

**ANNUAL FINANCIAL REPORT
HICKMAN COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2007



ANNUAL FINANCIAL REPORT
HICKMAN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2007

DEPARTMENT OF AUDIT
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Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
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This financial report is available at www.comptroller.state.tn.us

HICKMAN COUNTY, TENNESSEE

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Audit Highlights

Annual Financial Report
Hickman County, Tennessee
For the Year Ended June 30, 2007

Scope

We have audited the basic financial statements of Hickman County as of and for the year ended June 30, 2007.

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements did not include a component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

Our audit resulted in 12 findings and recommendations, which we have reviewed with Hickman County management. Detailed findings, recommendations, and managements' responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF FINANCE DIRECTOR

- ◆ The office could not provide adequate documentation to support the calculation of several reserves. Wheel tax revenues for the month of September were not posted to the correct fund. Several revenues and expenditures were coded to accounts that did not reflect the true nature of the transactions. The Solid Waste Office did not reconcile monthly accounts receivable reports with billings and collections.
 - ◆ Purchase orders were not issued for some applicable purchases. Competitive bids were not obtained for the purchase of fuel for the Ambulance Service.
 - ◆ The county did not employ a registered architect or engineer for renovations of the county administration building.
 - ◆ Expenditures exceeded appropriations approved by the County Commission in the Public Library Fund and in several major appropriation categories (the legal level of control) of the General Debt Service Fund.
 - ◆ A capital outlay note was not issued in accordance with state statutes.
-

OFFICES OF FINANCE DIRECTOR AND ROAD SUPERINTENDENT

- ◆ The General Fund improperly transferred \$79,412 to the Highway/Public Works Fund for the purchase of a dump truck.
 - ◆ The offices did not properly dispose of a surplus vehicle.
-

OFFICES OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS

- ◆ General Purpose School funds were improperly transferred to individual schools activity funds for operations.
-

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ Bank reconciliations had been performed; however, reconciling items had not been investigated and corrected. Also, execution docket cause balances in Circuit and General Sessions Courts did not reconcile with general ledger accounts.
 - ◆ The circuit court clerk did not require a depository holding county funds to pledge securities sufficient to protect public funds that exceeded Federal Depository Insurance Corporation coverage.
-

OFFICE OF SHERIFF

- ◆ A signature stamp was used to affix the signature of the sheriff to justify emergency purchases.
-

OTHER FINDING

- ◆ Duties were not segregated adequately among the officials and employees in the Solid Waste Department, Planning and Zoning Department, and the Offices of Trustee and Clerk and Master.

INTRODUCTORY SECTION

Hickman County Officials
June 30, 2007

Officials

Steve Gregory, County Mayor
Eddie Cook, Jr., Road Superintendent
Jerry Nash, Director of Schools
Cheryl Chessor, Trustee
Delton Mayberry, Assessor of Property
Randel Totty, County Clerk
Dana Nicholson, Circuit and General Sessions Courts Clerk
Sue Smith, Clerk and Master
Patty Sisk, Register
Randall Ward, Sheriff
Annette Elliott, Finance Director

Board of County Commissioners

David McFarlin, Chairman	Lloyd Mangrum
Tommy Barnes	Shirley Mayberry
Billy Blackwell	Ricky Murray
Charles Booker	Keith Nash
Mickey Bunn	James Rice
Robert Capps	Wayne Richey
William Clark	William Rochelle
Lynette Harris	Ronnie Sullivan
James Hassell	Kenneth Underhill
Steve Hethcote	Frankye Ward
Charles Holt	

Highway Commission

Larry Martin, Chairman	Douglas Gardner
William Anglin	Ronnie Morgan
Terry Beard	Roy Potts
Robert Chilton	

Board of Education

Jackie Deitmen, Chairman	Timothy Hobbs
Steven Armstrong	Jewell Prince
Lana Beard	Kelvin Sullivan
Malcom Smith II	

Health Foundation Board of Directors

Steve Hethcote, Chairman	Jack Keller
Charles Booker	Shirley Mayberry
Mickey Bunn	Annette Elliot
Lynette Harris	

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
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INDEPENDENT AUDITOR'S REPORT

January 17, 2008

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

To the County Mayor and Board of County Commissioners:

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, 2007, which collectively comprise a portion of the county's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of Hickman County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hickman County Public Library, which include the Public Library Fund (a nonmajor special revenue fund, which represents six percent and three percent, respectively, of the assets and revenues of the aggregate remaining fund information) and the Endowment Fund (a permanent nonmajor governmental fund, which represents 1.7 percent and .5 percent, respectively, of the assets and revenues of the aggregate remaining fund information). These financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Library Fund and the Endowment Fund is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and

significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

The financial statements of the Hickman County Emergency Communications District, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Hickman County Emergency Communications District, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Hickman County Emergency Communications District as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Hickman County, Tennessee, as of June 30, 2007, and the results of operations of the aggregate discretely presented component units, for the year ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, based on our audit and the reports 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, each major fund, and the aggregate remaining fund information of Hickman County, Tennessee, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 17, 2008, on our consideration of Hickman County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Hickman County has implemented the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. For the first time, the financial statements include the government-wide financial statements.

The management of Hickman County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

The budgetary comparison and pension information on pages 65 through 71 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 (a discretely presented component unit), 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 (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on it.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan" with a stylized flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Hickman County, Tennessee
Statement of Net Assets
June 30, 2007

	Primary Government			Component Units	
	Governmental	Business-type	Total	Hickman	Hickman
	Activities	Activities		School Department	County Health Foundation
<u>ASSETS</u>					
Cash	\$ 29,021	\$ 300	\$ 29,321	\$ 0	\$ 2,254,481
Equity in Pooled Cash and Investments	7,004,688	497,134	7,501,822	7,049,897	0
Investments	204,410	0	204,410	0	0
Accounts Receivable	1,960,956	340,807	2,301,763	2,000	0
Allowance for Uncollectibles	(1,120,308)	(246,205)	(1,366,513)	0	0
Property Taxes Receivable	5,175,291	0	5,175,291	3,360,987	0
Allowance for Uncollectible Property Taxes	(215,129)	0	(215,129)	(134,084)	0
Due from Other Governments	626,078	1,983	628,061	239,435	0
Internal Balances	(332,291)	332,291	0	0	0
Prepaid Items	11,477	0	11,477	0	0
Capital Assets:					
Assets Not Depreciated:					
Land	209,514	43,880	253,394	1,018,261	0
Construction in Progress	6,091,182	108,046	6,199,228	21,794,812	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	3,466,592	469,377	3,935,969	14,685,237	0
Other Capital Assets	627,326	194,037	821,363	2,473,062	0
Infrastructure	24,735,018	0	24,735,018	0	0
Total Assets	<u>\$ 48,473,825</u>	<u>\$ 1,741,650</u>	<u>\$ 50,215,475</u>	<u>\$ 50,489,607</u>	<u>\$ 2,254,481</u>
<u>LIABILITIES</u>					
Contracts Payable	\$ 134,568	\$ 0	\$ 134,568	\$ 0	\$ 0
Retainage Payable	12,354	0	12,354	0	0
Accrued Interest Payable	48,155	0	48,155	0	0
Cash Overdraft	0	0	0	5,201	0
Deferred Revenue - Current Property Taxes	4,734,229	0	4,734,229	3,093,396	0
Noncurrent Liabilities:					
Due Within One Year	2,200,006	46,637	2,246,643	0	0
Due in More Than One Year (net of deferred amount on refunding)	36,381,469	620,444	37,001,913	0	0
Total Liabilities	<u>\$ 43,510,781</u>	<u>\$ 667,081</u>	<u>\$ 44,177,862</u>	<u>\$ 3,098,597</u>	<u>\$ 0</u>

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental	Business-type	Total	Hickman	Hickman
	Activities	Activities		School Department	County Health Foundation
<u>NET ASSETS</u>					
Invested in Capital Assets, Net of Related Debt	\$ 24,690,803	\$ 707,294	\$ 25,398,097	\$ 0	\$ 0
Invested in Capital Assets	0	0	0	39,971,372	0
Restricted for:					
Capital Projects	1,017,899	341,954	1,359,853	0	0
Central Cafeteria	0	0	0	455,252	0
Debt Service	2,132,168	0	2,132,168	0	0
Highway/Public Works	858,238	0	858,238	0	0
Adequate Facilities/Development Tax	807,791	0	807,791	0	0
Ambulance Service	616,873	0	616,873	0	0
Other Purposes	497,192	0	497,192	18,863	0
Unrestricted	(25,657,920)	25,321	(25,632,599)	6,945,523	2,254,481
Total Net Assets	\$ 4,963,044	\$ 1,074,569	\$ 6,037,613	\$ 47,391,010	\$ 2,254,481

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, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			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		
<u>Primary Government:</u>									
Governmental Activities:									
General Government	\$ 946,224	\$ 283,597	\$ 25,861	\$ 199,827	\$ (436,939)	\$ 0	\$ (436,939)	\$ 0	\$ 0
Finance	884,735	525,245	15,729	0	(343,761)	0	(343,761)	0	0
Administration of Justice	723,297	598,084	10,500	0	(114,713)	0	(114,713)	0	0
Public Safety	2,062,384	271,875	81,850	7,550	(1,701,109)	0	(1,701,109)	0	0
Public Health and Welfare	3,206,696	971,508	249,463	0	(1,985,725)	0	(1,985,725)	0	0
Social, Cultural, and Recreational Services	208,010	5,364	24,885	11,878	(165,883)	0	(165,883)	0	0
Agriculture and Natural Resources	104,680	0	0	0	(104,680)	0	(104,680)	0	0
Other Operations	256,829	0	0	0	(256,829)	0	(256,829)	0	0
Highways	2,480,993	2,117	1,904,519	205,127	(369,230)	0	(369,230)	0	0
Education	9,925,669	0	0	0	(9,925,669)	0	(9,925,669)	0	0
Interest on Long-term Debt	1,266,623	0	0	0	(1,266,623)	0	(1,266,623)	0	0
Debt Service	145,341	0	0	0	(145,341)	0	(145,341)	0	0
Total Governmental Activities	\$ 22,211,481	\$ 2,657,790	\$ 2,312,807	\$ 424,382	\$ (16,816,502)	\$ 0	\$ (16,816,502)	\$ 0	\$ 0
Business-type Activities:									
Solid Waste Disposal	\$ 907,821	\$ 924,315	\$ 56,784	\$ 0	\$ 0	\$ 73,278	\$ 73,278	\$ 0	\$ 0
Total Business-type Activities	\$ 907,821	\$ 924,315	\$ 56,784	\$ 0	\$ 0	\$ 73,278	\$ 73,278	\$ 0	\$ 0
Total Primary Government	\$ 23,119,302	\$ 3,582,105	\$ 2,369,591	\$ 424,382	\$ (16,816,502)	\$ 73,278	\$ (16,743,224)	\$ 0	\$ 0
<u>Component Units:</u>									
Hickman County School Department	\$ 28,681,030	\$ 908,513	\$ 3,090,109	\$ 9,925,669	\$ 0	\$ 0	\$ 0	\$ (14,756,739)	\$ 0
Hickman County Health Foundation	43,027	0	100,000	0	0	0	0	0	56,973
Total Component Units	\$ 28,724,057	\$ 908,513	\$ 3,190,109	\$ 9,925,669	\$ 0	\$ 0	\$ 0	\$ (14,756,739)	\$ 56,973

(Continued)

Exhibit B

Hickman County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			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					\$ 4,019,864	\$ 0	\$ 4,019,864	\$ 3,048,930	\$ 0
Property Taxes Levied for Debt Service					961,356	0	961,356	0	0
Local Option Sales Taxes					565,401	0	565,401	1,083,708	0
Other Local Taxes					1,733,983	0	1,733,983	22,660	0
Grants and Contributions Not Restricted to Specific Programs					555,076	0	555,076	19,128,928	0
Unrestricted Investment Income					1,034,925	32,878	1,067,803	9,406	85,837
Miscellaneous					65,562	56,086	121,648	127,213	0
Total General Revenues					\$ 8,936,167	\$ 88,964	\$ 9,025,131	\$ 23,420,845	\$ 85,837
Change in Net Assets					\$ (7,880,335)	\$ 162,242	\$ (7,718,093)	\$ 8,664,106	\$ 142,810
Prior-period Adjustment					(314,000)	0	(314,000)	0	0
Net Assets, July 1, 2006					13,157,379	912,327	14,069,706	38,726,904	2,111,671
Net Assets, June 30, 2007					\$ 4,963,044	\$ 1,074,569	\$ 6,037,613	\$ 47,391,010	\$ 2,254,481

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, 2007

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 176,533	\$ 176,533
Equity in Pooled Cash and Investments	2,257,667	413,029	1,815,367	1,503,932	1,035,384	7,025,379
Investments	0	0	0	0	36,207	36,207
Accounts Receivable	131,247	835	150,985	2,843	1,675,046	1,960,956
Allowance for Uncollectibles	0	0	0	0	(1,120,308)	(1,120,308)
Due from Other Governments	68,223	453,776	104,079	0	0	626,078
Due from Other Funds	9,663	0	0	0	25,391	35,054
Property Taxes Receivable	4,435,854	235,241	504,196	0	0	5,175,291
Allowance for Uncollectible Property Taxes	(175,185)	(9,779)	(30,165)	0	0	(215,129)
Prepaid Items	1,467	0	10,010	0	0	11,477
Total Assets	\$ 6,728,936	\$ 1,093,102	\$ 2,554,472	\$ 1,506,775	\$ 1,828,253	\$ 13,711,538
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Contracts Payable	\$ 0	\$ 0	\$ 0	\$ 134,568	\$ 0	\$ 134,568
Retainage Payable	0	0	0	12,354	0	12,354
Due to Other Funds	0	0	25,391	341,954	0	367,345
Deferred Revenue - Current Property Taxes	4,088,652	215,192	430,385	0	0	4,734,229
Deferred Revenue - Delinquent Property Taxes	159,732	9,536	40,529	0	0	209,797
Other Deferred Revenues	30,750	167,550	52,040	0	501,335	751,675
Total Liabilities	\$ 4,279,134	\$ 392,278	\$ 548,345	\$ 488,876	\$ 501,335	\$ 6,209,968
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 7,168	\$ 0	\$ 0	\$ 1,500,351	\$ 62,316	\$ 1,569,835
Reserved for Alcohol and Drug Treatment	72,978	0	0	0	0	72,978
Reserved for Sexual Offender Registration	6,505	0	0	0	0	6,505
Reserved for Courtroom Security	138	0	0	0	0	138
Reserved for Courthouse and Jail Maintenance	37,105	0	0	0	0	37,105
Reserved for Computer System - Register	30,762	0	0	0	0	30,762
Reserved for Automation Purposes - Circuit Court	1,596	0	0	0	0	1,596
Reserved for Automation Purposes - General Sessions Court	25,709	0	0	0	0	25,709

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>						
<u>Fund Balances (Cont.)</u>						
Reserved for Automation Purposes - Chancery Court	\$ 5,036	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,036
Reserved for Automation Purposes - Sheriff	9,294	0	0	0	0	9,294
Reserved for Other General Purposes	0	0	4,995	6,862	0	11,857
Unreserved, Reported In:						
General Fund	2,253,511	0	0	0	0	2,253,511
Special Revenue Funds	0	700,824	0	0	1,131,260	1,832,084
Debt Service Funds	0	0	2,001,132	0	81,627	2,082,759
Capital Projects Funds (Deficit)	0	0	0	(489,314)	0	(489,314)
Permanent Funds	0	0	0	0	51,715	51,715
Total Fund Balances	<u>\$ 2,449,802</u>	<u>\$ 700,824</u>	<u>\$ 2,006,127</u>	<u>\$ 1,017,899</u>	<u>\$ 1,326,918</u>	<u>\$ 7,501,570</u>
Total Liabilities and Fund Balances	<u>\$ 6,728,936</u>	<u>\$ 1,093,102</u>	<u>\$ 2,554,472</u>	<u>\$ 1,506,775</u>	<u>\$ 1,828,253</u>	<u>\$ 13,711,538</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 Assets
June 30, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	7,501,570
(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		6,091,182	
Add: infrastructure net of accumulated depreciation		24,735,018	
Add: buildings and improvements net of accumulated depreciation		3,466,592	
Add: other capital assets net of accumulated depreciation		<u>627,326</u>	35,129,632
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			961,472
(3) Interest costs of long-term debt are expensed when due in the governmental funds. Interest costs incurred as of the balance sheet date are accrued in the statement of net assets.			(48,155)
(4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(1,567,969)	
Less: bonds payable		(455,000)	
Less: other loans payable		(36,305,977)	
Less: compensated absences payable		<u>(252,529)</u>	<u>(38,581,475)</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 4,963,044</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, 2007

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 4,265,817	\$ 298,677	\$ 2,248,015	\$ 0	\$ 513,932	\$ 7,326,441
Licenses and Permits	95,532	0	0	0	0	95,532
Fines, Forfeitures, and Penalties	123,953	0	0	0	59,469	183,422
Charges for Current Services	27,470	2,117	0	0	653,871	683,458
Other Local Revenues	75,141	2,835	1,034,925	350	27,434	1,140,685
Fees Received from County Officials State of Tennessee	1,150,567	0	0	0	0	1,150,567
Federal Government	861,522	1,961,855	64,797	198,327	2,000	3,088,501
Other Governments and Citizens Groups	79,432	158,269	0	0	7,260	244,961
	60,700	0	0	0	12,374	73,074
Total Revenues	<u>\$ 6,740,134</u>	<u>\$ 2,423,753</u>	<u>\$ 3,347,737</u>	<u>\$ 198,677</u>	<u>\$ 1,276,340</u>	<u>\$ 13,986,641</u>
<u>Expenditures</u>						
Current:						
General Government	\$ 896,800	\$ 0	\$ 0	\$ 0	\$ 2,101	\$ 898,901
Finance	669,155	0	0	0	0	669,155
Administration of Justice	510,753	0	0	0	3,853	514,606
Public Safety	1,761,948	0	0	0	15,619	1,777,567
Public Health and Welfare	241,986	0	0	0	1,070,922	1,312,908
Social, Cultural, and Recreational Services	11,600	0	0	0	180,518	192,118
Agriculture and Natural Resources	72,060	0	0	0	0	72,060
Other Operations	1,503,195	0	0	0	0	1,503,195
Highways	0	1,995,013	0	0	0	1,995,013
Support Services	48,023	0	0	0	0	48,023
Debt Service:						
Principal on Debt	4,684	0	1,691,213	0	408,000	2,103,897
Interest on Debt	468	0	1,021,723	0	247,949	1,270,140
Other Debt Service	0	0	116,474	0	28,867	145,341
Capital Projects	0	0	0	15,841,327	0	15,841,327
Total Expenditures	<u>\$ 5,720,672</u>	<u>\$ 1,995,013</u>	<u>\$ 2,829,410</u>	<u>\$ 15,841,327</u>	<u>\$ 1,957,829</u>	<u>\$ 28,344,251</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,019,462</u>	<u>\$ 428,740</u>	<u>\$ 518,327</u>	<u>\$ (15,642,650)</u>	<u>\$ (681,489)</u>	<u>\$ (14,357,610)</u>
<u>Other Financing Sources (Uses)</u>						
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 16,542,600	\$ 0	\$ 16,542,600

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Other Financing Sources (Uses) (Cont.)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 667,142	\$ 0	\$ 667,142
Insurance Recovery	27,271	32,780	0	0	0	60,051
Transfers In	28,257	79,412	209,614	205,935	1,037,415	1,560,633
Transfers Out	(743,727)	(191,871)	(575,700)	(46,000)	(3,335)	(1,560,633)
Total Other Financing Sources (Uses)	<u>\$ (688,199)</u>	<u>\$ (79,679)</u>	<u>\$ (366,086)</u>	<u>\$ 17,369,677</u>	<u>\$ 1,034,080</u>	<u>\$ 17,269,793</u>
Net Change in Fund Balances	\$ 331,263	\$ 349,061	\$ 152,241	\$ 1,727,027	\$ 352,591	\$ 2,912,183
Fund Balance, July 1, 2006	2,118,539	351,763	2,167,886	(709,128)	974,327	4,903,387
Prior Period Adjustment	0	0	(314,000)	0	0	(314,000)
Fund Balance, June 30, 2007	<u>\$ 2,449,802</u>	<u>\$ 700,824</u>	<u>\$ 2,006,127</u>	<u>\$ 1,017,899</u>	<u>\$ 1,326,918</u>	<u>\$ 7,501,570</u>

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, 2007

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 2,912,183
(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	\$ 5,143,773	
Less: current year depreciation expense	<u>(1,111,531)</u>	4,032,242
(2) Loss on disposal of capital assets		(722)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2007	\$ 961,472	
Less: deferred delinquent property taxes and other deferred June 30, 2006	<u>(616,967)</u>	344,505
(4) The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Less: debt issued	\$ (17,209,742)	
Add: principal payments on notes	266,213	
Add: principal payments on loans	1,393,000	
Add: principal payments on capital leases	4,684	
Add: principal payments on bonds	<u>440,000</u>	(15,105,845)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 3,517	
Change in compensated absences	<u>(66,215)</u>	(62,698)
Change in net assets of governmental activities (Exhibit B)		<u>\$ (7,880,335)</u>

