

**ANNUAL FINANCIAL REPORT  
HICKMAN COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2008**



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**ANNUAL FINANCIAL REPORT  
HICKMAN COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2008**

***DEPARTMENT OF AUDIT  
JUSTIN P. WILSON  
Comptroller of the Treasury***

***DIVISION OF COUNTY AUDIT  
RICHARD V. NORMENT  
Assistant to the Comptroller***

***JAMES R. ARNETTE  
Director***

***JEFF BAILEY, CPA, CGFM, CFE  
Audit Manager***

***RACHELLE CABADING, CFE  
Auditor 4***

***ROBIN BATES, CPA, CFE  
DONYA WADE, CFE  
WENDY HEATH, CFE  
State Auditors***

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

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# HICKMAN COUNTY, TENNESSEE

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***Audit Highlights***  
Annual Financial Report  
Hickman County, Tennessee  
For the Year Ended June 30, 2008

***Scope***

We have audited the basic financial statements of Hickman County as of and for the year ended June 30, 2008.

***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, the business-type activities, each major fund, and the aggregate remaining fund information is unqualified.

Our audit resulted in 14 findings and recommendations, which we have reviewed with Hickman County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

***Findings***

The following are summaries of the audit findings:

**HICKMAN COUNTY, HICKMAN COUNTY HEALTH FOUNDATION, AND  
HICKMAN COUNTY SCHOOL DEPARTMENT**

- ◆ Hickman County, the Hickman County Health Foundation, and the Hickman County School Department do not have the resources to produce financial statements and the notes to the financial statements.

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**OFFICE OF COUNTY MAYOR**

- ◆ Accounts receivables were written-off as uncollectible by ambulance service personnel without the approval of the Emergency Medical Services Board.
  - ◆ The Solid Waste Department had deficiencies in computer system backup procedures.
  - ◆ The building permits software did not have adequate application controls.
  - ◆ The Landfill Office had deficiencies in computer operations.
-

## **OFFICE OF FINANCE DIRECTOR**

- ◆ Material audit adjustments were required for proper financial statement presentation in the Solid Waste Disposal, Highway/Public Works, General Capital Projects, and Central Cafeteria funds.
  - ◆ The office had accounting deficiencies.
  - ◆ Appropriations exceeded estimated available funds in the Highway/Public Works, General Debt Service, and Ambulance Service funds.
  - ◆ The finance director's bond was not filed properly.
  - ◆ The office had deficiencies in purchasing procedures.
- 

## **OFFICE OF TRUSTEE**

- ◆ The office had accounting deficiencies.
- 

## **OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND CLERK AND MASTER**

- ◆ The Offices of Circuit and General Sessions Court Clerk and the Clerk and Master did not review software audit logs.
- 

## **OFFICE OF SHERIFF**

- ◆ The office had deficiencies in the operations of a commissary.
- 

## **OTHER FINDING**

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

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# INTRODUCTORY SECTION

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Hickman County Officials  
June 30, 2008

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**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
Robert Atkinson	Shirley Mayberry
Billy Blackwell	Ricky Murray
Charles Booker	Keith Nash
Mickey Bunn	James Rice
Robert Capps	Wayne Richey
William Clark	Wayne Thomasson
Lynette Harris	Ronnie Sullivan
James Hassell	Kenneth Underhill
Steve Hethcote	Frankye Ward
Robert Gammons	

**Financial Management Committee**

Steve Hethcote, Chairman	Wayne Richey
Steve Gregory, County Mayor	William Clark
Eddie Cook, Jr., Road Superintendent	Keith Nash
Jerry Nash, Director of Schools	

**Highway Commission**

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

(Continued)

## Hickman County Officials (Cont.)

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### **Board of Education**

Jackie Deitmen, Chairman  
James Duncan  
Lana Beard  
Jeffrey Fink

Timothy Hobbs  
Jewell Prince  
Kathy Redden  
Kelvin Sullivan

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

Lynette Harris, Chairman  
Charles Booker  
Mickey Bunn  
Steve Hethcote

Jack Keller  
Shirley Mayberry  
Annette Elliot

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## FINANCIAL SECTION

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

**INDEPENDENT AUDITOR'S REPORT**

February 18, 2009

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, 2008, which collectively comprise Hickman County's basic financial statements as listed in the table of contents. 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 7.8 percent and 4.7 percent, respectively, of the assets and revenues of the aggregate remaining fund information) and the Endowment Fund (a permanent nonmajor governmental fund, which represents 1.8 percent of the assets of the aggregate remaining fund information). Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Library and Endowment funds 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 auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as

evaluating the overall financial statement presentation. We believe that our audit and the report of 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 respective financial position of the aggregate discretely presented component units of Hickman County, Tennessee, as of June 30, 2008, 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 report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hickman County, Tennessee, as of June 30, 2008, 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 February 18, 2009, 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.

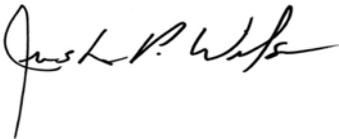
As described in Note V.B., Hickman County has implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; GASB Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and GASB Statement No. 50, Pension Disclosures.

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, pension, and postemployment benefits information on pages 75 through 81 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 and Hickman County Health Foundation (discretely presented component units), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Hickman County School Department and Hickman County Health Foundation (discretely presented component units), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, 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, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke at the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	Primary Government		Total	Component Units		
	Governmental Activities	Business-type Activities		Hickman County School Department	Hickman County Health Foundation	
<u>NET ASSETS</u>						
Invested in Capital Assets,						
Net of Related Debt						
Invested in Capital Assets	\$ 25,913,787	\$ 817,545	\$ 26,731,332	\$	\$	0
Restricted for:						
Capital Projects	675,434	0	675,434	0	0	0
Central Cafeteria	0	0	0	403,548	0	0
Debt Service	1,326,417	0	1,326,417	0	0	0
Highway/Public Works	830,192	0	830,192	0	0	0
Adequate Facilities/Development Tax	264,828	0	264,828	0	0	0
Ambulance Service	404,684	0	404,684	0	0	0
Library	239,507	0	239,507	0	0	0
Drug Control	90,128	0	90,128	0	0	0
Courthouse and Jail Maintenance	103,049	0	103,049	0	0	0
Alcohol and Drug Treatment	57,393	0	57,393	0	0	0
Computer System - Register	45,913	0	45,913	0	0	0
Automation Purposes - General Sessions Court	31,650	0	31,650	0	0	0
Other Purposes	34,553	0	34,553	137,417	0	0
Unrestricted	(24,602,264)	278,577	(24,323,687)	6,242,729	2,312,904	0
Total Net Assets	\$ 5,415,271	\$ 1,096,122	\$ 6,511,393	\$ 48,646,864	\$ 2,312,904	

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, 2008

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets																						
	Program Revenues					Component Units																	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	Hickman County School Department	Hickman County Health Foundation														
<b>Primary Government:</b>																							
Governmental Activities:																							
General Government	\$ 2,164,042	\$ 244,223	\$ 38,497	\$ 128,871	\$ (1,752,451)	\$ 0	\$ (1,752,451)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Finance	901,128	538,961	11,365	0	(350,802)	0	(350,802)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Administration of Justice	805,965	619,358	6,840	9,173	(170,594)	0	(170,594)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Public Safety	3,120,571	528,249	34,433	43,698	(2,514,191)	0	(2,514,191)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Public Health and Welfare	2,009,083	659,613	253,564	483,208	(612,698)	0	(612,698)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Social, Cultural, and Recreational Services	238,551	28,445	6,150	15,613	(188,343)	0	(188,343)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Agriculture and Natural Resources	77,569	0	0	0	(77,569)	0	(77,569)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Operations	238,327	0	0	0	(238,327)	0	(238,327)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Highways	2,727,421	5,908	1,911,769	666,554	(143,190)	0	(143,190)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Support Services	46,329	0	0	0	(46,329)	0	(46,329)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Education	493,029	0	0	0	(493,029)	0	(493,029)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Long-term Debt	1,122,520	0	0	0	(1,122,520)	0	(1,122,520)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Debt Service	185,947	0	0	0	(185,947)	0	(185,947)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Governmental Activities	\$ 14,130,482	\$ 2,624,757	\$ 2,262,618	\$ 1,347,117	\$ (7,895,990)	\$ 0	\$ (7,895,990)	\$ 0	\$ 0	\$ (7,895,990)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
<b>Business-type Activities:</b>																							
Solid Waste Disposal	\$ 1,060,180	\$ 949,932	\$ 25,885	\$ 0	\$ (84,363)	\$ 0	\$ (84,363)	\$ 0	\$ 0	\$ (84,363)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Business-type Activities	\$ 1,060,180	\$ 949,932	\$ 25,885	\$ 0	\$ (84,363)	\$ 0	\$ (84,363)	\$ 0	\$ 0	\$ (84,363)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 15,190,662	\$ 3,574,689	\$ 2,288,503	\$ 1,347,117	\$ (7,895,990)	\$ (84,363)	\$ (7,980,353)	\$ 0	\$ 0	\$ (7,980,353)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Component Units:</b>																							
Hickman County School Department	\$ 30,136,770	\$ 828,346	\$ 3,357,312	\$ 499,588	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Hickman County Health Foundation	153,684	0	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Component Units	\$ 30,290,454	\$ 828,346	\$ 3,457,312	\$ 499,588	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit B

Hickman County, Tennessee  
Statement of Activities (ConL)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Hickman		
					Governmental Activities	Business-type Activities	School Department	County Health Foundation	
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					0	\$	4,626,584	\$	3,181,739
Property Taxes Levied for Debt Service					0		447,503		0
Local Option Sales Taxes					0		578,550		1,212,848
Wheel tax					0		997,143		0
Wholesale Beer Tax					0		197,553		0
Adequate Facilities/Development Tax					0		175,293		0
Litigation Tax - General					0		92,648		0
Mineral Severance Tax					0		82,117		0
Litigation Tax - Jail, Workhouse, or Courthouse					0		68,610		0
Business Tax					0		45,975		0
Other Local Taxes					0		41,294		30,524
Grants and Contributions Not Restricted to Specific Programs					0		730,653		0
Unrestricted Investment Income					31,216		555,550		112,107
Miscellaneous					0		74,700		0
Transfers from Individual Schools					0		72,356		0
Total General Revenues					\$	8,680,613	\$	105,916	\$
Change in Net Assets					\$	784,623	\$	21,553	\$
Prior-period Adjustment						(332,396)		0	
Net Assets, July 1, 2007						4,963,044		1,074,569	
Net Assets, June 30, 2008					\$	5,415,271	\$	1,096,122	\$
						6,511,393		6,511,393	
						8,786,529		8,786,529	
						806,176		806,176	
						(332,396)		(332,396)	
						6,037,613		6,037,613	
						47,391,010		47,391,010	
						2,254,481		2,254,481	
						48,646,864		48,646,864	
						2,312,904		2,312,904	

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

Hickman County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2008

	Major Funds					Nonmajor	Total
	Funds				Other	Governmental	
	General	Highway / Public Works	General Debt Service	General Capital Projects			
\$	0	0	0	0	0	187,614	187,614
2,936,804	139,296	1,176,868	432,368	525,086	5,210,422	51,893	5,210,422
0	0	0	0	51,893	0	51,893	51,893
71,075	4,125	63,946	0	892,016	1,031,162	(508,449)	1,031,162
0	0	0	0	(508,449)	0	0	(508,449)
65,425	707,820	96,830	259,809	0	1,129,884	0	1,129,884
22,539	0	0	213,981	0	236,520	0	236,520
4,606,141	242,428	484,857	0	0	5,333,426	0	5,333,426
(179,040)	(6,755)	(13,504)	0	0	(199,299)	0	(199,299)
901	0	0	0	0	901	0	901
\$	7,523,845	1,086,914	1,808,997	906,158	1,148,160	12,474,074	12,474,074

ASSETS

Cash  
Equity in Pooled Cash and Investments  
Investments  
Accounts Receivable  
Allowance for Uncollectibles  
Due from Other Governments  
Due from Other Funds  
Property Taxes Receivable  
Allowance for Uncollectible Property Taxes  
Prepaid Items

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities  
Accounts Payable  
Payroll Deductions Payable  
Due to Other Funds  
Deferred Revenue - Current Property Taxes  
Deferred Revenue - Delinquent Property Taxes  
Other Deferred Revenues  
Total Liabilities

Fund Balances  
Reserved for Encumbrances  
Reserved for Alcohol and Drug Treatment  
Reserved for Drug Court  
Reserved for Sexual Offender Registration  
Reserved for Courthouse and Jail Maintenance

\$	0	0	0	0	0	230,724	0	230,724
5,106	0	0	0	0	0	5,106	0	5,106
0	0	22,539	0	0	0	22,539	0	22,539
4,234,188	222,852	445,704	0	0	0	4,902,744	0	4,902,744
186,966	12,506	24,977	0	0	0	224,449	0	224,449
21,808	229,677	48,415	0	0	0	349,756	0	349,756
\$	4,448,068	465,035	541,635	230,724	349,756	6,035,218	0	6,035,218
\$	10,672	65,255	0	88,573	0	164,500	0	164,500
57,393	0	0	0	0	0	57,393	0	57,393
8,084	0	0	0	0	0	8,084	0	8,084
5,005	0	0	0	0	0	5,005	0	5,005
609	0	0	0	0	0	609	0	609
103,049	0	0	0	0	0	103,049	0	103,049

(Continued)

Exhibit C-1

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway /	General	General	Capital Projects	Other Governmental Funds	Governmental Funds	
		Public Works	Debt Service	Debt Service				
\$	45,913	0	0	0	0	0	0	45,913
	1,908	0	0	0	0	0	0	1,908
	31,650	0	0	0	0	0	0	31,650
	7,026	0	0	0	0	0	0	7,026
	11,921	0	0	0	0	0	0	11,921
	0	0	2,962	6,862	0	0	0	9,824
	2,792,547	0	0	0	0	0	0	2,792,547
	0	556,624	0	0	0	605,014	0	1,161,638
	0	0	1,264,400	0	0	149,013	0	1,413,413
	0	0	0	579,999	0	0	0	579,999
	0	0	0	0	0	44,377	0	44,377
	<u>\$ 3,075,777</u>	<u>\$ 621,879</u>	<u>\$ 1,267,362</u>	<u>\$ 675,434</u>	<u>\$ 798,404</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,438,856</u>
Total Liabilities and Fund Balances	\$ 7,523,845	\$ 1,086,914	\$ 1,808,997	\$ 906,158	\$ 1,148,160	\$ 0	\$ 0	\$ 12,474,074

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)

Reserved for Computer System - Register  
 Reserved for Automation Purposes - Circuit Court  
 Reserved for Automation Purposes - General Sessions Court  
 Reserved for Automation Purposes - Chancery Court  
 Reserved for Automation Purposes - Sheriff  
 Reserved for Other General Purposes  
 Unreserved, Reported In:  
 General Fund  
 Special Revenue Funds  
 Debt Service Funds  
 Capital Projects Funds  
 Permanent Funds  
 Total Fund Balances

Total Liabilities and Fund Balances

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

Exhibit C-2

Hickman County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Assets  
June 30, 2008

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)		\$	6,438,856
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	209,514	
Add: construction in progress		319,503	
Add: infrastructure net of accumulated depreciation		24,656,346	
Add: buildings and improvements net of accumulated depreciation		9,876,213	
Add: other capital assets net of accumulated depreciation		<u>617,491</u>	35,679,067
(2) Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(1,048,280)	
Less: other loans payable		(35,665,117)	
Less: compensated absences payable		(324,065)	
Less: other postemployment benefits obligations		(531,517)	
Less: accrued interest on notes		(14,337)	
Add: deferred charges - debt issuance costs		<u>6,559</u>	(37,576,757)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>874,105</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>5,415,271</u></u>

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

Hickman County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2008

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other	Governmental Funds	
<u>Revenues</u>							
Local Taxes	\$ 4,885,259	\$ 309,031	\$ 1,801,839	\$ 0	\$ 433,979	\$ 7,430,108	
Licenses and Permits	75,136	0	0	0	0	75,136	
Fines, Forfeitures, and Penalties	140,251	0	0	0	53,798	194,049	
Charges for Current Services	22,215	5,662	0	0	816,762	844,639	
Other Local Revenues	39,479	68,458	517,346	5,149	33,078	663,510	
Fees Received from County Officials	1,149,476	0	0	0	0	1,149,476	
State of Tennessee	1,200,319	2,502,343	33,035	128,871	21,213	3,885,781	
Federal Government	41,033	32,384	0	483,208	550	557,175	
Other Governments and Citizens Groups	205,270	0	0	0	3,428	208,698	
<b>Total Revenues</b>	<b>\$ 7,758,438</b>	<b>\$ 2,917,878</b>	<b>\$ 2,352,220</b>	<b>\$ 617,228</b>	<b>\$ 1,362,808</b>	<b>\$ 15,008,572</b>	
<u>Expenditures</u>							
Current:							
General Government	\$ 971,827	\$ 0	\$ 0	\$ 0	\$ 3,256	\$ 975,083	
Finance	693,588	0	0	0	0	693,588	
Administration of Justice	603,520	0	0	0	370	603,890	
Public Safety	2,240,229	0	0	0	38,308	2,278,537	
Public Health and Welfare	298,635	0	0	0	1,280,375	1,579,010	
Social, Cultural, and Recreational Services	15,000	0	0	0	220,272	235,272	
Agriculture and Natural Resources	63,156	0	0	0	0	63,156	
Other Operations	1,707,694	0	0	0	0	1,707,694	
Highways	0	2,852,464	0	0	0	2,852,464	
Support Services	46,329	0	0	0	0	46,329	
Debt Service:							
Principal on Debt	0	0	2,340,689	0	429,000	2,769,689	
Interest on Debt	0	0	971,089	0	185,249	1,156,338	
Other Debt Service	0	0	158,896	0	27,051	185,947	
Capital Projects	0	0	0	2,113,833	0	2,113,833	
<b>Total Expenditures</b>	<b>\$ 6,639,978</b>	<b>\$ 2,852,464</b>	<b>\$ 3,470,674</b>	<b>\$ 2,113,833</b>	<b>\$ 2,183,881</b>	<b>\$ 17,260,830</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 1,118,460</b>	<b>\$ 65,414</b>	<b>\$ (1,118,454)</b>	<b>\$ (1,496,605)</b>	<b>\$ (821,073)</b>	<b>\$ (2,252,258)</b>	

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other	Governmental Funds	
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 350,000	\$ 0	\$ 0	\$ 350,000
Other Loans Issued	0	0	0	804,140	0	0	804,140
Insurance Recovery	32,561	0	0	0	2,843	0	35,404
Transfers In	29,670	0	829,689	0	1,008,059	0	1,867,418
Transfers Out	(554,716)	(144,359)	(450,000)	0	(718,343)	0	(1,867,418)
Total Other Financing Sources (Uses)	\$ (492,485)	\$ (144,359)	\$ 379,689	\$ 1,154,140	\$ 292,559	\$ 0	\$ 1,189,544
Net Change in Fund Balances	\$ 625,975	\$ (78,945)	\$ (738,765)	\$ (342,465)	\$ (528,514)	\$ 0	\$ (1,062,714)
Fund Balance, July 1, 2007	2,449,802	700,824	2,006,127	1,017,899	1,326,918	0	7,501,570
Fund Balance, June 30, 2008	\$ 3,075,777	\$ 621,879	\$ 1,267,362	\$ 675,434	\$ 798,404	\$ 0	\$ 6,438,856

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

Exhibit C-4

Hickman County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2008

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (1,062,714)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,257,000	
Less: current year depreciation expense	<u>(1,185,148)</u>	1,071,852
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets		(190,021)
(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, 2008	\$ 874,105	
Less: deferred delinquent property taxes and other deferred June 30, 2007	<u>(961,472)</u>	(87,367)
(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. This amount is the net effect of these differences in the treatment of long-term debt and related items		
Less: note proceeds	\$ (350,000)	
Less: other loan proceeds	(804,140)	
Add: principal payments on bonds	455,000	
Add: principal payments on notes	869,689	
Add: principal payments on other loans	1,445,000	
Add: deferred debt issuance costs	<u>6,559</u>	1,622,108
(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	\$ 33,818	
Change in compensated absences payable	(71,536)	
Change in other postemployment benefits obligations	<u>(531,517)</u>	<u>(569,235)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 784,623</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, 2008

Business-type  
 Activities -  
 Enterprise  
 Fund  
 Solid  
 Waste  
 Disposal  
 Fund

ASSETS

Current Assets:	
Cash	\$ 300
Equity in Pooled Cash and Investments	647,894
Accounts Receivable	411,449
Allowance for Uncollectibles	(315,950)
Total Current Assets	<u>\$ 743,693</u>
Noncurrent Assets:	
Assets Not Depreciated:	
Land	\$ 111,004
Construction in Progress	450,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	453,687
Other Capital Assets	215,354
Total Noncurrent Assets	<u>\$ 1,230,045</u>
Total Assets	<u>\$ 1,973,738</u>

LIABILITIES

Current Liabilities:	
Capital Outlay Notes Payable	\$ 37,500
Accrued Liability for Landfill Closure/Postclosure Care Costs	6,689
Accrued Leave	2,742
Due to Other Funds	213,981
Total Current Liabilities	<u>\$ 260,912</u>
Noncurrent Liabilities:	
Capital Outlay Notes Payable	\$ 375,000
Accrued Leave	10,967
Accrued Liability for Landfill Closure/Postclosure Care Costs	193,978
Other Long-term Liabilities	36,759
Total Noncurrent Liabilities	<u>\$ 616,704</u>
Total Liabilities	<u>\$ 877,616</u>

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$ 817,545
Unrestricted	<u>278,577</u>
Total Net Assets	<u>\$ 1,096,122</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, 2008

	Business-type Activities - Enterprise Fund
	Solid Waste Disposal Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 949,932
Other Local Revenues	74,700
Total Operating Revenues	<u>\$ 1,024,632</u>
<u>Operating Expenses</u>	
Sanitation Management	\$ 972,622
Litter and Trash Collection	24,866
Depreciation	44,163
Total Operating Expenses	<u>\$ 1,041,651</u>
Operating Income (Loss)	<u>\$ (17,019)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 31,216
Interest Expense	(18,529)
Solid Waste Grants	25,885
Total Nonoperating Revenues (Expenses)	<u>\$ 38,572</u>
Change in Net Assets	\$ 21,553
Net Assets, July 1, 2007	<u>1,074,569</u>
Net Assets, June 30, 2008	<u><u>\$ 1,096,122</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, 2008

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 949,035
Other Cash Receipts (Payments)	74,700
Payments to Employees	(425,960)
Waste Collection and Disposal Activity	(537,474)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 60,301</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (244,887)
Capital Outlay Note Proceeds	341,954
Principal Paid on Notes	(37,500)
Interest Paid on Notes	(18,529)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ 41,038</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 18,205
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 18,205</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 31,216
Net Cash Provided By (Used In) Investing Activities	<u>\$ 31,216</u>
Increase (Decrease) in Cash	\$ 150,760
Cash, July 1, 2007	<u>497,434</u>
Cash, June 30, 2008	<u>\$ 648,194</u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (17,019)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	44,163
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(70,642)
(Increase) Decrease in Allowance for Uncollectibles	69,745
Increase (Decrease) in Other Long-term Liabilities	36,759
Increase (Decrease) in Accrued Expenses	(2,705)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 60,301</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, 2008

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,232,093
Accounts Receivable	108
Due from Other Governments	<u>114,550</u>
Total Assets	<u>\$ 1,346,751</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 114,550
Due to Litigants, Heirs, and Others	<u>1,232,201</u>
Total Liabilities	<u>\$ 1,346,751</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, 2008**

**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 School Department and the Health Foundation are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Hickman County Emergency Communications District 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 provider have been met.

