30, 2015	\$ 26,578,490	\$ 26,093,625	\$ 484,865

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 65.85%	\$ 17,501,936	\$ 17,182,652	\$ 319,284
School Department 34.15%	9,076,554	8,910,973	165,581
Total	\$ 26,578,490	\$ 26,093,625	\$ 484,865

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

Hickman County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ 3,987,049 \$ 484,865 \$ (2,435,413)

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

Pension Expense. For the year ended June 30, 2016, Hickman County recognized pension expense of \$524,075.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, Hickman County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 83,485	\$ 211,690
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	891,858	1,183,128
Contributions Subsequent to the Measurement Date of June 30, 2015 (1)	<u>1,170,433</u>	<u>N/A</u>
Total	<u>\$ 2,145,776</u>	<u>\$ 1,394,818</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2015,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,425,250	\$ 918,488
School Department	720,526	476,330
Total	<u>\$ 2,145,776</u>	<u>\$ 1,394,818</u>

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

Year Ending June 30	Amount
2017	\$ (203,462)
2018	(203,462)
2019	(203,462)
2020	190,914
2021	0
Thereafter	0

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

Discretely Presented Hickman County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Hickman County and non-certified employees of the discretely presented Hickman County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 65.85 percent and the non-certified employees of the discretely present School Department comprise 34.15 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Hickman County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan,

benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2016, to the Teacher Retirement Plan were \$65,242, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2016, the Hickman County School Department reported an asset of \$11,440 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Hickman County School Department's proportion of the net pension asset was based on the Hickman County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Hickman County School Department's proportion was .284373 percent.

Pension Expense. For the year ended June 30, 2016, the Hickman County School Department recognized pension expense of \$14,993.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the Hickman County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 3,724
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	925	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	65,242	N/A
Total	<u>\$ 66,167</u>	<u>\$ 3,724</u>

The Hickman County School Department's employer contributions of \$65,242 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (79)
2018	(79)
2019	(79)
2020	(79)
2021	(310)
Thereafter	(2,172)

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

Actuarial Assumptions. The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 2,029	\$ (11,440)	\$ (21,318)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Hickman County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Hickman County School Department for the year ended June 30, 2016, to the Teacher Legacy Pension Plan were \$1,160,293, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2016, the Hickman County School Department reported a liability of \$141,560 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Hickman County School Department's proportion of the net pension liability was based on the Hickman County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Hickman County School Department's proportion was .345576 percent. The proportion measured at June 30, 2014, was .350615 percent.

Negative Pension Expense. For the year ended June 30, 2016, the Hickman County School Department recognized negative pension expense of \$133,214.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the Hickman County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 113,608	\$ 2,203,401
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,556,129	3,470,084
Changes in Proportion of Net Pension Liability (Asset)	0	68,511
LEAs Contributions Subsequent to the Measurement Date of June 30, 2015	1,160,293	N/A
Total	<u>\$ 3,830,030</u>	<u>\$ 5,741,996</u>

The Hickman County School Department's employer contributions of \$1,160,293 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension liability (asset) in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (949,323)
2018	(949,323)
2019	(949,323)
2020	207,371
2021	(431,661)
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

Sensitivity of the Proportionate Share of Net Position Liability (Asset) to Changes in the Discount Rate. The following presents Hickman County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Hickman County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ 9,651,079 \$ 141,560 \$ (8,059,504)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

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.

Teachers hired after July 1, 2014, by the discretely presented Hickman County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Hickman County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Hickman County School

Department contributed \$80,383 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

I. Other Postemployment Benefits (OPEB)

Primary Government - Commercial Plan

Plan Description

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 attains the age of 55 and 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, 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 77 percent of medical premiums for retirees and their dependents (family coverage) and 95 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 \$35,017 were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	<u>Commercial Plan</u>
ARC	\$ 265,627
Interest on the NOPEBO	5,382
Adjustment to the ARC	<u>(8,887)</u>
Annual OPEB cost	\$ 262,122
Amount of contribution	<u>(35,017)</u>
Increase/decrease in NOPEBO	\$ 227,105
Net OPEB obligation, 7-1-15	<u>179,409</u>
Net OPEB obligation, 6-30-16	<u>\$ 406,514</u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Commercial Insurance	\$ 75,263	42 %	\$ 129,325
6-30-15	"	76,374	34	179,409
6-30-16	"	262,122	13	406,514

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

(dollars in thousands)

	<u>Commercial Plan</u>
Actuarial valuation date	7-1-15
Actuarial accrued liability (AAL)	\$ 2,423
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,423
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 6,072
UAAL as a % of covered payroll	40%

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, 2015, actuarial valuation, the entry age normal 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 six percent starting July 1, 2015. 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 July 1, 2011.

Discretely Presented Hickman County School Department

Plan Description

The Hickman County School Department participates in the state-administered Local Education Group Insurance Plan and Medicare Supplement Plan for healthcare benefits. For accounting purposes, the plans are 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 and Section 8-27-701, *TCA*, for the Medicare Supplement. 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 a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not

prescriptive on that issue. The state provides 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, 2016, the School Department contributed \$160,947 to the postemployment health plan and \$9,804 to the Medicare Supplement Plan.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Medicare Supplement Plan
ARC	\$ 370,000	\$ 135,000
Interest on the NOPEBO	31,267	8,137
Adjustment to the ARC	(31,392)	(8,170)
Annual OPEB cost	\$ 369,875	\$ 134,967
Amount of contribution	(160,947)	(9,804)
Increase/decrease in NOPEBO	\$ 208,928	\$ 125,163
Net OPEB obligation, 7-1-15	833,777	216,999
Net OPEB obligation, 6-30-16	\$ 1,042,705	\$ 342,162

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Local Education Group	\$ 280,582	55	% \$ 691,758
6-30-15	"	290,712	51	833,777
6-30-16	"	369,875	44	1,042,705
6-30-14	Medicare Supplement	110,000	0	110,000
6-30-15	"	114,113	6	216,999
6-30-16	"	134,967	7	342,162

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

(dollars in thousands)	Local Education Group Plan	Medicare Supplement Plan
Actuarial valuation date	7-1-15	7-1-15
Actuarial accrued liability (AAL)	\$ 3,273	\$ 1,621
Actuarial value of plan assets	\$ 1,727	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,546	\$ 1,621
Actuarial value of assets as a % of the AAL	53%	0%
Covered payroll (active plan members)	\$ 17,074	\$ NA
UAAL as a % of covered payroll	9%	NA

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, the audit for the year ended June 30, 2016, was 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, 2015, actuarial valuation, for the Local Education Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 6.5 percent initially. The trend rate will decrease to six percent in 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2050. The annual health care cost trend rate for the Medicare Supplement Plan was six percent in fiscal year 2016 and then will be reduced by decrements to an ultimate rate of 4.2 percent by fiscal year 2044. 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. Payroll is assumed to grow at a rate of three percent.

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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	2014	2015
Total Pension Liability (Asset)		
Service Cost	\$ 654,690	\$ 696,494
Interest	1,787,192	1,909,251
Differences Between Actual and Expected Experience	125,227	(264,612)
Benefit Payments, Including Refunds of Employee Contributions	(917,225)	(1,045,668)
Net Change in Total Pension Liability (Asset)	<u>\$ 1,649,884</u>	<u>\$ 1,295,465</u>
Total Pension Liability (Asset), Beginning	23,633,141	25,283,025
Total Pension Liability (Asset), Ending (a)	<u>\$ 25,283,025</u>	<u>\$ 26,578,490</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,103,787	\$ 1,173,742
Contributions - Employee	300	0
Net Investment Income	3,586,524	779,537
Benefit Payments, Including Refunds of Employee Contributions	(917,225)	(1,045,668)
Administrative Expense	(12,757)	(16,152)
Net Change in Plan Fiduciary Net Position	<u>\$ 3,760,629</u>	<u>\$ 891,459</u>
Plan Fiduciary Net Position, Beginning	21,441,537	25,202,166
Plan Fiduciary Net Position, Ending (b)	<u>\$ 25,202,166</u>	<u>\$ 26,093,625</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ 80,859</u>	<u>\$ 484,865</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.68%	98.18%
Covered Employee Payroll	\$ 8,336,761	\$ 8,643,168
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	0.97%	5.61%

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

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit F-2

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

	2014	2015	2016
Actuarially Determined Contribution	\$ 1,103,787	\$ 1,173,742	\$ 1,170,433
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(1,103,787)</u>	<u>(1,173,742)</u>	<u>(1,170,433)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 8,336,761	\$ 8,643,168	\$ 8,618,797
Contributions as a Percentage of Covered Payroll	13.24%	13.58%	13.58%

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

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit F-3

Hickman County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Pension Plan of TCRS
Discretely Presented Hickman County School Department
For the Fiscal Year Ended June 30

	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 14,771	\$ 40,776
Less Contributions in Relation to the Contractually Required Contribution	<u>(23,634)</u>	<u>(65,242)</u>
Contribution Deficiency (Excess)	<u>\$ (8,863)</u>	<u>\$ (24,466)</u>
Covered Payroll	\$ 590,846	\$ 1,631,050
Contributions as a Percentage of Covered Payroll	4.00%	4.00%

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

Exhibit F-4

Hickman County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Hickman County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016
Contractually Required Contribution	\$ 1,222,030	\$ 1,169,474	\$ 1,160,293
Less Contributions in Relation to the Contractually Required Contribution	(1,222,030)	(1,169,474)	(1,160,293)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 13,761,597	\$ 12,936,665	\$ 12,826,741
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%

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

Exhibit F-5

Hickman County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Retirement Pension Plan of TCRS
Discretely Presented Hickman County School Department
For the Fiscal Year Ended June 30 *

	<u>2016</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.284373%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (11,440)
Covered Payroll	\$ 590,846
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%

* The amounts presented were determined as of June 30 of the prior fiscal year.

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

Exhibit F-6

Hickman County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Hickman County School Department
For the Fiscal Year Ended June 30 *

	<u>2015</u>	<u>2016</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.350615%	0.345576%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (56,973)	\$ 141,560
Covered Payroll	\$ 13,761,597	\$ 12,936,665
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%

* The amounts presented were determined as of June 30 of the prior fiscal year.

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

Exhibit F-7

Hickman County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Hickman County School Department
June 30, 2016

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (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	7-1-13	\$ 0	\$ 638	\$ 638	0 %	\$ 5,054	13 %
"	7-1-14	0	634	634	0	5,848	11
"	7-1-15	0	2,423	2,423	0	6,072	40
<u>DISCRETELY PRESENTED HICKMAN COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-11	838	2,817	1,979	29.7	16,218	17
"	7-1-13	1,669	2,649	980	63.0	16,906	6
"	7-1-15	1,727	3,273	1,546	52.8	17,074	9
Medicare Supplement	7-1-13	0	1,304	1,304	0.0	NA	NA
	7-1-15	0	1,621	1,621	0.0	NA	NA

HICKMAN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2016

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2016 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	4 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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 of deeds, and sheriff.

Debt Service Fund

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

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.

Capital Projects Fund

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

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

Exhibit G-1

Hickman County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2016

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Drug Control	Adequate Facilities/ Development Tax	Total	Education Debt Service	General Capital Projects	
<u>ASSETS</u>						
Equity in Pooled Cash and Investments	\$ 155,864	\$ 562,422	\$ 718,286	\$ 20,166	\$ 79,419	\$ 817,871
Accounts Receivable	1,178	0	1,178	27,711	0	28,889
Due from Other Governments	0	0	0	0	199,957	199,957
Total Assets	\$ 157,042	\$ 562,422	\$ 719,464	\$ 47,877	\$ 279,376	\$ 1,046,717
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,421	\$ 1,421
Contracts Payable	0	0	0	0	197,386	197,386
Retainage Payable	0	0	0	0	53,320	53,320
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 252,127	\$ 252,127
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 0	\$ 562,422	\$ 562,422	\$ 0	\$ 0	\$ 562,422
Restricted for Public Safety	157,042	0	157,042	0	0	157,042
Restricted for Debt Service	0	0	0	47,877	0	47,877
Restricted for Capital Projects	0	0	0	0	27,249	27,249
Total Fund Balances	\$ 157,042	\$ 562,422	\$ 719,464	\$ 47,877	\$ 27,249	\$ 794,590
Total Liabilities and Fund Balances	\$ 157,042	\$ 562,422	\$ 719,464	\$ 47,877	\$ 279,376	\$ 1,046,717