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

Exhibit D-1

Hickman County, Tennessee
Statement of Net Assets
Proprietary Fund
June 30, 2007

Business-type
 Activities -
 Enterprise
 Fund
 Solid
 Waste
 Disposal
 Fund

ASSETS

Current Assets:

Cash	\$ 300
Equity in Pooled Cash and Investments	497,134
Due from Other Governments	1,983
Due from Other Funds	341,954
Accounts Receivable	340,807
Allowance for Uncollectibles	(246,205)
Total Current Assets	<u>\$ 935,973</u>

Noncurrent Assets:

Assets Not Depreciated:

Land	\$ 43,880
Construction in Progress	108,046

Assets Net of Accumulated Depreciation:

Buildings and Improvements	469,377
Other Capital Assets	194,037
Total Noncurrent Assets	<u>\$ 815,340</u>

Total Assets

\$ 1,751,313

LIABILITIES

Current Liabilities:

Capital Outlay Notes Payable	\$ 37,500
Accrued Liability for Landfill Closure/Postclosure Care Costs	6,856
Accrued Leave	2,281
Due to Other Funds	9,663
Total Current Liabilities	<u>\$ 56,300</u>

Noncurrent Liabilities:

Capital Outlay Notes Payable	\$ 412,500
Accrued Leave	9,125
Accrued Liability for Landfill Closure/Postclosure Care Costs	198,819
Total Noncurrent Liabilities	<u>\$ 620,444</u>

Total Liabilities

\$ 676,744

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$ 707,294
Restricted for Capital Projects	341,954
Unrestricted	25,321
Total Net Assets	<u>\$ 1,074,569</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 Assets
Proprietary Fund
For the Year Ended June 30, 2007

	Business-type Activities - Enterprise Fund
	Solid Waste Disposal Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 924,315
Other Local Revenues	56,086
Total Operating Revenues	<u>\$ 980,401</u>
<u>Operating Expenses</u>	
Sanitation Management	\$ 840,727
Litter and Trash Collection	32,026
Depreciation	31,149
Total Operating Expenses	<u>\$ 903,902</u>
Operating Income (Loss)	<u>\$ 76,499</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 32,878
Interest Expense	(3,919)
Solid Waste Grants	56,784
Total Nonoperating Revenues (Expenses)	<u>\$ 85,743</u>
Change in Net Assets	\$ 162,242
Net Assets, July 1, 2006	<u>912,327</u>
Nets Assets, June 30, 2007	<u><u>\$ 1,074,569</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, 2007

	Business-type Activities - Enterprise Fund
	Solid Waste Disposal Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 966,942
Other Cash Receipts (Payments)	56,086
Payments to Employees	(388,847)
Waste Collection and Disposal Activity	(487,645)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 146,536</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (182,204)
Sale of Equipment	17,292
Capital Outlay Note Proceeds	108,046
Principal Paid on Notes	(98,498)
Interest Paid on Notes	(3,919)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (159,283)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 71,858
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 71,858</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 32,878
Net Cash Provided By (Used In) Investing Activities	<u>\$ 32,878</u>
Increase (Decrease) in Cash	\$ 91,989
Cash, July 1, 2006	<u>405,445</u>
Cash, June 30, 2007	<u>\$ 497,434</u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 76,499
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	31,149
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(93,616)
(Increase) Decrease in Allowance for Uncollectibles	136,243
Increase (Decrease) in Accrued Expenses	<u>(3,739)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 146,536</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, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,108,842
Accounts Receivable	288
Due from Other Governments	<u>109,943</u>
Total Assets	<u>\$ 1,219,073</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 109,943
Due to Litigants, Heirs, and Others	<u>1,109,130</u>
Total Liabilities	<u>\$ 1,219,073</u>

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

HICKMAN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

Blended Component Units – There are no legally separate component units of Hickman County that meet the criteria for being reported as part of the primary government by the blending method.

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 without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

The Hickman County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Hickman County, and the Hickman County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Hickman County Emergency Communications District were not available from other auditors in time for inclusion in this report.

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 Hickman County School Department and the Hickman County Health Foundation are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Hickman County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Hickman County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component 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.

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 provided 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, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Hickman County only reports one proprietary fund, an enterprise fund. It has no internal service funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as

all eligibility requirements imposed by the provider have been met and the revenues are available. Hickman County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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 fund accounts for transactions of the county’s Highway Department.

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

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

Hickman County reports the following major proprietary fund:

Solid Waste Disposal Fund – This fund accounts for transactions of the county’s solid waste transfer station and landfill.

Additionally, Hickman County reports the following fund types:

Permanent Fund – This fund represents resources that are subject to restrictions of gift instruments which require that the principal be invested and only the income from investments is available for library expenditures. This fund was audited by other auditors and the amounts reflected in the financial statements of this report were taken from the published report of other auditors.

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 School Department reports the following fund type:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. Hickman County has elected not to follow subsequent private-sector guidance.

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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Public Library and the Endowment 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 assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. In addition, investments are held separately by several of the county's funds. Hickman County (excluding the Public Library and the Endowment funds) and the Hickman County 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 and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other

investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date except for the Public Library and Endowment funds.

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 outstanding at the end of the fiscal year is referred to as due to/from other funds. Residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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

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

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

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

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

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

3. Prepaid Items

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

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 column and the business-type column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the enterprise fund is included as part of the capitalized value of the assets constructed.

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

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

5. Compensated Absences

Primary Government

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

Discretely Presented Hickman County School Department

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

6. 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 assets.

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, and landfill closure/postclosure care costs are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Assets and Fund Equity

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

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

As of June 30, 2007, Hickman County had \$27,890,117 in outstanding debt for capital purposes for the discretely presented Hickman County School Department. This debt is a liability of Hickman County, but the capital assets acquired are reported in the financial statements of the Hickman County School Department. Therefore, Hickman County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county’s capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2007.

<u>Fund/Purpose</u>	<u>Amount</u>
General Purpose School:	
Capital outlay for school	\$ 5,364,844

8. Prior-period Adjustment

During 2002, the Hickman County Agricultural Pavilion and Fairgrounds, Inc., issued a note for \$314,000 with Hickman County to purchase the agriculture pavilion. The terms of this note provide for 28 annual payments of \$11,000 beginning September 18, 2006,

plus a final payment of \$6,000. The General Debt Service Fund recorded this note as a receivable. However, the Hickman County Agricultural Pavilion and Fairgrounds, Inc., did not remit the first annual payment to Hickman County. Therefore, Hickman County amended the purchase contract with the Hickman County Agricultural Pavilion and Fairgrounds, Inc., to allow them the option to purchase the pavilion at a subsequent date. Consequently, the fund equity of the General Debt Service Fund was reduced as of the beginning of the year for \$314,000, the balance of the note existing at that date.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

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 assets.

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 assets.

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 assets 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 assets of governmental activities reported in the government-wide statement of activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Fund Deficit

The General Capital Projects Fund had a deficit in unreserved fund balance of \$489,314 at June 30, 2007. This fund deficit primarily resulted from the unperformed portions of construction contracts of \$1,500,351 being reserved as encumbrances. Funding for these future expenditures is expected to be received from the issuance of debt.

C. Cash Overdraft

The discretely presented School Federal Projects Fund had a cash overdraft of \$5,201 at June 30, 2007. This cash overdraft resulted from issuing warrants that exceeded cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2007.

D. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Public Library Fund by \$15,900 and in the following major appropriation categories (the legal level of control) of the General Debt Service Fund:

<u>Fund/Major Category</u>	<u>Amount</u>
<u>General Debt Service:</u>	
Principal on Debt - General Government	\$ 35,583
Principal on Debt - Highways and Streets	10,437
Interest on Debt - Highways and Streets	4,731
Other Debt Service - General Government	6,615
Other Debt Service - Education	58,648

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by greater than anticipated revenues.

E. The County Had Deposits That Were Exposed to Custodial Credit Risk

The circuit court clerk did not require one depository holding county funds to pledge adequate securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. As of July 31, 2006, deposits at this depository exceeded FDIC coverage and collateral securities pledged by \$965,571. This deficiency occurred when funds from a lawsuit totaling approximately \$993,000 were deposited in July 2006. It should be noted that the lawsuit funds were disbursed in January 2007. 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.

F. Health Foundation Accountability

As previously noted, the Hickman County Health Foundation was created pursuant to a lawsuit settlement agreement related to the sale of the Hickman County Hospital. During the year ended June 30, 1999, the foundation received net funds related to the sale of the Hickman County Hospital to Baptist Hospital. The settlement agreement required these funds

to be used for health-related projects in Hickman County and administered by a Board of Directors. In addition to the initial amounts paid, Baptist Hospital agreed to make annual contributions of \$100,000 per year to the foundation for 15 years. The foundation agreed to pay Baptist Hospital \$37,500 for the first five years and \$20,000 for each of the next ten years for indigent care. The Hickman County Finance Office maintains the books and records of the foundation in a separate governmental fund at no cost to the foundation.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Hickman County (excluding the Public Library and the Endowment funds) 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, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net assets 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.

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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; 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 director of Local Finance 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 market value of the securities on the day of purchase.

Investment Balances. As of June 30, 2007, Hickman County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Hickman County (excluding the Public Library and the Endowment funds) and the discretely presented Hickman County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	\$ 18,882,799

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, 2007, 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, 2007, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 159,764	\$ 49,750	\$ 0	\$ 209,514
Construction in Progress	1,968,074	4,123,108	0	6,091,182
Total Capital Assets Not Depreciated	\$ 2,127,838	\$ 4,172,858	\$ 0	\$ 6,300,696
Capital Assets Depreciated:				
Buildings and Improvements	\$ 4,145,400	\$ 325,250	\$ 0	\$ 4,470,650
Infrastructure	45,070,940	342,702	0	45,413,642
Other Capital Assets	2,030,948	302,963	(20,910)	2,313,001
Total Capital Assets Depreciated	\$ 51,247,288	\$ 970,915	\$ (20,910)	\$ 52,197,293
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 901,836	\$ 102,222	\$ 0	\$ 1,004,058
Infrastructure	19,816,189	862,435	0	20,678,624
Other Capital Assets	1,558,989	146,874	(20,188)	1,685,675
Total Accumulated Depreciation	\$ 22,277,014	\$ 1,111,531	\$ (20,188)	\$ 23,368,357
Total Capital Assets Depreciated, Net	\$ 28,970,274	\$ (140,616)	\$ (722)	\$ 28,828,936
Governmental Activities Capital Assets, Net	\$ 31,098,112	\$ 4,032,242	\$ (722)	\$ 35,129,632

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

Governmental Activities:

General Government	\$ 35,851
Administration of Justice	37,696
Public Safety	28,406
Public Health and Welfare	79,687
Highway/Public Works	929,891
Total Depreciation Expense - Governmental Activities	\$ 1,111,531

Capital assets activity of the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2007, was as follows:

Business-type Activities:

	Balance			Balance
	7-1-06	Increases	Decreases	6-30-07
Capital Assets Not Depreciated:				
Land	\$ 43,880	\$ 0	\$ 0	\$ 43,880
Construction In Progress	0	108,046		108,046
Total Capital Assets				
Not Depreciated	\$ 43,880	\$ 108,046	\$ 0	\$ 151,926
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 631,579	\$ 0	\$ (4,000)	\$ 627,579
Other Capital Assets	557,658	74,158	(60,196)	571,620
Total Capital Assets				
Depreciated	\$ 1,189,237	\$ 74,158	\$ (64,196)	\$ 1,199,199
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 145,207	\$ 16,995	\$ (4,000)	\$ 158,202
Other Capital Assets	406,333	14,154	(42,904)	377,583
Total Accumulated				
Depreciation	\$ 551,540	\$ 31,149	\$ (46,904)	\$ 535,785
Total Capital Assets				
Depreciated, Net	\$ 637,697	\$ 43,009	\$ (17,292)	\$ 663,414
Business-type Activities				
Capital Assets, Net	\$ 681,577	\$ 151,055	\$ (17,292)	\$ 815,340

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

Business-type Activities:

Sanitation Management	\$ 25,079
Litter and Trash Collection	<u>6,070</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 31,149</u>

Discretely Presented Hickman County School Department

Capital assets activity for the year ended June 30, 2007, was as follows:

Governmental Activities:

	Balance 7-1-06	Increases	Balance 6-30-07
Capital Assets Not Depreciated:			
Land	\$ 718,261	\$ 300,000	\$ 1,018,261
Construction in Progress	11,832,610	9,962,202	21,794,812
Total Capital Assets Not Depreciated	<u>\$ 12,550,871</u>	<u>\$ 10,262,202</u>	<u>\$ 22,813,073</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 27,940,542	\$ 131,041	\$ 28,071,583
Other Capital Assets	3,286,234	540,059	3,826,293
Total Capital Assets Depreciated	<u>\$ 31,226,776</u>	<u>\$ 671,100</u>	<u>\$ 31,897,876</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 12,702,732	\$ 683,614	\$ 13,386,346
Other Capital Assets	1,110,490	242,741	1,353,231
Total Accumulated Depreciation	<u>\$ 13,813,222</u>	<u>\$ 926,355</u>	<u>\$ 14,739,577</u>
Total Capital Assets Depreciated, Net	<u>\$ 17,413,554</u>	<u>\$ (255,255)</u>	<u>\$ 17,158,299</u>
Governmental Activities Capital Assets, Net	<u>\$ 29,964,425</u>	<u>\$ 10,006,947</u>	<u>\$ 39,971,372</u>

Depreciation expense was charged to functions of the School Department as follows:

Governmental Activities:

Instruction	\$ 4,440
Support Services	911,399
Operation of Non-Instructional Services	<u>10,516</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 926,355</u></u>

C. Construction Commitments

At June 30, 2007, the General Capital Projects Fund had uncompleted construction contracts of approximately \$1,076,079 for school construction, \$117,606 for jail construction, \$65,000 for sewer line projects, \$235,087 for fencing projects, and \$6,579 for various projects. Funding is expected to be received from other loans.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2007, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Solid Waste Disposal	\$ 9,663
Nonmajor governmental	General Debt Service	25,391
Solid Waste Disposal	General Capital Projects	341,954

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2007, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	General Debt Service Fund
General Fund	\$ 0	\$ 79,412	\$ 0
Highway Fund	28,257	0	163,614
General Capital Projects Fund	0	0	46,000
Total	\$ 28,257	\$ 79,412	\$ 209,614

Transfers Out	Transfers In	
	General Capital Projects Fund	Nonmajor Governmental Funds
General Fund	\$ 33,810	\$ 630,505
General Debt Service Fund	172,125	403,575
Nonmajor governmental funds	0	3,335
Total	<u>\$ 205,935</u>	<u>\$ 1,037,415</u>

Discretely Presented Hickman County School Department

Transfers Out	Transfers In
	General Purpose School Fund
Nonmajor governmental funds	\$ 24,628
Total	<u>\$ 24,628</u>

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to ten years for bonds, 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 bonds, notes, and other loans included in long-term debt as of June 30, 2007, will be retired from the General Debt Service or Education Debt Service funds.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds -			
Refunding	4 to 4.4 %	\$ 2,975,000	\$ 455,000
Capital Outlay Notes	0 to 4.15	2,097,514	1,567,969
Other Loans	variable	40,691,977	36,305,977

In prior years, Hickman County entered into loan agreements with the Montgomery County Public Building Authority. Under these loan agreements the authority loaned \$8,949,117, \$1,750,000, \$22,000,000, and \$2,000,000 to Hickman County for various renovation and construction projects. The 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, 2007, the variable interest rate was 3.89 percent, and other fees totaled \$60 per month per loan (trustee), .3 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal for the \$8,949,117 and \$1,750,000 loans. At June 30, 2007, the variable interest rate was 3.87 percent, and other fees totaled \$60 per month (trustee), .2 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal for the \$22,000,000 and \$2,000,000 loans.

Also, during 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 \$6,140,000 available for loan to Hickman County on an as-needed basis for various renovation and construction projects. Hickman County had borrowed \$5,992,860 of the loan at June 30, 2007. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2007, the variable interest rate was 3.87 percent, and other fees totaled \$60 per month (trustee), .2 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2007, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2008	\$ 455,000	\$ 20,020	\$ 236,874	\$ 63,310
2009	0	0	171,165	54,274
2010	0	0	129,650	47,490
2011	0	0	130,408	42,554
2012	0	0	131,197	37,589
2013-2017	0	0	642,326	112,407
2018-2019	0	0	126,349	9,358
Total	<u>\$ 455,000</u>	<u>\$ 20,020</u>	<u>\$ 1,567,969</u>	<u>\$ 366,982</u>

Year Ending June 30	Other Loan (\$8,949,117)			
	Principal	Interest	Other Fees	Total
2008	\$ 429,000	\$ 215,815	\$ 24,018	\$ 668,833
2009	452,000	200,715	22,388	675,103
2010	476,000	184,804	20,670	681,474
2011	501,000	168,049	18,861	687,910
2012	527,000	150,414	16,957	694,371
2013-2017	3,081,000	453,502	52,556	3,587,058
2018	665,117	23,412	3,187	691,716
Total	<u>\$ 6,131,117</u>	<u>\$ 1,396,711</u>	<u>\$ 158,637</u>	<u>\$ 7,686,465</u>

Year Ending June 30	Other Loan (\$1,750,000)			
	Principal	Interest	Other Fees	Total
2008	\$ 83,000	\$ 42,362	\$ 4,858	\$ 130,220
2009	87,000	39,133	4,543	130,676
2010	92,000	35,749	4,212	131,961
2011	96,000	32,170	3,863	132,033
2012	101,000	28,436	3,498	132,934
2013-2017	592,000	78,812	11,299	682,111
2018	38,000	1,478	804	40,282
Total	<u>\$ 1,089,000</u>	<u>\$ 258,140</u>	<u>\$ 33,077</u>	<u>\$ 1,380,217</u>

Year Ending June 30	Other Loan (\$22,000,000)			Total
	Principal	Interest	Other Fees	
2008	\$ 715,000	\$ 824,465	\$ 60,371	\$ 1,599,836
2009	735,000	796,794	58,369	1,590,163
2010	756,000	768,350	56,311	1,580,661
2011	777,000	739,093	54,194	1,570,287
2012	798,000	709,023	52,019	1,559,042
2013-2017	4,336,000	3,064,304	225,306	7,625,610
2018-2022	4,973,000	2,177,301	161,132	7,311,433
2023-2027	5,704,000	1,160,033	87,530	6,951,563
2028-2029	2,510,000	146,363	11,970	2,668,333
Total	<u>\$ 21,304,000</u>	<u>\$ 10,385,726</u>	<u>\$ 767,202</u>	<u>\$ 32,456,928</u>

Year Ending June 30	Other Loan (\$6,140,000 authorized)			Total
	Principal	Interest	Other Fees	
2008	\$ 163,000	\$ 225,848	\$ 17,060	\$ 405,908
2009	170,000	219,540	16,604	406,144
2010	177,000	212,961	16,128	406,089
2011	184,000	206,111	15,632	405,743
2012	191,000	198,990	15,117	405,107
2013-2017	1,077,000	877,844	67,113	2,021,957
2018-2022	1,311,000	652,065	50,778	2,013,843
2023-2027	1,593,000	377,453	30,910	2,001,363
2028-2030	969,860	70,496	7,201	1,047,557
Total	<u>\$ 5,835,860</u>	<u>\$ 3,041,308</u>	<u>\$ 236,543</u>	<u>\$ 9,113,711</u>

Year Ending June 30	Other Loan (\$2,000,000)			Total
	Principal	Interest	Other Fees	
2008	\$ 55,000	\$ 75,310	\$ 6,169	\$ 136,479
2009	57,000	73,182	6,015	136,197
2010	58,000	70,976	5,855	134,831
2011	59,000	68,731	5,693	133,424
2012	61,000	66,448	5,528	132,976
2013-2017	324,000	295,939	25,012	644,951
2018-2022	364,000	230,149	20,252	614,401
2023-2027	410,000	156,346	14,912	581,258
2028-2032	460,000	73,144	8,891	542,035
2033	98,000	3,793	934	102,727
Total	<u>\$ 1,946,000</u>	<u>\$ 1,114,018</u>	<u>\$ 99,261</u>	<u>\$ 3,159,279</u>

There is \$2,006,127 available in the General Debt Service Fund and \$81,627 in the Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$20, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans, totaled \$1,739, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2007, was as follows:

Governmental Activities:	Capital		
	Bonds	Notes	Leases
Balance, July 1, 2006	\$ 895,000	\$ 1,167,040	\$ 4,684
Additions	0	667,142	0
Deductions	(440,000)	(266,213)	(4,684)
Balance, June 30, 2007	<u>\$ 455,000</u>	<u>\$ 1,567,969</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 455,000</u>	<u>\$ 236,874</u>	<u>\$ 0</u>

	Other Loans	Compensated Absences
Balance, July 1, 2006	\$ 21,156,377	\$ 186,314
Additions	16,542,600	263,591
Deductions	(1,393,000)	(197,376)
Balance, June 30, 2007	<u>\$ 36,305,977</u>	<u>\$ 252,529</u>
Balance Due Within One Year	<u>\$ 1,445,000</u>	<u>\$ 63,132</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 38,581,475
Less: Balance Due Within One Year	<u>(2,200,006)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 36,381,469</u>

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

Hickman County Solid Waste Disposal Fund (enterprise fund)

The annual requirements to amortize all notes outstanding as of June 30, 2007, including interest payments, are presented in the following table:

Year Ending June 30	Notes	
	Principal	Interest
2008	\$ 37,500	\$ 18,529
2009	37,500	16,938
2010	37,500	15,398
2011	37,500	13,859
2012	37,500	12,353
2013-2017	187,500	38,512
2018-2019	75,000	4,620
Total	<u>\$ 450,000</u>	<u>\$ 120,209</u>

Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2007, was as follows:

Business-type Activities:

	<u>Notes</u>
Balance, July 1, 2006	\$ 98,498
Additions	450,000
Deductions	<u>(98,498)</u>
Balance, June 30, 2007	<u>\$ 450,000</u>
Balance Due Within One Year	<u>\$ 37,500</u>

	<u>Compensated</u>	<u>Closure/ Postclosure</u>
	<u>Absences</u>	<u>Care Costs</u>
Balance, July 1, 2006	\$ 11,151	\$ 209,669
Additions	19,403	0
Deductions	<u>(19,148)</u>	<u>(3,994)</u>
Balance, June 30, 2007	<u>\$ 11,406</u>	<u>\$ 205,675</u>
Balance Due Within One Year	<u>\$ 2,281</u>	<u>\$ 6,856</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 667,081
Less: Balance Due Within One Year	<u>(46,637)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 620,444</u>

V. OTHER INFORMATION

A. Risk Management

Hickman County is a member of the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, Tennessee Code Annotated, all local

governments and quasi-governmental entities described above are eligible to participate. The LGGIF 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. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Hickman County joined 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 pays an annual premium to the TN-RMT for its 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.