Fund financial statements of Hickman County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, 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 debt service funds for payments to be made early in the following year.

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

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

Hickman County reports the following major governmental funds:

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

**Highway/Public Works Fund** – This 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.

**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.

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 receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to two percent of current property taxes and fifteen percent of delinquent property taxes levied.

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

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

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

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

**3. 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 4th 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. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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

**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, 2008, Hickman County had \$26,948,117 in outstanding debt for capital purposes for the discretely presented Hickman County School Department. This debt is a liability of Hickman County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Hickman County has incurred a liability significantly decreasing its unrestricted net 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, 2008.

<u>Fund/Purpose</u>	<u>Amount</u>
General Purpose School:	
Capital outlay for school	\$ 4,900,000

**8. Prior-period Adjustment**

Capital assets were restated \$332,396 from the prior year because items included in construction in progress did not meet the capitalization criteria.

## **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 General Capital Projects Fund, which adopts project length budgets. All annual appropriations lapse at fiscal year end.

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

The budgetary level of control is at the major category level established by the 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, Beer Board, County Mayor/Executive, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

**B. Appropriations Exceeded Estimated Available Funds**

The budget and subsequent amendments submitted to and approved by the County Commission resulted in appropriations exceeding estimated available funding in the Highway/Public Works (\$208,939), General Debt Service (\$94,669), and Ambulance Service (\$114,960) funds causing a budget fund deficit.

**C. 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, 2008, Hickman County (excluding the Public Library and Endowment funds) 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	\$ 8,598,643

**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, 2008, 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, 2008, was as follows:

## Primary Government

### Governmental Activities:

	Restated			Balance
	Balance	Increases	Decreases	Balance
	7-1-07			6-30-08
Capital Assets Not Depreciated:				
Land	\$ 209,514	\$ 0	\$ 0	\$ 209,514
Construction in Progress	5,758,786	1,104,008	(6,543,291)	319,503
Total Capital Assets Not Depreciated	<u>\$ 5,968,300</u>	<u>\$ 1,104,008</u>	<u>\$ (6,543,291)</u>	<u>\$ 529,017</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 4,470,650	\$ 6,543,291	\$ 0	\$ 11,013,941
Infrastructure	45,413,642	985,569	(314,506)	46,084,705
Other Capital Assets	2,313,001	167,423	(44,047)	2,436,377
Total Capital Assets Depreciated	<u>\$ 52,197,293</u>	<u>\$ 7,696,283</u>	<u>\$ (358,553)</u>	<u>\$ 59,535,023</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,004,058	\$ 133,670	\$ 0	\$ 1,137,728
Infrastructure	20,678,624	874,220	(124,485)	21,428,359
Other Capital Assets	1,685,675	177,258	(44,047)	1,818,886
Total Accumulated Depreciation	<u>\$ 23,368,357</u>	<u>\$ 1,185,148</u>	<u>\$ (168,532)</u>	<u>\$ 24,384,973</u>
Total Capital Assets Depreciated, Net	<u>\$ 28,828,936</u>	<u>\$ 6,511,135</u>	<u>\$ (190,021)</u>	<u>\$ 35,150,050</u>
Governmental Activities Capital Assets, Net	<u>\$ 34,797,236</u>	<u>\$ 7,615,143</u>	<u>\$ (6,733,312)</u>	<u>\$ 35,679,067</u>

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

### Governmental Activities:

General Government	\$ 39,969
Administration of Justice	38,429
Public Safety	49,593
Public Health and Welfare	102,623
Highway/Public Works	<u>954,534</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,185,148</u>

**Business-type Activities:**

	Balance 7-1-07	Increases	Balance 6-30-08
<b>Capital Assets Not Depreciated:</b>			
Land	\$ 43,880	\$ 67,124	\$ 111,004
Construction In Progress	108,046	341,954	450,000
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 151,926</b>	<b>\$ 409,078</b>	<b>\$ 561,004</b>
<b>Capital Assets Depreciated:</b>			
Buildings and Improvements	\$ 627,579	\$ 0	\$ 627,579
Other Capital Assets	571,620	49,790	621,410
<b>Total Capital Assets Depreciated</b>	<b>\$ 1,199,199</b>	<b>\$ 49,790</b>	<b>\$ 1,248,989</b>
<b>Less Accumulated Depreciation For:</b>			
Buildings and Improvements	\$ 158,202	\$ 15,690	\$ 173,892
Other Capital Assets	377,583	28,473	406,056
<b>Total Accumulated Depreciation</b>	<b>\$ 535,785</b>	<b>\$ 44,163</b>	<b>\$ 579,948</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 663,414</b>	<b>\$ 5,627</b>	<b>\$ 669,041</b>
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 815,340</b>	<b>\$ 414,705</b>	<b>\$ 1,230,045</b>

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

**Business-type Activities:**

Sanitation Management	\$ 38,093
Litter and Trash Collection	6,070
<b>Total Depreciation Expense - Business-type Activities</b>	<b>\$ 44,163</b>

**Discretely Presented Hickman County School Department**

Capital assets activity for the year ended June 30, 2008, was as follows:

**Governmental Activities:**

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Land	\$ 1,018,261	\$ 0	\$ 0	\$ 1,018,261
Construction in Progress	21,794,812	492,588	(22,287,400)	0
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 22,813,073</b>	<b>\$ 492,588</b>	<b>\$ (22,287,400)</b>	<b>\$ 1,018,261</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 28,071,583	\$ 23,232,785	\$ 0	\$ 51,304,368
Other Capital Assets	3,826,293	1,619,643	0	5,445,936
<b>Total Capital Assets Depreciated</b>	<b>\$ 31,897,876</b>	<b>\$ 24,852,428</b>	<b>\$ 0</b>	<b>\$ 56,750,304</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 13,386,346	\$ 875,682	\$ 0	\$ 14,262,028
Other Capital Assets	1,353,231	290,136	0	1,643,367
<b>Total Accumulated Depreciation</b>	<b>\$ 14,739,577</b>	<b>\$ 1,165,818</b>	<b>\$ 0</b>	<b>\$ 15,905,395</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 17,158,299</b>	<b>\$ 23,686,610</b>	<b>\$ 0</b>	<b>\$ 40,844,909</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 39,971,372</b>	<b>\$ 24,179,198</b>	<b>\$ (22,287,400)</b>	<b>\$ 41,863,170</b>

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

**Governmental Activities:**

Instruction	\$ 14,400
Support Services	1,140,902
Operation of Non-Instructional Services	<u>10,516</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u>\$ 1,165,818</u></b>

**C. Construction Commitments**

At June 30, 2008, the General Capital Projects Fund had uncompleted construction contracts of approximately \$65,000 for sewer line projects, \$15,000 for fencing projects, and \$5,700 for trail projects. Funding has been received for these future expenditures.

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

The composition of interfund balances as of June 30, 2008, is as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
General	General Debt Service	\$ 22,539
General Capital Projects	Solid Waste Disposal	213,981

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, 2008, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In		
	General Fund	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 0	\$ 554,716
Highway Fund	29,670	114,689	0
General Debt Service Fund	0	0	450,000
Nonmajor governmental funds	0	715,000	3,343
<b>Total</b>	<b>\$ 29,670</b>	<b>\$ 829,689</b>	<b>\$ 1,008,059</b>

**Discretely Presented Hickman County School Department**

<u>Transfer Out</u>	<u>Transfer In</u> General Purpose School Fund
Nonmajor governmental funds	\$ 142,706

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. Capital outlay notes and other loans outstanding were issued for original terms of up to 12 years for notes and up to 27 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2008, will be retired from the General Debt Service or Education Debt Service funds.

Capital outlay notes and other loans outstanding as of June 30, 2008, are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-08</u>
Capital Outlay Notes	0 to 4.15 %	\$ 1,697,514	\$ 1,048,280
Other Loans	variable	41,496,117	35,665,117

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, \$6,140,000, 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, 2008, the variable interest rate was 1.29 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, 2008, the variable interest rate was 1.54 percent, and other fees totaled \$60 per month (trustee), .4 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal for the \$22,000,000 loan. At June 30, 2008, the variable interest rate was 1.54 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 \$6,140,000 and \$2,000,000 loans.

During the current year, Hickman County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$1,000,000 available for loan to Hickman County on an as-needed basis for various renovation and construction projects. Hickman County had borrowed \$657,000 of the loan at June 30, 2008. 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, 2008, the variable interest rate was 1.54 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 notes and other loans outstanding as of June 30, 2008, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2009	\$ 142,810	\$ 43,463	\$ 186,273
2010	100,544	37,831	138,375
2011	100,544	34,008	134,552
2012	100,544	30,216	130,760
2013	100,544	26,409	126,953
2014-2018	456,794	74,512	531,306
2019-2020	46,500	4,121	50,621
Total	\$ 1,048,280	\$ 250,560	\$ 1,298,840

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2009	\$ 1,554,000	\$ 532,472	\$ 152,069	\$ 2,238,541
2010	1,614,000	509,890	145,707	2,269,597
2011	1,675,000	486,452	139,109	2,300,561
2012	1,738,000	462,150	132,269	2,332,419
2013	1,806,000	436,954	125,177	2,368,131
2014-2018	9,983,117	1,772,115	509,716	12,264,948
2019-2023	6,854,000	1,126,557	318,923	8,299,480
2024-2028	7,940,000	566,673	162,374	8,669,047
2029-2033	2,501,000	61,526	20,210	2,582,736
Total	<u>\$ 35,665,117</u>	<u>\$ 5,954,789</u>	<u>\$ 1,705,554</u>	<u>\$ 43,325,460</u>

There is \$1,267,362 available in the General Debt Service Fund and \$149,013 in the Education Debt Service Fund to service long-term debt. Debt per capita, including notes and other loans, totaled \$1,647, based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2008, was as follows:

##### Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2007	\$ 455,000	\$ 1,567,969	\$ 36,305,977
Additions	0	350,000	804,140
Deductions	(455,000)	(869,689)	(1,445,000)
Balance, June 30, 2008	<u>\$ 0</u>	<u>\$ 1,048,280</u>	<u>\$ 35,665,117</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 142,810</u>	<u>\$ 1,554,000</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2007	\$ 252,529	\$ 0
Additions	244,635	578,241
Deductions	(173,099)	(46,724)
Balance, June 30, 2008	<u>\$ 324,065</u>	<u>\$ 531,517</u>
Balance Due Within One Year	<u>\$ 81,016</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 37,568,979
Less: Balance Due Within One Year	<u>(1,777,826)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 35,791,153</u>

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

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

The annual requirements to amortize all notes outstanding as of June 30, 2008, including interest payments, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
2009	\$ 37,500	\$ 16,938	\$ 54,438
2010	37,500	15,398	52,898
2011	37,500	13,859	51,359
2012	37,500	12,352	49,852
2013	37,500	10,779	48,279
2014-2018	187,500	30,814	218,314
2019	37,500	1,540	39,040
Total	<u>\$ 412,500</u>	<u>\$ 101,680</u>	<u>\$ 514,180</u>

Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2008, was as follows:

Business-type Activities:	Notes	Compensated Absences
Balance, July 1, 2007	\$ 450,000	\$ 11,406
Additions	0	32,647
Deductions	(37,500)	(30,344)
	<hr/>	<hr/>
Balance, June 30, 2008	\$ 412,500	\$ 13,709
	<hr/>	<hr/>
Balance Due Within One Year	\$ 37,500	\$ 2,742
	<hr/>	<hr/>
	Closure/ Postclosure Care Costs	Other Postemployment Benefits
	<hr/>	<hr/>
Balance, July 1, 2007	\$ 205,675	\$ 0
Additions	0	36,759
Deductions	(5,008)	0
	<hr/>	<hr/>
Balance, June 30, 2008	\$ 200,667	\$ 36,759
	<hr/>	<hr/>
Balance Due Within One Year	\$ 6,689	\$ 0
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 663,635
Less: Balance Due Within One Year	<u>(46,931)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 616,704</u>

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hickman County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group

Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2008, were \$31,173 and \$15,288, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

## V. OTHER INFORMATION

### A. Risk Management

Hickman County participates in 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 (TCA), 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 and the School Department 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 and the School Department pay an annual premium to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

### B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures became effective for the year ended June 30, 2008.

GASB Statement No. 45 establishes reporting requirements for Other Postemployment Benefits (OPEB). OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the county's financial statements. In previous years, Hickman County had only recognized the current year cost (expense) of these benefits. GASB Statement No. 45 was implemented prospectively with a zero net OPEB obligation at transition. The discretely presented School Department of Hickman County does not currently offer other postemployment benefits.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions are sales or collateralized borrowings and provides guidance on how to account for sales or pledges of receivables or future revenues. This statement provides additional guidance for sales of receivables and future revenues within the same reporting entity. This statement also requires governments to disclose in the notes to the financial statements the nature of any receivables or future revenues that have been pledged or sold. Tennessee state statutes do not currently allow counties to sell or pledge receivables or sell future revenue streams. Therefore, those provisions of GASB Statement No. 48 that pertain to the sale or pledge receivables or sale of future revenue will not apply to Hickman County. GASB Statement No. 48 had no effect on the financial statements of Hickman County for the year ended June 30, 2008, since the county has not pledged any of its future revenues. However, it is reasonably expected that Hickman County may pledge a future revenue stream toward the payment of debt in subsequent years.

GASB Statement No. 50 amends previous guidance concerning pension information. This statement closely aligns the financial reporting requirements for pensions with those for other postemployment benefits and enhances the information disclosed in the notes to the financial statements or presented as required supplementary information for pension plans. This statement requires Hickman County to provide additional and more detailed pension plan note disclosures than in previous years.

**C. Subsequent Event**

On September 22, 2008, the Hickman County Commission approved the issuance, sale, and payment of general obligation refunding bonds, series 2008, not to exceed \$27,100,000.

**D. Contingent Liabilities**

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

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

Hickman County 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, 2008. The \$200,667 reported as landfill postclosure care costs at June 30, 2008, represents the estimated cost of postclosure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Ventures**

Hickman County and the Town of Centerville entered into a joint venture to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. This joint venture is administered by the Hickman County Economic and Community Development Association Board (Vision 21). Hickman County contributed \$55,413 to the Hickman County Joint Economic and Community Development Association Board for the year ended June 30, 2008.

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, 2008.

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

Administrative Offices: (Cont.)

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

**G. Jointly Governed Organization**

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

**H. Retirement Commitments**

**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.tn.gov/treasury/tcrs>.

### **Funding Policy**

Hickman County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2008, was 12.41 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, 2008, Hickman County's annual pension cost of \$888,174 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 postretirement 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, 2007, which established contribution rates effective July 1, 2008.

### **Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	\$881,174	100%	\$0
6-30-07	803,228	100	0
6-30-06	607,569	100	0

## **Funded Status and Funding Progress**

As of July 1, 2007, the most recent actuarial valuation date, the plan was 89.43 percent funded. The actuarial accrued liability for benefits was \$16.77 million, and the actuarial value of assets was \$15 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.77 million. The covered payroll (annual payroll of active employees covered by the plan) was \$6.63 million, and the ratio of the UAAL to the covered payroll was 26.71 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

## **School Teachers**

### **Plan Description**

The Hickman County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by

the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the 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.tn.gov/treasury/tcrs>.

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2008, was 6.24 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2008, 2007, and 2006, were \$830,859, \$718,246, and \$612,453, respectively, equal to the required contributions for each year.

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

### Plan Description

Hickman County participates in the state-administered Local Government Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-207, Tennessee Code Annotated for local governments. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants. During the year ended June 30, 2008, Hickman County made contributions totaling \$46,724 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan
	<hr/>
ARC	\$ 615,000
Interest on the NPO	0
Adjustment to the ARC	0
Annual OPEB cost	<hr/> \$ 615,000
Amount of contribution	(46,724)
Increase/decrease in NPO	<hr/> \$ 568,276
Net OPEB obligation, 7-1-07	<hr/> 0
Net OPEB obligation, 6-30-08	<hr/> <hr/> \$ 568,276

Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Government Group	\$ 615,000	8 %	\$ 568,276

\* Data not available for two preceding years.

## Funded Status and Funding Progress

The funded status of the plan as of June 30, 2008, was as follows:

	<u>Local Government Insurance Plan</u>
Actuarial valuation date	6-30-07
Actuarial accrued liability (AAL)	\$ 4,756,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,756,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 4,405,000
UAAL as a % of covered payroll	108%

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

### Actuarial Methods and Assumptions

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

In the June 30, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

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

Office of Director of Finance

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

**K. Purchasing Law**

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

**L. Financial Policy**

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 considers 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 \$7,516 and the Endowment Fund totaling \$44,377.