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, 2016

	Special Revenue Funds				Debt Service Fund
	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Total	Education Debt Service
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 126,724	\$ 0	\$ 126,724	\$ 313,469
Fines, Forfeitures, and Penalties	56,849	0	0	56,849	0
Charges for Current Services	0	0	100	100	0
Federal Government	0	0	0	0	0
Total Revenues	<u>\$ 56,849</u>	<u>\$ 126,724</u>	<u>\$ 100</u>	<u>\$ 183,673</u>	<u>\$ 313,469</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 1,297	\$ 0	\$ 1,297	\$ 0
Administration of Justice	0	0	100	100	0
Public Safety	66,997	0	0	66,997	0
Debt Service:					
Principal on Debt	0	0	0	0	647,000
Interest on Debt	0	0	0	0	5,986
Other Debt Service	0	0	0	0	24,157
Capital Projects	0	0	0	0	0
Total Expenditures	<u>\$ 66,997</u>	<u>\$ 1,297</u>	<u>\$ 100</u>	<u>\$ 68,394</u>	<u>\$ 677,143</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,148)</u>	<u>\$ 125,427</u>	<u>\$ 0</u>	<u>\$ 115,279</u>	<u>\$ (363,674)</u>
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 330,506
Transfers Out	0	(35,000)	0	(35,000)	0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (35,000)</u>	<u>\$ 0</u>	<u>\$ (35,000)</u>	<u>\$ 330,506</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Total	Education Debt Service
Net Change in Fund Balances	\$ (10,148)	\$ 90,427	\$ 0	\$ 80,279	\$ (33,168)
Fund Balance, July 1, 2015	167,190	471,995	0	639,185	81,045
Fund Balance, June 30, 2016	<u>\$ 157,042</u>	<u>\$ 562,422</u>	<u>\$ 0</u>	<u>\$ 719,464</u>	<u>\$ 47,877</u>

(Continued)

Exhibit G-2

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

	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	General Capital Projects	
<u>Revenues</u>		
Local Taxes	\$ 0	\$ 440,193
Fines, Forfeitures, and Penalties	0	56,849
Charges for Current Services	0	100
Federal Government	508,349	508,349
Total Revenues	<u>\$ 508,349</u>	<u>\$ 1,005,491</u>
<u>Expenditures</u>		
Current:		
General Government	\$ 0	\$ 1,297
Administration of Justice	0	100
Public Safety	0	66,997
Debt Service:		
Principal on Debt	0	647,000
Interest on Debt	0	5,986
Other Debt Service	0	24,157
Capital Projects	539,457	539,457
Total Expenditures	<u>\$ 539,457</u>	<u>\$ 1,284,994</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (31,108)</u>	<u>\$ (279,503)</u>
<u>Other Financing Sources (Uses)</u>		
Transfers In	\$ 0	\$ 330,506
Transfers Out	(14,033)	(49,033)
Total Other Financing Sources (Uses)	<u>\$ (14,033)</u>	<u>\$ 281,473</u>

(Continued)

Exhibit G-2

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

	<u>Capital Projects Fund</u>	Total Nonmajor Governmental Funds
Net Change in Fund Balances	\$ (45,141)	\$ 1,970
Fund Balance, July 1, 2015	72,390	792,620
Fund Balance, June 30, 2016	<u>\$ 27,249</u>	<u>\$ 794,590</u>

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 56,849	\$ 42,000	\$ 42,000	\$ 14,849
Total Revenues	<u>\$ 56,849</u>	<u>\$ 42,000</u>	<u>\$ 42,000</u>	<u>\$ 14,849</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 66,997	\$ 65,000	\$ 73,060	\$ 6,063
Total Expenditures	<u>\$ 66,997</u>	<u>\$ 65,000</u>	<u>\$ 73,060</u>	<u>\$ 6,063</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,148)</u>	<u>\$ (23,000)</u>	<u>\$ (31,060)</u>	<u>\$ 20,912</u>
Net Change in Fund Balance	\$ (10,148)	\$ (23,000)	\$ (31,060)	\$ 20,912
Fund Balance, July 1, 2015	<u>167,190</u>	<u>160,000</u>	<u>160,000</u>	<u>7,190</u>
Fund Balance, June 30, 2016	<u><u>\$ 157,042</u></u>	<u><u>\$ 137,000</u></u>	<u><u>\$ 128,940</u></u>	<u><u>\$ 28,102</u></u>

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 126,724	\$ 70,000	\$ 70,600	\$ 56,124
Total Revenues	\$ 126,724	\$ 70,000	\$ 70,600	\$ 56,124
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 1,297	\$ 750	\$ 1,350	\$ 53
Total Expenditures	\$ 1,297	\$ 750	\$ 1,350	\$ 53
Excess (Deficiency) of Revenues Over Expenditures	\$ 125,427	\$ 69,250	\$ 69,250	\$ 56,177
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ 0
Total Other Financing Sources	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ 0
Net Change in Fund Balance	\$ 90,427	\$ 34,250	\$ 34,250	\$ 56,177
Fund Balance, July 1, 2015	471,995	470,000	470,000	1,995
Fund Balance, June 30, 2016	\$ 562,422	\$ 504,250	\$ 504,250	\$ 58,172

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 313,469	\$ 300,000	\$ 300,000	\$ 13,469
Total Revenues	\$ 313,469	\$ 300,000	\$ 300,000	\$ 13,469
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 647,000	\$ 614,000	\$ 647,000	\$ 0
<u>Interest on Debt</u>				
Education	5,986	59,794	26,794	20,808
<u>Other Debt Service</u>				
General Government	3,144	4,000	4,000	856
Education	21,013	26,712	26,712	5,699
Total Expenditures	\$ 677,143	\$ 704,506	\$ 704,506	\$ 27,363
Excess (Deficiency) of Revenues Over Expenditures	\$ (363,674)	\$ (404,506)	\$ (404,506)	\$ 40,832
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 330,506	\$ 330,506	\$ 330,506	\$ 0
Total Other Financing Sources	\$ 330,506	\$ 330,506	\$ 330,506	\$ 0
Net Change in Fund Balance	\$ (33,168)	\$ (74,000)	\$ (74,000)	\$ 40,832
Fund Balance, July 1, 2015	81,045	74,000	74,000	7,045
Fund Balance, June 30, 2016	\$ 47,877	\$ 0	\$ 0	\$ 47,877

Major Governmental Fund

General Debt Service Fund

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

Exhibit 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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,358,597	\$ 2,206,308	\$ 2,206,308	\$ 152,289
Other Local Revenues	10,128	9,000	9,000	1,128
State of Tennessee	77,386	77,000	77,000	386
Total Revenues	\$ 2,446,111	\$ 2,292,308	\$ 2,292,308	\$ 153,803
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 11,818	\$ 0	\$ 11,818	\$ 0
<u>Principal on Debt</u>				
General Government	547,337	547,330	547,338	1
Highways and Streets	74,499	74,500	74,500	1
Education	1,376,004	1,376,004	1,376,004	0
<u>Interest on Debt</u>				
General Government	21,966	195,816	189,280	167,314
Highways and Streets	4,077	7,783	7,783	3,706
Education	167,254	585,329	585,329	418,075
<u>Other Debt Service</u>				
General Government	102,536	123,421	129,421	26,885
Education	158,622	197,292	197,292	38,670
Total Expenditures	\$ 2,464,113	\$ 3,107,475	\$ 3,118,765	\$ 654,652
Excess (Deficiency) of Revenues Over Expenditures	\$ (18,002)	\$ (815,167)	\$ (826,457)	\$ 808,455
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 326,873	\$ 35,000	\$ 549,033	\$ (222,160)
Transfers Out	(330,506)	(330,506)	(830,506)	500,000
Total Other Financing Sources	\$ (3,633)	\$ (295,506)	\$ (281,473)	\$ 277,840
Net Change in Fund Balance	\$ (21,635)	\$ (1,110,673)	\$ (1,107,930)	\$ 1,086,295
Fund Balance, July 1, 2015	2,193,269	1,900,000	1,900,000	293,269
Fund Balance, June 30, 2016	\$ 2,171,634	\$ 789,327	\$ 792,070	\$ 1,379,564

Fiduciary Funds

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.

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 of deeds, 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, 2016

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,182,433	\$ 1,182,433
Accounts Receivable	0	1,785	1,785
Due from Other Governments	107,397	0	107,397
Cash Shortage	0	486	486
Total Assets	<u>\$ 107,397</u>	<u>\$ 1,184,704</u>	<u>\$ 1,292,101</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 107,397	\$ 0	\$ 107,397
Due to Litigants, Heirs, and Others	0	1,184,704	1,184,704
Total Liabilities	<u>\$ 107,397</u>	<u>\$ 1,184,704</u>	<u>\$ 1,292,101</u>

Exhibit I-2

Hickman County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 670,231	\$ 670,231	\$ 0
Due from Other Governments	110,933	107,397	110,933	107,397
Total Assets	\$ 110,933	\$ 777,628	\$ 781,164	\$ 107,397
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 110,933	\$ 777,628	\$ 781,164	\$ 107,397
Total Liabilities	\$ 110,933	\$ 777,628	\$ 781,164	\$ 107,397
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,130,721	\$ 5,159,000	\$ 6,107,288	\$ 1,182,433
Accounts Receivable	3,673	1,785	3,673	1,785
Cash Shortage	1,106	0	620	486
Total Assets	\$ 2,135,500	\$ 5,160,785	\$ 6,111,581	\$ 1,184,704
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,135,500	\$ 5,160,785	\$ 6,111,581	\$ 1,184,704
Total Liabilities	\$ 2,135,500	\$ 5,160,785	\$ 6,111,581	\$ 1,184,704
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,130,721	\$ 5,159,000	\$ 6,107,288	\$ 1,182,433
Equity in Pooled Cash and Investments	0	670,231	670,231	0
Accounts Receivable	3,673	1,785	3,673	1,785
Due from Other Governments	110,933	107,397	110,933	107,397
Cash Shortage	1,106	0	620	486
Total Assets	\$ 2,246,433	\$ 5,938,413	\$ 6,892,745	\$ 1,292,101
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 110,933	\$ 777,628	\$ 781,164	\$ 107,397
Due to Litigants, Heirs, and Others	2,135,500	5,160,785	6,111,581	1,184,704
Total Liabilities	\$ 2,246,433	\$ 5,938,413	\$ 6,892,745	\$ 1,292,101

Hickman County School Department

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.

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, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 17,227,207	\$ 1,817	\$ 2,287,533	\$ (14,937,857)
Support Services	11,459,609	0	0	(11,459,609)
Operation of Non-instructional Services	2,589,771	266,361	1,800,258	(523,152)
Total Governmental Activities	\$ 31,276,587	\$ 268,178	\$ 4,087,791	\$ (26,920,618)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 3,233,007
Local Option Sales Tax				1,406,653
Other Local Taxes				35,851
Grants and Contributions Not Restricted to Specific Programs				21,625,968
Unrestricted Investment Income				181
Miscellaneous				260,168
Total General Revenues				\$ 26,561,828
Change in Net Position				\$ (358,790)
Net Position, July 1, 2015				44,806,888
Net Position, June 30, 2016				\$ 44,448,098

Exhibit J-2

Hickman County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hickman County School Department
June 30, 2016

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 1,704,679	\$ 2,833	\$ 1,707,512
Equity in Pooled Cash and Investments	4,758,263	890,358	5,648,621
Accounts Receivable	95,611	0	95,611
Due from Other Governments	235,597	91,291	326,888
Property Taxes Receivable	3,301,644	0	3,301,644
Allowance for Uncollectible Property Taxes	(73,519)	0	(73,519)
Total Assets	<u>\$ 10,022,275</u>	<u>\$ 984,482</u>	<u>\$ 11,006,757</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 118	\$ 90	\$ 208
Payroll Deductions Payable	299,231	0	299,231
Total Liabilities	<u>\$ 299,349</u>	<u>\$ 90</u>	<u>\$ 299,439</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,088,229	\$ 0	\$ 3,088,229
Deferred Delinquent Property Taxes	139,424	0	139,424
Other Deferred/Unavailable Revenue	117,799	0	117,799
Total Deferred Inflows of Resources	<u>\$ 3,345,452</u>	<u>\$ 0</u>	<u>\$ 3,345,452</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 1,167	\$ 28,511	\$ 29,678
Committed:			
Committed for Education	4,666,196	955,881	5,622,077
Unassigned	1,710,111	0	1,710,111
Total Fund Balances	<u>\$ 6,377,474</u>	<u>\$ 984,392</u>	<u>\$ 7,361,866</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,022,275</u>	<u>\$ 984,482</u>	<u>\$ 11,006,757</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, 2016

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)		\$	7,361,866
(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: buildings and improvements net of accumulated depreciation		35,329,505	
Add: other capital assets net of accumulated depreciation		3,749,001	
Add: infrastructure net of accumulated depreciation		<u>18,138</u>	40,114,905
(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	\$	(1,384,867)	
Less: net pension liability - agent plan		(165,581)	
Less: net pension liability - teacher legacy pension plan		<u>(141,560)</u>	(1,692,008)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	4,616,722	
Less: deferred inflows of resources related to pensions		<u>(6,222,050)</u>	(1,605,328)
(4) Net pension assets of the cost-sharing plan are not current financial resources and are therefore not reported in the governmental funds.			11,440
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>257,223</u>
Net position of governmental activities (Exhibit A)		\$	<u>44,448,098</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, 2016