B. Accounting Change

At the beginning of the year, Hickman County implemented the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. In the prior year, Hickman County had elected to implement only the provisions of Statement No. 34 that related to the fund financial statements.

C. Subsequent Event

On August 6, 2007, Hickman County requested the final draw of \$147,140 from the Montgomery County Public Building Authority on the \$6,140,000 loan.

D. Contingent Liabilities

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

E. Change in Administration

On September 13, 2006, Betty Holland retired as finance director and was succeeded by Annette Elliott.

F. Landfill Closure/Postclosure Care Costs

Hickman County closed its landfill effective June 30, 1996. State and federal laws and regulations required the county to place a final cover on its Industrial Road landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although postclosure care costs will be paid only after the date the landfill stopped accepting waste, the Solid Waste Disposal Fund is required

by generally accepted accounting principles to report the total estimated liability for postclosure care costs at June 30, 2007. The \$205,675 reported as landfill postclosure care costs at June 30, 2007, represents the estimated cost of postclosure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. 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 \$51,890 to the Hickman County Joint Economic and Community Development Association Board during the 2006-07 year.

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 contributed \$20,000 to the DTF for the year ended June 30, 2007.

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 126
Centerville, TN 37033

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

H. 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.

I. Retirement Commitments

Employees

Plan Description

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

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

Funding Policy

Hickman County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially

determined rate; the rate for the fiscal year ended June 30, 2007, was 12.49 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Hickman County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2007, Hickman County’s annual pension cost of \$803,228 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2005, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Hickman County’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 14 years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$803,228	100%	\$0
6-30-06	607,569	100	0
6-30-05	593,996	100	0

School Teachers

Plan Description

The Hickman County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member’s high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Hickman County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2007, was 6.13 percent of annual covered payroll. The employer contribution requirement for the Hickman County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2007, 2006, and 2005, were \$718,246, \$612,453, and \$592,202, respectively, equal to the required contributions for each year.

J. Other Post-employment Benefits

In addition to the retirement commitments described above, Hickman County (excluding the Highway Department) provides post-retirement health care benefits, in accordance with contract provisions, to all employees who retire from the county with at least 25 years of service and are at least 55 years of age and to their eligible dependents at the rate of 85 percent for employee coverage and 58 percent for family coverage. Insurance benefits will be provided to retirees with over 20 years of service with the Highway Department and at least 55 years of age and to their eligible dependents at the rate of 100 percent for employee coverage and 75 percent for family coverage. Medicare premiums shall be paid at the rate of \$40 per month for retirees only. Currently, three county and one highway retiree meet those eligibility requirements. Expenditures for post-retirement health care

benefits are recognized as retirees report claims. During the year, expenditures totaling \$18,100 were recognized for post-employment health care.

K. 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 provides for the creation of a Finance Department operated under the direction of the finance director.

L. 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 purchases exceeding \$10,000 for the Office of County Mayor/Executive, the Highway Department, and the discretely presented School Department are required to be competitively bid.

M. Financial Policy

The discretely presented Hickman County Health Foundation has the general policy of requiring all bank account decisions and all disbursements to be individually approved at meetings of the Board of Directors.

VI. OTHER NOTES – HICKMAN COUNTY PUBLIC LIBRARY (SPECIAL REVENUE AND PERMANENT FUNDS)

A. Summary of Significant Accounting Policies

1. Organization

The Hickman County Public Library consists of separately reported funds of Hickman County, Tennessee, and was created by the county under Tennessee Code Annotated, Section 10-3-101, to provide library services to the public.

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 are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the library considered revenues to be available if they are

collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

The library reports the following governmental funds:

Special Revenue Fund – The Public Library Fund is an unrestricted fund used to account for specific revenue sources over which the Board of Trustees has discretionary control and is used to carry out the operations of the library in accordance with its bylaws.

Permanent Fund – The Endowment Fund is a fund that represents resources that are subject to restrictions of gift instruments which require that the principal be invested and that only the income from investments is available for library expenditures.

2. Sources of Revenues

Hickman County is the major source of revenue for the library. Other sources of income consist of interest, fines, memorials, and funds from the City of Centerville.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and savings accounts in financial institutions and investments with the State of Tennessee Local Government Investment Pool (LGIP), all with an original maturity of three months or less. All deposits in financial institutions are fully protected by federal depository insurance. Investments in the LGIP are collateralized.

4. Investments

The investments of the library are carried at market value and consist of the Public Library Fund totaling \$173,386 and the Endowment Fund totaling \$31,024.

	<u>Cost</u>	<u>Market Value</u>
Mutual Funds	\$ 32,575	\$ 36,207
Local Government Investment Pool	<u>168,203</u>	<u>168,203</u>
Total	<u>\$ 200,778</u>	<u>\$ 204,410</u>

Capital Assets

Capital assets are charged to expense when acquired. Upon purchase, ownership passes automatically to Hickman County.

5. In-Kind Contributions

Physical plant is furnished to the library by Hickman County. No in-kind contribution or related expenditure is recognized by the library for the use of the facilities.

The employees of the library participate in the pension plan of Hickman County. The employees contribute five percent of their gross wages, and Hickman County contributes 4.75 percent of the employee's gross wages. No in-kind contribution or related expenditure is recognized by the library for these payments.

6. Budgets and Budgetary Accounting

The library's annual budget is a management tool that assists users in analyzing financial activity for its fiscal year ending June 30. The library Board of Trustees and Hickman County formally approve the annual budget at the beginning of the year and subsequently authorize budget amendments as necessary.

7. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. Economic Dependence

The Hickman County Public Library is economically dependent on the appropriations from state and local governments. For the current year, these appropriations represent approximately 80 percent of total revenues of the governmental fund types.

C. Risk Management – Claims and Judgments

Significant losses are covered by the county's commercial insurance. There were no settlements in excess of insurance coverage for the current year or the three prior years.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Hickman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,265,817	\$ 0	\$ 0	\$ 4,265,817	\$ 4,148,666	\$ 4,148,666	\$ 117,151
Licenses and Permits	95,532	0	0	95,532	96,800	98,623	(3,091)
Fines, Forfeitures, and Penalties	123,953	0	0	123,953	98,760	102,370	21,583
Charges for Current Services	27,470	0	0	27,470	15,150	15,150	12,320
Other Local Revenues	75,141	0	0	75,141	9,000	35,724	39,417
Fees Received from County Officials	1,150,567	0	0	1,150,567	992,000	992,000	158,567
State of Tennessee	861,522	0	0	861,522	903,890	929,721	(68,199)
Federal Government	79,432	0	0	79,432	35,000	50,428	29,004
Other Governments and Citizens Groups	60,700	0	0	60,700	78,300	78,300	(17,600)
Total Revenues	\$ 6,740,134	\$ 0	\$ 0	\$ 6,740,134	\$ 6,377,566	\$ 6,450,982	\$ 289,152
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 59,567	\$ 0	\$ 0	\$ 59,567	\$ 61,000	\$ 62,911	\$ 3,344
Board of Equalization	1,050	0	0	1,050	3,150	3,150	2,100
County Mayor/Executive	92,472	(185)	0	92,287	91,630	92,878	591
County Attorney	7,382	0	0	7,382	10,000	10,000	2,618
Election Commission	152,421	0	0	152,421	149,672	152,947	526
Register of Deeds	117,762	0	0	117,762	122,989	122,989	5,227
Planning	72,841	0	0	72,841	82,711	82,711	9,870
County Buildings	388,741	(7,534)	1,250	382,457	351,684	403,244	20,787
Preservation of Records	4,564	0	4,100	8,664	19,800	24,800	16,136
<u>Finance</u>							
Accounting and Budgeting	165,634	(88)	0	165,546	169,993	169,994	4,448
Property Assessor's Office	181,929	(4,900)	0	177,029	197,184	197,184	20,155
County Trustee's Office	138,289	0	0	138,289	140,279	140,279	1,990
County Clerk's Office	183,303	0	200	183,503	187,077	187,077	3,574

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 212,541	\$ 0	\$ 0	\$ 212,541	\$ 233,530	\$ 233,530	\$ 20,989
General Sessions Court	164,771	0	0	164,771	154,030	164,970	199
Chancery Court	117,542	(798)	0	116,744	121,655	122,420	5,676
Judicial Commissioners	15,899	0	0	15,899	15,974	15,974	75
<u>Public Safety</u>							
Sheriff's Department	1,133,761	(368)	0	1,133,393	1,151,956	1,180,485	47,092
Jail	451,929	(200)	0	451,729	453,129	474,129	22,400
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Civil Defense	145,808	0	600	146,408	200,066	219,481	73,073
Rescue Squad	9,000	0	0	9,000	9,000	9,000	0
County Coroner/Medical Examiner	19,450	0	0	19,450	24,950	24,950	5,500
<u>Public Health and Welfare</u>							
Local Health Center	48,229	(900)	1,018	48,347	49,001	51,885	3,538
Other Local Health Services	193,757	0	0	193,757	244,300	274,400	80,643
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	8,500	0	0	8,500	8,500	8,500	0
Other Social, Cultural, and Recreational	3,100	0	0	3,100	0	9,003	5,903
<u>Agriculture & Natural Resources</u>							
Agriculture Extension Service	44,550	0	0	44,550	44,341	44,550	0
Soil Conservation	27,510	0	0	27,510	27,510	27,510	0
<u>Other Operations</u>							
Tourism	5,500	0	0	5,500	500	5,500	0
Industrial Development	51,890	0	0	51,890	36,890	51,890	0
Other Economic and Community Development	1,945	0	0	1,945	2,000	2,200	255
Veterans' Services	0	0	0	0	2,500	2,500	2,500
Other Charges	404,360	0	0	404,360	419,900	419,900	15,540

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Employee Benefits	\$ 948,108	\$ 0	\$ 0	\$ 948,108	\$ 999,985	\$ 1,023,985	\$ 75,877
Miscellaneous	91,392	0	0	91,392	94,960	105,960	14,568
<u>Support Services</u>							
Adult Programs	48,023	0	0	48,023	35,000	48,023	0
<u>Principal on Debt</u>							
General Government	4,684	0	0	4,684	0	4,684	0
<u>Interest on Debt</u>							
General Government	468	0	0	468	0	468	0
Total Expenditures	\$ 5,720,672	\$ (14,973)	\$ 7,168	\$ 5,712,867	\$ 5,918,846	\$ 6,178,061	\$ 465,194
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,019,462	\$ 14,973	\$ (7,168)	\$ 1,027,267	\$ 458,720	\$ 272,921	\$ 754,346
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 27,271	\$ 0	\$ 0	\$ 27,271	\$ 0	\$ 27,271	\$ 0
Transfers In	28,257	0	0	28,257	23,761	23,761	4,496
Transfers Out	(743,727)	0	0	(743,727)	(435,505)	(743,727)	0
Total Other Financing Sources (Uses)	\$ (688,199)	\$ 0	\$ 0	\$ (688,199)	\$ (411,744)	\$ (692,695)	\$ 4,496
Net Change in Fund Balance							
Fund Balance, July 1, 2006	\$ 331,263	\$ 14,973	\$ (7,168)	\$ 339,068	\$ 46,976	\$ (419,774)	\$ 758,842
	2,118,539	(14,973)	0	2,103,566	2,140,367	2,140,367	(36,801)
Fund Balance, June 30, 2007							
	\$ 2,449,802	\$ 0	\$ (7,168)	\$ 2,442,634	\$ 2,187,343	\$ 1,720,593	\$ 722,041

Exhibit F-2

Hickman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 298,677	\$ 0	\$ 298,677	\$ 301,845	\$ 301,845	\$ (3,168)
Charges for Current Services	2,117	0	2,117	3,725	3,725	(1,608)
Other Local Revenues	2,835	0	2,835	20,000	20,318	(17,483)
State of Tennessee	1,961,855	0	1,961,855	2,360,632	2,360,632	(398,777)
Federal Government	158,269	0	158,269	90,000	90,000	68,269
Total Revenues	<u>\$ 2,423,753</u>	<u>\$ 0</u>	<u>\$ 2,423,753</u>	<u>\$ 2,776,202</u>	<u>\$ 2,776,520</u>	<u>\$ (352,767)</u>
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 121,300	\$ 0	\$ 121,300	\$ 129,136	\$ 129,136	\$ 7,836
Highway and Bridge Maintenance	789,880	0	789,880	1,139,000	1,139,318	349,438
Operation and Maintenance of Equipment	351,814	(999)	350,815	444,940	444,940	94,125
Other Charges	72,951	0	72,951	87,000	87,000	14,049
Employee Benefits	457,953	0	457,953	515,950	515,950	57,997
Capital Outlay	201,115	0	201,115	356,180	435,592	234,477
Total Expenditures	<u>\$ 1,995,013</u>	<u>\$ (999)</u>	<u>\$ 1,994,014</u>	<u>\$ 2,672,206</u>	<u>\$ 2,751,936</u>	<u>\$ 757,922</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 428,740</u>	<u>\$ 999</u>	<u>\$ 429,739</u>	<u>\$ 103,996</u>	<u>\$ 24,584</u>	<u>\$ 405,155</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 32,780	\$ 0	\$ 32,780	\$ 0	\$ 0	\$ 32,780
Transfers In	79,412	0	79,412	0	79,412	0
Transfers Out	(191,871)	0	(191,871)	(205,450)	(205,450)	13,579
Total Other Financing Sources (Uses)	<u>\$ (79,679)</u>	<u>\$ 0</u>	<u>\$ (79,679)</u>	<u>\$ (205,450)</u>	<u>\$ (126,038)</u>	<u>\$ 46,359</u>
Net Change in Fund Balance	\$ 349,061	\$ 999	\$ 350,060	\$ (101,454)	\$ (101,454)	\$ 451,514
Fund Balance, July 1, 2006	<u>351,763</u>	<u>(999)</u>	<u>350,764</u>	<u>220,894</u>	<u>220,894</u>	<u>129,870</u>
Fund Balance, June 30, 2007	<u>\$ 700,824</u>	<u>\$ 0</u>	<u>\$ 700,824</u>	<u>\$ 119,440</u>	<u>\$ 119,440</u>	<u>\$ 581,384</u>

Exhibit F-3

Hickman County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2007

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-05	\$ 13,046	\$ 13,230	184	98.61 %	\$ 5,642	3.26 %
6-30-03	11,890	12,089	199	98.35	5,303	3.75
6-30-01	10,835	11,096	261	97.65	4,555	5.73

HICKMAN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2007

BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Hickman 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 State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the Hickman County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Public Library Fund – The Public Library Fund is used to account for revenue received at the Hickman County Public Library from donations, fines, and fees. This fund was audited by other auditors and the amounts reflected in the financial statements of this report were taken from the published report of other auditors.

Ambulance Service Fund – The Ambulance Service Fund is used to account for transactions of the Hickman County Ambulance Service.

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

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

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

Debt Service Fund

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

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.

Permanent Fund

Permanent Funds are used to account for the proceeds of gift instruments which require that the principal be invested and only the income from investments is available for expenditures.

Endowment Fund – The Endowment Fund is used by the Hickman County Public Library to account for revenue received from investments and related expenditures. This fund was audited by other auditors and the amounts reflected in the financial statements of this report were taken from the published report of other auditors.

Exhibit G-1

Hickman County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007

	Special Revenue Funds					Debt Service Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Public Library	Ambulance Service	Drug Control	Adequate Facilities/ Development Tax	Total	Education Debt Service	Endowment	
<u>ASSETS</u>								
Cash	\$ 8,330	\$ 0	\$ 0	\$ 0	\$ 8,330	\$ 0	\$ 0	8,330
Equity in Pooled Cash and Investments	0	103,562	74,638	807,791	985,991	28,702	20,691	1,035,384
Investments	173,386	0	0	0	173,386	0	31,024	204,410
Accounts Receivable	0	1,647,512	0	0	1,647,512	27,534	0	1,675,046
Allowance for Uncollectibles	0	(1,120,308)	0	0	(1,120,308)	0	0	(1,120,308)
Due from Other Funds	0	0	0	0	0	25,391	0	25,391
Total Assets	\$ 181,716	\$ 630,766	\$ 74,638	\$ 807,791	\$ 1,694,911	\$ 81,627	\$ 51,715	\$ 1,828,253
<u>LIABILITIES AND FUND BALANCES</u>								
<u>Liabilities</u>								
Other Deferred Revenues	\$ 0	\$ 501,335	\$ 0	\$ 0	\$ 501,335	\$ 0	\$ 0	501,335
Total Liabilities	\$ 0	\$ 501,335	\$ 0	\$ 0	\$ 501,335	\$ 0	\$ 0	501,335
<u>Fund Balances</u>								
Reserved for Encumbrances	\$ 0	\$ 62,316	\$ 0	\$ 0	\$ 62,316	\$ 0	\$ 0	62,316
Unreserved	181,716	67,115	74,638	807,791	1,131,260	81,627	51,715	1,264,602
Total Fund Balances	\$ 181,716	\$ 129,431	\$ 74,638	\$ 807,791	\$ 1,193,576	\$ 81,627	\$ 51,715	\$ 1,326,918
Total Liabilities and Fund Balances	\$ 181,716	\$ 630,766	\$ 74,638	\$ 807,791	\$ 1,694,911	\$ 81,627	\$ 51,715	\$ 1,828,253

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, 2007

	Special Revenue Funds						Debt Service Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Public Library	Ambulance Service	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Total	Education Debt Service	Endowment	
Revenues									
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 209,808	\$ 0	\$ 209,808	\$ 304,124	\$ 0	\$ 513,932
Fines, Forfeitures, and Penalties	0	0	59,469	0	0	59,469	0	0	59,469
Charges for Current Services	5,174	644,844	0	0	3,853	653,871	0	0	653,871
Other Local Revenues	11,312	9,804	0	0	0	21,116	0	6,318	27,434
State of Tennessee	2,000	0	0	0	0	2,000	0	0	2,000
Federal Government	7,260	0	0	0	0	7,260	0	0	7,260
Other Governments and Citizens Groups	12,304	70	0	0	0	12,374	0	0	12,374
Total Revenues	\$ 38,050	\$ 654,718	\$ 59,469	\$ 209,808	\$ 3,853	\$ 965,898	\$ 304,124	\$ 6,318	\$ 1,276,340
Expenditures									
Current:									
General Government	\$ 0	\$ 0	\$ 0	\$ 2,101	\$ 0	\$ 2,101	\$ 0	\$ 0	\$ 2,101
Administration of Justice	0	0	0	0	3,853	3,853	0	0	3,853
Public Safety	0	0	15,619	0	0	15,619	0	0	15,619
Public Health and Welfare	0	1,070,922	0	0	0	1,070,922	0	0	1,070,922
Social, Cultural, and Recreational Services	180,518	0	0	0	0	180,518	0	0	180,518
Debt Service:									
Principal on Debt	0	0	0	0	0	0	408,000	0	408,000
Interest on Debt	0	0	0	0	0	0	247,949	0	247,949
Other Debt Service	0	0	0	0	0	0	28,867	0	28,867
Total Expenditures	\$ 180,518	\$ 1,070,922	\$ 15,619	\$ 2,101	\$ 3,853	\$ 1,273,013	\$ 684,816	\$ 0	\$ 1,957,829
Excess (Deficiency) of Revenues Over Expenditures	\$ (142,468)	\$ (416,204)	\$ 43,850	\$ 207,707	\$ 0	\$ (307,115)	\$ (380,692)	\$ 6,318	\$ (681,489)
Other Financing Sources (Uses)									
Transfers In	\$ 143,153	\$ 490,687	\$ 0	\$ 0	\$ 0	\$ 633,840	\$ 403,575	\$ 0	\$ 1,037,415
Transfers Out	0	0	0	0	0	0	0	(3,335)	(3,335)
Total Other Financing Sources (Uses)	\$ 143,153	\$ 490,687	\$ 0	\$ 0	\$ 0	\$ 633,840	\$ 403,575	\$ (3,335)	\$ 1,034,080
Net Change in Fund Balances	\$ 685	\$ 74,483	\$ 43,850	\$ 207,707	\$ 0	\$ 326,725	\$ 22,883	\$ 2,983	\$ 352,591
Fund Balance, July 1, 2006	181,031	54,948	30,788	600,084	0	866,851	58,744	48,732	974,327
Fund Balance, June 30, 2007	\$ 181,716	\$ 129,431	\$ 74,638	\$ 807,791	\$ 0	\$ 1,193,576	\$ 81,627	\$ 51,715	\$ 1,326,918