	<u>Cost</u>	<u>Market Value</u>
Mutual Funds	\$ 34,909	\$ 31,202
Local Government Investment Pool	<u>20,691</u>	<u>20,691</u>
Total	<u>\$ 55,600</u>	<u>\$ 51,893</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 82 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.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,885,259	\$ 0	\$ 0	\$ 4,885,259	\$ 4,636,312	\$ 4,636,312	\$ 248,947
Licenses and Permits	75,136	0	0	75,136	88,900	88,900	(13,764)
Fines, Forfeitures, and Penalties	140,251	0	0	140,251	98,250	98,250	42,001
Charges for Current Services	22,215	0	0	22,215	18,700	18,700	3,515
Other Local Revenues	39,479	0	0	39,479	10,000	15,132	24,347
Fees Received from County Officials	1,149,476	0	0	1,149,476	990,000	990,000	159,476
State of Tennessee	1,200,319	0	0	1,200,319	860,281	927,339	272,980
Federal Government	41,033	0	0	41,033	35,000	41,336	(303)
Other Governments and Citizens Groups	205,270	0	0	205,270	101,550	101,550	103,720
<u>Total Revenues</u>	<u>\$ 7,758,438</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,758,438</u>	<u>\$ 6,838,993</u>	<u>\$ 6,917,519</u>	<u>\$ 840,919</u>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 59,575	\$ 0	\$ 0	\$ 59,575	\$ 68,000	\$ 68,000	\$ 8,425
Board of Equalization	2,550	0	0	2,550	3,500	3,500	950
Beer Board	58	0	0	58	600	600	542
County Mayor/Executive	95,931	0	0	95,931	98,766	98,766	2,835
County Attorney	7,897	0	0	7,897	10,000	10,000	2,103
Election Commission	142,855	0	0	142,855	173,861	173,861	31,006
Register of Deeds	120,649	0	0	120,649	129,826	129,826	9,177
Planning	73,331	0	0	73,331	89,835	90,187	16,856
County Buildings	455,333	(1,250)	7,000	461,083	371,882	467,662	6,579
Preservation of Records	13,648	(4,100)	0	9,548	19,800	19,835	10,287
<u>Finance</u>							
Accounting and Budgeting	186,199	0	0	186,199	201,564	204,365	18,166

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Property Assessor's Office	\$ 181,079	\$ 0	0	\$ 181,079	\$ 210,653	\$ 210,653	\$ 29,574
County Trustee's Office	131,832	0	0	131,832	135,561	135,561	3,729
County Clerk's Office	194,478	(200)	60	194,338	197,715	197,715	3,377
<u>Administration of Justice</u>							
Circuit Court	237,534	0	1,000	238,534	242,219	242,219	3,685
General Sessions Court	172,055	0	0	172,055	171,587	172,687	632
Chancery Court	118,887	0	2,000	120,887	124,966	124,966	4,079
Judicial Commissioners	26,761	0	0	26,761	26,175	26,761	0
Courtroom Security	48,283	0	0	48,283	0	48,750	467
<u>Public Safety</u>							
Sheriff's Department	1,260,803	0	612	1,261,415	1,261,607	1,299,446	38,031
Jail	829,138	0	0	829,138	605,580	859,780	30,642
Commissary	306	0	0	306	3,000	3,000	2,694
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Civil Defense	117,607	(600)	0	117,007	121,331	121,331	4,324
Rescue Squad	10,000	0	0	10,000	10,000	10,000	0
County Coroner/Medical Examiner	20,375	0	0	20,375	19,700	20,375	0
<u>Public Health and Welfare</u>							
Local Health Center	44,391	(1,018)	0	43,373	49,001	49,001	5,628
Alcohol and Drug Programs	22,296	0	0	22,296	0	22,296	0
Other Local Health Services	211,717	0	0	211,717	285,231	287,631	75,914
Regional Mental Health Center	5,000	0	0	5,000	5,000	5,000	0
Other Public Health and Welfare	15,231	0	0	15,231	0	15,789	558
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	10,000	0	0	10,000	10,000	10,000	0
Other Social, Cultural, and Recreational	5,000	0	0	5,000	0	6,170	1,170

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	\$ 34,421	\$ 0	\$ 0	\$ 34,421	\$ 46,406	\$ 46,406	\$ 11,985
Soil Conservation	28,735	0	0	28,735	28,736	28,736	1
<u>Other Operations</u>							
Tourism	500	0	0	500	5,500	5,500	5,000
Industrial Development	55,413	0	0	55,413	52,913	55,413	0
Other Economic and Community Development	917	0	0	917	2,000	2,000	1,083
Other Charges	428,422	0	0	428,422	419,900	446,900	18,478
Employee Benefits	1,115,746	0	0	1,115,746	1,058,000	1,158,000	42,254
Miscellaneous	106,696	0	0	106,696	104,460	118,660	11,964
<u>Support Services</u>							
Adult Programs	46,329	0	0	46,329	35,000	46,336	7
Total Expenditures	\$ 6,639,978	\$ (7,168)	\$ 10,672	\$ 6,643,482	\$ 6,401,875	\$ 7,045,684	\$ 402,202
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,118,460	\$ 7,168	\$ (10,672)	\$ 1,114,956	\$ 437,118	\$ (128,165)	\$ 1,243,121
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 32,561	\$ 0	\$ 0	\$ 32,561	\$ 0	\$ 29,270	\$ 3,291
Transfers In	29,670	0	0	29,670	29,670	29,670	0
Transfers Out	(554,716)	0	0	(554,716)	(634,716)	(634,716)	80,000
Total Other Financing Sources (Uses)	\$ (492,485)	\$ 0	\$ 0	\$ (492,485)	\$ (605,046)	\$ (575,776)	\$ 83,291
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ 625,975	\$ 7,168	\$ (10,672)	\$ 622,471	\$ (167,928)	\$ (703,941)	\$ 1,326,412
Fund Balance, July 1, 2007	2,449,802	(7,168)	0	2,442,634	1,908,449	1,908,449	534,185
Fund Balance, June 30, 2008	\$ 3,075,777	\$ 0	\$ (10,672)	\$ 3,065,105	\$ 1,740,521	\$ 1,204,508	\$ 1,860,597

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, 2008

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 309,031	\$ 0	\$ 309,031	\$ 297,228	\$ 297,228	\$ 11,803
Charges for Current Services	5,662	0	5,662	2,315	2,315	3,347
Other Local Revenues	68,458	0	68,458	21,880	21,880	46,578
State of Tennessee	2,502,343	0	2,502,343	2,277,670	2,534,670	(32,327)
Federal Government	32,384	0	32,384	90,000	90,000	(57,616)
Total Revenues	\$ 2,917,878	\$ 0	\$ 2,917,878	\$ 2,689,093	\$ 2,946,093	\$ (28,215)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 126,808	\$ 0	\$ 126,808	\$ 134,520	\$ 134,520	\$ 7,712
Highway and Bridge Maintenance	1,068,681	0	1,068,681	1,077,300	1,244,300	175,619
Operation and Maintenance of Equipment	405,121	0	405,121	439,026	444,026	38,905
Other Charges	69,919	0	69,919	83,700	83,700	13,781
Employee Benefits	481,268	0	481,268	547,025	547,025	65,757
Capital Outlay	700,667	65,255	765,922	364,000	824,000	58,078
Total Expenditures	\$ 2,852,464	\$ 65,255	\$ 2,917,719	\$ 2,645,571	\$ 3,277,571	\$ 359,852
Excess (Deficiency) of Revenues Over Expenditures	\$ 65,414	\$ (65,255)	\$ 159	\$ 43,522	\$ (331,478)	\$ 331,637
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (144,359)	\$ 0	\$ (144,359)	\$ (192,000)	\$ (192,000)	\$ 47,641
Total Other Financing Sources (Uses)	\$ (144,359)	\$ 0	\$ (144,359)	\$ (192,000)	\$ (192,000)	\$ 47,641
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ (78,945)	\$ (65,255)	\$ (144,200)	\$ (148,478)	\$ (523,478)	\$ 379,278
Fund Balance, July 1, 2007	700,824	0	700,824	314,539	314,539	386,285
Fund Balance, June 30, 2008	\$ 621,879	\$ (65,255)	\$ 556,624	\$ 166,061	\$ (208,939)	\$ 765,563

Exhibit F-3

Hickman County, Tennessee  
Schedule of Funding Progress – Pension Plan  
June 30, 2008

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-07	\$ 8,121	\$ 8,685	\$ 564	93.51 %	\$ 5,570	10.13 %

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the year; therefore, only the most current year is presented.

Exhibit F-4

Hickman County, Tennessee  
Schedule of Funding Progress - Other Postemployment Benefits Plan  
June 30, 2008

(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)
Local Government Group Plan	\$ 0	\$ 4,756	\$ 4,756	0 %	\$ 4,405	108 %

\*Data not available for two preceding years.

**HICKMAN COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2008**

**A. 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, Beer Board, County Mayor/Executive, 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.

**B. APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDS**

The budget and subsequent amendments submitted to and approved by the County Commission for the Highway/Public Works Fund resulted in appropriations exceeding estimated available funding causing a budgeted fund deficit of \$208,939.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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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

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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.

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

# Permanent Fund

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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.

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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, 2008

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Adequate Facilities/ Development Tax			Drug Control	Debt Service Fund	Permanent Fund	
	Public Library	Ambulance Service					
Cash	\$ 187,614	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 187,614
Equity in Pooled Cash and Investments	0	21,117	90,128	264,828	149,013	0	525,086
Investments	7,516	0	0	0	7,516	44,377	51,893
Accounts Receivable	0	892,016	0	0	892,016	0	892,016
Allowance for Uncollectibles	0	(508,449)	0	0	(508,449)	0	(508,449)
<b>Total Assets</b>	<b>\$ 195,130</b>	<b>\$ 404,684</b>	<b>\$ 90,128</b>	<b>\$ 264,828</b>	<b>\$ 954,770</b>	<b>\$ 44,377</b>	<b>\$ 1,148,160</b>

ASSETS

Cash  
 Equity in Pooled Cash and Investments  
 Investments  
 Accounts Receivable  
 Allowance for Uncollectibles

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities  
 Other Deferred Revenues  
 Total Liabilities

\$ 0	\$ 349,756	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 349,756
\$ 0	\$ 349,756	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 349,756

Fund Balances  
 Unreserved  
 Total Fund Balances  
 Total Liabilities and Fund Balances

\$ 195,130	\$ 54,928	\$ 90,128	\$ 264,828	\$ 605,014	\$ 149,013	\$ 44,377	\$ 798,404
\$ 195,130	\$ 54,928	\$ 90,128	\$ 264,828	\$ 605,014	\$ 149,013	\$ 44,377	\$ 798,404
\$ 195,130	\$ 404,684	\$ 90,128	\$ 264,828	\$ 954,770	\$ 149,013	\$ 44,377	\$ 1,148,160

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, 2008

	Special Revenue Funds							Total	Education Debt Service	Endowment	Permanent Fund	Total Nonmajor Governmental Funds
	Public Library	Ambulance Service	Drug Control	Adequate Facilities/ Development Tax	Constitu- tional Officers - Fees	Debt						
						Service Fund	Fund					
<b>Revenues</b>												
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 175,293	\$ 0	\$ 0	\$ 175,293	\$ 258,686	\$ 0	\$ 0	\$ 0	\$ 433,979
Fines, Forfeitures, and Penalties	0	0	53,798	0	0	0	53,798	0	0	0	0	53,798
Charges for Current Services	5,200	811,192	0	0	370	0	816,762	0	0	0	0	816,762
Other Local Revenues	33,078	0	0	0	0	0	33,078	0	0	0	0	33,078
State of Tennessee	21,213	0	0	0	0	0	21,213	0	0	0	0	21,213
Federal Government	550	0	0	0	0	0	550	0	0	0	0	550
Other Governments and Citizens Groups	3,428	0	0	0	0	0	3,428	0	0	0	0	3,428
<b>Total Revenues</b>	\$ 63,469	\$ 811,192	\$ 53,798	\$ 175,293	\$ 370	\$ 0	\$ 1,104,122	\$ 258,686	\$ 0	\$ 0	\$ 0	\$ 1,362,808
<b>Expenditures</b>												
Current:												
General Government	\$ 0	\$ 0	\$ 0	\$ 3,256	\$ 0	\$ 0	\$ 3,256	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,256
Administration of Justice	0	0	0	0	370	0	370	0	0	0	0	370
Public Safety	0	0	38,308	0	0	0	38,308	0	0	0	0	38,308
Public Health and Welfare	0	1,280,375	0	0	0	0	1,280,375	0	0	0	0	1,280,375
Social, Cultural, and Recreational Services	216,277	0	0	0	0	0	216,277	0	0	3,995	0	220,272
Debt Service:												
Principal on Debt	0	0	0	0	0	0	0	429,000	0	0	0	429,000
Interest on Debt	0	0	0	0	0	0	0	185,249	0	0	0	185,249
Other Debt Service	0	0	0	0	0	0	0	27,051	0	0	0	27,051
<b>Total Expenditures</b>	\$ 216,277	\$ 1,280,375	\$ 38,308	\$ 3,256	\$ 370	\$ 0	\$ 1,538,586	\$ 641,300	\$ 3,995	\$ 0	\$ 3,995	\$ 2,183,881
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ (152,808)	\$ (469,183)	\$ 15,490	\$ 172,037	\$ 0	\$ 0	\$ (434,464)	\$ (382,614)	\$ (3,995)	\$ (3,995)	\$ (3,995)	\$ (821,073)
<b>Other Financing Sources (Uses)</b>												
Insurance Recovery	\$ 0	\$ 2,843	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,843	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,843
Transfers In	166,222	391,837	0	0	0	0	558,059	450,000	0	0	0	1,008,059
Transfers Out	0	0	0	(715,000)	0	0	(715,000)	0	(3,343)	0	(3,343)	(718,343)
<b>Total Other Financing Sources (Uses)</b>	\$ 166,222	\$ 394,680	\$ 0	\$ (715,000)	\$ 0	\$ 0	\$ (154,098)	\$ 450,000	\$ (3,343)	\$ (3,343)	\$ (3,343)	\$ 292,559
<b>Net Change in Fund Balances Fund Balance, July 1, 2007</b>	\$ 13,414	\$ (74,503)	\$ 15,490	\$ (542,963)	\$ 0	\$ 0	\$ (588,562)	\$ 67,386	\$ (7,338)	\$ (7,338)	\$ (7,338)	\$ (528,514)
<b>Fund Balance, June 30, 2008</b>	\$ 181,716	\$ 129,431	\$ 74,638	\$ 807,791	\$ 0	\$ 0	\$ 1,193,576	\$ 81,627	\$ 51,715	\$ 51,715	\$ 51,715	\$ 1,326,918
<b>Fund Balance, June 30, 2008</b>	\$ 195,130	\$ 54,928	\$ 90,128	\$ 264,828	\$ 0	\$ 0	\$ 605,014	\$ 149,013	\$ 44,377	\$ 44,377	\$ 44,377	\$ 798,404

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 5,200	\$ 4,710	\$ 4,710	\$ 490
Other Local Revenues	33,078	19,450	34,350	(1,272)
State of Tennessee	21,213	12,533	12,533	8,680
Federal Government	550	0	650	(100)
Other Governments and Citizens Groups	3,428	2,840	2,840	588
Total Revenues	<u>\$ 63,469</u>	<u>\$ 39,533</u>	<u>\$ 55,083</u>	<u>\$ 8,386</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 216,277	\$ 206,412	\$ 233,962	\$ 17,685
Total Expenditures	<u>\$ 216,277</u>	<u>\$ 206,412</u>	<u>\$ 233,962</u>	<u>\$ 17,685</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (152,808)</u>	<u>\$ (166,879)</u>	<u>\$ (178,879)</u>	<u>\$ 26,071</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 166,222	\$ 162,879	\$ 162,879	\$ 3,343
Total Other Financing Sources (Uses)	<u>\$ 166,222</u>	<u>\$ 162,879</u>	<u>\$ 162,879</u>	<u>\$ 3,343</u>
Net Change in Fund Balance	\$ 13,414	\$ (4,000)	\$ (16,000)	\$ 29,414
Fund Balance, July 1, 2007	<u>181,716</u>	<u>181,716</u>	<u>181,716</u>	<u>0</u>
Fund Balance, June 30, 2008	<u>\$ 195,130</u>	<u>\$ 177,716</u>	<u>\$ 165,716</u>	<u>\$ 29,414</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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 811,192 \$	0 \$	811,192 \$	701,880 \$	701,880 \$	109,312
Total Revenues	\$ 811,192 \$	0 \$	811,192 \$	701,880 \$	701,880 \$	109,312
<u>Expenditures</u>						
Public Health and Welfare	\$ 1,280,375 \$	(62,316) \$	1,218,059 \$	1,172,837 \$	1,291,250 \$	73,191
Ambulance/Emergency Medical Services	\$ 1,280,375 \$	(62,316) \$	1,218,059 \$	1,172,837 \$	1,291,250 \$	73,191
Total Expenditures	\$ (469,183) \$	62,316 \$	(406,867) \$	(470,957) \$	(589,370) \$	182,503
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,843 \$	0 \$	2,843 \$	0 \$	2,843 \$	0
<u>Other Financing Sources (Uses)</u>	391,837	0	391,837	471,837	471,837	(80,000)
Insurance Recovery	\$ 394,680 \$	0 \$	394,680 \$	471,837 \$	474,680 \$	(80,000)
Transfers In	\$ (74,503) \$	62,316 \$	(12,187) \$	880 \$	(114,690) \$	102,503
Total Other Financing Sources (Uses)	129,431	(62,316)	67,115	0	0	67,115
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ 54,928 \$	0 \$	54,928 \$	880 \$	(114,690) \$	169,618
Fund Balance, June 30, 2008						

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 53,798	\$ 23,500	\$ 35,674	\$ 18,124
Total Revenues	\$ 53,798	\$ 23,500	\$ 35,674	\$ 18,124
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 38,308	\$ 0	\$ 38,500	\$ 192
Total Expenditures	\$ 38,308	\$ 0	\$ 38,500	\$ 192
Excess (Deficiency) of Revenues Over Expenditures	\$ 15,490	\$ 23,500	\$ (2,826)	\$ 18,316
Net Change in Fund Balance	\$ 15,490	\$ 23,500	\$ (2,826)	\$ 18,316
Fund Balance, July 1, 2007	74,638	72,802	72,802	1,836
Fund Balance, June 30, 2008	\$ 90,128	\$ 96,302	\$ 69,976	\$ 20,152

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 175,293	\$ 170,000	\$ 170,000	\$ 5,293
Total Revenues	\$ 175,293	\$ 170,000	\$ 170,000	\$ 5,293
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 3,256	\$ 1,700	\$ 3,256	\$ 0
Total Expenditures	\$ 3,256	\$ 1,700	\$ 3,256	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 172,037	\$ 168,300	\$ 166,744	\$ 5,293
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (715,000)	\$ (715,000)	\$ (715,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (715,000)	\$ (715,000)	\$ (715,000)	\$ 0
Net Change in Fund Balance	\$ (542,963)	\$ (546,700)	\$ (548,256)	\$ 5,293
Fund Balance, July 1, 2007	807,791	908,965	908,965	(101,174)
Fund Balance, June 30, 2008	\$ 264,828	\$ 362,265	\$ 360,709	\$ (95,881)

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 258,686	\$ 260,000	\$ 260,000	\$ (1,314)
Total Revenues	\$ 258,686	\$ 260,000	\$ 260,000	\$ (1,314)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 429,000	\$ 429,000	\$ 429,000	\$ 0
<u>Interest on Debt</u>				
Education	185,249	251,700	251,638	66,389
<u>Other Debt Service</u>				
General Government	2,862	2,800	2,862	0
Education	24,189	26,500	26,500	2,311
Total Expenditures	\$ 641,300	\$ 710,000	\$ 710,000	\$ 68,700
Excess (Deficiency) of Revenues Over Expenditures	\$ (382,614)	\$ (450,000)	\$ (450,000)	\$ 67,386
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 450,000	\$ 450,000	\$ 450,000	\$ 0
Total Other Financing Sources (Uses)	\$ 450,000	\$ 450,000	\$ 450,000	\$ 0
Net Change in Fund Balance	\$ 67,386	\$ 0	\$ 0	\$ 67,386
Fund Balance, July 1, 2007	81,627	69,021	69,021	12,606
Fund Balance, June 30, 2008	\$ 149,013	\$ 69,021	\$ 69,021	\$ 79,992

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# **Major Governmental Fund**

## **General Debt Service Fund**

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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.