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 4,689,958	\$ 0	\$ 4,689,958
Licenses and Permits	1,235	0	1,235
Charges for Current Services	48,241	219,937	268,178
Other Local Revenues	196,150	19,994	216,144
State of Tennessee	21,875,668	0	21,875,668
Federal Government	180,118	3,615,025	3,795,143
Total Revenues	<u>\$ 26,991,370</u>	<u>\$ 3,854,956</u>	<u>\$ 30,846,326</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 16,789,391	\$ 1,359,479	\$ 18,148,870
Support Services	9,182,454	431,962	9,614,416
Operation of Non-Instructional Services	579,489	2,112,623	2,692,112
Capital Outlay	455,699	0	455,699
Total Expenditures	<u>\$ 27,007,033</u>	<u>\$ 3,904,064</u>	<u>\$ 30,911,097</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (15,663)</u>	<u>\$ (49,108)</u>	<u>\$ (64,771)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 75,989	\$ 0	\$ 75,989
Transfers In	19,500	0	19,500
Transfers Out	0	(19,500)	(19,500)
Total Other Financing Sources (Uses)	<u>\$ 95,489</u>	<u>\$ (19,500)</u>	<u>\$ 75,989</u>
Net Change in Fund Balances	\$ 79,826	\$ (68,608)	\$ 11,218
Fund Balance, July 1, 2015	6,297,648	1,053,000	7,350,648
Fund Balance, June 30, 2016	<u>\$ 6,377,474</u>	<u>\$ 984,392</u>	<u>\$ 7,361,866</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, 2016

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)		\$	11,218
(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	\$	286,140	
Less: current-year depreciation expense		<u>(2,126,744)</u>	(1,840,604)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$	257,223	
Less: deferred delinquent property taxes and other deferred June 30, 2015		<u>(261,741)</u>	(4,518)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in net pension liability/asset - teacher retirement pension plan	\$	11,440	
Change in net pension liability - teacher legacy pension plan		(198,533)	
Change in net pension liability - agent pension plan		(124,569)	
Change in deferred outflows related to pensions		2,831,009	
Change in deferred inflows related to pensions		(710,142)	
Change in other postemployment benefits liability		<u>(334,091)</u>	<u>1,475,114</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ (358,790)</u>

Exhibit J-6

Hickman County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Hickman County School Department
June 30, 2016

	<u>Special Revenue Funds</u>		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,833	\$ 2,833
Equity in Pooled Cash and Investments	437,220	453,138	890,358
Due from Other Governments	91,291	0	91,291
Total Assets	\$ 528,511	\$ 455,971	\$ 984,482
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 90	\$ 90
Total Liabilities	\$ 0	\$ 90	\$ 90
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 28,511	\$ 0	\$ 28,511
Committed:			
Committed for Education	500,000	455,881	955,881
Total Fund Balances	\$ 528,511	\$ 455,881	\$ 984,392
Total Liabilities and Fund Balances	\$ 528,511	\$ 455,971	\$ 984,482

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, 2016

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 219,937	\$ 219,937
Other Local Revenues	0	19,994	19,994
Federal Government	1,835,264	1,779,761	3,615,025
Total Revenues	<u>\$ 1,835,264</u>	<u>\$ 2,019,692</u>	<u>\$ 3,854,956</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,359,479	\$ 0	\$ 1,359,479
Support Services	431,962	0	431,962
Operation of Non-Instructional Services	0	2,112,623	2,112,623
Total Expenditures	<u>\$ 1,791,441</u>	<u>\$ 2,112,623</u>	<u>\$ 3,904,064</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 43,823</u>	<u>\$ (92,931)</u>	<u>\$ (49,108)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (19,500)	\$ 0	\$ (19,500)
Total Other Financing Sources (Uses)	<u>\$ (19,500)</u>	<u>\$ 0</u>	<u>\$ (19,500)</u>
Net Change in Fund Balances	\$ 24,323	\$ (92,931)	\$ (68,608)
Fund Balance, July 1, 2015	504,188	548,812	1,053,000
Fund Balance, June 30, 2016	<u>\$ 528,511</u>	<u>\$ 455,881</u>	<u>\$ 984,392</u>

Exhibit J-8

Hickman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hickman County School Department
General Purpose School Fund
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 4,689,958	\$ 0	\$ 4,689,958	\$ 4,537,169	\$ 4,537,169	\$ 152,789
Licenses and Permits	1,235	0	1,235	1,400	1,400	(165)
Charges for Current Services	48,241	0	48,241	81,500	81,500	(33,259)
Other Local Revenues	196,150	0	196,150	210,000	210,000	(13,850)
State of Tennessee	21,875,668	0	21,875,668	21,898,400	22,008,835	(133,167)
Federal Government	180,118	0	180,118	301,000	301,000	(120,882)
Total Revenues	\$ 26,991,370	\$ 0	\$ 26,991,370	\$ 27,029,469	\$ 27,139,904	\$ (148,534)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 13,308,960	\$ 0	\$ 13,308,960	\$ 13,804,642	\$ 14,159,142	\$ 850,182
Alternative Instruction Program	147,902	0	147,902	149,000	149,000	1,098
Special Education Program	2,125,433	0	2,125,433	2,495,724	2,495,724	370,291
Vocational Education Program	1,005,358	0	1,005,358	1,020,200	1,020,200	14,842
Adult Education Program	201,738	0	201,738	238,700	238,700	36,962
<u>Support Services</u>						
Attendance	171,437	0	171,437	184,018	184,018	12,581
Health Services	261,633	0	261,633	283,450	283,450	21,817
Other Student Support	916,939	0	916,939	946,500	945,275	28,336
Regular Instruction Program	1,392,688	0	1,392,688	1,474,700	1,474,700	82,012
Alternative Instruction Program	309	0	309	400	400	91
Special Education Program	108,158	0	108,158	153,000	153,000	44,842
Vocational Education Program	89,339	0	89,339	97,948	97,948	8,609
Adult Programs	3,065	0	3,065	5,000	5,000	1,935
Other Programs	87,138	0	87,138	51,000	128,334	41,196

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Board of Education	\$ 251,714	\$ 0	\$ 251,714	\$ 581,000	\$ 619,584	\$ 367,870
Director of Schools	285,766	0	285,766	295,984	297,151	11,385
Office of the Principal	1,568,745	0	1,568,745	1,590,600	1,591,825	23,080
Fiscal Services	4,920	0	4,920	5,400	5,400	480
Operation of Plant	1,679,964	0	1,679,964	1,997,500	1,997,500	317,536
Maintenance of Plant	788,038	0	788,038	799,100	799,100	11,062
Transportation	1,299,828	0	1,299,828	1,543,100	1,543,100	243,272
Central and Other	272,773	0	272,773	302,000	302,000	29,227
<u>Operation of Non-Instructional Services</u>						
Food Service	20,000	0	20,000	20,000	20,000	0
Community Services	127,894	0	127,894	144,944	144,944	17,050
Early Childhood Education	431,595	0	431,595	434,400	434,402	2,807
<u>Capital Outlay</u>						
Regular Capital Outlay	455,699	(77,900)	377,799	385,000	385,000	7,201
Total Expenditures	\$ 27,007,033	\$ (77,900)	\$ 26,929,133	\$ 29,003,310	\$ 29,474,897	\$ 2,545,764
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ (15,663)	\$ 77,900	\$ 62,237	\$ (1,973,841)	\$ (2,334,993)	\$ 2,397,230
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 75,989	\$ 0	\$ 75,989	\$ 10,000	\$ 10,000	\$ 65,989
Transfers In	19,500	0	19,500	25,000	25,000	(5,500)
Special Items (Revenues)	0	0	0	25,000	25,000	(25,000)
Total Other Financing Sources	\$ 95,489	\$ 0	\$ 95,489	\$ 60,000	\$ 60,000	\$ 35,489

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 79,826	\$ 77,900	\$ 157,726	\$ (1,913,841)	\$ (2,274,993)	\$ 2,432,719
Fund Balance, July 1, 2015	6,297,648	(77,900)	6,219,748	6,228,013	6,228,013	(8,265)
Fund Balance, June 30, 2016	\$ 6,377,474	\$ 0	\$ 6,377,474	\$ 4,314,172	\$ 3,953,020	\$ 2,424,454

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,835,264	\$ 2,450,368	\$ 2,553,366	\$ (718,102)
Total Revenues	\$ 1,835,264	\$ 2,450,368	\$ 2,553,366	\$ (718,102)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 865,735	\$ 1,163,498	\$ 1,078,448	\$ 212,713
Special Education Program	444,435	535,169	567,902	123,467
Vocational Education Program	49,309	48,014	49,309	0
<u>Support Services</u>				
Other Student Support	21,871	71,853	70,988	49,117
Regular Instruction Program	138,261	314,177	404,888	266,627
Special Education Program	271,830	301,527	354,292	82,462
Total Expenditures	\$ 1,791,441	\$ 2,434,238	\$ 2,525,827	\$ 734,386
Excess (Deficiency) of Revenues Over Expenditures	\$ 43,823	\$ 16,130	\$ 27,539	\$ 16,284
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (19,500)	\$ (16,130)	\$ (27,539)	\$ 8,039
Total Other Financing Sources	\$ (19,500)	\$ (16,130)	\$ (27,539)	\$ 8,039
Net Change in Fund Balance	\$ 24,323	\$ 0	\$ 0	\$ 24,323
Fund Balance, July 1, 2015	504,188	504,188	504,188	0
Fund Balance, June 30, 2016	\$ 528,511	\$ 504,188	\$ 504,188	\$ 24,323

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 219,937	\$ 252,500	\$ 252,500	\$ (32,563)
Other Local Revenues	19,994	1,200	1,200	18,794
Federal Government	1,779,761	2,500,000	2,551,944	(772,183)
Total Revenues	<u>\$ 2,019,692</u>	<u>\$ 2,753,700</u>	<u>\$ 2,805,644</u>	<u>\$ (785,952)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,112,623	\$ 2,774,000	\$ 2,825,944	\$ 713,321
Total Expenditures	<u>\$ 2,112,623</u>	<u>\$ 2,774,000</u>	<u>\$ 2,825,944</u>	<u>\$ 713,321</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (92,931)</u>	<u>\$ (20,300)</u>	<u>\$ (20,300)</u>	<u>\$ (72,631)</u>
Net Change in Fund Balance	\$ (92,931)	\$ (20,300)	\$ (20,300)	\$ (72,631)
Fund Balance, July 1, 2015	<u>548,812</u>	<u>343,100</u>	<u>343,100</u>	<u>205,712</u>
Fund Balance, June 30, 2016	<u>\$ 455,881</u>	<u>\$ 322,800</u>	<u>\$ 322,800</u>	<u>\$ 133,081</u>

Hickman County Health Foundation

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

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, 2016

	Health Foundation Fund	Adjustments	Statement of Net Position
	<hr/>		<hr/>
<u>ASSETS</u>			
Cash	\$ 2,219,928	\$ 0	\$ 2,219,928
	<hr/>		<hr/>
Total Assets	\$ 2,219,928	\$ 0	\$ 2,219,928
	<hr/>		<hr/>
<u>FUND BALANCE/NET POSITION</u>			
Fund Balance:			
Restricted for Public Health and Welfare	\$ 2,219,928	\$ (2,219,928)	\$ 0
Total Fund Balance	\$ 2,219,928	\$ (2,219,928)	\$ 0
	<hr/>		<hr/>
Total Fund Balance	<u>\$ 2,219,928</u>		
Net Position:			
Restricted for Public Health and Welfare		\$ 2,219,928	\$ 2,219,928
		<hr/>	
Total Net Position		<u>\$ 2,219,928</u>	<u>\$ 2,219,928</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, 2016

	Health Foundation Fund	Adjustments	Statement of Activities
Expenditures/Expenses:			
General Government:			
County Commission	\$ 790	\$ 0	\$ 790
Public Health and Welfare:			
Other Public Health and Welfare	15,500	0	15,500
Total Expenditures/Expenses	\$ 16,290	\$ 0	\$ 16,290
General Revenues:			
Investment Income	\$ 17,779	\$ 0	\$ 17,779
Total General Revenues	\$ 17,779	\$ 0	\$ 17,779
Excess of Revenues Over Expenditures	\$ 1,489	\$ (1,489)	\$ 0
Change in Net Position	0	1,489	1,489
Fund Balance/Net Position:			
July 1, 2015	2,218,439	0	2,218,439
June 30, 2016	\$ 2,219,928	\$ 0	\$ 2,219,928

MISCELLANEOUS SCHEDULES

Exhibit L-1

Hickman County, Tennessee
Schedule of Changes in Long-term Notes and Other Loans
For the Year Ended June 30, 2016