Exhibit G-3

Hickman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Public Library Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 5,174	\$ 4,410	\$ 4,410	\$ 764
Other Local Revenues	11,312	6,050	9,050	2,262
State of Tennessee	2,000	0	0	2,000
Federal Government	7,260	4,700	4,700	2,560
Other Governments and Citizens Groups	12,304	4,040	4,040	8,264
Total Revenues	<u>\$ 38,050</u>	<u>\$ 19,200</u>	<u>\$ 22,200</u>	<u>\$ 15,850</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 180,518	\$ 157,018	\$ 164,618	\$ (15,900)
Total Expenditures	<u>\$ 180,518</u>	<u>\$ 157,018</u>	<u>\$ 164,618</u>	<u>\$ (15,900)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (142,468)</u>	<u>\$ (137,818)</u>	<u>\$ (142,418)</u>	<u>\$ (50)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 143,153	\$ 139,818	\$ 139,818	\$ 3,335
Total Other Financing Sources (Uses)	<u>\$ 143,153</u>	<u>\$ 139,818</u>	<u>\$ 139,818</u>	<u>\$ 3,335</u>
Net Change in Fund Balance	\$ 685	\$ 2,000	\$ (2,600)	\$ 3,285
Fund Balance, July 1, 2006	<u>181,031</u>	<u>181,031</u>	<u>181,031</u>	<u>0</u>
Fund Balance, June 30, 2007	<u>\$ 181,716</u>	<u>\$ 183,031</u>	<u>\$ 178,431</u>	<u>\$ 3,285</u>

Exhibit G-4

Hickman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 644,844	\$ 0	\$ 0	\$ 644,844	\$ 700,000	\$ 700,000	\$ (55,156)
Other Local Revenues	9,804	0	0	9,804	0	3,452	6,352
Other Governments and Citizens Groups	70	0	0	70	0	0	70
Total Revenues	\$ 654,718	\$ 0	\$ 0	\$ 654,718	\$ 700,000	\$ 703,452	\$ (48,734)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 1,070,922	\$ (2,336)	\$ 62,316	\$ 1,130,902	\$ 995,687	\$ 1,194,139	\$ 63,237
Total Expenditures	\$ 1,070,922	\$ (2,336)	\$ 62,316	\$ 1,130,902	\$ 995,687	\$ 1,194,139	\$ 63,237
Excess (Deficiency) of Revenues Over Expenditures	\$ (416,204)	\$ 2,336	\$ (62,316)	\$ (476,184)	\$ (295,687)	\$ (490,687)	\$ 14,503
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 490,687	\$ 0	\$ 0	\$ 490,687	\$ 295,687	\$ 490,687	\$ 0
Total Other Financing Sources (Uses)	\$ 490,687	\$ 0	\$ 0	\$ 490,687	\$ 295,687	\$ 490,687	\$ 0
Net Change in Fund Balance	\$ 74,483	\$ 2,336	\$ (62,316)	\$ 14,503	\$ 0	\$ 0	\$ 14,503
Fund Balance, July 1, 2006	54,948	(2,336)	0	52,612	109,632	109,632	(57,020)
Fund Balance, June 30, 2007	\$ 129,431	\$ 0	\$ (62,316)	\$ 67,115	\$ 109,632	\$ 109,632	\$ (42,517)

Exhibit G-5

Hickman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 59,469	\$ 19,500	\$ 19,500	\$ 39,969
Total Revenues	\$ 59,469	\$ 19,500	\$ 19,500	\$ 39,969
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 15,619	\$ 0	\$ 22,000	\$ 6,381
Total Expenditures	\$ 15,619	\$ 0	\$ 22,000	\$ 6,381
Excess (Deficiency) of Revenues Over Expenditures	\$ 43,850	\$ 19,500	\$ (2,500)	\$ 46,350
Net Change in Fund Balance	\$ 43,850	\$ 19,500	\$ (2,500)	\$ 46,350
Fund Balance, July 1, 2006	30,788	21,837	21,837	8,951
Fund Balance, June 30, 2007	\$ 74,638	\$ 41,337	\$ 19,337	\$ 55,301

Exhibit G-6

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 209,808	\$ 312,000	\$ 312,000	\$ (102,192)
Total Revenues	\$ 209,808	\$ 312,000	\$ 312,000	\$ (102,192)
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 2,101	\$ 3,120	\$ 3,120	\$ 1,019
Total Expenditures	\$ 2,101	\$ 3,120	\$ 3,120	\$ 1,019
Excess (Deficiency) of Revenues Over Expenditures	\$ 207,707	\$ 308,880	\$ 308,880	\$ (101,173)
Net Change in Fund Balance	\$ 207,707	\$ 308,880	\$ 308,880	\$ (101,173)
Fund Balance, July 1, 2006	600,084	514,097	514,097	85,987
Fund Balance, June 30, 2007	\$ 807,791	\$ 822,977	\$ 822,977	\$ (15,186)

Exhibit G-7

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 304,124	\$ 309,600	\$ 309,600	\$ (5,476)
Total Revenues	\$ 304,124	\$ 309,600	\$ 309,600	\$ (5,476)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 408,000	\$ 408,000	\$ 408,000	\$ 0
<u>Interest on Debt</u>				
Education	247,949	274,125	274,125	26,176
<u>Other Debt Service</u>				
General Government	2,796	2,800	2,800	4
Education	26,071	28,250	28,250	2,179
Total Expenditures	\$ 684,816	\$ 713,175	\$ 713,175	\$ 28,359
Excess (Deficiency) of Revenues Over Expenditures	\$ (380,692)	\$ (403,575)	\$ (403,575)	\$ 22,883
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 403,575	\$ 403,575	\$ 403,575	\$ 0
Total Other Financing Sources (Uses)	\$ 403,575	\$ 403,575	\$ 403,575	\$ 0
Net Change in Fund Balance	\$ 22,883	\$ 0	\$ 0	\$ 22,883
Fund Balance, July 1, 2006	58,744	69,179	69,179	(10,435)
Fund Balance, June 30, 2007	\$ 81,627	\$ 69,179	\$ 69,179	\$ 12,448

Major Governmental Fund

General Debt Service Fund

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

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,248,015	\$ 2,149,687	\$ 2,149,687	\$ 98,328
Other Local Revenues	1,034,925	350,000	350,000	684,925
State of Tennessee	64,797	52,904	52,904	11,893
Total Revenues	<u>\$ 3,347,737</u>	<u>\$ 2,552,591</u>	<u>\$ 2,552,591</u>	<u>\$ 795,146</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 393,256	\$ 357,673	\$ 357,673	\$ (35,583)
Highways and Streets	161,957	151,520	151,520	(10,437)
Education	1,136,000	1,137,645	1,137,645	1,645
<u>Interest on Debt</u>				
General Government	278,978	388,656	392,129	113,151
Highways and Streets	16,830	12,099	12,099	(4,731)
Education	725,915	892,376	888,903	162,988
<u>Other Debt Service</u>				
General Government	57,826	51,211	51,211	(6,615)
Education	58,648	0	0	(58,648)
Total Expenditures	<u>\$ 2,829,410</u>	<u>\$ 2,991,180</u>	<u>\$ 2,991,180</u>	<u>\$ 161,770</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 518,327</u>	<u>\$ (438,589)</u>	<u>\$ (438,589)</u>	<u>\$ 956,916</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 209,614	\$ 163,620	\$ 163,620	\$ 45,994
Transfers Out	(575,700)	(403,575)	(575,700)	0
Total Other Financing Sources (Uses)	<u>\$ (366,086)</u>	<u>\$ (239,955)</u>	<u>\$ (412,080)</u>	<u>\$ 45,994</u>
Net Change in Fund Balance	\$ 152,241	\$ (678,544)	\$ (850,669)	\$ 1,002,910
Fund Balance, July 1, 2006	2,167,886	1,882,904	1,882,904	284,982
Prior Period Adjustment	(314,000)	0	0	(314,000)
Fund Balance, June 30, 2007	<u>\$ 2,006,127</u>	<u>\$ 1,204,360</u>	<u>\$ 1,032,235</u>	<u>\$ 973,892</u>

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, 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, 2007

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,108,842	\$ 1,108,842
Accounts Receivable	0	288	288
Due from Other Governments	109,943	0	109,943
Total Assets	<u>\$ 109,943</u>	<u>\$ 1,109,130</u>	<u>\$ 1,219,073</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 109,943	\$ 0	\$ 109,943
Due to Litigants, Heirs, and Others	0	1,109,130	1,109,130
Total Liabilities	<u>\$ 109,943</u>	<u>\$ 1,109,130</u>	<u>\$ 1,219,073</u>

Exhibit I-2

Hickman County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 624,962	\$ 624,962	\$ 0
Due from Other Governments	110,279	109,943	110,279	109,943
Total Assets	\$ 110,279	\$ 734,905	\$ 735,241	\$ 109,943
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 110,279	\$ 734,905	\$ 735,241	\$ 109,943
Total Liabilities	\$ 110,279	\$ 734,905	\$ 735,241	\$ 109,943
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 637,184	\$ 6,854,549	\$ 6,382,891	\$ 1,108,842
Accounts Receivable	204	288	204	288
Total Assets	\$ 637,388	\$ 6,854,837	\$ 6,383,095	\$ 1,109,130
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 637,388	\$ 6,854,837	\$ 6,383,095	\$ 1,109,130
Total Liabilities	\$ 637,388	\$ 6,854,837	\$ 6,383,095	\$ 1,109,130
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 637,184	\$ 6,854,549	\$ 6,382,891	\$ 1,108,842
Equity in Pooled Cash and Investments	0	624,962	624,962	0
Due from Other Governments	110,279	109,943	110,279	109,943
Accounts Receivable	204	288	204	288
Total Assets	\$ 747,667	\$ 7,589,742	\$ 7,118,336	\$ 1,219,073
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 110,279	\$ 734,905	\$ 735,241	\$ 109,943
Due to Litigants, Heirs, and Others	637,388	6,854,837	6,383,095	1,109,130
Total Liabilities	\$ 747,667	\$ 7,589,742	\$ 7,118,336	\$ 1,219,073

Hickman County School Department

This section presents 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, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets Total Governmental Activities
Component Unit:					
Governmental Activities:					
Instruction	\$ 15,784,615	\$ 129,326	\$ 1,742,416	\$ 0	\$ (13,912,873)
Support Services	10,228,381	2,346	38,036	9,925,669	(262,330)
Operation of Non-Instructional Services	2,668,034	776,841	1,309,657	0	(581,536)
Total Governmental Activities	\$ 28,681,030	\$ 908,513	\$ 3,090,109	\$ 9,925,669	\$ (14,756,739)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,048,930
Local Option Sales Taxes					1,083,708
Other Local Taxes					22,660
Grants and Contributions Not Restricted to Specific Programs					19,128,928
Unrestricted Investment Income					9,406
Miscellaneous					127,213
Total General Revenues					\$ 23,420,845
Change in Net Assets					\$ 8,664,106
Net Assets, July 1, 2006					38,726,904
Net Assets, June 30, 2007					<u>\$ 47,391,010</u>

Exhibit J-2

Hickman County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hickman County School Department
June 30, 2007

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,779	\$ 2,779
Equity in Pooled Cash and Investments	6,596,645	450,473	7,047,118
Accounts Receivable	0	2,000	2,000
Due from Other Governments	216,505	22,930	239,435
Property Taxes Receivable	3,360,987	0	3,360,987
Allowance for Uncollectible Property Taxes	(134,084)	0	(134,084)
Total Assets	<u>\$ 10,040,053</u>	<u>\$ 478,182</u>	<u>\$ 10,518,235</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Cash Overdraft	\$ 0	\$ 5,201	\$ 5,201
Deferred Revenue - Current Property Taxes	3,093,396	0	3,093,396
Deferred Revenue - Delinquent Property Taxes	123,971	0	123,971
Other Deferred Revenues	108,252	0	108,252
Total Liabilities	<u>\$ 3,325,619</u>	<u>\$ 5,201</u>	<u>\$ 3,330,820</u>
<u>Fund Balances</u>			
Reserved for Basic Education Program	\$ 1,134	\$ 0	\$ 1,134
Reserved for Special Education - Grants to States	0	12,008	12,008
Other Federal Reserves	0	5,721	5,721
Unreserved, Reported In:			
General Fund	6,713,300	0	6,713,300
Special Revenue Funds	0	455,252	455,252
Total Fund Balances	<u>\$ 6,714,434</u>	<u>\$ 472,981</u>	<u>\$ 7,187,415</u>
Total Liabilities and Fund Balances	<u>\$ 10,040,053</u>	<u>\$ 478,182</u>	<u>\$ 10,518,235</u>

Exhibit J-3

Hickman County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Hickman County School Department
June 30, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 7,187,415
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,018,261	
Add: construction in progress	21,794,812	
Add: buildings and improvements net of accumulated depreciation	14,685,237	
Add: other capital assets net of accumulated depreciation	<u>2,473,062</u>	39,971,372
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>232,223</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 47,391,010</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, 2007

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 4,147,161	\$ 0	\$ 4,147,161
Licenses and Permits	1,615	0	1,615
Charges for Current Services	132,490	776,023	908,513
Other Local Revenues	165,954	9,638	175,592
State of Tennessee	19,221,636	0	19,221,636
Federal Government	121,775	2,764,703	2,886,478
Total Revenues	<u>\$ 23,790,631</u>	<u>\$ 3,550,364</u>	<u>\$ 27,340,995</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 14,422,658	\$ 1,381,517	\$ 15,804,175
Support Services	7,147,873	491,140	7,639,013
Operation of Non-Instructional Services	463,397	2,134,142	2,597,539
Capital Outlay	2,661,602	0	2,661,602
Total Expenditures	<u>\$ 24,695,530</u>	<u>\$ 4,006,799</u>	<u>\$ 28,702,329</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (904,899)</u>	<u>\$ (456,435)</u>	<u>\$ (1,361,334)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 24,628	\$ 0	\$ 24,628
Transfers Out	0	(24,628)	(24,628)
Total Other Financing Sources (Uses)	<u>\$ 24,628</u>	<u>\$ (24,628)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (880,271)	\$ (481,063)	\$ (1,361,334)
Fund Balance, July 1, 2006	<u>7,594,705</u>	<u>954,044</u>	<u>8,548,749</u>
Fund Balance, June 30, 2007	<u>\$ 6,714,434</u>	<u>\$ 472,981</u>	<u>\$ 7,187,415</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, 2007

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) \$ (1,361,334)

(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:

Add: capital assets purchased in the current period	\$ 1,007,633	
Less: current year depreciation expense	<u>(926,355)</u>	81,278

(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets. 9,925,669

(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Add: deferred delinquent property taxes and other deferred June 30, 2007	\$ 232,223	
Less: deferred delinquent property taxes and other deferred June 30, 2006	<u>(213,730)</u>	<u>18,493</u>

Change in net assets of governmental activities (Exhibit B) \$ 8,664,106

Exhibit J-6

Hickman County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Hickman County School Department
June 30, 2007

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,779	\$ 2,779
Equity in Pooled Cash and Investments	0	450,473	450,473
Accounts Receivable	0	2,000	2,000
Due from Other Governments	22,930	0	22,930
Total Assets	\$ 22,930	\$ 455,252	\$ 478,182
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Cash Overdraft	\$ 5,201	\$ 0	\$ 5,201
Total Liabilities	\$ 5,201	\$ 0	\$ 5,201
<u>Fund Balances</u>			
Reserved for Special Education - Grants to States	\$ 12,008	\$ 0	\$ 12,008
Other Federal Reserves	5,721	0	5,721
Unreserved	0	455,252	455,252
Total Fund Balances	\$ 17,729	\$ 455,252	\$ 472,981
Total Liabilities and Fund Balances	\$ 22,930	\$ 455,252	\$ 478,182

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, 2007

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 776,023	\$ 776,023
Other Local Revenues	0	9,638	9,638
Federal Government	1,849,188	915,515	2,764,703
Total Revenues	<u>\$ 1,849,188</u>	<u>\$ 1,701,176</u>	<u>\$ 3,550,364</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,381,517	\$ 0	\$ 1,381,517
Support Services	491,140	0	491,140
Operation of Non-Instructional Services	0	2,134,142	2,134,142
Total Expenditures	<u>\$ 1,872,657</u>	<u>\$ 2,134,142</u>	<u>\$ 4,006,799</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ (23,469)</u>	<u>\$ (432,966)</u>	<u>\$ (456,435)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	<u>\$ (24,628)</u>	<u>\$ 0</u>	<u>\$ (24,628)</u>
Total Other Financing Sources (Uses)	<u>\$ (24,628)</u>	<u>\$ 0</u>	<u>\$ (24,628)</u>
Net Change in Fund Balances	\$ (48,097)	\$ (432,966)	\$ (481,063)
Fund Balance, July 1, 2006	65,826	888,218	954,044
Fund Balance, June 30, 2007	<u>\$ 17,729</u>	<u>\$ 455,252</u>	<u>\$ 472,981</u>

Exhibit J-8

Hickman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hickman County School Department
General Purpose School Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,147,161	\$ 4,099,160	\$ 4,099,160	\$ 48,001
Licenses and Permits	1,615	1,500	1,500	115
Charges for Current Services	132,490	102,100	102,100	30,390
Other Local Revenues	165,954	101,500	102,500	63,454
State of Tennessee	19,221,636	17,612,600	17,710,089	1,511,547
Federal Government	121,775	167,000	199,916	(78,141)
Total Revenues	\$ 23,790,631	\$ 22,083,860	\$ 22,215,265	\$ 1,575,366
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 11,691,602	\$ 11,831,900	\$ 11,831,899	\$ 140,297
Alternative Instruction Program	147,398	147,400	147,400	2
Special Education Program	1,845,942	1,845,000	1,846,000	58
Vocational Education Program	665,599	665,600	665,600	1
Adult Education Program	72,117	73,052	73,052	935
<u>Support Services</u>				
Attendance	111,296	111,300	111,300	4
Health Services	92,397	92,400	92,400	3
Other Student Support	651,765	647,722	674,023	22,258
Regular Instruction Program	907,691	907,700	907,700	9
Alternative Instruction Program	500	500	500	0
Special Education Program	101,089	101,100	101,100	11
Vocational Education Program	99,998	100,000	100,000	2
Adult Programs	71,174	69,575	71,175	1
Board of Education	405,382	407,000	407,000	1,618
Director of Schools	234,238	234,300	234,300	62
Office of the Principal	670,498	670,500	670,500	2
Operation of Plant	1,552,287	1,542,500	1,552,287	0
Maintenance of Plant	570,991	571,000	571,000	9
Transportation	1,493,168	1,493,500	1,493,500	332
Central and Other	185,399	193,300	193,300	7,901
<u>Operation of Non-Instructional Services</u>				
Food Service	20,280	20,500	20,500	220
Community Services	153,597	153,600	153,601	4
Early Childhood Education	289,520	185,416	289,520	0
<u>Capital Outlay</u>				
Regular Capital Outlay	2,661,602	2,662,736	2,662,736	1,134
Total Expenditures	\$ 24,695,530	\$ 24,727,601	\$ 24,870,393	\$ 174,863
Excess (Deficiency) of Revenues Over Expenditures	\$ (904,899)	\$ (2,643,741)	\$ (2,655,128)	\$ 1,750,229

(Continued)

Exhibit J-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 24,628	\$ 65,000	\$ 65,000	\$ (40,372)
Total Other Financing Sources (Uses)	\$ 24,628	\$ 65,000	\$ 65,000	\$ (40,372)
Net Change in Fund Balance	\$ (880,271)	\$ (2,578,741)	\$ (2,590,128)	\$ 1,709,857
Fund Balance, July 1, 2006	7,594,705	5,825,174	7,594,705	0
Fund Balance, June 30, 2007	\$ 6,714,434	\$ 3,246,433	\$ 5,004,577	\$ 1,709,857