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## Exhibit H

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,801,839	\$ 1,628,426	\$ 1,628,426	\$ 173,413
Other Local Revenues	517,346	350,000	350,000	167,346
State of Tennessee	33,035	43,000	43,000	(9,965)
Total Revenues	<u>\$ 2,352,220</u>	<u>\$ 2,021,426</u>	<u>\$ 2,021,426</u>	<u>\$ 330,794</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,051,621	\$ 374,300	\$ 1,051,698	\$ 77
Highways and Streets	119,068	108,651	119,068	0
Education	1,170,000	1,170,000	1,170,000	0
<u>Interest on Debt</u>				
General Government	324,364	332,222	421,001	96,637
Highways and Streets	10,359	6,040	10,359	0
Education	636,366	900,396	872,180	235,814
<u>Other Debt Service</u>				
General Government	52,189	50,188	56,357	4,168
Education	106,707	0	108,322	1,615
<u>Capital Projects</u>				
Public Utility Projects	0	139,009	0	0
Total Expenditures	<u>\$ 3,470,674</u>	<u>\$ 3,080,806</u>	<u>\$ 3,808,985</u>	<u>\$ 338,311</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,118,454)</u>	<u>\$ (1,059,380)</u>	<u>\$ (1,787,559)</u>	<u>\$ 669,105</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 829,689	\$ 830,000	\$ 830,000	\$ (311)
Transfers Out	(450,000)	(450,000)	(450,000)	0
Total Other Financing Sources (Uses)	<u>\$ 379,689</u>	<u>\$ 380,000</u>	<u>\$ 380,000</u>	<u>\$ (311)</u>
Net Change in Fund Balance	\$ (738,765)	\$ (679,380)	\$ (1,407,559)	\$ 668,794
Fund Balance, July 1, 2007	2,006,127	1,312,890	1,312,890	693,237
Fund Balance, June 30, 2008	<u>\$ 1,267,362</u>	<u>\$ 633,510</u>	<u>\$ (94,669)</u>	<u>\$ 1,362,031</u>

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# Fiduciary Funds

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

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

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

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Exhibit I-1

Hickman County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2008

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,232,093	\$ 1,232,093
Accounts Receivable	0	108	108
Due from Other Governments	114,550	0	114,550
Total Assets	<u>\$ 114,550</u>	<u>\$ 1,232,201</u>	<u>\$ 1,346,751</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 114,550	\$ 0	\$ 114,550
Due to Litigants, Heirs, and Others	0	1,232,201	1,232,201
Total Liabilities	<u>\$ 114,550</u>	<u>\$ 1,232,201</u>	<u>\$ 1,346,751</u>

Exhibit I-2

Hickman County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 638,103	\$ 638,103	\$ 0
Due from Other Governments	109,943	114,550	109,943	114,550
<b>Total Assets</b>	<b>\$ 109,943</b>	<b>\$ 752,653</b>	<b>\$ 748,046</b>	<b>\$ 114,550</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 109,943	\$ 752,653	\$ 748,046	\$ 114,550
<b>Total Liabilities</b>	<b>\$ 109,943</b>	<b>\$ 752,653</b>	<b>\$ 748,046</b>	<b>\$ 114,550</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,108,842	\$ 5,731,390	\$ 5,608,139	\$ 1,232,093
Accounts Receivable	288	108	288	108
<b>Total Assets</b>	<b>\$ 1,109,130</b>	<b>\$ 5,731,498</b>	<b>\$ 5,608,427</b>	<b>\$ 1,232,201</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,109,130	\$ 5,731,498	\$ 5,608,427	\$ 1,232,201
<b>Total Liabilities</b>	<b>\$ 1,109,130</b>	<b>\$ 5,731,498</b>	<b>\$ 5,608,427</b>	<b>\$ 1,232,201</b>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,108,842	\$ 5,731,390	\$ 5,608,139	\$ 1,232,093
Equity in Pooled Cash and Investments	0	638,103	638,103	0
Due from Other Governments	109,943	114,550	109,943	114,550
Accounts Receivable	288	108	288	108
<b>Total Assets</b>	<b>\$ 1,219,073</b>	<b>\$ 6,484,151</b>	<b>\$ 6,356,473</b>	<b>\$ 1,346,751</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 109,943	\$ 752,653	\$ 748,046	\$ 114,550
Due to Litigants, Heirs, and Others	1,109,130	5,731,498	5,608,427	1,232,201
<b>Total Liabilities</b>	<b>\$ 1,219,073</b>	<b>\$ 6,484,151</b>	<b>\$ 6,356,473</b>	<b>\$ 1,346,751</b>

# Hickman County School Department

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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.

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

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

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

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Exhibit J-1

Hickman County, Tennessee  
Statement of Activities  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Unit:					
Governmental Activities:					
Instruction	\$ 17,195,125	\$ 43,597	\$ 2,204,581	\$ 0	\$ (14,946,947)
Support Services	10,444,624	2,796	39,365	499,588	(9,902,875)
Operation of Non-Instructional Services	2,497,021	781,953	1,113,366	0	(601,702)
Total Governmental Activities	\$ 30,136,770	\$ 828,346	\$ 3,357,312	\$ 499,588	\$ (25,451,524)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,181,739
Local Option Sales Taxes					1,212,848
Other Local Taxes					30,524
Grants and Contributions Not Restricted to Specific Programs					20,747,754
Unrestricted Investment Income					6,972
Miscellaneous					181,640
Transfers from Individual Schools					1,345,901
Total General Revenues					\$ 26,707,378
Change in Net Assets					\$ 1,255,854
Net Assets, July 1, 2007					47,391,010
Net Assets, June 30, 2008					\$ 48,646,864

Exhibit J-2

Hickman County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Hickman County School Department  
June 30, 2008

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<b><u>ASSETS</u></b>			
Cash	\$ 0	\$ 2,903	\$ 2,903
Equity in Pooled Cash and Investments	5,830,984	438,756	6,269,740
Accounts Receivable	1,168	0	1,168
Due from Other Governments	236,443	87,710	324,153
Property Taxes Receivable	3,484,909	0	3,484,909
Allowance for Uncollectible Property Taxes	(95,683)	0	(95,683)
Total Assets	<u>\$ 9,457,821</u>	<u>\$ 529,369</u>	<u>\$ 9,987,190</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>Liabilities</u></b>			
Deferred Revenue - Current Property Taxes	\$ 3,203,496	\$ 0	\$ 3,203,496
Deferred Revenue - Delinquent Property Taxes	171,729	0	171,729
Other Deferred Revenues	102,726	0	102,726
Total Liabilities	<u>\$ 3,477,951</u>	<u>\$ 0</u>	<u>\$ 3,477,951</u>
<b><u>Fund Balances</u></b>			
Reserved for Career Ladder - Extended Contract	\$ 6,519	\$ 0	\$ 6,519
Reserved for Career Ladder Program	5,077	0	5,077
Reserved for Title I Grants to Local Education Agencies	0	8,177	8,177
Reserved for Innovative Education Program Strategies	0	64	64
Reserved for Special Education - Grants to States	0	115,715	115,715
Other Federal Reserves	0	1,865	1,865
Unreserved, Reported In:			
General Fund	5,968,274	0	5,968,274
Special Revenue Funds	0	403,548	403,548
Total Fund Balances	<u>\$ 5,979,870</u>	<u>\$ 529,369</u>	<u>\$ 6,509,239</u>
Total Liabilities and Fund Balances	<u>\$ 9,457,821</u>	<u>\$ 529,369</u>	<u>\$ 9,987,190</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, 2008

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)		\$ 6,509,239
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,018,261	
Add: buildings and improvements net of accumulated depreciation	37,042,340	
Add: other capital assets net of accumulated depreciation	<u>3,802,569</u>	41,863,170
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>274,455</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 48,646,864</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, 2008

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
	Funds	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 4,393,442	\$ 0	\$ 4,393,442
Licenses and Permits	1,235	0	1,235
Charges for Current Services	87,330	780,381	867,711
Other Local Revenues	1,515,991	6,332	1,522,323
State of Tennessee	20,890,435	0	20,890,435
Federal Government	200,258	2,864,698	3,064,956
<b>Total Revenues</b>	<b>\$ 27,088,691</b>	<b>\$ 3,651,411</b>	<b>\$ 30,740,102</b>
<u>Expenditures</u>			
Current:			
Instruction	\$ 16,035,987	\$ 1,232,938	\$ 17,268,925
Support Services	9,261,679	376,886	9,638,565
Operation of Non-Instructional Services	555,315	1,842,493	2,397,808
Capital Outlay	2,134,985	0	2,134,985
<b>Total Expenditures</b>	<b>\$ 27,987,966</b>	<b>\$ 3,452,317</b>	<b>\$ 31,440,283</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (899,275)	\$ 199,094	\$ (700,181)
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 22,005	\$ 0	\$ 22,005
Transfers In	142,706	0	142,706
Transfers Out	0	(142,706)	(142,706)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 164,711</b>	<b>\$ (142,706)</b>	<b>\$ 22,005</b>
Net Change in Fund Balances	\$ (734,564)	\$ 56,388	\$ (678,176)
Fund Balance, July 1, 2007	6,714,434	472,981	7,187,415
Fund Balance, June 30, 2008	\$ 5,979,870	\$ 529,369	\$ 6,509,239

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, 2008

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)		\$ (678,176)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,558,028	
Less: current year depreciation expense	<u>(1,165,818)</u>	1,392,210
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: capital assets donated and capitalized		499,588
(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, 2008	\$ 274,455	
Less: deferred delinquent property taxes and other deferred June 30, 2007	<u>(232,223)</u>	<u>42,232</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,255,854</u>

Exhibit J-6

Hickman County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Hickman County School Department  
June 30, 2008

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,903	\$ 2,903
Equity in Pooled Cash and Investments	125,621	313,135	438,756
Due from Other Governments	200	87,510	87,710
Total Assets	<u>\$ 125,821</u>	<u>\$ 403,548</u>	<u>\$ 529,369</u>
<u>FUND BALANCES</u>			
Reserved for Title I Grants to Local Education Agencies	\$ 8,177	\$ 0	\$ 8,177
Reserved for Innovative Education Program Strategies	64	0	64
Reserved for Special Education - Grants to States	115,715	0	115,715
Other Federal Reserves	1,865	0	1,865
Unreserved	0	403,548	403,548
Total Fund Balances	<u>\$ 125,821</u>	<u>\$ 403,548</u>	<u>\$ 529,369</u>

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, 2008

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 780,381	\$ 780,381
Other Local Revenues	0	6,332	6,332
Federal Government	1,860,622	1,004,076	2,864,698
Total Revenues	<u>\$ 1,860,622</u>	<u>\$ 1,790,789</u>	<u>\$ 3,651,411</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,232,938	\$ 0	\$ 1,232,938
Support Services	376,886	0	376,886
Operation of Non-Instructional Services	0	1,842,493	1,842,493
Total Expenditures	<u>\$ 1,609,824</u>	<u>\$ 1,842,493</u>	<u>\$ 3,452,317</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 250,798</u>	<u>\$ (51,704)</u>	<u>\$ 199,094</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (142,706)	\$ 0	\$ (142,706)
Total Other Financing Sources (Uses)	<u>\$ (142,706)</u>	<u>\$ 0</u>	<u>\$ (142,706)</u>
Net Change in Fund Balances	\$ 108,092	\$ (51,704)	\$ 56,388
Fund Balance, July 1, 2007	17,729	455,252	472,981
Fund Balance, June 30, 2008	<u>\$ 125,821</u>	<u>\$ 403,548</u>	<u>\$ 529,369</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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,393,442	\$ 4,117,047	\$ 4,117,047	\$ 276,395
Licenses and Permits	1,235	1,500	1,500	(265)
Charges for Current Services	87,330	131,200	131,200	(43,870)
Other Local Revenues	1,515,991	110,500	1,180,500	335,491
State of Tennessee	20,890,435	20,407,500	20,570,917	319,518
Federal Government	200,258	231,000	241,500	(41,242)
Total Revenues	<u>\$ 27,088,691</u>	<u>\$ 24,998,747</u>	<u>\$ 26,242,664</u>	<u>\$ 846,027</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 12,544,396	\$ 13,838,700	\$ 13,898,530	\$ 1,354,134
Alternative Instruction Program	141,044	152,200	152,200	11,156
Special Education Program	2,031,246	2,158,300	2,158,300	127,054
Vocational Education Program	1,225,234	1,416,500	1,416,500	191,266
Adult Education Program	94,067	97,000	97,000	2,933
<u>Support Services</u>				
Attendance	128,988	132,810	132,810	3,822
Health Services	198,116	187,700	204,749	6,633
Other Student Support	1,819,112	1,018,600	1,930,484	111,372
Regular Instruction Program	970,338	1,033,500	1,033,500	63,162
Alternative Instruction Program	560	600	600	40
Special Education Program	122,747	164,200	164,200	41,453
Vocational Education Program	81,552	85,900	85,900	4,348
Adult Programs	72,044	73,800	73,800	1,756
Other Programs	46,461	0	46,461	0
Board of Education	426,410	438,500	439,000	12,590
Director of Schools	238,571	251,150	251,150	12,579
Office of the Principal	776,793	796,800	796,800	20,007
Operation of Plant	1,920,541	2,231,000	2,231,000	310,459
Maintenance of Plant	963,991	759,800	979,800	15,809
Transportation	1,230,529	1,311,400	1,311,400	80,871
Central and Other	264,926	281,500	281,500	16,574
<u>Operation of Non-Instructional Services</u>				
Food Service	20,600	20,600	20,600	0
Community Services	139,988	153,600	153,600	13,612
Early Childhood Education	394,727	289,520	394,727	0
<u>Capital Outlay</u>				
Regular Capital Outlay	2,134,985	0	2,160,000	25,015
Total Expenditures	<u>\$ 27,987,966</u>	<u>\$ 26,893,680</u>	<u>\$ 30,414,611</u>	<u>\$ 2,426,645</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (899,275)</u>	<u>\$ (1,894,933)</u>	<u>\$ (4,171,947)</u>	<u>\$ 3,272,672</u>

(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>				
Insurance Recovery	\$ 22,005	\$ 0	\$ 0	\$ 22,005
Transfers In	142,706	55,000	172,014	(29,308)
Total Other Financing Sources (Uses)	<u>\$ 164,711</u>	<u>\$ 55,000</u>	<u>\$ 172,014</u>	<u>\$ (7,303)</u>
Net Change in Fund Balance	\$ (734,564)	\$ (1,839,933)	\$ (3,999,933)	\$ 3,265,369
Fund Balance, July 1, 2007	<u>6,714,434</u>	<u>5,040,665</u>	<u>5,040,665</u>	<u>1,673,769</u>
Fund Balance, June 30, 2008	<u>\$ 5,979,870</u>	<u>\$ 3,200,732</u>	<u>\$ 1,040,732</u>	<u>\$ 4,939,138</u>

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,860,622	\$ 2,045,830	\$ 1,952,875	\$ (92,253)
Total Revenues	\$ 1,860,622	\$ 2,045,830	\$ 1,952,875	\$ (92,253)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 710,976	\$ 853,700	\$ 802,700	\$ 91,724
Special Education Program	448,695	596,072	532,392	83,697
Vocational Education Program	73,267	64,850	73,267	0
<u>Support Services</u>				
Other Student Support	21,252	17,450	21,380	128
Regular Instruction Program	232,021	232,454	235,451	3,430
Special Education Program	123,613	252,452	143,335	19,722
Total Expenditures	\$ 1,609,824	\$ 2,016,978	\$ 1,808,525	\$ 198,701
Excess (Deficiency) of Revenues Over Expenditures	\$ 250,798	\$ 28,852	\$ 144,350	\$ 106,448
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (142,706)	\$ (28,852)	\$ (144,350)	\$ 1,644
Total Other Financing Sources (Uses)	\$ (142,706)	\$ (28,852)	\$ (144,350)	\$ 1,644
Net Change in Fund Balance	\$ 108,092	\$ 0	\$ 0	\$ 108,092
Fund Balance, July 1, 2007	17,729	17,729	17,729	0
Fund Balance, June 30, 2008	\$ 125,821	\$ 17,729	\$ 17,729	\$ 108,092

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 780,381	\$ 750,000	\$ 750,000	\$ 30,381
Other Local Revenues	6,332	670,500	9,000	(2,668)
Federal Government	1,004,076	225,000	886,500	117,576
Total Revenues	<u>\$ 1,790,789</u>	<u>\$ 1,645,500</u>	<u>\$ 1,645,500</u>	<u>\$ 145,289</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,842,493	\$ 1,829,885	\$ 2,007,385	\$ 164,892
Total Expenditures	<u>\$ 1,842,493</u>	<u>\$ 1,829,885</u>	<u>\$ 2,007,385</u>	<u>\$ 164,892</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (51,704)	\$ (184,385)	\$ (361,885)	\$ 310,181
Net Change in Fund Balance	\$ (51,704)	\$ (184,385)	\$ (361,885)	\$ 310,181
Fund Balance, July 1, 2007	<u>455,252</u>	<u>366,436</u>	<u>366,436</u>	<u>88,816</u>
Fund Balance, June 30, 2008	<u>\$ 403,548</u>	<u>\$ 182,051</u>	<u>\$ 4,551</u>	<u>\$ 398,997</u>

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# Hickman County Health Foundation

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

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

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Exhibit K-1

Hickman County, Tennessee  
Statement of Net Assets and Governmental Fund Balance Sheet  
Discretely Presented Hickman County Health Foundation  
June 30, 2008

	Health Foundation Fund	Adjustments	Statement of Net Assets
<u>ASSETS</u>			
Cash	\$ 2,312,904	\$ 0	\$ 2,312,904
Total Assets	<u>\$ 2,312,904</u>	<u>\$ 0</u>	<u>\$ 2,312,904</u>
<u>FUND BALANCE/NET ASSETS</u>			
Fund Balance:			
Unreserved	\$ 2,312,904	\$ (2,312,904)	\$ 0
Total Fund Balance	<u>\$ 2,312,904</u>	<u>\$ (2,312,904)</u>	<u>\$ 0</u>
Total Fund Balance	<u>\$ 2,312,904</u>		
Net Assets:			
Unrestricted		<u>\$ 2,312,904</u>	<u>\$ 2,312,904</u>
Total Net Assets		<u>\$ (2,312,904)</u>	<u>\$ 2,312,904</u>

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, 2008

	Health Foundation Fund	Adjustments	Statement of Activities
Expenditures/Expenses:			
General Government:			
County Commission	\$ 646	\$ 0	\$ 646
Public Health and Welfare:			
Ambulance/Emergency Medical Services	133,038	0	133,038
Other Public Health and Welfare	20,000	0	20,000
Total Expenditures/Expenses	<u>\$ 153,684</u>	<u>\$ 0</u>	<u>\$ 153,684</u>
Program Revenues:			
Operating Grants and Contributions:			
Public Health and Welfare	\$ 100,000	\$ 0	\$ 100,000
Net Program Expense			<u>\$ 53,684</u>
General Revenues:			
Investment Income	\$ 112,107	\$ 0	\$ 112,107
Total General Revenues	<u>\$ 112,107</u>	<u>\$ 0</u>	<u>\$ 112,107</u>
Excess of Revenues over Expenditures	\$ 58,423	\$ (58,423)	\$ 0
Change in Net Assets	0	58,423	58,423
Fund Balance/Net Assets:			
July 1, 2007	<u>2,254,481</u>	0	<u>2,254,481</u>
June 30, 2008	<u>\$ 2,312,904</u>	<u>\$ 0</u>	<u>\$ 2,312,904</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit L-1

Hickman County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
For the Year Ended June 30, 2008

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-07	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-08
<b>NOTES PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
Refunded Highway Capital Outlay Notes	\$ 298,872	4	2-18-03	8-29-08	\$ 91,322	\$ 0	\$ 55,681	\$ 35,641
Refunded Highway Capital Outlay Notes	256,500	4	2-19-03	9-1-08	59,595	0	52,970	6,625
Highway Capital Outlay Note	125,000	4.15	8-2-04	8-2-16	104,166	0	10,417	93,749
East Hickman Library Capital Outlay Note	250,000	4	7-6-05	4-22-08	233,411	0	233,411	0
East Hickman EMS Capital Outlay Note	500,000	4	10-25-05	4-22-08	458,333	0	458,333	0
MLEC Building	605,000	4.1	1-12-07	1-12-19	559,000	0	50,000	509,000
Energy Efficiency	62,142	0	3-14-07	4-15-14	62,142	0	8,877	53,265
Highway Capital Outlay Note	350,000	4	6-30-08	6-30-20	0	350,000	0	350,000
Total Notes Payable					\$ 1,567,969	\$ 350,000	\$ 869,689	\$ 1,048,280
<b>OTHER LOANS PAYABLE</b>								
<u>Payable through Education Debt Service Fund</u>								
School Construction	8,949,117	Variable	12-15-1997	5-25-18	\$ 6,131,117	\$ 0	\$ 429,000	\$ 5,702,117
<u>Payable through General Debt Service Fund</u>								
Court Facility	1,750,000	Variable	2-9-1998	5-25-18	1,089,000	0	83,000	1,006,000
School Construction	22,000,000	Variable	6-28-04	5-25-29	21,304,000	0	715,000	20,589,000
Jail Construction	6,140,000	Variable	10-27-05	5-25-30	5,835,860	147,140	163,000	5,820,000
Sewer Line	2,000,000	Variable	3-30-06	5-25-33	1,946,000	0	55,000	1,891,000
School Construction	(1)	Variable	8-27-07	5-25-20	0	657,000	0	657,000
Total Other Loans Payable					\$ 36,305,977	\$ 804,140	\$ 1,445,000	\$ 35,665,117
<b>BONDS PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
School Refunding Bonds	2,975,000	4 to 4.4	9-2-1998	1-15-08	\$ 455,000	\$ 0	\$ 455,000	\$ 0
Total Bonds Payable					\$ 455,000	\$ 0	\$ 455,000	\$ 0

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

Exhibit L-2

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

Year Ending June 30	Notes Principal	Notes Interest	Total Notes Requirements
2009	\$ 142,810	\$ 43,463	\$ 186,273
2010	100,544	37,831	138,375
2011	100,544	34,008	134,552
2012	100,544	30,216	130,760
2013	100,544	26,409	126,953
2014	100,547	22,541	123,088
2015	91,667	18,718	110,385
2016	91,667	14,911	106,578
2017	91,663	11,091	102,754
2018	81,250	7,251	88,501
2019	40,250	3,858	44,108
2020	6,250	263	6,513
Total	\$ 1,048,280	\$ 250,560	\$ 1,298,840