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-15	Paid and/or Matured During Period	Outstanding 6-30-16
<u>GOVERNMENTAL ACTIVITIES</u>							
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Highway Capital Outlay Note	\$ 125,000	4.15 %	8-2-04	8-2-16	\$ 13,968	\$ 10,417	\$ 3,551
MLEC Building	605,000	4.10	1-12-07	1-12-18	127,597	50,000	77,597
Highway Capital Outlay Note	350,000	4.14	6-30-08	6-30-17	43,373	31,250	12,123
EMS and various projects	250,000	1.25	11-13-13	11-23-16	167,800	83,337	84,463
General Obligation Capital Outlay Notes, Series 2014	100,000	1.5	8-19-14	8-19-17	100,000	32,832	67,168
Total Notes Payable					<u>\$ 452,738</u>	<u>\$ 207,836</u>	<u>\$ 244,902</u>
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Court Facility	1,750,000	Variable	2-9-1998	5-25-18	\$ 293,000	\$ 124,000	\$ 169,000
School Construction	22,000,000	Variable	6-28-04	5-25-29	14,993,000	891,000	14,102,000
Jail Construction	6,140,000	Variable	10-27-05	5-25-30	4,126,062	224,000	3,902,062
Sewer Line	2,000,000	Variable	3-30-06	5-25-33	1,466,000	66,000	1,400,000
School Construction	(1)	Variable	8-27-07	5-25-19	233,000	72,000	161,000
School Roofing and HVAC	5,250,000	2.71	12-17-12	12-1-32	4,850,000	213,000	4,637,000
Energy Efficient School Initiative	2,000,000	0	9-25-13	9-1-23	1,649,993	200,004	1,449,989
Total Payable through General Debt Service Fund					<u>\$ 27,611,055</u>	<u>\$ 1,790,004</u>	<u>\$ 25,821,051</u>
<u>Payable through Education Debt Service Fund</u>							
School Construction	8,949,117	Variable	12-15-1997	5-25-18	\$ 1,993,117	\$ 647,000	\$ 1,346,117
Total Other Loans Payable					<u>\$ 29,604,172</u>	<u>\$ 2,437,004</u>	<u>\$ 27,167,168</u>
<u>BUSINESS-TYPE ACTIVITIES</u>							
<u>NOTES PAYABLE</u>							
<u>Payable through Solid Waste Disposal Fund</u>							
Recycling Center	450,000	4.05	3-23-07	3-23-19	\$ 150,000	\$ 37,500	\$ 112,500
Total Notes Payable					<u>\$ 150,000</u>	<u>\$ 37,500</u>	<u>\$ 112,500</u>

(1) Total amount approved was \$1,000,000, of which \$343,000 remains available for draws as of June 30, 2016.

Exhibit L-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
2017	\$ 183,466	\$ 5,926	\$ 189,392
2018	61,436	1,646	63,082
Total	<u>\$ 244,902</u>	<u>\$ 7,572</u>	<u>\$ 252,474</u>

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2017	\$ 2,520,004	\$ 245,429	\$ 274,146	\$ 3,039,579
2018	2,458,121	227,004	247,121	2,932,246
2019	1,728,004	208,844	219,704	2,156,552
2020	1,766,004	194,987	202,430	2,163,421
2021	1,810,004	180,775	185,418	2,176,197
2022	1,859,004	166,166	167,921	2,193,091
2023	1,907,004	151,138	149,886	2,208,028
2024	1,807,961	135,689	131,313	2,074,963
2025	1,811,000	119,782	112,177	2,042,959
2026	1,865,000	103,411	92,465	2,060,876
2027	1,919,000	86,579	72,151	2,077,730
2028	1,977,000	69,270	51,236	2,097,506
2029	2,035,000	51,453	29,621	2,116,074
2030	437,062	33,131	6,706	476,899
2031	412,000	23,892	4,406	440,298
2032	422,000	14,621	3,203	439,824
2033	433,000	5,110	1,913	440,023
Total	<u>\$ 27,167,168</u>	<u>\$ 2,017,281</u>	<u>\$ 1,951,817</u>	<u>\$ 31,136,266</u>

(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	
2017	\$ 37,500	\$ 4,620	\$ 42,120
2018	37,500	3,080	40,580
2019	37,500	1,594	39,094
Total	\$ 112,500	\$ 9,294	\$ 121,794

Exhibit L-3

Hickman County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Hickman County School Department
For the Year Ended June 30, 2016

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Highway/Public Works	Fund information technology position	\$ 32,879
"	General Debt Service	Debt retirement	277,840
Highway/Public Works	General	Administrative costs	33,044
General Debt Service	Education Debt Service	Debt retirement	330,506
Adequate Facilities	General Debt Service	Debt retirement	35,000
General Capital Projects	General Debt Service	Debt retirement	<u>14,033</u>
Total Transfers Primary Government			<u>\$ 723,302</u>
<u>DISCRETELY PRESENTED HICKMAN COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 19,500</u>
Total Transfers Discretely Presented Hickman County School Department			<u>\$ 19,500</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, 2016

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 78,358 (1)	\$ 100,000	State Farm Fire and Casualty Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	74,729 (1)	100,000	"
Director of Schools	State Board of Education and Local Board of Education	121,984 (2)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	67,944 (1)	1,029,435	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	68,944 (3)	50,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	67,944 (1)	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	67,843	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Judge	67,843	55,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	67,944 (1)	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	75,228 (4)	100,000	Travelers Casualty and Surety Company
Finance Director	County Commission	69,343 (5)	100,000	State Farm Fire and Casualty Company
Employee Blanket Bonds:				
	Employee Fidelity - County Departments		150,000	Tennessee Risk Management Trust
	Employee Fidelity - School Department		150,000	"

- (1) Includes a certified public administrator supplement of \$101.
- (2) Includes a chief executive officer training supplement of \$1,000.
- (3) Includes a certified public administrator supplement of \$1,101.
- (4) Includes a law enforcement training supplement of \$600.
- (5) Includes a certified public administrator supplement of \$1,500.

Exhibit L-5

Hickman County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2016

	Special Revenue Funds				
	General	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 4,961,159	\$ 0	\$ 0	\$ 0	\$ 250,974
Trustee's Collections - Prior Year	185,132	0	0	0	9,359
Circuit Clerk/Clerk and Master Collections - Prior Years	95,962	0	0	0	4,855
Interest and Penalty	35,499	0	0	0	1,796
Payments in-Lieu-of Taxes - T.V.A.	6,395	0	0	0	324
Payments in-Lieu-of Taxes - Local Utilities	25,522	0	0	0	0
Payments in-Lieu-of Taxes - Other	14,352	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,566	0	0	0	0
Hotel/Motel Tax	11,543	0	0	0	0
Wheel Tax	0	0	0	0	0
Litigation Tax - General	78,847	0	0	0	0
Litigation Tax - Special Purpose	10,718	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	72,290	0	0	0	0
Business Tax	55,012	0	0	0	2,783
Mixed Drink Tax	10	0	0	0	0
Mineral Severance Tax	0	0	0	0	53,893
Adequate Facilities/Development Tax	0	0	126,724	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	1,546	0	0	0	0
Wholesale Beer Tax	212,853	0	0	0	0
Interstate Telecommunications Tax	22,128	0	0	0	0
Other Statutory Local Taxes	0	0	0	0	0
Total Local Taxes	\$ 5,792,534	\$ 0	\$ 126,724	\$ 0	\$ 323,984

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 30,819	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>					
Beer Permits	4,290	0	0	0	0
Building Permits	55,244	0	0	0	0
Total Licenses and Permits	\$ 90,353	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 23,312	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	6,552	0	0	0	0
Drug Control Fines	0	7,392	0	0	0
Drug Court Fees	1,946	0	0	0	0
Jail Fees	2,100	0	0	0	0
DUI Treatment Fines	1,615	0	0	0	0
Data Entry Fee - Circuit Court	810	0	0	0	0
<u>Criminal Court</u>					
DUI Treatment Fines	641	0	0	0	0
<u>General Sessions Court</u>					
Fines	14,567	0	0	0	0
Officers Costs	33,150	0	0	0	0
Game and Fish Fines	1,897	0	0	0	0
Drug Control Fines	0	12,972	0	0	0
Drug Court Fees	4,607	0	0	0	0
Jail Fees	8,899	0	0	0	0
DUI Treatment Fines	4,117	0	0	0	0
Data Entry Fee - General Sessions Court	11,441	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Chancery Court</u>					
Officers Costs	\$ 2,434	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	3,477	0	0	0	0
<u>Judicial District Drug Program</u>					
Courtroom Security Fee	14,002	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	3,724	36,485	0	0	0
Other Fines, Forfeitures, and Penalties	6,175	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 145,466	\$ 56,849	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Other Employee Benefit Charges/Contributions	\$ 29,129	\$ 0	\$ 0	\$ 0	2,342
Patient Charges	1,299,414	0	0	0	0
Other General Service Charges	1,785	0	0	0	0
<u>Fees</u>					
Copy Fees	5,196	0	0	0	0
Library Fees	1,114	0	0	0	0
Archives and Records Management Fee	14,592	0	0	0	0
Telephone Commissions	34,694	0	0	0	0
Vending Machine Collections	500	0	0	0	2,179
Constitutional Officers' Fees and Commissions	0	0	0	100	0
Data Processing Fee - Register	8,246	0	0	0	0
Probation Fees	2,502	0	0	0	0
Data Processing Fee - Sheriff	305	0	0	0	0
Sexual Offender Registration Fee - Sheriff	6,652	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Data Processing Fee - County Clerk	\$ 477	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 1,404,606	\$ 0	\$ 0	\$ 100	\$ 4,521
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 6,163	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	7,275	0	0	0	0
Commissary Sales	7,895	0	0	0	0
Sale of Recycled Materials	0	0	0	0	1,805
E-Rate Funding	3,158	0	0	0	0
Miscellaneous Refunds	9,881	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	94,945
Sale of Property	3,750	0	0	0	0
Contributions and Gifts	2,199	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	2,000	0	0	0	0
Total Other Local Revenues	\$ 42,321	\$ 0	\$ 0	\$ 0	\$ 96,750
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 233,040	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	50,202	0	0	0	0
General Sessions Court Clerk	157,477	0	0	0	0
Clerk and Master	102,033	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Fees Received From County Officials (Cont.)</u>					
<u>Fees In-Lieu-of Salary (Cont.)</u>					
Juvenile Court Clerk	\$ 23,810	\$ 0	\$ 0	\$ 0	0
Register	90,641	0	0	0	0
Sheriff	14,648	0	0	0	0
Trustee	344,521	0	0	0	0
Total Fees Received From County Officials	\$ 1,016,372	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 13,500	\$ 0	\$ 0	\$ 0	0
On-behalf Contributions for OPEB	750	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	12,600	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	256,833	0	0	0	0
Other Health and Welfare Grants	36,998	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	245,659
State Aid Program	0	0	0	0	500,750
<u>Other State Revenues</u>					
Income Tax	46,153	0	0	0	0
Beer Tax	18,488	0	0	0	0
Vehicle Certificate of Title Fees	7,130	0	0	0	0
Alcoholic Beverage Tax	67,927	0	0	0	0
State Revenue Sharing - T.V.A.	440,113	0	0	0	22,264
Contracted Prisoner Boarding	645,354	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	1,963,532
Petroleum Special Tax	0	0	0	0	17,815
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	8,001	0	0	0	0
Other State Revenues	24,173	0	0	0	0
Total State of Tennessee	<u>\$ 1,593,184</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>2,750,020</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	419,866
Homeland Security Grants	41,928	0	0	0	0
Other Federal through State	36,246	0	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	0	200,438
Total Federal Government	<u>\$ 78,174</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>620,304</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	3,322
Contributions	110,000	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 110,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>3,322</u>
Total	<u>\$ 10,273,010</u>	<u>\$ 56,849</u>	<u>\$ 126,724</u>	<u>\$ 100</u>	<u>\$ 3,798,901</u>

(Continued)

Exhibit L-5

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

	Debt Service Funds		Capital Projects Fund	Total
	General Debt Service	Education Debt Service	General Capital Projects	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 845,441	\$ 0	\$ 0	\$ 6,057,574
Trustee's Collections - Prior Year	32,602	0	0	227,093
Circuit Clerk/Clerk and Master Collections - Prior Years	17,047	0	0	117,864
Interest and Penalty	6,210	0	0	43,505
Payments in-Lieu-of Taxes - T.V.A.	1,090	0	0	7,809
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	25,522
Payments in-Lieu-of Taxes - Other	0	0	0	14,352
<u>County Local Option Taxes</u>				
Local Option Sales Tax	713,994	0	0	717,560
Hotel/Motel Tax	0	0	0	11,543
Wheel Tax	731,427	313,469	0	1,044,896
Litigation Tax - General	0	0	0	78,847
Litigation Tax - Special Purpose	0	0	0	10,718
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	72,290
Business Tax	9,381	0	0	67,176
Mixed Drink Tax	0	0	0	10
Mineral Severance Tax	0	0	0	53,893
Adequate Facilities/Development Tax	0	0	0	126,724
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	0	0	1,546
Wholesale Beer Tax	0	0	0	212,853
Interstate Telecommunications Tax	0	0	0	22,128
Other Statutory Local Taxes	1,405	0	0	1,405
Total Local Taxes	\$ 2,358,597	\$ 313,469	\$ 0	\$ 8,915,308

(Continued)