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,849,188	\$ 2,022,785	\$ 1,990,116	\$ (140,928)
Total Revenues	\$ 1,849,188	\$ 2,022,785	\$ 1,990,116	\$ (140,928)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 760,062	\$ 890,800	\$ 837,027	\$ 76,965
Special Education Program	541,670	580,244	546,838	5,168
Vocational Education Program	79,785	74,850	79,785	0
<u>Support Services</u>				
Other Student Support	17,065	16,700	17,065	0
Regular Instruction Program	238,754	225,510	248,464	9,710
Special Education Program	235,321	216,897	235,888	567
Total Expenditures	\$ 1,872,657	\$ 2,005,001	\$ 1,965,067	\$ 92,410
Excess (Deficiency) of Revenues Over Expenditures	\$ (23,469)	\$ 17,784	\$ 25,049	\$ (48,518)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (24,628)	\$ (16,802)	\$ (25,159)	\$ 531
Total Other Financing Sources (Uses)	\$ (24,628)	\$ (16,802)	\$ (25,159)	\$ 531
Net Change in Fund Balance	\$ (48,097)	\$ 982	\$ (110)	\$ (47,987)
Fund Balance, July 1, 2006	65,826	65,826	65,826	0
Fund Balance, June 30, 2007	\$ 17,729	\$ 66,808	\$ 65,716	\$ (47,987)

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 776,023	\$ 722,000	\$ 722,000	\$ 54,023
Other Local Revenues	9,638	4,000	4,000	5,638
Federal Government	915,515	775,000	775,000	140,515
Total Revenues	<u>\$ 1,701,176</u>	<u>\$ 1,501,000</u>	<u>\$ 1,501,000</u>	<u>\$ 200,176</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,134,142	\$ 1,645,000	\$ 2,135,000	\$ 858
Total Expenditures	<u>\$ 2,134,142</u>	<u>\$ 1,645,000</u>	<u>\$ 2,135,000</u>	<u>\$ 858</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (432,966)</u>	<u>\$ (144,000)</u>	<u>\$ (634,000)</u>	<u>\$ 201,034</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 16,600	\$ 16,600	\$ (16,600)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 16,600</u>	<u>\$ 16,600</u>	<u>\$ (16,600)</u>
Net Change in Fund Balance	\$ (432,966)	\$ (127,400)	\$ (617,400)	\$ 184,434
Fund Balance, July 1, 2006	<u>888,218</u>	<u>657,749</u>	<u>888,218</u>	<u>0</u>
Fund Balance, June 30, 2007	<u>\$ 455,252</u>	<u>\$ 530,349</u>	<u>\$ 270,818</u>	<u>\$ 184,434</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 Assets and Governmental Fund Balance Sheet
Discretely Presented Hickman County Health Foundation
June 30, 2007

	Health Foundation Fund	Adjustments	Statement of Net Assets
<u>ASSETS</u>			
Cash	\$ 2,254,481	\$ 0	\$ 2,254,481
Total Assets	\$ 2,254,481	\$ 0	\$ 2,254,481
<u>FUND BALANCE/NET ASSETS</u>			
Fund Balance:			
Unreserved	\$ 2,254,481	\$ (2,254,481)	\$ 0
Total Fund Balance	\$ 2,254,481	\$ (2,254,481)	\$ 0
Total Fund Balance	\$ 2,254,481		
Net Assets:			
Unrestricted		\$ 2,254,481	\$ 2,254,481
Total Net Assets		\$ 2,254,481	\$ 2,254,481

Exhibit K-2

Hickman County, Tennessee
Statement of Activities and Governmental Fund Revenues, Expenditures,
and Changes in Fund Balance/Net Assets
Discretely Presented Hickman County Health Foundation
For the Year Ended June 30, 2007

	Health Foundation Fund	Adjustments	Statement of Activities
Expenditures/Expenses:			
General Government:			
County Commission	\$ 610	\$ 0	\$ 610
Public Health and Welfare:			
Ambulance/Emergency Medical Services	22,417	0	22,417
Other Public Health and Welfare	20,000	0	20,000
Total Expenditures/Expenses	\$ 43,027	\$ 0	\$ 43,027
Program Revenues:			
Operating Grants and Contributions:			
Public Health and Welfare	\$ 100,000	\$ 0	\$ 100,000
Net Program Expense			\$ (56,973)
General Revenues:			
Investment Income	\$ 85,837	\$ 0	\$ 85,837
Total General Revenues	\$ 85,837	\$ 0	\$ 85,837
Excess of Revenues over Expenditures	\$ 142,810	\$ (142,810)	\$ 0
Change in Net Assets	0	142,810	142,810
Fund Balance/Net Assets:			
July 1, 2006	2,111,671	0	2,111,671
June 30, 2007	\$ 2,254,481	\$ 0	\$ 2,254,481

MISCELLANEOUS SCHEDULES

Exhibit L-1

Hickman County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds
For the Year Ended June 30, 2007

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Refunded Highway Capital Outlay Notes	\$ 298,872	4 %	2-18-03	8-29-08	\$ 144,861	\$ 0	\$ 53,539	\$ 91,322
Refunded Highway Capital Outlay Notes	256,500	4	2-19-03	9-1-08	110,528	0	50,933	59,595
Refunded Highway Capital Outlay Notes	256,737	4	2-19-03	2-28-07	47,068	0	47,068	0
Highway Capital Outlay Note	125,000	4.15	8-2-04	8-2-16	114,583	0	10,417	104,166
East Hickman Library Capital Outlay Note	250,000	4	7-6-05	7-6-17	250,000	0	16,589	233,411
East Hickman EMS Capital Outlay Note	500,000	4	10-25-05	10-25-17	500,000	0	41,667	458,333
MLEC Building	605,000	4.1	1-12-07	1-12-19	0	605,000	46,000	559,000
Energy Efficiency	62,142	0	3-14-07	4-15-14	0	62,142	0	62,142
Total Notes Payable					<u>\$ 1,167,040</u>	<u>\$ 667,142</u>	<u>\$ 266,213</u>	<u>\$ 1,567,969</u>
OTHER LOANS PAYABLE								
<u>Payable through Education Debt Service Fund</u>								
School Construction	8,949,117	Variable	12-15-1997	5-25-18	\$ 6,539,117	\$ 0	\$ 408,000	\$ 6,131,117
<u>Payable through General Debt Service Fund</u>								
Court Facility	1,750,000	Variable	2-9-1998	5-25-18	1,167,000	0	78,000	1,089,000
School Construction	22,000,000	Variable	6-28-04	5-25-29	11,243,400	10,756,600	696,000	21,304,000
Jail Construction	(1)	Variable	10-27-05	5-25-30	1,992,860	4,000,000	157,000	5,835,860
Sewer Line	2,000,000	Variable	3-30-06	5-25-33	214,000	1,786,000	54,000	1,946,000
Total Other Loans Payable					<u>\$ 21,156,377</u>	<u>\$ 16,542,600</u>	<u>\$ 1,393,000</u>	<u>\$ 36,305,977</u>
CAPITAL LEASES PAYABLE								
<u>Payable through General Fund</u>								
Telephone System	17,625	20.49	6-13-02	6-13-07	\$ 4,684	\$ 0	\$ 4,684	\$ 0
Total Capital Leases Payable					<u>\$ 4,684</u>	<u>\$ 0</u>	<u>\$ 4,684</u>	<u>\$ 0</u>
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
School Refunding Bonds	2,975,000	4 to 4.4	9-2-1998	1-15-08	\$ 895,000	\$ 0	\$ 440,000	\$ 455,000
Total Bonds Payable					<u>\$ 895,000</u>	<u>\$ 0</u>	<u>\$ 440,000</u>	<u>\$ 455,000</u>

(1) Total amount available for draws from the Montgomery County Public Building Authority is \$147,140 of an authorized \$6,140,000.

Exhibit L-2

Hickman County, Tennessee
Schedule of Bond and Interest Requirements by Year

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2008	\$ 455,000	\$ 20,020	\$ 475,020
Total	<u>\$ 455,000</u>	<u>\$ 20,020</u>	<u>\$ 475,020</u>

Exhibit L-3

Hickman County, Tennessee
Schedule of Investments
June 30, 2007

Fund and Type	Amount
Public Library Fund:	
Mutual Funds	\$ 5,183
Local Government Investment Pool	<u>168,203</u>
Total Public Library Fund	<u>\$ 173,386</u>
Endowment Fund:	
Mutual Funds	<u>\$ 31,024</u>
Total Investments	<u><u>\$ 204,410</u></u>

Exhibit L-4

Hickman County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Hickman County School Department
For the Year Ended June 30, 2007

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Primary Government</u>			
General	Public Library	Funds for operations	\$ 139,818
General	Ambulance Service	Funds for operations	490,687
General	Highway/Public Works	Funds for purchase of dump truck	79,412
General	General Capital Projects	Funds for capital projects	33,810
Highway/Public Works	General	Funds for administrative costs	28,257
Highway/Public Works	General Debt Service	Funds for debt retirement	163,614
General Debt Service	Education Debt Service	Funds for debt retirement	403,575
General Debt Service	General Capital Projects	Funds for capital projects	172,125
General Capital Projects	General Debt Service	Unspent proceeds for debt retirement	46,000
Endowment	Public Library	Funds for operations	<u>3,335</u>
Total Transfers Primary Government			<u>\$ 1,560,633</u>
<u>Discretely Presented Hickman</u> <u>County School Department</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 24,628</u>
Total Transfers Discretely Presented Hickman County School Department			<u>\$ 24,628</u>

Exhibit L-5

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, 2007

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 61,639 (1)	\$ 50,000	State Farm Fire and Casualty Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	58,698 (1)	100,000	Auto Owners Mutual Insurance Company
Director of Schools	State Board of Education and Local Board of Education	91,743 (5)	(6)	
Trustee	Section 8-24-102, <u>TCA</u>	53,569 (1)	1,029,435	State Farm Fire and Casualty Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	52,819 (4)	12,000	Auto Owners Mutual Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	53,569 (1)	50,000	Old Republic Surety Company
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	52,069	50,000	State Farm Fire and Casualty Company
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Judge	57,324 (2)	55,000	Travelers Casualty and Surety Company
Register	Section 8-24-102, <u>TCA</u>	52,819 (4)	25,000	Auto Owners Mutual Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u>	57,876 (3)	25,000	Travelers Casualty and Surety Company
Finance Director:				
Betty Holland (7-1-06 through 9-13-06)	County Commission	14,514 (1)	50,000	Old Republic Surety Company
Annette Elliott (9-14-06 through 6-30-07)	County Commission	43,253	50,000	"
<u>Other Bonds</u>				
Employee Blanket Bond			150,000	Tennessee Risk Management Trust
School Employees			150,000	"

- (1) Includes \$1,500 as a certified training supplement.
- (2) Includes \$1,500 as a certified training supplement and \$3,755 in special commissioner fees.
- (3) Includes \$600 as a law enforcement training supplement.
- (4) Includes \$750 as a certified training supplement.
- (5) Includes \$1,000 chief executive training supplement.
- (6) The director of schools is covered under the department's blanket bond.

Exhibit L-6

Hickman County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2007

	Special Revenue Funds						
	General	Public Library	Ambulance Service	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 3,486,672	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	208,154
Trustee's Collections - Prior Year	154,357	0	0	0	0	0	9,471
Circuit/Clerk & Master Collections - Prior Years	100,295	0	0	0	0	0	6,391
Interest and Penalty	32,444	0	0	0	0	0	1,938
Payments in-Lieu-of Taxes - T.V.A.	5,617	0	0	0	0	0	335
Payments in-Lieu-of Taxes - Local Utilities	6,498	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,072	0	0	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	0
Hotel/Motel Tax	17,135	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0	0
Litigation Tax - General	103,887	0	0	0	0	0	0
Litigation Tax - Special Purpose	14,023	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	37,106	0	0	0	0	0	0
Business Tax	37,796	0	0	0	0	0	2,256
Mineral Severance Tax	0	0	0	0	0	0	70,132
Adequate Facilities/Development Tax	0	0	0	0	209,808	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	62,680	0	0	0	0	0	0
Wholesale Beer Tax	193,974	0	0	0	0	0	0
Interstate Telecommunications Tax	12,261	0	0	0	0	0	0
Other Statutory Local Taxes	0	0	0	0	0	0	0
Total Local Taxes	\$ 4,265,817	\$ 0	\$ 0	\$ 0	\$ 209,808	\$ 0	\$ 298,677
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 18,614	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>							
Beer Permits	4,988	0	0	0	0	0	0
Building Permits	71,930	0	0	0	0	0	0
Total Licenses and Permits	\$ 95,532	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit L-6

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

	Special Revenue Funds						
	General	Public Library	Ambulance Service	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 13,228	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	7,858	0	0	0	0	0	0
Drug Control Fines	0	0	0	12,854	0	0	0
Jail Fees	466	0	0	0	0	0	0
DUI Treatment Fines	6,079	0	0	0	0	0	0
Data Entry Fee - Circuit Court	354	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	20,325	0	0	0	0	0	0
Officers Costs	42,499	0	0	0	0	0	0
Drug Control Fines	0	0	0	21,680	0	0	0
Drug Court Fees	434	0	0	0	0	0	0
Jail Fees	3,020	0	0	0	0	0	0
DUI Treatment Fines	9,658	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	7,431	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	3,565	0	0	0	0	0	0
Data Entry Fee - Chancery Court	2,224	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Courtroom Security Fee	124	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	6,688	0	0	24,935	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 123,953	\$ 0	\$ 0	\$ 59,469	\$ 0	\$ 0	0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Patient Charges	\$ 0	\$ 0	\$ 644,844	\$ 0	\$ 0	\$ 0	0
<u>Fees</u>							
Copy Fees	3,417	2,548	0	0	0	0	0
Library Fees	0	2,626	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0	0	2,117
Constitutional Officers' Fees and Commissions	0	0	0	0	0	3,853	0
Data Processing Fee - Register	16,822	0	0	0	0	0	0

(Continued)

Exhibit L-6

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

	Special Revenue Funds						
	General	Public Library	Ambulance Service	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Probation Fees	\$ 3,413	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Sheriff	318	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,500	0	0	0	0	0	0
Total Charges for Current Services	\$ 27,470	\$ 5,174	\$ 644,844	\$ 0	\$ 0	\$ 3,853	\$ 2,117
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 8,881	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	9,113	190	90	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	0
Refund of Telecommunication & Internet Fees (E-Rate)	0	2,241	0	0	0	0	0
Miscellaneous Refunds	49,412	0	9,439	0	0	0	1,516
<u>Nonrecurring Items</u>							
Sale of Equipment	1,635	0	0	0	0	0	1,319
Contributions & Gifts	14,981	0	275	0	0	0	0
Total Other Local Revenues	\$ 75,141	\$ 11,312	\$ 9,804	\$ 0	\$ 0	\$ 0	\$ 2,835
<u>Fees Received from County Officials</u>							
<u>Fees-In-Lieu of Salary</u>							
County Clerk	\$ 232,828	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	299,978	0	0	0	0	0	0
Clerk and Master	139,041	0	0	0	0	0	0
Register	161,190	0	0	0	0	0	0
Sheriff	28,030	0	0	0	0	0	0
Trustee	289,500	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,150,567	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	11,229	0	0	0	0	0	0

(Continued)

Exhibit L-6

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

	Special Revenue Funds						
	General	Public Library	Ambulance Service	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>							
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	\$ 10,374	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	249,393	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	62,886
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	25,500	0	0	0	0	0	0
Beer Tax	18,753	0	0	0	0	0	0
Alcoholic Beverage Tax	44,613	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	255,376	0	0	0	0	0	15,246
Contracted Prisoner Boarding	208,404	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,864,294
Petroleum Special Tax	0	0	0	0	0	0	19,429
Registrar's Salary Supplement	16,380	0	0	0	0	0	0
Other State Grants	5,000	2,000	0	0	0	0	0
Other State Revenues	7,500	0	0	0	0	0	0
Total State of Tennessee	\$ 861,522	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 0	1,961,855
<u>Federal Government</u>							
<u>Federal Through State</u>							
Disaster Relief	\$ 1,206	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	16,028
Homeland Security Grants	34,632	0	0	0	0	0	0
Other Federal through State	43,594	7,260	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	0	0	0	0	0	142,241
Total Federal Government	\$ 79,432	\$ 7,260	\$ 0	\$ 0	\$ 0	\$ 0	158,269
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 60,700	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Citizens Groups</u>							
Donations	\$ 0	\$ 10,304	\$ 70	\$ 0	\$ 0	\$ 0	0
Total Other Governments and Citizens Groups	\$ 60,700	\$ 12,304	\$ 70	\$ 0	\$ 0	\$ 0	0
Total	\$ 6,740,134	\$ 38,050	\$ 654,718	\$ 59,469	\$ 209,808	\$ 3,853	2,423,753

(Continued)

Exhibit L-6

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

	Debt Service Funds		Capital Projects Fund	Permanent Fund	Total
	General Debt Service	Education Debt Service	General Capital Projects	Endowment	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 884,686	\$ 0	\$ 0	\$ 0	\$ 4,579,512
Trustee's Collections - Prior Year	39,297	0	0	0	203,125
Circuit/Clerk & Master Collections - Prior Years	24,211	0	0	0	130,897
Interest and Penalty	8,278	0	0	0	42,660
Payments in-Lieu-of Taxes - T.V.A.	1,429	0	0	0	7,381
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	6,498
Payments in-Lieu-of Taxes - Other	0	0	0	0	1,072
<u>County Local Option Taxes</u>					
Local Option Sales Tax	558,719	0	0	0	558,719
Hotel/Motel Tax	0	0	0	0	17,135
Wheel Tax	709,624	304,124	0	0	1,013,748
Litigation Tax - General	0	0	0	0	103,887
Litigation Tax - Special Purpose	0	0	0	0	14,023
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	37,106
Business Tax	9,590	0	0	0	49,642
Mineral Severance Tax	0	0	0	0	70,132
Adequate Facilities/Development Tax	0	0	0	0	209,808
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	62,680
Wholesale Beer Tax	0	0	0	0	193,974
Interstate Telecommunications Tax	0	0	0	0	12,261
Other Statutory Local Taxes	12,181	0	0	0	12,181
Total Local Taxes	\$ 2,248,015	\$ 304,124	\$ 0	\$ 0	\$ 7,326,441
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,614
<u>Permits</u>					
Beer Permits	0	0	0	0	4,988
Building Permits	0	0	0	0	71,930
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 95,532

(Continued)

Exhibit L-6

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

	Debt Service Funds		Capital Projects Fund	Permanent Fund	Total
	General Debt Service	Education Debt Service	General Capital Projects	Endowment	
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	13,228
Officers Costs	0	0	0	0	7,858
Drug Control Fines	0	0	0	0	12,854
Jail Fees	0	0	0	0	466
DUI Treatment Fines	0	0	0	0	6,079
Data Entry Fee - Circuit Court	0	0	0	0	354
<u>General Sessions Court</u>					
Fines	0	0	0	0	20,325
Officers Costs	0	0	0	0	42,499
Drug Control Fines	0	0	0	0	21,680
Drug Court Fees	0	0	0	0	434
Jail Fees	0	0	0	0	3,020
DUI Treatment Fines	0	0	0	0	9,658
Data Entry Fee - General Sessions Court	0	0	0	0	7,431
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	3,565
Data Entry Fee - Chancery Court	0	0	0	0	2,224
<u>Judicial District Drug Program</u>					
Courtroom Security Fee	0	0	0	0	124
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	31,623
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	183,422
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	644,844
<u>Fees</u>					
Copy Fees	0	0	0	0	5,965
Library Fees	0	0	0	0	2,626
Vending Machine Collections	0	0	0	0	2,117
Constitutional Officers' Fees and Commissions	0	0	0	0	3,853
Data Processing Fee - Register	0	0	0	0	16,822

(Continued)

Exhibit L-6

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

	Debt Service Funds		Capital Projects Fund	Permanent Fund	Total
	General Debt Service	Education Debt Service	General Capital Projects	Endowment	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Probation Fees	\$ 0	\$ 0	\$ 0	\$ 0	3,413
Data Processing Fee - Sheriff	0	0	0	0	318
Sexual Offender Registration Fees - Sheriff	0	0	0	0	3,500
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	683,458
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 1,034,925	\$ 0	\$ 0	\$ 6,318	\$ 1,050,124
Lease/Rentals	0	0	0	0	9,393
Sale of Materials and Supplies	0	0	350	0	350
Refund of Telecommunication & Internet Fees (E-Rate)	0	0	0	0	2,241
Miscellaneous Refunds	0	0	0	0	60,367
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	2,954
Contributions & Gifts	0	0	0	0	15,256
Total Other Local Revenues	\$ 1,034,925	\$ 0	\$ 350	\$ 6,318	\$ 1,140,685
<u>Fees Received from County Officials</u>					
<u>Fees-In-Lieu of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	232,828
Circuit Court Clerk	0	0	0	0	299,978
Clerk and Master	0	0	0	0	139,041
Register	0	0	0	0	161,190
Sheriff	0	0	0	0	28,030
Trustee	0	0	0	0	289,500
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	1,150,567
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	9,000
State Reappraisal Grant	0	0	0	0	11,229