Year Ending June 30	Other Loans Principal	Other Loans Interest	Other Loans Fees	Total Other Loans Requirements
2009	\$ 1,554,000	\$ 532,472	\$ 152,069	\$ 2,238,541
2010	1,614,000	509,890	145,707	2,269,597
2011	1,675,000	486,452	139,109	2,300,561
2012	1,738,000	462,150	132,269	2,332,419
2013	1,806,000	436,954	125,177	2,368,131
2014	1,875,000	410,798	117,817	2,403,615
2015	1,948,000	383,663	110,188	2,441,851
2016	2,024,000	355,493	102,266	2,481,759
2017	2,102,000	326,251	94,046	2,522,297
2018	2,034,117	295,910	85,399	2,415,426
2019	1,298,000	266,343	75,798	1,640,141
2020	1,329,000	246,354	69,510	1,644,864
2021	1,367,000	225,887	63,800	1,656,687
2022	1,409,000	204,836	57,930	1,671,766
2023	1,451,000	183,137	51,885	1,686,022
2024	1,495,000	160,791	45,665	1,701,456
2025	1,540,000	137,768	39,261	1,717,029
2026	1,587,000	114,052	32,669	1,733,721
2027	1,634,000	89,613	25,881	1,749,494
2028	1,684,000	64,449	18,898	1,767,347
2029	1,734,000	38,516	11,707	1,784,223
2030	331,860	11,812	3,588	347,260
2031	241,140	6,701	2,658	250,499
2032	96,000	2,988	1,263	100,251
2033	98,000	1,509	994	100,503
Total	\$ 35,665,117	\$ 5,954,789	\$ 1,705,554	\$ 43,325,460

Exhibit L-3

Hickman County, Tennessee  
Schedule of Investments  
June 30, 2008

Fund and Type	Amount
Public Library Fund:	
Mutual Funds	<u>\$ 7,516</u>
Endowment Fund:	
Local Government Investment Pool	\$ 20,691
Mutual Funds	<u>23,686</u>
Total Endowment Fund	<u>\$ 44,377</u>
Total Investments	<u><u>\$ 51,893</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, 2008

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Public Library	Operations	\$ 162,879
General	Ambulance Service	Operations	391,837
Adequate Facilities/Development Tax	General Debt Service	Debt retirement	715,000
Highway/Public Works	General	Administrative costs	29,670
Highway/Public Works	General Debt Service	Debt retirement	114,689
General Debt Service	Education Debt Service	Debt retirement	450,000
Endowment	Public Library	Operations	3,343
Total Transfers Primary Government			<u>\$ 1,867,418</u>
<u>DISCRETELY PRESENTED HICKMAN COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 142,706
Total Transfers Discretely Presented Hickman County School Department			<u>\$ 142,706</u>

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, 2008

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 63,377	\$ 50,000	State Farm Fire and Casualty Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	60,243	100,000	Auto Owners Mutual Insurance Company
Director of Schools	State Board of Education and Local Board of Education	96,550 (1)	(5)	
Trustee	Section 8-24-102, <u>TCA</u>	54,872	1,029,435	State Farm Fire and Casualty Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	54,872	12,000	Auto Owners Mutual Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	54,872	50,000	Old Republic Surety Company
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	54,872	50,000	State Farm Fire and Casualty Company
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Judge	54,872 (2)	55,000	Travelers Casualty and Surety Company
Register	Section 8-24-102, <u>TCA</u>	54,872	25,000	Auto Owners Mutual Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u>	60,960 (3)	25,000	Travelers Casualty and Surety Company
Finance Director	County Commission	59,250 (4)	50,000	Old Republic Surety Company
<u>Other Bonds</u>				
Employee Blanket Bond			150,000	Tennessee Risk Management Trust
School Employees			150,000	"

- (1) Includes \$1,000 chief executive officer training supplement.
- (2) Does not include \$370 in special commissioner fees.
- (3) Includes \$600 as a law enforcement training supplement.
- (4) Includes \$1,500 as a training supplement.
- (5) The director of schools is covered under the department's blanket bond.

Hickman County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2008

	Special Revenue Funds					Adequate Facilities/ Development Tax
	General	Public Library	Ambulance Service	Drug Control		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,958,239	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	239,580	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	131,496	0	0	0	0	0
Interest and Penalty	42,343	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	5,991	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	19,453	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,697	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	12,002	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	92,648	0	0	0	0	0
Litigation Tax - Special Purpose	12,208	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	68,610	0	0	0	0	0
Business Tax	39,520	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	0	175,293
<u>Statutory Local Taxes</u>						
Bank Excise Tax	61,554	0	0	0	0	0
Wholesale Beer Tax	197,553	0	0	0	0	0
Interstate Telecommunications Tax	2,365	0	0	0	0	0
Other Statutory Local Taxes	0	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 4,885,259</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 175,293</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 14,514	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>						
Beer Permits	5,771	0	0	0	0	0
Building Permits	54,851	0	0	0	0	0
<b>Total Licenses and Permits</b>	<b>\$ 75,136</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>

(Continued)

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

	Special Revenue Funds					Adequate Facilities/ Development Tax
	General	Public Library	Ambulance Service	Drug Control		
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 14,925	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	7,056	0	0	0	0	0
Drug Control Fines	0	0	0	15,939	0	0
Drug Court Fees	473	0	0	0	0	0
Jail Fees	373	0	0	0	0	0
DUI Treatment Fines	1,140	0	0	0	0	0
Data Entry Fee - Circuit Court	336	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	31,611	0	0	0	0	0
Officers Costs	45,615	0	0	0	0	0
Drug Control Fines	0	0	0	25,685	0	0
Drug Court Fees	7,611	0	0	0	0	0
Jail Fees	8,192	0	0	0	0	0
DUI Treatment Fines	5,786	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,569	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	2,943	0	0	0	0	0
Data Entry Fee - Chancery Court	2,030	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Courtroom Security Fee	463	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	5,128	0	0	0	12,174	0
Total Fines, Forfeitures, and Penalties	\$ 140,251	\$ 0	\$ 0	\$ 53,798	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 0	\$ 0	\$ 811,192	\$ 0	\$ 0	0
Other General Service Charges	0	0	0	0	0	0
<u>Fees</u>						
Copy Fees	2,883	2,765	0	0	0	0

(Continued)

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

	Special Revenue Funds					Adequate Facilities/ Development Tax
	General	Public Library	Ambulance Service	Drug Control		
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Library Fees	\$ 0	\$ 2,435	\$ 0	\$ 0	\$ 0	0
Vending Machine Collections	246	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	13,630	0	0	0	0	0
Probation Fees	2,612	0	0	0	0	0
Data Processing Fee - Sheriff	244	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	2,600	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 22,215</b>	<b>\$ 5,200</b>	<b>\$ 811,192</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 6,988	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	8,008	80	0	0	0	0
Commissary Sales	20,244	0	0	0	0	0
Miscellaneous Refunds	2,309	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	0
Sale of Property	7,689	0	0	0	0	0
Contributions and Gifts	729	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	500	26,010	0	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 39,479</b>	<b>\$ 33,078</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 230,318	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	299,604	0	0	0	0	0
Clerk and Master	140,025	0	0	0	0	0
Register	141,720	0	0	0	0	0
Sheriff	34,814	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						Adequate Facilities/ Development Tax
	General	Public Library	Ambulance Service	Drug Control			
<u>Fees Received from County Officials (Cont.)</u>							
<u>Fees in-Lieu-of Salary (Cont.)</u>							
Trustee	\$ 302,995	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Total Fees Received from County Officials	\$ 1,149,476	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 6,840	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
State Reappraisal Grant	11,365	0	0	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	11,400	0	0	0	0	0	0
Other Public Safety Grants	43,698	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	253,564	0	0	0	0	0	0
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0	0
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	92,496	0	0	0	0	0	0
Beer Tax	19,312	0	0	0	0	0	0
Alcoholic Beverage Tax	47,263	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	313,836	0	0	0	0	0	0
Contracted Prisoner Boarding	352,875	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0	0	0
Other State Grants	9,173	21,213	0	0	0	0	0
Other State Revenues	22,117	0	0	0	0	0	0
Total State of Tennessee	\$ 1,200,319	\$ 21,213	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds					Adequate Facilities/ Development Tax
	General	Public Library	Ambulance Service	Drug Control		
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 13,079	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Federal through State	27,954	550	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	0	0	0	0	0	0
Total Federal Government	\$ 41,033	\$ 550	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 100,170	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	105,000	1,991	0	0	0	0
<u>Citizens Groups</u>						
Donations	100	1,437	0	0	0	0
Total Other Governments and Citizens Groups	\$ 205,270	\$ 3,428	\$ 0	\$ 0	\$ 0	0
<b>Total</b>	<b>\$ 7,758,438</b>	<b>\$ 63,469</b>	<b>\$ 811,192</b>	<b>\$ 53,798</b>	<b>\$ 175,293</b>	

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

	Special Revenue Funds			Debt Service Funds			Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects			
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 0	\$ 208,236	\$ 414,877	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,581,352
Trustee's Collections - Prior Year	0	9,732	18,869	0	0	0	0	268,181
Circuit/Clerk & Master Collections - Prior Years	0	4,891	22,554	0	0	0	0	158,941
Interest and Penalty	0	1,863	6,755	0	0	0	0	50,961
Payments in-Lieu-of Taxes - T.V.A.	0	326	858	0	0	0	0	7,175
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	0	19,453
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	0	1,697
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	582,175	0	0	0	0	582,175
Hotel/Motel Tax	0	0	0	0	0	0	0	12,002
Wheel Tax	0	0	738,457	258,686	0	0	0	997,143
Litigation Tax - General	0	0	0	0	0	0	0	92,648
Litigation Tax - Special Purpose	0	0	0	0	0	0	0	12,208
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	68,610
Business Tax	0	1,866	4,589	0	0	0	0	45,975
Mineral Severance Tax	0	82,117	0	0	0	0	0	82,117
Adequate Facilities/Development Tax	0	0	0	0	0	0	0	175,293
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	0	0	0	0	0	61,554
Wholesale Beer Tax	0	0	0	0	0	0	0	197,553
Interstate Telecommunications Tax	0	0	0	0	0	0	0	2,365
Other Statutory Local Taxes	0	0	12,705	0	0	0	0	12,705
<b>Total Local Taxes</b>	<b>\$ 0</b>	<b>\$ 309,031</b>	<b>\$ 1,801,839</b>	<b>\$ 258,686</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,430,108</b>
<u>Licenses and Permits</u>								
Licenses								
Cable TV Franchise Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,514
Beer Permits	0	0	0	0	0	0	0	5,771
Building Permits	0	0	0	0	0	0	0	54,851
<b>Total Licenses and Permits</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 75,136</b>

(Continued)

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

	Special Revenue Funds			Debt Service Funds		Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects		
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	14,925
Officers Costs	0	0	0	0	0	0	7,056
Drug Control Fines	0	0	0	0	0	0	15,939
Drug Court Fees	0	0	0	0	0	0	473
Jail Fees	0	0	0	0	0	0	373
DUI Treatment Fines	0	0	0	0	0	0	1,140
Data Entry Fee - Circuit Court	0	0	0	0	0	0	336
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	31,611
Officers Costs	0	0	0	0	0	0	45,615
Drug Control Fines	0	0	0	0	0	0	25,685
Drug Court Fees	0	0	0	0	0	0	7,611
Jail Fees	0	0	0	0	0	0	8,192
DUI Treatment Fines	0	0	0	0	0	0	5,786
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	6,569
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	2,943
Data Entry Fee - Chancery Court	0	0	0	0	0	0	2,030
<u>Judicial District Drug Program</u>							
Courtroom Security Fee	0	0	0	0	0	0	463
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	17,302
<u>Total Fines, Forfeitures, and Penalties</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 194,049
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	811,192
Other General Service Charges	0	4,125	0	0	0	0	4,125
<u>Fees</u>							
Copy Fees	0	0	0	0	0	0	5,648

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects			
<u>Charges for Current Services (Cont.)</u>								
<u>Fees (Cont.)</u>								
Library Fees	0	0	0	0	0	0	0	2,435
Vending Machine Collections	0	1,537	0	0	0	0	0	1,783
Constitutional Officers' Fees and Commissions	370	0	0	0	0	0	0	370
Data Processing Fee - Register	0	0	0	0	0	0	0	13,630
Probation Fees	0	0	0	0	0	0	0	2,612
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	244
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	2,600
<b>Total Charges for Current Services</b>	<b>370</b>	<b>5,662</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>844,639</b>
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	0	0	517,346	0	0	0	0	524,334
Lease/Rentals	0	0	0	0	0	0	0	8,088
Commissary Sales	0	0	0	0	0	0	0	20,244
Miscellaneous Refunds	0	18,017	0	0	0	0	0	20,326
<u>Nonrecurring Items</u>								
Sale of Equipment	0	50,441	0	0	0	0	0	50,441
Sale of Property	0	0	0	0	0	0	0	7,689
Contributions and Gifts	0	0	0	0	0	0	0	729
<u>Other Local Revenues</u>								
<b>Total Other Local Revenues</b>	<b>0</b>	<b>68,458</b>	<b>517,346</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,149</b>	<b>31,659</b>
<b>Total Other Local Revenues</b>	<b>0</b>	<b>68,458</b>	<b>517,346</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,149</b>	<b>663,510</b>
<u>Fees Received from County Officials</u>								
<u>Fees in-Lieu-of Salary</u>								
County Clerk	0	0	0	0	0	0	0	230,318
Circuit Court Clerk	0	0	0	0	0	0	0	299,604
Clerk and Master	0	0	0	0	0	0	0	140,025
Register	0	0	0	0	0	0	0	141,720
Sheriff	0	0	0	0	0	0	0	34,814

(Continued)

Exhibit L-6

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

	Special Revenue Funds			Debt Service Funds			Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Debt Service	Capital Projects		
<u>Fees Received from County Officials (Cont.)</u>								
<u>Fees in-Lieu-of Salary (Cont.)</u>								
Trustee	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	302,995
Total Fees Received from County Officials	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,149,476
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	6,840
State Reappraisal Grant	0	0	0	0	0	0	0	11,365
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	0	0	0	0	0	0	0	11,400
Other Public Safety Grants	0	0	0	0	0	0	0	43,698
<u>Health and Welfare Grants</u>								
Health Department Programs	0	0	0	0	0	0	0	253,564
<u>Public Works Grants</u>								
Bridge Program	0	291,471	0	0	0	0	0	291,471
State Aid Program	0	282,586	0	0	0	0	0	282,586
Tennessee Industrial Infrastructure Program	0	0	0	0	0	128,871	0	128,871
<u>Other State Revenues</u>								
Income Tax	0	0	0	0	0	0	0	92,496
Beer Tax	0	0	0	0	0	0	0	19,312
Alcoholic Beverage Tax	0	0	0	0	0	0	0	47,263
State Revenue Sharing - T.V.A.	0	16,517	33,035	0	0	0	0	363,388
Contracted Prisoner Boarding	0	0	0	0	0	0	0	352,875
Gasoline and Motor Fuel Tax	0	1,893,861	0	0	0	0	0	1,893,861
Petroleum Special Tax	0	17,908	0	0	0	0	0	17,908
Registrar's Salary Supplement	0	0	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	0	0	30,386
Other State Revenues	0	0	0	0	0	0	0	22,117
Total State of Tennessee	\$ 0 \$	2,502,343 \$	33,035 \$	0 \$	0 \$	128,871 \$	0 \$	3,885,781

(Continued)

Exhibit L-6

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

	Special Revenue Funds			Debt Service Funds			Capital
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Fund	Total
<u>Federal Government</u>							
<u>Federal Through State</u>							
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,079
Other Federal through State	0	0	0	0	483,208	0	511,712
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	32,384	0	0	0	0	32,384
Total Federal Government	\$ 0	\$ 32,384	\$ 0	\$ 0	\$ 483,208	\$ 0	\$ 557,175
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,170
Contributions	0	0	0	0	0	0	106,991
<u>Citizens Groups</u>							
Donations	0	0	0	0	0	0	1,537
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 208,698
<b>Total</b>	\$ 370	\$ 2,917,878	\$ 2,352,220	\$ 258,686	\$ 617,228	\$ 15,008,572	

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, 2008

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 2,999,516	\$ 0	\$ 0	\$ 2,999,516
Trustee's Collections - Prior Year	79,465	0	0	79,465
Circuit/Clerk & Master Collections - Prior Years	40,000	0	0	40,000
Interest and Penalty	15,000	0	0	15,000
Payments in-Lieu-of Taxes - T.V.A.	4,563	0	0	4,563
Payments in-Lieu-of Taxes - Local Utilities	6,000	0	0	6,000
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,218,374	0	0	1,218,374
Business Tax	27,674	0	0	27,674
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	2,850	0	0	2,850
<b>Total Local Taxes</b>	<b>\$ 4,393,442</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,393,442</b>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,235	\$ 0	\$ 0	\$ 1,235
<b>Total Licenses and Permits</b>	<b>\$ 1,235</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,235</b>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Summer School	\$ 2,140	\$ 0	\$ 0	\$ 2,140
Tuition - Other	41,457	0	0	41,457
Lunch Payments - Children	0	0	328,082	328,082
Lunch Payments - Adults	0	0	73,499	73,499
Income from Breakfast	0	0	79,017	79,017
A la carte Sales	0	0	299,783	299,783
Receipts from Individual Schools	39,365	0	0	39,365
Community Service Fees - Adults	1,572	0	0	1,572
TBI Criminal Background Fees	2,796	0	0	2,796
<b>Total Charges for Current Services</b>	<b>\$ 87,330</b>	<b>\$ 0</b>	<b>\$ 780,381</b>	<b>\$ 867,711</b>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 6,147	\$ 6,147
Lease/Rentals	1,767	0	0	1,767
Refund of Telecommunication and Internet Fees (E-Rate)	45,989	0	0	45,989
Miscellaneous Refunds	75,823	0	0	75,823
<u>Nonrecurring Items</u>				
Accrued Interest on Debt Issues	825	0	0	825
Sale of Equipment	21,749	0	185	21,934
Damages Recovered from Individuals	2,121	0	0	2,121
Contributions and Gifts	9,815	0	0	9,815
<u>Other Local Revenues</u>				
Other Local Revenues	1,357,902	0	0	1,357,902
<b>Total Other Local Revenues</b>	<b>\$ 1,515,991</b>	<b>\$ 0</b>	<b>\$ 6,332</b>	<b>\$ 1,522,323</b>

(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</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 46,461	\$ 0	\$ 0	\$ 46,461
<u>State Education Funds</u>				
Basic Education Program	19,604,294	0	0	19,604,294
School Food Service	20,593	0	0	20,593
Driver Education	16,110	0	0	16,110
Other State Education Funds	525,842	0	0	525,842
Career Ladder Program	171,477	0	0	171,477
Career Ladder - Extended Contract	93,666	0	0	93,666
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	237,442	0	0	237,442
Other State Grants	137,000	0	0	137,000
Other State Revenues	37,550	0	0	37,550
Total State of Tennessee	\$ 20,890,435	\$ 0	\$ 0	\$ 20,890,435
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 714,852	\$ 714,852
Breakfast	0	0	289,224	289,224
Adult Education State Grant Program	130,436	0	0	130,436
Vocational Education - Basic Grants to States	0	77,347	0	77,347
Title I Grants to Local Education Agencies	0	750,370	0	750,370
Innovative Education Program Strategies	0	5,890	0	5,890
Special Education - Grants to States	0	785,497	0	785,497
Special Education Preschool Grants	0	20,928	0	20,928
Safe and Drug-Free Schools - State Grants	0	10,837	0	10,837
Eisenhower Professional Development State Grants	0	197,891	0	197,891
Other Federal through State	12,788	11,862	0	24,650
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	57,034	0	0	57,034
Total Federal Government	\$ 200,258	\$ 1,860,622	\$ 1,004,076	\$ 3,064,956
Total	\$ 27,088,691	\$ 1,860,622	\$ 1,790,789	\$ 30,740,102

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, 2008

	<u>General Fund</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Investment Income	\$ 112,107
<u>Nonrecurring Items</u>	
Contributions and Gifts	<u>100,000</u>
Total Other Local Revenues	<u>\$ 212,107</u>
 Total	 <u><u>\$ 212,107</u></u>

Exhibit L-9

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2008

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	50,000	
Accounting Services		574	
Audit Services		5,232	
Legal Notices, Recording, and Court Costs		3,448	
Travel		321	
Total County Commission			\$ 59,575

Board of Equalization

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

Beer Board

Criminal Investigation of Applicants - TBI	\$	58	
Total Beer Board			58

County Mayor/Executive

County Official/Administrative Officer	\$	63,377	
Secretary(ies)		20,889	
Legal Notices, Recording, and Court Costs		1,588	
Travel		5,435	
Other Contracted Services		2,131	
Office Supplies		1,931	
Office Equipment		580	
Total County Mayor/Executive			95,931

County Attorney

Legal Services	\$	7,897	
Total County Attorney			7,897

Election Commission

County Official/Administrative Officer	\$	49,385	
Deputy(ies)		22,301	
Part-time Personnel		6,000	
Election Commission		2,716	
Election Workers		17,908	
Data Processing Services		4,006	
Legal Notices, Recording, and Court Costs		2,365	
Maintenance and Repair Services - Office Equipment		982	
Printing, Stationery, and Forms		1,930	
Rentals		663	

(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.)