Exhibit L-5

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

	<u>Debt Service Funds</u>		<u>Capital</u>	<u>Total</u>
	<u>General</u> <u>Debt</u> <u>Service</u>	<u>Education</u> <u>Debt</u> <u>Service</u>	<u>General</u> <u>Capital</u> <u>Projects</u>	
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Cable TV Franchise	\$ 0	\$ 0	\$ 0	30,819
<u>Permits</u>				
Beer Permits	0	0	0	4,290
Building Permits	0	0	0	55,244
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>90,353</u>
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	23,312
Officers Costs	0	0	0	6,552
Drug Control Fines	0	0	0	7,392
Drug Court Fees	0	0	0	1,946
Jail Fees	0	0	0	2,100
DUI Treatment Fines	0	0	0	1,615
Data Entry Fee - Circuit Court	0	0	0	810
<u>Criminal Court</u>				
DUI Treatment Fines	0	0	0	641
<u>General Sessions Court</u>				
Fines	0	0	0	14,567
Officers Costs	0	0	0	33,150
Game and Fish Fines	0	0	0	1,897
Drug Control Fines	0	0	0	12,972
Drug Court Fees	0	0	0	4,607
Jail Fees	0	0	0	8,899
DUI Treatment Fines	0	0	0	4,117
Data Entry Fee - General Sessions Court	0	0	0	11,441

(Continued)

Exhibit L-5

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

	Debt Service Funds		Capital Projects Fund	Total
	General Debt Service	Education Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Chancery Court</u>				
Officers Costs	\$ 0	\$ 0	\$ 0	2,434
Data Entry Fee - Chancery Court	0	0	0	3,477
<u>Judicial District Drug Program</u>				
Courtroom Security Fee	0	0	0	14,002
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	40,209
Other Fines, Forfeitures, and Penalties	0	0	0	6,175
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	202,315
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Other Employee Benefit Charges/Contributions	\$ 0	\$ 0	\$ 0	31,471
Patient Charges	0	0	0	1,299,414
Other General Service Charges	0	0	0	1,785
<u>Fees</u>				
Copy Fees	0	0	0	5,196
Library Fees	0	0	0	1,114
Archives and Records Management Fee	0	0	0	14,592
Telephone Commissions	0	0	0	34,694
Vending Machine Collections	0	0	0	2,679
Constitutional Officers' Fees and Commissions	0	0	0	100
Data Processing Fee - Register	0	0	0	8,246
Probation Fees	0	0	0	2,502
Data Processing Fee - Sheriff	0	0	0	305
Sexual Offender Registration Fee - Sheriff	0	0	0	6,652

(Continued)

Exhibit L-5

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

	Debt Service Funds		Capital Projects Fund	Total
	General Debt Service	Education Debt Service	General Capital Projects	
<u>Charges for Current Services (Cont.)</u>				
<u>Fees (Cont.)</u>				
Data Processing Fee - County Clerk	\$ 0	\$ 0	\$ 0	477
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	1,409,227
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 10,128	\$ 0	\$ 0	16,291
Lease/Rentals	0	0	0	7,275
Commissary Sales	0	0	0	7,895
Sale of Recycled Materials	0	0	0	1,805
E-Rate Funding	0	0	0	3,158
Miscellaneous Refunds	0	0	0	9,881
<u>Nonrecurring Items</u>				
Sale of Equipment	0	0	0	94,945
Sale of Property	0	0	0	3,750
Contributions and Gifts	0	0	0	2,199
<u>Other Local Revenues</u>				
Other Local Revenues	0	0	0	2,000
Total Other Local Revenues	\$ 10,128	\$ 0	\$ 0	149,199
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	233,040
Circuit Court Clerk	0	0	0	50,202
General Sessions Court Clerk	0	0	0	157,477
Clerk and Master	0	0	0	102,033

(Continued)

Exhibit L-5

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

	Debt Service Funds		Capital Projects Fund	Total
	General Debt Service	Education Debt Service	General Capital Projects	
<u>Fees Received From County Officials (Cont.)</u>				
<u>Fees In-Lieu-of Salary (Cont.)</u>				
Juvenile Court Clerk	\$ 0	\$ 0	\$ 0	23,810
Register	0	0	0	90,641
Sheriff	0	0	0	14,648
Trustee	0	0	0	344,521
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	1,016,372
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	13,500
On-behalf Contributions for OPEB	0	0	0	750
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	12,600
<u>Health and Welfare Grants</u>				
Health Department Programs	0	0	0	256,833
Other Health and Welfare Grants	0	0	0	36,998
<u>Public Works Grants</u>				
Bridge Program	0	0	0	245,659
State Aid Program	0	0	0	500,750
<u>Other State Revenues</u>				
Income Tax	0	0	0	46,153
Beer Tax	0	0	0	18,488
Vehicle Certificate of Title Fees	0	0	0	7,130
Alcoholic Beverage Tax	0	0	0	67,927
State Revenue Sharing - T.V.A.	77,386	0	0	539,763
Contracted Prisoner Boarding	0	0	0	645,354

(Continued)

Exhibit L-5

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

	<u>Debt Service Funds</u>		<u>Capital</u>	<u>Total</u>
	<u>General</u> <u>Debt</u> <u>Service</u>	<u>Education</u> <u>Debt</u> <u>Service</u>	<u>Projects</u> <u>Fund</u> <u>General</u> <u>Capital</u> <u>Projects</u>	
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues (Cont.)</u>				
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	1,963,532
Petroleum Special Tax	0	0	0	17,815
Registrar's Salary Supplement	0	0	0	15,164
Other State Grants	0	0	0	8,001
Other State Revenues	0	0	0	24,173
Total State of Tennessee	<u>\$ 77,386</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>4,420,590</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
Disaster Relief	\$ 0	\$ 0	\$ 0	419,866
Homeland Security Grants	0	0	0	41,928
Other Federal through State	0	0	508,349	544,595
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	0	0	0	200,438
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 508,349</u>	<u>\$ 1,206,827</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Paving and Maintenance	\$ 0	\$ 0	\$ 0	3,322
Contributions	0	0	0	110,000
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>113,322</u>
Total	<u>\$ 2,446,111</u>	<u>\$ 313,469</u>	<u>\$ 508,349</u>	<u>\$ 17,523,513</u>

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, 2016

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,047,622	\$ 0	\$ 0	\$ 3,047,622
Trustee's Collections - Prior Year	112,505	0	0	112,505
Circuit Clerk/Clerk and Master Collections - Prior Years	58,256	0	0	58,256
Interest and Penalty	21,625	0	0	21,625
Payments in-Lieu-of Taxes - T.V.A.	3,929	0	0	3,929
Payments in-Lieu-of Taxes - Local Utilities	6,000	0	0	6,000
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,404,170	0	0	1,404,170
Business Tax	33,788	0	0	33,788
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	2,063	0	0	2,063
Total Local Taxes	<u>\$ 4,689,958</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,689,958</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,235	\$ 0	\$ 0	\$ 1,235
Total Licenses and Permits	<u>\$ 1,235</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,235</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Summer School	\$ 1,817	\$ 0	\$ 0	\$ 1,817
Lunch Payments - Adults	0	0	60,815	60,815
Income from Breakfast	0	0	1,851	1,851
A la Carte Sales	0	0	157,271	157,271

(Continued)

Exhibit L-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
Receipts from Individual Schools	\$ 46,203	\$ 0	\$ 0	\$ 46,203
Community Service Fees - Adults	221	0	0	221
Total Charges for Current Services	\$ 48,241	\$ 0	\$ 219,937	\$ 268,178
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 181	\$ 181
Lease/Rentals	995	0	0	995
E-Rate Funding	31,104	0	0	31,104
Miscellaneous Refunds	109,557	0	19,793	129,350
<u>Nonrecurring Items</u>				
Sale of Equipment	19,290	0	20	19,310
Damages Recovered from Individuals	3,420	0	0	3,420
Contributions and Gifts	31,784	0	0	31,784
Total Other Local Revenues	\$ 196,150	\$ 0	\$ 19,994	\$ 216,144
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 77,334	\$ 0	\$ 0	\$ 77,334
<u>State Education Funds</u>				
Basic Education Program	20,755,878	0	0	20,755,878
Early Childhood Education	422,611	0	0	422,611
School Food Service	20,497	0	0	20,497
Driver Education	13,156	0	0	13,156

(Continued)

Exhibit L-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Other State Education Funds	\$ 49,374	\$ 0	\$ 0	\$ 49,374
Coordinated School Health	90,000	0	0	90,000
Family Resource Centers	59,223	0	0	59,223
Career Ladder Program	86,701	0	0	86,701
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	267,974	0	0	267,974
Safe Schools	23,040	0	0	23,040
Other State Revenues	9,880	0	0	9,880
Total State of Tennessee	<u>\$ 21,875,668</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,875,668</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,192,339	\$ 1,192,339
USDA - Commodities	0	0	72,394	72,394
Breakfast	0	0	503,028	503,028
USDA Food Service Equipment Grant	0	0	12,000	12,000
Adult Education State Grant Program	130,457	0	0	130,457
Vocational Education - Basic Grants to States	0	62,097	0	62,097
Title I Grants to Local Education Agencies	0	867,226	0	867,226
Special Education - Grants to States	0	720,741	0	720,741
Special Education Preschool Grants	0	18,744	0	18,744
Rural Education	0	51,657	0	51,657
Eisenhower Professional Development State Grants	0	114,799	0	114,799

(Continued)

Exhibit L-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Federal Government (Cont.)</u>				
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	\$ 49,661	\$ 0	\$ 0	\$ 49,661
Total Federal Government	<u>\$ 180,118</u>	<u>\$ 1,835,264</u>	<u>\$ 1,779,761</u>	<u>\$ 3,795,143</u>
Total	<u>\$ 26,991,370</u>	<u>\$ 1,835,264</u>	<u>\$ 2,019,692</u>	<u>\$ 30,846,326</u>

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, 2016

	Special Revenue Fund
	Other Special Revenue
<hr/>	
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Investment Income	\$ 17,779
Total Other Local Revenues	<u>\$ 17,779</u>
 Total	 <u><u>\$ 17,779</u></u>

Exhibit L-8

Hickman County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2016

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	50,400	
On-behalf Payments to OPEB		750	
Accounting Services		227	
Audit Services		7,407	
Legal Notices, Recording, and Court Costs		3,696	
Travel		256	
Total County Commission			\$ 62,736

Board of Equalization

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

Beer Board

Criminal Investigation of Applicants - TBI	\$	190	
Total Beer Board			190

County Mayor/Executive

County Official/Administrative Officer	\$	78,358	
Salary Supplements		1,500	
Secretary(ies)		25,694	
Longevity Pay		1,800	
In-service Training		1,060	
Legal Notices, Recording, and Court Costs		47	
Travel		4,922	
Other Contracted Services		3,134	
Office Supplies		1,131	
Office Equipment		131	
Total County Mayor/Executive			117,777

County Attorney

Legal Services	\$	6,425	
Judgments		63,558	
Other Charges		5,000	
Total County Attorney			74,983

Election Commission

County Official/Administrative Officer	\$	61,059	
Deputy(ies)		26,979	
Part-time Personnel		9,527	
Longevity Pay		1,200	
Election Commission		3,880	
Election Workers		23,078	
Data Processing Services		7,800	
Legal Notices, Recording, and Court Costs		1,778	
Printing, Stationery, and Forms		2,543	
Rentals		1,520	
Travel		3,485	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Other Contracted Services	\$	14,956	
Office Supplies		1,790	
Office Equipment		3,985	
Total Election Commission			\$ 163,580

Register of Deeds

County Official/Administrative Officer	\$	67,944	
Deputy(ies)		26,979	
Salary Supplements		3,000	
Clerical Personnel		25,287	
Longevity Pay		2,100	
In-service Training		530	
Data Processing Services		14,603	
Travel		975	
Office Supplies		910	
Total Register of Deeds			142,328

Planning

Supervisor/Director	\$	38,791	
Deputy(ies)		24,999	
Board and Committee Members Fees		2,650	
In-service Training		1,393	
Contracts with Private Agencies		13,100	
Data Processing Services		1,440	
Legal Notices, Recording, and Court Costs		1,852	
Maintenance and Repair Services - Vehicles		2,085	
Printing, Stationery, and Forms		163	
Travel		239	
Other Contracted Services		2,810	
Gasoline		1,410	
Office Supplies		481	
Other Supplies and Materials		214	
Office Equipment		403	
Other Construction		4,400	
Total Planning			96,430

County Buildings

Supervisor/Director	\$	45,254	
Custodial Personnel		26,094	
Longevity Pay		2,200	
Maintenance and Repair Services - Buildings		113,183	
Maintenance and Repair Services - Equipment		8,959	
Maintenance and Repair Services - Vehicles		1,174	
Travel		49	
Custodial Supplies		7,250	
Gasoline		3,821	
Uniforms		1,771	
Other Charges		734	
Total County Buildings			210,489

(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	\$	79,908	
Pest Control		6,000	
Electricity		197,299	
Utilities		84,906	
Total Other Facilities			\$ 368,113

Other General Administration

In-service Training	\$	137	
Maintenance and Repair Services - Equipment		6,632	
Travel		81	
Other Contracted Services		6,390	
Other Supplies and Materials		436	
Office Equipment		8,308	
Total Other General Administration			21,984

Preservation of Records

Salary Supplements	\$	750	
Clerical Personnel		24,475	
Travel		100	
Other Contracted Services		2,135	
Office Supplies		1,389	
Other Supplies and Materials		570	
Other Charges		90	
Total Preservation of Records			29,509

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	69,343	
Assistant(s)		34,572	
Accountants/Bookkeepers		22,922	
Data Processing Personnel		22,922	
Salary Supplements		4,500	
Clerical Personnel		43,771	
Longevity Pay		4,600	
In-service Training		400	
Data Processing Services		11,995	
Legal Notices, Recording, and Court Costs		3,964	
Printing, Stationery, and Forms		5,706	
Travel		1,049	
Office Supplies		3,367	
Premiums on Corporate Surety Bonds		430	
Office Equipment		4,564	
Total Accounting and Budgeting			234,105

Property Assessor's Office

County Official/Administrative Officer	\$	68,944	
Deputy(ies)		26,979	

(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.)