(Continued)

Exhibit L-6

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

	Debt Service Funds		Capital Projects Fund	Permanent Fund	Total
	General Debt Service	Education Debt Service	General Capital Projects	Endowment	
<u>State of Tennessee (Cont.)</u>					
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	\$ 0	\$ 0	\$ 0	\$ 0	10,374
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	249,393
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	62,886
Tennessee Industrial Infrastructure Program	0	0	198,327	0	198,327
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	25,500
Beer Tax	0	0	0	0	18,753
Alcoholic Beverage Tax	0	0	0	0	44,613
State Revenue Sharing - T.V.A.	64,797	0	0	0	335,419
Contracted Prisoner Boarding	0	0	0	0	208,404
Gasoline and Motor Fuel Tax	0	0	0	0	1,864,294
Petroleum Special Tax	0	0	0	0	19,429
Registrar's Salary Supplement	0	0	0	0	16,380
Other State Grants	0	0	0	0	7,000
Other State Revenues	0	0	0	0	7,500
Total State of Tennessee	\$ 64,797	\$ 0	\$ 198,327	\$ 0	\$ 3,088,501
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	17,234
Homeland Security Grants	0	0	0	0	34,632
Other Federal through State	0	0	0	0	50,854
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	0	142,241
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	244,961
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	62,700
<u>Citizens Groups</u>					
Donations	\$ 0	\$ 0	\$ 0	\$ 0	10,374
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	73,074
Total	\$ 3,347,737	\$ 304,124	\$ 198,677	\$ 6,318	\$ 13,986,641

Exhibit L-7

Hickman County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Hickman County School Department
For the Year Ended June 30, 2007

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 2,706,085	\$ 0	\$ 0	\$ 2,706,085
Trustee's Collections - Prior Year	230,136	0	0	230,136
Circuit/Clerk & Master Collections - Prior Years	74,086	0	0	74,086
Interest and Penalty	25,344	0	0	25,344
Payments in-Lieu-of Taxes - T.V.A.	4,356	0	0	4,356
Payments in-Lieu-of Taxes - Local Utilities	6,000	0	0	6,000
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,078,494	0	0	1,078,494
Business Tax	22,660	0	0	22,660
Total Local Taxes	\$ 4,147,161	\$ 0	\$ 0	\$ 4,147,161
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,615	\$ 0	\$ 0	\$ 1,615
Total Licenses and Permits	\$ 1,615	\$ 0	\$ 0	\$ 1,615
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Summer School	\$ 1,458	\$ 0	\$ 0	\$ 1,458
Tuition - Other	38,251	0	0	38,251
Lunch Payments - Children	0	0	315,192	315,192
Lunch Payments - Adults	0	0	69,518	69,518
Income from Breakfast	0	0	69,613	69,613
A la carte Sales	0	0	321,700	321,700
Receipts from Individual Schools	89,617	0	0	89,617
Community Service Fees - Adults	818	0	0	818
TBI Criminal Background Fees	2,306	0	0	2,306
<u>Other Charges for Services</u>				
Other Charges for Services	40	0	0	40
Total Charges for Current Services	\$ 132,490	\$ 0	\$ 776,023	\$ 908,513
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 9,406	\$ 9,406
Lease/Rentals	575	0	0	575
Refund of Telecommunication & Internet Fees (E-Rate)	42,571	0	0	42,571
Miscellaneous Refunds	78,762	0	0	78,762
<u>Nonrecurring Items</u>				
Sale of Equipment	2,570	0	232	2,802
Damages Recovered from Individuals	2,503	0	0	2,503
Contributions & Gifts	937	0	0	937
<u>Other Local Revenues</u>				
Other Local Revenues	38,036	0	0	38,036
Total Other Local Revenues	\$ 165,954	\$ 0	\$ 9,638	\$ 175,592
<u>State of Tennessee</u>				
<u>Health and Welfare Grants</u>				
Health Department Programs	\$ 24,885	\$ 0	\$ 0	\$ 24,885

(Continued)

Exhibit L-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds</u>				
Basic Education Program	\$ 18,164,769	\$ 0	\$ 0	\$ 18,164,769
School Food Service	19,758	0	0	19,758
Driver Education	6,438	0	0	6,438
Other State Education Funds	491,210	0	0	491,210
Career Ladder Program	160,784	0	0	160,784
Career Ladder - Extended Contract	93,666	0	0	93,666
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	198,203	0	0	198,203
Other State Revenues	61,923	0	0	61,923
Total State of Tennessee	\$ 19,221,636	\$ 0	\$ 0	\$ 19,221,636
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 677,141	\$ 677,141
Breakfast	0	0	238,374	238,374
Adult Education State Grant Program	56,953	0	0	56,953
Vocational Education - Basic Grants to States	0	79,742	0	79,742
Title I Grants to Local Education Agencies	0	746,832	0	746,832
Innovative Education Program Strategies	0	6,216	0	6,216
Special Education - Grants to States	0	777,632	0	777,632
Special Education Preschool Grants	0	21,356	0	21,356
Eisenhower Professional Development State Grants	0	199,289	0	199,289
Job Training Partnership Act	0	221	0	221
Other Federal through State	18,900	17,900	0	36,800
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	45,922	0	0	45,922
Total Federal Government	\$ 121,775	\$ 1,849,188	\$ 915,515	\$ 2,886,478
Total	\$ 23,790,631	\$ 1,849,188	\$ 1,701,176	\$ 27,340,995

Exhibit L-8

Hickman County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Hickman County Health Foundation
For the Year Ended June 30, 2007

<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Investment Income	\$ 85,837
<u>Nonrecurring Items</u>	
Contributions & Gifts	100,000
Total Other Local Revenues	<u>\$ 185,837</u>
 Total	 <u>\$ 185,837</u>

Exhibit L-9

Hickman County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2007

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	50,448	
Accounting Services		526	
Audit Services		5,216	
Legal Notices, Recording, and Court Costs		2,474	
Travel		633	
Office Supplies		270	
Total County Commission			\$ 59,567

Board of Equalization

Board and Committee Members Fees	\$	1,050	
Total Board of Equalization			1,050

County Mayor/Executive

County Official/Administrative Officer	\$	61,639	
Secretary(ies)		19,711	
In-Service Training		300	
Legal Notices, Recording, and Court Costs		236	
Travel		5,009	
Other Contracted Services		3,142	
Office Supplies		1,473	
Office Equipment		962	
Total County Mayor/Executive			92,472

County Attorney

Legal Services	\$	7,382	
Total County Attorney			7,382

Election Commission

County Official/Administrative Officer	\$	46,862	
Deputy(ies)		21,210	
Part-time Personnel		3,380	
Election Commission		5,503	
Election Workers		31,212	
Data Processing Services		3,796	
Legal Notices, Recording, and Court Costs		2,528	
Maintenance & Repair Services - Office Equipment		286	
Printing, Stationery, and Forms		3,856	
Rentals		6,505	
Travel		4,323	
Other Contracted Services		5,485	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Office Supplies	\$	2,559	
Office Equipment		14,916	
Total Election Commission			\$ 152,421

Register of Deeds

County Official/Administrative Officer	\$	52,819	
Deputy(ies)		20,672	
Salary Supplements		1,425	
Clerical Personnel		19,411	
Data Processing Services		13,855	
Legal Notices, Recording, and Court Costs		17	
Travel		965	
Other Contracted Services		2,500	
Office Supplies		1,495	
Premiums on Corporate Surety Bonds		220	
Office Equipment		4,383	
Total Register of Deeds			117,762

Planning

Supervisor/Director	\$	31,122	
Deputy(ies)		20,717	
Salary Supplements		750	
Board and Committee Members Fees		3,160	
In-Service Training		439	
Contracts with Government Agencies		8,500	
Data Processing Services		996	
Legal Notices, Recording, and Court Costs		1,442	
Printing, Stationery, and Forms		970	
Travel		3,490	
Office Supplies		602	
Other Supplies and Materials		125	
Office Equipment		528	
Total Planning			72,841

County Buildings

Supervisor/Director	\$	37,398	
Custodial Personnel		21,535	
Communication		107,970	
Maintenance & Repair Services - Buildings		38,585	
Maintenance & Repair Services - Vehicles		456	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Pest Control	\$	3,375	
Rentals		8,930	
Custodial Supplies		3,279	
Electricity		107,388	
Gasoline		1,885	
Office Supplies		235	
Uniforms		2,776	
Utilities		51,954	
Other Charges		2,975	
Total County Buildings			\$ 388,741

Preservation of Records

Other Supplies and Materials	\$	3,053	
Other Charges		1,511	
Total Preservation of Records			4,564

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	57,767	
Deputy(ies)		15,060	
Accountants/Bookkeepers		21,733	
Data Processing Personnel		20,517	
Salary Supplements		3,750	
Clerical Personnel		17,454	
In-Service Training		1,500	
Data Processing Services		8,202	
Legal Notices, Recording, and Court Costs		3,747	
Printing, Stationery, and Forms		4,012	
Travel		2,031	
Office Supplies		5,782	
Premiums on Corporate Surety Bonds		443	
Office Equipment		3,636	
Total Accounting and Budgeting			165,634

Property Assessor's Office

County Official/Administrative Officer	\$	52,819	
Assistant(s)		19,565	
Deputy(ies)		21,944	
Salary Supplements		1,500	
Secretary(ies)		21,451	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Clerical Personnel	\$	18,471	
In-Service Training		1,132	
Contracts with Private Agencies		5,366	
Data Processing Services		12,985	
Legal Notices, Recording, and Court Costs		562	
Maintenance & Repair Services - Office Equipment		3,124	
Travel		6,323	
Other Contracted Services		5,965	
Office Supplies		4,339	
Office Equipment		6,383	
Total Property Assessor's Office			\$ 181,929

County Trustee's Office

County Official/Administrative Officer	\$	53,569	
Deputy(ies)		22,981	
Salary Supplements		1,500	
Clerical Personnel		21,270	
Part-time Personnel		14,740	
Data Processing Services		5,494	
Legal Notices, Recording, and Court Costs		174	
Travel		520	
Office Supplies		2,813	
Premiums on Corporate Surety Bonds		10,788	
Office Equipment		4,440	
Total County Trustee's Office			138,289

County Clerk's Office

County Official/Administrative Officer	\$	53,569	
Deputy(ies)		23,016	
Secretary(ies)		19,273	
Clerical Personnel		58,599	
Data Processing Services		13,063	
Legal Notices, Recording, and Court Costs		12	
Printing, Stationery, and Forms		2,207	
Travel		1,286	
Office Supplies		3,831	
Premiums on Corporate Surety Bonds		448	
Office Equipment		7,999	
Total County Clerk's Office			183,303

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	52,069	
Deputy(ies)		114,577	
Part-time Personnel		3,136	
Other Salaries & Wages		13,191	
Jury and Witness Fees		6,723	
Data Processing Services		10,062	
Legal Notices, Recording, and Court Costs		146	
Maintenance & Repair Services - Office Equipment		1,988	
Travel		1,114	
Office Supplies		6,393	
Premiums on Corporate Surety Bonds		710	
Office Equipment		2,432	
Total Circuit Court			\$ 212,541

General Sessions Court

Judge(s)	\$	81,204	
Guidance Personnel		52,069	
Salary Supplements		1,500	
Secretary(ies)		22,897	
Travel		2,565	
Other Contracted Services		1,799	
Library Books/Media		1,116	
Office Supplies		701	
Office Equipment		920	
Total General Sessions Court			164,771

Chancery Court

County Official/Administrative Officer	\$	53,569	
Assistant(s)		22,085	
Deputy(ies)		21,373	
Part-time Personnel		4,605	
Data Processing Services		6,828	
Travel		1,739	
Office Supplies		5,693	
Premiums on Corporate Surety Bonds		1,650	
Total Chancery Court			117,542

Judicial Commissioners

Part-time Personnel	\$	560	
Other Salaries & Wages		14,714	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners (Cont.)

Travel	\$ 625	
Total Judicial Commissioners		\$ 15,899

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 57,876	
Deputy(ies)	543,066	
Salary Supplements	11,400	
Dispatchers/Radio Operators	165,589	
Secretary(ies)	22,216	
Clerical Personnel	19,054	
Overtime Pay	14,053	
Other Salaries & Wages	27,525	
In-Service Training	8,730	
Data Processing Services	5,615	
Maintenance & Repair Services - Vehicles	23,222	
Matching Share	20,000	
Medical and Dental Services	105	
Travel	2,281	
Gasoline	75,834	
Law Enforcement Supplies	42,155	
Office Supplies	6,198	
Tires and Tubes	6,353	
Uniforms	9,869	
Premiums on Corporate Surety Bonds	1,643	
Motor Vehicles	70,977	
Total Sheriff's Department		1,133,761

Jail

Guards	\$ 173,595
Part-time Personnel	4,902
Overtime Pay	10,515
Other Salaries & Wages	34,622
Legal Services	5,000
Maintenance & Repair Services - Buildings	19,007
Medical and Dental Services	79,944
Travel	207
Custodial Supplies	4,959
Drugs and Medical Supplies	29,307
Food Supplies	56,297

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Office Supplies	\$	1,060	
Prisoners Clothing		3,757	
Other Supplies and Materials		732	
Building Improvements		27,825	
Office Equipment		200	
Total Jail			\$ 451,929

Fire Prevention and Control

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

Civil Defense

Supervisor/Director	\$	47,316	
Other Salaries & Wages		14,703	
In-Service Training		812	
Contributions		16	
Operating Lease Payments		1,200	
Maintenance & Repair Services - Equipment		36,779	
Maintenance & Repair Services - Vehicles		17,747	
Travel		1,360	
Drugs and Medical Supplies		489	
Gasoline		551	
Office Supplies		1,650	
Uniforms		355	
Other Supplies and Materials		4,968	
Communication Equipment		17,862	
Total Civil Defense			145,808

Rescue Squad

Contributions	\$	9,000	
Total Rescue Squad			9,000

County Coroner/Medical Examiner

Medical Personnel	\$	3,075	
Other Contracted Services		16,175	
Premiums on Corporate Surety Bonds		200	
Total County Coroner/Medical Examiner			19,450

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Contributions	\$	44,231	
Other Contracted Services		48	
Office Supplies		1,033	
Other Charges		33	
Building Improvements		2,884	
Total Local Health Center			\$ 48,229

Other Local Health Services

Medical Personnel	\$	126,530	
Educational Assistants		45,947	
Dues and Memberships		14	
Travel		21,266	
Total Other Local Health Services			193,757

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	8,500	
Total Senior Citizens Assistance			8,500

Other Social, Cultural, and Recreational

Advertising	\$	2,600	
Contributions		500	
Total Other Social, Cultural, and Recreational			3,100

Agriculture & Natural Resources

Agriculture Extension Service

Contributions	\$	41,459	
Maintenance & Repair Services - Office Equipment		783	
Travel		932	
Custodial Supplies		126	
Office Supplies		1,250	
Total Agriculture Extension Service			44,550

Soil Conservation

Secretary(ies)	\$	24,510	
Office Supplies		3,000	
Total Soil Conservation			27,510

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Other Operations

Tourism

Contributions	\$	500	
Matching Share		5,000	
Total Tourism			\$ 5,500

Industrial Development

Contributions	\$	51,890	
Total Industrial Development			51,890

Other Economic and Community Development

Other Charges	\$	1,945	
Total Other Economic and Community Development			1,945

Other Charges

Consultants	\$	9,075	
Liability Insurance		211,168	
Trustee's Commission		97,027	
Workers' Compensation Insurance		87,090	
Total Other Charges			404,360

Employee Benefits

Social Security	\$	199,114	
State Retirement		307,416	
Life Insurance		24,159	
Medical Insurance		389,869	
Unemployment Compensation		27,550	
Total Employee Benefits			948,108

Miscellaneous

Contracts with Government Agencies	\$	2,960	
Contributions		39,000	
Dues and Memberships		10,842	
Postal Charges		38,465	
Other Charges		125	
Total Miscellaneous			91,392

Support Services

Adult Programs

Contracts with Private Agencies	\$	48,023	
Total Adult Programs			48,023

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Principal on Debt

General Government

Principal on Capital Leases	\$ 4,684	
Total General Government		\$ 4,684

Interest on Debt

General Government

Interest on Capital Leases	\$ 468	
Total General Government		468

Total General Fund		\$ 5,720,672
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Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Librarians	\$ 96,627	
Dues and Memberships	3,115	
Postal Charges	1,922	
Travel	921	
Library Books/Media	16,713	
Periodicals	1,492	
Utilities	21,957	
Other Supplies and Materials	13,042	
Other Charges	17,244	
Data Processing Equipment	3,560	
Other Capital Outlay	3,925	
Total Libraries		\$ 180,518

Total Public Library Fund		180,518
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Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Accountants/Bookkeepers	\$ 10,903	
Medical Personnel	470,579	
Part-time Personnel	36,058	
Overtime Pay	131,817	
In-Service Training	8,349	
Social Security	47,502	
State Retirement	64,787	
Medical Insurance	83,137	
Dues and Memberships	1,700	

(Continued)

Exhibit L-9

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Laundry Service	\$	4,251	
Maintenance & Repair Services - Buildings		2,177	
Maintenance & Repair Services - Equipment		1,358	
Maintenance & Repair Services - Vehicles		26,333	
Travel		885	
Other Contracted Services		24,301	
Custodial Supplies		815	
Diesel Fuel		47,211	
Drugs and Medical Supplies		26,561	
Office Supplies		1,531	
Tires and Tubes		3,021	
Uniforms		1,147	
Other Supplies and Materials		2,015	
Trustee's Commission		6,500	
Other Charges		825	
Motor Vehicles		67,159	
Total Ambulance/Emergency Medical Services			\$ 1,070,922

Total Ambulance Service Fund \$ 1,070,922

Drug Control Fund

Public Safety

Sheriff's Department

Law Enforcement Supplies	\$	15,619	
Total Sheriff's Department			\$ 15,619

Total Drug Control Fund 15,619

Adequate Facilities/Development Tax Fund

General Government

Building

Trustee's Commission	\$	2,101	
Total Building			\$ 2,101

Total Adequate Facilities/Development Tax Fund 2,101

Constitutional Officers - Fees Fund

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	98	
Total Circuit Court			\$ 98

(Continued)

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

Constitutional Officers' Operating Expenses	\$ 3,755	
Total Chancery Court		\$ 3,755

Total Constitutional Officers - Fees Fund \$ 3,853

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 58,698	
Salary Supplements	1,375	
Secretary(ies)	25,692	
Overtime Pay	1,180	
Board and Committee Members Fees	16,400	
In-Service Training	2,105	
Contributions	500	
Dues and Memberships	2,925	
Legal Notices, Recording, and Court Costs	191	
Travel	5,759	
Other Contracted Services	4,795	
Office Supplies	727	
Premiums on Corporate Surety Bonds	809	
Office Equipment	144	
Total Administration		\$ 121,300

Highway and Bridge Maintenance

Foremen	\$ 171,595	
Equipment Operators	232,564	
Laborers	159,710	
Overtime Pay	799	
Explosive and Drilling Services	615	
Asphalt - Cold Mix	23,980	
Asphalt - Liquid	60,871	
Crushed Stone	71,519	
General Construction Materials	3,173	
Other Road Supplies	25,995	
Pipe	6,004	
Road Signs	24,062	
Small Tools	5,218	
Wood Products	3,775	
Total Highway and Bridge Maintenance		789,880

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Foremen	\$	26,835	
Mechanic(s)		25,197	
Overtime Pay		73	
Laundry Service		5,518	
Diesel Fuel		110,488	
Equipment and Machinery Parts		79,548	
Garage Supplies		42,124	
Gasoline		19,504	
Lubricants		9,116	
Tires and Tubes		33,411	
Total Operation and Maintenance of Equipment			\$ 351,814

Other Charges

Communication	\$	8,676	
Legal Services		5,743	
Electricity		4,187	
Water and Sewer		3,828	
Liability Insurance		26,357	
Trustee's Commission		24,160	
Total Other Charges			72,951

Employee Benefits

Social Security	\$	51,632	
State Retirement		95,454	
Employee and Dependent Insurance		233,493	
Unemployment Compensation		7,728	
Workers' Compensation Insurance		63,604	
Other Charges		6,042	
Total Employee Benefits			457,953

Capital Outlay

Bridge Construction	\$	94,636	
Communication Equipment		1,296	
Highway Equipment		105,183	
Total Capital Outlay			201,115

Total Highway/Public Works Fund \$ 1,995,013

(Continued)

Exhibit L-9

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$ 104,256	
Principal on Other Loans	289,000	
Total General Government	<u> </u>	\$ 393,256