Travel	\$	4,765	
Other Contracted Services		10,408	
Office Supplies		2,226	
Office Equipment		17,200	
Total Election Commission			\$ 142,855

Register of Deeds

County Official/Administrative Officer	\$	54,872	
Deputy(ies)		22,301	
Clerical Personnel		18,055	
In-Service Training		600	
Data Processing Services		13,327	
Maintenance and Repair Services - Office Equipment		516	
Travel		1,460	
Other Contracted Services		1,950	
Office Supplies		3,382	
Office Equipment		4,186	
Total Register of Deeds			120,649

Planning

Supervisor/Director	\$	32,678	
Deputy(ies)		21,137	
Salary Supplements		1,125	
Board and Committee Members Fees		2,680	
In-Service Training		225	
Contracts with Government Agencies		9,250	
Data Processing Services		1,031	
Legal Notices, Recording, and Court Costs		687	
Printing, Stationery, and Forms		25	
Travel		3,016	
Office Supplies		364	
Other Supplies and Materials		334	
Refunds		352	
Office Equipment		427	
Total Planning			73,331

County Buildings

Supervisor/Director	\$	39,270	
Custodial Personnel		22,697	
Communication		117,582	

(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.)

Maintenance and Repair Services - Buildings	\$	55,258	
Maintenance and Repair Services - Vehicles		1,360	
Pest Control		5,300	
Custodial Supplies		3,640	
Electricity		142,743	
Gasoline		1,995	
Office Supplies		28	
Uniforms		2,624	
Utilities		62,716	
Other Charges		120	
Total County Buildings			\$ 455,333

Preservation of Records

Other Supplies and Materials	\$	9,563	
Other Charges		4,085	
Total Preservation of Records			13,648

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	59,250	
Assistant(s)		17,308	
Deputy(ies)		10,366	
Accountants/Bookkeepers		17,971	
Data Processing Personnel		22,687	
Salary Supplements		3,000	
Clerical Personnel		21,380	
In-Service Training		256	
Data Processing Services		8,831	
Legal Notices, Recording, and Court Costs		4,265	
Printing, Stationery, and Forms		5,026	
Travel		2,042	
Office Supplies		5,116	
Premiums on Corporate Surety Bonds		450	
Office Equipment		8,251	
Total Accounting and Budgeting			186,199

Property Assessor's Office

County Official/Administrative Officer	\$	54,872	
Assistant(s)		20,547	
Deputy(ies)		23,340	

(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.)

Salary Supplements	\$	2,250	
Secretary(ies)		15,468	
Clerical Personnel		19,988	
Part-time Personnel		4,358	
In-Service Training		800	
Contracts with Private Agencies		3,500	
Data Processing Services		13,135	
Legal Notices, Recording, and Court Costs		619	
Maintenance and Repair Services - Office Equipment		148	
Travel		9,064	
Other Contracted Services		1,975	
Office Supplies		4,438	
Office Equipment		6,577	
Total Property Assessor's Office			\$ 181,079

County Trustee's Office

County Official/Administrative Officer	\$	54,872	
Deputy(ies)		24,196	
Salary Supplements		2,250	
Clerical Personnel		22,435	
Part-time Personnel		17,152	
Data Processing Services		5,660	
Legal Notices, Recording, and Court Costs		164	
Travel		414	
Office Supplies		2,487	
Office Equipment		2,202	
Total County Trustee's Office			131,832

County Clerk's Office

County Official/Administrative Officer	\$	54,872	
Deputy(ies)		24,023	
Salary Supplements		2,100	
Secretary(ies)		18,640	
Clerical Personnel		64,485	
Data Processing Services		12,963	
Printing, Stationery, and Forms		2,796	
Travel		1,791	
Office Supplies		3,470	
Office Equipment		9,338	
Total County Clerk's Office			194,478

(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	\$	54,872	
Deputy(ies)		126,278	
Part-time Personnel		5,811	
Other Salaries and Wages		14,632	
Jury and Witness Fees		11,206	
Data Processing Services		7,923	
Legal Notices, Recording, and Court Costs		524	
Maintenance and Repair Services - Office Equipment		4,320	
Travel		1,087	
Office Supplies		6,898	
Office Equipment		3,983	
Total Circuit Court			\$ 237,534

General Sessions Court

Judge(s)	\$	83,803	
Guidance Personnel		54,672	
Salary Supplements		1,500	
Secretary(ies)		24,112	
Travel		2,916	
Other Contracted Services		2,400	
Library Books/Media		779	
Office Supplies		1,297	
Office Equipment		576	
Total General Sessions Court			172,055

Chancery Court

County Official/Administrative Officer	\$	54,872	
Assistant(s)		23,443	
Deputy(ies)		22,543	
Part-time Personnel		4,877	
Data Processing Services		6,115	
Travel		1,352	
Office Supplies		5,285	
Office Equipment		400	
Total Chancery Court			118,887

Judicial Commissioners

Part-time Personnel	\$	7,724	
Other Salaries and Wages		15,575	
Travel		3,462	
Total Judicial Commissioners			26,761

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security

Other Supplies and Materials	\$ 48,283	
Total Courtroom Security		\$ 48,283

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 60,960	
Deputy(ies)	579,393	
Salary Supplements	12,000	
Dispatchers/Radio Operators	194,021	
Secretary(ies)	23,378	
Clerical Personnel	22,484	
Overtime Pay	20,166	
Other Salaries and Wages	53,782	
In-Service Training	5,392	
Advertising	43	
Data Processing Services	5,930	
Maintenance and Repair Services - Equipment	6	
Maintenance and Repair Services - Vehicles	29,107	
Matching Share	20,000	
Medical and Dental Services	352	
Postal Charges	176	
Travel	1,403	
Gasoline	101,656	
Law Enforcement Supplies	23,485	
Office Supplies	8,107	
Tires and Tubes	10,442	
Uniforms	9,692	
Premiums on Corporate Surety Bonds	665	
Motor Vehicles	78,163	
Total Sheriff's Department		1,260,803

Jail

Medical Personnel	\$ 18,522
Guards	320,279
Overtime Pay	20,838
Maintenance and Repair Services - Buildings	8,200
Medical and Dental Services	245,378
Custodial Supplies	15,545
Drugs and Medical Supplies	55,397
Food Supplies	136,816

(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	\$	1,669	
Prisoners Clothing		1,891	
Uniforms		4,216	
Other Supplies and Materials		50	
Data Processing Equipment		337	
Total Jail			\$ 829,138

Commissary

Food Supplies	\$	306	
Total Commissary			306

Fire Prevention and Control

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

Civil Defense

Supervisor/Director	\$	49,682	
Other Salaries and Wages		18,607	
In-Service Training		1,289	
Operating Lease Payments		300	
Maintenance and Repair Services - Equipment		2,680	
Maintenance and Repair Services - Vehicles		9,822	
Travel		495	
Drugs and Medical Supplies		1,849	
Gasoline		1,896	
Office Supplies		481	
Uniforms		1,005	
Other Supplies and Materials		13,812	
Communication Equipment		15,689	
Total Civil Defense			117,607

Rescue Squad

Contributions	\$	10,000	
Total Rescue Squad			10,000

County Coroner/Medical Examiner

Medical Personnel	\$	2,175	
Other Contracted Services		18,000	
Premiums on Corporate Surety Bonds		200	
Total County Coroner/Medical Examiner			20,375

(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	\$	39,031	
Other Contracted Services		3,464	
Office Supplies		378	
Other Charges		500	
Office Equipment		1,018	
Total Local Health Center			\$ 44,391

Alcohol and Drug Programs

Other Charges	\$	22,296	
Total Alcohol and Drug Programs			22,296

Other Local Health Services

Medical Personnel	\$	148,933	
Educational Assistants		45,830	
Travel		16,815	
Other Supplies and Materials		139	
Total Other Local Health Services			211,717

Regional Mental Health Center

Contributions	\$	5,000	
Total Regional Mental Health Center			5,000

Other Public Health and Welfare

Other Supplies and Materials	\$	15,231	
Total Other Public Health and Welfare			15,231

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	10,000	
Total Senior Citizens Assistance			10,000

Other Social, Cultural, and Recreational

Contributions	\$	5,000	
Total Other Social, Cultural, and Recreational			5,000

Agriculture and Natural Resources

Agriculture Extension Service

Contributions	\$	32,387	
Travel		985	
Custodial Supplies		131	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Office Supplies	\$ 918	
Total Agriculture Extension Service		\$ 34,421

Soil Conservation

Secretary(ies)	\$ 25,735	
Office Supplies	3,000	
Total Soil Conservation		28,735

Other Operations

Tourism

Contributions	\$ 500	
Total Tourism		500

Industrial Development

Contributions	\$ 55,413	
Total Industrial Development		55,413

Other Economic and Community Development

Other Charges	\$ 917	
Total Other Economic and Community Development		917

Other Charges

Consultants	\$ 9,900	
Liability Insurance	205,920	
Trustee's Commission	111,230	
Workers' Compensation Insurance	101,372	
Total Other Charges		428,422

Employee Benefits

Social Security	\$ 221,744	
State Retirement	332,588	
Life Insurance	19,656	
Medical Insurance	530,881	
Unemployment Compensation	10,877	
Total Employee Benefits		1,115,746

Miscellaneous

Contracts with Government Agencies	\$ 11,460	
Contributions	43,400	
Dues and Memberships	11,496	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Postal Charges	\$	35,307	
Rentals		2,773	
Other Charges		2,260	
Total Miscellaneous			\$ 106,696

Support Services

Adult Programs

Contracts with Private Agencies	\$	46,329	
Total Adult Programs			46,329

Total General Fund \$ 6,639,978

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Librarians	\$	111,129	
Dues and Memberships		3,220	
Postal Charges		1,637	
Travel		613	
Library Books/Media		3,299	
Periodicals		3,896	
Utilities		21,643	
Other Supplies and Materials		26,628	
Other Charges		40,316	
Other Capital Outlay		3,896	
Total Libraries			\$ 216,277

Total Public Library Fund 216,277

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Medical Personnel	\$	474,794	
Part-time Personnel		60,704	
Overtime Pay		141,844	
In-Service Training		6,568	
Other Per Diem and Fees		1,100	
Social Security		49,119	
State Retirement		73,635	
Medical Insurance		109,961	

(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	\$	2,737	
Maintenance and Repair Services - Buildings		2,061	
Maintenance and Repair Services - Equipment		4,382	
Maintenance and Repair Services - Vehicles		19,919	
Travel		1,134	
Other Contracted Services		95,059	
Custodial Supplies		1,334	
Diesel Fuel		54,272	
Drugs and Medical Supplies		29,804	
Office Supplies		4,833	
Tires and Tubes		3,387	
Uniforms		5,505	
Other Supplies and Materials		4,714	
Trustee's Commission		8,109	
Motor Vehicles		<u>125,400</u>	
Total Ambulance/Emergency Medical Services			<u>\$ 1,280,375</u>

Total Ambulance Service Fund \$ 1,280,375

Drug Control Fund

Public Safety

Sheriff's Department

Instructional Supplies and Materials	\$	1,423	
Law Enforcement Supplies		10,000	
Motor Vehicles		<u>26,885</u>	
Total Sheriff's Department			<u>\$ 38,308</u>

Total Drug Control Fund 38,308

Adequate Facilities/Development Tax Fund

General Government

Building

Refunds	\$	1,500	
Trustee's Commission		<u>1,756</u>	
Total Building			<u>\$ 3,256</u>

Total Adequate Facilities/Development Tax Fund 3,256

(Continued)

Exhibit L-9

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

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 370	
Total Chancery Court		\$ 370

Total Constitutional Officers - Fees Fund \$ 370

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 60,243	
Salary Supplements	4,000	
Secretary(ies)	27,423	
Overtime Pay	2,159	
Board and Committee Members Fees	16,800	
In-Service Training	2,615	
Contributions	500	
Dues and Memberships	2,925	
Legal Notices, Recording, and Court Costs	143	
Travel	3,746	
Other Contracted Services	5,525	
Office Supplies	552	
Premiums on Corporate Surety Bonds	25	
Office Equipment	152	
Total Administration		\$ 126,808

Highway and Bridge Maintenance

Foremen	\$ 181,994	
Equipment Operators	221,520	
Laborers	189,600	
Overtime Pay	17,362	
Asphalt - Cold Mix	43,376	
Asphalt - Liquid	239,448	
Crushed Stone	105,728	
General Construction Materials	1,521	
Other Road Supplies	25,239	
Pipe	12,778	
Road Signs	5,868	
Salt	5,499	
Small Tools	2,565	
Wood Products	1,356	
Chemicals	14,827	
Total Highway and Bridge Maintenance		1,068,681

(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	\$	29,142	
Mechanic(s)		26,483	
Overtime Pay		797	
Laundry Service		5,376	
Diesel Fuel		138,053	
Equipment and Machinery Parts		100,122	
Garage Supplies		33,191	
Gasoline		27,410	
Lubricants		10,376	
Tires and Tubes		34,171	
Total Operation and Maintenance of Equipment			\$ 405,121

Other Charges

Communication	\$	4,867	
Legal Services		1,340	
Electricity		6,522	
Water and Sewer		4,431	
Liability Insurance		28,174	
Trustee's Commission		24,585	
Total Other Charges			69,919

Employee Benefits

Social Security	\$	56,246	
State Retirement		99,839	
Employee and Dependent Insurance		231,739	
Unemployment Compensation		9,785	
Workers' Compensation Insurance		79,322	
Other Charges		4,337	
Total Employee Benefits			481,268

Capital Outlay

Bridge Construction	\$	356,224	
Communication Equipment		67	
Highway Construction		288,753	
Highway Equipment		9,050	
Motor Vehicles		46,200	
Other Construction		373	
Total Capital Outlay			700,667

Total Highway/Public Works Fund \$ 2,852,464

(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	\$ 750,621	
Principal on Other Loans	301,000	
Total General Government	<u>1,051,621</u>	\$ 1,051,621

Highways and Streets

Principal on Notes	\$ 119,068	
Total Highways and Streets	<u>119,068</u>	119,068

Education

Principal on Bonds	\$ 455,000	
Principal on Other Loans	715,000	
Total Education	<u>1,170,000</u>	1,170,000

Interest on Debt

General Government

Interest on Notes	\$ 66,997	
Interest on Other Loans	257,367	
Total General Government	<u>324,364</u>	324,364

Highways and Streets

Interest on Notes	\$ 10,359	
Total Highways and Streets	<u>10,359</u>	10,359

Education

Interest on Bonds	\$ 20,020	
Interest on Other Loans	616,346	
Total Education	<u>636,366</u>	636,366

Other Debt Service

General Government

Trustee's Commission	\$ 23,473	
Other Debt Service	28,716	
Total General Government	<u>52,189</u>	52,189

Education

Other Debt Service	\$ 106,707	
Total Education	<u>106,707</u>	106,707

Total General Debt Service Fund		<u>\$ 3,470,674</u>
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(Continued)

Exhibit L-9

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

Education Debt Service Fund

Principal on Debt

Education

Principal on Other Loans	\$ 429,000	
Total Education		\$ 429,000

Interest on Debt

Education

Interest on Other Loans	\$ 185,249	
Total Education		185,249

Other Debt Service

General Government

Trustee's Commission	\$ 2,862	
Total General Government		2,862

Education

Other Debt Service	\$ 24,189	
Total Education		<u>24,189</u>

Total Education Debt Service Fund		\$ 641,300
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General Capital Projects Fund

Capital Projects

Administration of Justice Projects

Building Construction	\$ 589,699	
Total Administration of Justice Projects		\$ 589,699

Public Safety Projects

Building Improvements	\$ 123,904	
Total Public Safety Projects		123,904

Public Health and Welfare Projects

Building Construction	\$ 230,724	
Building Improvements	<u>209,387</u>	
Total Public Health and Welfare Projects		440,111

Social, Cultural, and Recreation Projects

Site Development	\$ 3,429	
Total Social, Cultural, and Recreation Projects		3,429

Public Utility Projects

Building Construction	\$ 66,460	
Total Public Utility Projects		66,460

(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	\$ 128,519	
Total Other General Government Projects		\$ 128,519

Highway and Street Capital Projects

Bridge Construction	\$ 262,123	
Total Highway and Street Capital Projects		262,123

Education Capital Projects

Other Debt Issuance Charges	\$ 7,000	
Building Construction	492,588	
Total Education Capital Projects		<u>499,588</u>

Total General Capital Projects Fund		\$ 2,113,833
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Endowment Fund

Social, Cultural, and Recreational Services

Libraries

Other Charges	\$ 3,995	
Total Libraries		<u>\$ 3,995</u>

Total Endowment Fund		<u>3,995</u>
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Total Governmental Funds - Primary Government		<u><u>\$ 17,260,830</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, 2008

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,717,582	
Career Ladder Program	145,500	
Career Ladder Extended Contracts	90,752	
Homebound Teachers	9,090	
Educational Assistants	418,916	
Other Salaries and Wages	366,702	
Non-certified Substitute Teachers	129,842	
Social Security	676,369	
State Retirement	540,268	
Medical Insurance	1,399,184	
Maintenance and Repair Services - Equipment	113,116	
Other Contracted Services	348	
Instructional Supplies and Materials	240,665	
Textbooks	393,726	
Other Supplies and Materials	11,987	
Other Charges	22,184	
Regular Instruction Equipment	268,165	
Total Regular Instruction Program		\$ 12,544,396

Alternative Instruction Program

Other Salaries and Wages	\$ 108,109	
Social Security	7,798	
State Retirement	8,600	
Medical Insurance	15,600	
Instructional Supplies and Materials	111	
Other Supplies and Materials	826	
Total Alternative Instruction Program		141,044

Special Education Program

Teachers	\$ 1,322,498	
Educational Assistants	73,614	
Speech Pathologist	92,148	
Non-certified Substitute Teachers	8,142	
Social Security	113,578	
State Retirement	103,293	
Medical Insurance	186,300	
Other Contracted Services	115,338	
Instructional Supplies and Materials	7,374	
Special Education Equipment	8,961	
Total Special Education Program		2,031,246

(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.)

Vocational Education Program

Teachers	\$	895,242	
Non-certified Substitute Teachers		9,975	
Social Security		68,191	
State Retirement		67,500	
Medical Insurance		175,500	
Instructional Supplies and Materials		7,303	
Other Charges		1,523	
Total Vocational Education Program			\$ 1,225,234

Adult Education Program

Teachers	\$	46,199	
Other Salaries and Wages		29,451	
In-Service Training		1,492	
Social Security		5,486	
State Retirement		9,900	
Medical Insurance		1,300	
Other Charges		239	
Total Adult Education Program			94,067

Support Services

Attendance

Supervisor/Director	\$	63,069	
Other Salaries and Wages		35,528	
Social Security		7,557	
State Retirement		8,000	
Medical Insurance		7,860	
Travel		3,962	
Other Supplies and Materials		1,482	
Other Charges		1,530	
Total Attendance			128,988

Health Services

Medical Personnel	\$	54,612	
Other Salaries and Wages		71,794	
Social Security		9,108	
State Retirement		7,650	
Medical Insurance		17,100	
Travel		2,662	
Other Contracted Services		4,214	

(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 (Cont.)

Drugs and Medical Supplies	\$	2,577	
Other Supplies and Materials		27,962	
Other Charges		437	
Total Health Services			\$ 198,116

Other Student Support

Guidance Personnel	\$	410,653	
Psychological Personnel		44,181	
Other Salaries and Wages		34,709	
Social Security		37,122	
State Retirement		36,485	
Medical Insurance		77,085	
Consultants		12,738	
Evaluation and Testing		25,227	
Payments to Schools - Other		544,164	
Travel		7,101	
Other Contracted Services		7,620	
Other Supplies and Materials		9,592	
In Service/Staff Development		4,353	
Other Charges		568,082	
Total Other Student Support			1,819,112

Regular Instruction Program

Supervisor/Director	\$	66,412	
Librarians		333,389	
Secretary(ies)		154,415	
Clerical Personnel		144,804	
Other Salaries and Wages		4,923	
In-Service Training		17,332	
Social Security		52,973	
State Retirement		65,000	
Medical Insurance		78,000	
Maintenance and Repair Services - Equipment		3,991	
Travel		6,915	
Other Contracted Services		625	
Other Supplies and Materials		9,990	
In Service/Staff Development		19,902	
Other Charges		9,816	
Other Equipment		1,851	
Total Regular Instruction Program			970,338

(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.)