Assessment Personnel	\$	12,618	
Salary Supplements		3,750	
Secretary(ies)		24,357	
Clerical Personnel		24,881	
Longevity Pay		2,900	
In-service Training		851	
Contracts with Private Agencies		4,000	
Data Processing Services		35,032	
Legal Notices, Recording, and Court Costs		79	
Maintenance and Repair Services - Office Equipment		996	
Maintenance and Repair Services - Vehicles		1,438	
Printing, Stationery, and Forms		777	
Travel		1,120	
Other Contracted Services		2,090	
Gasoline		514	
Office Supplies		1,354	
Office Equipment		2,920	
Total Property Assessor's Office	\$		215,600

County Trustee's Office

County Official/Administrative Officer	\$	67,944	
Deputy(ies)		27,779	
Data Processing Personnel		24,881	
Salary Supplements		4,500	
Clerical Personnel		25,894	
Part-time Personnel		2,853	
Longevity Pay		5,100	
In-service Training		400	
Data Processing Services		8,804	
Legal Notices, Recording, and Court Costs		105	
Printing, Stationery, and Forms		4,601	
Travel		134	
Office Supplies		1,059	
Office Equipment		3,419	
Total County Trustee's Office			177,473

County Clerk's Office

County Official/Administrative Officer	\$	67,944	
Deputy(ies)		26,979	
Salary Supplements		7,500	
Secretary(ies)		25,694	
Clerical Personnel		75,765	
Part-time Personnel		14,290	
Longevity Pay		5,300	
In-service Training		600	
Data Processing Services		15,527	
Legal Notices, Recording, and Court Costs		14	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Travel	\$	2,073	
Office Supplies		1,821	
Office Equipment		13,062	
Total County Clerk's Office			\$ 256,569

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	67,843	
Deputy(ies)		152,052	
Longevity Pay		5,700	
Other Salaries and Wages		20,909	
Jury and Witness Expense		9,417	
Data Processing Services		12,644	
Legal Notices, Recording, and Court Costs		1,270	
Office Supplies		3,779	
Office Equipment		5,050	
Total Circuit Court			278,664

General Sessions Court

Judge(s)	\$	109,032	
Guidance Personnel		48,661	
Secretary(ies)		27,679	
Longevity Pay		2,500	
Travel		3,069	
Other Contracted Services		1,794	
Library Books/Media		743	
Office Supplies		1,598	
Office Equipment		2,176	
Total General Sessions Court			197,252

Chancery Court

County Official/Administrative Officer	\$	67,843	
Assistant(s)		26,126	
Deputy(ies)		41,265	
Longevity Pay		2,600	
Data Processing Services		9,495	
Legal Notices, Recording, and Court Costs		725	
Travel		384	
Office Supplies		6,513	
Premiums on Corporate Surety Bonds		2,200	
Total Chancery Court			157,151

Judicial Commissioners

Part-time Personnel	\$	8,317	
Other Salaries and Wages		21,602	
In-service Training		796	
Travel		2,074	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners (Cont.)

Office Supplies	\$	283	
Other Charges		360	
Total Judicial Commissioners			\$ 33,432

Courtroom Security

Other Supplies and Materials	\$	430	
Total Courtroom Security			430

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	75,228	
Deputy(ies)		773,328	
Salary Supplements		14,400	
Dispatchers/Radio Operators		257,699	
Secretary(ies)		26,194	
Clerical Personnel		25,694	
Longevity Pay		14,800	
Overtime Pay		44,025	
Other Salaries and Wages		55,345	
In-service Training		11,528	
Communication		5,982	
Contracts with Private Agencies		1,350	
Data Processing Services		8,739	
Maintenance and Repair Services - Vehicles		30,865	
Postal Charges		294	
Travel		2,724	
Gasoline		70,690	
Law Enforcement Supplies		47,196	
Office Supplies		7,885	
Tires and Tubes		13,260	
Uniforms		14,786	
Premiums on Corporate Surety Bonds		1,344	
Motor Vehicles		89,611	
Office Equipment		3,729	
Total Sheriff's Department			1,596,696

Administration of the Sexual Offender Registry

Office Supplies	\$	499	
Other Charges		1,850	
Office Equipment		6,364	
Total Administration of the Sexual Offender Registry			8,713

Jail

Guards	\$	429,588	
Longevity Pay		4,300	
Overtime Pay		15,603	
Other Salaries and Wages		10,310	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Medical and Dental Services	\$	116,717	
Travel		789	
Other Contracted Services		75,472	
Custodial Supplies		19,353	
Drugs and Medical Supplies		24,668	
Food Supplies		199,041	
Office Supplies		4,930	
Prisoners Clothing		5,278	
Uniforms		6,994	
Other Supplies and Materials		4,071	
Data Processing Equipment		5,710	
Office Equipment		4,723	
Total Jail			\$ 927,547

Fire Prevention and Control

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

Civil Defense

Supervisor/Director	\$	55,000	
Longevity Pay		800	
Other Salaries and Wages		30,165	
In-service Training		1,871	
Dues and Memberships		420	
Operating Lease Payments		2,400	
Maintenance and Repair Services - Buildings		1,174	
Maintenance and Repair Services - Equipment		5,594	
Maintenance and Repair Services - Vehicles		2,897	
Travel		1,000	
Other Contracted Services		7,169	
Diesel Fuel		608	
Gasoline		3,339	
Office Supplies		2,992	
Propane Gas		585	
Uniforms		984	
Other Supplies and Materials		12,078	
Other Charges		492	
Communication Equipment		13,947	
Total Civil Defense			143,515

Rescue Squad

Contributions	\$	15,000	
Total Rescue Squad			15,000

County Coroner/Medical Examiner

Medical Personnel	\$	3,400	
Other Contracted Services		34,285	
Premiums on Corporate Surety Bonds		217	
Total County Coroner/Medical Examiner			37,902

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Contributions	\$	38,111	
Maintenance and Repair Services - Buildings		42	
Other Contracted Services		477	
Office Supplies		313	
Other Supplies and Materials		1,135	
Other Charges		849	
Total Local Health Center			\$ 40,927

Ambulance/Emergency Medical Services

Medical Personnel	\$	731,777	
Part-time Personnel		93,860	
Longevity Pay		12,100	
Overtime Pay		230,248	
In-service Training		12,227	
Other Per Diem and Fees		1,850	
Dues and Memberships		300	
Maintenance and Repair Services - Buildings		4,563	
Maintenance and Repair Services - Equipment		4,666	
Maintenance and Repair Services - Vehicles		35,401	
Travel		995	
Other Contracted Services		150,302	
Custodial Supplies		2,057	
Diesel Fuel		26,818	
Drugs and Medical Supplies		63,581	
Gasoline		3,355	
Office Supplies		1,721	
Tires and Tubes		4,356	
Uniforms		4,542	
Other Supplies and Materials		5,043	
Motor Vehicles		47,902	
Other Equipment		41,652	
Total Ambulance/Emergency Medical Services			1,479,316

Alcohol and Drug Programs

Probation Officer(s)	\$	10,531	
Travel		25	
Other Contracted Services		254	
Office Supplies		971	
Other Charges		10,724	
Total Alcohol and Drug Programs			22,505

Other Local Health Services

Medical Personnel	\$	119,141	
Educational Assistants		51,267	
Travel		14,053	
Liability Insurance		77	
Total Other Local Health Services			184,538

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Public Health and Welfare

Other Charges	\$ 39,904	
Total Other Public Health and Welfare		\$ 39,904

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

Assistant(s)	\$ 100,000	
Librarians	36,362	
Longevity Pay	5,700	
Other Salaries and Wages	15,965	
Data Processing Services	2,190	
Dues and Memberships	175	
Maintenance and Repair Services - Buildings	1,795	
Postal Charges	890	
Travel	366	
Other Contracted Services	15,026	
Library Books/Media	3,869	
Office Supplies	4,126	
Utilities	4,867	
Other Supplies and Materials	648	
Other Charges	5,534	
Other Equipment	5,827	
Other Capital Outlay	4,000	
Total Libraries		207,340

Agriculture and Natural Resources

Agricultural Extension Service

Contributions	\$ 44,421	
Dues and Memberships	250	
Travel	589	
Custodial Supplies	120	
Office Supplies	800	
Total Agricultural Extension Service		46,180

Soil Conservation

Secretary(ies)	\$ 22,922	
Other Contracted Services	5,000	
Other Charges	2,550	
Total Soil Conservation		30,472

Other Operations

Tourism

Contributions	\$ 1,000	
Total Tourism		1,000

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development

Supervisor/Director	\$	34,201	
Contributions		11,866	
Total Industrial Development			\$ 46,067

Other Economic and Community Development

Other Charges	\$	300	
Total Other Economic and Community Development			300

Veterans' Services

Part-time Personnel	\$	18,944	
Maintenance and Repair Services - Vehicles		299	
Travel		362	
Other Contracted Services		399	
Gasoline		505	
Office Equipment		560	
Total Veterans' Services			21,069

Other Charges

Liability Insurance	\$	275,157	
Trustee's Commission		146,944	
Workers' Compensation Insurance		143,832	
Total Other Charges			565,933

Employee Benefits

Social Security	\$	358,935	
Pensions		603,548	
Life Insurance		38,605	
Medical Insurance		1,533,438	
Unemployment Compensation		11,566	
Other Contracted Services		5,000	
Total Employee Benefits			2,551,092

Miscellaneous

Contracts with Government Agencies	\$	12,920	
Contributions		48,000	
Dues and Memberships		12,304	
Postal Charges		39,397	
Rentals		2,500	
Refunds		2,457	
Other Charges		2,470	
Total Miscellaneous			120,048

Total General Fund \$ 10,936,909

(Continued)

Exhibit L-8

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

<u>Drug Control Fund</u>			
<u>Public Safety</u>			
<u>Sheriff's Department</u>			
Other Charges	\$	16,997	
Motor Vehicles		50,000	
Total Sheriff's Department			\$ 66,997
Total Drug Control Fund			\$ 66,997
<u>Adequate Facilities/ Development Tax Fund</u>			
<u>General Government</u>			
<u>Building</u>			
Trustee's Commission	\$	1,297	
Total Building			\$ 1,297
Total Adequate Facilities/ Development Tax Fund			1,297
<u>Constitutional Officers - Fees Fund</u>			
<u>Administration of Justice</u>			
<u>Chancery Court</u>			
Special Commissioner Fees/Special Master Fees	\$	100	
Total Chancery Court			\$ 100
Total Constitutional Officers - Fees Fund			100
<u>Highway/Public Works Fund</u>			
<u>Highways</u>			
<u>Administration</u>			
County Official/Administrative Officer	\$	74,729	
Salary Supplements		1,500	
Secretary(ies)		33,663	
Overtime Pay		3,501	
Other Salaries and Wages		47,589	
Board and Committee Members Fees		16,800	
In-service Training		630	
Contributions		500	
Dues and Memberships		3,035	
Legal Notices, Recording, and Court Costs		222	
Travel		979	
Other Contracted Services		7,783	
Office Supplies		105	
Premiums on Corporate Surety Bonds		100	
Total Administration			\$ 191,136
<u>Highway and Bridge Maintenance</u>			
Salary Supplements	\$	1,500	
Foremen		202,901	
Equipment Operators		276,113	
Laborers		261,912	
Overtime Pay		34,319	

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Asphalt - Cold Mix	\$	48,218	
Asphalt - Liquid		256,477	
Crushed Stone		140,801	
General Construction Materials		1,101	
Other Road Materials		31,020	
Pipe		14,837	
Road Signs		7,665	
Salt		3,529	
Small Tools		2,138	
Wood Products		1,092	
Chemicals		5,100	
Total Highway and Bridge Maintenance			\$ 1,288,723

Operation and Maintenance of Equipment

Foremen	\$	33,846	
Mechanic(s)		32,499	
Overtime Pay		2,675	
Laundry Service		9,378	
Diesel Fuel		95,211	
Equipment and Machinery Parts		93,098	
Garage Supplies		23,302	
Gasoline		23,949	
Lubricants		8,952	
Tires and Tubes		52,373	
Total Operation and Maintenance of Equipment			375,283

Other Charges

Communication	\$	4,106	
Legal Services		431	
Electricity		5,087	
Water and Sewer		3,966	
Judgments		3,215	
Liability Insurance		36,488	
Trustee's Commission		25,917	
Total Other Charges			79,210

Employee Benefits

Social Security	\$	75,500	
Pensions		130,462	
Employee and Dependent Insurance		331,932	
Unemployment Compensation		8,956	
Workers' Compensation Insurance		142,004	
Other Charges		10,444	
Total Employee Benefits			699,298

Capital Outlay

Bridge Construction	\$	248,164	
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(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 (Cont.)