Highways and Streets

Principal on Notes	\$ 161,957	
Total Highways and Streets	<u> </u>	161,957

Education

Principal on Bonds	\$ 440,000	
Principal on Other Loans	696,000	
Total Education	<u> </u>	1,136,000

Interest on Debt

General Government

Interest on Notes	\$ 30,139	
Interest on Other Loans	248,839	
Total General Government	<u> </u>	278,978

Highways and Streets

Interest on Notes	\$ 16,830	
Total Highways and Streets	<u> </u>	16,830

Education

Interest on Bonds	\$ 39,160	
Interest on Other Loans	686,755	
Total Education	<u> </u>	725,915

Other Debt Service

General Government

Trustee's Commission	\$ 32,911	
Other Debt Service	24,915	
Total General Government	<u> </u>	57,826

Education

Other Debt Service	\$ 58,648	
Total Education	<u> </u>	58,648

Total General Debt Service Fund		<u> </u>	\$ 2,829,410
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(Continued)

Exhibit L-9

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

<u>Education Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>Education</u>		
Principal on Other Loans	\$ 408,000	
Total Education		\$ 408,000
<u>Interest on Debt</u>		
<u>Education</u>		
Interest on Other Loans	\$ 247,949	
Total Education		247,949
<u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 2,796	
Total General Government		2,796
<u>Education</u>		
Other Debt Service	\$ 26,071	
Total Education		<u>26,071</u>
 Total Education Debt Service Fund		 \$ 684,816
<u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Administration of Justice Projects</u>		
Building Construction	\$ 3,497,291	
Total Administration of Justice Projects		\$ 3,497,291
<u>Public Safety Projects</u>		
Communication	\$ 375,000	
Building Improvements	40,765	
Total Public Safety Projects		415,765
<u>Social, Cultural, and Recreation Projects</u>		
Site Development	\$ 15,320	
Building Purchases	572	
Total Social, Cultural, and Recreation Projects		15,892
<u>Public Utility Projects</u>		
Other Construction	\$ 1,766,589	
Total Public Utility Projects		1,766,589

(Continued)

Exhibit L-9

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Other General Government Projects

Site Development	<u>\$ 203,877</u>	
Total Other General Government Projects		\$ 203,877

Highway & Street Capital Projects

Bridge Construction	<u>\$ 16,244</u>	
Total Highway & Street Capital Projects		16,244

Education Capital Projects

Building Construction	<u>\$ 9,925,669</u>	
Total Education Capital Projects		<u>9,925,669</u>

Total General Capital Projects Fund		<u>\$ 15,841,327</u>
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Total Governmental Funds - Primary Government		<u><u>\$ 28,344,251</u></u>
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Exhibit L-10

Hickman County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Hickman County School Department
For the Year Ended June 30, 2007

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,235,046	
Career Ladder Program	150,205	
Career Ladder Extended Contracts	94,849	
Homebound Teachers	13,065	
Educational Assistants	404,911	
Other Salaries & Wages	242,734	
Non-certified Substitute Teachers	135,000	
Social Security	630,500	
State Retirement	552,641	
Medical Insurance	1,130,151	
Other Fringe Benefits	1,000	
Maintenance & Repair Services - Equipment	70,000	
Instructional Supplies and Materials	180,000	
Textbooks	300,000	
Other Supplies and Materials	35,500	
Other Charges	1,000	
Regular Instruction Equipment	515,000	
Total Regular Instruction Program		\$ 11,691,602

Alternative Instruction Program

Other Salaries & Wages	\$ 107,000	
Social Security	8,199	
State Retirement	8,200	
Medical Insurance	14,500	
Other Contracted Services	6,000	
Instructional Supplies and Materials	1,000	
Other Supplies and Materials	1,499	
Other Equipment	1,000	
Total Alternative Instruction Program		147,398

Special Education Program

Teachers	\$ 1,239,000
Educational Assistants	75,000
Non-certified Substitute Teachers	30,000
Social Security	104,999
State Retirement	87,000
Medical Insurance	197,946
Contracts with Parents	2,999
Other Contracted Services	94,000

(Continued)

Exhibit L-10

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.)

Special Education Program (Cont.)

Instructional Supplies and Materials	\$	10,999	
Special Education Equipment		<u>3,999</u>	
Total Special Education Program			\$ 1,845,942

Vocational Education Program

Teachers	\$	490,000	
Educational Assistants		13,600	
Non-certified Substitute Teachers		6,000	
Social Security		40,000	
State Retirement		32,999	
Medical Insurance		72,000	
Other Contracted Services		3,000	
Instructional Supplies and Materials		6,000	
Other Charges		<u>2,000</u>	
Total Vocational Education Program			665,599

Adult Education Program

Teachers	\$	24,199	
Other Salaries & Wages		27,782	
In-Service Training		6,435	
Social Security		3,690	
State Retirement		3,968	
Medical Insurance		1,200	
Instructional Supplies and Materials		4,575	
Other Charges		<u>268</u>	
Total Adult Education Program			72,117

Support Services

Attendance

Supervisor/Director	\$	61,890	
Other Salaries & Wages		22,500	
Social Security		6,499	
State Retirement		6,699	
Medical Insurance		7,200	
Travel		3,999	
Other Supplies and Materials		1,500	
Other Charges		<u>1,009</u>	
Total Attendance			111,296

(Continued)

Exhibit L-10

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.)

Health Services

Medical Personnel	\$	53,599	
Social Security		4,550	
State Retirement		3,300	
Medical Insurance		9,000	
Other Contracted Services		13,300	
Drugs and Medical Supplies		4,000	
Other Supplies and Materials		2,149	
Other Charges		1,000	
Health Equipment		1,499	
Total Health Services			\$ 92,397

Other Student Support

Guidance Personnel	\$	367,000	
Psychological Personnel		12,000	
Social Workers		3,575	
Other Salaries & Wages		36,685	
Social Security		33,101	
State Retirement		28,327	
Medical Insurance		55,200	
Evaluation and Testing		33,000	
Travel		2,499	
Other Contracted Services		47,900	
Other Supplies and Materials		8,700	
In Service/Staff Development		11,999	
Other Charges		11,779	
Total Other Student Support			651,765

Regular Instruction Program

Supervisor/Director	\$	65,500
Librarians		285,500
Secretary(ies)		139,999
Clerical Personnel		129,999
Other Salaries & Wages		400
In-Service Training		19,999
Social Security		48,000
State Retirement		62,254
Medical Insurance		64,000
Maintenance & Repair Services - Equipment		5,000
Travel		2,999

(Continued)

Exhibit L-10

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 (Cont.)

Other Contracted Services	\$	9,999	
Library Books/Media		30,745	
Other Supplies and Materials		9,900	
In Service/Staff Development		18,697	
Other Charges		9,700	
Other Equipment		5,000	
Total Regular Instruction Program			\$ 907,691

Alternative Instruction Program

Travel	\$	500	
Total Alternative Instruction Program			500

Special Education Program

Supervisor/Director	\$	57,615	
Assessment Personnel		15,000	
In-Service Training		100	
Social Security		4,899	
State Retirement		4,000	
Medical Insurance		6,000	
Maintenance & Repair Services - Equipment		7,199	
Travel		6,276	
Total Special Education Program			101,089

Vocational Education Program

Supervisor/Director	\$	62,000	
Secretary(ies)		13,400	
Social Security		5,900	
State Retirement		5,499	
Medical Insurance		7,200	
Maintenance & Repair Services - Equipment		2,500	
Travel		999	
Other Charges		2,500	
Total Vocational Education Program			99,998

Adult Programs

Supervisor/Director	\$	56,000	
Social Security		4,424	
State Retirement		3,600	
Medical Insurance		5,950	

(Continued)

Exhibit L-10

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.)

Adult Programs (Cont.)

Travel	\$ 1,200	
Total Adult Programs		\$ 71,174

Board of Education

Board and Committee Members Fees	\$ 11,999	
In-Service Training	10,000	
Social Security	999	
Audit Services	12,999	
Dues and Memberships	15,000	
Legal Services	39,699	
Liability Insurance	85,000	
Trustee's Commission	108,386	
Workers' Compensation Insurance	115,000	
Refund to Applicant for Criminal Investigation	6,300	
Total Board of Education		405,382

Director of Schools

County Official/Administrative Officer	\$ 91,743	
Secretary(ies)	52,893	
Other Salaries & Wages	19,199	
Social Security	12,799	
State Retirement	13,499	
Medical Insurance	8,400	
Communication	21,180	
Maintenance & Repair Services - Equipment	1,000	
Postal Charges	1,000	
Travel	4,500	
Office Supplies	1,000	
Other Charges	7,025	
Total Director of Schools		234,238

Office of the Principal

Principals	\$ 472,000	
Assistant Principals	63,000	
Social Security	41,499	
State Retirement	35,499	
Medical Insurance	54,000	
Postal Charges	500	
Travel	3,500	

(Continued)

Exhibit L-10

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.)

Office of the Principal (Cont.)

Administration Equipment	\$ 500	
Total Office of the Principal		\$ 670,498

Operation of Plant

Other Contracted Services	\$ 427,000	
Custodial Supplies	17,000	
Electricity	775,000	
Natural Gas	162,521	
Water and Sewer	124,783	
Other Supplies and Materials	4,999	
Boiler Insurance	2,000	
Building and Contents Insurance	31,000	
Plant Operation Equipment	7,984	
Total Operation of Plant		1,552,287

Maintenance of Plant

Supervisor/Director	\$ 42,600	
Secretary(ies)	8,995	
Other Salaries & Wages	90,211	
Social Security	11,400	
State Retirement	18,500	
Medical Insurance	10,000	
Maintenance & Repair Services - Buildings	204,999	
Maintenance & Repair Services - Equipment	59,999	
Travel	500	
Other Contracted Services	105,788	
Equipment and Machinery Parts	3,000	
Gasoline	10,000	
Other Supplies and Materials	4,999	
Total Maintenance of Plant		570,991

Transportation

Supervisor/Director	\$ 55,724	
Mechanic(s)	76,774	
Bus Drivers	490,999	
Secretary(ies)	9,000	
Other Salaries & Wages	8,000	
Social Security	52,000	
State Retirement	74,999	

(Continued)

Exhibit L-10

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.)

Transportation (Cont.)

Medical Insurance	\$	52,000	
Other Fringe Benefits		10,000	
Maintenance & Repair Services - Vehicles		2,000	
Other Contracted Services		13,000	
Diesel Fuel		224,999	
Equipment and Machinery Parts		3,000	
Garage Supplies		5,000	
Gasoline		24,999	
Lubricants		6,675	
Tires and Tubes		30,001	
Vehicle Parts		44,999	
Vehicle and Equipment Insurance		30,000	
Other Charges		3,999	
Transportation Equipment		275,000	
Total Transportation			\$ 1,493,168

Central and Other

Medical Insurance	\$	4,512	
Other Fringe Benefits		66,079	
Contributions		71,700	
Other Contracted Services		43,108	
Total Central and Other			185,399

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	15,100	
Social Security		1,155	
State Retirement		1,874	
Travel		176	
In Service/Staff Development		1,975	
Total Food Service			20,280

Community Services

Supervisor/Director	\$	50,019	
Part-time Personnel		35,999	
Other Salaries & Wages		24,000	
Social Security		8,665	
State Retirement		10,555	
Medical Insurance		3,600	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Travel	\$	1,999	
Other Supplies and Materials		8,117	
In Service/Staff Development		500	
Other Charges		5,299	
Other Equipment		4,844	
Total Community Services			\$ 153,597

Early Childhood Education

Teachers	\$	108,206	
Educational Assistants		37,158	
Social Security		11,094	
State Retirement		10,075	
Medical Insurance		20,940	
Travel		546	
Other Contracted Services		5,076	
Food Supplies		2,979	
Instructional Supplies and Materials		39,534	
Other Supplies and Materials		4,945	
Other Equipment		48,967	
Total Early Childhood Education			289,520

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	2,661,602	
Total Regular Capital Outlay			2,661,602

Total General Purpose School Fund \$ 24,695,530

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	505,984	
Social Security		38,051	
State Retirement		31,125	
Medical Insurance		98,000	
Unemployment Compensation		2,000	
Maintenance & Repair Services - Equipment		26,000	
Instructional Supplies and Materials		58,902	
Total Regular Instruction Program			\$ 760,062

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	41,214	
Educational Assistants		303,662	
Certified Substitute Teachers		30,000	
Social Security		25,962	
State Retirement		36,909	
Medical Insurance		37,034	
Unemployment Compensation		5,014	
Other Fringe Benefits		18,159	
Other Contracted Services		34,966	
Instructional Supplies and Materials		8,750	
Total Special Education Program			\$ 541,670

Vocational Education Program

Educational Assistants	\$	16,000	
Social Security		1,389	
State Retirement		1,042	
Medical Insurance		2,800	
Unemployment Compensation		100	
Travel		2,377	
Other Contracted Services		2,036	
Other Supplies and Materials		14,311	
Vocational Instruction Equipment		39,730	
Total Vocational Education Program			79,785

Support Services

Other Student Support

Other Salaries & Wages	\$	15,500	
Social Security		1,565	
Total Other Student Support			17,065

Regular Instruction Program

Supervisor/Director	\$	60,044	
Secretary(ies)		16,777	
Other Salaries & Wages		6,768	
In-Service Training		1,179	
Social Security		5,918	
State Retirement		5,283	
Medical Insurance		7,200	
Unemployment Compensation		200	

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Travel	\$	5,006	
Other Supplies and Materials		21,139	
In Service/Staff Development		82,742	
Other Charges		26,498	
Total Regular Instruction Program			\$ 238,754

Special Education Program

Supervisor/Director	\$	5,238	
Psychological Personnel		39,813	
Assessment Personnel		25,000	
Clerical Personnel		21,370	
Other Salaries & Wages		38,557	
Social Security		8,271	
State Retirement		8,465	
Medical Insurance		12,270	
Unemployment Compensation		800	
Consultants		16,155	
Maintenance & Repair Services - Equipment		6,999	
Other Contracted Services		52,383	
Total Special Education Program			235,321

Total School Federal Projects Fund \$ 1,872,657

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	12,000	
Accountants/Bookkeepers		113,365	
Cafeteria Personnel		449,644	
Social Security		43,745	
State Retirement		53,791	
Medical Insurance		50,000	
Unemployment Compensation		5,000	
Communication		2,363	
Maintenance & Repair Services - Equipment		39,598	
Transportation - Other than Students		8,993	
Travel		1,896	
Other Contracted Services		38,118	
Food Supplies		735,915	

(Continued)

Exhibit L-10

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Utilities	\$	122,212	
Other Supplies and Materials		76,648	
Other Charges		111,430	
Food Service Equipment		<u>269,424</u>	
Total Food Service			<u>\$ 2,134,142</u>

Total Central Cafeteria Fund \$ 2,134,142

Total Governmental Funds - Hickman County School Department \$ 28,702,329

Hickman County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Hickman County Health Foundation
For the Year Ended June 30, 2007

Other Special Revenue Fund

General Government

County Commission

Audit Services	\$ 570	
Legal Notices, Recording, and Court Costs	<u>40</u>	
Total County Commission		\$ 610

Public Health and Welfare

Ambulance/Emergency Medical Services

Contributions	\$ 16,346	
Drugs and Medical Supplies	4,021	
Office Supplies	<u>2,050</u>	
Total Ambulance/Emergency Medical Services		22,417

Other Public Health and Welfare

Contributions	\$ 20,000	
Total Other Public Health and Welfare		<u>20,000</u>

Total Governmental Funds - Hickman County Health Foundation		<u>\$ 43,027</u>
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Exhibit L-12

Hickman County, Tennessee
Schedule of Detailed Revenues and Expenses
Solid Waste Disposal Fund
For the Year Ended June 30, 2007

	<u>Primary</u> <u>Government</u> <u>Enterprise</u> <u>Fund</u> <u>Solid</u> <u>Waste</u> <u>Disposal Fund</u>
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Commercial and Industrial Waste Collection Charge	\$ 115,966
Residential Waste Collection Charge	145,650
Tipping Fees	22,553
Solid Waste Disposal Fees	640,146
Total Charges for Current Services	<u>\$ 924,315</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Lease/Rentals	\$ 3,777
Sale of Recycled Materials	52,309
Total Other Local Revenues	<u>\$ 56,086</u>
Total Operating Revenues	<u>\$ 980,401</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 32,878
Litter Program	29,751
Solid Waste Grants	27,033
Total Nonoperating Revenues	<u>\$ 89,662</u>
Total Revenues	<u><u>\$ 1,070,063</u></u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Sanitation Management</u>	
Supervisor/Director	\$ 38,902
Deputies	22,575
Data Processing Personnel	20,437
Equipment Operators	22,697

(Continued)

Exhibit L-12

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

	<u>Primary</u> <u>Government</u> <u>Enterprise</u> <u>Fund</u> <u>Solid</u> <u>Waste</u> <u>Disposal Fund</u>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Equipment Operators - Heavy Laborers	\$ 27,731
Clerical Personnel	102,048
Part-time Personnel	19,638
Overtime Pay	3,436
Social Security	709
State Retirement	20,194
Medical Insurance	34,077
Advertising	52,376
Communication	815
Debt Collection Services	6,704
Legal Services	14,784
Maintenance and Repair Services - Buildings	510
Maintenance and Repair Services - Equipment	3,468
Maintenance and Repair Services - Vehicles	15,920
Postal Charges	1,867
Printing, Stationery, and Forms	2,402
Rentals	985
Travel	900
Disposal Fees	1,249
Other Contracted Services	272,637
Custodial Supplies	705
Diesel Fuel	1,135
Electricity	29,751
Fertilizer, Lime, and Seed	10,231
Gasoline	600
	2,641

(Continued)

Exhibit L-12

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

	<u>Primary</u> <u>Government</u> <u>Enterprise</u> <u>Fund</u> <u>Solid</u> <u>Waste</u> <u>Disposal Fund</u>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Lubricants	\$ 1,784
Office Supplies	2,451
Other Road Supplies	600
Tires and Tubes	6,439
Uniforms	3,589
Utilities	646
Wire	918
Testing	16,836
Other Supplies and Materials	2,671
Trustee's Commission	10,171
Depreciation	25,079
Surcharge	4,000
Loss on Disposal of Property	17,292
Office Equipment	1,090
Solid Waste Equipment	31,212
Other Construction	8,904
Total Sanitation Management	<u>\$ 865,806</u>
 <u>Litter and Trash Collection</u>	
Assistant(s)	\$ 3,461
Supervisor/Director	20,566
Advertising	1,538
Maintenance and Repair Services - Vehicles	14
Gasoline	2,314
Instructional Supplies and Material	4,133
Depreciation	6,070
Total Other Charges	<u>\$ 38,096</u>
 <u>Nonoperating Expenses</u>	
Interest on Notes	<u>\$ 3,919</u>
Total Nonoperating Expenses	<u>\$ 3,919</u>
Total Expenses	<u>\$ 907,821</u>

Exhibit L-13

Hickman County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2007

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 624,962
Total Cash Receipts	<u>\$ 624,962</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 618,712
Trustee's Commission	<u>6,250</u>
Total Cash Disbursements	<u>\$ 624,962</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2006	<u>0</u>
 Cash Balance, June 30, 2007	 <u>\$ 0</u>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

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

January 17, 2008

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

To the County Mayor and Board of County Commissioners:

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, 2007, which collectively comprise Hickman County's basic financial statements and have issued our report thereon dated January 17, 2008. Our report was modified to include a reference to other auditors. Our report was qualified due to not including the financial statements of the Hickman County Emergency Communications District, a discretely presented component unit, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Hickman County Public Library which include the Public Library Fund and the Endowment Fund (non-major governmental funds). This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 07.01, 07.02(A), 07.08(B,C,E), 07.09(A), 07.11, and 07.12.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Hickman County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did consider item 07.08(B,C,E) described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hickman County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly,

we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 07.02(B), 07.03, 07.04, 07.05, 07.06, 07.07, 07.08(A,D), 07.09(B), and 07.10.

We also noted certain matters that we reported to the management of Hickman County in separate communications.

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

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

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan" with a long horizontal flourish extending to the right.

John G. Morgan
Comptroller of the Treasury

JGM/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 17, 2008

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Hickman County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Hickman County's management. Our responsibility is to express an opinion on Hickman County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination of Hickman County's compliance with those requirements.