Alternative Instruction Program

Travel	\$ 560	
Total Alternative Instruction Program		\$ 560

Special Education Program

Supervisor/Director	\$ 58,715	
Assessment Personnel	25,001	
In-Service Training	675	
Social Security	4,935	
State Retirement	9,000	
Medical Insurance	7,600	
Maintenance and Repair Services - Equipment	10,068	
Travel	6,753	
Total Special Education Program		122,747

Vocational Education Program

Supervisor/Director	\$ 63,174	
Social Security	4,430	
State Retirement	4,000	
Medical Insurance	6,300	
Maintenance and Repair Services - Equipment	1,747	
Travel	1,511	
Other Supplies and Materials	390	
Total Vocational Education Program		81,552

Adult Programs

Supervisor/Director	\$ 57,169	
Social Security	4,243	
State Retirement	3,700	
Medical Insurance	6,300	
Travel	632	
Total Adult Programs		72,044

Other Programs

On-Behalf Payments to OPEB	\$ 46,461	
Total Other Programs		46,461

Board of Education

Board and Committee Members Fees	\$ 8,508	
In-Service Training	5,542	

(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.)

Board of Education (Cont.)

Social Security	\$	651	
Audit Services		10,757	
Dues and Memberships		13,273	
Legal Services		15,316	
Liability Insurance		95,000	
Trustee's Commission		114,613	
Workers' Compensation Insurance		155,706	
Refund to Applicant for Criminal Investigation		7,044	
Total Board of Education			\$ 426,410

Director of Schools

County Official/Administrative Officer	\$	96,550	
Secretary(ies)		56,660	
Other Salaries and Wages		13,892	
Social Security		11,106	
State Retirement		14,000	
Medical Insurance		9,100	
Communication		27,837	
Maintenance and Repair Services - Equipment		462	
Travel		3,800	
Office Supplies		791	
Other Charges		4,373	
Total Director of Schools			238,571

Office of the Principal

Principals	\$	505,013	
Assistant Principals		123,756	
Social Security		48,419	
State Retirement		38,314	
Medical Insurance		54,000	
Postal Charges		4,200	
Travel		3,091	
Total Office of the Principal			776,793

Operation of Plant

Other Contracted Services	\$	523,567
Custodial Supplies		17,293
Electricity		983,709
Natural Gas		124,597

(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.)

Operation of Plant (Cont.)

Water and Sewer	\$	188,373	
Boiler Insurance		2,405	
Building and Contents Insurance		55,000	
Plant Operation Equipment		25,597	
Total Operation of Plant			\$ 1,920,541

Maintenance of Plant

Supervisor/Director	\$	45,620	
Secretary(ies)		9,588	
Other Salaries and Wages		114,080	
Social Security		10,328	
State Retirement		20,000	
Medical Insurance		2,700	
Maintenance and Repair Services - Buildings		525,457	
Maintenance and Repair Services - Equipment		70,634	
Travel		50	
Other Contracted Services		120,935	
Equipment and Machinery Parts		5,000	
Other Supplies and Materials		4,970	
Maintenance Equipment		34,629	
Total Maintenance of Plant			963,991

Transportation

Supervisor/Director	\$	56,794	
Mechanic(s)		80,188	
Bus Drivers		491,069	
Secretary(ies)		9,588	
Social Security		45,941	
State Retirement		80,000	
Medical Insurance		50,000	
Other Fringe Benefits		6,341	
Maintenance and Repair Services - Vehicles		355	
Other Contracted Services		9,685	
Diesel Fuel		231,481	
Garage Supplies		572	
Gasoline		24,254	
Lubricants		4,083	
Tires and Tubes		37,523	
Vehicle Parts		39,806	

(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.)

Vehicle and Equipment Insurance	\$	59,212	
Other Charges		<u>3,637</u>	
Total Transportation			\$ 1,230,529

Central and Other

Medical Insurance	\$	4,566	
Other Fringe Benefits		42,120	
Contributions		140,000	
Other Contracted Services		<u>78,240</u>	
Total Central and Other			264,926

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	15,100	
Social Security		1,199	
State Retirement		1,900	
Travel		300	
In Service/Staff Development		<u>2,101</u>	
Total Food Service			20,600

Community Services

Supervisor/Director	\$	52,234	
Part-time Personnel		28,179	
Other Salaries and Wages		20,250	
Social Security		7,625	
State Retirement		9,175	
Medical Insurance		2,600	
Travel		1,300	
Other Supplies and Materials		9,298	
In Service/Staff Development		125	
Other Charges		7,294	
Other Equipment		<u>1,908</u>	
Total Community Services			139,988

Early Childhood Education

Teachers	\$	144,486	
Educational Assistants		52,718	
Non-certified Substitute Teachers		3,521	
Social Security		15,121	

(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.)

Early Childhood Education (Cont.)

State Retirement	\$	15,891	
Medical Insurance		36,614	
Travel		765	
Other Contracted Services		795	
Food Supplies		7,996	
Instructional Supplies and Materials		23,672	
Other Supplies and Materials		8,462	
Other Equipment		84,686	
Total Early Childhood Education			\$ 394,727

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	2,134,985	
Total Regular Capital Outlay			2,134,985

Total General Purpose School Fund \$ 27,987,966

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	526,169	
Social Security		39,610	
State Retirement		35,200	
Medical Insurance		83,500	
Unemployment Compensation		2,000	
Maintenance and Repair Services - Equipment		10,000	
Instructional Supplies and Materials		14,497	
Total Regular Instruction Program			\$ 710,976

Special Education Program

Educational Assistants	\$	318,377	
Non-certified Substitute Teachers		24,500	
Social Security		24,891	
State Retirement		11,624	
Medical Insurance		32,500	
Unemployment Compensation		4,914	
Other Fringe Benefits		6,003	
Other Contracted Services		20,953	
Instructional Supplies and Materials		4,933	
Total Special Education Program			448,695

(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.)

Vocational Education Program

Educational Assistants	\$	14,136	
Social Security		1,154	
State Retirement		1,807	
Medical Insurance		1,300	
Unemployment Compensation		189	
Travel		2,300	
Other Contracted Services		582	
Other Supplies and Materials		14,438	
Vocational Instruction Equipment		37,361	
Total Vocational Education Program			\$ 73,267

Support Services

Other Student Support

Other Salaries and Wages	\$	16,143	
Social Security		1,179	
In Service/Staff Development		3,930	
Total Other Student Support			21,252

Regular Instruction Program

Supervisor/Director	\$	61,569	
Secretary(ies)		17,727	
Other Salaries and Wages		7,299	
In-Service Training		954	
Social Security		6,509	
State Retirement		6,300	
Medical Insurance		7,550	
Unemployment Compensation		400	
Travel		5,164	
Other Supplies and Materials		9,687	
In Service/Staff Development		90,963	
Other Charges		17,899	
Total Regular Instruction Program			232,021

Special Education Program

Supervisor/Director	\$	5,800	
Psychological Personnel		12,489	
Clerical Personnel		23,001	
Other Salaries and Wages		38,464	
Social Security		5,570	

(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.)

Special Education Program (Cont.)

State Retirement	\$	15,367	
Medical Insurance		7,315	
Unemployment Compensation		800	
Maintenance and Repair Services - Equipment		14,807	
Total Special Education Program			<u>\$ 123,613</u>

Total School Federal Projects Fund \$ 1,609,824

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	38,753	
Accountants/Bookkeepers		123,159	
Cafeteria Personnel		470,454	
Social Security		48,133	
State Retirement		67,253	
Medical Insurance		81,000	
Unemployment Compensation		5,000	
Communication		1,929	
Maintenance and Repair Services - Equipment		32,872	
Transportation - Other than Students		9,049	
Travel		1,684	
Other Contracted Services		33,945	
Food Supplies		833,313	
Utilities		3,147	
Other Supplies and Materials		73,574	
Other Charges		14,627	
Food Service Equipment		4,601	
Total Food Service			<u>\$ 1,842,493</u>

Total Central Cafeteria Fund 1,842,493

Total Governmental Funds - Hickman County School Department \$ 31,440,283

Exhibit L-11

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County Health Foundation  
For the Year Ended June 30, 2008

General Fund

General Government

County Commission

Audit Services	\$ 646	
Total County Commission		\$ 646

Public Health and Welfare

Ambulance/Emergency Medical Services

Maintenance and Repair Services - Vehicles	\$ 6,500	
Drugs and Medical Supplies	6,809	
Other Supplies and Materials	2,350	
Motor Vehicles	41,897	
Health Equipment	<u>75,482</u>	
Total Ambulance/Emergency Medical Services		133,038

Other Public Health and Welfare

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

Total General Fund		<u>\$ 153,684</u>
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Total Governmental Funds - Hickman County Health Foundation		<u><u>\$ 153,684</u></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, 2008

	Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Commercial and Industrial Waste Collection Charge	\$ 128,639
Residential Waste Collection Charge	43,352
Tipping Fees	27,096
Solid Waste Disposal Fees	750,845
Total Charges for Current Services	<hr/> \$ 949,932 <hr/>
 <u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Lease/Rentals	\$ 3,378
Sale of Recycled Materials	71,322
Total Other Local Revenues	<hr/> \$ 74,700 <hr/>
Total Operating Revenues	<hr/> \$ 1,024,632 <hr/>
 <u>Nonoperating Revenues</u>	
Investment Income	\$ 31,216
Litter Program	14,556
Solid Waste Grants	11,329
Total Nonoperating Revenues	<hr/> \$ 57,101 <hr/>
Total Revenues	<hr/> \$ 1,081,733 <hr/>
 <u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Sanitation Management</u>	
Supervisor/Director	\$ 39,569
Deputies	23,749
Data Processing Personnel	21,446
Equipment Operators	24,169

(Continued)

Exhibit L-12

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

	Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Equipment Operators - Heavy	\$ 29,460
Laborers	114,965
Clerical Personnel	22,886
Part-time Personnel	10,374
Overtime Pay	6,277
Social Security	22,931
State Retirement	35,970
Medical Insurance	91,163
Advertising	1,178
Communication	5,383
Data Processing Services	2,959
Debt Collection Services	14,460
Engineering Services	4,818
Legal Services	50
Maintenance and Repair Services - Buildings	5,226
Maintenance and Repair Services - Equipment	17,820
Maintenance and Repair Services - Vehicles	4,278
Pest Control	245
Postal Charges	2,409
Printing, Stationery, and Forms	500
Rentals	1,719
Travel	2,869
Disposal Fees	251,519
Other Contracted Services	4,213
Custodial Supplies	1,055
Diesel Fuel	39,906
Electricity	12,034
Gasoline	3,174

(Continued)

Exhibit L-12

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

	Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Lubricants	\$ 1,118
Office Supplies	2,912
Other Road Supplies	844
Tires and Tubes	7,336
Uniforms	3,522
Utilities	857
Wire	687
Testing	7,425
Other Supplies and Materials	4,132
Trustee's Commission	10,199
Depreciation	38,093
Surcharge	4,000
Building Construction	21,905
Office Equipment	2,018
Solid Waste Equipment	54,467
Other Construction	32,426
Total Sanitation Management	<u>\$ 1,010,715</u>
 <u>Litter and Trash Collection</u>	
Assistant(s)	\$ 3,599
Supervisor/Director	16,161
Advertising	60
Gasoline	928
Instructional Supplies and Material	4,118
Depreciation	6,070
Total Other Charges	<u>\$ 30,936</u>
 <u>Nonoperating Expenses</u>	
Interest on Notes	<u>\$ 18,529</u>
Total Nonoperating Expenses	<u>\$ 18,529</u>
 Total Expenses	 <u><u>\$ 1,060,180</u></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, 2008

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 638,103
Total Cash Receipts	<u>\$ 638,103</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 631,722
Trustee's Commission	6,381
Total Cash Disbursements	<u>\$ 638,103</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2007	<u>0</u>
 Cash Balance, June 30, 2008	 <u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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

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

February 18, 2009

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, 2008, which collectively comprise Hickman County's basic financial statements and have issued our report thereon dated February 18, 2009. Our report was modified to include a reference to other auditors. 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. 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) as described in our report on Hickman County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

## Internal Control Over Financial Reporting

In planning and performing our audit, 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: 08.01, 08.02, 08.03, 08.04, 08.05, 08.06, 08.07, 08.08, 08.10(A,B,C), 08.11, 08.12, 08.13(A through L), and 08.14.

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. However, of the significant deficiencies described above, we consider items 08.01, 08.02, and 08.06 to be material weaknesses.

## 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

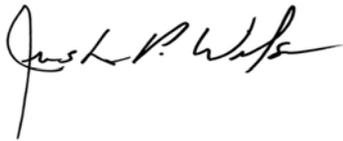
the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 08.09, 08.10(D,E,F), and 08.13(M through O).

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, Health Foundation Board, 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, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke at the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
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

February 18, 2009

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, 2008. 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, 2008.

#### 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

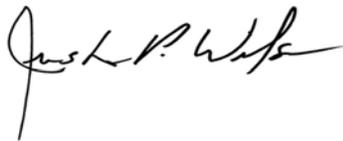
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hickman County as of and for the year ended June 30, 2008, and have issued our report thereon dated February 18, 2009. 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, Health Foundation Board, 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, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

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Hickman County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2008

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	\$ 32,384
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	88,697 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	289,224
National School Lunch Program	10.555	N/A	714,852 (3)
Total U.S. Department of Agriculture			<u>\$ 1,125,157</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
HOME Investment Partnerships Program	14.239	(2)	<u>\$ 483,208</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 483,208</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Formula Grant Program	16.579	(2)	<u>\$ 27,954</u>
Total U.S. Department of Justice			<u>\$ 27,954</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	Z-08-212214-00	<u>\$ 550</u>
Total U.S. Institute of Museum and Library Services			<u>\$ 550</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(4)	\$ 126,252
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	742,193
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	681,790
Special Education - Preschool Grants	84.173	N/A	20,928
Career and Technical Education - Basic Grants to States	84.048	N/A	77,347
Safe and Drug Free Schools and Communities - State Grants	84.186	(2)	17,826
State Grants for Innovative Programs	84.298	N/A	5,825
Education Technology State Grants	84.318	(2)	8,270
Improving Teacher Quality State Grants	84.367	N/A	198,351
Total U.S. Department of Education			<u>\$ 1,878,782</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	\$ 4,184
Passed-through State Department of Health:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Z-07-034177-00	<u>12,788</u>
Total U.S. Department of Health and Human Services			<u>\$ 16,972</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: Homeland Security Grant Program	97.067	Z-07-020592-00	\$ 13,079
Total U.S. Department of Homeland Security			<u>\$ 13,079</u>
Total Expenditures of Federal Grants			<u>\$ 3,545,702</u>

<u>State Grants</u>		<u>Contract Number</u>	
Family Resource Center - State Department of Education	N/A	(2)	\$ 66,300
Early Childhood Education - State Department of Education	N/A	(2)	395,026
Tobacco Cessation Grant - State Department of Health	N/A	(2)	15,789
Courtroom Security Funding - Administrative Office of the Courts	N/A	(2)	43,698
Community Enhancement Grant - Tennessee Secretary of State	N/A	(2)	17,400
Coordinated School Health - State Department of Education	N/A	(2)	95,000
Safe Schools Act - State Department of Education	N/A	(2)	24,900
Temporary Assistance for Needy Families - State Department of Labor and Workforce Development	N/A	Z-07-034230-00	7,770
Adult Education - State Department of Labor and Workforce Development	N/A	Z-07-033703-00	7,796
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	11,328
Alcohol and Drug Abuse Services - State Department of Mental Health and Development Disabilities	N/A	Z-08-23596-00	42,000
Local Health Services - State Department of Health	N/A	(5)	237,775
Litter Program - State Department of Transportation	N/A	Z-08-21006-00	14,556
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	GG-07-12787-00	128,871
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	11,365
Library Computer Grants - Tennessee Secretary of State	N/A	(2)	7,386
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(6)	6,840
Rural Arts Project Support Grant - Tennessee Arts Commission	N/A	(2)	<u>10,460</u>
Total State Grants			<u>\$ 1,144,260</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total CFDA No. 10.555: \$803,549.
- (4) Z-07-033703-00: \$14,117; Z-08-207789-00: \$112,135.
- (5) Z-08-20355-00: \$208,051; Z-07-031548-00: \$29,724.
- (6) Z-08-022770-00: \$6,750; Z-08-023236-00: \$90.

Hickman County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2008

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, 2007, which have not been corrected.

**OFFICE OF FINANCE DIRECTOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
07.01(A,C)	176	The office had accounting deficiencies
07.02(A)	177	The office had deficiencies in purchasing procedures

**OTHER FINDING**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
07.12	184	Duties were not segregated adequately in the Solid Waste Department, Planning and Zoning Department, and the Offices of Trustee and Clerk and Master

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**HICKMAN COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2008**

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**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, the business-type 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. Three of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Hickman County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An 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 HOME Investment Partnership Program (CFDA No. 14.239) 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, director of schools, and trustee 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.

### **HICKMAN COUNTY, HICKMAN COUNTY HEALTH FOUNDATION, AND HICKMAN COUNTY SCHOOL DEPARTMENT**

#### **FINDING 08.01      **HICKMAN COUNTY, THE HICKMAN COUNTY HEALTH FOUNDATION, AND THE HICKMAN COUNTY SCHOOL DEPARTMENT DO NOT HAVE THE RESOURCES TO PRODUCE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS****

(Internal Control – Material Weakness Under Government Auditing Standards)

Generally accepted auditing standards require that Hickman County's, the Hickman County Health Foundation's, and the Hickman County School Department's financial statements be the product of financial reporting systems that offer reasonable assurance that management is able to produce financial statements and notes to the financial statements that comply with generally accepted accounting principles (GAAP). The preparation of financial statements in accordance with GAAP requires that the county, the Health Foundation, and the School Department have internal controls over reporting government-wide and fund financial information and preparing the related notes. It is permissible for us, as the external auditors, to assist the county, the Health Foundation, and the School Department in preparing financial statements and notes as a matter of convenience as long as the county, the Health Foundation, and the School Department have the skills needed to prepare their financial statements and notes. However, management, including the accounting staff, does not have the technical skills to prepare GAAP financial statements and disclosures. The inability to prepare financial statements and notes is an indication of a lack of controls, or ineffective controls, because material misstatements may not be detected.

#### **RECOMMENDATION**

Hickman County, the Hickman County Health Foundation, and the Hickman County School Department should develop the ability to produce financial statements and notes to the financial statements that comply with GAAP. This could include having at least one staff member trained in financial statement preparation. This staff member should have sufficient skills necessary to prepare a complete set of year-end financial statements even though the external auditors prepare the county's, the Health Foundation's, and the School Department's financial statements as a matter of convenience. If we, as the external auditors, continue to prepare the county's, the Health Foundation's, and the School Department's financial statements, this individual must have sufficient knowledge to determine the completeness of financial statement information and disclosures.

## MANAGEMENT'S RESPONSES – COUNTY MAYOR AND FINANCE DIRECTOR

County management concurs with this finding to the extent that we do not have a person on staff or contract that is capable of producing external financial statements in compliance with generally accepted accounting principles as defined by the Governmental Accounting Standards Board.

County management believes that it should be noted by the users of this financial report that the Government Finance Officers Association's (GFOA) Executive Board, on October 19, 2007, released a recommended practice for "Mitigating the Negative Effects of Statement on Auditing Standards No. 112." In this publication, the GFOA recommended against governments engaging the services of a second accounting firm to assist in preparing its financial statements solely to avoid having a significant deficiency or material weakness reported.

The GFOA further recommends that if county management deems that the costs of remedying a significant deficiency or material weakness in its financial reporting system cannot be justified by the benefits to be obtained, it should take care to alert the governing body as early as possible to explain its conclusion.

County management will act upon this recommendation in the near future and alert the County Commission on this matter.

## MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The Hickman County School Department operates under the County Financial Management System of 1981. Thus, the School Department is dependent upon the county's Finance Office to prepare financial statements and notes. If the Finance Office is unable to produce such, the school system has limited additional resources over and above the current financial support it provides to the Finance Office, but will cooperate to assist the Finance Office in any way feasible. The school system will make available its part-time financial consultant to assist the Finance Office in producing financial statements and notes for the School Department's funds. In addition, the school system will request the State Department of Education's financial consultant to assist the Finance Office in producing the School Department's funds' financial statements and notes if such assistance is approved by the State Department of Education.

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**OFFICE OF COUNTY MAYOR**

**FINDING 08.02      ACCOUNTS RECEIVABLE WERE WRITTEN-OFF AS UNCOLLECTIBLE BY AMBULANCE SERVICE PERSONNEL WITHOUT THE APPROVAL OF THE EMERGENCY MEDICAL SERVICES BOARD**

(Internal Control – Material Weakness Under Government Auditing Standards)

Ambulance service personnel wrote-off as uncollectible, accumulated balances of accounts receivable totaling \$1,076,438 without the approval of the Emergency Medical Services Board (EMSB). The ambulance service’s write-off policy dated July 28, 2004, provides for certain uncollectible accounts to be approved by the EMSB. Also, sound business practices provide for management oversight of the write-off process. This deficiency is the result of the failure of ambulance service personnel to follow the county’s established write-off policy and could result in a loss of revenue for the county.

**RECOMMENDATION**

The write-off of accounts receivable deemed to be uncollectible should be made in compliance with the county’s write-off policy. Detailed listings of all accounts receivable proposed for write-off should be presented to the EMSB for their review and approval.