Communication Equipment	\$	91	
Highway Construction		574,019	
Highway Equipment		671,035	
Motor Vehicles		3,418	
Total Capital Outlay			\$ 1,496,727

Total Highway/Public Works Fund \$ 4,130,377

General Debt Service Fund

General Government

Other General Administration

Judgments	\$	11,818	
Total Other General Administration			\$ 11,818

Principal on Debt

General Government

Principal on Notes	\$	133,337	
Principal on Other Loans		414,000	
Total General Government			547,337

Highways and Streets

Principal on Notes	\$	74,499	
Total Highways and Streets			74,499

Education

Principal on Other Loans	\$	1,376,004	
Total Education			1,376,004

Interest on Debt

General Government

Interest on Notes	\$	6,855	
Interest on Other Loans		15,111	
Total General Government			21,966

Highways and Streets

Interest on Notes	\$	4,077	
Total Highways and Streets			4,077

Education

Interest on Other Loans	\$	167,254	
Total Education			167,254

Other Debt Service

General Government

Trustee's Commission	\$	39,646	
Other Debt Service		62,890	
Total General Government			102,536

(Continued)

Exhibit L-8

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Other Debt Service (Cont.)</u>			
<u>Education</u>			
Other Debt Service	\$	158,622	
Total Education			\$ 158,622
Total General Debt Service Fund			\$ 2,464,113
<u>Education Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>Education</u>			
Principal on Other Loans	\$	647,000	
Total Education			\$ 647,000
<u>Interest on Debt</u>			
<u>Education</u>			
Interest on Other Loans	\$	5,986	
Total Education			5,986
<u>Other Debt Service</u>			
<u>General Government</u>			
Trustee's Commission	\$	3,144	
Total General Government			3,144
<u>Education</u>			
Other Debt Service	\$	21,013	
Total Education			21,013
Total Education Debt Service Fund			677,143
<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Other Equipment	\$	1,150	
Other Construction		538,307	
Total Public Safety Projects			\$ 539,457
Total General Capital Projects Fund			539,457
Total Governmental Funds - Primary Government			<u>\$ 18,816,393</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, 2016

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 8,438,343	
Career Ladder Program	71,000	
Career Ladder Extended Contracts	32,760	
Homebound Teachers	1,300	
Salary Supplements	297,540	
Educational Assistants	287,516	
Bonus Payments	307,000	
Other Salaries and Wages	301,600	
Non-certified Substitute Teachers	130,110	
Social Security	696,841	
Pensions	778,338	
Medical Insurance	1,397,280	
Other Contracted Services	29,862	
Instructional Supplies and Materials	172,180	
Textbooks	29,357	
Other Supplies and Materials	7,812	
Regular Instruction Equipment	330,121	
Total Regular Instruction Program		\$ 13,308,960

Alternative Instruction Program

Teachers	\$ 88,100	
Educational Assistants	16,048	
Social Security	8,754	
Pensions	10,000	
Medical Insurance	25,000	
Total Alternative Instruction Program		147,902

Special Education Program

Teachers	\$ 1,355,026	
Homebound Teachers	17,811	
Educational Assistants	136,672	
Speech Pathologist	86,872	
Social Security	114,753	
Pensions	158,000	
Other Contracted Services	256,299	
Total Special Education Program		2,125,433

Vocational Education Program

Teachers	\$ 694,858	
Non-certified Substitute Teachers	11,129	
Social Security	53,159	
Pensions	65,000	
Medical Insurance	140,000	
Instructional Supplies and Materials	32,178	
Other Supplies and Materials	9,034	
Total Vocational Education Program		1,005,358

(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	\$	85,384	
Other Salaries and Wages		60,407	
In-service Training		2,570	
Social Security		10,843	
Pensions		15,000	
Medical Insurance		24,000	
Instructional Supplies and Materials		552	
Other Supplies and Materials		2,982	
Total Adult Education Program			\$ 201,738

Support Services

Attendance

Supervisor/Director	\$	40,177	
Other Salaries and Wages		78,310	
Social Security		6,535	
Pensions		15,000	
Medical Insurance		12,000	
Travel		3,347	
Other Contracted Services		9,399	
Other Supplies and Materials		3,575	
In Service/Staff Development		580	
Regular Instruction Equipment		2,514	
Total Attendance			171,437

Health Services

Medical Personnel	\$	84,000	
Other Salaries and Wages		86,850	
Social Security		12,875	
Pensions		17,000	
Medical Insurance		33,000	
Travel		1,171	
Other Contracted Services		21,149	
Drugs and Medical Supplies		3,213	
Other Supplies and Materials		2,375	
Total Health Services			261,633

Other Student Support

Guidance Personnel	\$	560,636	
Social Security		41,866	
Pensions		45,000	
Medical Insurance		68,775	
Evaluation and Testing		28,331	
Payments to Schools - Other		142,065	
Travel		1,681	
Other Contracted Services		23,657	
Other Supplies and Materials		4,928	
Total Other Student Support			916,939

(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	\$	71,400	
Librarians		342,324	
Secretary(ies)		170,402	
Clerical Personnel		176,012	
Other Salaries and Wages		97,092	
Social Security		64,106	
Pensions		94,000	
Medical Insurance		119,000	
Maintenance and Repair Services - Equipment		7,718	
Travel		1,591	
Other Contracted Services		175,446	
Library Books/Media		3,800	
Other Supplies and Materials		6,879	
In Service/Staff Development		1,980	
Regular Instruction Program		<u>60,938</u>	
Total Regular Instruction Program	\$		1,392,688

Alternative Instruction Program

Travel	\$	<u>309</u>	
Total Alternative Instruction Program			309

Special Education Program

Supervisor/Director	\$	65,972	
Other Salaries and Wages		1,856	
In-service Training		1,080	
Social Security		5,627	
Pensions		10,000	
Medical Insurance		16,000	
Maintenance and Repair Services - Equipment		3,575	
Travel		<u>4,048</u>	
Total Special Education Program			108,158

Vocational Education Program

Supervisor/Director	\$	69,200	
Social Security		5,294	
Pensions		6,000	
Medical Insurance		8,148	
Travel		164	
Other Supplies and Materials		<u>533</u>	
Total Vocational Education Program			89,339

Adult Programs

Travel	\$	<u>3,065</u>	
Total Adult Programs			3,065

(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

Payments to Retirees	\$	9,804	
On-behalf Payments to OPEB		77,334	
Total Other Programs			\$ 87,138

Board of Education

Board and Committee Members Fees	\$	10,715	
In-service Training		5,115	
Social Security		799	
Audit Services		25,000	
Dues and Memberships		20,444	
Legal Services		20,094	
Other Contracted Services		10,000	
Judgments		38,584	
Liability Insurance		115	
Trustee's Commission		116,981	
Refund to Applicant for Criminal Investigation		1,140	
Other Charges		2,727	
Total Board of Education			251,714

Director of Schools

County Official/Administrative Officer	\$	121,984	
Secretary(ies)		77,026	
Other Salaries and Wages		3,840	
Social Security		15,068	
Pensions		22,000	
Medical Insurance		25,000	
Communication		937	
Maintenance and Repair Services - Equipment		7,043	
Postal Charges		1,960	
Travel		4,646	
Office Supplies		2,256	
Other Supplies and Materials		4,006	
Total Director of Schools			285,766

Office of the Principal

Principals	\$	612,028	
Assistant Principals		432,394	
Social Security		78,936	
Pensions		100,000	
Medical Insurance		94,000	
Postal Charges		1,600	
Other Contracted Services		174,720	
Other Equipment		75,067	
Total Office of the Principal			1,568,745

(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.)

Fiscal Services

Other Contracted Services	\$ 4,920	
Total Fiscal Services		\$ 4,920

Operation of Plant

Communication	\$ 42,117	
Other Contracted Services	624,909	
Custodial Supplies	22,689	
Electricity	762,256	
Natural Gas	43,908	
Water and Sewer	178,297	
Boiler Insurance	5,788	
Total Operation of Plant		1,679,964

Maintenance of Plant

Supervisor/Director	\$ 57,488	
Secretary(ies)	9,456	
Other Salaries and Wages	123,899	
Social Security	13,457	
Pensions	7,000	
Maintenance and Repair Services - Buildings	216,336	
Maintenance and Repair Services - Equipment	227,769	
Travel	852	
Other Contracted Services	110,670	
Building Improvements	21,111	
Total Maintenance of Plant		788,038

Transportation

Supervisor/Director	\$ 55,656	
Mechanic(s)	66,400	
Bus Drivers	569,520	
Secretary(ies)	9,456	
Social Security	52,000	
Pensions	101,000	
Medical Insurance	105,000	
Other Fringe Benefits	5,874	
Maintenance and Repair Services - Vehicles	386	
Other Contracted Services	61,656	
Diesel Fuel	120,269	
Garage Supplies	447	
Gasoline	16,639	
Lubricants	4,061	
Tires and Tubes	14,985	
Vehicle Parts	49,335	
Plant Operation Equipment	67,144	
Total Transportation		1,299,828

(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

Medical Insurance	\$	747	
Unemployment Compensation		18,542	
Other Fringe Benefits		34,355	
Contributions		121,500	
Other Contracted Services		73,019	
Other Supplies and Materials		24,610	
Total Central and Other	\$		272,773

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	18,000	
Social Security		1,377	
Travel		623	
Total Food Service			20,000

Community Services

Supervisor/Director	\$	27,518	
Other Salaries and Wages		50,137	
Social Security		6,277	
Pensions		10,500	
Medical Insurance		20,000	
Travel		500	
Other Contracted Services		7,950	
Other Supplies and Materials		5,012	
Total Community Services			127,894

Early Childhood Education

Supervisor/Director	\$	34,360	
Teachers		150,750	
Educational Assistants		58,572	
Other Salaries and Wages		29,410	
Non-certified Substitute Teachers		7,719	
Social Security		20,346	
Pensions		30,100	
Medical Insurance		42,000	
Travel		120	
Other Contracted Services		4,910	
Instructional Supplies and Materials		28,283	
Other Supplies and Materials		18,254	
Other Equipment		6,771	
Total Early Childhood Education			431,595

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	455,699	
Total Regular Capital Outlay			455,699

Total General Purpose School Fund \$ 27,007,033

(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	\$	618,402	
Non-certified Substitute Teachers		2,185	
Social Security		46,627	
Pensions		60,500	
Medical Insurance		34,700	
Instructional Supplies and Materials		103,321	
Total Regular Instruction Program			\$ 865,735

Special Education Program

Educational Assistants	\$	334,998	
Non-certified Substitute Teachers		601	
Social Security		25,468	
Pensions		51,336	
Medical Insurance		22,225	
Instructional Supplies and Materials		8,032	
Other Supplies and Materials		300	
Special Education Equipment		1,475	
Total Special Education Program			444,435

Vocational Education Program

Educational Assistants	\$	16,894	
Social Security		1,369	
Pensions		1,500	
Medical Insurance		1,500	
Other Contracted Services		1,250	
Other Supplies and Materials		8,316	
Vocational Instruction Equipment		18,480	
Total Vocational Education Program			49,309

Support Services

Other Student Support

Other Salaries and Wages	\$	9,968	
Social Security		659	
Pensions		200	
Other Contracted Services		8,284	
Other Supplies and Materials		344	
In Service/Staff Development		2,416	
Total Other Student Support			21,871

Regular Instruction Program

Supervisor/Director	\$	35,905	
Secretary(ies)		17,912	
Other Salaries and Wages		10,000	
Social Security		3,266	
Pensions		2,432	
Medical Insurance		6,800	

(Continued)

Exhibit L-9

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

<u>School Federal Projects Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Regular Instruction Program (Cont.)</u>		
Maintenance and Repair Services - Equipment	\$	750
Travel		3,639
Other Supplies and Materials		15,728
In Service/Staff Development		41,829
Total Regular Instruction Program		<u>138,261</u>
	\$	138,261
<u>Special Education Program</u>		
Supervisor/Director	\$	5,628
Psychological Personnel		101,763
Clerical Personnel		36,762
Social Security		10,588
Pensions		14,586
Medical Insurance		18,451
Other Contracted Services		72,448
Other Supplies and Materials		11,466
Other Equipment		138
Total Special Education Program		<u>271,830</u>
		<u>271,830</u>
Total School Federal Projects Fund	\$	1,791,441
<u>Central Cafeteria Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Food Service</u>		
Supervisor/Director	\$	31,296
Accountants/Bookkeepers		120,585
Cafeteria Personnel		463,176
Social Security		46,848
Pensions		71,862
Medical Insurance		80,000
Communication		6,207
Maintenance and Repair Services - Equipment		34,047
Transportation - Other than Students		1,575
Travel		1,362
Other Contracted Services		38,842
Food Supplies		952,180
Utilities		65,848
USDA - Commodities		72,394
Other Supplies and Materials		87,982
Other Charges		10,592
Food Service Equipment		27,827
Total Food Service		<u>2,112,623</u>
	\$	<u>2,112,623</u>
Total Central Cafeteria Fund		<u>2,112,623</u>
Total Governmental Funds - Hickman County School Department	\$	<u>30,911,097</u>