In our opinion, Hickman County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Hickman County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Hickman County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

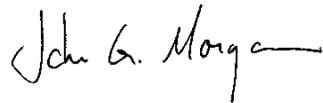
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hickman County as of and for the year ended June 30, 2007, and have issued our report thereon dated January 17, 2008. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Hickman County Emergency Communications District, which were not available from other auditors as of the date of this report. Our audit was

performed for the purpose of forming our opinions on the financial statements that collectively comprise Hickman County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

Yours very truly,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/yu

Hickman County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2007

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Watershed Protection and Flood Prevention	10.904	N/A	\$ 142,241
Passed-through State Department of Agriculture:			
Food Distribution (noncash assistance)	10.550	(2)	59,979
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	238,374
National School Lunch Program	10.555	(2)	677,141
Total U.S. Department of Agriculture			<u>\$ 1,117,735</u>
U.S. Department of Justice:			
Passed-through State Department of Finance and Administration:			
Edward Byrne Memorial Formula Grant Program	16.579	Z-99-088457-00	\$ 40,319
Total U.S. Department of Justice			<u>\$ 40,319</u>
National Endowment for the Arts:			
Passed-through Tennessee Arts Commission:			
Promotion of the Arts - Partnership Agreements	45.025	(3)	\$ 11,700
Total National Endowment for the Arts			<u>\$ 11,700</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(2)	\$ 1,560
Total U.S. Institute of Museum and Library Services			<u>\$ 1,560</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-07-033703-00	\$ 56,953
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	800,197
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	765,624
Special Education - Preschool Grants	84.173	N/A	24,326
Vocational Education - Basic Grants to States	84.048	N/A	79,854
Safe and Drug Free Schools and Communities - State Grants	84.186	(2)	17,900
State Grants for Innovative Programs	84.298	N/A	6,216
Education Technology State Grants	84.318	(2)	10,346
Improving Teacher Quality State Grants	84.367	N/A	192,822
Hurricane Education Recovery Act	84.938	(2)	2,970
Total U.S. Department of Education			<u>\$ 1,957,208</u>
U.S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(7)	\$ 3,275
Total U.S. Elections Assistance Commission:			<u>\$ 3,275</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Labor and Workforce Development:			
Temporary Assistance for Needy Families	93.558	Z-07-034230-00	\$ 3,315
Passed-through State Department of Health:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Z-07-034177-00	6,615
Total U.S. Department of Health and Human Services			<u>\$ 9,930</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z03-017894-00	\$ 17,234
Emergency Management Performance Grants	97.042	(4)	27,082
Homeland Security Grant Program	97.067	Z05-025170-00	7,550
Total U.S. Department of Homeland Security			<u>\$ 51,866</u>
Total Expenditures of Federal Grants			<u>\$ 3,193,593</u>
<u>State Grants</u>			
		<u>Contract Number</u>	
Family Resource Grant - State Department of Education	N/A	(2)	\$ 66,600
Early Childhood Education - State Department of Education	N/A	(2)	289,520
Safe Schools Act - State Department of Education	N/A	(2)	24,830
Temporary Assistance for Needy Families - State Department of Labor and Workforce Development	N/A	Z-07-034230-00	6,157
Adult Education - State Department of Labor and Workforce Development	N/A	Z-07-033703-00	18,985
Block Grants for Prevention and Treatment of Substance Abuse - State Department of Health	N/A	Z-07-034177-00	24,885
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-03-11357-00	13,133
Local Health Services - State Department of Health	N/A	(5)	249,393
Used Oil Grant - State Department of Environment and Conservation	N/A	(2)	13,900
Litter Grant - State Department of Transportation	N/A	(6)	29,751
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	GG-07-12787-00	198,327
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	11,229
Gates Library Computer Grants - Tennessee Secretary of State	N/A	Z-06-033552-00	2,000
Archives Grant - State Department of Library and Archives	N/A	Z-07-036607-00	5,000
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	Z-07-036543-00	9,000
Total State Grants			<u>\$ 962,710</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Z-07-034906-00: \$5,700; Z-07-034794-00: \$6,000.
- (4) Z-07-02617-00: \$20,000; Z-06-032853-00: \$7,082.
- (5) Z-06-025981-00: \$24,831; Z-07-031548-00: \$224,562.
- (6) Z-06-02971-00: \$1,850; Z-07-033809-00: \$27,901.
- (7) Z-07-037859-00: \$1,500; Z-07-037439-00: \$1,775.

Hickman County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2007

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Hickman County, Tennessee, for the year ended June 30, 2006, which have not been corrected.

OFFICE OF FINANCE DIRECTOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.02	13	The office had deficiencies in purchasing procedures
06.03(A)	13	The office had deficiencies in budget operations

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.05(A,C)	16	The office had accounting deficiencies

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.07	18	Duties were not segregated adequately in the Ambulance Service, Solid Waste Department, Planning and Zoning Department, and the Offices of Trustee and Clerk and Master

HICKMAN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Hickman County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that is material to the financial statements.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title 1 Grants to Local Educational Agencies (CFDA No. 84.010), and the Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Hickman County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county mayor, finance director, and director of schools are paraphrased in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICE OF FINANCE DIRECTOR

FINDING 07.01 **THE OFFICE HAD ACCOUNTING DEFICIENCIES (Internal Control – Significant Deficiency Under Government Auditing Standards)**

Our audit revealed the following accounting deficiencies:

- A. Fund balance reserves were reflected in the accounting records of various funds at June 30, 2007; however, the office could not provide adequate documentation to support the calculation of several reserves. An analysis is necessary for each reservation of fund balance to document the unexpended amount of legally restricted revenues. Audit adjustments have been provided to management to classify these reserves properly in the financial statements of this report.
- B. Wheel tax revenues for the month of September were incorrectly posted to the General Debt Service Fund instead of the Education Debt Service Fund. Management was not aware of this error until we brought it to their attention. We corrected this posting error to reflect revenue transactions properly.
- C. Several revenues and expenditures were coded to accounts that did not reflect the true nature of the transactions. Misclassifying revenues and expenditures diminishes the usefulness of the financial records as a management tool and results in a loss of budgetary control. Audit adjustments have been provided to management to classify these revenues and expenditures properly in the financial statements of this report.
- D. The Solid Waste Office had deficiencies in maintaining accounts receivable subsidiary records for the Solid Waste Disposal Fund. Office personnel did not reconcile monthly accounts receivable reports with billings and collections. Therefore, at June 30, 2007, undetected errors existed in the accounting records. We assisted management in identifying these errors for proper presentation of receivables in the Solid Waste Disposal Fund.

RECOMMENDATION

The office should adequately document reservations of fund balances. Revenues should be coded to the appropriate fund as provided by the county's budget. Revenues and

expenditures should be coded to accounts that most appropriately reflect the true nature of the transactions. Accounts receivable subsidiary records should be reconciled with billings and collections, and any errors discovered should be corrected promptly.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

- A. The School Department will continue to work with the Finance Office to help in the calculation of reserve funds. The State Department of Education's hiring of a financial consultant who is highly competent in these types of calculations should resolve the problem. We will schedule the financial consultant to work with the Finance Office and this office to calculate reserves before the Finance Office closes the books at the end of the fiscal year.
-

FINDING 07.02 THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

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

Our examination of purchasing procedures revealed the following deficiencies:

- A. The office did not issue purchase orders for some applicable purchases. Purchases orders are necessary to control who has purchasing authority for the office and to document purchasing commitments.
- B. The county did not solicit bids for fuel purchases totaling \$50,233 for the Ambulance Service. Section 5-14-204 Tennessee Code Annotated states that “fuel and fuel products may be purchased in the open market without advertisement, but shall whenever possible be based on at least three (3) competitive bids.”

RECOMMENDATION

The office should issue purchase orders for all applicable purchases. Competitive bids should be solicited for fuel purchases.

MANAGEMENTS' RESPONSES – COUNTY MAYOR AND FINANCE DIRECTOR

We agree with this finding. Additionally, in item (B.), it should be explained that to track specific ambulance expenditures and runs, it is necessary to utilize a different fuel card for each vehicle. There is only one vendor in the area capable of doing this for us, and therefore, we did not bid this service. In the future, however, we will include the need for such fuel cards in a bid specification.

FINDING 07.03 RENOVATION PROJECTS WERE NOT PROPERLY ADMINISTERED
(Noncompliance Under Government Auditing Standards)

The county did not employ a registered architect or engineer to design plans, specifications, and estimates on renovation projects totaling \$40,765 at the county administration building, as required by Section 62-2-107, Tennessee Code Annotated. This statute requires that a registered architect or engineer should be employed whenever construction contracts are estimated to exceed \$25,000.

RECOMMENDATION

The county should employ a registered architect or engineer for all construction projects exceeding \$25,000 as required by state statute.

MANAGEMENTS' RESPONSES – COUNTY MAYOR AND FINANCE DIRECTOR

We agree with this finding. Due to this particular issue and others, the county mayor vetoed the borrowing resolutions for the funds necessary to proceed with this project on two separate occasions. The County Commission overrode the second veto by a slim majority, and work commenced under the supervision and direction of the Administration Building Oversight Committee of the County Commission.

Subsequently, on two other occasions, the county mayor called particular attention to the above-referenced Tennessee Code Annotated through memorandums to the members of the Oversight Committee and included copies of the code. To the best of our knowledge, changing plans to comply with the law was never seriously considered by the committee, and work continued as previously outlined.

In a similar matter involving new construction at the county's Solid Waste Transfer Station, the Solid Waste Committee – after receiving the first of the same memorandums noted above – voted to halt construction of a new recycling building until such time as a registered architect was included in the planning process.

FINDING 07.04 EXPENDITURES EXCEEDED APPROPRIATIONS
(Noncompliance Under Government Auditing Standards)

Expenditures exceeded appropriations approved by the County Commission in the Public Library Fund by \$15,900 and in the following major appropriation categories (the legal level of control) of the General Debt Service Fund:

<u>Fund/Major Appropriation Category</u>	<u>Overspent</u>
General Debt Service:	
Principal on Debt - General Government	\$ 35,583
Principal on Debt - Highways and Streets	10,437
Interest on Debt - Highways and Streets	4,731
Other Debt Service - General Government	6,615
Other Debt Service - Education	58,648

Section 5-9-401, Tennessee Code Annotated, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission as required by state statute.

MANAGEMENTS’ RESPONSES – COUNTY MAYOR AND FINANCE DIRECTOR

We agree with this finding. While it is difficult to accurately estimate debt service payments which are based upon varying interest rates, budget amendments could and should be solicited when more accurate payments figures are gathered. We will endeavor to seek such amendments in the future.

**FINDING 07.05 A CAPITAL OUTLAY NOTE WAS NOT ISSUED IN ACCORDANCE WITH STATE STATUTES
(Noncompliance Under Government Auditing Standards)**

County officials issued a \$62,142 capital outlay note for an energy efficiency program. However, this capital outlay note had not been approved by the state director of Local Finance as required by Section 9-21-601, Tennessee Code Annotated (TCA). Also, county officials did not file a Report on Debt Obligation with the state director of Local Finance for the capital outlay note. Section 9-21-151, TCA, requires that within 45 days following the issuance of debt, a county must provide to the state director of Local Finance certain information, such as a brief description of the purpose or purposes for which the debt was issued and an itemized description of the costs of issuance of the debt.

RECOMMENDATION

Capital outlay notes should be approved by the state director of Local Finance, and county officials should file a Report on Debt Obligation with the state director of Local Finance for all debt issues as required by state statutes.

MANAGEMENTS' RESPONSES – COUNTY MAYOR AND FINANCE DIRECTOR

We agree with the finding; however, we believe we may have been misled, in part, somewhere along the way. While we do not have it in writing, the county mayor remembers talking with someone at the Department of Economic and Community Development about the language needed for the note. The county mayor recalls being told that since this was an ongoing program of the State of Tennessee, the normal capital outlay note resolution was not necessary, and the resolution did not have to be approved by the state director of Local Finance prior to the issuance of funds. Apparently he was mistaken, and we will make sure to have all capital borrowing approved by the state director of Local Finance in the future. We have subsequently filed a Report of Debt Obligation for this note with the state director of Local Finance.

OFFICES OF FINANCE DIRECTOR AND ROAD SUPERINTENDENT

FINDING 07.06 **THE GENERAL FUND IMPROPERLY TRANSFERRED MONIES TO THE HIGHWAY/PUBLIC WORKS FUND FOR THE PURCHASE OF A TRUCK**
(Noncompliance Under Government Auditing Standards)

The General Fund transferred \$79,412 to the Highway/Public Works Fund to provide funds for the purchase of a dump truck. The state attorney general has opined that state statutes authorize a county to levy a tax for county purposes and has defined “county general purposes levy” as a levy for all county purposes except roads, bridges, schools, etc. Therefore, this expenditure represents the use of the General Fund for road purposes.

RECOMMENDATION

The County Commission should not appropriate General Fund monies for road purposes.

FINDING 07.07 **THE OFFICES DID NOT PROPERLY DISPOSE OF A SURPLUS VEHICLE**
(Noncompliance Under Government Auditing Standards)

During the year, the road superintendent declared a Highway Department vehicle to be surplus, and the Highway Department advertised for sealed bids. One bid (\$1,051) was received from the road superintendent, and another bid (\$983) was received from an employee of the Highway Department. The road superintendent opened the bids and allowed the employee (the lowest bidder) to purchase the vehicle for \$1,051 (the highest bid). Section 5-21-118(b)(4), Tennessee Code Annotated, provides that the finance director is responsible for the public sale of all surplus materials, equipment, buildings, and land.

RECOMMENDATION

The finance director should administer the sale of all surplus property as required by statute.

OFFICES OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS

FINDING 07.08 **GENERAL PURPOSE SCHOOL FUNDS WERE IMPROPERLY TRANSFERRED TO INDIVIDUAL SCHOOLS**

(A. and D. – Material Noncompliance Under Government Auditing Standards; B., C., and E. – Internal Control – Material Weakness Under Government Auditing Standards)

Records indicate that since 1998, the various directors of schools have requested the Finance Office to issue checks from General Purpose School Fund accounts to individual schools. The individual schools would then expend the funds for instruction supplies, band, art, athletics, guidance, cafeteria, operations, etc. The following two paragraphs explain these types of transactions for the years ended June 30, 2006, and 2007.

In June 2006, the director of schools requested the finance director to disburse \$1,283,500 to eight county schools. The director of schools instructed the schools to use the funds for operations, instruction, athletics, drama, art, vocal music, band, and the junior reserve officers training corp. These funds were expensed throughout the General Purpose School Fund to numerous unrelated budgetary accounts that had unexpended funds left in the accounts.

In June 2007, the director of schools requested the finance director to disburse \$1,437,797 to eight county schools. The director of schools did not restrict the schools on how they could use these funds. These funds were expensed throughout the General Purpose School Fund to numerous unrelated budgetary accounts that had unexpended funds left in the accounts. The individual schools subsequently returned \$1,315,864 to the General Purpose School Fund after we brought this deficiency to the attention of county officials.

These disbursements resulted in the following irregularities.

- A. The practice of individual schools disbursing funds received from the General Purpose School Fund violates provisions of the County Financial Management System of 1981. This act provides for the finance director to serve as the purchasing agent and for the purchasing agent to make all purchases. The act further provides for the purchasing agent to accept requisitions, issue purchase orders, approve invoices for payment, pay invoices and obligations, verify the receipt of merchandise, and solicit bids when applicable. The purchasing agent performed none of these functions when funds were disbursed by the individual schools.
- B. The disbursement of the funds by the individual schools for purposes unrelated to the budgetary accounts from which the funds were received

violates the budgetary process. The Board of Education approves both the line-item budgetary breakdown and the major appropriation categories as reflected in the General Purpose School Fund budget document. This budget document is then approved by the County Commission. The disbursement of funds by the individual schools circumvents the budget authorization of both the Board of Education and the County Commission since it resulted in expenditures posted to the budgetary accounts of the General Purpose School Fund not reflecting the true nature of the disbursements.

- C. The School Department's annual financial reports filed with the State Department of Education were not correct since the expenditures reflected in the budgetary accounts of the General Purpose School Fund did not reflect the true nature of the expenditures.
- D. The funds the individual schools received from the General Purpose School Fund were expended through the schools' activity funds. This violates provisions of Section 49-2-110, Tennessee Code Annotated, which provides that school activity funds should be used to account for funds received from student activities and events. Activity funds should not be used to account for county school funds, which are tax dollars generated from state and local sources.
- E. The size of the disbursements to the individual schools in both 2006 (\$1,283,500) and 2007 (\$1,437,797) indicates that the School Department submitted budgets to the County Commission that were significantly misstated. The School Department requested funds for purposes that were apparently not needed since they were used for other purposes. Any unexpended funds become part of the unappropriated fund balance, and it is the responsibility of the Board of Education and the County Commission to determine how these funds are to be used and not the director of schools.

RECOMMENDATION

- A. General Purpose School funds should not be transferred to individual schools for disbursement. All purchases should be made by the purchasing agent in compliance with the County Financial Management System of 1981.
- B. Expenditures should be coded to accounts that most appropriately reflect the true nature of the transactions.
- C. Annual reports filed with the State Department of Education should accurately reflect the true nature of the expenditures.
- D. School activity funds should not be used to disburse county school funds.
- E. The General Purpose School Fund budget should be prepared on a more realistic basis to provide county officials with accurate information to base funding decisions. Any county school funds held in individual school activity funds should be returned to the General Purpose School Fund and placed in the unappropriated fund balance.

Those funds can then be appropriated by the Board of Education and the County Commission.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

The procedure for transferring General Purpose School funds to individual schools, which has been followed in this school system for a decade or more, has been stopped; funds have been returned to the General Purpose School Fund; and, these funds have been appropriated in accordance with the County Financial Management System of 1981 by the Board of Education and the County Commission. All recommendations regarding this finding have been implemented.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 07.09 **THE OFFICE HAD ACCOUNTING DEFICIENCIES**
(A. – Internal Control – Significant Deficiency Under Government Auditing Standards; B. – Noncompliance Under Government Auditing Standards)

Our audit revealed the following accounting deficiencies that indicate management is not comparing the general ledger with basic accounting records monthly:

- A. Attempts were made each month to reconcile bank statements with the general ledger; however, these reconciliations did not balance. Reconciling items and unidentified errors were not investigated and corrected.

- B. At June 30, 2007, the circuit and general sessions courts clerk had prepared trial balances of execution docket cause balances, as required by Section 18-2-103, Tennessee Code Annotated (TCA). However, these trial balances did not reconcile with cash journal amounts in Circuit (\$53,509) or in General Sessions (\$23,406) Courts. Therefore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-101, TCA. This statute provides that any funds held by the court for one year and unclaimed by the owner are considered abandoned. Section 66-29-113, TCA, further requires these funds to be reported and paid to State Treasurer’s Office.

RECOMMENDATION

Monthly bank statements should be reconciled with the general ledger, and any errors noted should be corrected promptly. The execution docket trial balances should be reconciled with cash journal accounts. Any funds held by the court for one year and unclaimed by the owner are considered abandoned and should be reported and paid to the State Treasurer’s Office in compliance with state statutes.

FINDING 07.10 A DEPOSITORY WAS NOT REQUIRED TO ADEQUATELY COLLATERALIZE FUNDS
(Noncompliance Under Government Auditing Standards)

The circuit court clerk did not require a depository holding county funds to pledge securities sufficient to protect public funds that exceeded Federal Depository Insurance Corporation (FDIC) coverage, as required by Section 5-8-201, Tennessee Code Annotated. This statute provides for county officials to require a depository of county funds to deposit in an escrow account in a second bank, for the benefit of the county, collateral security equal to 105 percent of such county funds. As of July 30, 2006, deposits at one depository exceeded FDIC coverage and pledged securities by over \$965,571. This deficiency occurred when funds from a lawsuit totaling approximately \$993,000 were deposited in July 2006. It should be noted that funds from the lawsuit were disbursed in January 2007.

RECOMMENDATION

The circuit court clerk should ensure that all depositories pledge securities sufficient to protect public funds exceeding FDIC coverage.

OFFICE OF SHERIFF

FINDING 07.11 A SIGNATURE STAMP WAS USED TO SIGN DOCUMENTS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination disclosed that a signature stamp was used to affix the signature of the sheriff to justify an emergency purchase. Tennessee Code Annotated does not provide authority for the use of a signature stamp.

RECOMMENDATION

The Sheriff's Department should discontinue the use of any signature stamps.

OTHER FINDING AND RECOMMENDATION

FINDING 07.12 DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE SOLID WASTE DEPARTMENT, PLANNING AND ZONING DEPARTMENT, AND THE OFFICES OF TRUSTEE AND CLERK AND MASTER
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Solid Waste Department, Planning and Zoning Department, and the Offices of Trustee and Clerk

and Master. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds.

RECOMMENDATION

To strengthen internal controls over operations, officials in these departments and offices should segregate duties adequately among employees.

MANAGEMENTS' RESPONSES – COUNTY MAYOR AND FINANCE DIRECTOR

While we are in overall agreement with this finding, we know it will be hard to alleviate it in the future without additional personnel. It should be noted, however, that we took appropriate steps on a similar prior-year finding for the Hickman County Ambulance Service and corrected the finding. We will endeavor to accomplish the same with these two departments.

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

There were no findings and questioned costs for federal awards.

HICKMAN COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2007

There were no audit findings relative to federal awards presented in the current year's Schedule of Findings and Questioned Costs and one audit finding relative to federal awards presented in the prior year's Schedule of Findings and Questioned Costs.

Director of Schools – Summary Schedule of Prior Year's Finding

FINDINGS 06.04 and 06.08

The cash balance in the Central Cafeteria Fund did not exceed federal guidelines at June 30, 2007. The School Department purchased equipment for the opening of East Hickman High School.