**MANAGEMENT’S RESPONSE – COUNTY MAYOR**

We cannot disagree with this finding. However, we were under the impression that a contract we entered into with EMS Consultants, which was approved by the County Commission for ambulance service billing matters, included language providing for the write-off of receivables where necessary and under the auspices of the county’s previously adopted policy on the matter. Obviously, we were mistaken. While we remain confident that all write-offs in question were reasonable and justifiable, we will ensure that all future actions are handled according to the county’s adopted policy.

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**FINDING 08.03      THE SOLID WASTE DEPARTMENT HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

The following weaknesses regarding computer system backup procedures in the Office of Solid Waste were identified during the audit:

- A. System backups were not stored off-site on a regular basis. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.

- B. A backup log was not maintained. If system backups are not labeled and inventoried systematically, discrepancies may occur and affect the integrity of system backups in the event of a hardware or software failure.
- C. Backups were not tested to ensure reliability. If backup integrity is not periodically tested, accurate backup data may not be available in the event of a disaster.

Sound business practices dictate that proper backup procedures be implemented. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures.

#### RECOMMENDATION

System backups should be rotated off-site weekly. Year-end backups should be stored off-site and retained indefinitely. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe-deposit box at a local bank. Furthermore, these backups should be tested periodically to ensure reliability. A current log of all backups that includes label descriptions, date of creation, contents, and storage location should be maintained.

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**FINDING 08.04      THE BUILDING PERMITS SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The following internal control deficiencies related to the office's software were identified:

- A. During the first months of the fiscal year, the software application did not provide a record of changes to previously issued receipts or permits. Users had the capability of changing information on receipts and permits and/or deleting a receipt or permit, leaving no evidence of the original information. After these deficiencies were brought to management's attention, they contacted the vendor who removed these capabilities from the application. However, upon a request from planning and zoning personnel, the vendor would change previously issued receipts, leaving no evidence of the original receipt.
- B. Users could reset the receipt numbers. Section 9-2-103, Tennessee Code Annotated, provides for receipts to be prenumbered consecutively. In-lieu-of prenumbered receipts, computer-generated receipts may be printed on plain paper if the receipt number generated by the software cannot be manipulated. This capability was removed from the application during the fiscal year.

Sound business practices dictate that proper application controls be implemented. Since the vendor changes previously issued receipts upon request, inappropriate system activity could occur.

#### RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the permit application to provide an audit trail for any changes to receipts or deletions. These controls would help to ensure the reliability and integrity of the information maintained by the system.

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#### FINDING 08.05      **THE LANDFILL OFFICE HAD DEFICIENCIES IN COMPUTER OPERATIONS** (Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination noted the following deficiencies in computer operations:

- A. System backups were not stored off-site on a regular basis. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. Sound business practices dictate that proper backup procedures be implemented. Backup procedures are now in place.
- B. The software application did not provide a record of changes to previously issued receipts. Users had the capability to change information on receipts, leaving no evidence of the original information. Sound business practices dictate that proper application controls be implemented. Since the vendor did not design the system with proper controls and management was not aware of the importance of these controls, inappropriate system activity could occur.

#### RECOMMENDATION

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

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#### OFFICE OF FINANCE DIRECTOR

#### FINDING 08.06      **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION** (Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2008, certain general ledger account balances in the Solid Waste Disposal, Highway/Public Works, General Capital Projects, and Central Cafeteria funds were not

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

### RECOMMENDATION

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

### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The school system agrees that the finding is correct as stated, but the finding fails to report that personnel of the Central Cafeteria Fund did not create the incorrect balances, but did detect them, and, on numerous occasions, requested the Finance Office to correct the account balance, but without success. It is the school system's understanding that a new software program in the Trustee's Office caused some problems, and the Finance Office, in attempting to correct the problems, set up some duplicate accounts, which resulted in the finding.

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### FINDING 08.07      **THE OFFICE HAD ACCOUNTING DEFICIENCIES** (Internal Control – Significant Deficiency Under Government Auditing Standards)

Our audit revealed the following accounting deficiencies that are a strong indicator of a weakness in internal controls over the maintenance of the office's accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. These deficiencies can be attributed to a lack of management oversight.

- A. The Finance Office attempted to reconcile the general ledger cash accounts of the various funds with the county trustee's reports monthly; however, numerous errors were noted in these reconciliations. The failure to reconcile accurately the general ledger cash accounts with the county trustee's reports monthly is an internal control weakness that could result in posting errors not being discovered and corrected in a timely manner.
- B. Several revenues were coded to accounts that did not reflect the true nature of the transactions. Sound budgetary principles require revenues be coded to accounts that reflect the true nature of the transactions. Misclassifying revenues diminishes the usefulness of the financial records as a management tool and results in a loss of budgetary control.

- C. Reservations of fund balances were not reflected accurately in the accounting records of the School Federal Projects Fund at June 30, 2008. Management did not evaluate the reservation accounts during the closing process to determine whether adjustments should be made. An analysis is necessary for each reservation of fund balance to document the unexpended amount of any legally restricted revenue.

Auditors presented audit adjustments to management that they approved and posted to properly present the general ledger cash accounts, revenues, and reservations of fund balance in the financial statements of this report.

#### RECOMMENDATION

The office should accurately reconcile the general ledger cash accounts of the various funds with the county trustee's reports monthly, and any posting errors discovered should be corrected promptly. Revenues should be coded to accounts that most appropriately reflect the true nature of the transactions. Also, county officials should properly determine, record, and document all reservations of fund balance.

#### MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

- A. Our local financial institutions required Hickman County to change from the previously accepted warrant system to the more-traditional checking system. In this transition, the trustee, in several instances, did not balance with the Finance Office. However, the Finance Office kept a log of identifiable problems, such as voided checks (warrants) and those in transit. The Finance Office and the Trustee's Office worked closely together to identify all issues until proper adjustments could be made.
- B. Revenues are deposited automatically through the Trustee's Office, and the Finance Office does not always see documentation of such deposits. The Finance Office, in conjunction with the Trustee's Office, will endeavor to develop a better system of reporting said deposits.

#### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

- A. The school system agrees that the finding is correct as stated. It is the school system's understanding that due to a new software program in the Trustee's Office, reconciliation of the general ledger cash accounts with the trustee's reports monthly by the Finance Office was affected, and the Finance Office was unable to reconcile. The school system was informed of such by the Finance Office, but the school system has to depend on the Finance Office to correct financial mistakes.
- B. The school system agrees that the finding is correct as stated. The trustee, the Finance Office, and the school system, to the best of their ability, attempt to code revenues correctly. However, the problem is a State of Tennessee problem. The Office of Finance and Administration does not have a system in place that adequately indicates into what accounts revenue should be placed. At times neither the trustee, the Finance Office, nor the school system can determine the origin and

destination of the revenue. We will continue to work together to improve the process.

- C. The school system does not believe this should be a finding against the school system. The State Department of Education's financial consultant calculated the reserves, and they were presented to the Finance Office for posting. If they were not posted or were incorrectly posted, the school system is limited in that it can only present them to the Finance Office to be posted.

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**FINDING 08.08      APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDS IN THE HIGHWAY/PUBLIC WORKS, GENERAL DEBT SERVICE, AND AMBULANCE SERVICE FUNDS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The budget and subsequent amendments submitted to and approved by the County Commission for the Highway/Public Works, General Debt Service, and Ambulance Service funds resulted in appropriations exceeding estimated available funds causing a budgeted fund deficit of \$208,939, \$94,669, and \$114,690, respectively. Sound budgetary principles dictate that appropriations be held within estimated available funding. The budgetary deficiencies were the result of management's lack of oversight in the budgetary process.

**RECOMMENDATION**

Appropriations that exceed estimated available funds should not be submitted to the County Commission, and the County Commission should not approve such appropriations.

**MANAGEMENT'S RESPONSE – FINANCE DIRECTOR**

Fund balances are estimated as closely as possible during preparation of the county's annual budget. Actual fund balances; however, are sometimes not available until late in the fiscal year causing the projected fund balances to be misleading. The Finance Office will develop a method to utilize corrective budget amendments, which will produce accurate fund balances before additional appropriations are approved by the County Commission.

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**FINDING 08.09      THE FINANCE DIRECTOR'S BOND WAS NOT PROPERLY FILED**  
(Noncompliance Under Government Auditing Standards)

The finance director did not have an official bond on file in the State Comptroller's Office for the period of November 10, 2007, through January 5, 2009. Section 5-21-109, Tennessee Code Annotated, requires the finance director to have an official bond, and that the bond should be filed with the State Comptroller's Office. The failure to file the bond is the result of management's lack of oversight.

## RECOMMENDATION

The finance director should ensure that she is properly bonded, and that the bond is filed with the State Comptroller's Office as required by state statute.

## MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

The finance director's bond was procured, purchased, and approved by the County Commission in a timely manner as required by law. However, it was mistakenly filed away locally before it was recorded and sent to the Comptroller's Office as the law further prescribes. We will endeavor to ensure that bonds for all county officials are recorded and submitted to the Comptroller's office as stipulated.

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## FINDING 08.10      **THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES** (A., B., and C. – Internal Control – Significant Deficiency Under Government Auditing Standards; D., E., and F. – Noncompliance Under Government Auditing Standards)

Our audit revealed the following purchasing deficiencies. These deficiencies can be attributed to a lack of management oversight.

- A. Forms to justify emergency purchases were completed for many purchases; however, many of these purchases did not appear to be emergency situations. Also, these emergency purchase forms were used to justify purchases in excess of their purchase orders and to request payment for items that were purchased without purchase orders. Emergency purchases can reasonably be defined as purchases that do not occur within the normal course of business, could not have been foreseen, and/or are so urgent in character that an immediate purchase must be made because essential services would be disrupted.
- B. The office did not issue purchase orders for some applicable purchases. Purchase orders should be issued for all applicable purchases in accordance with purchasing policies. Purchase orders are necessary to control who has purchasing authority for the office and to document purchasing commitments. The failure to issue purchase orders increases the risks of unauthorized purchases.
- C. Several invoices were paid without documentation that goods had been received and services had been rendered. This practice could result in the county paying for items not received or paying invoices more than once.
- D. In several instances, travel reimbursements were made to employees for lodging and meals that exceeded the maximum allowable amounts provided by the county's travel policy. Also, several reimbursements for lodging were not supported with receipts as required by the county's travel policy, and

some reimbursements were paid for overnight travel without documentation to support the reason for the travel. Hickman County has adopted the State of Tennessee's travel regulations as its guidance for official travel. Section 8-26-109, Tennessee Code Annotated, requires employees to file itemized expense accounts showing the date, amount of each separate item, and the purpose for which it was expended. The failure to follow the travel policy increases the risks of unauthorized expenditures.

- E. The Finance Office failed to comply with the county's policy controlling the use of the county's credit cards. This policy requires that all county credit cards be maintained by the Finance Office and be sequentially numbered. Persons using the cards must sign a log maintained by the Finance Office noting the date and card number assigned for the intended purchase. Auditors noted Wal-Mart cards maintained by the Finance Office numbered one through 15; however, card numbers three, six, and nine were unaccounted. These cards were not logged out, and the Finance Office was unaware of the location of these cards. The failure to maintain control over the county's credit cards increases the risks of unauthorized purchases.
- F. Our audit disclosed the following deficiencies regarding competitive bids:
1. Competitive bids were not solicited for the purchase of milk products (\$12,810) and tray dinners (\$91,836) at the jail. Management informed auditors that the tray dinners were purchased from a sole source; however, management could not provide documentation to support that statement.
  2. Competitive bids were not solicited for the purchase of two used 2003 Ford Crown Victoria vehicles (\$19,900) for the Sheriff's Department. The vehicles cost \$9,950 each and were purchased on the same day.
  3. Competitive bids were not solicited for the purchase of seven heating and air conditioning units for the new administrative building (\$30,197). The purchases for the heating and air conditioners were made during the same month. However, it appears the county made the purchases on separate purchase orders, and purchases were invoiced on more than one invoice in an attempt to circumvent bid requirements.

Purchasing procedures for Hickman County are governed by provisions of the County Financial Management System of 1981, which provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids. The failure to solicit competitive bids was management's decision and could result in the county paying more than the most competitive price.

## RECOMMENDATION

Emergency purchases should be used only when a purchase is a true emergency. Purchase orders should be issued for all applicable purchases. The office should maintain documentation that goods have been received or services have been rendered before invoices are paid. The county should follow its travel policy when reimbursing county employees for their business-related travel expenses. The county should comply with its policy concerning credit cards and closely monitor the use of the county's credit cards. Competitive bids should be solicited for all applicable purchases.

## MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

- A. The Finance Office has already implemented corrective action on this finding by revising the emergency justification form to clarify between emergency and overage justifications.
  - B. Purchase orders are required for all purchases. However, in some instances, county commissioners and department personnel authorized purchases outside the scope of their jurisdiction and in violation of the county's purchasing policy. The Finance Office will endeavor to, insofar as its authority will allow, continue to require all authorized persons making purchases on behalf of Hickman County to abide by the county's purchasing policy and bring all known violations to the Finance Committee for possible sanctions.
  - C. Policy requires that a signed invoice must be attached to the department's copy of a purchase order and then submitted to the Finance Office for such documentation. This policy will be more closely followed in the future.
  - D. Management will stress the need for accurately recording and reporting travel taken on behalf of the county. The county's travel policy will be utilized more efficiently in the future.
  - E. The Finance Office keeps a log requiring the recipient to sign for each credit card checked out and when it is returned. When the card is no longer usable, the Finance Office will keep a log of such card disposal. The three Wal-Mart cards in question were missing from the Finance Office prior to the current director's tenure; however, the Finance Office has now corrected that deficiency by working closely with Wal-Mart.
  - F. Procedures have been developed to ensure that competitive bids will be solicited for food items at the jail. Additionally, the Finance Office will endeavor to ensure that competitive bids will be solicited when more than one item is being purchased as required by our purchasing policy.
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## OFFICE OF TRUSTEE

### FINDING 08.11      **THE OFFICE HAD ACCOUNTING DEFICIENCIES** (Internal Control – Significant Deficiency Under Government Auditing Standards)

Our audit revealed the following accounting deficiencies in the office. These deficiencies can be attributed to a lack of management oversight.

- A. The accounting records did not accurately reflect the activity and balances of the short-term bank accounts. As of June 30, 2008, the short-term account balances were misstated by \$178,414. Auditors presented audit adjustments to management that they approved and posted to properly present the short-term accounts in the financial statements of this report.
- B. Reconciliations of general ledger balances with the trustee's bank clearing accounts were not prepared monthly. The reconciliation of bank accounts with general ledger accounts is a necessary procedure to ensure that all collections and disbursements are recorded accurately in the accounting records.

### RECOMMENDATION

Short-term bank account activity should be accurately posted in the accounting records. Reconciliations of general ledger balances with bank clearing accounts should be prepared monthly and any differences noted should be corrected promptly.

### MANAGEMENT'S RESPONSE – TRUSTEE

The Trustee's Office converted from the warrant system to the checking system on May 5, 2008, as requested by the local bank. Prior to implementing the checking system, the trustee requested assistance from County Audit. When balancing problems arose, additional assistance was requested from County Technical Assistance Service and Local Government Data Processing Computer Corporation. All efforts were made by the Trustee's Office to follow instructions given. All procedures were performed in good faith. Due to the upcoming year-end date of June 30, 2008, accounting procedures to correct these issues were posted after that date. This finding has been corrected and will be given proper attention in the future.

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**OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND CLERK AND MASTER**

**FINDING 08.12**      **THE OFFICES DID NOT REVIEW SOFTWARE AUDIT LOGS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the Offices of Circuit and General Sessions Court Clerk and Clerk and Master generated daily logs that displayed changes made by users. Since these logs provided the only audit trails of these changes, they should be reviewed daily for inappropriate activity. Because they were not aware of its importance, management did not begin reviewing these logs until several months into the fiscal year. Procedures for reviewing these logs are currently in place.

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**OFFICE OF SHERIFF**

**FINDING 08.13**      **THE OFFICE HAD DEFICIENCIES IN THE OPERATION OF A COMMISSARY**  
(A. through L. – Internal Control – Significant Deficiency Under Government Auditing Standards; M. through O. – Noncompliance Under Government Auditing Standards)

The Sheriff's Department operated a commissary in-house to provide inmates with various items. Our audit revealed the following accounting deficiencies. These deficiencies can be attributed to a lack of management oversight and inadequate maintenance of manually posted accounting records.

- A. Duties related to commissary operations were not segregated adequately among employees. The employee responsible for maintaining accounting records was also involved in receipting, depositing, and/or disbursing funds.
- B. Commissary transactions were not included in the official cash journal. The official cash journal is the office's control record and should reflect all financial activity.
- C. The Sheriff's Department did not provide auditors with a trial balance of inmates' accounts. Therefore, we were unable to determine if the records accurately reflected the commissary operations or if all inmates received payment for the balances remaining in their accounts upon release.
- D. The bookkeeper attempted to reconcile bank statements with the checkbook ledger; however, some of these reconciliations contained errors that were not identified and corrected.
- E. Inmates were allowed to purchase commissary items even when they had no money in their accounts, thus several inmate accounts had negative balances.

- F. Inmates were instructed to make checks and money orders payable to the Hickman County commissary or to the individual overseeing the commissary.
- G. We noted four checks issued on the commissary bank account totaling \$1,421.70 made payable to cash. These checks were purportedly used to purchase inventory items. Two of these checks totaling \$509.54 did not have any supporting documentation for items purchased.
- H. An inventory tracking system was not maintained for commissary items, and the inventory was not periodically inspected by someone independent of overseeing the inventory.
- I. Inmates were charged a fee of \$10 to open a commissary account. This charge is not supported by state statute.
- J. Numerous addition errors were noted on the individual commissary order forms. Ending balances on some order forms were not carried forward as beginning balances on subsequent order forms.
- K. Some purchases made by the commissary did not have any supporting documentation. Some purchases had invoices; however, a few of these invoices did not detail the items purchased.
- L. Commissary records were stored at the bookkeeper's house.
- M. The Sheriff's Department did not include the commissary activity on the annual financial report. Section 5-8-505, Tennessee Code Annotated (TCA), requires all county officials having public funds or moneys in their charge and custody to file an annual financial report with the county mayor and county clerk.
- N. The office remitted commissary profits to the county trustee twice during the year; however, the bookkeeper could not provide any supporting documentation on the calculation of the profit remitted to the county. The state attorney general opined in November 1989, that profits earned from commissary operations are local revenues and should be administered as any other local revenue. Section 8-24-103, TCA, provides that all funds earned by the Sheriff's Department should be reported to the county monthly.
- O. Prenumbered receipts were issued for commissary collections; however, the receipts were generic receipts, some receipts were missing, and the books were not in sequential order. Section 9-2-103, TCA, requires official prenumbered receipts to be issued when collections are received. Without official prenumbered receipts, we were unable to determine if all funds had been accounted for.

## RECOMMENDATION

- A. The sheriff should segregate duties to the extent possible using available resources.
- B. Commissary transactions should be posted to the official cash journal.
- C. The Sheriff's Department should generate a trial balance of inmate accounts monthly. This trial balance should be reconciled with the commissary's general ledger.
- D. Bank statements should be reconciled with the checkbook ledger and cash journal accounts monthly, and any errors noted should be corrected promptly.
- E. Inmates should not be allowed to purchase commissary items on credit.
- F. Checks and money orders should be made payable to the Hickman County Sheriff's Department commissary not to individuals operating the commissary.
- G. Commissary inventory items should be purchased by official checks drawn on the commissary bank account made payable to vendors. Checks should never be made payable to cash.
- H. An inventory tracking system should be maintained for commissary items. Someone other than the person physically maintaining the inventory should be responsible for stocking, distributing, and inspecting the inventory items.
- I. In the absence of statutory authority, fees should not be charged to establish a commissary account.
- J. Commissary order forms should be mathematically correct. Ending balances should be carried forward as beginning balances on subsequent forms.
- K. All purchases from the commissary bank account should have detailed invoices on file to support the expenditures.
- L. Commissary records are official county records and should be maintained at the Sheriff's Department.
- M. The annual financial report should include the operations of the commissary as required by state statute.
- N. Accounting records should reflect the financial activity of the commissary operation and have the capability of documenting calculations of profit or loss. Any profit should be remitted to the county monthly.
- O. Official prenumbered receipts should be issued for all collections.

## OTHER FINDING AND RECOMMENDATION

### FINDING 08.14      **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE DEPARTMENTS OF SOLID WASTE, AND PLANNING AND ZONING, AND IN 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 Departments of Solid Waste and Planning and Zoning, and in the Offices of Trustee and Clerk and Master. Employees who were responsible for maintaining accounting records in the office were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

### RECOMMENDATION

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

### MANAGEMENT'S RESPONSE – COUNTY MAYOR AND FINANCE DIRECTOR

While we are in overall agreement with this finding, we realize it will be difficult, if not impossible, to alleviate it without additional personnel. We will, however, endeavor to segregate duties in these offices as much as can be reasonably expected.

**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, 2008**

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