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, 2016

<u>Other Special Revenue Fund</u>			
<u>General Government</u>			
<u>County Commission</u>			
Audit Services	\$	770	
Legal Notices, Recording, and Court Costs		<u>20</u>	
Total County Commission			\$ 790
<u>Public Health and Welfare</u>			
<u>Ambulance/Emergency Medical Services</u>			
Contributions	\$	1,500	
Other Contracted Services		2,500	
Other Supplies and Materials		2,500	
Other Equipment		<u>9,000</u>	
Total Ambulance/Emergency Medical Services			<u>15,500</u>
Total Other Special Revenue Fund			<u>\$ 16,290</u>
Total Governmental Funds - Hickman County Health Foundation			<u><u>\$ 16,290</u></u>

Hickman County, Tennessee
Schedule of Detailed Revenues and Expenses
Solid Waste Disposal Fund
For the Year Ended June 30, 2016

	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Commercial and Industrial Waste Collections	\$ 116,913
Residential Waste Collection Charge	153,025
Tipping Fees	42,123
Solid Waste Disposal Fee	683,296
Total Charges for Current Services	<u>\$ 995,357</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Lease/Rentals	\$ 43,486
Sale of Recycled Materials	105,907
Total Other Local Revenues	<u>\$ 149,393</u>
Total Operating Revenues	<u>\$ 1,144,750</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 404
Litter Program	40,362
Solid Waste Grants	10,453
Total Nonoperating Revenues	<u>\$ 51,219</u>
Total Revenues	<u>\$ 1,195,969</u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Sanitation Management</u>	
Supervisor/Director	\$ 53,304
Deputies	27,875
Data Processing Personnel	25,014

(Continued)

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

	Major Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Equipment Operators	\$ 33,351
Equipment Operators - Heavy	33,885
Laborers	141,918
Clerical Personnel	24,652
Part-time Personnel	53,851
Longevity	11,800
Overtime Pay	5,860
Social Security	31,232
State Retirement	33,461
Medical Insurance	123,230
Advertising	639
Communication	2,712
Contracts with Government Agencies	7,046
Data Processing Services	2,390
Debt Collection Services	1,568
Legal Services	125
Maintenance and Repair Services - Buildings	4,458
Maintenance and Repair Services - Equipment	24,946
Maintenance and Repair Services - Vehicles	4,065
Medical and Dental Services	25,573
Pest Control	1,320
Postal Charges	2,666
Printing, Stationery, and Forms	417
Travel	757
Disposal Fees	297,875
Other Contracted Services	1,682
Custodial Supplies	853
Diesel Fuel	23,232
Electricity	16,246
Gasoline	976

(Continued)

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

	Major Enterprise Fund
	Solid Waste Disposal Fund
	<hr/>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Lubricants	\$ 1,666
Office Supplies	2,350
Tires and Tubes	15,216
Uniforms	3,831
Utilities	3,889
Wire	3,000
Testing	5,414
Trustee's Commission	9,918
Depreciation	112,942
Surcharge	5,725
Office Equipment	1,668
Solid Waste Equipment	13,237
Other Construction	7,358
Total Sanitation Management	<hr/> \$ 1,205,193 <hr/>
<u>Litter and Trash Collection</u>	
Supervisor/Director	\$ 19,514
Instructional Supplies and Material	8,199
Other Charges	7,493
Total Other Charges	<hr/> \$ 35,206 <hr/>
<u>Nonoperating Expenses</u>	
Interest on Notes	\$ 6,176
Total Nonoperating Expenses	<hr/> \$ 6,176 <hr/>
Total Expenses	<hr/> <hr/> \$ 1,246,575 <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, 2016

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 670,231
Total Cash Receipts	<u>\$ 670,231</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 663,529
Trustee's Commission	<u>6,702</u>
Total Cash Disbursements	<u>\$ 670,231</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2015	<u>0</u>
 Cash Balance, June 30, 2016	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

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

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, 2016, 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 1, 2016.

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.

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal controls, described in the accompanying Schedule of Findings and Questioned Costs as item 2016-002 that we consider to be significant.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001.

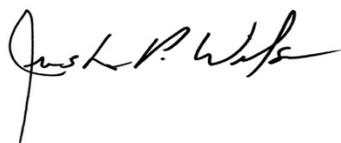
Hickman County's Responses to Findings

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 results 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 1, 2016

JPW/kp



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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Independent Auditor's Report

Auditor's 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 Uniform Guidance

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 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, 2016. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for*

Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance 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 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, 2016.

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 the Uniform Guidance, 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

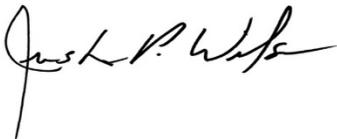
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2016, and the related notes to the financial statements, which collectively comprise Hickman County's basic financial statements. We issued our report thereon dated September 1, 2016, 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 the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 1, 2016

JPW/kp

Hickman County, Tennessee and the Hickman County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2016

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program, Recovery Act	10.923	N/A	\$ 200,438
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	503,028
National School Lunch Program	10.555	N/A	1,192,339 (4)
Child Nutrition Discretionary Grants Limited Availabilty	10.579	N/A	12,000
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	<u>72,394 (4)</u>
Total U.S. Department of Agriculture			<u>\$ 1,980,199</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program	14.228	(3)	<u>\$ 508,349</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 508,349</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z-14-GHS160	<u>\$ 7,217</u>
Total U.S. Department of Transportation			<u>\$ 7,217</u>
U.S. Institute of Museum and Library Services:			
Passed-through Tennessee State Library and Archives:			
Grants to States	45.310	(3)	<u>\$ 1,130</u>
Total U.S. Institute of Museum and Library Services			<u>\$ 1,130</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	N/A	\$ 130,457
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	867,185
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	705,741
Special Education - Preschool Grants	84.173	N/A	18,524
Career and Technical Education - Basic Grants to States	84.048	N/A	62,097
Rural Education	84.358	N/A	51,595
Improving Teacher Quality State Grants	84.367	N/A	<u>105,799</u>
Total U.S. Department of Education			<u>\$ 1,941,398</u>

(Continued)

Hickman County, Tennessee and the Hickman County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
National Bioterrorism Hospital Preparedness Program	93.889	(3)	\$ 27,899
Total U.S. Department of Health and Human Services			<u>\$ 27,899</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	34101-9200-1974	\$ 419,866
Emergency Management Performance Grant	97.042	(3)	29,850
Homeland Security Grant Program	97.067	(3)	12,078
Total U.S. Department of Homeland Security			<u>\$ 461,794</u>
Total Expenditures of Federal Grants			<u>\$ 4,927,986</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
Early Childhood Education - State Department of Education	N/A	(3)	\$ 422,611
Family Resource - State Department of Education	N/A	(3)	59,223
Coordinated School Health - State Department of Education	N/A	(3)	90,000
Innovative Healthful Behavior Service - State Department of Health and Human Services	N/A	GG-14-40533	36,998
Safe Schools Act - State Department of Education	N/A	(3)	23,040
ACT/Explorer/Plan Testing - State Department of Education	N/A	(3)	5,888
Adult Education - State Department of Labor and Workforce Development	N/A	(3)	43,486
Internet Connectivity - State Department of Education	N/A	(3)	9,380
Archives Development Program Grant - Tennessee State Library and Archives	N/A	(3)	3,911
Arts Program Categorical Grants - Tennessee Arts Commission	N/A	(3)	4,590
Local Health Services - State Department of Health	N/A	GG-15-42235	256,833
Litter Grant - State Department of Transportation	N/A	(3)	40,362
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	(3)	10,453
State Supplement Juvenile Court Improvement - State Commission on Children and Youth	N/A	(3)	13,500
Total State Grants			<u>\$ 1,020,275</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) Hickman County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Total for CFDA No. 10.555 is \$1,264,733.

Hickman County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2016

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or uncorrected. Presented below are financial statement findings along with their current status from the Annual Financial Report for Hickman County, Tennessee, for the year ended June 30, 2016.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2015	181	2015-001	The Ambulance Service had operating deficiencies	N/A	Corrected
2015	182	2015-002	Multiple employees in the Office of Planning and Zoning operated from the same cash drawer	N/A	Corrected
2015	182	2015-003	A cash shortage of at least \$1,106 existed at June 30, 2015, in the Office of Circuit and General Sessions Courts Clerk	N/A	Corrected
2015	183	2015-004	The docket trial balance was not reconciled with cash control records in the Office of Circuit and General Sessions Courts Clerk	N/A	Corrected
2015	184	2015-005	The Offices of Circuit and General Sessions Courts Clerk and Clerk and Master had a lack of segregation of duties	N/A	Corrected
2015	184	2015-005	The Department of Solid Waste had a lack of segregation of duties	N/A	Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Award Findings

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

HICKMAN COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Hickman County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **YES**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs: **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * CFDA Number: 84.010 Title I Grants to Local Educational Agencies
8. Dollar threshold used to distinguish between Type A and Type B Programs: **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit of the financial statements of Hickman County, Tennessee, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. The finance director and solid waste director provided corrective action plans, which are paraphrased in the Management's Corrective Action Plan section of this report.

Findings relating specifically to the audit of federal awards of Hickman County, Tennessee, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

HICKMAN COUNTY HEALTH FOUNDATION

FINDING 2016-001

THE HICKMAN COUNTY HEALTH FOUNDATION DID NOT REQUIRE A DEPOSITORY TO ADEQUATELY COLLATERALIZE FUNDS

(Material Noncompliance Under *Government Auditing Standards*)

The Hickman County Health Foundation, a discretely presented component unit of Hickman County, did not require one depository holding county funds to pledge sufficient securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2016, deposits exceeded FDIC coverage by \$412,698. Section 5-8-201, *Tennessee Code Annotated*, provides for county officials to require any bank that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of such county funds. This deficiency is the result of a lack of management oversight. The failure to adequately collateralize funds could result in a loss for the county.

RECOMMENDATION

The Hickman County Health Foundation should require all depositories to pledge sufficient securities to protect county funds exceeding FDIC coverage as required by state statute.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding. The Hickman County Health Foundation is a committee that controls the decisions on investing funds. The committee was made aware of a 1999 audit finding for the same procedure, but still chose to invest the money after reviewing the county attorney's opinion.

DEPARTMENT OF SOLID WASTE

FINDING 2016-002

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among officials and employees in the Department of Solid Waste. Employees who were responsible for maintaining accounting records in the office were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that management is responsible for designing internal controls to give 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 control 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.

MANAGEMENT'S RESPONSE – SOLID WASTE DIRECTOR

We concur with the finding. Based on our day-to-day operations, it would not be justified for our billing office to hire a third person.

AUDITOR'S COMMENT

We have not recommended hiring additional employees. We realize that due to limited resources and personnel, management may not be able to fully segregate duties among employees. However, duties should be segregated to the extent possible.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2016. Our audit followed audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Findings relating specifically to the audit of the financial statements of Hickman County, Tennessee, are separately presented under Part II, Findings Relating to the Financial Statements.

Hickman County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2016

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented below:

Corrective Action - Financial Statement Findings

HICKMAN COUNTY HEALTH FOUNDATION

FINDING 2016-001 **THE HICKMAN COUNTY HEALTH FOUNDATION DID NOT REQUIRE A DEPOSITORY TO ADEQUATELY COLLATERALIZE FUNDS**

Response and Corrective Action Plan Prepared by:	Annette Elliott, Finance Director, Hickman County, Tennessee
Person Responsible for Implementing the Corrective Action:	Same
Anticipated Completion Date of Corrective Action:	September 30, 2016
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY	N/A

Planned Corrective Action:

Upon the authority of the Hickman County Health Foundation, I will request the bank to properly collateralize funds.

DEPARTMENT OF SOLID WASTE

FINDING 2016-002 **DUTIES WERE NOT SEGREGATED ADEQUATELY**

Response and Corrective Action Plan Prepared by:	Marty Turbeville, Solid Waste Director of Hickman County, Tennessee
Person Responsible for Implementing the Corrective Action:	Same
Anticipated Completion Date of Corrective Action:	September 30, 2016
Repeat Finding:	Yes
Reason Why Corrective Action was Not Taken – PY	Could not justify hiring of a third employee. Solid Waste Department has continued

to work on getting this finding corrected.

Planned Corrective Action:

We contacted County Technical Assistance Services and have developed an internal control plan to implement in our office. We believe this will correct this finding.
